MARKET STUDY & VALUATION REPORT

Expansion of Bloomingdale Quarry
Bloomingdale Borough
Passaic County, New Jersey

PREPARED FOR

Borough of Bloomingdale
c/o Fred Semrau, Esq.
Dorsey & Semrau, LLC
714 Main Street
Boonton, NJ 07005

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800.458.7161

15 Brunswick Woods Drive
East Brunswick, NJ 08816

140 Broadway, 46th Floor
New York, New York 10005

www.otteau.com

OTTEAU GROUP
VALUATION | RESEARCH | CONSULTING | BROKERAGE

New York Office
140 Broadway, 46th Floor
Manhattan, NY 10005

New Jersey Office
15 Brunswick Woods Drive
East Brunswick, NJ 08816
Tel: 800-458-7161
Fax: 800-273-3295
www.otteau.com

February 11, 2016

Borough of Bloomingdale
c/o Fred Semrau, Esq.
Dorsey & Semrau, LLC
714 Main Street
Boonton, NJ 07005

RE: Proposed Expansion of Bloomingdale Quarry
Bloomingdale Borough
Passaic County, New Jersey

Dear Mr. Semrau:

In accordance with your request, I submit our market study & valuation report regarding the above referenced property. The purpose of our study is to develop the following opinions with regard to the proposed expansion of the existing quarry boundaries to include a 180.1-acre parcel of land commonly known as the 'Meer Tract':

- To determine whether the proximity of residential homes to an active quarry operation results in any diminution of property value.
- To determine whether the proposed development of inclusionary multi-family housing on a 32-acre portion of the 'Meer Tract', to include both market-rate and affordable dwellings, is a viable use of the property that will fill a need in the local and regional submarket area.
- To provide a valuation for the Meer Tract, pursuant to the following scenarios:
    - The market value of the 32-acre portion which is approved for multi-family development based assuming that municipal approval of the quarry expansion has been granted and that site excavation and preparation work to facilitate residential development has been completed.
    - The market value of the entire 180.1-acre parcel assuming that quarry expansion is not is not permitted and that site excavation and preparation work to facilitate the approved multi-family development has not been completed.

I have inspected the subject site and investigated economic, demographic and real estate market factors that are relevant to the purpose and intended use of our study.

This market study report summarizes the various processes employed in developing our conclusions, the relevant data which formed the basis of our analyses, various exhibit documents upon which we have relied and any assumptions upon which our conclusions have been based.

Respectfully submitted,

Jeffrey G. Otteau, President,
New Jersey Certified General Real Estate Appraiser, #42RG00094100
New York Certified General Real Estate Appraiser, #46000045325
Pennsylvania Certified General Real Estate Appraiser, #GA003481
Delaware Certified General Real Estate Appraiser, #X1-0000419
National Association of Independent Fee Appraisers, IFA Designation #2377

JGO/td

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PART I - INTRODUCTION

Executive Summary

Date of Study Report:	February 11, 2016
Effective Date of Study:	October 1, 2015
Location:	
Existing Quarry	260 Acres Block 5105, Lot 84 Bloomingdale Borough Passaic County, NJ
Meer Tract	180.1 Acres Block 5105, Lot 14 Bloomingdale Borough Passaic County, NJ
Current Zoning:	
Existing Quarry	M-1-Q, Quarry
Meer Tract	AH, Affordable Housing
Present Use:	
Existing Quarry	Quarry operation which produces asphalt, crushed stone and recycles materials
Meer Tract	Vacant Land with approvals in place for the development of 360 multi-family dwellings (288 Market-Rate & 72 Affordable-Rate)

Conclusions:

1. The existence of an operating quarry does not cause any diminution in value to homes which border, or are located near to, that quarry. Therefore, the expansion of the existing Bloomingdale Quarry operations would not cause any reduction in property values for nearby homes.
2. The development of the Meer Tract as an inclusionary project with a set-aside for affordabel housing, or with off-site contributions towards affordable housing, is a beneficial use of the property that will fill a need in the local and regional submarket area. Such development is strongly supported by current and projected housing demand and household income levels. At the present time, such development would likely be in the form of rental apartments due to a combination of factors, primary of which is recent declines in the homeownership rate coupled with the scarcity of financing for condominium developmenjt projects. Based upon current approvals,

the project would consist of a total 360 dwellings, of which 288 would be market-rate and 72 would be affordable housing.

3. Market Value of the Meer Tract pursuant to the following scenarios:

   a. Scenario 1 - The market value of the 32-acre portion which is approved for multi-family development based assuming that municipal approval of the quarry expansion has been granted and that the grading of the land to facilitate residential development has been completed.

   288 Market-Rate Dwelling Units @ $37,000.00 = $10,656,000.00
   (Ten Million Six Hundred Fifty-Six Thousand Dollars)

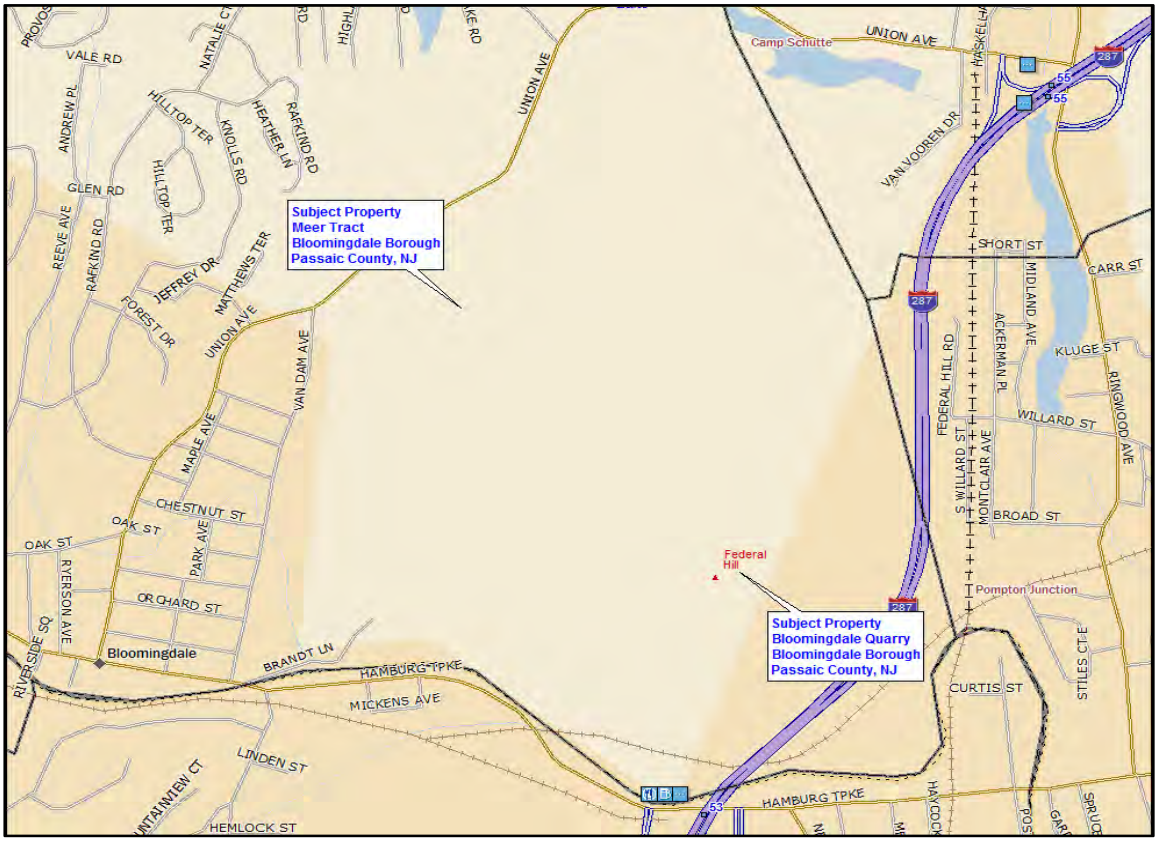
   b. Scenario 2 - The market value of the entire 180.1-acre parcel assuming that quarry expansion is not is not permitted and that the grading of the land to facilitate the approved multi-family development has not been completed.

   180.1 Acres @ $10,000.00 = $1,801,000.00
   (One Million Eight Hundred One Thousand Dollars)

   Based upon the current tax assessment on the property, and applying the 92.64% Equalization Ratio for the 2015 Tax Year, the indicated "True Value" for tax purposes of the subject property is $12,046,632.12. Therefore, the current assessments reflect an indicated "True Value" that is about 6 times the current market value. Based upon the 2015 tax rates, Bloomingdale Borough is likely to see a loss in tax revenue equivalent to $384,787.58 annually if the excavation of the Meer Tract does not occur[1]. Another possibility, and perhaps a probability, is for the Meer Tract to be deeded to a not-for-profit land conservancy which would reduce the property taxes to zero.

[1] Includes $77,019.21 in property taxes paid to Passaic County

Subject Property Location



Date of the Study & Valuation

The effective date of the market study and valuation is **October 1, 2015**, which establishes the context for the analysis in terms of economic, demographic and real estate market conditions. The date of this report is **February 11, 2016,** which identifies when the analyses and report were prepared.

Identification of Property

Existing Bloomingdale Quarry: The Pompton Lakes Quarry is a 260-acre parcel of land located on Federal Hill in Bloomingdale Borough, Passaic County, New Jersey. The property is identified on the municipal tax map of Bloomingdale Borough, as Block 5105, Lot 84. The current owner of record is Tilcon New York Inc. The property presently consists of a quarry, which produces asphalt, crushed stone and recycles materials.

Additionally, Block 1000, Lot 20 (W. of Erie RR), Block 1000.01, Lot 1 (Broad Street), Block 1000.01, Lot 20.01 (Broad Street), Block 1800, Lot 19 (Montclair Avenue), Block 2701, Lot 1 (504 Montclair Avenue) and Block 2701, Lot 3 (Montclair Avenue) are all owned by Tilcon New York Inc. and are located in neighboring Pompton Lakes Borough. Since these parcels have no existing quarry operations, they are not considered a part of the subject of this analysis.

Meer Tract Expansion: A proposed expansion of the Bloomingdale Quarry would annex a property commonly known as the 'Meer Tract', a 180.10-acre parcel of vacant land also located on Federal Hill, which is located off Van Dam and Union Avenues in Bloomingdale Borough, Passaic County, New Jersey. The property is identified on the municipal tax map of Bloomingdale Borough, as Block 5105, Lot 14. The current owner of record is an entity named Meer Bloomingdale. The property presently consists of vacant land adjacent to the Pompton Lakes Quarry with approvals in place for the development of 360 multi-family dwellings (288 Market-Rate & 72 Affordable-Rate).

Purpose & Intended Use of the Study & Valuation

The purpose of our analyses are to develop the following opinions with regard to the proposed expansion of the existing quarry boundaries to include a 180.1-acre parcel of land commonly known as the 'Meer Tract':

- To determine whether the proximity of residential homes to an active quarry operation results in any diminution of property value.
- To determine whether the proposed development of inclusionary multi-family housing on a 32-acre portion of the 'Meer Tract', to include both market-rate and affordable dwellings, is a viable use of the property that will fill a need in the local and regional submarket area.
- To provide a valuation for the Meer Tract, pursuant to the following scenarios:
    - The market value of the 32-acre portion which is approved for multi-family development based assuming that municipal approval of the quarry expansion has been granted and that site excavation and preparation work to facilitate residential development has been completed.
    - The market value of the entire 180.1-acre parcel assuming that quarry expansion is not is not permitted and that site excavation and preparation work to facilitate the approved multi-family development has not been completed.

The intended use of this study is to assist Bloomingdale Borough in considering an application to expand the existing Bloomingdale Quarry boundaries.

Intended User of the Study

The intended user of the study is the client, **Bloomingdale Borough.** Any reliance upon this report by any other individuals or parties is unintended.

Scope of Work

The client authorized a market study and appraisal valuation of the subject property. The analyses and conclusions set forth herein have been prepared in conformity with the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP). A market study and appraisal are orderly procedures by which the study and appraisal problem are defined; the work necessary to solve the problem is planned and the data involved is acquired, classified, analyzed, interpreted and translated into conclusions. This entire procedure is referred to as the market study and appraisal process. In determining the value estimate of a parcel of real estate, the appraiser may consider three (3) separate but interrelated approaches to value. These are commonly known as the Sales Comparison Approach, Cost Approach and Income Approach.

- The Sales Comparison Approach is based upon the proposition an informed purchaser would pay no more for a property than the cost of acquiring an existing property with the same utility. In applying this approach, the appraiser extracts information from the market for similar properties that have sold, which are then adjusted to the subject

property. A final interpretation is then made in order to arrive at a value estimate for the subject property. Since this approach is based upon the reaction of typically informed buyers and sellers, it is considered the most reliable methodology for most property types.

- The Cost Approach is based upon the proposition that an informed purchaser would pay no more for a property than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist no comparable properties that have either sold or are on the market.
- The Income Approach is based on the proposition that discounted future income to be realized from a property is the basis of market value. Specifically, the appraiser first determines the gross potential income which the property is capable of producing. Allowances for vacancy, credit losses and various expenses are deducted from this gross income so as to indicate a net operating income. This net income is then converted into a market value estimate through a process known as capitalization.

Only under optimum conditions when all factors affecting value are in balance will the value indication yielded by these three (3) approaches coincide. Under normal market conditions, the value indication yielded by one or more of these approaches will be more significant than that indicated by the others. Additionally, property characteristics or special purpose type uses may render one or more of these approaches not applicable. In such a circumstance, the remaining approaches will be utilized. When more than one approach is applicable the appraiser will correlate those separate indications into a final value estimate for the subject property.

In the appraisal valuation of the subject property, the Cost & Income Approaches have been excluded for the following reasons:

- Cost Approach - This approach is not applicable because the subject of this report consists of undeveloped land without any relevant building improvements. Accordingly, this approach has been excluded.
- Income Approach - This approach is also not applicable to the subject property because it consists of vacant land with approvals to construct multi-family housing, which is typically purchased in fee simple estate rather than being leased by the developer. Accordingly, this approach has been excluded.

VALUATION METHODOLOGY OF THE APPRAISAL

Approach	Applicability to Subject	Use in Assignment
Sales Comparison Approach	Applicable	Yes
Cost Approach	Not Applicable	No
Income Capitalization Approach	Not Applicable	No

The scope of work in developing this appraisal included the following:

1. Identification of the Market Study & Appraisal Problem: Identification of the property, type of study and value being developed, and property rights appraised. The appraisal estimates market value of the fee simple interest of the property
2. Inspection of the Property: A property inspection was conducted on July 20, 2015 by the appraiser.
3. Document Review: Reviewed various documents that relate to the subject property that were provided by the client including but not limited to conceptual site plans, conceptual architectural plans, redevelopment studies, construction details, common amenities, and the projected program of commercial and residential uses.
4. Research & Verification: Collection of relevant facts related to the subject property including but not limited to zoning, utilities, land areas, restrictions, economic factors, demographic factors, easements and other pertinent factors which are considered germane to the assignment. Jessica L. Petraccoro has provided research assistance to the person(s) signing this report.
5. Comparable Sales Data: Collection and verification of the comparable data with one or more of the parties who have knowledge of the transactions including but not limited to buyers, sellers, brokers, lawyers, lenders, appraisers and government transfer and property records.
6. Highest & Best Use: Consideration of the highest and best use of the subject and other factors affecting value.
7. Study & Valuation Analysis: Consideration of the recognized and accepted approaches to market study and valuation along with other analytical techniques, and the explanation and application of those which are considered to be the most appropriate to utilize in determining viability and market value as well as providing the rationale for not utilizing those considered the least appropriate. The subject property has been valued taking into consideration all forces influencing value.
8. Conclusion: Reconciliation of the market analyses and valuation techniques resulting from the utilization of the various approaches into a final value conclusion.

Effective January 1, 2014, the Appraisal Standards Board revised the Uniform Standards of Professional Appraisal Practice to reflect two report options: Appraisal Report and Restricted Appraisal Report. The essential difference among these options is the content and level of information provided. The appropriate reporting option and the level of information necessary in the report are dependent on the intended use and the intended users.

An *Appraisal Report* may have the client as the only intended user but may also have other intended users; specified parts of the research and development must be summarized; must summarize information analyzed and reasoning that supports analyses, opinions and conclusion.

A *Restricted Appraisal Report* must have the client as the only intended user. Research and development need only be stated. A restricted appraisal must include a prominent use restriction that limits the use of the report to the client and warns that the rationale for how opinions and conclusions set forth were arrived at may not be properly understood without additional information.

This property valuation was prepared in accordance with the requirements of the ***Appraisal Report*** option of USPAP Standards.

Jessica L. Petraccoro has provided research and report writing assistance in the preparation of this analysis and report with regard to legal description, taxes and assessments, history of property, zoning, comparable sales analysis, cost analysis and income analysis.
The scope of work employed in developing this analysis included:

Competency Provision

We are aware of the competency provision of the Uniform Standards of Professional Appraisal Practice (USPAP). The author(s) of this report meets those standards. It is our opinion that we are fully competent to perform this appraisal, due to the fact that:

- We have full knowledge and experience in the nature of this assignment.
- All necessary and appropriate steps have been taken in order to complete the assignment competently; and
- We do not lack any knowledge or experience that would prohibit this assignment from being completed in a professional and competent manner, or where a biased or misleading opinion of value would be rendered.

Ownership & History of Property

Pompton Lakes Quarry - The current owner of record for the property is Tilcon New York Inc. Our investigation has not discovered any recent transfers of title, leases, options, listing agreements or pending purchase contracts for the subject property.

Meer Tract - The current owner of record for the property is Meer Bloomingdale.

Our investigation has identified a 2004 Quitclaim Deed which granted and conveyed a 13.9% interest of George Meer in the property to REEM Ventures, Inc. which is summarized below:

Date of Transfer:	**June 9, 2004**
Grantor:	Meer Bloomingdale Estates (Partnership) & George Meer
Grantee:	REEM Ventures, Inc.
Consideration:	$ 100
Recording Information:	
Date:	June 15, 2004
Book	793
Page:	130

Comment: The municipal tax assessor has classified this transaction as being "Non Usable Code 25" which refers to "Transactions in which the full consideration as defined in the "Realty Transfer Act" is less than $100.00.

Our investigation has not discovered any additional transfers of title, leases, options or listing agreements for the subject property. It is our understanding that a purchase agreement by which the Meer Tract would be acquired by the current operators of the quarry has been negotiated. We have not however been provided with any details of that agreement.

In 2007, the Meer Tract was re-zoned as **AH, Affordable Housing** within which the principal permitted use is limited to Multi-family buildings. The purpose of this rezoning was to implement a Superior Court Order[2] to facilitate the Borough addressing its constitutional low and moderate income housing obligation. The purpose of this zone is to facilitate the construction of an inclusionary development consisting of a maximum of three hundred sixty (360) multi-family units, including seventy-two (72) units of low and moderate income, on thirty-two acres with the remainder of the site to be preserved as open space. The low and moderate income housing units are subject to the requirements of N.J.A.C. 5:94-1 (COAH's rules) and N.J.A.C. 5:80-26 et seq. (Uniform Housing Affordability Controls)[3].

Tax and Assessment Analysis

Pompton Lakes Quarry - According to the official records of the Passaic County Board of Taxation, the subject property is legally described as Block 5105, Lot 84 on the Tax Map of Bloomingdale Borough in Passaic County, New Jersey.

[2] D.R. Horton, Inc. - New Jersey and Bloomingdale Joint Venture V. Borough of Bloomingdale and Planning Board of Bloomingdale, et al, Docket No. PAS-L-3361-05, and D.R. Horton, Inc. - New Jersey and Bloomingdale Joint Venture, Joint Venture Partners V. Borough of Bloomingdale Planning Board, et al, Docket No. PAS-L-1259-06

[3] A recent decision by the New Jersey Supreme Court in March of 2015 declared the state's affordable housing process 'non-functioning' and transferred jurisdiction over low-income and moderate-income housing from the executive branch back to the courts. While the implications from this decision are not yet fully understood, most development projects are continuing to apply COAH guidelines in determining the allocation and rental rates for any affordable-rate housing units that are set aside within a project.

2015 Assessments:

Land:	$ 4,160,000.00
Improvements:	$ -0-
Total:	$ 4,160,000.00
Tax Rate:	$ 4.054
Taxes	$ 168,646.40

Applying the 92.64% Equalization Ratio for the 2015 Tax Year, which was certified as of October 1, 2014 for use in tax year 2015, the indicated "True Value" for tax purposes of the subject property is $4,490,500.80.

Meer Tract - According to the official records of the Passaic County Board of Taxation, the subject property is legally described as Block 5105, Lot 14 (Off Van Dam & Union Avenues) on the Tax Map of Bloomingdale Borough in Passaic County, New Jersey.

2015 Assessments:

Land:	$ 11,160,000.00
Improvements:	$ -0-
Total:	$ 11,600,000.00
Tax Rate:	$ 4.054
Taxes	$ 452,426.40

Applying the 92.64% Equalization Ratio for the 2015 Tax Year, which was certified as of October 1, 2014 for use in tax year 2015, the indicated "True Value" for tax purposes of the subject property is $12,046,632.12.

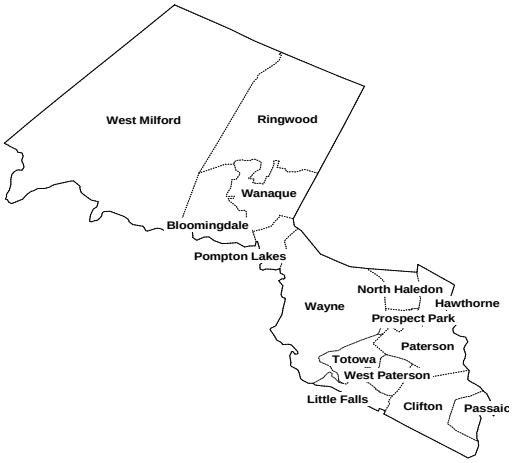
Based upon the valuation analysis contained in a later section of this report, the current assessments on the property significantly overvalue the property. Our valuation analysis of the property in its 'as is' state indicate a market value of $1,801,000. Based upon Bloomingdale's equalization ratio of 92.64%, a total assessed value of $1,668,446.40 is indicated for the property. Applying the 2015 tax rates for Bloomindale Borough indicates a potential loss in total tax revenues of $384,787.58 annually if the excavation of the Meer Tract does not occur[4]. Another possibility, and perhaps a probability, is for the Meer Tract to be deeded to a not-for-profit land conservancy which would reduce the property taxes to zero.

[4] Includes $77,019.21 in property taxes paid to Passaic County

PART II – FACTUAL DESCRIPTIONS

Area Analysis

The study areas are located within Passaic County which is situated at the extreme northern portion of New Jersey immediately south of Rockland and Orange Counties in New York State. Land use within the county is widely varied with the northernmost portion including large undeveloped areas which includes lakes, state-owned forests, recreation areas, conservation areas and reservoirs. The central portion of Passaic County is mostly suburban in character, while it's more urban southern area includes the cities of Passaic and Paterson.



Economic activity and real estate demand in Passaic County are enhanced by its proximity to Manhattan, Newark Airport and Port Newark/Port Elizabeth. Existing transportation infrastructure is also a strong asset for Passaic County including major roadways and rail service. Some of the more significant roadways passing through the county include the Garden State Parkway, New Jersey Turnpike, Interstates 287 and 80, and state Routes 3, 19, 20, 21, 23, 46 and 208.

According to a 2014 Survey, the Passaic County business landscape was estimated to include approximately 12,000 employers ranging from small-businesses to large corporations, creating a solid base of employment for its labor force of 248,500 workers. Major employers in the county included St. Joseph's Hospital, Scher Chemicals Inc., GAF Materials Corp., ITT Corporation, Toys "R" Us, William Paterson University of New Jersey, BAE Systems, Bank of New York, Passaic County College and CYTEC Industries.

Passaic County Private Sector Employment				
Sector	Establishments	Annual Avg. Employment	Total Payroll	Avg. Weekly Wages
Agriculture	-	-	$ -	$ -
Construction	1,260	7,289	$ 452,069,991	$ 1,193
Manufacturing	724	17,284	$ 1,056,603,806	$ 1,176
Wholesale Trade	783	8,178	$ 548,425,581	$ 1,290
Retail Trade	1,869	24,556	$ 721,125,476	$ 565
Transportation/Warehousing	348	4,165	$ 135,245,905	$ 624
Information	105	1,601	$ 100,558,089	$ 1,208
Finance and Insurance	454	4,481	$ 322,714,059	$ 1,385
Real Estate, Rental, Leasing	349	1,705	$ 73,703,031	$ 831
Professional and Technical Services	1,129	7,051	$ 495,823,848	$ 1,352
Management of Companies	38	3,883	$ 495,839,072	$ 2,456
Administrative and Support/Waste Mgmt & Remediation S	774	10,918	$ 342,398,063	$ 603
Educational Services	125	2,782	$ 111,055,726	$ 768
Health Care and Social Assistance	1,407	24,134	$ 1,131,864,223	$ 902
Arts, Entertainment, Recreation	123	1,175	$ 26,987,659	$ 442
Accommodation and Food Services	944	9,718	$ 170,698,684	$ 338
Other Services, except Public Administration	1,253	6,294	$ 175,644,368	$ 537
Private Sector Totals	**11,863**	**136,735**	**$ 6,482,153,213**	**$ 912**

Source: NJ Department of Labor and Workforce Development, NJ Employment and Wages Covered by Unemployment Insurance 2014

In terms of population growth, Passaic County experienced 1.25% growth over the past 5 years, which is less than the statewide growth rate of 1.75%. According to Nielsen-Claritas data, population growth is expected to continue to increase slightly (1.47%) over the 5-year period 2015-2020. The age of Passaic County's residents is younger than for New Jersey overall, with a median age of 37.0 compared to 39.6 statewide. This indicates a lesser share of older age households which correlates to limited demand for age-restricted housing.

POPULATION FACTS & TRENDS				
	Passaic County		New Jersey	
Population		%		%
2020 Projection	514,930		9,112,977	
2015 Estimate	507,449		8,945,404	
2010 Census	501,226		8,791,894	
2000 Census	489,237		8,414,361	
Growth 2015-2020	1.47%		1.87%	
Growth 2010-2015	1.24%		1.75%	
Growth 2000-2010	2.45%		4.49%	
2015 Est. Median Age	37.00		39.60	
2015 Est. Average Age	37.80		39.60	

Consistent with the slower pace of population growth, the rate of household formation in Passaic County was also smaller than the state from 2015-2020 with a growth rate of 1.09%, compared to the statewide growth rate of 1.84%. Household formation is expected to increase modestly by 1.45% over the next 5-year period (2015-2020). Also of importance is that 61% of households in the county have no children under the age of 18 living at home, which is

consistent with statewide trends. This finding indicates limited demand growth for traditional family oriented single-family detached housing.

HOUSEHOLD FACTS & TRENDS				
	Passaic County		New Jersey	
Households		%		%
2020 Projection	171,050		3,338,760	
2015 Estimate	168,610		3,273,605	
2010 Census	166,785		3,214,360	
2000 Census	163,931		3,064,642	
Growth 2015-2020	1.45%		1.99%	
Growth 2010-2015	1.09%		1.84%	
Growth 2000-2010	1.74%		4.89%	
2015 Est. Households by Presence of People	168,610		3,273,605	
Households with 1 or more People under Age 18:	65,685	38.96	1,145,713	35.00
Households no People under Age 18:	102,925	61.04	2,127,892	65.00
2015 Est. Households by Number of Vehicles	168,610		3,273,605	
No Vehicles	27,005	16.02	388,868	11.88
2015 Est. Average Number of Vehicles	1.50		1.70	
2015 Est. Households by Household Size	168,610		3,273,605	
1-person household	38,278	22.70	835,849	25.53
2-person household	44,692	26.51	966,498	29.52
3-person household	29,783	17.66	572,499	17.49
4-person household	27,271	16.17	505,905	15.45
5-person household	14,996	8.89	237,318	7.25
6-person household	7,107	4.22	92,185	2.82
7 or more person household	6,483	3.84	63,351	1.94
2015 Est. Average Household Size	2.94		2.68	

In terms of educational attainment, approximately ¼ of the county residents have a bachelor's degree or higher, which is well below the statewide average. This compares to 46% of residents in neighboring Bergen County, or nearly double. On average residents in the county have a 29-minute commute to work, which is less than the 33-minute average for the state.

Also of interest, is that only 8% of county residents use mass transportation to commute to work, which is below the statewide average. This indicates that county residents are not typically employed in New York City, which is associated with higher income levels.

EDUCATION & EMPLOYMENT				
	Passaic County		New Jersey	
2015 Est. Pop. Age 25+ by Edu. Attainment	333,330		6,129,972	%
Bachelor's Degree	56,467	16.94	1,371,119	22.37
Master's Degree	22,530	6.76	598,523	9.76
Professional School Degree	5,171	1.55	148,237	2.42
Doctorate Degree	2,496	0.75	88,625	1.45
2015 Est. Pop 16+ by Occupation Classification	231,452		4,351,951	
Blue Collar	58,158	25.13	760,098	17.47
White Collar	131,745	56.92	2,856,629	65.64
Service and Farm	41,549	17.95	735,224	16.89
2015 Est. Workers Age 16+, Transp. To Work	225,765		4,257,171	
Drove Alone	162,880	72.15	3,066,308	72.03
Car Pooled	28,124	12.46	356,618	8.38
Public Transportation	18,450	8.17	454,524	10.68
Walked	6,726	2.98	129,760	3.05
Bicycle	364	0.16	15,843	0.37
Other Means	4,100	1.82	65,052	1.53
Worked at Home	5,121	2.27	169,066	3.97
2015 Est. Avg Travel Time to Work in Minutes	28.75		33.40	

The previous indications of educational achievement explain why household income in Passaic County is significantly less than for New Jersey overall. Average household income is $83,489 and median is $61,310, which is well below the statewide level. As a result, the share of Passaic County households who are living below the poverty-level residents (13%) is significantly higher than the statewide figure (8.07%). Similarly, the share of households with children who are living below the poverty line is also greater in Passaic County. These figures on poverty and income are however largely attributable to the presence of Passaic City and Paterson City in the eastern portion of the county. In the county's more suburban places, educational and income levels are significantly higher.

INCOME				
	Passaic County		New Jersey	
2015 Est. HHs by HH Income	168,610		3,273,605	
Income Less than $15,000	21,500	12.75	310,995	9.50
Income $15,000 - $24,999	16,508	9.79	265,005	8.10
Income $25,000 - $34,999	15,235	9.04	263,219	8.04
Income $35,000 - $49,999	19,068	11.31	349,706	10.68
Income $50,000 - $74,999	26,512	15.72	530,815	16.21
Income $75,000 - $99,999	19,811	11.75	417,236	12.75
Income $100,000 - $124,999	15,964	9.47	330,775	10.10
Income $125,000 - $149,999	10,338	6.13	226,064	6.91
Income $150,000 - $199,999	12,362	7.33	278,811	8.52
Income $200,000 - $249,999	4,613	2.74	100,017	3.06
Income $200,000 - $499,999	4,989	2.96	139,332	4.26
Income $500,000 and more	1,710	1.01	61,630	1.88
2015 Est. Average Household Income	$83,489		$96,914	
2015 Est. Median Household Income	$61,310		$71,094	
2015 Est. Families by Poverty Status	121,993		2,264,447	
2014 Families at or Above Poverty	106,105	86.98	2,081,609	91.93
2014 Families at or Above Poverty with Children	51,377	42.11	980,830	43.31
2014 Families Below Poverty	15,888	13.02	182,838	8.07
2014 Families Below Poverty with Children	12,132	9.94	140,623	6.21

The median housing unit value in Passaic County is $355,172, which is slightly higher than the statewide value of $333,727. Approximately 42% of the homes are single family detached with a median age of 59 years. Once again, the higher home values correlate to the county's more affluent suburban municipalities.

HOUSING				
	Passaic County		New Jersey	
2015 Est. Tenure of Occupied Housing Units	168,610		3,273,605	
Owner Occupied	92,765	55.02	2,132,840	65.15
Renter Occupied	75,845	44.98	1,140,765	34.85
2015 Owner Occ. HUs: Avg. Length of Residence	19		18	
2015 Renter Occ. HUs: Avg. Length of Residence	9		9	
2015 Est. Median All Owner-Occupied Housing Value	$355,172		$333,727	
2015 Est. Housing Units by Units in Structure	178,878		3,631,998	
1 Unit Attached	9,087	5.08	333,932	9.19
1 Unit Detached	75,778	42.36	1,954,764	53.820624
2015 Est. Median Year Structure Built **	1956		1967	

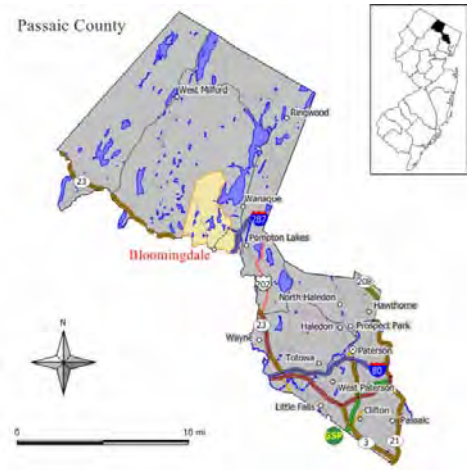
A significant portion northern Passaic County is affected by the "Highlands Water Protection and Planning Act ", enacted in 2004, which preserves open space and is intended to protect New Jersey's natural resources including water resources that supply drinking water to more than half of the state's households. The Act created the New Jersey Highlands Region with more than 800,000 acres (1,250 square miles) within 88 municipalities in seven counties (Bergen, Hunterdon, Morris, Passaic, Somerset, Sussex and Warren). Within those areas, geographic

zones identified as “Preservation Areas” are subject to significant restrictions on development, while “Planning Areas” are less affected (see map below).

Green = Preservation Areas, Yellow = Planning Areas

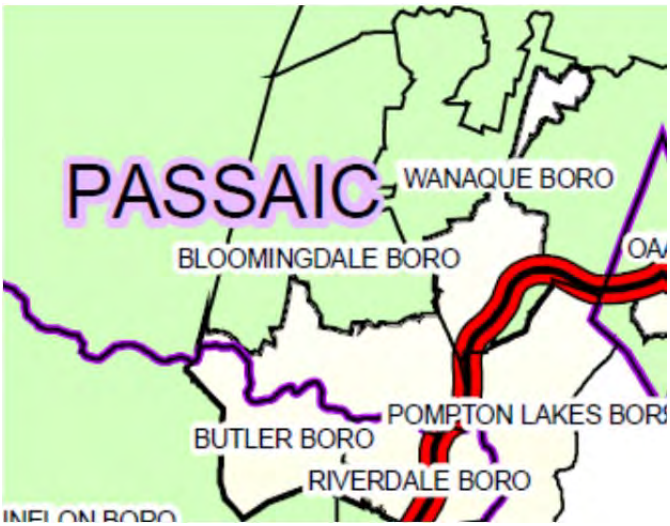
Bloomingdale Borough – Bloomingdale is a Borough within Passaic County, New Jersey with a total area of 7.292 square miles, of which, 5.396 square miles is land and 1.896 square miles (26.01%) is water. The borough borders Pompton Lakes, Ringwood, Riverdale and West Milford Township in Passaic County; and both Butler and Kinnelon in Morris County.

As of the 2010 United States Census, the borough's population was 7,656, reflecting an increase of only 46 people (+0.6%) from the 7,610 counted in the 2000 Census, which had in turn increased by 80 (+1.1%) from the 7,530 counted in the 1990 Census. The 2010 Census also reported 2,935 households, 2,034 families and a population density of 879 per square mile. There were also 3,089 housing units at an average density of 354.5 per square mile. Household characteristics for Bloomingdale indicate that only 29.8% had children under the age of 18 living with them, 56.0% were married couples living together, 25.1% were made up of individuals, and 8.1% had someone living alone who was 65 years of age or older. The average household size was 2.57 and the average family size was 3.10. In the borough, 21.1% of the population were under the age of 18, 6.4% from 18 to 24, 27.7% from 25 to 44, 29.9% from 45 to 64, and 14.8% who were 65 years of age or older. The median age was 41.8 years.



The Bloomingdale School District serves public school students in Kindergarten through eighth grade. Schools in the district are Martha B. Day Elementary School (grades K-1), Samuel R. Donald Elementary School (2-4) and Walter T. Bergen Middle School (5-8). For ninth through twelfth grades, high school-aged students from Bloomingdale attend Butler High School in the adjacent community of Butler in Morris County, as part of a sending/receiving relationship with the Butler Public Schools

The borough has a total of 29.54 miles of roadways, of which 21.04 miles are maintained by the municipality, 7.88 miles by Passaic County and 0.62 miles by the New Jersey Department of Transportation. New Jersey Transit provides bus transportation to the Port Authority Bus Terminal in Midtown Manhattan. In September 2012 bus service to Newark was suspended due to budget cuts.



The northern 2/3 of Bloomingdale is located within the New Jersey Highlands Region's preservation area, which imposes severe limitations on development.

Neighborhood Analysis

The subject property's neighborhood area is situated at the extreme southeastern portion of Bloomingdale Borough, immediately west of Pompton Lakes and north of Riverdale Borough (Morris County). The neighborhood area is bounded by Ringwood Avenue to the east, Hamburg Turnpike to the south, Glenwild Avenue to the west and Union Avenue to the north. The neighborhood area is given over to a wide range of land uses which primarily include residential housing, commercial buildings, 2 existing quarry operations (Bloomingdale & Riverdale) and public recreation.

Neighborhood properties appear to be generally well maintained and are situated within reasonable proximity to most normal conveniences. The market appeal of the immediate neighborhood area is enhanced by its proximity and accessibility to Interstate 287, US Route 202 and State Route 23, all of which provide access to regional employment centers.
The neighborhood area is serviced by the availability of electricity, telephones, municipal water, municipal sewerage and natural gas lines. The costs to residents for these utilities are competitive with those of surrounding communities.

From an employment perspective, the local professional office market contains 2.2-Million Ft^2 and 17.3-Million Ft^2 of office building space within a 5-mile & 10-mile radius of the subject property, respectively. This equates to 28,000 Ft^2 per $Mile^2$ & 55,000 Ft^2 per $Mile^2$, respectively. The concentration of office space within the 5-mile radius is less than typical for New Jersey.

OFFICE SPACE (5-Yr Avg.)	5-Miles	10-Miles	Passaic County	New Jersey
Existing Buildings	163	849	733	19,999
Existing SF	2,190,654	17,282,562	13,026,985	398,649,913
Total # HH's	30,428	111,888	168,610	3,273,605
Office Space per HH	72	154	77	122
Square Miles	79	314	197	8,721
Office Space per Sq. Mile	28,000	55,000	66,000	46,000

The four stages of a neighborhood area's life cycle when analyzing its growth rate include:

- Growth – period during which the market gains public favor and acceptance
- Stability – period of equilibrium without marked gains or losses
- Decline – period of diminishing demand
- Revitalization – period of renewal, redevelopment, modernization, and increasing demand

The subject property's neighborhood is presently in the stability stage as indicated by the slow pace of land development and redevelopment. We note however that the recent construction of Avalon Bloomingdale, a 174-unit multi-family apartment project on Union Avenue, indicates that revitalization is beginning. The success of this project in terms of rental pricing and occupancy indicates that development of the Meer Tract with multi-family housing is supported by current economic, demographic and real estate market conditions.

Land Use Regulations

Existing Bloomingdale Quarry – The existing quarry operations are located within Bloomingdale's **M-1-Q, Quarry** zoning district which allows the following principal permitted uses:

- Animal hospitals, kennels and pounds.
- Metal products manufacturing and assembly, conducted within wholly enclosed buildings.
- Manufacturing, assembly or packing of products from previously prepared materials, such as cloth, plastics, paper, leather, precious or semiprecious metals and stones.
- Manufacture of electric and electronic instruments and devices, such as television, radio and phonographic equipment.
- Manufacture of food products, pharmaceuticals and the like.
- Public and institutional uses.
- Radio-television transmission or receiving towers and facilities.
- Railroad yards and freight stations.
- Wholesale establishments.
- Warehouses.
- Other similar manufacturing uses in accordance with the performance standard procedures set forth herein. (See § 92-57 and Article VI)
- Commercial quarrying & excavation

The following accessory uses are also permitted within the **M-1-Q, Quarry** zoning district:

- Private parking and loading.
- Signs as regulated in § 92-26D and § 92-26.3P.
- Other accessory uses customarily appurtenant to a permitted use.
- Dwelling for caretakers, night watchman or superintendent of manufacturing or industrial establishment.

Meer Tract – In 2007, the Meer Tract was re-zoned as **AH, Affordable Housing** within which the principal permitted use is limited to Multi-family buildings. The purpose of this rezoning was to implement a Superior Court Order[5] to facilitate the Borough addressing its constitutional low and moderate income housing obligation. The purpose of this zone is to facilitate the construction of an inclusionary development consisting of a maximum of three hundred sixty (360) multi-family units, including seventy-two (72) units of low and moderate income, on thirty-two acres with the remainder of the site to be preserved as open space. The low and moderate income housing units are subject to the requirements of N.J.A.C. 5:94-1 (COAH's rules) and N.J.A.C. 5:80-26 et seq. (Uniform Housing Affordability Controls)[6].

The following accessory uses are also permitted within the AH district:

- Clubhouse
- Swimming pool
- Recreation facilities, including tot lots and sitting/picnic areas
- Storm water basins
- Fencing
- Signage
- Retaining walls
- Sales and construction trailers
- Dumpsters and trash enclosures
- Other subordinate structures customarily incidental and subordinate to the principal building or use on the lot

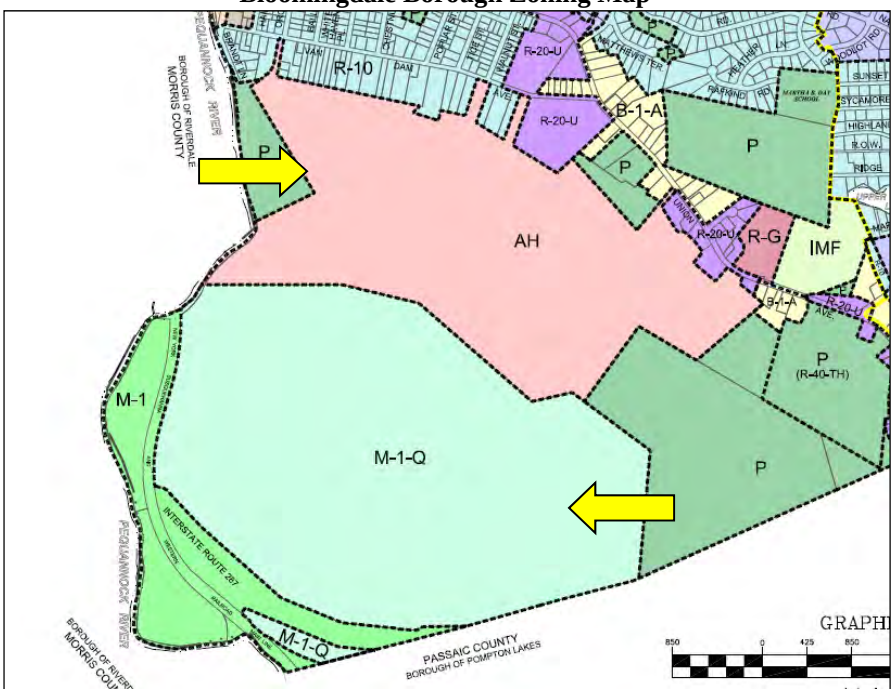
For a complete description of the M-1-Q and AH zoning districts, the reader is referred to the Zoning Ordinance of Bloomingdale Borough.

[5] D.R. Horton, Inc. - New Jersey and Bloomingdale Joint Venture V. Borough of Bloomingdale and Planning Board of Bloomingdale, et al, Docket No. PAS-L-3361-05, and D.R. Horton, Inc. - New Jersey and Bloomingdale Joint Venture, Joint Venture Partners V. Borough of Bloomingdale Planning Board, et al, Docket No. PAS-L-1259-06

[6] A recent decision by the New Jersey Supreme Court in March of 2015 declared the state's affordable housing process 'non-functioning' and transferred jurisdiction over low-income and moderate-income housing from the executive branch back to the courts. While the implications from this decision are not yet fully understood, most development projects are continuing to apply COAH guidelines in determining the allocation and rental rates for any affordable-rate housing units that are set aside within a project.

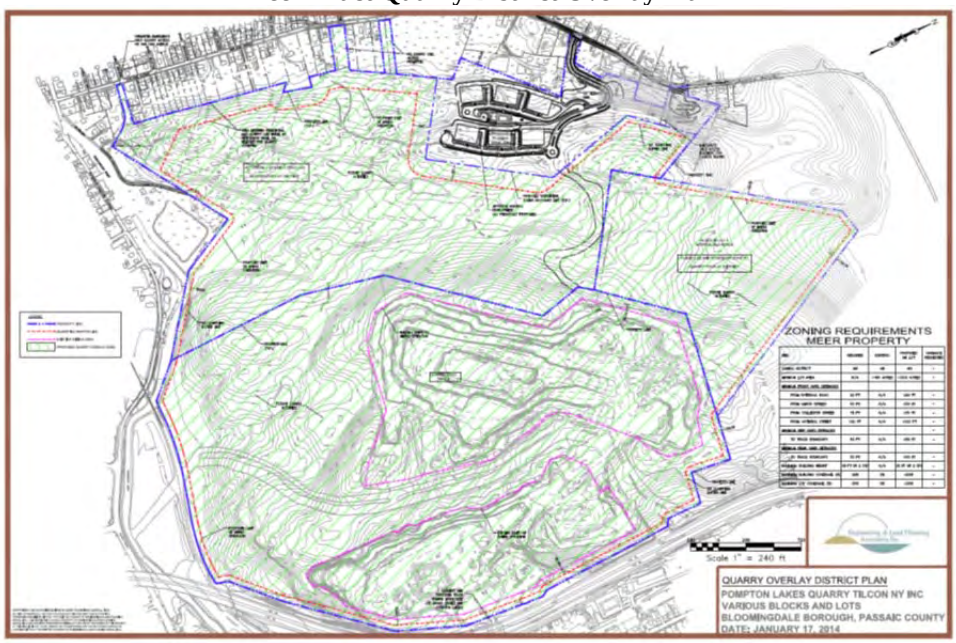
In 2008, site plan approval was granted for 360 For-Sale Condominium dwellings (288 Market-Rate & 72 Affordable-Rate), which will be situated on a 32-acre portion of the subject property, with the remaining 148 acres will be preserved as open space.

Bloomingdale Borough Zoning Map



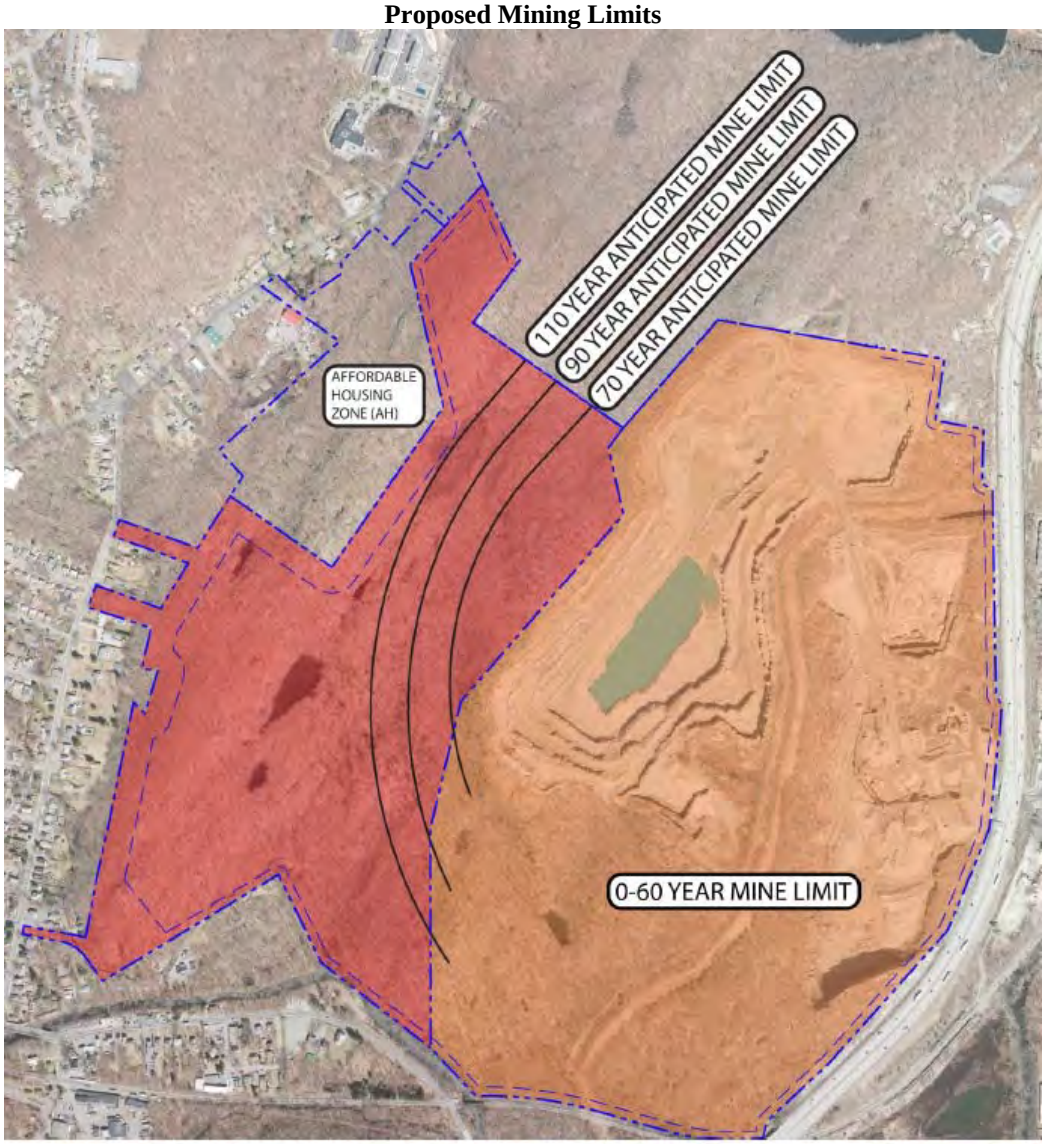
Tilcon is seeking expand their adjacent quarry operation through a re-zoning of the Meer Tract to be located within the M-1-Q, Quarry District. A map of the proposed re-zoning of the Meer Tract appears below.

Meer Tract Quarry District Overlay Plan



If the rezoning is approved, Tilcon is proposing to purchase the 180-acre Meer Tract and deed restrict 32 acres for the approved Affordable Housing Development. Tilcon would then expand its current quarry operation's western limits along the dividing property line into the Meer Tract. A current natural ridge line exists in the vicinity of the property's shared property line. The proposed quarry progression plan indicates 70, 90 and 110-year anticipated mining limits on the Meer parcel.

Proposed Mining Limits



Site Analysis

The subject of this market study includes both the existing Bloomindale Quarry and an adjacent property commonly known as the 'Meer Tract' which would be annexed as part of a proposed expansion of the quarry.

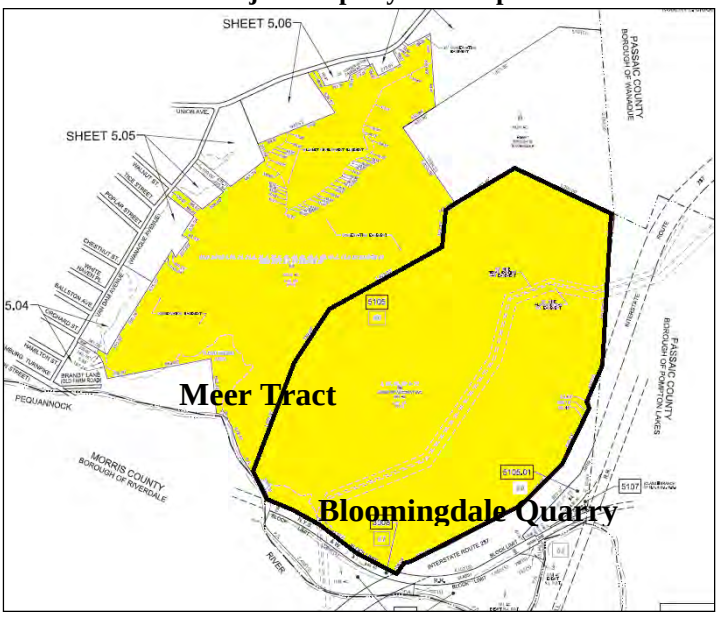
Existing Bloomingdale Quarry: The Bloomingdale Quarry is a 260-acre parcel of land located on Federal Hill in Bloomingdale Borough, Passaic County, New Jersey. The property is identified on the municipal tax map of Bloomingdale Borough, as Block 5105, Lot 84 and is presently the site of Tilcon's quarry operations which produces asphalt, crushed stone and recycles materials. The site has 3,442.16 feet directly bordering Interstate Route 287, but without any access to this roadway. The quarry produces asphalt, crushed stone and recycles materials. Site topography is steeply sloping due to both its natural geological characteristics and ongoing quarry operations.

Additionally, Block 1000, Lot 20 (W. of Erie RR), Block 1000.01, Lot 1 (Broad Street), Block 1000.01, Lot 20.01 (Broad Street), Block 1800, Lot 19 (Montclair Avenue), Block 2701, Lot 1 (504 Montclair Avenue) and Block 2701, Lot 3 (Montclair Avenue) are all owned by Tilcon New York Inc. and are located in neighboring Pompton Lakes Borough. Since these parcels have no existing quarry operations, they are not considered a part of the subject of this analysis.

Meer Tract Expansion: A proposed expansion of the Bloomingdale Quarry would annex an adjacent property commonly known as the 'Meer Tract', also located on Federal Hill, which is a 180.10-acre parcel of vacant land. The property is identified on the municipal tax map of Bloomingdale Borough, as Block 5105, Lot 14 and has 285.01 feet of frontage along Van Dam Avenue and 125.11 feet of frontage along Union Avenue. The Meer Tract presently consists of vacant undeveloped land on which a 32-acre portion has approvals in place for the development of 360 For-Sale Condominium Dwellings (288 Market-Rate & 72 Affordable-Rate). The remaining 148.1 acres of the site will be preserved as open space. Site topography is of this tract is also steeply sloping, rising upward from both Union Avenue to a wooded ridge line located west/northwest of the ongoing quarry operations.

Tilcon is proposing to purchase the 180-acre Meer Tract and deed restrict 32 acres for the approved Affordable Housing Development. Tilcon would then expand its current quarry operation's western limits along the dividing property line into the Meer parcel. A current natural ridge line exists in the vicinity of the property's shared property line. The proposed quarry progression plan indicates 70, 90 and 110-year anticipated mining limits on the Meer parcel. Tilcon is seeking re-zoning of the Meer Tract to be located within the M-1-Q, Quarry District, which would allow for the expansion of the Pompton Lakes Quarry which is adjacent to the site.

Subject Property Tax Map



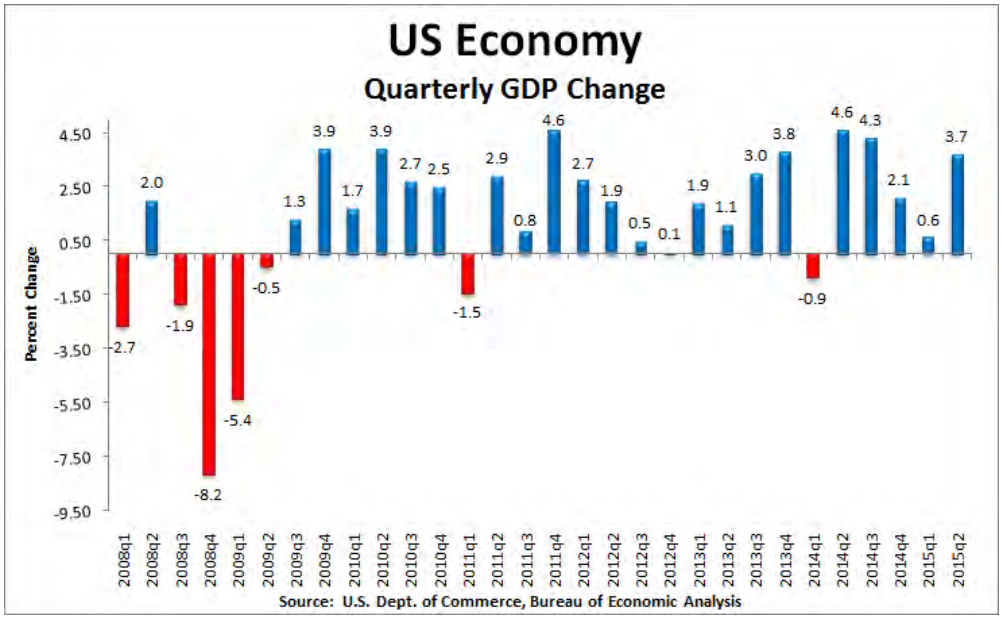
PART III – ECONOMICS & DEMOGRAPHICS

Demand for real estate is directly affected at the macro and micro levels by a wide range of key economic and demographic drivers. The severity of the recent economic recession coupled with the slow pace of recovery since it ended in June 2009 created a more complex context for real estate development. While the national economy has made significant strides toward economic recovery since the recession ended 6 years ago, New Jersey continues to experience constrained growth which has reshaped the State's demographic landscape. As a result, 'changed circumstances', real estate development must be appropriately tuned to these present day and future realities.

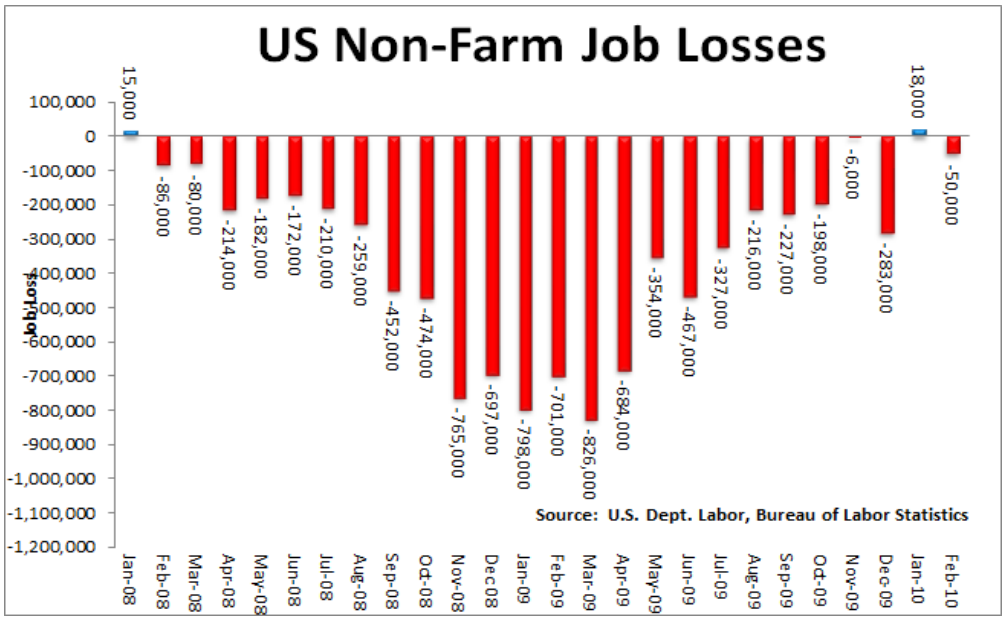
This section of the report will explore relevant economic, demographic and real estate sector trends and their correlation to real estate demand.

Economic Factors

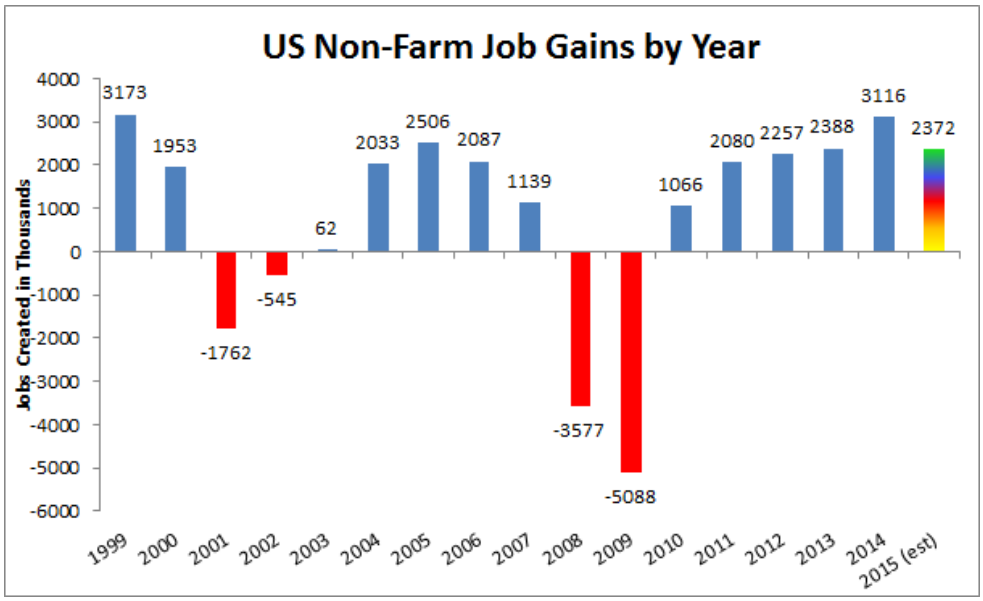
Gross Domestic Product (GDP) - Beginning with the US economy, GDP first began to decline in Q1 2008 coincident with the start of the recent economic recession in December 2007. Over the course of the recession GDP contracted in 5 out of 6 quarters with the deepest declines occurring in late 2008 and early 2009 contemporaneous with the collapse of the financial markets in 2008. Since the recession's end in June 2009, GDP has increased for 21 out of 23 quarters. GDP increased at an average of 2.5% in 2014, and has increased by an average of 2.2% in the first half of 2015. The more recent slowdown in economic growth is likely due to the effects of severe winter weather that occurred in Q1.



Employment - Focusing next on job growth, total US non-farm employment declined precipitously during the recession with net Non-Farm job losses of 8,736,000 over the 25-month time period from February 2008 through February 2010.



Beginning in 2010, the national economy began to slowly claw-back those lost jobs at a modest pace. More recently, job creation increased by 3,116,000, in 2014, which is the strongest increase in more than a decade.



As a result of the job gains since 2010, the US economy 'technically' achieved full recovery in May 2014 of the nearly 9-million jobs lost as a result of the recession. These job totals are misleading however as the Bureau of Labor Statistics (BLS) counts full-time and part-time jobs equally. Further evidence comes from the following analysis which shows the component factors that comprise national unemployment. As shown below, the national unemployment rate of 5.1% excludes workers who have accepted part-time positions because they couldn't find a full-time job '(*P/T-Econ. Reasons'*) as well as those who have given up on finding employment ('*Marginally Attached*'). Taking these into account indicates a real unemployment rate of 10.1% and an increase of 3.3-Million workers from the start of the recession who have been unable to find full-time employment.

Real US Employment Situation					
	Pre-Recession		Today		Change
Labor Force	-	153,870,000	-	156,715,000	-
Unemployed	4.7%	7,167,000	5.1%	7,915,000	748,000
P/T - Econ. Reasons	2.6%	4,054,000	3.9%	6,036,000	1,982,000
Marginally Attached	0.9%	1,365,000	1.2%	1,921,000	556,000
Totals	**8.2%**	**12,586,000**	**10.1%**	**15,872,000**	**3,286,000**

The severity of the economic recession coupled with the slow pace of economic growth since it ended in June 2009 have changed the dynamics for housing development which must now be appropriately tuned to present day and future realities. These factors, which include weak job creation, elevated unemployment and constrained income, have resulted in lower homeownership rates in New Jersey.

Shifting to New Jersey, the 2010 US Census reported a total estimated population of 8,791,894 reflecting 4.5% growth from 2000, and is the most densely populated state within the entire U.S. The state is comprised of 21 counties and 565 municipalities situated on 7,417.34 square miles of land area. New Jersey's 21 counties are divided into seven Metropolitan Statistical Areas (listed below), and is located at the center of the Northeast Megalopolis. The subject property is located within the NY-NJ-PA.

- Allentown-Bethlehem-Easton, PA-NJ
- Atlantic City-Hammonton, NJ
- New York-Northern New Jersey-Long Island, NY-NJ-PA
- Ocean City, NJ

- Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
- Trenton-Ewing, NJ
- Vineland-Millville-Bridgeton, NJ

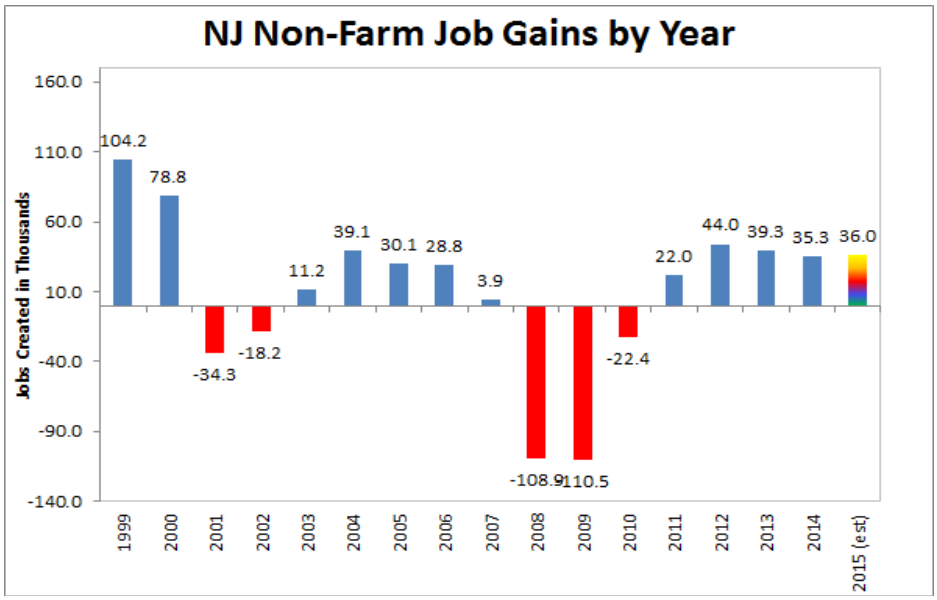
The state's population density of approximately 1,168 people per square mile is more than 10 times greater that for the US as a whole (86 / sq. mile) and exceeds that of the more crowded places around the world including India (992), Belgium (917), Japan (907), Israel (875) and the Philippines (785). Similarly, the state is highly urbanized with 94 percent of its residing in urban areas which are defined as places with a population density of 1,000 people per square mile or greater.

The New Jersey economy has historically been a top performing state due to a combination of factors including its strategic geographic location between New York City and Philadelphia, a diverse and highly educated workforce, the presence of both Newark International Airport and the Port Newark-Elizabeth shipping port, and its high concentration of technology based jobs. With regard to the state's economy, New Jersey's per-capita Gross State Income (as calculated by Gross State Product) of approximately $55,000 (exceeds the US figure of approximately $48,000 and would rank the state as the 6th highest in the world if New Jersey was a country. New Jersey also has the highest percentage of millionaire households in the United States. In an article published by Forbes Magazine (April 2012) entitled "America's Richest Counties,", and an article published by CNBC (April 2012) entitled "America's 10 Richest Counties," three of NJ's counties were in the top 10. Forbes Magazine lists Hunterdon County at Rank #6, Somerset County at Rank #9, and Morris County at Rank #10, which is based upon median annual household incomes. CNBC lists Hunterdon County at Rank #5, Somerset County at Rank #7, and Morris County at Rank #9, which is based upon average annual household incomes.

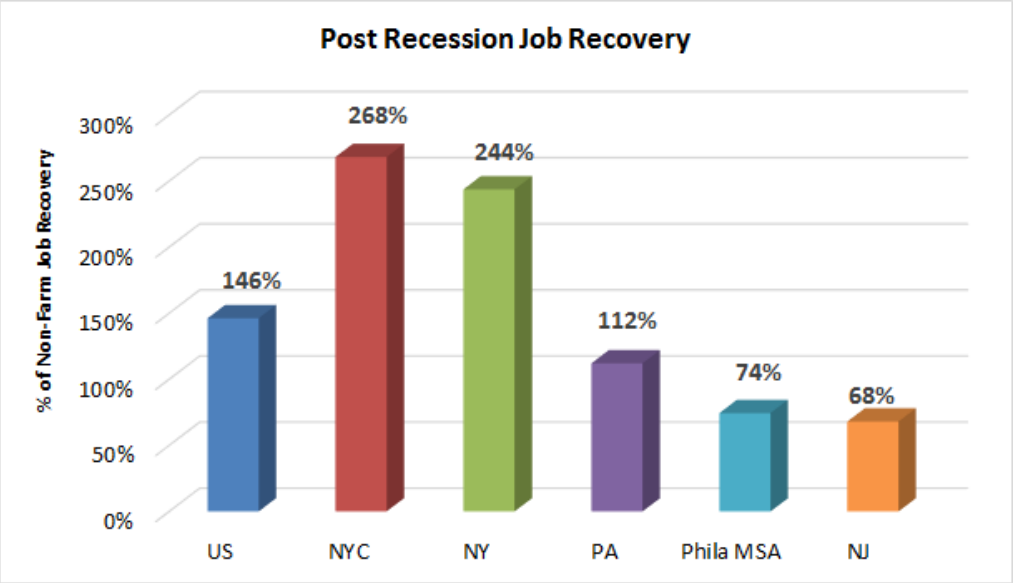
The combination of New Jersey's past economic success and dense population has resulted in extremely high land values. According to a study published on April 3, 2015 titled "New Estimates of Value of Land of the United States by William Larson of the Bureau of Economic Analysis (BEA), New Jersey has the highest land values in the nation. New Jersey is also tied with Rhode for being the most developed state in the nation, with 31% of all land area being developed. The study further reported that New Jersey land was worth an average of $196,410 per acre which is the highest in the US, compared to a national average value of $12,139 per acre for the US overall. The only other states with average land values in excess of $100,000

per area were Rhode Island ($133,730), Connecticut ($128,820) and Massachusetts ($102,210). Because high land costs pass through directly to the cost and affordability of real estate development, high density is an essential component for the financial feasibility of most residential development. This is because the production of housing that is affordable to the public requires higher densities in order to reduce the per-dwelling cost of land.

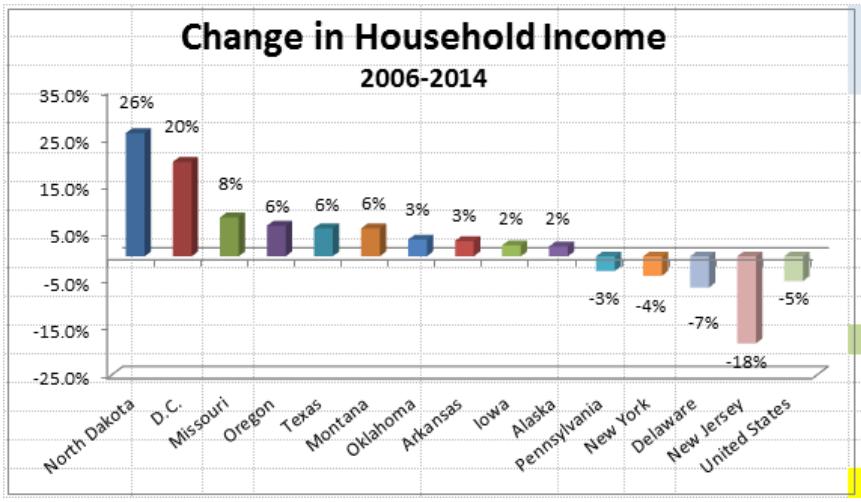
Despite New Jersey's past economic strength it has experienced one of the slowest job recoveries of all states following the 2007-2009 economic recession which ended more than 6 years ago. Following 11 consecutive months of job gains the state reported losses in June and July totaling 23,000 non-farm jobs. Based upon this year's pace the state is on track to gain only 36,000 jobs in 2015, which would be slightly greater than last year's gain.



As a result of New Jersey's changed economic circumstance it has recovered only 68% of the jobs lost during that recession compared to 146% recovery for the US overall. The state's job recovery has also been less than in New York and Pennsylvania.



Personal & Household Income – The slower pace of economic growth in New Jersey is having a corresponding effect on household income. According to the US Census Bureau, median household income declined by 18% from 2006 to 2014 in New Jersey ranking 50th in the nation. This compares to an average nationwide decline of only 5%, a 4% decline in New York and a 3% decline in Pennsylvania. The weaker performance of the New Jersey economy translates directly to reduced purchasing power for home buyers and a corresponding increase in demand for multi-family rental apartments which are offer a less expensive housing alternative.



US Median Household Income
2014 Dollars

Rank	State	Income
1	Maryland	$ 76,165
2	New Hampshire	$ 73,397
3	Hawaii	$ 71,223
4	Connecticut	$ 70,161
5	D.C.	$ 68,277
6	Alaska	$ 67,629
7	Minnesota	$ 67,244
8	Virginia	$ 66,155
9	New Jersey	$ 65,243
10	Utah	$ 63,383
21	Delaware	$ 57,522
25	Pennsylvania	$ 55,173
27	New York	$ 54,310
-	United States	$ 53,657

SOURCE: US Census Bureau, Otteau Group, Inc.

As a result of New Jersey's economic struggles, it's median household income of $65,243 has slipped from being the highest in the nation in both 2005 and 2006 to being ranked 9th in 2014.

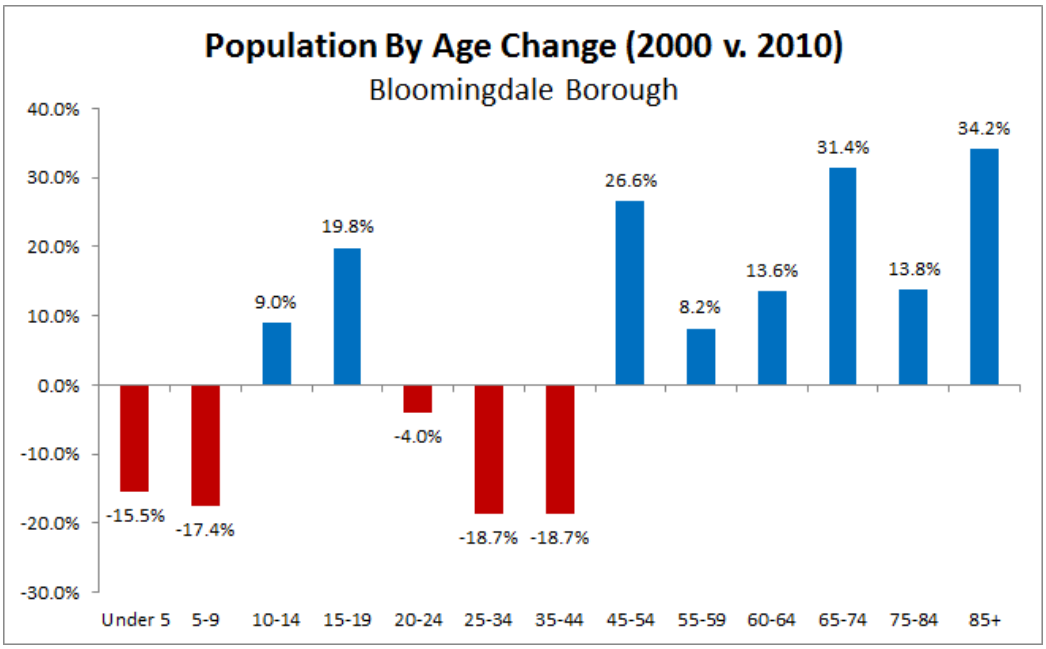
Demographic Factors

As a result of these economic conditions, New Jersey has undergone significant demographic changes over the past decade which has significant implications for real estate demand and development. These trends, which include shrinking household sizes and increasing numbers of childless households, have reduced demand for the construction of traditional single-family detached housing while increasing demand for multi-family housing.

Smaller Size Households – As previously detailed in the Area Analysis section of this report, the size of households has been declining in New Jersey, and is occurring locally as well. As shown in the table below, households which are either 1-person or 2-persons in size account for a majority of total households in the regional area. Within Bloomingdale Borough, smaller size (1-2 person) households account for about half (57%) of total households.

	Bloomingdale Borough		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
2015 Est. Households by Household Size	2,970		36,496		145,736		442,159	
1-person	751	25.29	8,688	23.81	32,337	22.19	101,044	22.85
2-person	955	32.15	11,443	31.35	43,694	29.98	127,521	28.84
3-person	519	17.47	6,341	17.37	26,082	17.90	78,789	17.82
4-person	463	15.59	6,289	17.23	25,555	17.54	75,481	17.07
5-person	198	6.67	2,575	7.06	11,791	8.09	35,795	8.10
6-person	58	1.95	811	2.22	4,059	2.79	13,710	3.10
7-or-more-person	26	0.88	348	0.95	2,219	1.52	9,819	2.22

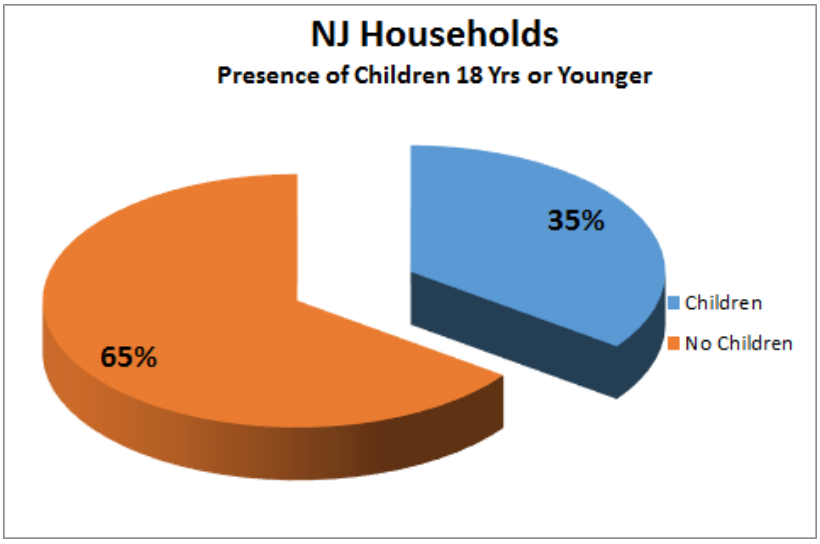
Declining Population in Key Age Groups – A significant demographic trend is the declining population of certain age cohorts in Bloomingdale Borough. As shown in the chart below, the municipality is experiencing population declines in a number of age cohorts. Of particular concern is the decline in the 25-34 (-19%) and 35-44 (-19%) age cohorts over the 10-year period from the 2000 to 2010 Census. These cohorts represent the leading edge of the 'Millennial' generation which is an essential component of a viable economy and real estate market. We also note sharp declines in the 0-9 age cohorts which translate directly to the trend of present and future school enrollment (see table below).



The decline in the 'Millennial' population has significant long-term implications for residential and commercial real estate demand in Bloomingdale Borough, including its effect on local employment. Because employers universally understand that proximity to Millennials is an essential ingredient of a successful business, employers will logically choose to locate in, or relocate to, places that are able to attract and retain this key talent pool. That Bloomingdale is experiencing a loss of this demographic cohort implies long term weakness in office demand as well as other real estate sectors including demand for retail space and home sales.

One of the key drivers for attracting 'Millennials' is the availability of denser forms of housing situated within close proximity to transportation corridors, employment centers and retail services. Places that promote this form of housing are more attractive to Millennials, and as a by-product, employment and occupancy in commercial buildings. Conversely, a failure to provide more open and diversified forms of zoning translates to fewer younger age households. This has broad implications for economic conditions, real estate demand and the sustainability of the municipal tax base. As employers and the jobs they provide leave an area, the shrinkage in the commercial tax base shifts the cost of government to existing residential property owners in the form of higher real estate taxes. When this occurs, a negative-feedback-loop is likely to follow whereby the amplified effects make the situation worse over time.

Fewer Households with Children Living at Home & Declining School Enrollment - Since peaking in the 1980's, the percentage of New Jersey households with children living at home has declined to 35% with continued decline likely over the next decade. This trend, which is based in the composition of New Jersey's demographic cohorts, is anticipated to drive future housing demand increasingly toward smaller homes including multi-family housing in more urban locations. The table below shows that 65% of households within the state of New Jersey have no children under the age of 18 living at home.



Source: The Nielsen Company, Otteau Group

This is also true in the local submarket area with ratios of 68% within Bloomingdale Borough, 66% within 5 miles, 64% within 10 miles and 63% within 15 miles.

	Bloomingdale Borough		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
Households with No People under Age 18:	2,024	68.15	24,267	66.49	92,709	63.61	278,654	63.02
Married-Couple Family	902	44.57	11,879	48.95	44,668	48.18	126,503	45.40
Other Family, Male Householder	73	3.61	697	2.87	3,052	3.29	9,975	3.58
Other Family, Female Householder	147	7.26	1,548	6.38	7,120	7.68	22,938	8.23
Nonfamily, Male Householder	445	21.99	4,109	16.93	15,598	16.82	49,983	17.94
Nonfamily, Female Householder	457	22.58	6,033	24.86	22,272	24.02	69,256	24.85

These trends have already affected school enrollments in New Jersey which after decades of increasing have recently begun to decline. According to data published by the New Jersey Department of Education, statewide public school enrollment declined from a peak of 1,393,782 for the 2005-2006 school year to 1,368,516 for the 2013-2014 school year. This reflects a decline of 25,266 students. Given the previously identified trend toward fewer households with children living at home, school enrollment is likely to decline further in the future.

New Jersey Public School Enrollment Totals	
2005-2006	13,393,782
2013-2014	13,368,516
Decline (# students)	**-25,266**

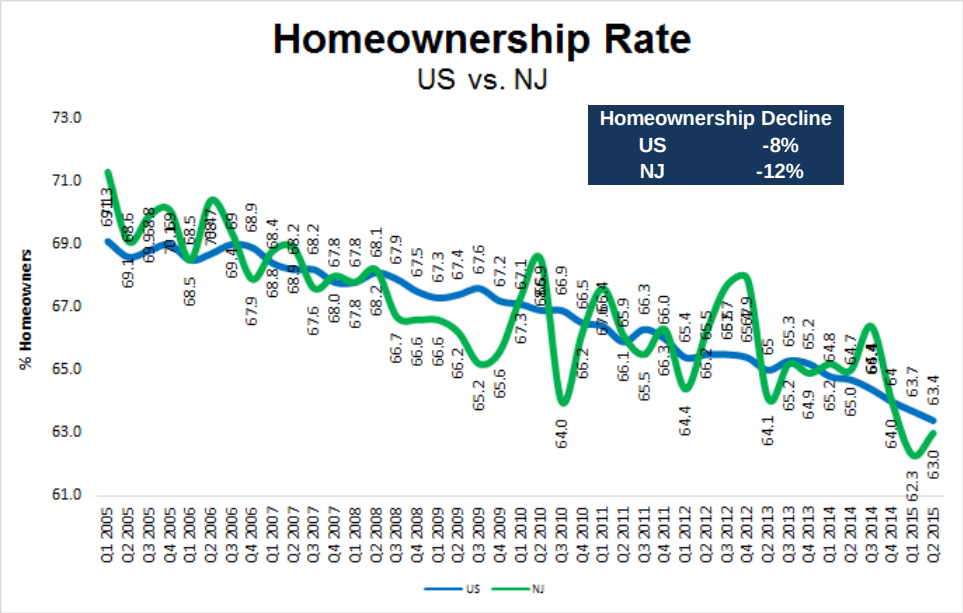
Source: NJ Dept. of Education

Similar to what's occurring at the state level, the New Jersey Department of Education indicated that public school enrollment in Bloomingdale Borough declined from 687 for the 2006-2007 school year to 596 for the 2014-2015 school year. This reflects a decline of 91 students, or 13% (grades Pre K-8th).

Bloomingdale Borough School Enrollment Totals	
2006-2007	687
2014-2015	596
Decline (# students)	**-91**

Source: NJ Dept. of Education

Lower Homeownership Rates – Consistent with national trends, the homeownership rate in New Jersey declined precipitously with the onset of the Great Recession. The homeownership rate in the state has declined from 71.3% in 2005.Q1 to 63.0% in 2015.Q2. This equates to a 12% drop in the homeownership rate, compared to a decline of only 8% nationwide, indicating relatively weak demand for home sales and expanding demand for rental properties.



While the homeownership rate has declined for the local submarket area as well, it is higher than for the state overall at 73% within Bloomingdale Borough, 83% within 5-miles, 77% within 10 miles and 69% within 15 miles.

	Bloomingdale Borough		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
2015 Est. Occupied Housing Units by Tenure	2,970		36,496		145,736		442,159	
Owner Occupied	2,167	72.96	30,428	83.37	111,888	76.77	305,990	69.20
Renter Occupied	803	27.04	6,068	16.63	33,848	23.23	136,169	30.80

The higher homeownership rate in Bloomingdale is however largely attributable to a shortage of available rental housing in the local submarket area. The 2013 American Community Survey by the US Census Bureau indicates that approximately 15% of the Borough housing stock is in multi-family structures with 5 or more dwelling units. Since that survey, Avalon Bay's Bloomingdale property has been constructed consisting of 174 multi-family apartments, thereby increasing the multi-family housing allocation to 20%. This compares to 18% of Bloomingdale's population being between the ages of 18-34 and an additional 16% of the population is ages 65 and older. Also, 57% of its households are either 1-person or 2-persons in size and 68% have no children living at home. These facts support the introduction of additional housing in the form of multi-family dwellings for those younger age, older age, and small-size 'childless' households.

Economic & Demographic Trend Conclusions: When considered collectively, these trends indicate that economic and real estate demand growth will be concentrated in those New Jersey communities which offer more affordably-priced and higher-density housing choices that are situated within reasonable proximity to employment opportunities and retail services. These conditions are well aligned to the development of inclusionary multi-family housing on the Meer Tract.

PART IV – QUARRY'S EFFECT ON HOME PRICES

One of the elements of our market study is to develop an opinion as to whether the proximity of residential homes to an active quarry operation results in any diminution of their property value. Market studies involve the gathering and analysis of information regarding consumer attitudes and behavior toward a particular product or product attribute. When applied to real estate analysis, market studies develop predictive models based upon an analysis of historical facts and circumstances. In this regard, it is widely understood that the value of real estate is directly influenced by its locational attributes. For example, homes that border green belts or enjoy panoramic views typically command higher prices while those that border adverse influences such as busy roads or commercial uses sell at a discount.

In considering the effect of an active quarry operation on nearby residential homes we have employed the 'Paired Data Analysis' or 'Paired Sales Technique' which is defined as:

> "A quantitative technique used to identify and measure adjustments to the sale prices or rents of comparable properties; to apply this technique, sales or rental data on nearly identical properties are analyzed to isolate a single characteristic's effect on value or rent".
>
> *Source: The Dictionary of Real Estate Appraisal, Fifth Edition; page 142*

To apply this technique, sales data on similar properties are analyzed to isolate a single characteristic's effect on value. The strength of this approach is that it is based entirely upon the reactions of direct market participants and thus provides an objective basis for developing conclusions.

Paired Sales Analysis Technique

In developing this approach, we have identified active quarry operators in New Jersey based upon information obtained from the New Jersey Department of Transportation (NJDOT) for sites producing Hot Mix Aggregate (HMA), Fine Aggregate and Coarse Aggregate. These terms are defined as follows:

- HMA - A mix of approximately 95% stone, sand or gravel bound together by asphalt cement which is used for road paving. Because crushed stone is an integral part of this mixture, the HMA sites are typically actively operating quarries.

- Coarse Aggregate - Naturally occurring, processed or manufactured, inorganic particles in prescribed gradation or size range, the smallest size of which will be retained on the No. 4 (4.76 mm) sieve.
- Fine Aggregate - Aggregate passing the 3/8-in. sieve and almost entirely passing the No.4 (4.76 mm) sieve and predominantly retained on the No. 200 (74 micron) sieve (ASTM125).

According to NJDOT, there are 106 of these sites in New Jersey. From this list we narrowed the selection to the following 9 quarries, including the subject property, which are located in suburban towns within a 20-mile radius of the subject.

Supplier	Quarry
1 TILCON	**Bloomingdale Quarry**
2 TILCON	Riverdale Quarry
3 STONE INDUSTRIES	Ringwood Quarry
4 STONE INDUSTRIES	Haledon Quarry, Asphalt & Recycling
5 TILCON	Mount Hope Quarry
6 STONE INDUSTRIES	Franklin Quarry
7 WELDON MATERIALS	Lake Hopatcong Quarry
8 EASTERN CONCRETE	Hamburg Quarry
9 STONE INDUSTRIES	Sparta Quarry

The next step in our investigation was to view tax maps and satellite imagery to identify which of these 9 sites satisfied the following conditions:

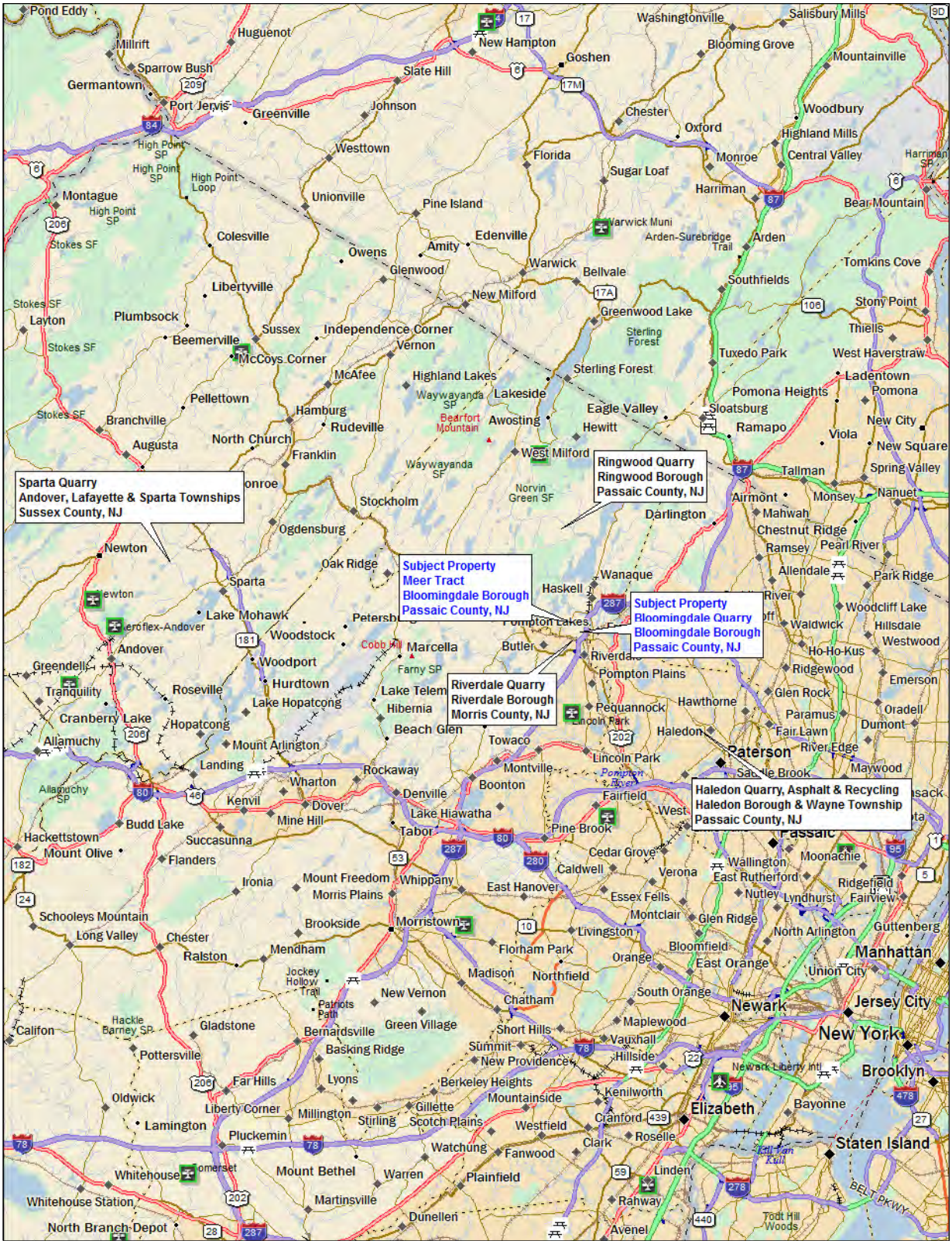
- Are located immediately adjacent to residential homes.
- Some of the adjacent residential homes were sold on the open market over the most recent 10-year period.

To accomplish this, we conducted street-by-street research to identify sales of individual homes located on streets immediately bordering, or within close proximity to these quarries during the past 10-years. This stage of our research was sourced from various Multiple Listing Systems (MLS) in each of the respective market areas and deed recording information available from the New Jersey Association of County Tax Boards (NJACTB) and several proprietary databases. Our investigation failed to yield any adjacent home sales for the quarries located in Mount Hope,

Franklin, Lake Hopatcong and Hamburg. We were however, successful in identifying adjacent or nearby home sales for the following quarries:

Projects Included in Paired Data Analysis	
Quarry	**Municipality**
Bloomingdale (Subject)	Bloomingdale Borough & Pompton Lakes
Riverdale	Riverdale Borough
Ringwood	Ringwood Borough
Haledon Quarry, Asphalt & Recycling	Haledon Borough & Wayne Township
Sparta	Andover, Lafayette & Sparta Townships

COMPARABLE QUARRY PROJECT MAP



These adjacent or nearby home sales will be referred to as “Target” properties as they possess the locational characteristic being analyzed in this study.

The next step in developing our study was to identify sales of “like-kind” homes that were not adjacent to a quarry. This research was conducted by similarly investigating individual home sales through MLS’s and NJACTB which had similar characteristics to the “Target” properties but which did not border a quarry. These non-quarry home sales will be referred to as “Control” properties in our analysis. Therefore, our application of the Paired Data Analysis Technique will develop a comparative analysis of the following property types:

- Target Sales – sales of homes that border a quarry
- Control Sales – sales of “like-kind” homes that do NOT border a quarry

The theoretical basis for this approach is that any differences in selling price between the Target and Control groupings would logically be attributable to differences between the properties. For example, consider a situation whereby 2 homes that sold in a given submarket area were identical in all aspects except that one home was directly adjacent to lake while was distant from the lake and therefore did not enjoy lake access or views. Under this set of circumstances, any difference in the selling price of the 2 homes would provide an indication of the value differential attributable to a being located on the lake. The application of this logic is however more complex than the example above because the existence of nearly identical home sale pairs is a rarity. Rather, “like-kind” homes typically possess multiple differences which are collectively attributable to their respective differential in selling price. To account for such real-world circumstances, our technique will include applying market-based adjustments for any ancillary differences between the Target and Control groupings, but will exclude any adjustment for the quarry for the Target properties. In this way, any residual differences in selling price will be attributable to the influence of being proximate to a quarry.

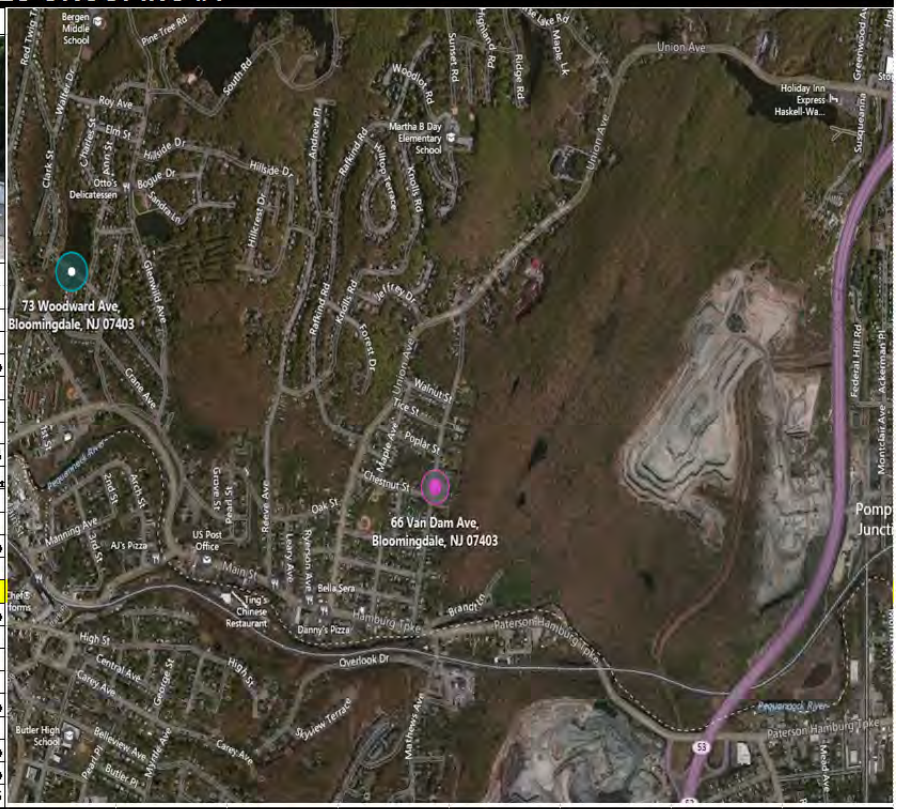
Following is a Paired Data Analysis for Target/Control pairings that have been utilized in our analysis:

PAIRED SALES GROUPING #1 – BLOOMINGDALE QUARRY

Paired Home Sales Located in Bloomingdale Borough

PAIRED SALES GROUPING #1

	TARGET		CONTROL	
Address	66 Van Dam Avenue Bloomingdale Borough		73 Woodward Avenue Bloomingdale Borough	
Block / Lot	5101 / 32 (prior 105 / 32)		3035 / 57 (prior 35 / 37)	
Final List Price		$ 285,999		$ 265,000
List-to-Sales Ratio		101.4%		100.0%
Sales Price		$ 290,000		$ 265,000
Living Area (GLA)		1,590		1,468
Price Per Square Foot		$ 182		$ 181
Closing Date		7/8/2013		9/30/2013
	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment
Property Rights	Fee Simple		Fee Simple	
Conditions of Sale	Arms Length		Arms Length	
Time	8-Jul-13		30-Sep-13	0.0%
Adjusted Unit Value				$ 181
Site Location	Near Quarry		Distant from Quarry	
Site Area (acres)	0.70		0.40	1.0%
Dwelling Style	Cape Cod		Cape Cod	
Living Area (GLA)	*GLA*	1,590	*GLA*	1,468
Basement	Full		Full	
Car Storage	1 Car Detached		1 Car Built-in	-1.0%
Fireplace(s)	None		None	
Other Features	None		Remodeled Kitchen	-3.0%
Net Adj. (Total)		n/a		-3.0%
Predicted Selling Price	Actual Selling Price	$182	Adjusted Selling Price	$176



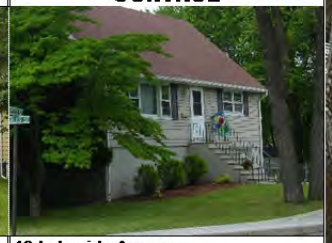
MATCHED PAIR RECONCILIATION

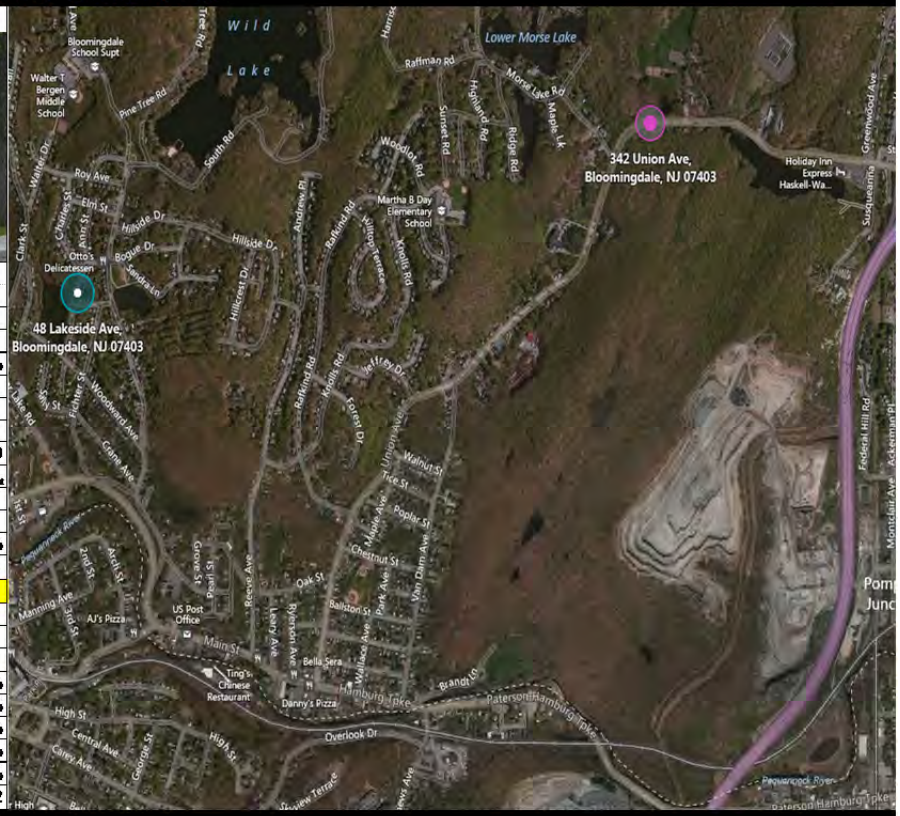
Adjusted Sales Price per SF Differential	$	6
Value Difference Attributable to Quarry		**3.4%**

PAIRED SALES GROUPING #2 – BLOOMINGDALE QUARRY

Paired Home Sales Located in Bloomingdale Borough

PAIRED SALES GROUPING #2





	TARGET		CONTROL	
Address	342 Union Avenue Bloomingdale Borough		48 Lakeside Avenue Bloomingdale Borough	
Block / Lot	5105 / 75 (prior 59 / 11)		3044 / 1 (prior 35.C / 9)	
Final List Price		$ 249,900		$ 275,000
List-to-Sales Ratio		100.0%		97.8%
Sales Price		$ 249,900		$ 269,000
Living Area (GLA)		1,053		1,209
Price Per Square Foot		$ 237		$ 222
Closing Date		5/3/2010		9/23/2010
	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment
Property Rights	Fee Simple		Fee Simple	
Conditions of Sale	Arms Length		Arms Length	
Time	3-May-10		23-Sep-10	0.0%
Adjusted Unit Value				$ 222
Site Location	Near Quarry		Distant from Quarry	
Site Area (acres)	0.13		0.13	
Dwelling Style	Cape Cod		Cape Cod	
Living Area (GLA)	*GLA*	1,053	*GLA*	1,209
Basement	Crawl Space		Full	-3.0%
Car Storage	None		1 Car Built-in	-2.0%
Fireplace(s)	1 Fireplace		None	2.0%
Other Features	Remodeled Kitchen		None	3.0%
Net Adj. (Total)		n/a		0.0%
Predicted Selling Price	Actual Selling Price	$237	Adjusted Selling Price	$222

MATCHED PAIR RECONCILIATION

Adjusted Sales Price per SF Differential	$	15
Value Difference Attributable to Quarry		**6.8%**

PAIRED SALES GROUPING #3 – RIVERDALE QUARRY

Paired Home Sales Located in Riverdale Borough

PAIRED SALES GROUPING #3

	TARGET		CONTROL	
Address	31A Mathews Avenue		11 Wilson Avenue E	
	Riverdale Borough		Riverdale Borough	
Block / Lot	12 / 26		37.01 / 10	
Final List Price		$ 424,900		$ 399,900
List-to-Sales Ratio		100.1%		101.3%
Sales Price		$ 425,400		$ 405,000
Living Area (GLA)		1,712		1,740
Price Per Square Foot		$ 248		$ 233
Closing Date		6/19/2013		6/23/2014
	DESCRIPTION	$ adjustment	DESCRIPTION	$ adjustment
Property Rights	Fee Simple		Fee Simple	
Conditions of Sale	Arms Length		Arms Length	
Time	19-Jun-13		23-Jun-14	3.9%
Adjusted Unit Value				$ 242
Site Location	**Near Quarry**		**Distant from Quarry**	
Site Area (acres)	0.55		0.32	1.0%
Dwelling Style	Bi-Level		Raised Ranch	0.0%
Living Area (GLA)	*GLA*	1,712	*GLA*	1,740
Basement	None		Full	
Car Storage	2 Car Built-in		2 Car Built-in	
Fireplace(s)	1 Fireplace		1 Fireplace	
Other Features	Remodeled Kitchen		Remodeled Kitchen	
Net Adj. (Total)		n/a		1.0%
Predicted Selling Price	Actual Selling Price	$248	Adjusted Selling Price	$244

MATCHED PAIR RECONCILIATION

Adjusted Sales Price per SF Differential	$	4
Value Difference Attributable to Quarry		**1.6%**

PAIRED SALES GROUPING #4 - RINGWOOD QUARRY

Paired Home Sales Located in Ringwood Borough

PAIRED SALES GROUPING #4

	TARGET		CONTROL	
Address	38 Tulip Avenue Ringwood Borough		66 James Drive Ringwood Borough	
Block / Lot	106 / 2		756 / 1	
Final List Price		$ 409,900		$ 424,900
List-to-Sales Ratio		100.0%		97.7%
Sales Price		$ 410,000		$ 415,000
Living Area (GLA)		1,206		1,298
Price Per Square Foot		$ 340		$ 320
Closing Date		8/18/2005		3/2/2005
	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment
Property Rights	Fee Simple		Fee Simple	
Conditions of Sale	Arms Length		Arms Length	
Time	18-Aug-05		2-Mar-05	5.0%
Adjusted Unit Value				$ 336
Site Location	Adjacent to Quarry		Distant from Quarry	
Site Area (acres)	1.20		1.11	
Dwelling Style	Raised Ranch		Raised Ranch	
Living Area (GLA)	GLA	1,206	GLA	1,298
Basement	Full		Full	
Car Storage	1 Car Attached		1 Car Attached	
Fireplace(s)	1		1	
Other Features	None		None	
Net Adj. (Total)		n/a		0.0%
Predicted Selling Price	Actual Selling Price	$340	Adjusted Selling Price	$336

MATCHED PAIR RECONCILIATION

Adjusted Sales Price per SF Differential	$	4
Value Difference Attributable to Quarry		1.2%

PAIRED SALES GROUPING #5 - HALEDON QUARRY, ASPHALT & RECYCLING

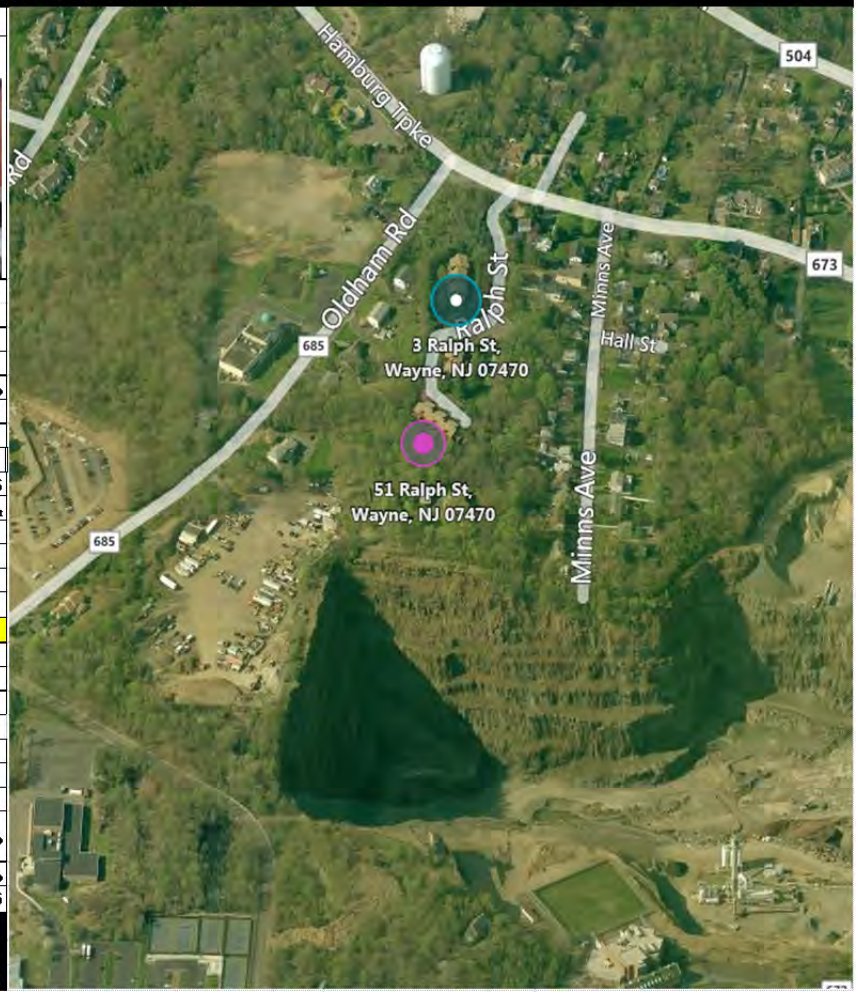
Paired Home Sales Located in Wayne Township

PAIRED SALES GROUPING #5

	TARGET		CONTROL	
Address	51 Ralph Street Wayne Township		3 Ralph Street Wayne Township	
Block / Lot	2000 / 17		2000 / 7	
Final List Price		$ 439,900		$ 379,900
List-to-Sales Ratio		95.5%		102.4%
Sales Price		$ 420,000		$ 389,000
Living Area (GLA)		1,695		1,695
Price Per Square Foot		$ 248		$ 229
Closing Date		9/15/2006		12/18/2006
	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment
Property Rights	Condo Ownership		Condo Ownership	
Conditions of Sale	Arms Length		Arms Length	
Time	15-Sep-06		18-Dec-06	
Adjusted Unit Value				$ 229
Site Location	Adjacent to Quarry		Distant from Quarry	
Site Area (acres)	Common Areas		Common Areas	
Dwelling Style	Townhouse/End-Unit		Townhouse/End-Unit	
Age	21 years		21 years	
Living Area (GLA)	GLA	1,695	GLA	1,695
Basement	Full		Full	
Car Storage	1 Car Built-in		1 Car Built-in	
Fireplace(s)	1		1	
Other Features	Remodeled Kitchen		None	3.0%
Net Adj. (Total)		n/a		3.0%
Adjusted Sales Price	Actual Selling Price	$248	Adjusted Selling Price	$236

MATCHED PAIR RECONCILIATION

Adjusted Sales Price per SF Differential	$	12
Value Difference Attributable to Quarry		5.1%



PAIRED SALES GROUPING #6 - SPARTA QUARRY

Paired Home Sales Located in Sparta Township

PAIRED SALES GROUPING #6

	TARGET		CONTROL	
Address	9 Carpenter Place Sparta Township		80 Cherokee Court Sparta Township	
Block / Lot	11001 / 141		3048 / 20	
Final List Price		$1,149,900		$1,250,000
List-to-Sales Ratio		86.6%		84.0%
Sales Price		$ 996,000		$1,050,000
Living Area (GLA)		4,387		4,753
Price Per Square Foot		$ 227		$ 221
Closing Date		5/2/2006		8/5/2005
	DESCRIPTION	-(-) adjustment	DESCRIPTION	-(-) adjustment
Property Rights	Fee Simple		Fee Simple	
Conditions of Sale	Arms Length		Arms Length	
Time	2-May-06		5-Aug-05	
Adjusted Unit Value				$ 221
Site Location	Adjacent to Quarry		Distant from Quarry	
Site Area (acres)	2.85		2.76	0.0%
Ext. Design/Appeal	Colonial		Colonial	
Living Area (GLA)	GLA	4,387	GLA	4,753
Basement	Full		Full	
Car Storage	3 Car Attached		3 Car Attached	
Fireplace(s)	1		2	-1.0%
Other Features	None		None	
Net Adj. (Total)		n/a		-1.0%
Adjusted Sales Price	Actual Selling Price	$227	Adjusted Selling Price	$219

MATCHED PAIR RECONCILIATION

Adjusted Sales Price per SF Differential	$ 8
Value Difference Attributable to Quarry	3.7%

Summary of Paired Data Analysis – our analysis has indicated that homes bordering, or situated near to an active quarry do not experience any diminution in value as a result of that proximity. The preceding paired sales groupings indicate an average collective effect of +3.6% and a median effect of +3.5%. The individual analyses indicated a quarry effect ranging from an 'increase of 1.2%' to an 'increase of 6.8%'. The positive effects of quarry proximity, which occurred in all of the pairings, is likely attributable to a privacy benefit as a result of homes located nearest to the quarry not backing to another residence.

PAIRED SALES SUMMARY

	Target						Control					Quarry Effect		
		Adjacent to Quarry					Distant from Quarry							
#	Quarry	Address	Sale Date	Selling Price	House Size (Ft^2)	$ / Ft^2	Address	Sale Date	Selling Price	House Size (Ft^2)	$ / Ft^2	Adjusted Price	Delta (%)	Absolute Delta Value (%)
1	Bloomingdale	66 Van Dam Avenue	07/08/13	$290,000	1,590	$182	73 Woodward Avenue	09/30/13	$ 265,000	1,468	$181	$176	3.4%	3.4%
2	Bloomingdale	342 Union Avenue	05/03/10	$249,900	1,053	$237	48 Lakeside Avenue	09/23/10	$ 269,000	1,209	$222	$222	6.8%	6.8%
3	Riverdale	31A Mathews Avenue	06/19/13	$425,400	1,712	$248	11 Wilson Avenue E	06/23/14	$ 405,000	1,740	$233	$244	1.6%	1.6%
4	Ringwood	38 Tulip Avenue	08/18/05	$410,000	1,206	$340	66 James Drive	03/02/05	$ 415,000	1,298	$320	$336	1.2%	1.2%
5	Haledon	51 Ralph Street	09/15/06	$420,000	1,695	$248	3 Ralph Street	12/18/06	$ 389,000	1,695	$229	$236	5.1%	5.1%
6	Sparta	9 Carpenter Place	05/02/06	$996,000	4,387	$227	80 Cherokee Court	08/05/05	$1,050,000	4,753	$221	$219	3.7%	3.7%
												Average Delta	3.6%	3.6%
												Median Delta	3.5%	3.5%

Paired Sales Conclusion

As was demonstrated in the preceding analyses, homes located near to a quarry did not experience any diminution in selling price compared to comparable homes situated a further distance from the same quarry. Instead, all of the homes indicated a modest increase in selling price which is likely attributable to privacy benefits resulting from the absence of a neighboring dwelling to the rear (quarry side). Overall, these pairings indicated a median selling price increase of 3.5%, and an average increase of 3.6%.

Therefore, based upon my investigation and analysis, it is my considered opinion that the existence of an operating quarry does not cause any diminution in value to homes which border,, or are located near to, that quarry.

PART V – MULTI-FAMILY DEVELOPMENT VIABILITY

An additional element of our market study is to determine whether the proposed development of inclusionary multi-family housing on a 32-acre portion of the 'Meer Tract', to include both market-rate and affordable dwellings, is a viable use of the property that will fill a need in the local and regional submarket area.

Housing Demand Analysis

In developing a projection of future housing demand for the subject property's location we have analyzed the following relevant factors:

- Household Formation – projection of future housing demand growth
- Housing Market Conditions – analysis of regional and local market conditions
- Local Development Performance – analysis of recently constructed housing projects
- Purchasing Power – ability of local households to afford new housing product

Household Formation or demand that results from net household formation within a submarket area can be calculated by formulating a growth projection based upon historical demographic patterns. In developing a forecast of future housing demand for the subject property's location we have analyzed local demographic patterns. Based upon data published by the US Census Bureau, the number of households within a 5-mile radius of the subject property increased at an annualized rate of 1.13% from 2000 – 2010. More recent information based upon US Census data and The Nielson Company (Nielson), a leading provider of demographic statistics, indicate that this number has increased to 36,496 households. This current estimate indicates that the annual growth rate has declined to 0.65% over the last 5 years. Applying this slower rate of household growth (formation) to the future indicates a projected 10-year increase of 2,443 households which translates directly to the need for housing construction.

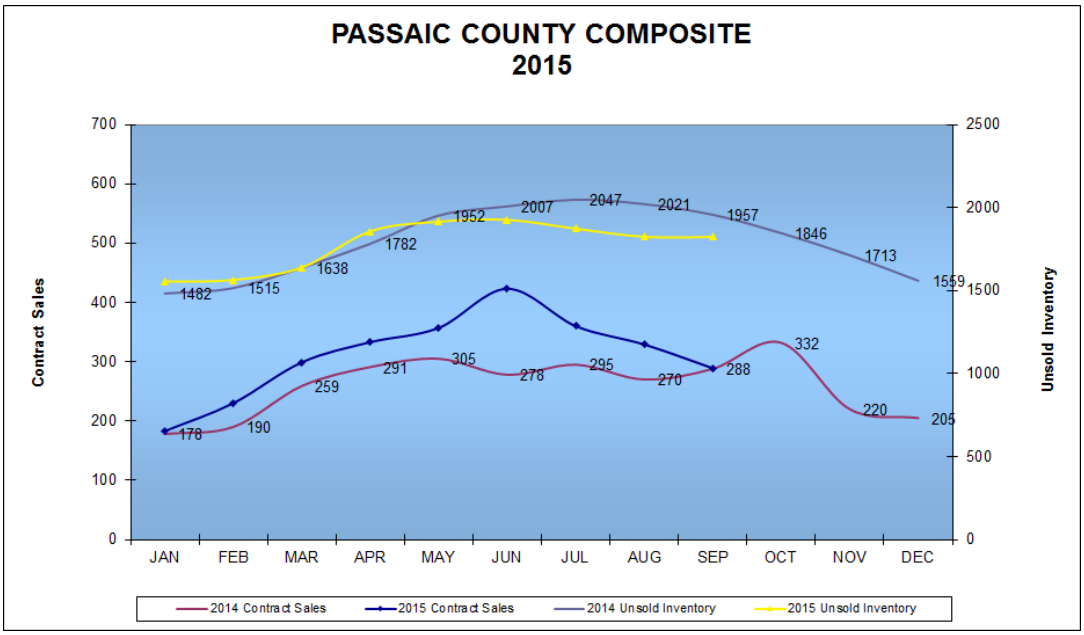
Housing Demand Projection
(5-Mile Radius of Subject Property)

# Households	# Households	Annualized Growth
2000 Census	31,561	-
2010 Census	35,324	1.13%
2015 Estimate	36,496	0.65%
2020 Projection	37,698	0.65%
2025 Projection	38,939	0.65%
Housing Demand Increase	2,443	

Also to be recognized is the potential to increase the rate of household formation through "Induced Demand", which is defined as that demand which does not currently seek housing in the submarket area but could be persuaded to do so through the availability of additional housing units, proper sales efforts or new demand generators. Our investigation indicates the existing housing stock in Bloomingdale Borough is relatively old, with a median age of 53 years with an average length of residence of 20 years for homeowners and 9 years for renters. These conditions are indicative of an outdated housing stock which creates an opportunity to construct more relevant housing types which will attract out of area households into the market.

Housing Market Conditions - Evidence of the submarket area's ability to absorb housing product can be found in rising pace of both homes sales and apartment rentals in the regional and local submarket areas.

Beginning with home purchase demand, Passaic County has been experiencing increased home purchase demand and declining available inventory in 2015, which is consistent with statewide trends.



Source: MarketTRAC by Otteau.com

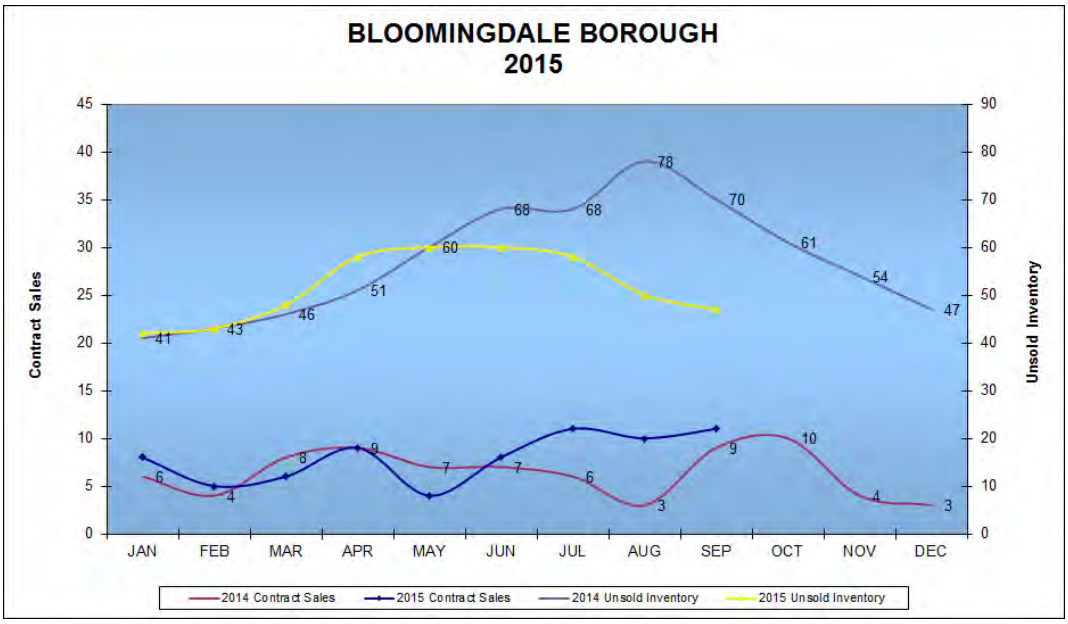
Focusing on the 3rd quarter of 2015, the number of home sales in Passaic County rose to their highest level of the past 5 years, 74% greater than during the same period in 2011. At the same time, the unsold inventory of for-sale housing declined to its lowest level in 5 years, reflecting a decline of 27%.

Passaic County Home Sales - 2015.Q3

		2011	2012	2013	2014	2015
Average # Of Offerings/Monthly		413.7	401.7	407.0	450.3	444.0
Average # Of Sales/Monthly		187.3	235.0	277.0	284.3	326.0
Supply & Demand Ratio		45%	59%	68%	63%	73%
Unsold Inventory		2493	2138	1790	1957	1823
Projected Absorption (months)	*Total Market*	13	9	6	7	6
	Less than $400k	13	9	6	6	5
	$400k - $599,999	15	9	6	8	6
	Less than $600k	13	9	6	7	5
	$600k - $1 million	20	17	12	14	10
	$1,000,001 - $2.5 mil.	72	13	∞	78	38
	Greater than $2.5 mil.	3	∞	N/A	∞	N/A

Source: MarketTRAC by Otteau.com

At the local level, Bloomingdale Borough has also been experiencing County increased home purchase demand and decreased available inventory.



Source: MarketTRAC by Otteau.com

Focusing again on the 3rd quarter of 2015, the number of home sales in Bloomingdale Borough rose to their highest level of the past 5 years, 148% higher than during the same period in 2011. At the same time, the unsold inventory of for-sale housing fell to its lowest level in 5 years, reflecting a decline of 75%.

	2011	2012	2013	2014	2015
Average # Of Offerings/Monthly	11.7	13.3	19.0	16.0	10.7
Average # Of Sales/Monthly	4.3	6.3	8.3	6.0	10.7
Supply & Demand Ratio	37%	48%	44%	38%	100%
Unsold Inventory	71	66	55	70	47
Projected Absorption (Months)	16	10	7	12	4

Shifting to apartment rental market, Passaic County has been experiencing increased rental demand and reductions in the available supply of apartments which are consistent with statewide trends. From a supply perspective, the county has a total of 24,262 rental apartment which has increased at a rate of only 0.2% annually.

Passaic County													
Submarket	Sector	Year	Inventory (SF/Units)	Inventory Growth	New Construct	Conversions	Vac %	Vacant Stock	Occupied Stock	Occupied Growth	Net Absorption	Asking Rent % Chg	Eff Rent % Chg
Passaic County	Apt	2010	24,088	0.0%	0	0	3.9%	939	23,149	n/a	-96	1.9%	0.6%
Passaic County	Apt	2011	24,088	0.0%	0	0	3.1%	747	23,341	0.8%	192	1.8%	2.3%
Passaic County	Apt	2012	24,088	0.0%	0	0	2.7%	650	23,438	0.4%	97	3.6%	4.3%
Passaic County	Apt	2013	24,088	0.0%	0	0	2.4%	578	23,510	0.3%	60	0.8%	0.9%
Passaic County	Apt	2014	24,262	0.7%	174	0	2.9%	704	23,558	0.2%	52	0.4%	0.3%
Passaic County	Apt	2015.Q2	24,262	0.0%	0	0	2.6%	631	23,631	0.6%	77	0.2%	0.8%

This compares to an existing supply of 23,631 apartments, which has increased at a pace of 0.5% annually over the same time period. We note however that demand growth has been constrained over that time period by limited supply growth of only 0.2% per year. In other words, increasing the pace of new construction would result in a corresponding increase in demand growth.

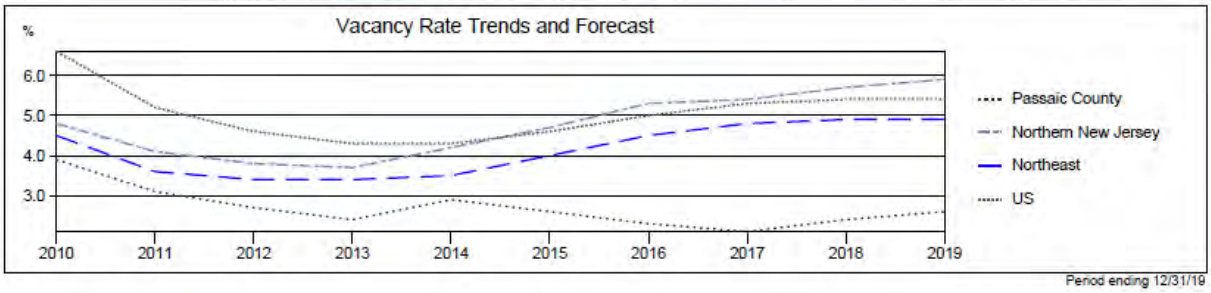
Demonstrated Demand						
	2010	2011	2012	2013	2014	2015ytd
Total Units	24,088	24,088	24,088	24,088	24,262	24,262
Vacant %	3.9%	3.1%	2.7%	2.4%	2.9%	2.6%
Vacant Stock	939	747	650	578	704	631
Occupied Stock	23,149	23,341	23,438	23,510	23,558	23,631
Demand Growth	n/a	0.8%	0.4%	0.3%	0.2%	0.6%

Note: 2015 ytd Demand Growth reflects annualized pace over a full year

These dynamics have caused the mean vacancy rate in this submarket to decline from 3.1% in 2010 to 2.6% in 2015.Q2. More recently, vacancy has declined from 2.9% last year to 2.6% presently despite the delivery of 174 new apartments during that time period. This improvement confirms that market's ability to absorb new construction units over time. Overall supply growth attributable to new construction of apartment units has accounted for only 0.7% of existing supply over the entire 4 ½ year period from 2010 – 2015.Q2, or 0.2% annually.

	Vacancy Rates						
	Quarterly			Annualized			
	2Q15	1Q15	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Passaic County	2.6%	2.9%	2.7%	2.7%	2.8%	3.1%	2.4%
Northern New Jersey	4.3%	4.1%	4.2%	3.9%	3.9%	4.3%	5.4%
Northeast	3.6%	3.5%	3.6%	3.5%	3.5%	3.9%	4.6%
United States	4.2%	4.2%	4.2%	4.3%	4.6%	5.5%	5.1%
Period Ending:	06/30/15	03/31/15	06/30/15	12/31/14	12/31/14	12/31/14	12/31/19

Submarket Rank Compared to:	Total Subs	Submarket Ranks						
		2Q15	1Q15	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
Northern New Jersey	7	1	3	2	2	3	2	1
Northeast	103	43	52	48	44	40	33	22
United States	835	250	280	259	197	137	84	149



Also favorable to the construction of rental units is that the existing stock of apartments is relatively old, with a mean & median age of 49 years (built in 1966). A closer look at the market's performance indicates that newer apartment properties offering a full range of amenities have a lower vacancy of only 1.8% compared to older ones. This is confirmed by the recently constructed Avalon Bloomingdale with 174 total apartment units which is presently 100% occupied which equates to 0% vacancy.

Vacancy Rate By Age

Year Built	Vac. Rate
Before 1970	2.3%
1970-1979	1.8%
1980-1989	n/a
1990-1999	6.5%
2000-2009	n/a
After 2009	1.8%
All	2.6%

As of 06/30/15

While demand is projected to increase we note that existing multi-family housing is under-supplied in Bloomingdale Borough. The 2013 American Community Survey by the US Census Bureau indicates that approximately 15% of the Borough housing stock is in multi-family structures with 5 or more dwelling units. Since that survey, Avalon Bay's Bloomingdale property has been constructed consisting of 174 multi-family apartments, thereby increasing the multi-family housing allocation to 20%. This compares to 18% of Bloomingdale's population being between the ages of 18-34 and an additional 16% of the population is ages 65 and older. Also, 57% of its households are either 1-person or 2-persons in size and 68% have no children living at home. These facts support the introduction of additional housing in the form of multi-family dwellings for those younger age, older age, and small-size 'childless' households.

Local Development Performance refers to the historical ability of a given submarket area to absorb housing over time. A useful indicator in this regard is recently constructed ***The Grande at Riverdale*** condominium project in Riverdale Borough, which is situated only 1.2 miles from the subject property. This project consists of 560 multi-family condominium dwellings which are also situated adjacent to the existing Riverdale Quarry. These dwellings were marketed and sold as new construction over the 109-month period (9.12 years) from July 2006 to November 2014, for an average sale pace of 5.1 sales per month. The individual condominium dwellings had an average size of 1,098 square feet of living area and sold for an average price of $304,629. Given the context of the marketing period for project, which spanned the 'The Great Recession' and its ensuing financial chaos, the average pace of 5.1 sales per month provides strong evidence of the local demand for newly constructed multi-family housing.

GRANDE AT RIVERDALE
Riverdale Borough - Morris County

Approx. Complex Age	1 - 9 years
Apartment Type	Mid-Rise Flats
Total Units	560
Marketing Period	July 2005-August 2014
Total Mos. Marketing	109
Sales/Month	**5.1**
Avg. Sale Price	$304,629
Avg. Size	1,098
Avg. Sale $/SF	$277
Parking Type	Surface & Garage Parking

RECREATIONAL AMENITIES: Two clubhouses w/ lounge, fitness center, and swimming pool

Additional evidence of ability of the local submarket to absorb new housing product can be found in the recently constructed ***Avalon Bloomingdale*** project in Bloomingdale Borough which is situated only 0.6 miles from the subject property. This projects consists of 174 multi-family apartments which are situated on Union Avenue, directly across the street from 'The Meer' tract. These apartments were marketed and rented over the 10-month period from July 2013 to May 2014, for an average rental pace of 10 leases per month. Currently, the property is operating at 100% occupancy with an average rental price of $1,992 per month.

AVALON BLOOMINGDALE

Bloomingdale Borough - Passaic County

Approx. Complex Age	1 year
Apartment Type	Mid-Rise Apartments & Townhouses
Total Units	174
Current Vacancy (%)	0.0%
Average Apt Size (SF)	910
Average Base Rent	$1,992
Average Rent/SF	$2.19
Minimum Lease Term	6 months
Elevator	None
Laundry Facilities	Washer & dryer in unit
Parking Type	Surface & Garage Parking
RECREATIONAL AMENITIES:	Clubhouse with business center, conference room, fitness center, billiard room, swimming pool with BBQ area, playground & package receiving
AMENITIES FEE:	Initial lease term: $500; Following terms: $375

PRICING MATRIX

Apartment Type	1 Bedroom	2 Bedroom	3 Bedroom
Unit Mix	66	78	12
Sq. Ft.	776	1,153	1,437
Monthly Rent	$1,845	$2,450	$2,815
Annual Rent / SF	$2.38	$2.12	$1.96

Purchasing Power – The next step in our demand analysis is to determine the ability of local area households to afford to purchase any new condominium dwellings constructed on the site. Based upon current mortgage interest rates, which are approximately 3.77% for a 30-year loan, the cost of amortization is $4.64 per $1,000 of loan principal. Based upon this cost it is possible to calculate the home purchasing power of local area households relative to their annual income. To accomplish this, we have applied the following factors and calculations:

- Monthly housing expense ratio equivalent to 35% of gross income
- Approximate cost of homeowner's insurance equivalent to $750 per year
- Approximate cost of real estate taxes equivalent to $11,500 per year which has been calculated based upon an average home price of $305,000, a municipal tax rate of $4.054 per $100, and a municipal equalization ratio of 92.64%.
- Down payment amounts of 5%, 10% and 20% of the purchase price

The tables below develop separate calculations of home purchase power within Bloomingdale Borough, a 5-mile and 10-mile radius.

PURCHASING POWER BY AGE MATRIX

Household Income by Age of Householder 2015 - Bloomingdale Borough

Household Income by Age		Age 15 - 24	Age 25 - 34	Age 35 - 44	Age 45 - 54	Age 55 - 64	Age 65 - 74	Age 75 - 84	Age 85+
Household Totals		34	304	569	716	630	422	227	68
% of Total Households		1.14%	10.24%	19.16%	24.11%	21.21%	14.21%	7.64%	2.29%
Median Household Income		$77,941	$89,362	$106,917	$97,093	$76,948	$56,173	$39,219	$26,818
Affordable Monthly Housing Expense @	35%	$2,273	$2,606	$3,118	$2,832	$2,244	$1,638	$1,144	$782
Less Cost of Homeowner's Insurance	$750	($63)	($63)	($63)	($63)	($63)	($63)	($63)	($63)
Affordable Monthly P-I-T		$2,211	$2,544	$3,056	$2,769	$2,182	$1,576	$1,081	$720
Less Cost of Real Estate Taxes @	$ 11,500	($958)	($958)	($958)	($958)	($958)	($958)	($958)	($958)
Affordable P-I		$1,252	$1,586	$2,098	$1,811	$1,223	$618	$123	$0
Mortgage Principal Equivalent		$269,778	$341,530	$451,820	$390,100	$263,539	$133,020	$26,506	$0
Purchasing Power - Downpayment @	5%	$283,976	$359,506	$475,600	$410,632	$277,410	$140,021	$27,901	$0
Purchasing Power - Downpayment @	10%	$299,753	$379,478	$502,022	$433,445	$292,821	$147,800	$29,451	$0
Purchasing Power - Downpayment @	20%	$337,222	$426,913	$564,775	$487,626	$329,424	$166,275	$33,132	$0
Average Purchasing Power		$309,584	$391,924	$518,487	$447,661	$302,425	$152,647	$30,417	$0

PURCHASING POWER BY AGE MATRIX

Household Income by Age of Householder 2015 - 5-Mile Radius

Household Income by Age		Age 15 - 24	Age 25 - 34	Age 35 - 44	Age 45 - 54	Age 55 - 64	Age 65 - 74	Age 75 - 84	Age 85+
Household Totals		396	3,149	5,639	8,582	7,954	5,336	3,459	1,982
% of Total Households		1.09%	8.63%	15.45%	23.51%	21.79%	14.62%	9.48%	5.43%
Median Household Income		$55,217	$93,818	$111,802	$117,428	$108,209	$66,638	$44,880	$33,331
Affordable Monthly Housing Expense @	35%	$1,610	$2,736	$3,261	$3,425	$3,156	$1,944	$1,309	$972
Less Cost of Homeowner's Insurance	$750	($63)	($63)	($63)	($63)	($63)	($63)	($63)	($63)
Affordable Monthly P-I-T		$1,548	$2,674	$3,198	$3,362	$3,094	$1,881	$1,247	$910
Less Cost of Real Estate Taxes @	$ 11,500	($958)	($958)	($958)	($958)	($958)	($958)	($958)	($958)
Affordable P-I		$590	$1,716	$2,240	$2,404	$2,135	$923	$288	$0
Mortgage Principal Equivalent		$127,014	$369,525	$482,510	$517,855	$459,937	$198,766	$62,071	$0
Purchasing Power - Downpayment @	5%	$133,699	$388,974	$507,905	$545,111	$484,144	$209,228	$65,338	$0
Purchasing Power - Downpayment @	10%	$141,126	$410,584	$536,122	$575,395	$511,041	$220,851	$68,968	$0
Purchasing Power - Downpayment @	20%	$158,767	$461,906	$603,137	$647,319	$574,921	$248,458	$77,589	$0
Average Purchasing Power		$145,755	$424,050	$553,706	$594,267	$527,802	$228,095	$71,230	$0

PURCHASING POWER BY AGE MATRIX

Household Income by Age of Householder 2015 - 10-Mile Radius

Household Income by Age		Age 15 - 24	Age 25 - 34	Age 35 - 44	Age 45 - 54	Age 55 - 64	Age 65 - 74	Age 75 - 84	Age 85+
Household Totals		2,312	13,657	23,230	34,678	31,775	21,240	12,483	6,359
% of Total Households		1.59%	9.37%	15.94%	23.80%	21.80%	14.57%	8.57%	4.36%
Median Household Income		$37,032	$85,436	$111,189	$116,158	$107,047	$68,634	$43,265	$31,393
Affordable Monthly Housing Expense @	35%	$1,080	$2,492	$3,243	$3,388	$3,122	$2,002	$1,262	$916
Less Cost of Homeowner's Insurance	$750	($63)	($63)	($63)	($63)	($63)	($63)	($63)	($63)
Affordable Monthly P-I-T		$1,018	$2,429	$3,181	$3,325	$3,060	$1,939	$1,199	$853
Less Cost of Real Estate Taxes @	$ 11,500	($958)	($958)	($958)	($958)	($958)	($958)	($958)	($958)
Affordable P-I		$59	$1,471	$2,222	$2,367	$2,101	$981	$241	$0
Mortgage Principal Equivalent		$12,766	$316,865	$478,659	$509,877	$452,637	$211,306	$51,925	$0
Purchasing Power - Downpayment @	5%	$13,438	$333,542	$503,851	$536,712	$476,460	$222,428	$54,658	$0
Purchasing Power - Downpayment @	10%	$14,185	$352,072	$531,843	$566,530	$502,930	$234,785	$57,694	$0
Purchasing Power - Downpayment @	20%	$15,958	$396,081	$598,323	$637,346	$565,796	$264,133	$64,906	$0
Average Purchasing Power		$14,650	$363,620	$549,286	$585,111	$519,425	$242,485	$59,587	$0

Comparing the purchasing power calculations to an average selling price of $305,000 for the condominium dwellings situated within the Grande at Riverdale indicates high affordability levels for households between the ages of 25-64 who are presently living in regional area.

PURCHASING POWER BY AGE MATRIX

Household Income by Age of Householder 2015

	Age 15 - 24	Age 25 - 34	Age 35 - 44	Age 45 - 54	Age 55 - 64	Age 65 - 74	Age 75 - 84	Age 85+
Bloomingdale Borough	$309,584	$391,924	$518,487	$447,661	$302,425	$152,647	$30,417	$0
5-Mile Radius	$145,755	$424,050	$553,706	$594,267	$527,802	$228,095	$71,230	$0
10-mile Radius	$14,650	$363,620	$549,286	$585,111	$519,425	$242,485	$59,587	$0
New Condominiums	**$305,000**	**$305,000**	**$305,000**	**$305,000**	**$305,000**	**$305,000**	**$305,000**	**$305,000**

Red Font Indicates Lack of Affordability

Rental Power – The next step in our demand analysis is to determine the ability of local area households to afford to rent any new rental apartments constructed on the site. To accomplish this, we have utilized a monthly housing expense ratio equivalent to 38% of gross income. The tables below develop separate calculations of rental power for households presently residing within the Bloomingdale Borough, as well as those within a 5-mile and 10-mile radii.

RENTAL POWER BY AGE MATRIX										
Household Income by Age of Householder 2015										
Area	Household Income by Age		Age 15 - 24	Age 25 - 34	Age 35 - 44	Age 45 - 54	Age 55 - 64	Age 65 - 74	Age 75 - 84	Age 85+
Bloomingdale	Household Totals		34	304	569	716	630	422	227	68
	% of Total Households		1.14%	10.24%	19.16%	24.11%	21.21%	14.21%	7.64%	2.29%
	Median Household Income		$77,941	$89,362	$106,917	$97,093	$76,948	$56,173	$39,219	$26,818
	Monthly Rental Power	38%	**$2,468**	**$2,830**	**$3,386**	**$3,075**	**$2,437**	**$1,779**	**$1,242**	**$849**
5-Miles	Household Totals		396	3,149	5,639	8,582	7,954	5,336	3,459	1,982
	% of Total Households		1.09%	8.63%	15.45%	23.51%	21.79%	14.62%	9.48%	5.43%
	Median Household Income		$55,217	$93,818	$111,802	$117,428	$108,209	$66,638	$44,880	$33,331
	Monthly Rental Power	38%	**$1,749**	**$2,971**	**$3,540**	**$3,719**	**$3,427**	**$2,110**	**$1,421**	**$1,055**
10-Miles	Household Totals		2,312	13,657	23,230	34,678	31,775	21,240	12,483	6,359
	% of Total Households		1.59%	9.37%	15.94%	23.80%	21.80%	14.57%	8.57%	4.36%
	Median Household Income		$37,032	$85,436	$111,189	$116,158	$107,047	$68,634	$43,265	$31,393
	Monthly Rental Power	38%	**$1,173**	**$2,705**	**$3,521**	**$3,678**	**$3,390**	**$2,173**	**$1,370**	**$994**

Comparing the above rental power calculations to an average rental price of $1,992.00 at the nearby Avalon Bloomingdale property indicates high affordability levels for households between the ages of 25-64. Affordability also exists for the 15-24 year cohort in Bloomingdale and the 65-74 cohorts within 5-miles and 10 miles. .

RENTAL POWER BY AGE MATRIX								
Affordable Rental Rates by Age of Householder 2015								
	Age 15 - 24	Age 25 - 34	Age 35 - 44	Age 45 - 54	Age 55 - 64	Age 65 - 74	Age 75 - 84	Age 85+
Bloomingdale	**$2,468**	**$2,830**	**$3,386**	**$3,075**	**$2,437**	**$1,779**	**$1,242**	**$849**
5-Miles	**$1,749**	**$2,971**	**$3,540**	**$3,719**	**$3,427**	**$2,110**	**$1,421**	**$1,055**
10-Miles	**$1,173**	**$2,705**	**$3,521**	**$3,678**	**$3,390**	**$2,173**	**$1,370**	**$994**
Projected Avg. Rental Price	**$1,992 per month**							

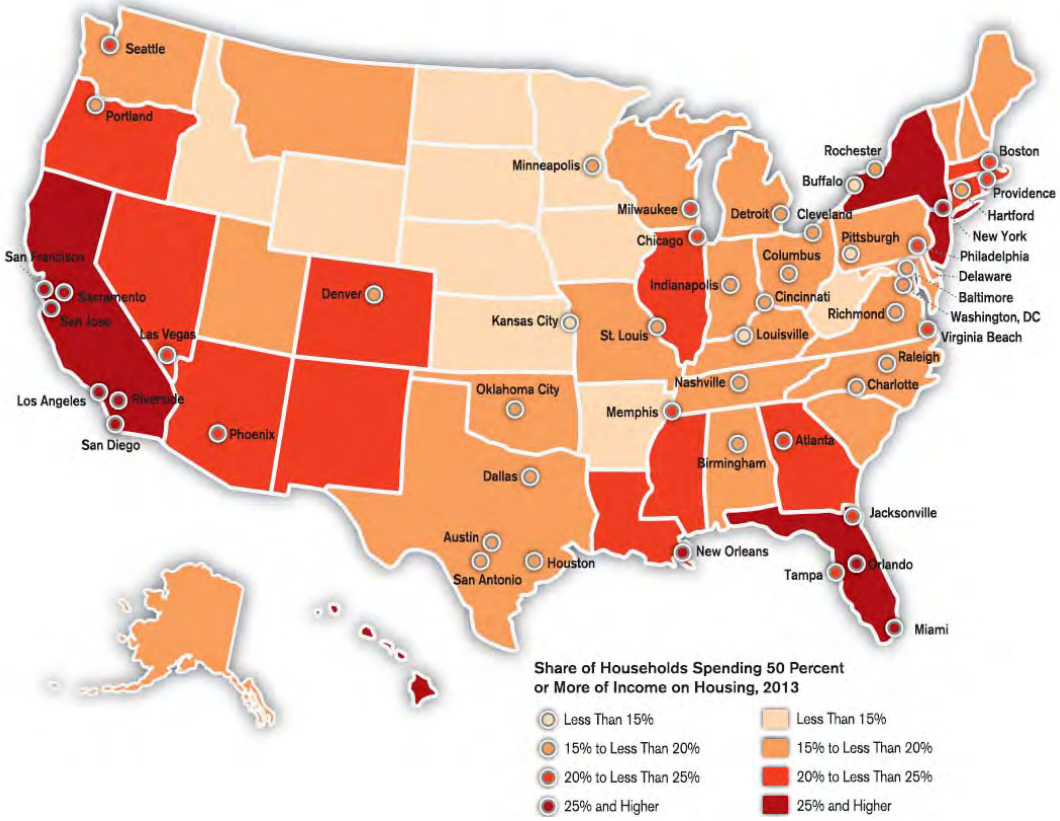
Based upon the preceding analyses, the development of multi-family houisng on the Meer Tract is supported by local economic, demographic and real estate market conditions. This support is strongly evidenced by adquate housing demand and income levels. At the present time, such development would likely be in the form of rental apartments due to a combination of factors, primary of which is recent declines in the homeownership rate coupled with the scarcity of financing for condominium developmenjt projects.

Affordable Housing Need

Housing costs in New Jersey, both for purchase and rental, are among the highest in the nation. According to a study jointly released by the National Low Income Housing Coalition of Washington, D.C., and the Housing and Community Development Network of New Jersey, an

estimated 61 percent of the state's residents are unable to afford to rent a two-bedroom unit. According to the report, a household needs to earn $24.54 an hour to cover rent and utilities for the average two-bedroom unit in New Jersey, which is the 5th most expensive rental housing market in the United States, after Hawaii, Washington, D.C., California and Maryland. These affordability issues are even greater for home ownership in New Jersey with its higher costs compared to rental housing. The Center for Housing Policy indicated in their Housing Landscape 2015 report that 30% of working households in New Jersey have a "severe housing burden" which is defined as spending more than 50% of its income on housing costs, including utilities. New Jersey's ranking in this report was the 2nd Worst in the nation.

Share of Working Households with a Severe Housing Cost Burden



Source: Housing Landscape 2015; Center for Housing Policy

The next step in our analysis is to determine whether adequate demand exists within the submarket area to absorb any affordable housing dwelling units constructed on the subject property.

Affordable For-Sale Housing Analysis: Our analysis of the Bloomingdale Borough submarket area indicates a median selling price of $348,861 for a residential dwelling with a building age of 53 years. Based upon applicable homeownership variables for this submarket area, we have estimated a minimum average annual household income of $89,000 to be necessary to afford the cost of the median home prices in Bloomingdale Borough (see table below).

Affordability Matrix					
Bloomingdale Borough Median Overall Selling Pric		$348,861	$348,861	$348,861	**Average**
Down Payment (%)		**5%**	**10%**	**20%**	
Down Payment ($)		$17,443	$34,886	$69,772	
Mortgage Principal		$331,418	$313,975	$279,089	
Interest Rate (30 Yr. Fixed)	3.89%				
Loan Term	30				
Principal & Interest		$1,561.29	$1,479.12	$1,314.77	
Real Estate Taxes					
equal. ratio	92.64%				
tax rate	$4.05				
projected taxes	$13,089	$1,090.75	$1,090.75	$1,090.75	
HOA Dues		$200.00	$200.00	$200.00	
Homeowners Insurance	$1,000.00	$83.33	$83.33	$83.33	
Total Payment (p-i-t-i)		$2,935.38	$2,853.20	$2,688.86	
Annual Income Requirement (@38%)		**$93,000.00**	**$90,000.00**	**$85,000.00**	**$89,000**

Comparing this to income levels within the 10-mile radius indicates that nearly half of households (50%), totaling more than 71,000 do not have sufficient income to afford the median home price in Bloomingdale Borough. This finding indicates that there is a large unmet need for affordably priced homes within the local submarket area. For this reason, the subject property's proposed inclusionary project design with a mix of both market-rate and affordable-rate (COAH) housing units fills a need in the local and regional housing market.

LACK OF AFFORDABILITY MATRIX - Bloomingdale Borough Median Pricing Household Income by Age of Householder 2015 - 10 Mile Radius of Subject Property									
2014 Estimate Age/Income	**Age 15 - 24**	**Age 25 - 34**	**Age 35 - 44**	**Age 45 - 54**	**Age 55 - 64**	**Age 65 - 74**	**Age 75 - 84**	**Age 85+**	**Total**
Total Households	2,312	13,657	23,230	34,678	31,775	21,240	12,483	6,359	145,734
% of Total Households	1.59%	9.37%	15.94%	23.80%	21.80%	14.57%	8.57%	4.36%	
Median Household Income	$37,032	$85,436	$111,189	$116,158	$107,047	$68,634	$43,265	$31,393	
Income Less than $15,000	476	1,115	1,108	1,306	1,609	1,349	1,571	1,367	9,901
% Across Age Ranges	4.81%	11.26%	11.19%	13.19%	16.25%	13.62%	15.87%	13.81%	
% Within Age Range	20.59%	8.16%	4.77%	3.77%	5.06%	6.35%	12.59%	21.50%	
Income $15,000 - $24,999	357	769	786	895	1,140	1,634	1,877	1,204	8,662
% Across Age Ranges	4.12%	8.88%	9.07%	10.33%	13.16%	18.86%	21.67%	13.90%	
% Within Age Range	15.44%	5.63%	3.38%	2.58%	3.59%	7.69%	15.04%	18.93%	
Income $25,000 - $34,999	267	799	906	1,093	1,245	1,814	1,645	952	8,721
% Across Age Ranges	3.06%	9.16%	10.39%	12.53%	14.28%	20.80%	18.86%	10.92%	
% Within Age Range	11.55%	5.85%	3.90%	3.15%	3.92%	8.54%	13.18%	14.97%	
Income $35,000 - $49,999	413	1,160	1,400	2,118	2,344	2,871	2,085	928	13,319
% Across Age Ranges	3.10%	8.71%	10.51%	15.90%	17.60%	21.56%	15.65%	6.97%	
% Within Age Range	17.86%	8.49%	6.03%	6.11%	7.38%	13.52%	16.70%	14.59%	
Income $50,000 - $74,999	410	2,188	2,943	4,131	4,089	3,960	1,972	783	20,476
% Across Age Ranges	2.00%	10.69%	14.37%	20.17%	19.97%	19.34%	9.63%	3.82%	
% Within Age Range	17.73%	16.02%	12.67%	11.91%	12.87%	18.64%	15.80%	12.31%	
Income $75,000 - $89,000	78	1,070	1,658	2,634	2,433	1,555	653	226	10,307
% Across Age Ranges	0.76%	10.38%	16.08%	25.56%	23.60%	15.08%	6.34%	2.20%	
% Within Age Range	3.39%	7.84%	7.14%	7.60%	7.66%	7.32%	5.23%	3.56%	
Total Households > $89,000	**2,001**	**7,101**	**8,801**	**12,177**	**12,860**	**13,183**	**9,803**	**5,460**	**71,386**
% Households > $89,000	**87%**	**52%**	**38%**	**35%**	**40%**	**62%**	**79%**	**86%**	**49%**

Affordable Rental Housing Analysis: Our analysis of the Passaic County submarket area indicates an average apartment rental price of $1,365 per month for an apartment with an average and median building age of 49 years. A sampling of more local apartment complexes indicates an even higher average rental price of $1,780 per month suggesting that rents in the local submarket area are even higher than for the county overall (see table below).

Competitive Set - Market-Rate Rental Apartments										
ITEM	**PROJECT 1**		**PROJECT 2**		**PROJECT 3**		**PROJECT 4**		**PROJECT 5**	
Project Name	Avalon Bloomingdale		Anthony Gardens		Mountain Top Estates		Alexan Riverdale		Kinnelon Ridge	
Municipality	Bloomingdale Borough		Pompton Lakes		Bloomingdale Borough		Riverdale Borough		Kinnelon Borough	
County	Passaic County, NJ		Passaic County, NJ		Passaic County, NJ		Morris County, NJ		Morris County, NJ	
Proximity to Subject	0.60 miles		0.79 miles		0.81 miles		1.55 miles		2.81 miles	
Total Apartment Units		174		68		48		212		210
Age of Property (yrs.)		1		40		50		5		12
Average Monthly Rent		$1,992		$1,583		$1,300		$2,233		$1,791
Avg. Apt. Size (SF)		910		783		600		1,047		1,099
Current Vacancy (#)		0		4		1		9		6
Current Vacancy (%)		0.0%		5.9%		2.5%		4.2%		3.0%
Base Price Per Sq. Foot		$2.19		$2.02		$2.17		$2.13		$1.63

Using an affordable housing expense ratio equivalent to 35% of gross income, we project an average minimum annual income of $61,000 being necessary to afford this average apartment rental pricing. Comparing this income requirement of $61,000 to the median household income for residents living within a 10-mile radius of the subject property indicates that there are nearly 50,000 households presently living within 10 miles, representing 34% of all households respectively, who are unable to afford prevailing rental rates.

LACK OF AFFORDABILITY BY AGE MATRIX - Local Submarket Average Rental Pricing									
Household Income by Age of Householder 2015 - 10 Mile Radius of Subject Property									
2015 Estimate Age/Income	Age 15 - 24	Age 25 - 34	Age 35 - 44	Age 45 - 54	Age 55 - 64	Age 65 - 74	Age 75 - 84	Age 85+	Total
Total Households	2,312	13,657	23,230	34,678	31,775	21,240	12,483	6,359	145,734
% of Total Households	1.59%	9.37%	15.94%	23.80%	21.80%	14.57%	8.57%	4.36%	
Median Household Income	$37,032	$85,436	$111,189	$116,158	$107,047	$68,634	$43,265	$31,393	
Income Less than $15,000	476	1,115	1,108	1,306	1,609	1,349	1,571	1,367	9,901
% Across Age Ranges	4.81%	11.26%	11.19%	13.19%	16.25%	13.62%	15.87%	13.81%	
% Within Age Range	20.59%	8.16%	4.77%	3.77%	5.06%	6.35%	12.59%	21.50%	
Income $15,000 - $24,999	357	769	786	895	1,140	1,634	1,877	1,204	8,662
% Across Age Ranges	4.12%	8.88%	9.07%	10.33%	13.16%	18.86%	21.67%	13.90%	
% Within Age Range	15.44%	5.63%	3.38%	2.58%	3.59%	7.69%	15.04%	18.93%	
Income $25,000 - $34,999	267	799	906	1,093	1,245	1,814	1,645	952	8,721
% Across Age Ranges	3.06%	9.16%	10.39%	12.53%	14.28%	20.80%	18.86%	10.92%	
% Within Age Range	11.55%	5.85%	3.90%	3.15%	3.92%	8.54%	13.18%	14.97%	
Income $35,000 - $49,999	413	1,160	1,400	2,118	2,344	2,871	2,085	928	13,319
% Across Age Ranges	3.10%	8.71%	10.51%	15.90%	17.60%	21.56%	15.65%	6.97%	
% Within Age Range	17.86%	8.49%	6.03%	6.11%	7.38%	13.52%	16.70%	14.59%	
Income $50,000 - $61,000	180	963	1,295	1,818	1,799	1,742	868	345	9,009
% Across Age Ranges	1.46%	12.85%	17.21%	21.31%	19.70%	18.21%	6.75%	2.51%	
% Within Age Range	7.80%	7.05%	5.57%	5.24%	5.66%	8.20%	6.95%	5.42%	
Total Households <$61,000	1,693	4,806	5,495	7,230	8,137	9,410	8,046	4,796	49,612
% Households <$61,000	73%	35%	24%	21%	26%	44%	64%	75%	34%

COAH - The Council on Affordable Housing (COAH), an agency of the state government within the Department of Community Affairs (DCA) has historically been responsible for ensuring that all 565 New Jersey municipalities provide their fair share of low and moderate income housing. The COAH was created by the New Jersey Legislature in response to the Fair Housing Act of 1985 and a series of New Jersey Supreme Court rulings known as the Mount Laurel decisions. The council is made up of 12 members appointed by the Governor of New Jersey and approved by the New Jersey Senate. COAH defines housing regions, estimates the needs for low/moderate income housing, allocates fair share numbers by municipality and reviews plans to fulfill these obligations.

A recent decision by the New Jersey Supreme Court in March of 2015 declared the state's affordable housing process 'non-functioning' and transferred jurisdiction over low-income and moderate-income housing from the executive branch back to the courts. While the implications from this decision are not yet fully understood, most development projects are continuing to apply COAH guidelines in determining the allocation and rental rates for any affordable-rate housing units that are set aside within a project.

Those COAH guidelines, where were designed to implement the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.), were intended to assure that low- and moderate-income units created under the Act were occupied by low- and moderate-income households for an

appropriate period of time. According to COAH guidelines, the inclusion of affordable rate apartments in a project was required to adhere to the following requirements:

- Median income limits for qualifying households are determined by the New Jersey Department of Community Affairs according to region. Bloomingdale Borough is located in DCA Region 1.
- In each affordable development, at least 50 percent of the restricted units within each bedroom distribution shall be low-income units and the remainder may be moderate income units.
- Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:
    - The combined number of efficiency and one-bedroom units is no greater than 20 percent of the total low- and moderate-income units;
    - At least 30 percent of all low- and moderate-income units are two bedroom units;
    - At least 20 percent of all low- and moderate-income units are three bedroom units;
    - And the remainder, if any, may be allocated at the discretion of the developer.
- Municipalities shall establish by ordinance that the maximum rent for affordable units within each affordable development shall be affordable to households earning no more than 60 percent of median income. The municipal ordinance shall require that the average rent for low- and moderate-income units are affordable to households earning no more than 52 percent of median income. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low income and moderate-income units, provided that at least 10 percent of all low- and moderate-income units shall be affordable to households earning no more than 35 percent of median income.
- Municipal ordinances regulating owner-occupied and rental units shall require that affordable units utilize the same type of heating source as market units within the affordable development.
- In determining the initial rents and initial sales prices for compliance with the affordability average requirements for restricted units other than assisted living facilities, the following standards shall be used:
    - A studio shall be affordable to a one-person household;
    - A one-bedroom unit shall be affordable to a one and one-half person household;
    - A two-bedroom unit shall be affordable to a three-person household;
    - A three-bedroom unit shall be affordable to a four and one-half person household;
    - And a four-bedroom unit shall be affordable to a six-person household.
- Low-income rental units shall be reserved for households with a gross household income less than or equal to 50 percent of median income. Moderate income rental units shall be reserved for households with a gross household income less than 80 percent of median income.

- The administrative agent shall certify a household as eligible for a restricted rental unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35 percent (40 percent for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.16; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
    - The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent and the proposed rent will reduce its housing costs;
    - The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
    - The household is currently in substandard or overcrowded living conditions;
    - The household documents the existence of assets, with which the household proposes to supplement the rent payments; or
    - The household documents proposed third-party assistance from an outside source such as a family member in a form acceptable to the administrative agent and the owner of the unit.
- The applicant shall file documentation sufficient to establish the existence of the circumstances in (b) above with the administrative agent, who shall counsel the household on budgeting.

Affordable For-Sale Housing Conclusions: Based upon the COAH guidelines, we have calculated the required mix of for-sale dwelling units and average selling prices to be as follows.

THE GRANDE AT BLOOMINGDALE									
COAH PROJECT MIX & BASE RENTAL PRICES									
Unit Type	Bedroom Count	Recommended Mix		Median HH Income (DCA Region 1)	Income Stratification %	Stratified Annual Income Level		Monthly Housing Allocation	2015 Base Selling Price
		Share	# Units			Annual	Monthly		
COAH - LOW 1	1 Bedroom	3%	2	$63,317	40%	$25,327	$2,111	$591	$37,412
COAH - LOW 2	1 Bedroom	7%	5	$63,317	50%	$31,658	$2,638	$739	$51,786
COAH - MOD 1	1 Bedroom	10%	7	$63,317	64%	$40,523	$3,377	$946	$65,202
COAH - LOW 1	2 Bedroom	13%	9	$75,980	40%	$30,392	$2,533	$709	$55,379
COAH - LOW 2	2 Bedroom	18%	13	$75,980	50%	$37,990	$3,166	$886	$73,347
COAH - MOD 1	2 Bedroom	29%	21	$75,980	64%	$48,627	$4,052	$1,135	$90,116
COAH - LOW 1	3 Bedroom	4%	3	$87,799	40%	$35,120	$2,927	$819	$80,534
COAH - LOW 2	3 Bedroom	7%	5	$87,799	50%	$43,900	$3,658	$1,024	$103,532
COAH - MOD 1	3 Bedroom	10%	7	$87,799	64%	$56,191	$4,683	$1,311	$124,997
								Total COAH Units	72
								Average COAH Selling Price (weighted)	$80,122

Affordable Rental Housing Conclusions: Based upon the COAH guidelines, we have calculated the required mix of apartments and allowable rents to be as follows:

THE GRANDE AT BLOOMINGDALE									
COAH PROJECT MIX & BASE RENTAL PRICES									
Unit Type	Apartment Type	Share		Median HH Income (DCA Region 1)	Income Stratification %	Stratified Income Level	Monthly Housing Allocation 30%	Calculation of Tenant Utilities & Services	2015 Base Rent ($ per month)
COAH - LOW 1 Rental Apartment	1 Bedroom	3%	2	$63,317	35%	$22,161	$554	$149.00	$405
COAH - LOW 2 Rental Apartment	1 Bedroom	7%	5	$63,317	50%	$31,658	$791	$149.00	$642
COAH - MOD 1 Rental Apartment	1 Bedroom	10%	7	$63,317	60%	$37,990	$950	$149.00	$801
COAH - LOW 1 Rental Apartment	2 Bedroom	13%	9	$75,980	35%	$26,593	$665	$196.00	$469
COAH - LOW 2 Rental Apartment	2 Bedroom	18%	13	$75,980	50%	$37,990	$950	$196.00	$754
COAH - MOD 1 Rental Apartment	2 Bedroom	29%	21	$75,980	60%	$45,588	$1,140	$196.00	$944
COAH - LOW 1 Rental Apartment	3 Bedroom	4%	3	$87,799	35%	$30,730	$768	$239.00	$529
COAH - LOW 2 Rental Apartment	3 Bedroom	7%	5	$87,799	50%	$43,900	$1,097	$239.00	$858
COAH - MOD 1 Rental Apartment	3 Bedroom	10%	7	$87,799	60%	$52,679	$1,317	$239.00	$1,078
Total Affordable Apartments									72
Average Base Monthly Rent (weighted)									$790

We therefore conclude that developing the subject property as an inclusionary development with a set-aside or with an off-site contribution towards affordable housing is a beneficial use of the property that will fill a need in the local and regional submarket area.

PART VI – VALUATION ANALYSIS

This section of our report will develop indications of market value for the Meer Tract pursuant to the following scenarios:

- The market value of the 32-acre portion which is approved for multi-family development based assuming that municipal approval of the quarry expansion has been granted and that site excavation and preparation work to facilitate residential development has been completed.
- The market value of the entire 180.1-acre parcel assuming that quarry expansion is not is not permitted and that site excavation and preparation work to facilitate the approved multi-family development has not been completed.

Highest & Best Use

Highest and best is defined on page 333 in The Appraisal of Real Estate, Fourteenth Edition, published by the Appraisal Institute, as:

> The reasonably probable use that produces the most benefits and highest land value at any given time.

A property's highest and best use must be analyzed as vacant and as improved, for several reasons. The highest and best use analysis, as vacant, allows for the proper selection of comparable land sales to derive a property's land value and is also used to measure a building's value contribution. The highest and best analysis, as improved, determines whether the existing improvement should continue to be used, or demolished, as well as analyzing how the property as improved should be used. Because the Meer Tract consists on vacant undeveloped land, the 'as improved' analysis does not apply.

The highest and best use of both land as though vacant and property as improved must meet four criteria. The highest and best use must be 1) physically possible, 2) legally permissible, 3) financially feasible, and 4) maximally productive (The Appraisal of Real Estate, Fourteenth Edition, published by the Appraisal Institute, page 335, hereafter referred to as The Appraisal of Real Estate). Each of these four criteria will be defined and explained based upon information found on pages 340-350 of The Appraisal of Real Estate.

> **Legally Permissible:** Private restrictions, zoning, building codes, historic zoning controls and environmental regulations must be investigated because they may preclude many potential highest and best uses. In addition, a long-term lease on a property may place limits on the property's use.

- The Meer Tract is situated within the **AH, Affordable Housing** which permits multi-family housing on a 32-acre portion of the site consistent with a Superior Court Order to facilitate the Borough addressing its constitutional low and moderate income housing obligation. Prior approvals provide for a total of 360 multi-family dwellings to include 288 market-rate and 72 affordable units. The AH zoning ordinance further indicates that the remaining 180.1 acres of the Meer Tract will remain undeveloped and be dedicated as open space.

Physically Possible: The size, shape, area, and terrain of a parcel of land affect the uses to which it can be developed. The utility of the parcel may depend on its frontage and depth, while certain parcels only attain their highest and best use as part of a land assemblage. In addition, the capacity and availability of public utilities is also vital to its physically possible use.

- As Vacant – Development of the 32-acre portion of the site intended for multi-family development requires significant site excavation and preparation work at an estimated cost of $7.4-Million[7]. While development of the site is therefore physically possible, the cost of that work is prohibitive as will be discussed below.

Financially Feasible: After determining which uses are physically possible and legally permissible, these uses are analyzed further to determine which are likely to produce an income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. In determining financial feasibility, estimates of future gross income, vacancy and collection losses, and operating expenses are estimated for each potential use, to obtain their likely net income. If the net revenue capable of being generated is enough to satisfy the required rate of return on an investment and provide a return to the land, the use is financially feasible within some price limit.

- As Vacant – The physical constraints imposed by the site's steep topography necessitate extraordinary excavation and preparation work which far exceed what is typical for residential development. As discuss above, the cost of this work is estimated to be $7.4-million. The magnitude of this expense is approximately 6 times the resulting value of the 32-acre portion after the work has been completed. Therefore, it is not financially feasible to undertake this work on the part of a developer.

  If, however the preparatory excavation and site work were to be completed by a party other than the developer, the construction of multi-family housing becomes financially feasible.

Maximally Productive: Of the financially feasible uses, the use that produces the highest price, or value, consistent within the rate of return warranted by the market for that use is the highest and best use. In considering the property's highest and best use as improved, a comparison is made between the existing improvements and the ideal improvement to determine the contribution of the improvements to the overall value. The highest and best use analysis is applicable in estimating the property's market value, while in estimating its use value, the current use is deemed to be its highest and best use.

[7] See addenda for estimate prepared by Wayne J. Ingram, P.E., P.P. of Engineering & Land Planning, Inc.

- As Vacant – In the 'as-is' condition of the property, the maximal use of the property is for 'open space' because the cost of excavation exceeds the resulting value of the land after the excavation has been completed.

  Assuming however that all excavation and site preparation has been completed for facilitate residential development, the construction of multi-family housing will yield the highest resulting value for the property.

Highest & Best use Conclusion:

- As Vacant **-** The subject's highest and best use 'As-Is' is for dedication as open space. Assuming that all necessary site excavation and preparation work has been completed, the highest and best use is for multi-family development on the 32-acre portion of the site. For the remaining 180.1 acres, the highest and best use is for dedication as open space.

Sales Comparison Approach

The Sales Comparison Approach is based upon the proposition that an informed purchaser would pay no more for a property than the cost of acquiring an existing property with the same utility. This approach is applicable when an active market provides sufficient quantities of reliable data that can be verified from authoritative sources.

The valuation analyses which follow will develop indications of market value for the Meer Tract pursuant to the following scenarios:

- **Scenario 1** - The market value of the 32-acre portion which is approved for multi-family development based assuming that municipal approval of the quarry expansion has been granted and that site excavation and preparation work to facilitate residential development has been completed.
- **Scenario 2** - The market value of the entire 180.1-acre parcel assuming that quarry expansion is not is not permitted and that site excavation and preparation work to facilitate the approved multi-family development has not been completed.

Valuation Scenario 1

This valuation has been based upon the hypothetical condition that municipal approval of the quarry expansion has been granted and that site excavation and preparation work to facilitate residential multi-family development has been completed.

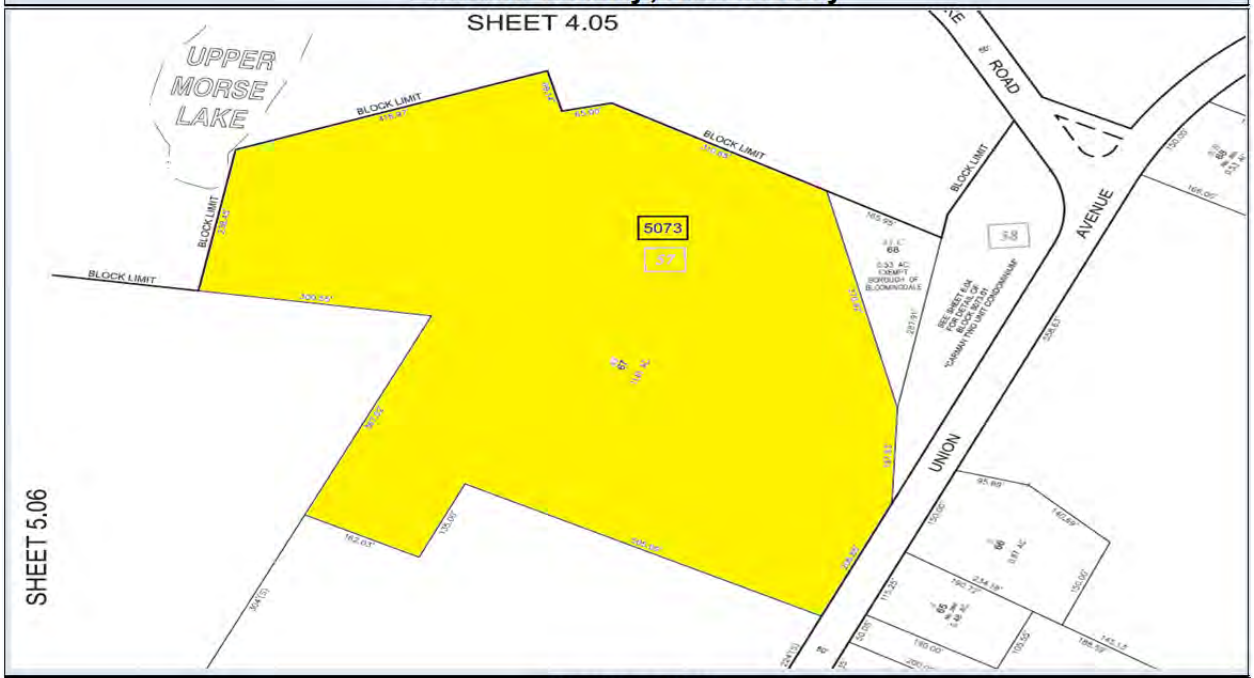
The prior development approvals for the site permit construction of 360 multi-family dwellings. Given the mandatory 20% set-aside for affordable housing units that are mandated by that approval, the project would consist of a mix to include 288 market-rate dwellings and 72

affordable housing units. Because of the constraints on affordable housing units, which are required to be offered at reduced pricing to households earning less than the median income in a given area, their construction is generally not a profitable undertaking for developers. This is the primary reason for municipalities granting approvals with higher densities, which are commonly referred to as bonus density, so that the increased number of market-rate dwelling units within a project will offset the lack of profitability for the affordable housing units. As a result of these dynamics, the value of land parcels approved for residential development exists entirely in the number of market-rate dwelling units to be constructed. Therefore, this valuation scenario will be based upon the 288 market-rate dwelling units that are approved for the property.[8] We note however that due to the fluidity of market conditions over time, the actual number of dwellings to be proposed, and constructed, will fluctuate based upon prevailing supply and demand factors. Therefore, to the extent that the eventual number of dwellings to be developed on the site may differ from (be less than) the existing approvals, there will be a corresponding variation in land value.

[8] From this perspective, reducing the set-aside ratio for affordable housing units to be constructed within the project would have a corresponding effect of increasing the market value of the site.

LAND SALE - Multi-Family Development

267 Union Avenue, Bloomingdale Borough
Passaic County, New Jersey



TRANSACTION	
Block/Lot	Block 5073, Lot 67 (formerly Block 57, Lot 43)
Sale Date	16-Sep-11
Deed Recording	Book 2095, Page 248
Grantor	B.L.C. One, LLC
Grantee	Avalonbay Communities, Inc.
Consideration	$2,760,000
Financing	None Discovered
Rights Conveyed	Fee Simple
Concessions	None Discoveed
Site Area (Acres)	11.61
Site Area (Square Feet)	505,732
Units Approved	174
Unit Value Per Acre	$237,726
Unit Value Per Square Foot	$5.46
Unit Value Per Unit Approved	$15,862.07
Verification Source	CoStar, Realquest, Vital, NJACTB, Planning Board, Deed

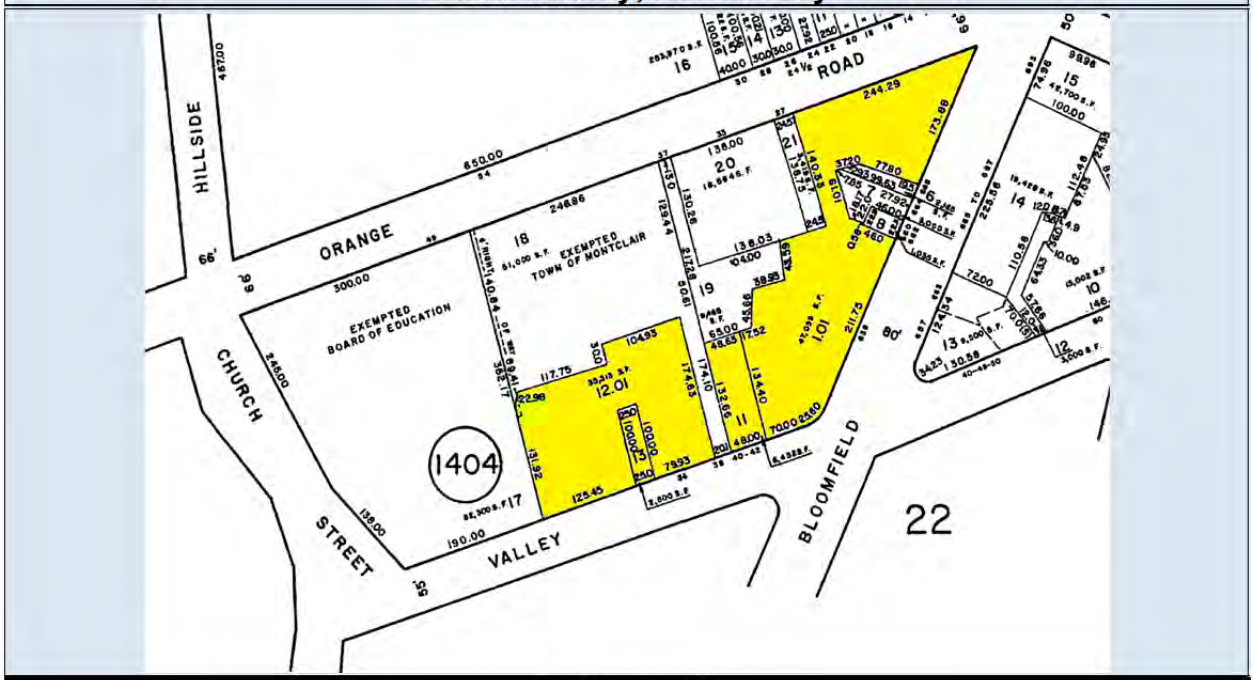
SITE	
Site Area (Acres)	11.61
Site Area (Square Feet)	505,732
Utilities	All Public Available
Zoning	IMF

COMMENTS

This is the sale of a 11.61-acre parcel of land which will be developed as a residential community of 174 rental apartments. Approvals were obtained on April 11, 2008 in accordance with Ordinance No. 2-2008. This sale is a good comparable to the subject property. There wasn't broker contact information associated with the sale of this property.

LAND SALE - Multi-Family Development

638 Bloomfield Avenue & 32-44 Valley Road, Montclair Township
Essex County, New Jersey



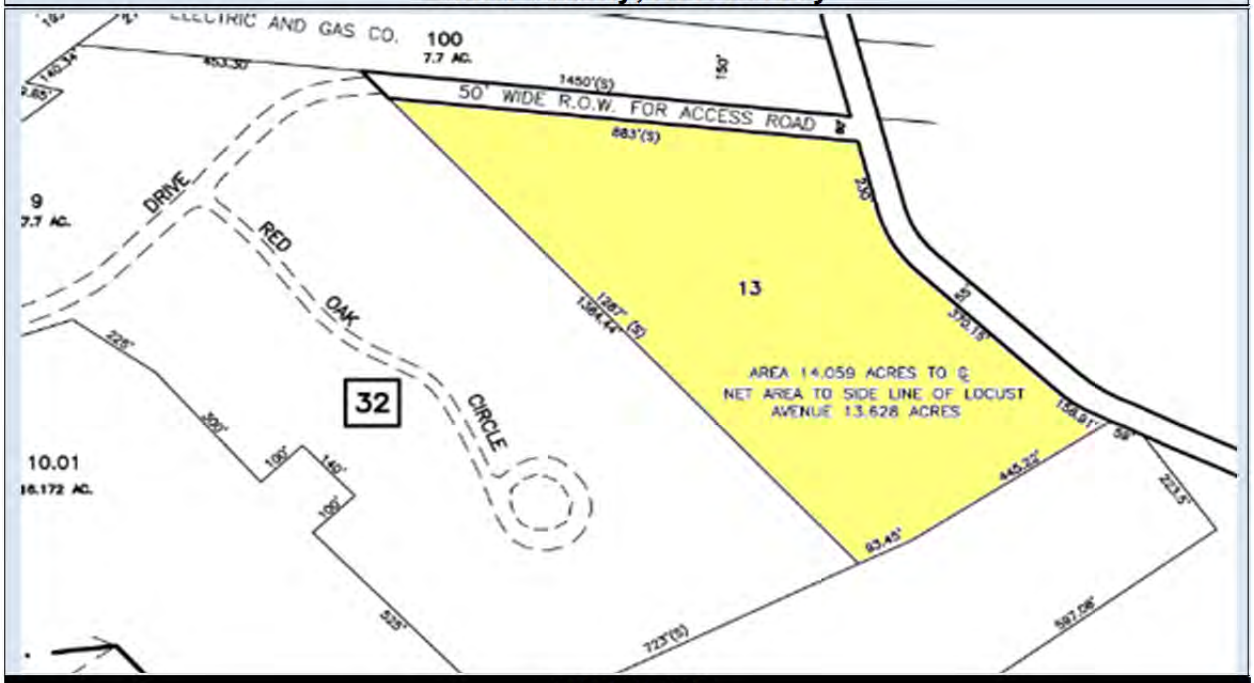
TRANSACTION	
Block/Lot	Block 1404, Lots 1.01, 1.02, 11, 12.01 & 13
Sale Date	9-May-13
Deed Recording	Book 12436, Page 6084
Grantor	DCH Investments, Inc.
Grantee	Map Urban Renewal, LLC
Consideration	$12,885,125
Financing	None Discovered
Rights Conveyed	Fee Simple
Concessions	None Discovered
Site Area (Acres)	2.10
Site Area (Square Feet)	502,377
Units Approved	262
Unit Value Per Acre	$6,150,418
Unit Value Per Square Foot	$25.65
Unit Value Per Unit Approved	$49,179.87
Verification Source	CoStar, RealQuest, Vital, NJACTB, Internal Records, Planning Board
SITE	
Site Area (Acres)	2.10
Site Area (Square Feet)	217,800
Utilities	All Public Available
Zoning	C-1

COMMENTS

This is the sale of a 2.10-acre parcel of land with approvals in place for the development of 262 market-rate apartments, 26 COAH apartments, and 50,523 square feet of retail space situated within two mid-rise buildings. The land was fully approved at the time of sale. This is sale is a good comparable to the subject property.

LAND SALE - Multi-Family Development

55 Locust Avenue, Roseland Borough
Essex County, New Jersey



TRANSACTION	
Block/Lot	Block 32, Lot 13
Sale Date	9-Dec-13
Deed Recording	Book 12475, Page 593
Grantor	55 Locust Ave. LLC
Grantee	Avalon Roseland LLC
Consideration	$10,100,000
Financing	None Discoveed
Rights Conveyed	Fee Simple
Concessions	None Discoveed
Site Area (Acres)	13.63
Site Area (Square Feet)	593,723
Units Approved	136
Unit Value Per Acre	$741,012
Unit Value Per Square Foot	$17.01
Unit Value Per Unit Approved	$74,264.71
Verification Source	CoStar, Realquest, Vital, NJACTB, Planning Board

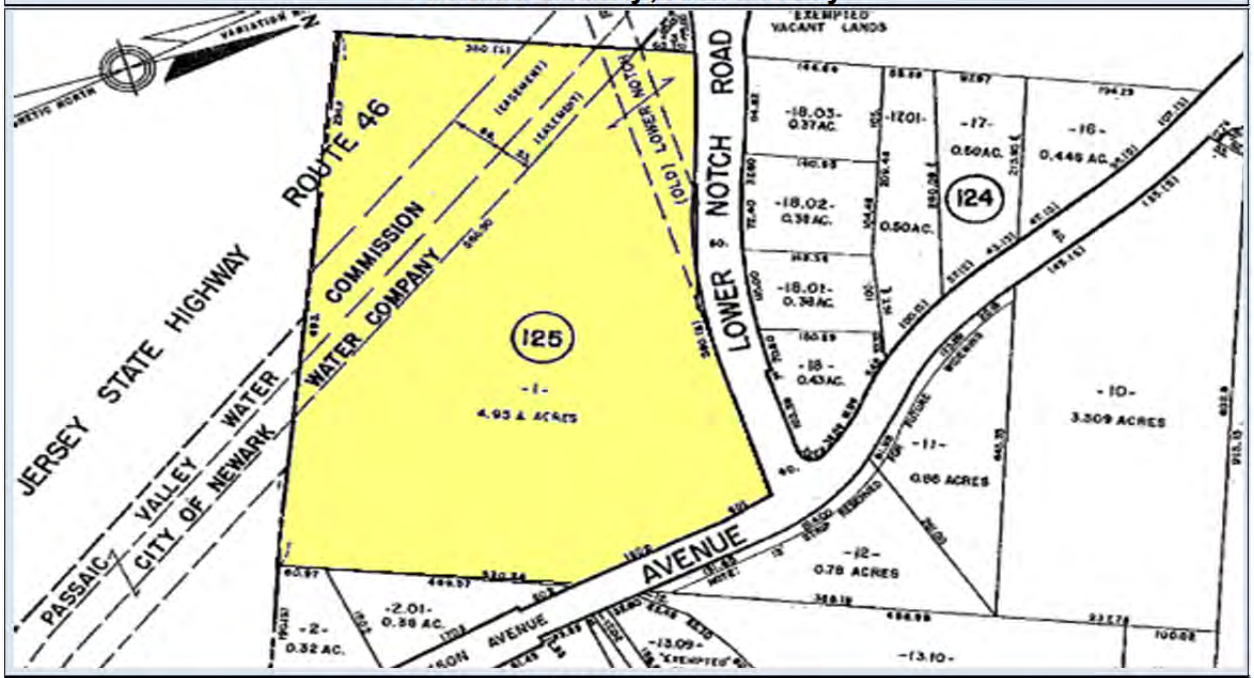
SITE	
Site Area (Acres)	13.63
Site Area (Square Feet)	593,723
Utilities	All Public Available
Zoning	ROM

COMMENTS

This is the sale of a 13.63-acre parcel of land which will be developed as a residential community of 136 rental apartments. Approvals were obtained by the buyer and finalized after the sale, on February 25, 2014. This is sale is a good comparable to the subject property. There wasn't broker contact information associated with the sale of this property.

LAND SALE - Multi-Family Development

590-608 Lackawanna Avenue, Woodland Park Borough
Passaic County, New Jersey



TRANSACTION	
Block/Lot	Block 125, Lot 1
Sale Date	13-Jun-14
Deed Recording	Book 2495, Page 248
Grantor	Notchwood Manor LLC
Grantee	Marino, Nicholas
Consideration	$1,150,000
Financing	None Discovered
Rights Conveyed	Fee Simple
Concessions	None Discovered
Site Area (Acres)	4.95
Site Area (Square Feet)	502,377
Units Approved	50
Unit Value Per Acre	$232,323
Unit Value Per Square Foot	$2.29
Unit Value Per Unit Approved	$23,000
Verification Source	CoStar, RealQuest, Vital, NJACTB

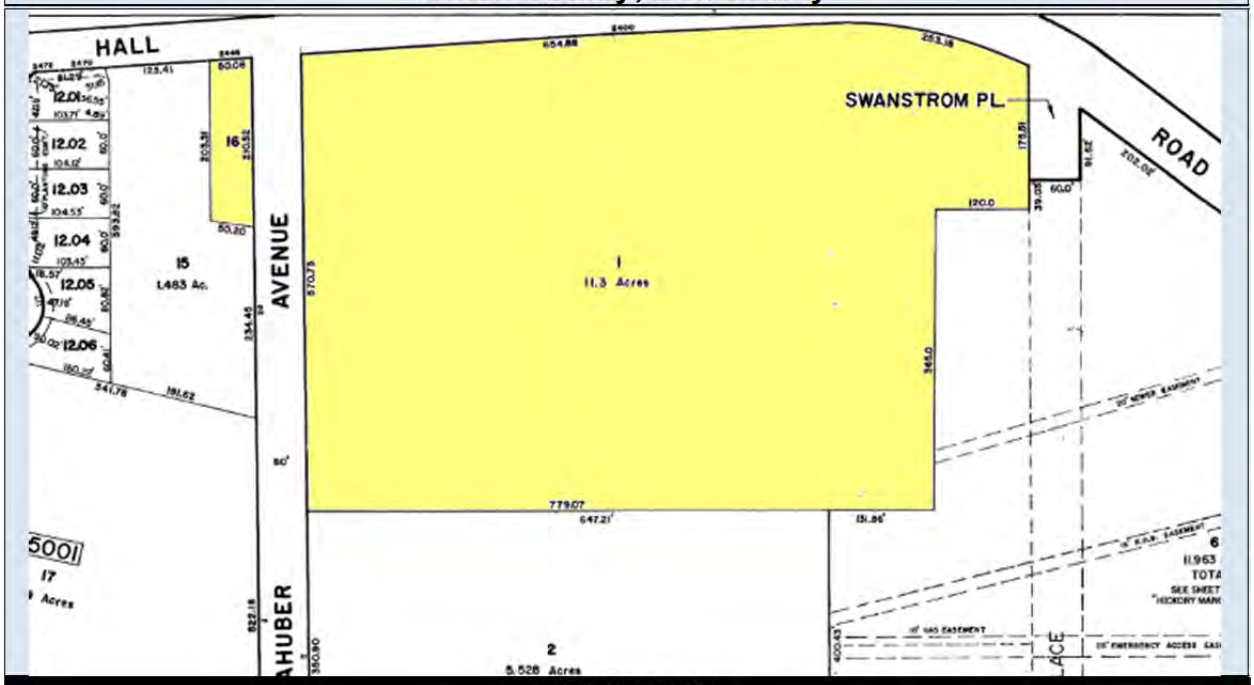
SITE	
Site Area (Acres)	4.95
Site Area (Square Feet)	217,800
Utilities	All Public Available
Zoning	Residence A District

COMMENTS

This is the sale of a vacant land parcel with approvals in place at the time of sale for 50 age restricted rental apartments. The complex will be comprised of 29 two-bedroom units and 21 one-bedroom units. Plans also include 50 underground garage parking spaces and 33 surface parking spaces. All of the units will feature central air conditioning and washer/dryers. The project is in the design stages and work will begin early spring of 2015. This sale is a good comparable to the subject property. There was no broker contact information associated with the sale of the property.

LAND SALE - Multi-Family Development

2400 Vauxhall Road, Union Township
Union County, New Jersey



TRANSACTION	
Block/Lot	Block 5009, Lot 1 and Block 5001, Lot 16
Sale Date	12-Dec-14
Deed Recording	Book 6036, Page 972
Grantor	ARC Union LLC
Grantee	Union Urban Renewal LLC
Consideration	$11,500,000
Financing	Not Available
Rights Conveyed	Fee Simple
Concessions	None Discovered
Site Area (Acres)	11.53
Site Area (Square Feet)	502,377
Units Approved	202
Unit Value Per Acre	$997,140
Unit Value Per Square Foot	$22.89
Unit Value Per Unit Approved	$56,930.69
Verification Source	CoStar, RealQuest, Vital, NJACTB

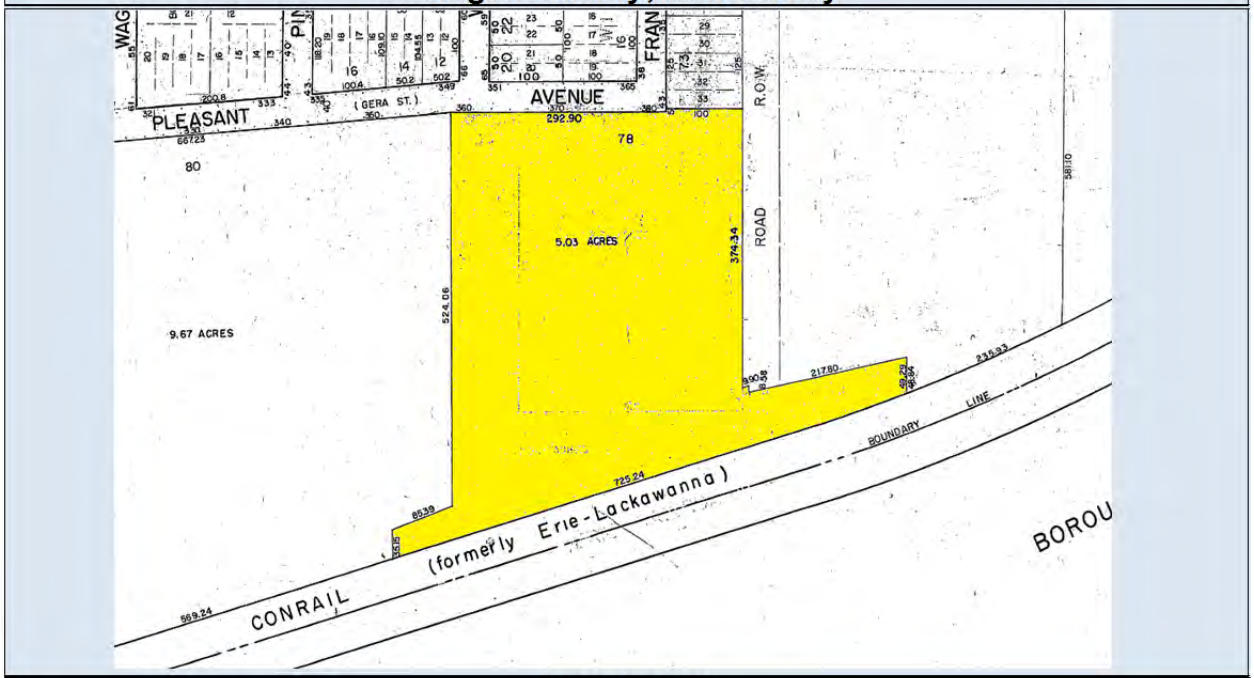
SITE	
Site Area (Acres)	11.53
Site Area (Square Feet)	217,800
Utilities	All Public Available
Zoning	RM

COMMENTS

This is the sale of a vacant land parcel with approvals in place at the time of sale. Avalon Bay willl construct 202 high end luxury apartments with amenities. The project is in the design stages and work will begin early spring/late winter of 2015. This sale is a good comparable to the subject property. There was no broker contact information associated with the sale of the property.

LAND SALE - Multi-Family Development

380 Mount Pleasant Avenue, Wallington Borough
Bergen County, New Jersey



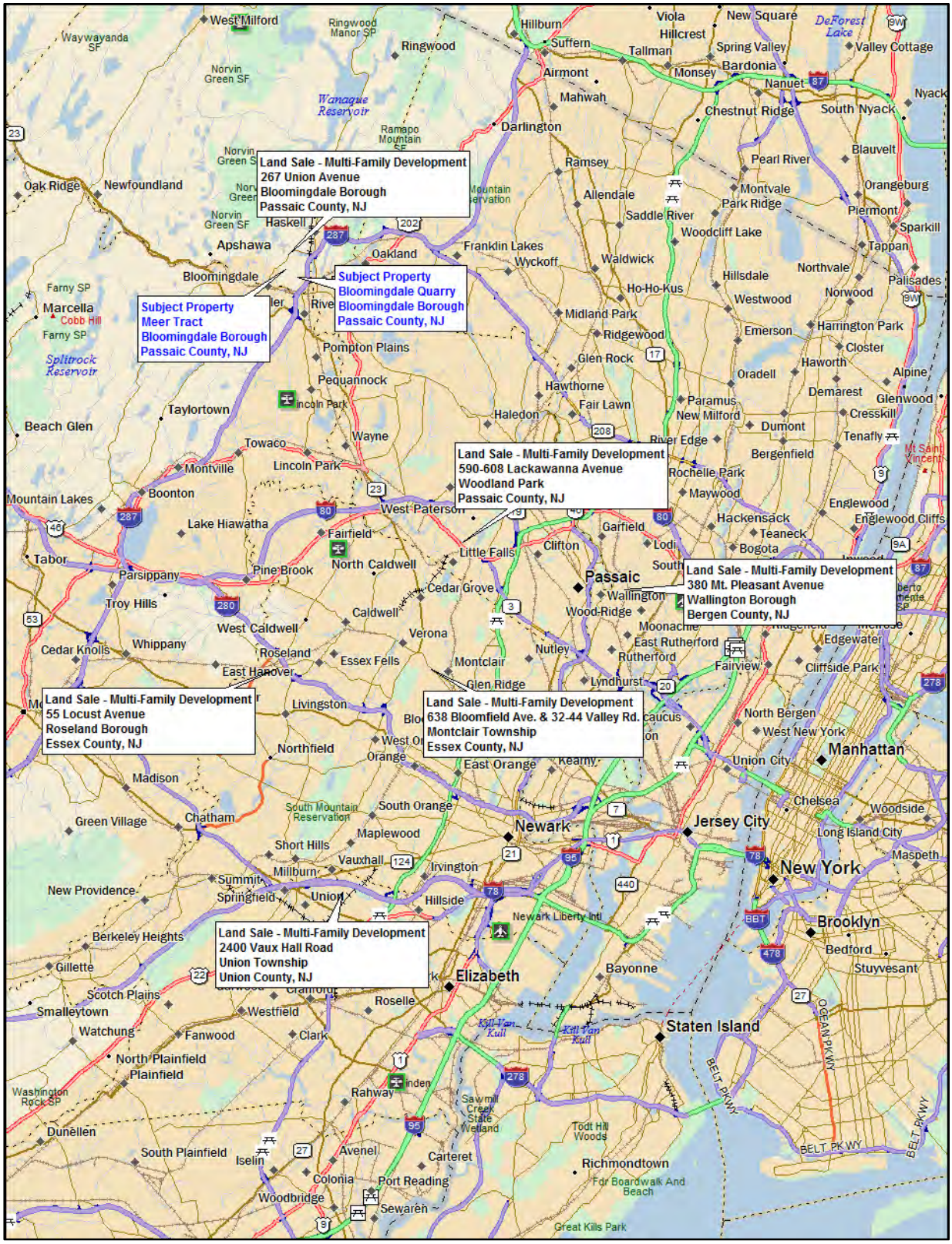
TRANSACTION	
Block/Lot	Block 70.01, Lot 78
Sale Date	9-Feb-15
Deed Recording	Book 1869, Page 74
Grantor	Wallington Ventures, LLC
Grantee	Wallington R/E Investment Trust, LLC
Consideration	$3,400,000
Financing	None Discoveed
Rights Conveyed	Fee Simple
Concessions	None Discoveed
Site Area (Acres)	5.03
Site Area (Square Feet)	593,723
Units Approved	62
Unit Value Per Acre	$675,944
Unit Value Per Square Foot	$5.73
Unit Value Per Unit Approved	$54,838.71
Verification Source	CoStar, Realquest, Vital, NJACTB, Zoning Officer

SITE	
Site Area (Acres)	5.03
Site Area (Square Feet)	593,723
Utilities	All Public Available
Zoning	R-3, Multi-Family Garden-Type Dwellings

COMMENTS

This is the sale of a 5.03-acre parcel of land which will be developed as a residential community of 62 dwelling units comprised of 43 townhouses and 19 garden-style units. The land was fully approved at the time of sale. This is sale is a good comparable to the subject property.

COMPARABLE LAND SALES LOCATION MAP



LAND SALES COMPARISON ANALYSIS - Multi Family Development

METHODOLOGY: If a significant item in the Comparable Sale is superior to, or better than, the Subject Property, a minus (-) adjustment is made, thus reducing the indicated list price for the subject. If a significant item in the Comparable Sale is not as good as, or is inferior to, the Subject property, a plus (+) adjustment is made, thus increasing the indicated list price of the Subject.

ITEM	SUBJECT	COMPARABLE 1		COMPARABLE 2		COMPARABLE 3		COMPARABLE 4		COMPARABLE 5		COMPARABLE 6	
Address	Off Van Dam & Union Avenues	267 Union Avenue		638 Bloomfield Ave & 32-44 Valley Road		55 Locust Avenue		590-608 Lackawanna Avenue		2400 Vauxhall Road		380 Mount Pleasant Avenue	
	Bloomingdale Borough	Bloomingdale Borough		Montclair Township		Roseland Borough		Woodland Park Borough		Union Township		Wallington Borough	
	Passaic County, NJ	Passaic County, NJ		Essex County, NJ		Essex County, NJ		Passaic County, NJ		Union County, NJ		Bergen County, NJ	
Block/Lot	5105 / 14	5073 / 67 (formerly 57 / 43)		1404 / 1.01, 1.02, 11, 12.01 & 13		32 / 13		125 / 1		5001 / 1; 5001 / 16		70.01 / 78	
Proximity to Subject		0.53 miles		14.09 miles		13.30 miles		10.73 miles		20.82 miles		15.38 miles	
Sales Price			$2,760,000		$12,885,125		$10,100,000		$1,150,000		$11,500,000		$3,400,000
Market Rate DU			174		262		136		50		202		62
Unit Value			$15,862		$49,180		$74,265		$23,000		$56,931		$54,839
Date of Sale			9/16/2011		5/9/2013		12/9/2013		6/13/2014		12/12/2014		2/9/2015
Market Change			14.2%		12.4%		9.5%		6.9%		4.4%		3.6%
Adjusted Value			$18,109		$55,284		$81,305		$24,594		$59,457		$56,829
Description	DESCRIPTION	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment
Conditions of Sale	None Discovered	None Discovered		None Discovered		None Discovered		None Discovered		None Discovered		None Discovered	
Property Rights Conveyed	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Location	Bloomingdale	Bloomingdale	0%	Montclair	-28%	Roseland	-25%	Woodland Park	-14%	Union	-1%	Wallington	-8%
Neighborhood Appeal	Outer-Ring Suburb	Outer Ring Suburb		Inner-Ring Suburb	-15%	Inner-Ring Suburb	-15%	Inner-Ring Suburb	-15%	Inner-Ring Suburb	-15%	Inner-Ring Suburb	-15%
Market Rate DU	288	174		262	15%	136		50	-15%	202		62	-15%
Product Type	Condo Flats or Apts.	Apartments		Apartments		Apartments		55+ Apartments	20%	Apartments		Townhouse/Flats	-15%
Density - Units per Acre	6.25	15		137		10		10		18		12	
Site Conditions	Assuming Excavation & Site Prep Completed	Steep Slope & Blasting Required	72%	Demo required	2%	Demo required	2%	Average		Demo required	2%	Average	
Utilities	All public	All public		All public		All public		All public		All public		All public	
Zoning	AH	IMF		C-1		ROM		Residence A		RM		R-3	
Development Approvals	Fully Approved	Subject to Approvals	3%	Subject to Approvals	3%	Subject to Approvals	3%	Subject to Approvals	3%	Subject to Approvals	3%	Subject to Approvals	3%
Affordable Housing Units	72	None		26		None		None		None		None	
Proposed Retail Space (Ft^2)	None	None		50,523	-16%	None		None		None		None	
Net Adj. (Total)			75%		-39%		-35%		-21%		-11%		-50%
Indicated Unit Value			$32,000		$34,000		$53,000		$19,000		$53,000		$28,000

Explanation of Adjustments & Reconciliation of Value

Market Change: Positive adjustments have been applied to all 5 sales to reflect increasing market prices from 2013 to the present date.

Conditions of Sale: Each of the sales are reported to represent arms-length transactions between unrelated parties, therefore requiring no adjustments.

Property Rights: All of the comparable sales were reported to have sold in fee simple estate as they consist of vacant land. The subject's land value is being appraised in the fee simple estate and therefore no adjustments are warranted.

Location: Negative adjustments were applied to Sales 2, 3, 4, 5 & 6 due to their more desirable location in submarkets with higher land values. No adjustment was applied to Sale 1 as it is located directly across the street from the subject property.

Neighborhood Appeal: Negative adjustments were applied to Sales 2, 3, 4, 5 & 6 due to their locations in inner-ring suburbs within closer proximity to employment centers, transportation services and New York City.

Project Size: Negative adjustments were applied to Sales 3 & 5 due to their smaller number of approved dwelling units which translates to higher unit values. Similarly, a positive adjustment was applied to Sale 2 due to its greater number of dwelling units. This is because larger size projects typically sell for lower prices per unit (per dwelling unit) due to the principle of 'economy of scale'.

Site Conditions: A positive adjustment was applied to Sales 1 due to the need for extraordinary site excavation costs resulting from its steep slope and the need for blasting. Smaller positive adjustments were applied to Sales 2, 3 & 5 due to their need for demolition of existing buildings prior to construction.

Development Approvals: A positive adjustment has been applied to all 6 sales due to the existence of development approvals for the construction of 360 multi-family dwellings pursuant to a court order and prior application. This adjustment reflects the potential cost savings to the developer of the subject property given these approvals being previously obtained.

Retail Components: A negative adjustment was applied to Sale 2 as its development approvals included 50,323 square feet of retail space which contributed to the overall site value.

Careful consideration has been given to the above sales with respect to their physical and locational components, permitted uses and market conditions at the time of their sale. An analysis of this data yields an indicated value for the subject property on a per-approved-dwelling-unit basis ranging from a low of $19,000.00 to a high of $53,000.00, and an average of $36,500.00. In considering the relevance of these various indications, most weight has been given to Sales 1 due to its proximity to the subject property. We note however that this sale

occurred in 2011, approximately 4 years prior to the effective valuation date of this assignment. Therefore, based upon my entire investigation and analysis, I conclude a market value of $37,000.00 per-market rate dwelling unit. Therefore, the subject property's land value can be expressed as follows:

288 Market-Rate Dwelling Units @ $37,000.00 = $10,656,000.00
(Ten Million Six Hundred Fifty-Six Thousand Dollars)

Valuation Scenario 2

This valuation has been based upon the hypothetical condition that municipal approval of the quarry expansion has been **not** been granted and that site excavation and preparation work to facilitate residential multi-family development has **not** been completed.

In developing this valuation scenario, we note that the Meer Tract requires significant excavation and site preparation to render it developable. These conditions are well known about the site as evidenced by a number of engineering analyses of the property. The most recent analysis was prepared on November 13, 2015 by Wayne J. Ingram, P.E., P.P. of Engineering & Land Planning, Inc. This analysis indicates an overall site cost budget of $15,890,875.00 for the project which equates to $496,590 per acre or $55,176.65 per market-rate dwelling unit (288 dwelling units).

ONSITE IMPROVEMENT COSTS				
Category	Cost	Pro-Rata	Per Acre	Per DU
Grading of Land	$ 8,101,940.00	51%	$ 253,185.63	$ 28,131.74
Sanitary Sewer	$ 194,463.50	1%	$ 6,076.98	$ 675.22
Storm Drainage	$ 744,386.50	5%	$ 23,262.08	$ 2,584.68
Water Service	$ 282,848.50	2%	$ 8,839.02	$ 982.11
Pavement	$ 1,109,416.00	7%	$ 34,669.25	$ 3,852.14
Concrete	$ 5,010,049.00	32%	$ 156,564.03	$ 17,396.00
Erosion Control	$ 83,446.00	1%	$ 2,607.69	$ 289.74
Miscellaneous	$ 364,325.50	2%	$ 11,385.17	$ 1,265.02
Total	$ 15,890,875.00	100%	$ 496,589.84	$ 55,176.65

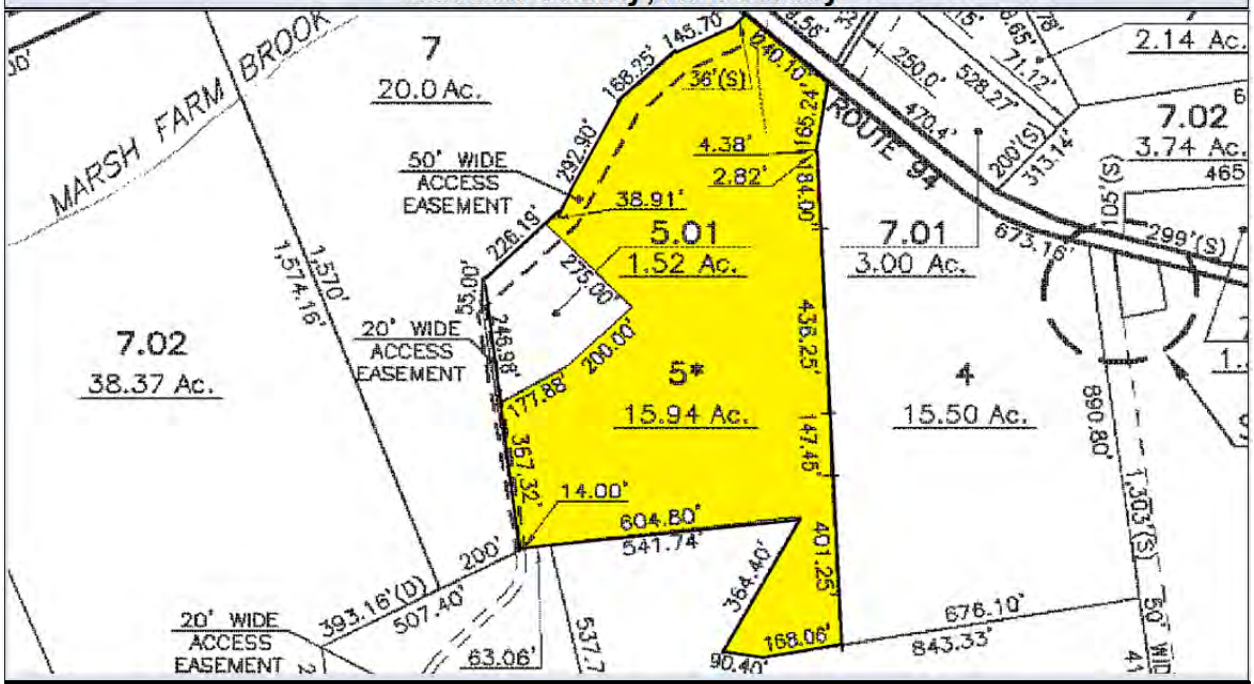
The portion of the project attributable to the grading of the land, which relates to the steeply

sloping topography of the site, accounts for more than half (51%) of the overall costs which imposes an extraordinary cost on the developer. As a result, the overall site improvement costs for the project are estimated to be more than $55,000.99, which exceeds the underlying land value derived in Valuation Scenario 1 of $37,000 (per dwelling unit). As a result of these conditions, the development of the site with multi-family housing is not economically feasible in it's as-is condition. Based upon these findings, the highest and best of the Meer Tract, in its present state, is reduced to being preserved for open space as is presently contemplated for the 148.1 acre of the site which is not approved for development.

In developing this approach, we have identified sales of land parcels which were acquired to preserve open space as a basis for the valuation. Based upon our investigation and analysis, the following sales have been utilized as a basis estimating the market value of the subject property under this scenario.

LAND SALE - Open Space

32 Route 94, Hampton Township
Sussex County, New Jersey



TRANSACTION	
Block / Lot	Block 3603, Lot 5 & Block 3603, Lot 5, Qfarm
Sale Date	13-Nov-12
Deed Recording	Book 3301, Page 491
Grantor	Anthony B. & Kimberlee Luciano
Grantee	State of New Jersey D.E.P.
Consideration	$240,000
Financing	None discovered
Rights Conveyed	Fee Simple
Concessions	None discovered
Site Area (Acres)	16.06
Site Area (Square Feet)	699,574
Unit Value Per Acre	$14,944
Unit Value Per Square Foot	$0.34
Verification Source	Costar, Realquest, Vital, NJACTB, Deed

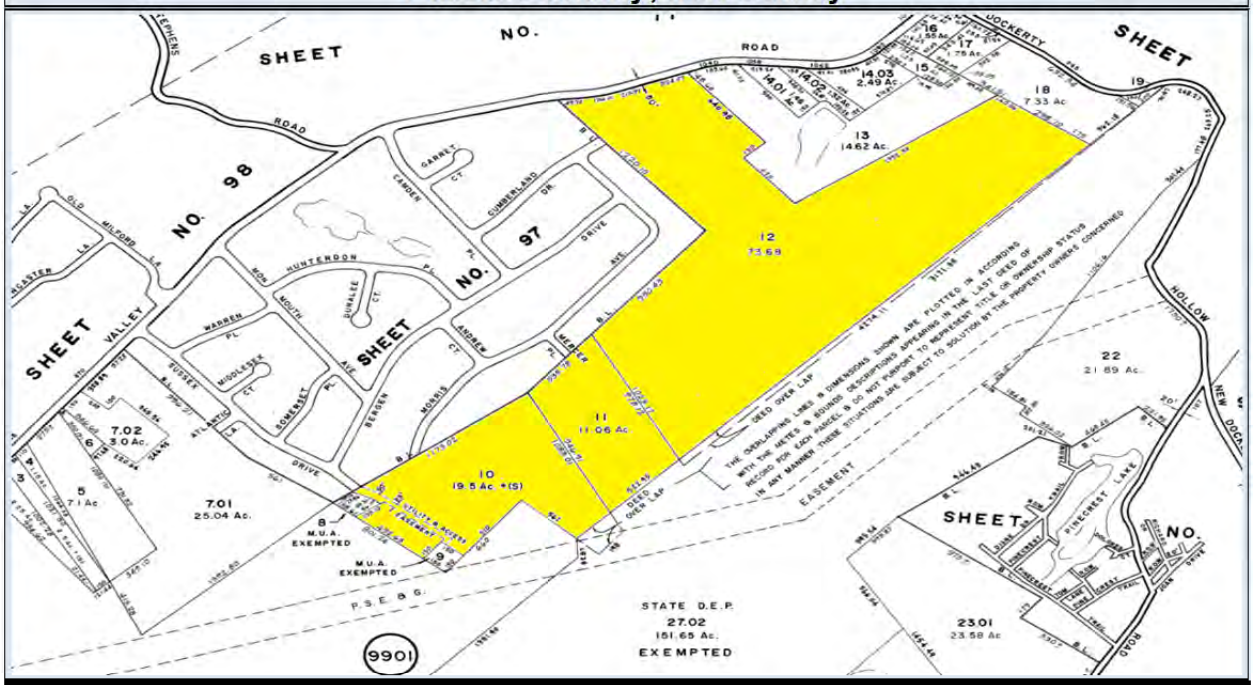
SITE	
Site Area (Acres)	16.06
Site Area (Square Feet)	699,574
Utilities	Private Well & Septic
Zoning	HC

COMMENTS

This is the sale of vacant land parcel that sold to the New Jersey D.E.P. According to CoStar, the specific end use for this property remains unknown. This sale is considered a good comparable to the subject property.

LAND SALE - Open Space

Sussex Drive & Union Valley Road, West Milford Township
Passaic County, New Jersey



TRANSACTION	
Block / Lot	Block 9901, Lots 10, 11 & 12
Sale Date	26-Mar-13
Deed Recording	Book 2303, Page 153
Grantor	Apple Valley Estates, LLC
Grantee	Township of West Milford
Consideration	$800,000
Financing	None Discovered
Rights Conveyed	Fee Simple
Concessions	None Discovered
Site Area (Acres)	104.43
Site Area (Square Feet)	4,548,753
Unit Value Per Acre	$7,661
Unit Value Per Square Foot	$0.18
Verification Source	Realquest, Deed, Survey, Highlands Impact Analysis

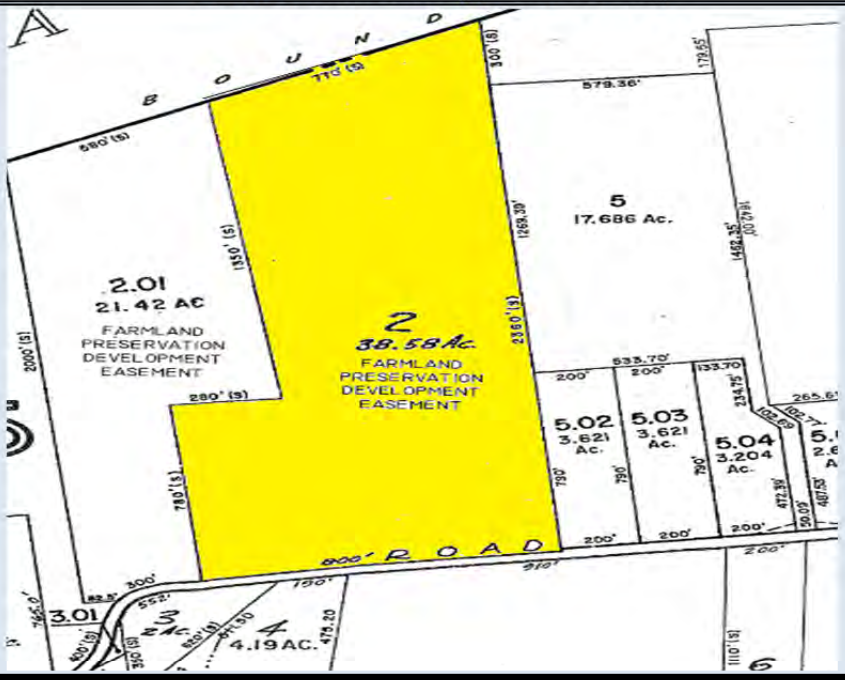
SITE	
Site Area (Acres)	104.43
Site Area (Square Feet)	4,548,753
Utilities	Private septic & well
Zoning	R-4, Very Low Density Residential

COMMENTS

This is the sale of 104.43 acres of preserved farmland located in West Milford Township. The parcel was zoned R-4, Very Low Density Residential with a 4-acre minimum lot size requirement. This sale is considered a good comparable to the subject property.

LAND SALE - Open Space

157 Ridge Road, Kingwood Township
Hunterdon County, New Jersey



TRANSACTION	
Block / Lot	Block 5, Lot 2 & 2-Q0028
Sale Date	6-Dec-13
Deed Recording	Book 2322, Page 640
Grantor	Patricia E. Ramirez
Grantee	Kachine A. Dixon
Consideration	$450,000
Financing	None Discovered
Rights Conveyed	Fee Simple
Concessions	None Discovered
Site Area (Acres)	38.58
Site Area (Square Feet)	1,680,545
Unit Value Per Acre	$11,664
Unit Value Per Square Foot	$0.27
Verification Source	MLS, Realquest, Vital, NJACTB, Ordinance

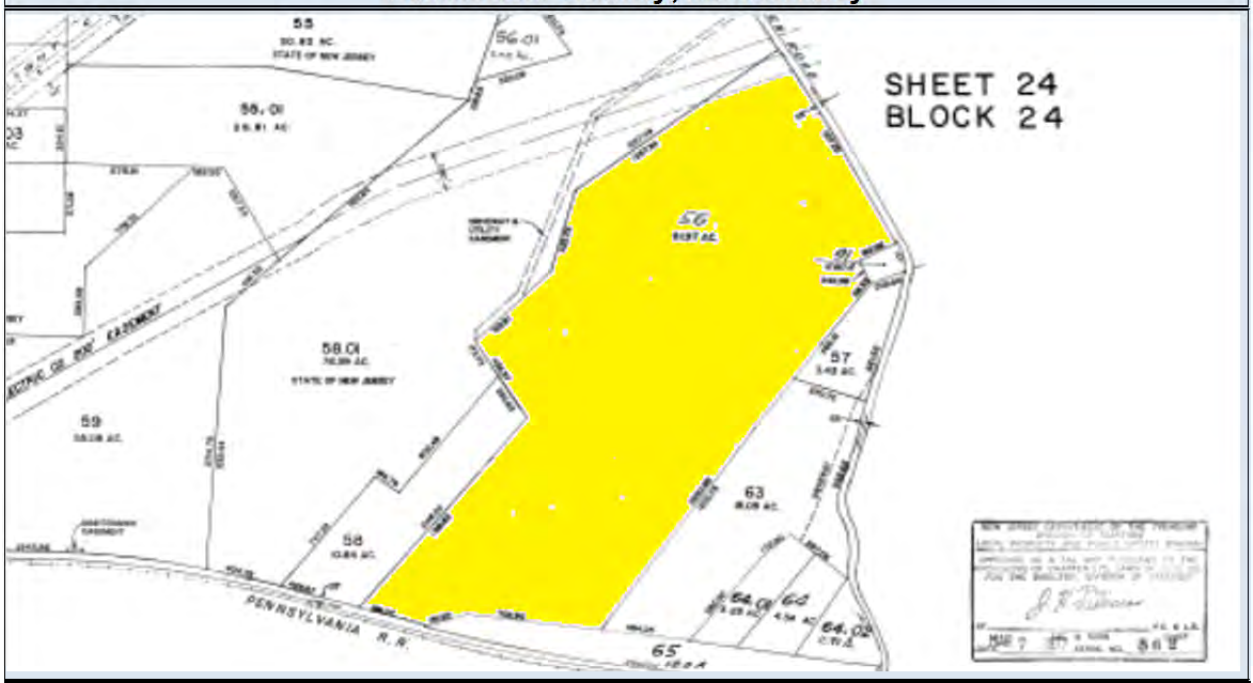
SITE	
Site Area (Acres)	38.58
Site Area (Square Feet)	1,680,545
Utilities	Private septic & well
Zoning	AR-2, Agricultural Residential (7-acre minimum lot size)

COMMENTS

This is the sale of 38.58 acres of preserved farmland located in Kingwood Township. The parcel was zoned AR-2, Agricultural Residential with a 7-acre minimum lot size requirement. This sale is considered a good comparable to the subject property.

LAND SALE - Open Space

163-165 Spring Garden Road, Holland Township
Hunterdon County, New Jersey



TRANSACTION	
Block / Lot	Block 22, Lot 56
Sale Date	5-Aug-13
Deed Recording	Book 2316, Page 830
Grantor	Estate of Anthony Joseph Silva
Grantee	State of New Jersey Department of Environmental Protection
Consideration	$1,230,000
Financing	None Discovered
Rights Conveyed	Fee Simple
Concessions	None Discovered
Site Area (Acres)	81.91
Site Area (Square Feet)	3,567,804
Unit Value Per Acre	$15,017
Unit Value Per Square Foot	$0.34
Verification Source	Costar, Realquest, Vital, NJACTB, Deed, Survey

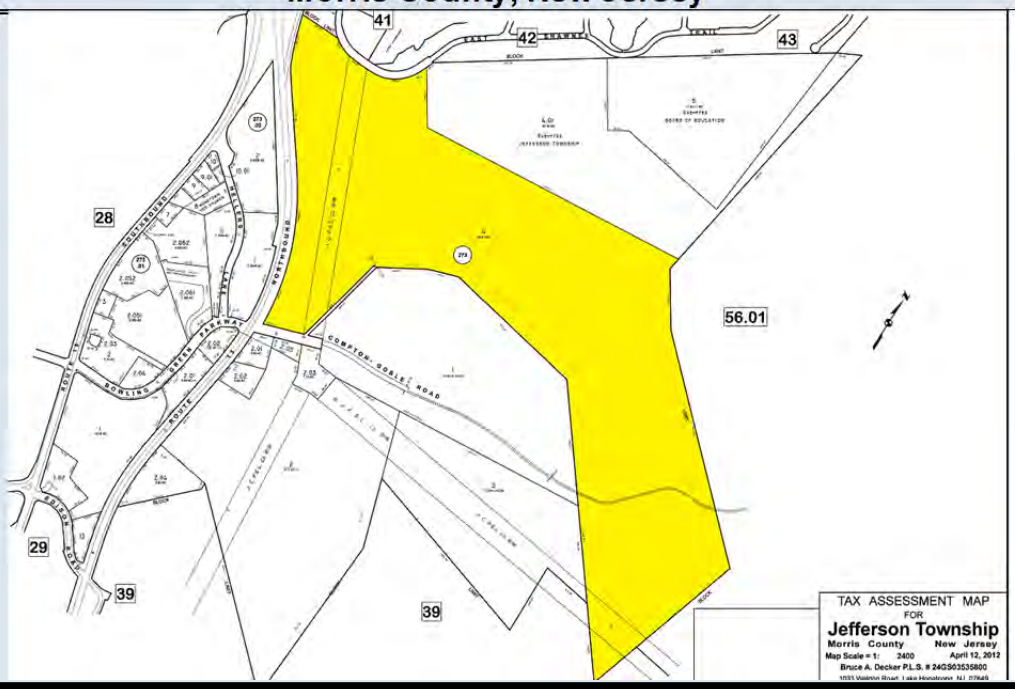
SITE	
Site Area (Acres)	81.91
Site Area (Square Feet)	3,567,804
Utilities	Private septic & well
Zoning	R-5, Residential

COMMENTS

This is the sale of 81.91 acres of preserved farmland located in Holland Township. The parcel was zoned R-5, Residential with a 5-acre minimum lot size requirement. This sale is considered a good comparable to the subject property.

LAND SALE - Open Space

Route 15 N, Jefferson Township
Morris County, New Jersey



TRANSACTION	
Block / Lot	Block 273, Lot 4
Sale Date	19-Aug-13
Deed Recording	Book 22407, Page 287
Grantor	713 Co
Grantee	Township of Jefferson
Consideration	$750,000
Financing	None discovered
Rights Conveyed	Fee Simple
Concessions	None discovered
Site Area (Acres)	98.18
Site Area (Square Feet)	4,276,721
Unit Value Per Acre	$7,639
Unit Value Per Square Foot	$0.18
Verification Source	Costar, Realquest, Vital, NJACTB

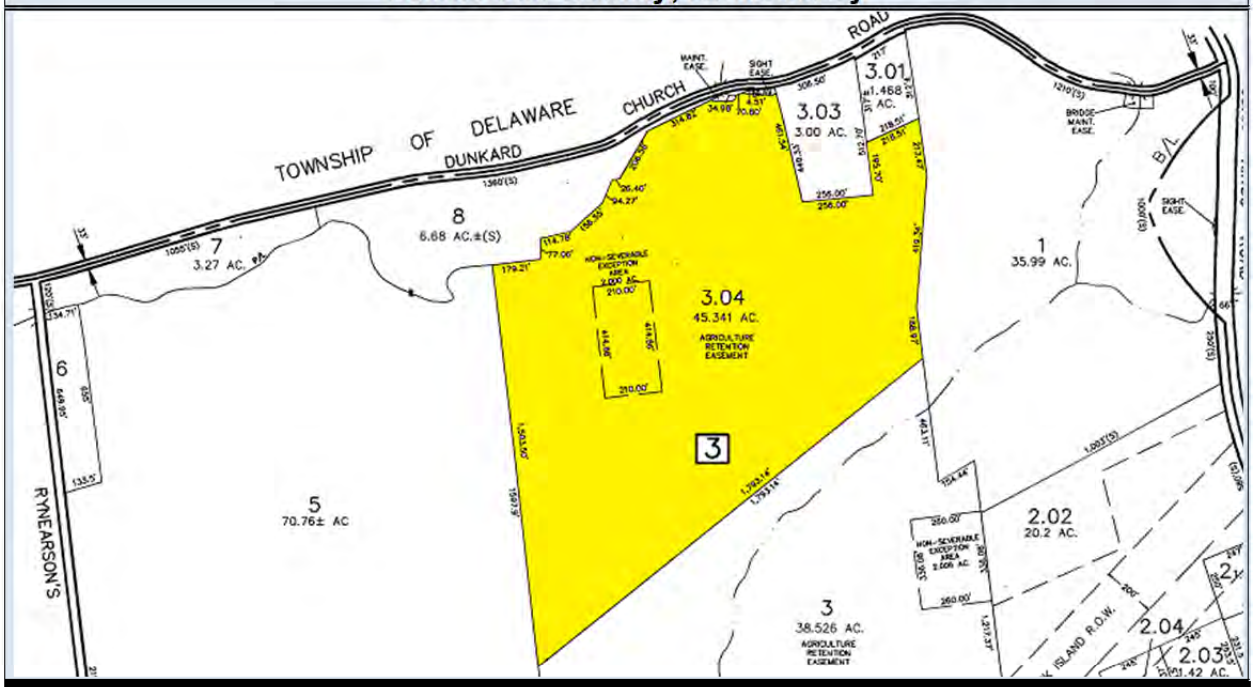
SITE	
Site Area (Acres)	98.18
Site Area (Square Feet)	4,276,721
Utilities	Public water, Private septic
Zoning	PARC

COMMENTS

This is the sale of vacant land parcel. According to CoStar, the Township of Jefferson purchased the land and does not intend to develop it. The land will remain open public space and be used primarily as a park for recreation purposes. To this end the zoning was changed from IP to PARC once the sale was completed. This sale is considered a good comparable to the subject property.

LAND SALE - Open Space

Dunkard Church Road, East Amwell Township
Hunterdon County, New Jersey



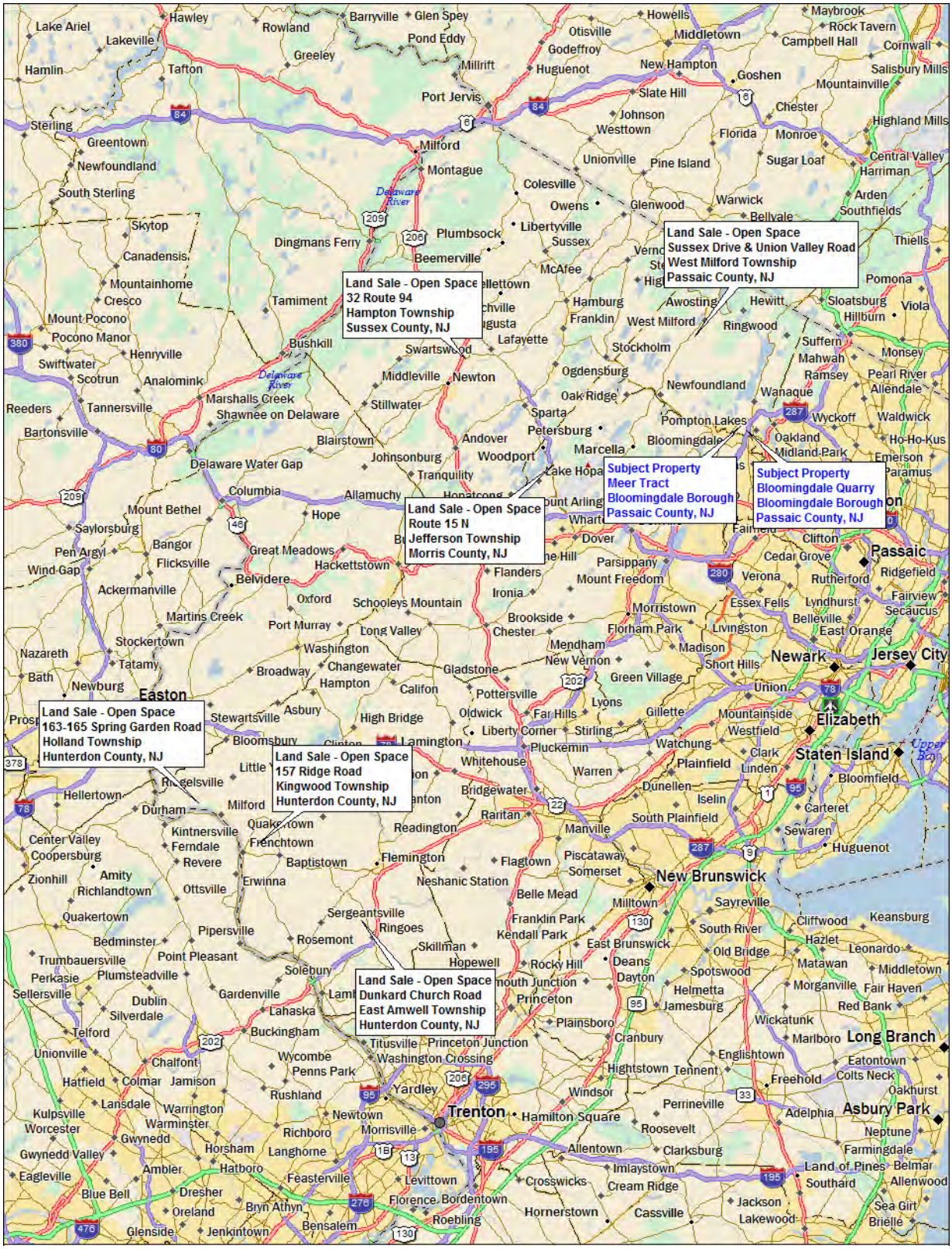
TRANSACTION	
Block / Lot	Block 3, Lot 3.04
Sale Date	9-Mar-15
Deed Recording	Book 2349, Page 806
Grantor	Helen Rynearson
Grantee	Robert & Katherine Plutnick
Consideration	$575,000
Financing	None discovered
Rights Conveyed	Fee Simple
Concessions	None discovered
Site Area (Acres)	45.66
Site Area (Square Feet)	1,988,950
Unit Value Per Acre	$12,593
Unit Value Per Square Foot	$0.29
Verification Source	Costar, MLS, Realquest, Vital, NJACTB

SITE	
Site Area (Acres)	45.66
Site Area (Square Feet)	1,988,950
Utilities	Private Well & Septic
Zoning	VAL

COMMENTS

This is the sale of a 45.66 acre vacant preserved farmland parcel. The lot has approvals for a 2 acre building site. Excavation for a driveway leading to the building envelope has been completed. The comparable sale is considered a good comparable to the subject property.

COMPARABLE LAND SALES LOCATION MAP



LAND SALES COMPARISON ANALYSIS - Open Space Preservation

METHODOLOGY: If a significant item in the Comparable Sale is superior to, or better than, the Subject Property, a minus (-) adjustment is made, thus reducing the indicated list price for the subject. If a significant item in the Comparable Sale is not as good as, or is inferior to, the Subject property, a plus (+) adjustment is made, thus increasing the indicated list price of the Subject.

ITEM	SUBJECT	COMPARABLE 1		COMPARABLE 2		COMPARABLE 3		COMPARABLE 4		COMPARABLE 5		COMPARABLE 6	
Address	Off Van Dam & Union Avenues	32 Route 94		Sussex & Union Valley Road		157 Ridge Road		163-165 Spring Garden Road		Route 15 North		Dunkard Church Road	
City / Township / Borough	Bloomingdale Borough	Hampton Township		West Milford Township		Kingwood Township		Holland Township		Jefferson Township		East Amwell Township	
County	Passaic County, NJ	Sussex County, NJ		Passaic County, NJ		Hunterdon County, NJ		Hunterdon County, NJ		Morris County, NJ		Hunterdon County, NJ	
Block/Lot	5105 / 14	3603 / 5 & 5-Q-FARM		9901 / 10, 11 & 12		5 / 2 & 2-Q-0028		22 / 56		273 / 4		3 / 3.04	
Proximity to Subject		22.11 miles		7.91 miles		50.08 miles		51.90 miles		14.94 miles		48.98 miles	
Sales Price			$240,000		$800,000		$450,000		$1,230,000		$750,000		$575,000
Site Area (# of Acres)			16.06		104.43		38.58		81.91		98.18		45.66
Unit Value			$14,944		$7,661		$11,664		$15,016		$7,639		$12,593
Date of Sale			11/13/2012		3/26/2013		12/6/2013		8/5/2013		8/19/2013		3/9/2015
Market Change			0.0%		0.0%		0.0%		0.0%		0.0%		0.0%
Adjusted Value			$14,944		$7,661		$11,664		$15,016		$7,639		$12,593
Description	DESCRIPTION	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment
Property Rights Conveyed	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Financing Concessions	None Discovered	None Discovered		None Discovered		None Discovered		None Discovered		None Discovered		None Discovered	
Location	Bloomingdale	Hampton		West Milford		Kingwood		Holland		Jefferson		East Amwell	
Site Area (# of Acres)	0.00	16.06	-15%	104.43		38.58	-15%	81.91	-10%	98.18	-10%	45.66	-15%
Zoning	AH	HC		R-4		AR-2		R-5		PARC		VAL	
Approvals	Approved	N/A-conservation		N/A-conservation		N/A-conservation		N/A-conservation		N/A-conservation		N/A-conservation	
Net Adj. (Total)			-15%		0%		-15%		-10%		-10%		-15%
Indicated Unit Value			$13,000		$8,000		$10,000		$14,000		$7,000		$11,000

Explanation of Adjustments & Reconciliation of Value

Market Change: No adjustments have been applied due to a trend of stable land values for open space parcels.

Conditions of Sale: Each of the sales were reported to have been arms-length transactions between unrelated parties, therefore requiring no adjustment.

Property Rights: All of the comparable sales were reported to have sold in fee simple estate as they consist of vacant land. The subject's land value is being appraised in the fee simple estate and therefore no adjustments are warranted.

Site Area: Negative adjustments were applied to Sales 1, 3, 4, 5 & 6 due to their smaller site areas which translate to higher unit values. This is because larger size parcels, like the subject property, typically sell for lower prices per unit (per acre) due to the principle of 'economy of scale'.

Careful consideration has been given to the above sales with respect to their physical and locational components, permitted uses and market conditions at the time of their sale. An analysis of this data yields an indicated value for the subject property on a per-acre basis ranging from a low of $7,000.00 to a high of $14,000.00, and an average of $10,500.00. In considering the relevance of these various indications, all sales have been weighted equally. Based upon my investigation and analysis, I conclude a market value of $10,000.00 per-acre. Therefore, the subject property's land value can be expressed as follows:

180.1 Acres @ $10,000.00 = $1,801,000.00

(One Million Eight Hundred One Thousand Dollars)

Reasonable Exposure Time

Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal.

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 opinion based on an analysis of past events assuming a competitive and open market." This definition has been quoted from the 2014 Uniform Standards of Professional Appraisal Practice (USPAP).

Exposure time is different for various types of property and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort. The estimate of exposure time focuses on time component.

Based upon my entire analysis, it is my considered opinion that a reasonable exposure time estimate for the subject property is as follows:

- Scenario 1: up to 6 months
- Scenario 2: up to 24 months

Reasonable Marketing Time

Marketing Time is defined as an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. This definition has been quoted from the 2014 Uniform Standards of Professional Appraisal Practice (USPAP).

Based upon my entire analysis, it is my considered opinion that a reasonable marketing time estimate for the subject property is as follows:

- Scenario 1: up to 6 months
- Scenario 2: up to 24 months.

PART VII -ADDENDUM

Assumptions, Limitations & Hypothetical Conditions

This study is subject to the following Limiting Conditions

- All statements in this market study that are not historical facts should be considered as forward-looking projections. Although we believe that the expectations reflected in or suggested by such forward-looking projections are reasonable, we can give no assurance that they will be achieved. Known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements expressed or implied by these forward-looking projections to be different from these projections. Such risks, uncertainties and other factors include, but are not limited to, changes in general and local economic and industry and business conditions; adverse weather and other environmental conditions and natural disasters; changes in market conditions; changes in market pricing; government regulation, including regulations concerning development of land, tax laws and the environment; fluctuations in interest rates and the availability of mortgage financing; shortages in and price fluctuations of raw materials and labor; levels of competition; utility shortages and outages or rate fluctuations; changes in tax laws; and geopolitical risks, terrorist acts and other acts of war. We undertake no obligation to update or revise any forward-looking projections, whether as a result of new information, future events, changed circumstances or any other reason.
- The legal description furnished to us is assumed to be correct. I assume no responsibility for the matters legal in character nor do I render any opinion as to the title, which is assumed to be held in fee simple. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear under responsible ownership and competent management.
- Title is assumed to be held in fee simple, unless otherwise noted, and no liens or encumbrances, except those noted, were considered.
- 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 client and then only with proper qualification. Neither all nor any part of the contents of this report (especially conclusions as to value, identity of the appraisers or the firm) shall be used for any purposes by anyone but the client specified in the report nor shall it, or any part, be disseminated to the public through advertising media, public relations consent or approval of the appraisers. Further, the appraisers, or the firm, assume no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, the client shall make such party aware of all of the assumptions and limiting conditions of the assignment.
- I have made no survey of the property and any sketches in this report are for illustrative purposes only.
- I believe to be reliable the information which was furnished to us by others, but I assume no responsibility for its accuracy.
- Unless otherwise noted herein, it is assumed that there are no detrimental encroachments, easements, zoning violations, use restrictions, or other conditions not evident upon surface inspection of the property. Description of the physical condition of the improvements is based on a visual inspection only. No liability is assumed for the soundness of structural members since no engineering tests were made by the appraiser.
- Testimony and court appearances in connection with this appraisal are limited to those

situations for which prior arrangements have been made.

- I reserve the right to recall this report and make any amendments, corrections, or changes that I deem necessary.
- This report must not be used in conjunction with any other valuation analysis or report.
- On January 26, 1992, federal legislation entitled, The Americans with Disabilities Act (ADA) became effective. The appraiser has not been provided with a compliance survey nor has any analysis been made to determine whether or not the subject is in conformity with the requirements of the ADA. It is possible that compliance with the act will require expenditures for barrier removal construction. Such expense, if required, could have a negative impact on the value of the subject. This study is expressly made under the assumption that the subject is in compliance with ADA, or that there are no significant measurable required expenditures for compliance with ADA that would have a negative impact on the value or marketability of the subject.
- The appraiser is not qualified to test for the presence of Hazardous substances. The presence of such hazardous substances or environmental conditions may affect the value of the property. The valuation contained in this appraisal assumed that the property is not polluted or otherwise contaminated and does not reflect any diminution of value as a result of environmental conditions. This study is subject to change depending on the availability of information concerning the environmental condition of the property in question.
- The Freshwater Wetlands Protection Act restricts the use and development of freshwater wetlands. Effective July 1, 1988 the DEP was established as the reviewing and approving authority for all development within or adjacent to freshwater wetlands. This legislation established certain development criteria including, but not limited to, variable buffers around authorized development adjacent to freshwater wetlands. The identification and delineation of freshwater wetlands on the subject property, if any, has not been brought to our attention nor did we become aware of any such delineations during our inspection of the subject nor during our investigations for this report; however, the appraisers are not qualified to render a professional opinion as to the presence or extent of freshwater wetlands. The reader is advised to seek competent, professional advice in identifying any such potential freshwater wetlands since identification and delineation of any freshwater wetlands within the subject boundaries could have significant impact upon values thereby requiring study revision.
- The subject site may have underground fuel storage tank(s). The underground tank(s) could be a liability. Neither the composition nor the conditions of such tanks, to the extent they exist, are known to the appraiser. The typical life expectancy of an underground tank is 15 to 20 years; (federal guidelines suggest a 10-year life span). Soil contamination could occur if a tank leaks and would be costly to clean up. Without a detailed physical inspection of the tanks and the surrounding soil, it is impossible to estimate potential clean-up costs. Therefore, this analysis does not cover such contingencies.

Extraordinary Assumptions reflect an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. Our analyses have been based upon the following extraordinary assumptions:

- This market study and valuation analysis have not been based upon any extraordinary assumptions.

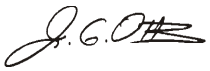
Hypothetical Conditions reflect an assumption that is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

- The market study has not been based upon any hypothetical conditions.
- The Scenario 1 Valuation Analysis has been based upon the assumption that all necessary site excavation and preparatory work for the development of multi-family housing has been completed.

Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this study.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice which also govern real estate appraisal and consulting assignments.
- I have made a personal inspection of the property that is the subject of this report.
- 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.
- Jessica L. Petraccoro has provided research, analysis and report writing assistance to Jeffrey G. Otteau.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).



Jeffrey G. Otteau, President,
New Jersey Certified General Real Estate Appraiser, #42RG00094100
New York Certified General Real Estate Appraiser, #46000045325
Pennsylvania Certified General Real Estate Appraiser, #GA003481
Delaware Certified General Real Estate Appraiser, #X1-0000419
National Association of Independent Fee Appraisers, IFA Designation #2377

Glossary of Definitions

The following definitions apply to the terminology utilized in this report:

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Average Rental Rate is defined as: "the calculated average rental rate for the proposed dwellings based upon the consultants recommended unit sizes.

Average Unit Size is defined as: "the calculated average size of a real estate space based upon market data or developer projections.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B & C: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. These buildings typically have lesser maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including location, site appeal, or physical factors. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Developer: The company, entity or individual that transforms raw land to improved property, or converts an existing building to an alternative use, by use of labor, capital and entrepreneurial efforts.

Economic Feasibility is defined as: "the ability of a project or an enterprise to meet defined investment objectives; an investment's ability to produce sufficient revenue to pay all expenses and charges and to provide a reasonable return on and recapture of the money invested. In reference to a service or residential property where revenue is not a fundamental consideration, economic soundness is based on the need for and desirability of the particular purpose. An investment property is economically feasible if its prospective earning power is sufficient to pay a fair rate of return on its complete cost (including indirect costs) i.e., the estimated value at completion equals or exceeds the estimated cost."

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets).

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price, asking sales price, rental price, or asking rental price) by the Rentable Building Area (RBA) or Gross Building Area (GBA).

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease. RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area).

Region: Core areas containing a large population nucleus that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally, RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Rent-Up Velocity is defined as: "the projected pace at which prospective renters will enter into a contract-of-lease for individual apartment units within a project. This is also referred to as Absorption Pace or Rent-Up Velocity.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF or Ft^2: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy) Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Professional Qualifications

Curriculum Vitae for Jeffrey G. Otteau, SCGREA

PROFESSIONAL EXPERIENCE & LICENSING
Actively engaged in real estate valuation and consultation since 1974 with broad based experience in all property types including residential, commercial, industrial, land, subdivision development analysis and special purpose properties.

State Certified General Real Estate Appraiser in the State of New Jersey (License #42RG00094100)
State Certified General Real Estate Appraiser in the State of Pennsylvania (License #GA003481)
State Certified General Real Estate Appraiser in the State of New York (License #46000045325)
State Certified General Real Estate Appraiser in the State of Delaware (License #X1-0000419)
President, Chief Appraiser, Otteau Valuation Group, East Brunswick, New Jersey
Member, National Association of Independent Fee Appraisers (IFA Designation)
FHA/HUD Approved Appraiser – NJ, PA, NY
FEMA Approved Appraiser & Consultant

AFFILIATIONS & HONORS
Member, National Association of Independent Fee Appraisers: IFA Designation
Licensed Real Estate Broker in the State of New Jersey
Member, Client Advisory Council, Homearnings Reverse Mortgage, Louisville, Kentucky - 1992,1993,1994
National Review Appraiser, United Parcel Service, Atlanta, Georgia 1989- 1999
President's Award, Employee Relocation Council (E-R-C), Washington, D.C. - 1992 & 1995
Co-Author, The Relocation Appraisal Guide, published by Employee Relocation Council – 1991, 1994 & 2001
Co-Designer, E-R-C Appraisal Report Form, 1991,1994 and 2001 versions
Past Member, Executive Board of Directors, The Relocation Appraisers Consortium (RAC), Washington, DC
Member, Editorial Advisory Committee, Mobility Magazine, 1992
Member, National Relocation Conference Planning Committee, 1991
Member, Appraisal Standards Council, Washington, D.C., 1991-2000
Member, Industry Practices Committee, Washington, D.C., 1990, 1991
Member, Appraisal Standards Advisory Council which consults with the Appraisal Foundation Washington, D.C. on its agenda of projects and major technical issues - 1992-1994

EXPERT TESTIMONY
Aberdeen Township Board of Adjustment
Absecon City Planning Board
Absecon City Zoning Board
Appraisal Standards Council, Washington DC
Berkeley Township Board of Adjustment
Clinton Township Planning Board
East Brunswick Township Board of Adjustment
East Brunswick Township Town Council
Elk Township Planning Board
Essex County Board of Taxation
Franklin Township Board of Adjustment
Franklin Twp. Planning Board (Warren)
Garfield City Redevelopment Agency
Hamiltown Township Zoning Board
Hightstown Planning Board
Jackson Township Planning Board
Lacey Township Board of Adjustment
Magnolia Borough Planning Board
Maplewood Township Town Council
Mercer County Superior Court
Monmouth County Superior Court
Morris County Superior Court
Middlesex County Board of Taxation
Middlesex County Condemnation Commission
Monmouth County Board of Taxation
Neptune City Town Council
Neptune Township Board of Adjustment
New Jersey State Tax Court
Old Bridge Township Planning Board
Pine Hill Borough Planning Board
Piscataway Township Planning Board
Plainfield City Council
Red Bank Borough Planning Board
Riverdale Borough Planning Board
Riverdale Borough Town Council
Robbinsville Township Planning Board
Roxbury Township Planning Board
Somerset County Board of Taxation
Somerset County Superior Court
Somerville Borough Town Council
South Brunswick Township Planning Board
Tinton Falls Borough Planning Board
Upper Deerfield Township Planning Board
Wall Township Planning Board
Wall Township Zoning Board

OTTEAU VALUATION GROUP, INC.

PROFESSIONAL QUALIFICATIONS: JEFFREY G. OTTEAU, SCGREA, IFA
Appraisal and Consulting Services Performed for the Following Clients:

THE FORTUNE 500
Abbott Laboratories
Alcoa
American Home Products
Amoco Oil Co.
Anheuser Busch Companies
Armstrong World Industries
Bristol-Myers Squibb
Brown-Forman
Carter-Wallace
Circuit City Group
Digital Equipment Corporation
E. I. duPont de Nemours
Eastman Kodak Company
Eli Lilly Company
ExxonMobil
F.M.C. Corporation
Foster Wheeler
General Motors Corporation
Hercules Incorporated
Marriott Corporation
McGraw Hill
Merck
Nabisco
Pharmacia & Upjohn
Procter and Gamble
Prudential Insurance Co.
Raychem Corp.
Rhone-Poulenc Rorer
Sara Lee Bakery
Schering-Plough
State Farm Insurance
Time Warner
W.R. Grace
Westinghouse Electric Corporation

FINANCIAL INSTITUTIONS
Affinity Federal Credit Union
Amboy Bank
Bank of New York
Bank of Oklahoma
Bank of St. Louis
Barclay's Bank PLC
Broadway National Bank
Chase Home Mortgage Corporation
Citigroup
Columbia Bank
Community Investment Strategies
Connecticut National Bank
Countrywide Financial
Dun and Bradstreet Corporation
Fannie Mae
First Savings Bank
First Washington State Bank
Freddie Mac
General Electric Credit Corporation
General Motors Acceptance Corp
GMAC Model Home Finance
Goldman, Sachs
Hopewell Valley Community Bank
Investors Savings Bank
JP Morgan Chase
Lehman Re LTD.
Magyar Bank
Morgan Guaranty Trust Company
New Jersey Bankers Association
New Millennium Bank
Northfield Bank
North Fork Bank
Ocean First Bank
PNC Bank
Philadelphia National Bank
Pittsburgh National Bank
Procida Advisors LLC
Sovereign Bank
Texas Commerce Bank
The Bancorp Bank
The Bank of Princeton
Sun National Bank
Unity Bank
Valley National Bank
Washington Mutual
Wachovia
Wells Fargo Bank

CONSTRUCTION INDUSTRY
American Properties
Beazer Homes
Bob Meyer Communities
Building Contractors Assoc. of NJ
Canuso Communities
Capodagli Property Company
Centex Homes
CRC Communities
D'Anastasio Corp.
Diversified Properties, LLC
D.R. Horton
Edgewood Properties
Fernmoor Homes
I Heller Constructions Co, Inc.
Jerald Development Group
J.S. Hovnanian & Sons
Kushner Companies
Kaplan Companies
K Hovnanian Homes
Kushner Real Estate Group
Lennar
M. Alfieri Company
M. Rieder Companies
Matrix Development Corp.
Matzel Development
Mill Creek Residential Trust, LLC
Millennium Homes
Mountain Funding, LLC
New Jersey Builders Association
Operating Engineers, Local No. 825
Paramount Homes
Pinnacle Companies
PRC Group
Pulte Homes
Renaissance Properties, Inc.
Richmond American Homes
Sharbell Building Company, LLC
Summit Materials – Blackstone Group
The Schultz Organization
Toll Brothers
Trammell Crow Residential
Tim Schaeffer Communities
Tucker Development, LLC
Woodmont Properties

LAWYERS
Ansell Zaro Grimm & Aaron
Bathgate, Wegener & Wolf
Carella, Byrne
Clemente Mueller, P.A.
Connell Foley
Copeland, Shimalla & Wechsler
Day Pitney
Epstein Becker & Green, P.C.
Flaster Greenberg, P.C.
Fox Rothschild LLP
Giordano Halleran & Ciesla
Greenbaum, Rowe, Smith & Davis
Heilbrunn, Pape & Goldstein
Herrick, Feinstein
Hill Wallack, LLP
Hoagland Longo Moran, et al
Kirkpatrick & Lockhart, Gates
Lum Danzis Drasco
Mandelbaum & Mandelbaum
Mandelbaum Salsburg
Norris Mclaughlin & Marcus
Parker McCay
Porzio, Bromberg & Newman
Riker Danzig Scherer Hyland & Peretti
Saul Ewing
Stark & Stark
Stein McGuire Pantages Gigl LP
Sterns & Weinroth, P.C.
Tesser & Cohen
Wilentz, Goldman & Spitzer
Wolff & Samson

MISCELLANEOUS
ADP
Bausch & Lomb
CSX Transportation
Ciba-Geigy Corporation
Cigna Corporation
Fox Rothschild, LLP
Frito-Lay
Gulf Oil
Honeywell
Janssen Pharmaceuticals
JFK Health Systems, Inc.
Kemper Insurance Group
Kraft-General Foods
McDonald's Corporation
Nationwide Insurance Co.
Nestle USA
New Jersey Natural Gas
OneBeacon Professional Insurance
Princeton University
Public Service Electric & Gas
Salvation Army
Siemens Corporation
Sony Corporation of America

GOVERNMENTAL
Branchburg Township
East Brunswick Township
Linden City
Marlboro Township
Medford Township
Metuchen Borough
Metuchen Parking Authority
Middlesex County Improvement Auth.
Monroe Township
Montgomery Township
New Jersey Green Acres
NJ Transit
Washington Township
West Orange Township

OTTEAU VALUATION GROUP, INC.

Demographic Analysis

POPULATION DEMOGRAPHICS

	Bloomingdale Borough		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
Population								
2020 Projection	7,829		100,077		418,383		1,280,397	
2015 Estimate	7,732		97,548		410,311		1,256,622	
2010 Census	7,656		94,955		402,689		1,234,693	
2000 Census	7,610		90,093		390,295		1,203,771	
Growth 2015-2020	1.25%		2.59%		1.97%		1.89%	
Growth 2010-2015	0.99%		2.73%		1.89%		1.78%	
Growth 2000-2010	0.60%		5.40%		3.18%		2.57%	
2015 Est. Population by Sex	7,732		97,548		410,311		1,256,622	
Male	3,819	49.39	47,316	48.51	198,742	48.44	610,167	48.56
Female	3,913	50.61	50,232	51.49	211,569	51.56	646,455	51.44
Male/Female Ratio	0.98		0.94		0.94		0.94	
2015 Est. Population by Age	7,732		97,548		410,311		1,256,622	
Age 0 - 4	433	5.60	4,765	4.88	21,787	5.31	72,817	5.79
Age 5 - 9	441	5.70	5,076	5.20	22,873	5.57	76,515	6.09
Age 10 - 14	446	5.77	6,185	6.34	27,384	6.67	84,647	6.74
Age 15 - 17	280	3.62	4,020	4.12	17,902	4.36	53,478	4.26
Age 18 - 20	252	3.26	3,597	3.69	18,784	4.58	52,969	4.22
Age 21 - 24	344	4.45	4,673	4.79	22,192	5.41	64,909	5.17
Age 25 - 34	833	10.77	9,595	9.84	41,631	10.15	137,625	10.95
Age 35 - 44	1,064	13.76	11,260	11.54	47,307	11.53	154,609	12.30
Age 45 - 54	1,302	16.84	16,070	16.47	65,780	16.03	192,685	15.33
Age 55 - 64	1,070	13.84	14,304	14.66	57,512	14.02	169,906	13.52
Age 65 - 74	722	9.34	9,236	9.47	36,735	8.95	108,104	8.60
Age 75 - 84	369	4.77	5,545	5.68	20,156	4.91	58,246	4.64
Age 85 and over	176	2.28	3,225	3.31	10,270	2.50	30,111	2.40
Age 16 and over	6,321	81.75	80,204	82.22	332,397	81.01	1,005,097	79.98
Age 18 and over	6,132	79.31	77,503	79.45	320,366	78.08	969,165	77.12
Age 21 and over	5,880	76.05	73,906	75.76	301,582	73.50	916,196	72.91
Age 65 and over	1,267	16.39	18,006	18.46	67,161	16.37	196,461	15.63
2015 Est. Median Age	42.90		44.60		41.90		40.50	
2015 Est. Average Age	41.30		42.50		40.70		40.00	
2015 Est. Median Age, Male	41.80		42.70		40.10		38.90	
2015 Est. Average Age, Male	40.40		41.00		39.40		38.70	
2015 Est. Median Age, Female	44.10		46.10		43.50		42.10	
2015 Est. Average Age, Female	42.30		43.90		41.90		41.20	
2015 Est. Pop Age 15+ by Marital Status	6,412		81,522		338,268		1,022,643	
Total, Never Married	1,928	30.07	22,613	27.74	104,295	30.83	331,150	32.38
Males, Never Married	1,052	16.41	11,586	14.21	53,421	15.79	172,190	16.84
Females, Never Married	876	13.66	11,027	13.53	50,874	15.04	158,961	15.54
Married, Spouse present	3,165	49.36	43,813	53.74	175,064	51.75	506,853	49.56
Married, Spouse absent	282	4.40	2,343	2.87	11,583	3.42	43,592	4.26
Widowed	367	5.72	5,688	6.98	21,565	6.38	63,524	6.21
Males Widowed	115	1.79	961	1.18	3,994	1.18	11,689	1.14
Females Widowed	252	3.93	4,727	5.80	17,571	5.19	51,836	5.07
Divorced	670	10.45	7,066	8.67	25,761	7.62	77,524	7.58
Males Divorced	295	4.60	2,913	3.57	9,804	2.90	29,142	2.85
Females Divorced	375	5.85	4,153	5.09	15,957	4.72	48,382	4.73

HOUSEHOLD DEMOGRAPHICS

	Bloomingdale Borough		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
Households								
2020 Projection	3,013		37,603		148,729		450,842	
2015 Estimate	2,970		36,496		145,736		442,159	
2010 Census	2,935		35,324		142,956		434,267	
2000 Census	2,847		31,561		136,257		421,381	
Growth 2015-2020	1.45%		3.03%		2.05%		1.96%	
Growth 2010-2015	1.19%		3.32%		1.94%		1.82%	
Growth 2000-2010	3.09%		11.92%		4.92%		3.06%	
2015 Est. Households by Household Type	2,970		36,496		145,736		442,159	
Family Households	2,059	69.33	26,306	72.08	107,646	73.86	322,219	72.87
Nonfamily Households	911	30.67	10,190	27.92	38,089	26.14	119,940	27.13
2015 Est. Family HH Type, Presence Own Children	2,059		26,306		107,646		322,219	
Married-Couple Family, own children	739	35.89	9,857	37.47	39,905	37.07	117,900	36.59
Married-Couple Family, no own children	927	45.02	12,200	46.38	46,190	42.91	131,564	40.83
Male Householder	128	0.06	1,198	0.05	5,612	0.05	19,213	0.06
Male Householder, own children	44	2.14	411	1.56	2,094	1.95	7,509	2.33
Male Householder, no own children	84	4.08	787	2.99	3,518	3.27	11,704	3.63
Female Householder	265	0.13	3,052	0.12	15,939	0.15	53,542	0.17
Female Householder, own children	102	4.95	1,319	5.01	7,538	7.00	25,810	8.01
Female Householder, no own children	163	7.92	1,733	6.59	8,401	7.80	27,732	8.61
2015 Est. Households by Household Size	2,970		36,496		145,736		442,159	
1-person	751	25.29	8,688	23.81	32,337	22.19	101,044	22.85
2-person	955	32.15	11,443	31.35	43,694	29.98	127,521	28.84
3-person	519	17.47	6,341	17.37	26,082	17.90	78,789	17.82
4-person	463	15.59	6,289	17.23	25,555	17.54	75,481	17.07
5-person	198	6.67	2,575	7.06	11,791	8.09	35,795	8.10
6-person	58	1.95	811	2.22	4,059	2.79	13,710	3.10
7-or-more-person	26	0.88	348	0.95	2,219	1.52	9,819	2.22
2015 Est. Average Household Size	2.56		2.64		2.75		2.79	
2015 Est. Households by Presence of People	2,970		36,496		145,736		442,159	
Households with 1 or More People under Age 18:	946	31.85	12,229	33.51	53,027	36.39	163,505	36.98
Married-Couple Family	764	80.76	10,179	83.24	41,444	78.16	122,974	75.21
Other Family, Male Householder	55	5.81	497	4.06	2,546	4.80	9,229	5.64
Other Family, Female Householder	117	12.37	1,503	12.29	8,819	16.63	30,622	18.73
Nonfamily, Male Householder	9	0.95	33	0.27	160	0.30	476	0.29
Nonfamily, Female Householder	1	0.11	15	0.12	57	0.11	203	0.12
Households with No People under Age 18:	2,024	68.15	24,267	66.49	92,709	63.61	278,654	63.02
Married-Couple Family	902	44.57	11,879	48.95	44,668	48.18	126,503	45.40
Other Family, Male Householder	73	3.61	697	2.87	3,052	3.29	9,975	3.58
Other Family, Female Householder	147	7.26	1,548	6.38	7,120	7.68	22,938	8.23
Nonfamily, Male Householder	445	21.99	4,109	16.93	15,598	16.82	49,983	17.94
Nonfamily, Female Householder	457	22.58	6,033	24.86	22,272	24.02	69,256	24.85
2015 Est. Average Number of Vehicles	1.98		2.01		1.95		1.78	
Family Households								
2020 Projection	2,088		26,999		109,695		328,198	
2015 Estimate	2,059		26,306		107,646		322,219	
2010 Census	2,034		25,586		105,799		316,902	
2000 Census	2,077		24,553		103,816		312,853	
Growth 2015-2020	1.41%		2.63%		1.90%		1.86%	
Growth 2010-2015	1.23%		2.81%		1.75%		1.68%	
Growth 2000-2010	-2.07%		4.21%		1.91%		1.29%	

EDUCATION & EMPLOYMENT DEMOGRAPHICS

	Bloomingdale Borough		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
2015 Est. Pop Age 25+ by Edu. Attainment	5,536		69,234		279,391		851,287	
Less than 9th grade	164	2.96	1,688	2.44	9,785	3.50	46,886	5.51
Some High School, no diploma	310	5.60	2,748	3.97	12,898	4.62	45,826	5.38
High School Graduate (or GED)	2,064	37.28	19,744	28.52	75,654	27.08	232,171	27.27
Some College, no degree	982	17.74	11,554	16.69	45,430	16.26	132,896	15.61
Associate Degree	445	8.04	4,453	6.43	16,894	6.05	49,883	5.86
Bachelor's Degree	995	17.97	18,296	26.43	74,739	26.75	211,573	24.85
Master's Degree	461	8.33	8,065	11.65	32,185	11.52	95,590	11.23
Professional School Degree	62	1.12	1,673	2.42	7,810	2.80	24,121	2.83
Doctorate Degree	53	0.96	1,014	1.46	3,995	1.43	12,342	1.45
2015 Est. Civ. Employed Pop 16+ by Class of Worker	4,148		51,177		204,357		614,097	
For-Profit Private Workers	2,976	71.75	36,489	71.30	140,394	68.70	429,804	69.99
Non-Profit Private Workers	285	6.87	3,224	6.30	12,725	6.23	42,041	6.85
Local Government Workers	353	8.51	4,110	8.03	17,309	8.47	47,324	7.71
State Government Workers	137	3.30	1,483	2.90	6,710	3.28	20,220	3.29
Federal Government Workers	19	0.46	513	1.00	2,260	1.11	7,895	1.29
Self-Employed Workers	378	9.11	5,348	10.45	24,887	12.18	66,371	10.81
Unpaid Family Workers	0	0.00	10	0.02	73	0.04	441	0.07
2015 Est. Civ. Employed Pop 16+ by Occupation	4,148		51,177		204,357		614,097	
Architect/Engineer	54	1.30	982	1.92	4,179	2.04	10,725	1.75
Arts/Entertainment/Sports	85	2.05	1,223	2.39	4,666	2.28	14,638	2.38
Building Grounds Maintenance	127	3.06	1,186	2.32	5,304	2.60	20,016	3.26
Business/Financial Operations	123	2.97	3,230	6.31	12,809	6.27	38,807	6.32
Community/Social Services	84	2.03	673	1.32	2,902	1.42	9,259	1.51
Computer/Mathematical	91	2.19	1,608	3.14	6,789	3.32	19,794	3.22
Construction/Extraction	150	3.62	2,181	4.26	7,509	3.67	23,721	3.86
Education/Training/Library	382	9.21	4,236	8.28	16,609	8.13	44,921	7.31
Farming/Fishing/Forestry	2	0.05	51	0.10	162	0.08	620	0.10
Food Prep/Serving	215	5.18	2,238	4.37	8,009	3.92	23,934	3.90
Health Practitioner/Technician	144	3.47	3,306	6.46	12,042	5.89	34,828	5.67
Healthcare Support	24	0.58	661	1.29	3,091	1.51	11,596	1.89
Maintenance Repair	194	4.68	1,524	2.98	4,812	2.35	15,356	2.50
Legal	38	0.92	918	1.79	3,887	1.90	11,212	1.83
Life/Physical/Social Science	78	1.88	480	0.94	1,947	0.95	5,961	0.97
Management	484	11.67	6,550	12.80	27,894	13.65	76,576	12.47
Office/Admin. Support	643	15.50	7,184	14.04	28,254	13.83	82,946	13.51
Production	266	6.41	1,891	3.70	7,922	3.88	29,017	4.73
Protective Services	107	2.58	953	1.86	3,516	1.72	10,413	1.70
Sales/Related	466	11.23	6,195	12.11	25,915	12.68	73,822	12.02
Personal Care/Service	113	2.72	1,973	3.86	7,209	3.53	19,723	3.21
Transportation/Moving	278	6.70	1,934	3.78	8,932	4.37	36,211	5.90
2015 Est. Pop 16+ by Occupation Classification	4,148		51,177		204,357		614,097	
Blue Collar	888	21.41	7,531	14.72	29,174	14.28	104,304	16.98
White Collar	2,672	64.42	36,585	71.49	147,893	72.37	423,490	68.96
Service and Farm	588	14.18	7,061	13.80	27,290	13.35	86,302	14.05
2015 Est. Workers Age 16+ by Transp. to Work	3,959		49,594		198,772		599,827	
Drove Alone	3,303	83.43	41,249	83.17	160,247	80.62	450,562	75.12
Car Pooled	363	9.17	3,910	7.88	15,609	7.85	53,385	8.90
Public Transportation	90	2.27	1,969	3.97	10,237	5.15	48,846	8.14
Walked	97	2.45	505	1.02	2,805	1.41	12,470	2.08
Bicycle	5	0.13	214	0.43	395	0.20	1,487	0.25
Other Means	7	0.18	161	0.32	981	0.49	7,128	1.19
Worked at Home	94	2.37	1,586	3.20	8,499	4.28	25,948	4.33
2015 Est. Workers Age 16+ by Travel Time to Work *								
Less than 15 Minutes	1,068		10,784		47,589		141,463	
15 - 29 Minutes	1,421		15,973		63,091		192,914	
30 - 44 Minutes	836		12,084		43,105		121,845	
45 - 59 Minutes	245		3,908		14,581		45,254	
60 or more Minutes	317		5,196		22,152		73,249	
2015 Est. Avg. Travel Time to Work in Minutes	27.97		31.60		31.03		31.56	

INCOME DEMOGRAPHICS

	Bloomingdale Borough		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
2015 Est. HHs by HH Income	2,970		36,496		145,736		442,159	
CY HHs, Inc < $15,000	125	4.21	1,740	4.77	9,901	6.79	36,124	8.17
CY HHs, Inc $15,000 - $24,999	188	6.33	1,896	5.20	8,662	5.94	31,534	7.13
CY HHs, Inc $25,000 - $34,999	171	5.76	2,124	5.82	8,722	5.98	31,526	7.13
CY HHs, Inc $35,000 - $49,999	380	12.79	3,404	9.33	13,320	9.14	42,276	9.56
CY HHs, Inc $50,000 - $74,999	559	18.82	5,493	15.05	20,476	14.05	64,338	14.55
CY HHs, Inc $75,000 - $99,999	426	14.34	5,310	14.55	18,405	12.63	54,545	12.34
CY HHs, Inc $100,000 - $124,999	364	12.26	4,626	12.68	17,325	11.89	46,826	10.59
CY HHs, Inc $125,000 - $149,999	279	9.39	3,311	9.07	12,000	8.23	33,361	7.55
CY HHs, Inc $150,000 - $199,999	349	11.75	4,597	12.60	16,354	11.22	45,035	10.19
CY HHs, Inc $200,000 - $249,999	79	2.66	1,436	3.93	6,242	4.28	17,129	3.87
CY HHs, Inc $250,000 - $499,999	46	1.55	1,876	5.14	9,484	6.51	26,579	6.01
CY HHs, Inc $500,000+	4	0.13468	682	1.8687	4,845	3.3245	12,886	2.91434
2015 Est. Average Household Income	$91,968		$113,413		$119,809		$111,797	
2015 Est. Median Household Income	$78,638		$91,904		$91,010		$82,004	
2015 Median HH Inc by Single Race Class. or Ethn								
White Alone	79,012		92,390		96,400		88,972	
Black or African American Alone	41,000		47,659		45,128		44,871	
American Indian and Alaska Native Alone	50,000		57,482		51,417		49,297	
Asian Alone	121,429		111,894		99,291		109,469	
Native Hawaiian and Other Pacific Islander Alone	0		21,897		21,825		24,071	
Some Other Race Alone	26,667		71,206		43,970		39,393	
Two or More Races	83,088		60,751		47,691		50,687	
Hispanic or Latino	44,205		79,168		60,276		51,404	
Not Hispanic or Latino	81,635		92,523		94,947		89,861	
2015 Est. Families by Poverty Status	2,059		26,306		107,646		322,219	
2015 Families at or Above Poverty	1,976	95.97	25,664	97.56	102,221	94.96	299,232	92.87
2015 Families at or Above Poverty with Children	862	41.86	11,359	43.18	47,370	44.01	141,357	43.87
2015 Families Below Poverty	83	4.03	642	2.44	5,425	5.04	22,987	7.13
2015 Families Below Poverty with Children	37	1.80	364	1.38	3,863	3.59	16,924	5.25

HOUSING DEMOGRAPHICS

	Bloomingdale Borough		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
2015 Est. Occupied Housing Units by Tenure	2,970		36,496		145,736		442,159	
Owner Occupied	2,167	72.96	30,428	83.37	111,888	76.77	305,990	69.20
Renter Occupied	803	27.04	6,068	16.63	33,848	23.23	136,169	30.80
2015 Owner Occ. HUs: Avg. Length of Residence	20.3		17.8		18.4		18.8	
2015 Renter Occ. HUs: Avg. Length of Residence	9.0		8.5		9.2		9.3	
2015 Est. Owner-Occupied Housing Units by Value	2,167		30,428		111,888		305,990	
Value Less than $20,000	6	0.28	71	0.23	163	0.15	699	0.23
Value $20,000 - $39,999	3	0.14	188	0.62	631	0.56	1,797	0.59
Value $40,000 - $59,999	13	0.60	98	0.32	504	0.45	1,485	0.49
Value $60,000 - $79,999	5	0.23	172	0.57	496	0.44	1,215	0.40
Value $80,000 - $99,999	8	0.37	196	0.64	681	0.61	1,392	0.45
Value $100,000 - $149,999	45	2.08	383	1.26	1,732	1.55	5,287	1.73
Value $150,000 - $199,999	60	2.77	996	3.27	3,426	3.06	10,040	3.28
Value $200,000 - $299,999	536	24.73	5,761	18.93	15,897	14.21	43,084	14.08
Value $300,000 - $399,999	834	38.49	8,435	27.72	26,275	23.48	73,336	23.97
Value $400,000 - $499,999	412	19.01	6,021	19.79	20,915	18.69	59,554	19.46
Value $500,000 - $749,999	172	7.94	5,381	17.68	24,798	22.16	67,651	22.11
Value $750,000 - $999,999	46	2.12	1,768	5.81	9,839	8.79	24,045	7.86
Value $1,000,000 or more	27	1.25	956	3.14	6,531	5.84	16,406	5.36
2015 Est. Median All Owner-Occupied Housing Value	$348,861		$387,107		$429,349		$424,618	
2015 Est. Housing Units by Units in Structure	3,133		38,165		152,703		465,948	
1 Unit Attached	106	3.38	2,956	7.75	11,099	7.27	28,241	6.06
1 Unit Detached	2,258	72.07	26,847	70.34	99,924	65.44	274,060	58.82
2 Units	233	7.44	1,473	3.86	15,151	9.92	58,957	12.65
3 or 4 Units	50	1.60	688	1.80	5,291	3.46	28,621	6.14
5 to 19 Units	270	8.62	1,707	4.47	8,642	5.66	36,925	7.92
20 to 49 Units	136	4.34	1,177	3.08	4,241	2.78	14,936	3.21
50 or More Units	80	2.55	3,277	8.59	7,668	5.02	22,531	4.84
Mobile Home or Trailer	0	0.00	39	0.10	592	0.39	1,537	0.33
Boat, RV, Van, etc.	0	0.00	0	0.00	94	0.06	139	0.03
2015 Est. Housing Units by Year Structure Built	3,133		38,165		152,703		465,948	
Housing Units Built 2010 or later	52	1.66	1,457	3.82	4,042	2.65	11,850	2.54
Housing Units Built 2000 to 2009	230	7.34	5,845	15.32	13,157	8.62	30,395	6.52
Housing Units Built 1990 to 1999	159	5.08	3,642	9.54	14,459	9.47	33,294	7.15
Housing Units Built 1980 to 1989	211	6.73	2,899	7.60	15,210	9.96	36,851	7.91
Housing Units Built 1970 to 1979	419	13.37	4,320	11.32	16,332	10.70	44,953	9.65
Housing Units Built 1960 to 1969	620	19.79	5,721	14.99	26,232	17.18	75,117	16.12
Housing Units Built 1950 to 1959	657	20.97	7,198	18.86	27,925	18.29	96,361	20.68
Housing Units Built 1940 to 1949	262	8.36	2,974	7.79	13,627	8.92	54,871	11.78
Housing Unit Built 1939 or Earlier	523	16.69	4,109	10.77	21,719	14.22	82,256	17.65
2015 Est. Median Year Structure Built**	1962		1968		1965		1960	