APPRAISAL OF REAL PROPERTY

An Affordable Multifamily Apartment Building
8 Somerset Lane (a. k. a. 45 River Road)
Edgewater, Bergen County, NJ 07020

IN AN APPRAISAL REPORT

As of June 22, 2022

Prepared For:

Greystone Servicing Company, LLC
419 Belle Air Lane
Warrenton, VA 20186

Prepared By:

Cushman & Wakefield of New Jersey, LLC
Valuation & Advisory
1 Meadowlands Plaza, 7th Floor
East Rutherford, New Jersey 07073
Cushman & Wakefield File ID: 22-15001-900470-001

An Affordable Multifamily Apartment Building

8 Somerset Lane (a. k. a. 45 River Road)

Edgewater, Bergen County, NJ 07020

1 Meadowlands Plaza, 7th Floor
East Rutherford, NEW JERSEY 07073
Tel +1 201-693-7240
cushmanwakefield.com

July 22, 2022

Shawntae Nixon
Greystone Servicing Company, LLC
419 Belle Air Lane
Warrenton, VA 20186

Re: Appraisal Report

An Affordable Multifamily Apartment Building
8 Somerset Lane (a. k. a. 45 River Road)
Edgewater, Bergen County, NJ 07020

Cushman & Wakefield File ID: 22-15001-900470-001

Dear Ms. Nixon:

In fulfillment of our agreement as outlined in the Letter of Engagement, copied in the Addenda, we are pleased to transmit our appraisal of the above referenced property in the following Appraisal Report.

The subject is a 6-story, rent restricted apartment building that was completed in November 2021. The improvements contain a total of 78 apartment units, one of which is provided to the superintendent on a rent-free basis. There is 56,630 square feet of residential rentable area that is currently 74.4 percent occupied at an average contract rent of $1,329 per unit per month. The property is the required affordable component attributable to the larger development known as Edgewater Harbor. As such, the property is regulated by Uniform Housing Affordability Controls (UHAC), which governs the administration of affordable units and affordability controls in New Jersey. The site contains 1.34-acres, which includes an 89-space surface parking lot. The property also contains a ground floor office that is leased to a related party to ownership. It is our opinion that, if sold to an unrelated party, the ground floor office space would be used as a management/ leasing office and potentially amenity space, particularly under the hypothetical market scenario.

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. Since its onset in March 2020, the COVID-19 pandemic has had a dramatic effect on both factors as the market navigated COVID's actual and perceived impacts. Either through empirical data or COVID fatigue, society and the market are perceiving that we are near the end of the pandemic. Still, varying degrees of uncertainty exist in most property types with regards to forecasted demand. As we have throughout the pandemic, Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic and recovery, as well as its effects on the subject and its market. Furthermore, we are monitoring the impacts of the Russian invasion of Ukraine, the Federal Reserve's interest rate hikes, inflation, and supply chain constraints. Please refer to the Investment Considerations section of this report for added details.

This report is for the use and benefit of, and may be relied upon by,

- The Greystone Servicing Company LLC, Fannie Mae and any successors and assigns ("Lender")
- independent auditors, accountants, attorneys and other professionals acting on behalf of Lender;
- governmental agencies having regulatory authority over Lender;
- designated persons pursuant to an order or legal process of any court or governmental agency;
- prospective purchasers of the Mortgage; and
- with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is subject of this report, the following parties and their respective successors and assigns;
    - any placement agent or broker/dealer and any of their respective affiliates, agents and advisors;
    - any initial purchaser or subsequent holder of such debt and/or securities;
    - any Servicer or other agent acting on behalf of the holders of such debt and/or securities;
    - any indenture trustee;
    - any rating agency; and
    - any institutional provider from time to time of any liquidity facility or credit support for such financing

In addition, this report, or a reference to this report, may be included or quoted in any offering circular, information circular, offering memorandum, registration statement, private placement memorandum, prospectus or sales brochure (in either electronic or hard copy format) in connection with a securitization or transaction involving such debt (or portion thereof) and/or securities.

This Appraisal Report has been prepared in accordance with Fannie Mae appraisal guidelines, Commercial Appraisal Reporting Guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Uniform Standards of Professional Appraisal Practice (USPAP).

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion of Market Value:

Value Conclusions

Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
Market Value As-Is	Leased Fee	June 22, 2022	$16,700,000
Prospective Market Value Upon Stabilization	Leased Fee	September 1, 2022	$16,700,000
Hypothetical Stabilized Value As If Leased At Market Rents	Leased Fee	June 22, 2022	$32,900,000
Insurable Value	N/A	June 22, 2022	$12,000,000

Compiled by Cushman & Wakefield of New Jersey, LLC

The value opinions in this report are qualified by certain assumptions, limiting conditions, certifications, and definitions, as well as the following extraordinary assumptions and hypothetical conditions.

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

This appraisal does not employ any extraordinary assumptions.

Hypothetical Conditions

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Per the scope of this assignment, we have valued the subject based on the hypothetical condition that the property is operated as a market rate property and all units are leased at market rents.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD OF NEW JERSEY, LLC

Joanne Murdock, MAI
Senior Director
NJ Certified General Appraiser
License No. 42RG00234300
joanne.murdock@cushwake.com
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Client Satisfaction Survey

WE WANT TO HEAR FROM YOU!

VALUATION & ADVISORY

CUSHMAN & WAKEFIELD

V&A National Quality Control Group values your feedback!

- What are we doing right?
- Are there areas where we could improve?
- Did our report meet your requirements?

As part of our quality monitoring campaign, your comments are critical to our efforts to continuously improve our service.

We'd appreciate your help in completing a short survey pertaining to this report and the level of service you received. Rest assured, any feedback will be treated with proper discretion and confidentiality.

Simply click https://www.surveymonkey.com/r/LQKCGLF?c=22-15001-900470-001 to respond.

Contact our National Lead for Quality Control with any questions or comments:

Steve Henry, MAI
Executive Managing Director
National Quality Control Lead
Valuation & Advisory
T +1 949-930-9211
Steve.Henry@cushwake.com

Summary of Salient Facts and Conclusions

The site contains 1.34 acres, which includes an 89-space surface parking lot. The parking lot was not originally included in the purchase of the subject's land as the adjacent hotel requires access to the lot for garbage service and rear door access. For this reason, the purchase and sale agreement established a parking easement. The owner of the lot, who developed Edgewater Harbor, deeded the site to the subject's ownership for free. The parking lot was granted under these terms, likely due to the fact that the seller would have been responsible for the real estate taxes without benefit of the income from parking spaces.

BASIC INFORMATION	
Common Property Name:	An Affordable Multifamily Apartment Building
Address:	8 Somerset Lane (a. k. a. 45 River Road) Edgewater, New Jersey 07020
County:	Bergen
Property Ownership Entity:	45 River Road Associates LLC

SITE INFORMATION	
Land Area:	**Square Feet**
Main Parcel	58,520
Site Shape:	Rectangular
Site Topography:	Level
Frontage:	Average
Site Utility:	Average
Flood Zone Status:	
Flood Zone:	AE
Flood Map Number:	34003C0286H
Flood Map Date:	August 28, 2019

BUILDING INFORMATION	
Type of Property:	Multi-Family
Building Area	
Number of Units:	78 Units
Gross Building Area:	70,700 SF
Net Rentable Area:	56,630 SF
Land-to-Building Ratio:	0.83:1
Number of Buildings:	One
Number of Stories:	6
Actual Age:	1 Years
Quality:	Average
Year Built:	2021
Condition:	New
Parking:	
Number of Parking Spaces:	89
Parking Ratio (per Unit):	1.14
Parking Type:	Surface

MUNICIPAL INFORMATION	
Assessment Information:	
Assessing Authority	Borough of Edgewater
Assessor's Parcel Identification	Block 99, Lot 1.19
Current Tax Year	2022
Taxable Assessment Upon Full Assessment	$6,400,000
Current Tax Liability	$104,384
Taxes per Unit	$1,338
Projected Tax Liability At Full Assessment	$2,360
Zoning Information:	
Municipality Governing Zoning	Borough of Edgewater
Current Zoning	SWR, Southern Waterfront Redevelopment
Is current use permitted?	Yes
Current Use Compliance	Legally Non-Complying based on approvals received

HIGHEST & BEST USE

As Though Vacant:

An affordable apartment building that complies with zoning requirements provided there is government support.

As Improved:

Continued use as an affordable apartment building.

VALUATION INDICES	Market Value As-Is	Prospective Market Value Upon Stabilization
VALUE DATE	**June 22, 2022**	**September 1, 2022**
SALES COMPARISON APPROACH		
Indicated Value:	$16,900,000	$16,900,000
Per Unit	$216,667	$216,667
INCOME CAPITALIZATION APPROACH		
Direct Capitalization		
Net Operating Income (stabilized):	$767,738	$767,738
Capitalization Rate:	5.25%	5.25%
Preliminary Value:	$14,623,577	$14,623,577
Plus: Present Value of the Tax Benefits	$2,100,000	$2,100,000
Less: Lease Up Costs	($41,353)	N/A
Indicated Value:	$16,682,224	$16,723,577
Value (Rounded):	$16,700,000	$16,700,000
Per Unit	$214,103	$214,103
Hypothetical Market Scenario		
Net Operating Income (stabilized):		$1,478,955
Capitalization Rate:		4.50%
Preliminary Value:		$32,865,666
Value (Rounded):		$32,900,000
Per Unit		$421,795
FINAL VALUE CONCLUSION		
Real Property Interest:	Leased Fee	Leased Fee
Concluded Value:	$16,700,000	$16,700,000
Per Unit	$214,103	$214,103
Implied Capitalization Rate:	4.60%	4.60%
EXPOSURE TIME AND MARKETING TIME		
Exposure Time:	6-9 Months	
Marketing Time:	6-9 Months	
Insurable Value		
Insurable Value Conclusion:	$12,000,000	

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

This appraisal does not employ any extraordinary assumptions.

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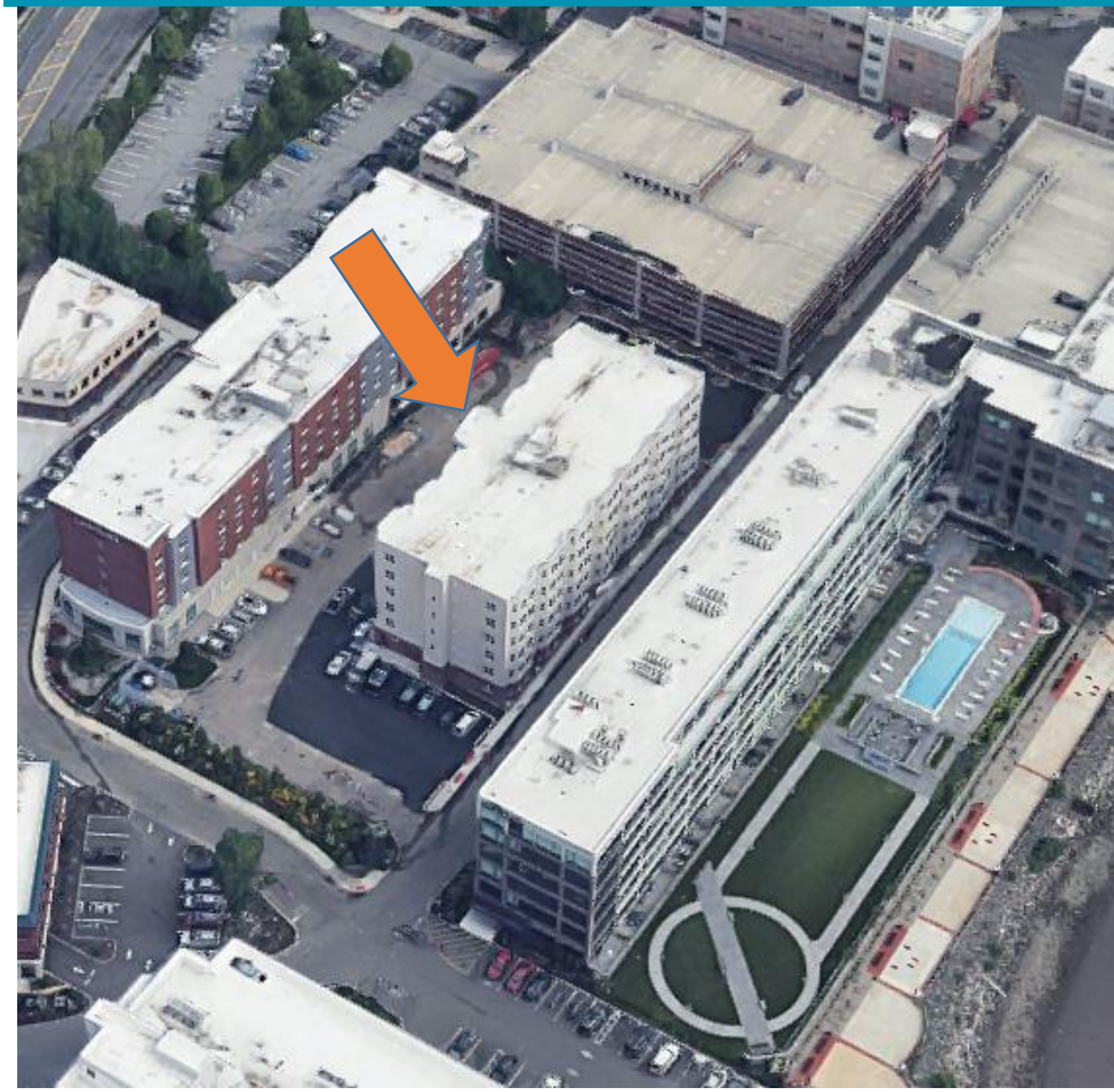
Per the scope of this assignment, we have valued the subject based on the hypothetical condition that the property is operated as a market rate property and all units are leased at market rents.

Property Photographs

AERIAL PHOTOGRAPH

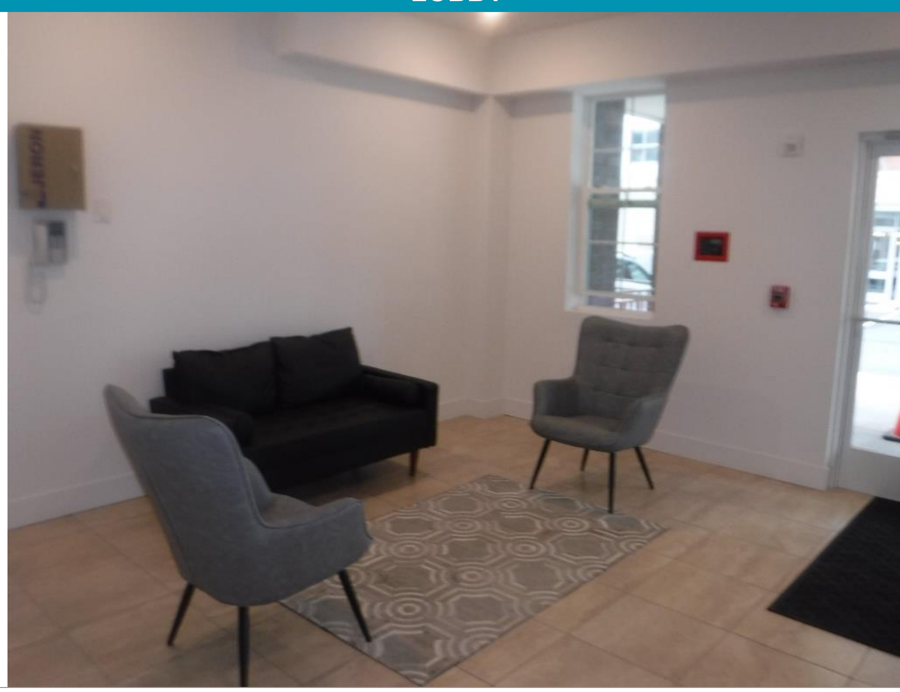


SUBJECT EXTERIOR

SUBJECT EXTERIOR

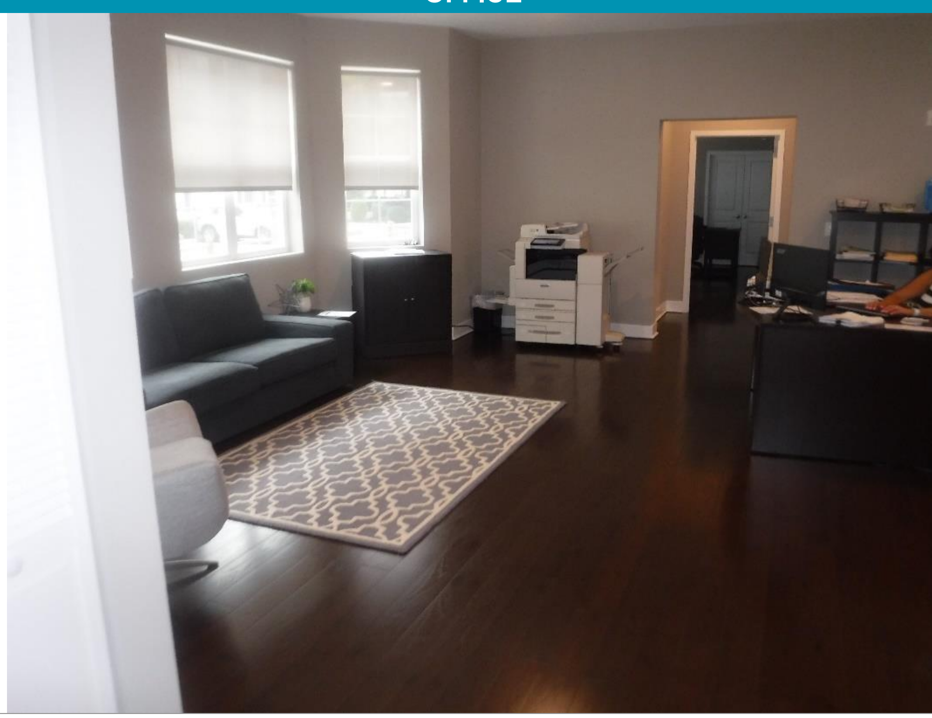
MAIN ENTRANCE

LOBBY

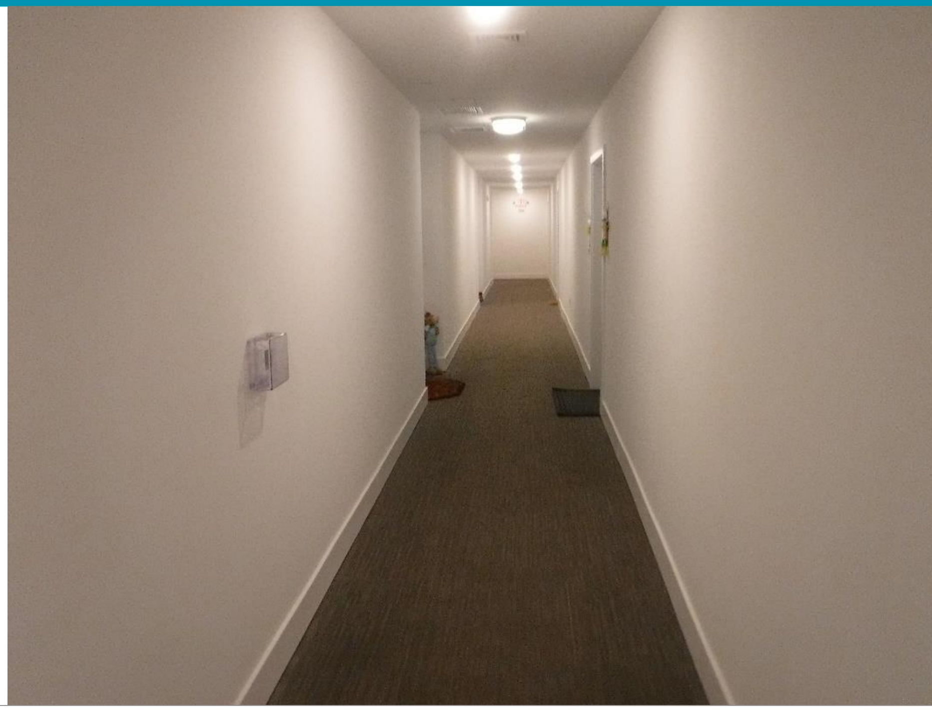


LAUNDRY ROOM

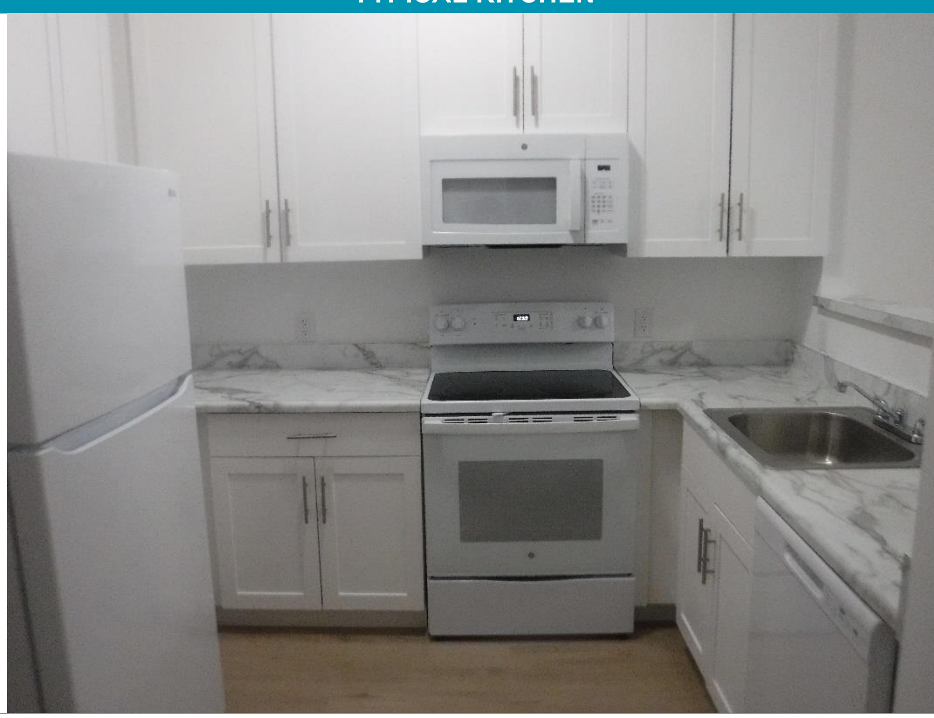
OFFICE



TYPICAL HALLWAY



TYPICAL KITCHEN

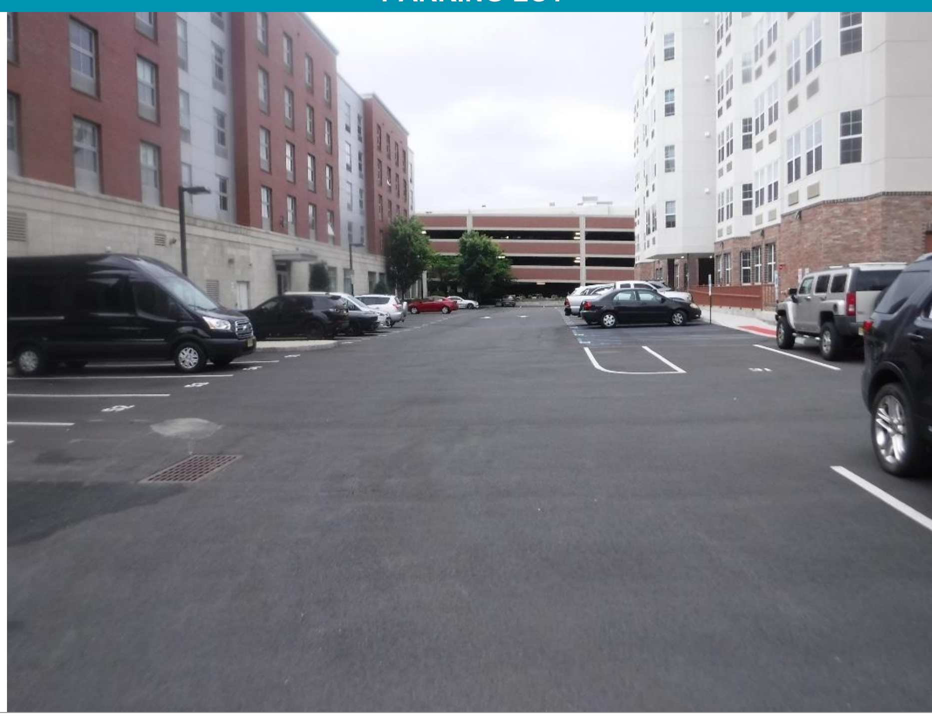


TYPICAL LIVING AREA

TYPICAL BEDROOM

TYPICAL BATHROOM

PARKING LOT



STREET SCENE: FACING NORTH ON SOMERSET LANE

STREET SCENE: FACING SOUTH ON SOMERSET LANE

Table of Contents

Scope of Work

Overview

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

- We inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. We have utilized the Income Approach and the Sales Approach to estimate market value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

Cushman & Wakefield of New Jersey, LLC has an internal Quality Control Oversight Program. This Program mandates a "second read" of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

For this assignment, Quality Control Oversight was provided by Joseph P. Dondiego, MAI.

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms "describe," summarize," and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion

Identification Of Property

Common Property Name:	An Affordable Multifamily Apartment Building
Location:	8 Somerset Lane (a. k. a. 45 River Road), Edgewater, Bergen County, New Jersey 07020
Assessor's Parcel Number(s):	Block 99, Lot 1.19
Legal Description:	The legal description is provided in the addenda.

Property Ownership And Recent History

Current Ownership:	45 River Road Associates LLC
Sale History:	According to ownership and a review of public data sources, the subject has not sold or transferred within the past three years immediately preceding this assignment.
Current Disposition:	According to ownership, the subject is not currently being marketed for sale.

Dates Of Inspection And Valuation

Effective Date(s) of Valuation:	
As Is:	June 22, 2022
Date of Report:	July 22, 2022
Date of Inspection:	June 22, 2022
Property Inspected by:	Joanne Murdock, MAI

Client, Intended Use And Users Of The Appraisal

Client:	Greystone Servicing Company, LLC
Intended Use:	This appraisal is intended to provide an opinion of the market value of the leased fee interest on an as is basis for the use of the client in loan financing.

Intended Users:	This appraisal report was prepared for the exclusive use of Greystone Servicing Company, LLC, Fannie Mae and their respective successors and assigns.
	This report is for the use and benefit of, and may be relied upon by,
	• The Greystone Servicing Company LLC, Fannie Mae and any successors and assigns ("Lender")
	• independent auditors, accountants, attorneys and other professionals acting on behalf of Lender;
	• governmental agencies having regulatory authority over Lender;
	• designated persons pursuant to an order or legal process of any court or governmental agency;
	• prospective purchasers of the Mortgage; and
	• with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is subject of this report, the following parties and their respective successors and assigns;
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	  • any Servicer or other agent acting on behalf of the holders of such debt and/or securities;
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	  • any rating agency; and
	  • any institutional provider from time to time of any liquidity facility or credit support for such financing
	In addition, this report, or a reference to this report, may be included or quoted in any offering circular, information circular, offering memorandum, registration statement, private placement memorandum, prospectus or sales brochure (in either electronic or hard copy format) in connection with a securitization or transaction involving such debt (or portion thereof) and/or securities.
	Use of this report by others is not intended by the appraiser.

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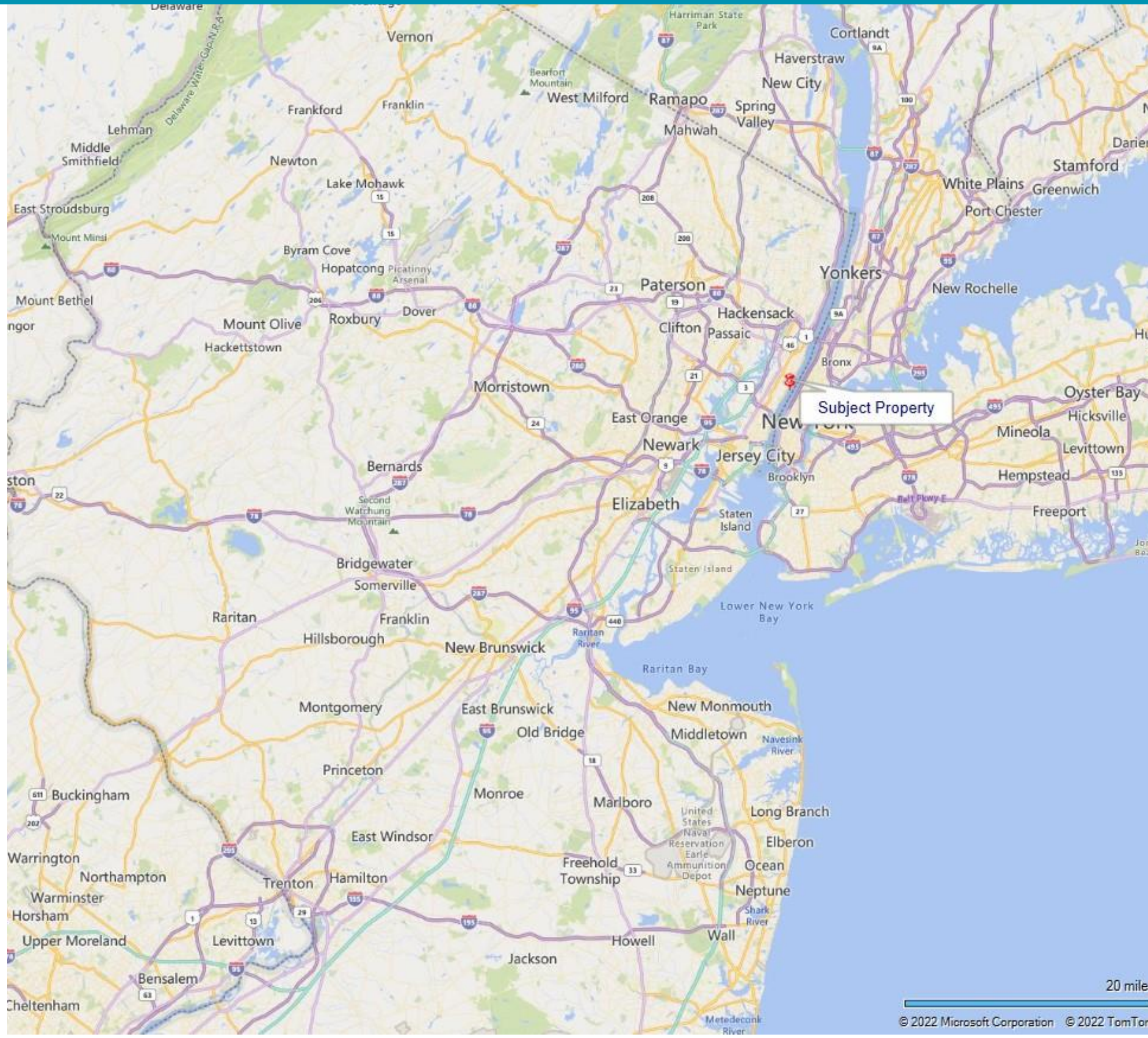
Regional Analysis

REGIONAL MAP



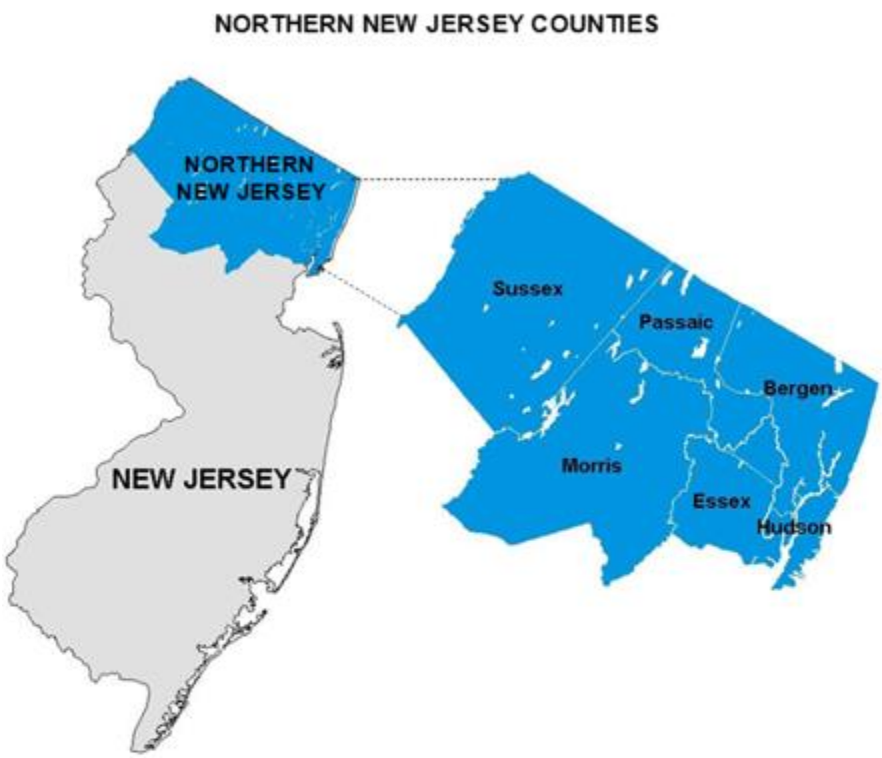
Northern New Jersey Regional Market Analysis

Introduction

The Northern New Jersey region is located in the northern portion of the State of New Jersey, directly west of New York City and comprised of six counties: Bergen, Essex, Hudson, Morris, Passaic and Sussex. Northern New Jersey spans approximately 1,583 square miles and is home to a population of almost 3.6 million, according to Experian Marketing Solutions, Inc. 2021 estimates. The region is aptly named the "gateway region" for its position across the Hudson River from Manhattan and is located at the western end of several transportation portals to New York City including a bridge, two auto tunnels, two rail systems and several ferry operations. Newark is the largest city in the State of New Jersey, with an estimated population of 283,664 residents, and is considered the cultural, financial, and transportation hub of the state.

Map

The following map illustrates the location of the six counties that make up the Northern New Jersey regional area:



Source: Cushman & Wakefield Valuation & Advisory

COVID-19 Impacts

The economy continues to recover and evolve from the impacts of the COVID-19 pandemic and the economic crisis that followed. While social distancing rules have been relaxed across most of the country, vaccination rates vary across different regions, and the nation has not yet reached herd immunity. Additionally, the Omicron variant has caused another recent surge that is clouding the recovery. That being said, it is important to take in mind that data lags, and industry participants are still trying to accurately determine the pandemic's current effects on the commercial real estate market. In other sections of the report, we will discuss these effects and impacts on the immediate market and subject property in as much detail as possible. Therefore, we ask that you consider the following points:

- Early in the COVID-19 pandemic, most non-essential businesses shut down, causing significant disruption in the economy. As businesses continue to adjust to the realities and complexities of the pandemic, some are not returning, or are returning in a different capacity.
- Certain property types have been more heavily impacted than others, with some asset classes benefiting from the COVID environment. Broadly speaking, cap rates compressed, and price growth improved significantly in 2021, however, this is not true for every property or asset class.
- Investment activity picked up significantly throughout 2021 and has now reached pre-pandemic levels. We anticipate this growth to continue throughout 2022.

Current Trends

Due to its proximity to New York City, the COVID-19 pandemic wreaked havoc on the Northern New Jersey region and the state at large, resulting in a depleted state unemployment fund and the closure of roughly 30% of all small businesses by the end of 2020. However, as of the latest April 2022 data released from the Bureau of Economic Analysis, New Jersey ranked 16th in real Gross Domestic Product (GDP) growth rate through the close of fourth quarter 2021 when compared to the rest of the nation, a drop from its fourth-place ranking at the close of third quarter 2021. Despite New Jersey’s strong fourth quarter GDP growth of 7.4% and recovery in the state’s core employment sectors, the year-over-year percent change in its real GDP totaled 4.9%, lagging the national rate of 5.7%.

Based on the latest preliminary data from the U.S. Bureau of Labor Statistics (BLS) as of April 2022, sectors such as trade, transportation & utilities, professional & business services, and financial activities have fulfilled all non-farm jobs lost since April 2020 and have added jobs on top of their pre-pandemic totals. Despite not yet having mounted a full recovery, the education & health services sector is 9,000 jobs from reaching its pre-pandemic totals. Furthermore, after reaching 15.8% in April 2020, New Jersey’s unemployment rate recovered to 4.1% in a year-over-year perspective. In the near term, recovery in the Northern New Jersey region and the state overall should continue to benefit from hiring growth across diverse sectors, and relative affordability compared to New York City, despite personal incomes in the state falling 0.6% through fourth quarter 2021 due to inflation.

Further considerations for Northern New Jersey are as follows:

- The demand for multifamily housing has been on the upswing in the Northern New Jersey region. A shortage of building materials during and after the COVID-19 pandemic caused the median price of single-family homes in the region to skyrocket, pricing many buyers out of the market. As young professionals are pushed to continue renting, occupancy rates in multifamily developments have grown, spurring new apartment construction in the six-county area. A sampling of projects include the 834-unit, one-million square foot Pond View Estates Phase II, a four-star garden apartment project in western Morris County, which is slated for delivery in late 2022; the 640-unit, 576,000-square-foot midrise property Harrison Yards, located in Harrison, also scheduled for delivery in late 2022; and the 704-unit, 550,000-square-foot high-rise building, Journal Squared Phase III in Jersey City, which broke ground in September 2021 and is scheduled for delivery in early 2023.

- Several large-scale development projects will likely propel growth in the Northern New Jersey region through the near term, developing a stronger live-work-play environment to compete with nearby Manhattan. North American Properties is planning a $2.5 billion, 418-acre waterfront redevelopment known as Riverton, on the Raritan River. The Riverton project plans to add 1.5 million-square-feet of retail space, nearly two million-square-feet of office/commercial inventory, 800,000-square-feet of hotel/conference centers, 2,000 residential units and a 200-slip marina upon completion in 10 to 12 years. Phase one of the project includes 250,00 square feet of retail and 70,000 square feet of dining, with Bass Pro Shops already claiming 200,000 square feet. Additionally, a nine-story office building, ten-story hotel and 48,000 square foot conference center have been included in the first phase of development. In early December 2021, the developer announced a leasing director for the project, which is slated to break ground in the spring of 2022.
- New Jersey's tallest tower, located 99 Hudson Street in Jersey City, continued to see strong sales after its opening in September 2020. Ten additional sales occurred in mid-2021, one of which was the highest priced residential condominium closing in the city's history at $3.9 million. The 79-story tower is 887 feet tall and stands almost 120 feet taller than the current Goldman Sachs tower at 30 Hudson Street. The building houses 781 residential units, 15,000 square feet of retail space and 14,000 square feet of public space with a 7,365 square foot public plaza. The units in the building range from studios to penthouse homes with asking prices ranging from $548,000 to over $4 million. Additionally, the property contains 65,000 square feet of wellness and lifestyle amenities, including a swimming pool, spa, golf simulator and a fitness center.
- The American Dream megamall finally opened its doors in October 2019 after numerous stoppages since 2002. American Dream is slated to open in four chapters, according to developer, Triple Five, who took control of the project in 2010 and helped secure financing over the last several years to help deliver the project. Upon completion of all four phases, the complex will span 91-acres and is expected to add 20,000 jobs in Northern New Jersey. However, the megamall has fallen short of expectations, which closed six days before its Grand Opening due to COVID-19 restrictions put in place during March 2020. A new luxury wing called the Avenue opened in October 2021 and marked the final construction phase of the megamall's entertainment and retail plans, whose developer still plans to build hotels at the site. The Avenue is anchored by Saks Fifth Avenue and includes major retailers such as Dolce & Gabbana and Hermes.

Demographic Characteristics

Northern New Jersey's demographics represent a similarly aged, highly-affluent, and well-educated population that holds an average annual income $35,305 higher than that of the United States. The region's concentration of high-value-added industries supports higher level of educational attainment, with 41.9% of its population having a bachelor's degree or higher versus 31.6% for the nation. Additionally, the Northern New Jersey region has a below average share of low-wage households, with only 30.6% of its homes earning less than $50,000 compared to the nation's 38.6%. The region's strong labor pool and affluence will continue to support economic recovery through the near term.

The following chart compares the demographic characteristics of Northern New Jersey with those of the United States:

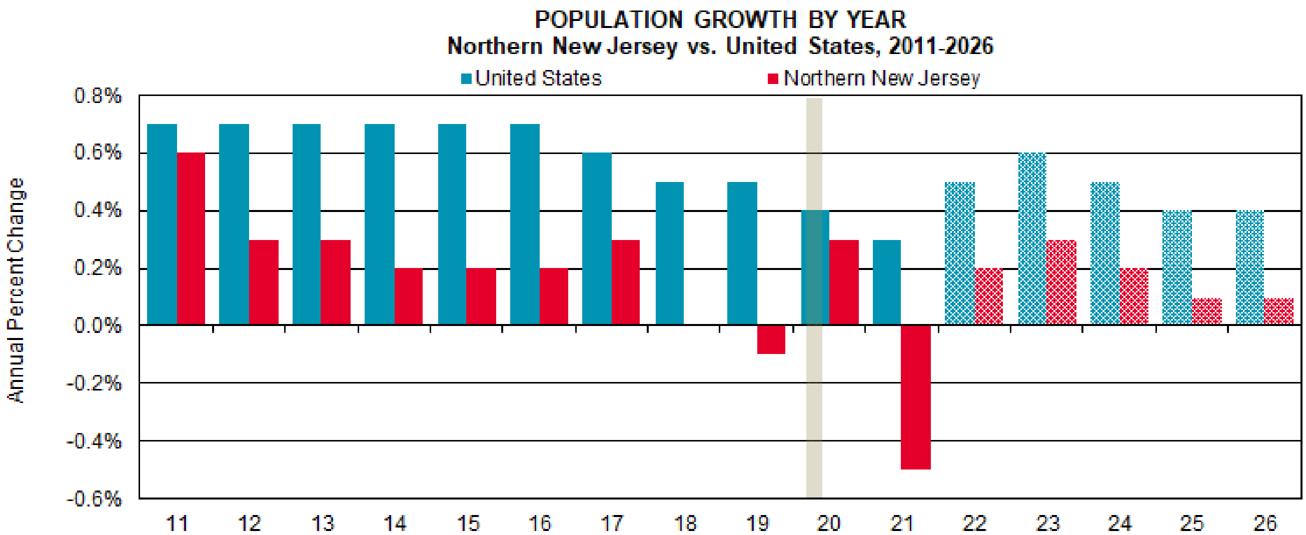
Demographic Characteristics Northern New Jersey vs. United States 2021 Estimates		
Characteristic	Northern New Jersey	United States
Median Age (years)	39	38
Average Annual Household Income	$130,127	$94,822
Median Annual Household Income	$86,845	$65,693
Households by Annual Income Level:		
<$25,000	15.5%	18.5%
$25,000 to $49,999	15.1%	20.1%
$50,000 to $74,999	13.5%	17.5%
$75,000 to $99,999	11.9%	13.4%
$100,000 plus	44.0%	30.5%
Education Breakdown:		
< High School	11.5%	12.3%
High School Graduate	26.1%	27.2%
College < Bachelor Degree	20.6%	28.9%
Bachelor's Degree	25.8%	19.5%
Advanced Degree	16.1%	12.1%

Source: © 2021 Experian Marketing Solutions, Inc. •All rights reserved•
Cushman & Wakefield Valuation & Advisory

Population

The Northern New Jersey regional population growth has trailed national population growth, averaging 0.1% annually from 2011 through 2021. During the same time period, Northern New Jersey's population growth has trailed national population expansion by an average of 50 basis points and is forecast to increase to an average annual growth rate of 0.2% through 2026. Over the decade, Northern New Jersey's population grew at a lower rate compared to the nation due to weak performance from the following counties: Sussex (-0.6%), Morris (-0.1%) and Passaic (-0.1%).

The following chart compares population growth between Northern New Jersey and the United States:



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars represent forecasted values
Note: Light brown area indicate periods of recession

The following table shows Northern New Jersey’s annualized population growth:

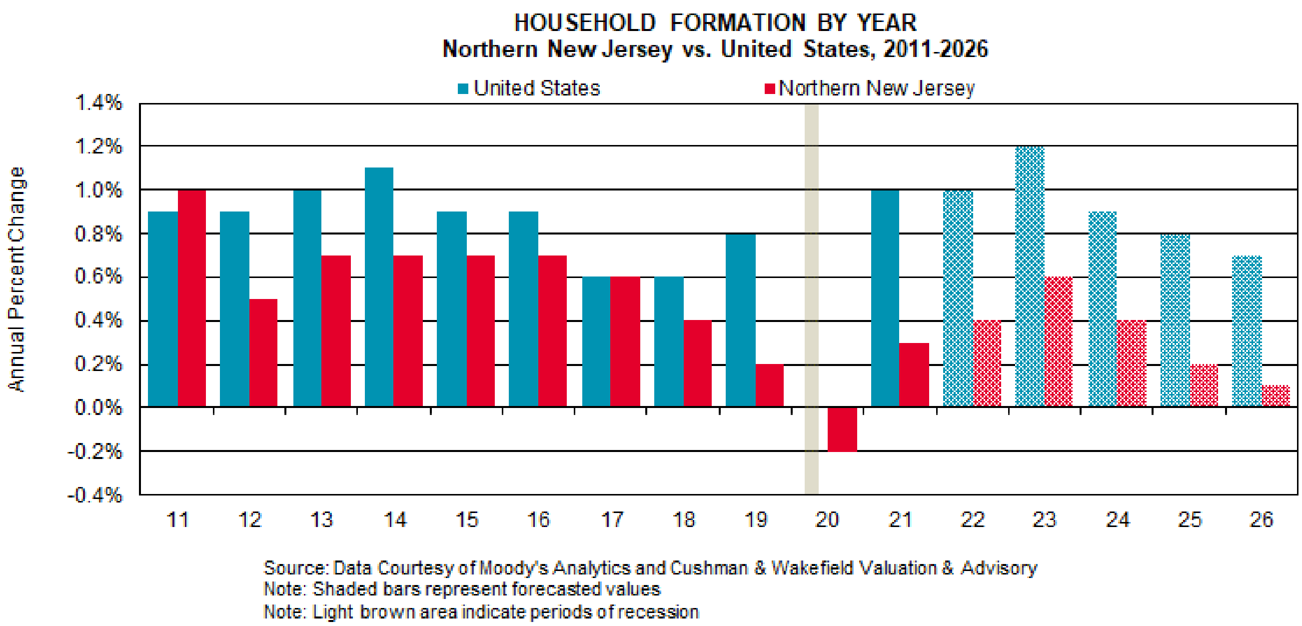
Annualized Population Growth Northern New Jersey 2011-2026						
Population (000’s)	**2011**	**2021**	**Forecast 2022**	**Forecast 2026**	**Compound Annual Growth Rate 11-21**	**Compound Annual Growth Rate 22-26**
United States	311,583.5	330,605.8	332,390.5	338,383.5	0.6%	0.4%
Northern New Jersey	**3,489.4**	**3,532.2**	**3,538.3**	**3,560.0**	**0.1%**	**0.2%**
Bergen County	912.0	931.2	933.3	941.9	0.2%	0.2%
Essex County	785.6	798.8	801.1	808.4	0.2%	0.2%
Hudson County	645.6	672.6	675.1	683.7	0.4%	0.3%
Morris County	494.8	490.1	489.9	488.6	-0.1%	-0.1%
Passaic County	503.3	500.1	500.0	500.2	-0.1%	0.0%
Sussex County	148.2	139.4	138.8	137.2	-0.6%	-0.3%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Households

Generally, a region's household formation trends are directly tied to its overall population growth, as an increase in the population drives demand for real estate. From 2011 through 2021, the Northern New Jersey regional household formation growth rate has trailed national expansion, averaging 0.5% annually. In the same ten-year period, Northern New Jersey's household formation growth has trailed national growth by an average of 30 basis points and is forecast to decrease to an average annual growth rate of 0.3% through 2026.

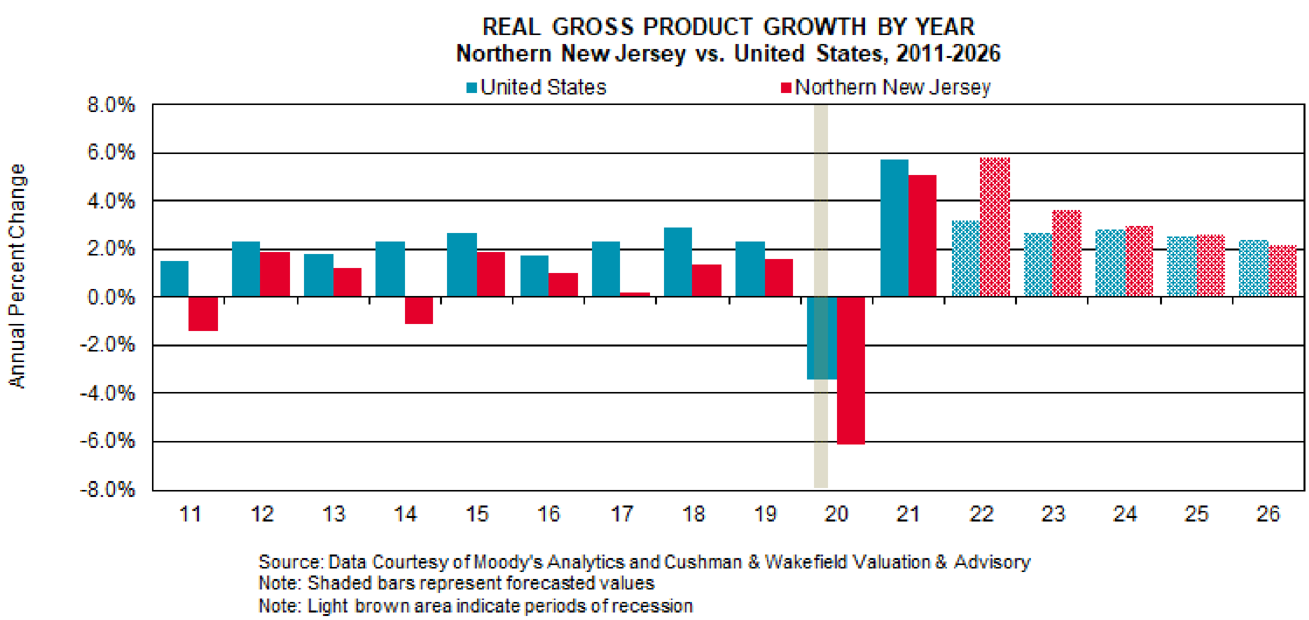
The chart below compares household formation growth between Northern New Jersey and the United States:



Gross Metro Product

Gross Metro Product (GMP) is defined as the market value of all final goods and services produced within a metropolitan area, and when compared to the nation's Gross Domestic Product (GDP), can determine shifting economic trends in a given region. Economic growth in Northern New Jersey has trailed national economic expansion over the decade, averaging 0.9% annually from 2011 through 2021. Over the decade, Northern New Jersey GMP has trailed national expansion by an average of 110 basis points and is forecast to increase to an average annual growth rate of 2.7% through 2026.

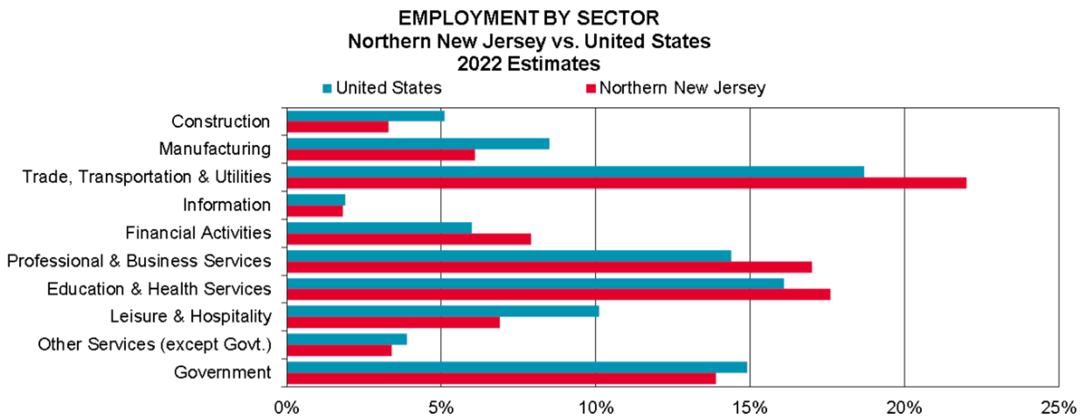
The chart below compares gross product growth by year for Northern New Jersey and the United States:



Employment Distribution

The Trade, Transportation & Utilities sector dominates Northern New Jersey as the largest employment sector with roughly 22% of the regional workforce, compared to 18.7% on the national level. Northern New Jersey offers a diverse mix of industry employment with the Education & Health Services and Professional & Business Services sectors accounting for 17.6% and 17% of total employment, respectively. Together, these three industries comprise 56.6% of the region's share of employment.

The following chart compares non-farm employment sectors for Northern New Jersey and the United States:



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory

Major Employers

The following table lists Northern New Jersey's largest employers:

Largest Employers
Northern New Jersey

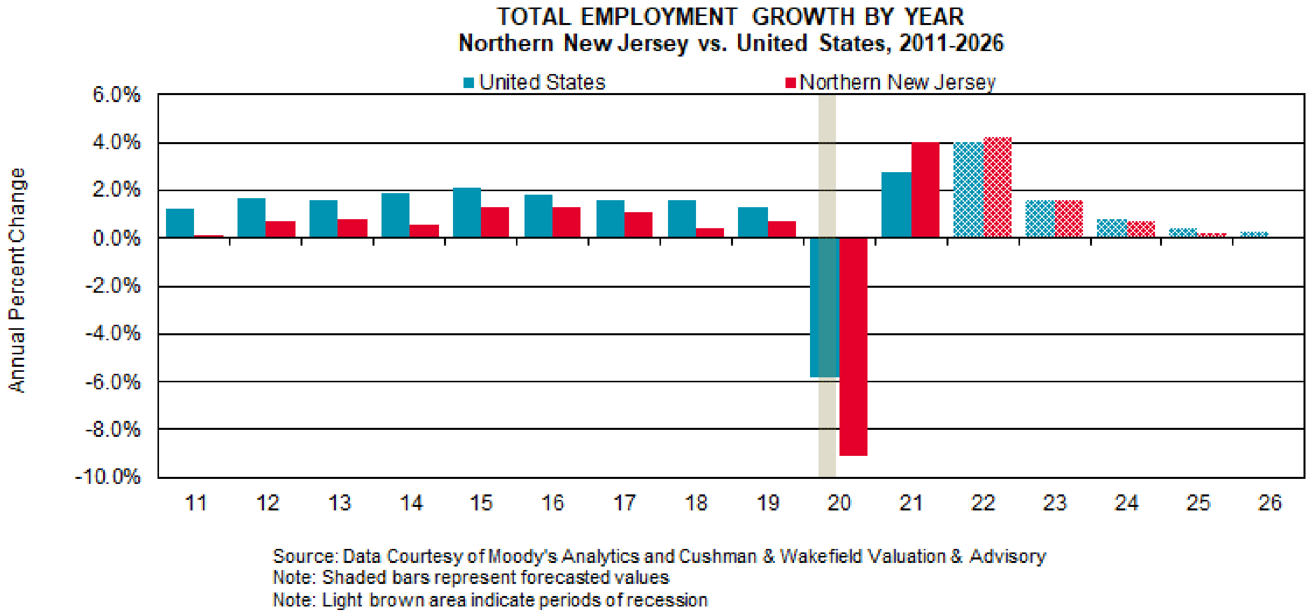
Company	No. of Employees	Business Type
Samsung Electronics, America, Inc.	26,000	Retail
Newark Liberty International Airport	24,000	Aviation
Metbenale Holdings Corporation	20,000	Hospitality
New Jersey Commission On Higher Education	16,500	Education
Arch Parent Inc.	12,900	Manufacturing
Realogy Intermediate Holdings LLC	11,400	Real Estate Brokerage
Corcoran Group LLC	9,000	Real Estate Brokerage
Hudson Ltd.	8,600	Hospitality
Volvo Financial Services, LLC	5,100	Banking
At&T Communications Americas, Inc	5,000	Communications

Source: Dun & Bradstreet, Inc., and Cushman & Wakefield Valuation & Advisory

Employment Growth

From 2011 through 2021, the Northern New Jersey regional employment growth has trailed national expansion, averaging -0.1% annually. During the same time period, Northern New Jersey's employment growth has trailed national expansion by an average of 110 basis points and is forecast to increase to an average annual growth rate of 0.6% through 2026. Over the decade, Northern New Jersey's employment grew at a lower rate compared to the nation due to weak performance from the following counties: Passaic (-0.9%), Essex (-0.5%), Sussex (-0.4%) and Bergen (-0.3%).

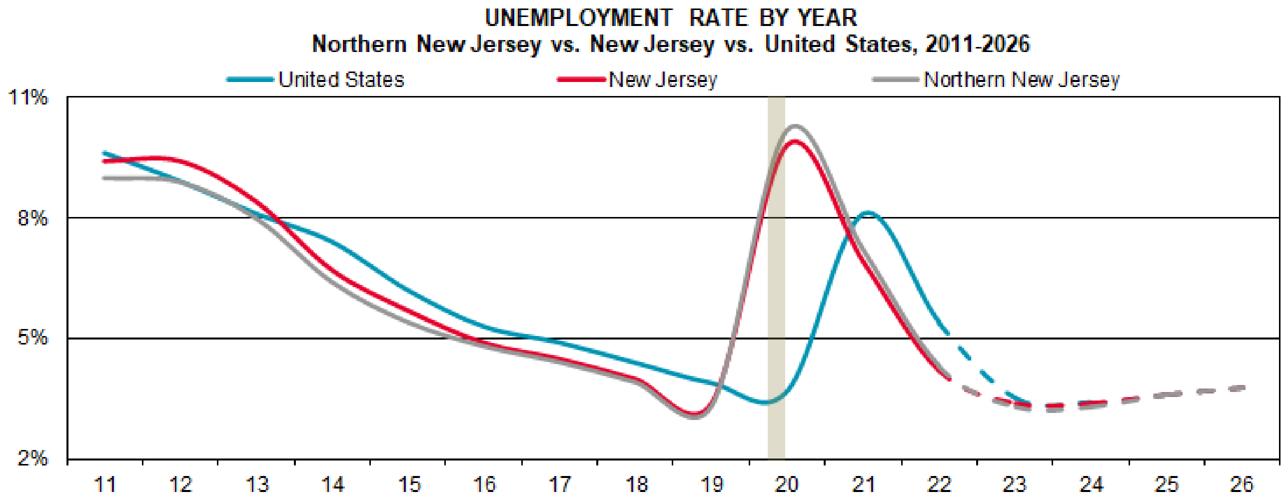
The following chart illustrates employment growth for Northern New Jersey and the United States:



Unemployment

From 2011 through 2021, the Northern New Jersey regional unemployment rate decreased at an average annual rate of 1.2%, compared to the nation's unemployment rate which decreased at an average annual rate of 5%. Northern New Jersey's unemployment rate is forecast to decrease by an average annual rate of 4.8% between 2022 and 2026. The following counties contributed to the decrease in Northern New Jersey's unemployment rate over the decade: Sussex (-2.6%), Essex (-2.0%) and Morris (-1.8%).

The graph below illustrates unemployment rates for Northern New Jersey, the State of New Jersey, and the United States:



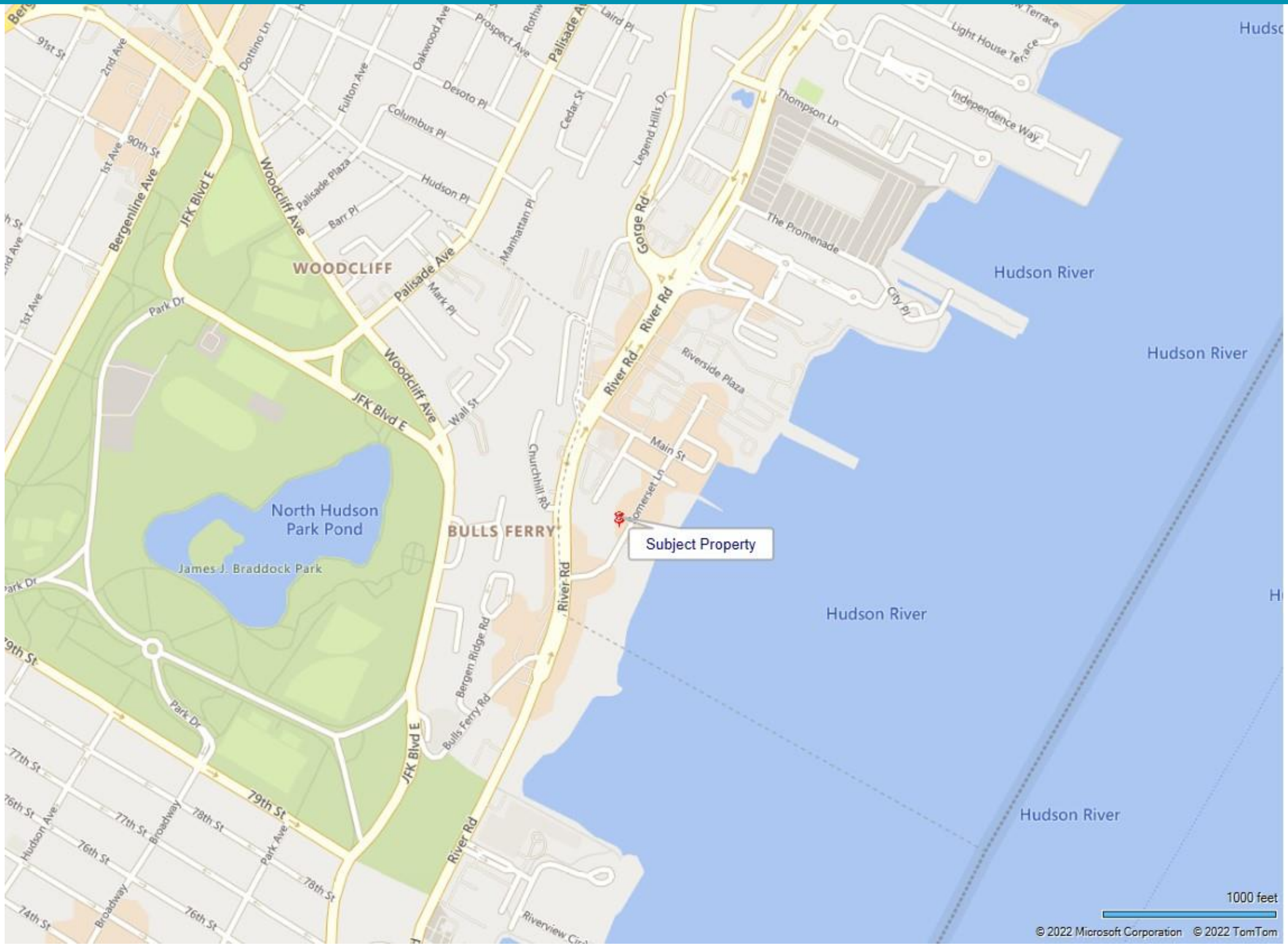
Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Dotted lines represent forecasted values
Note: Light brown area indicate periods of recession

Conclusion

After being hit by the adverse effects of the COVID-19 economic downturn, New Jersey saw a GDP growth rate of 7.9% through fourth quarter 2021. This growth was backed by improved wages in high-paying fields, increased hiring in a diverse mix of industries, and consistent consumer spending throughout the Northern New Jersey region and the state overall, despite an inflationary price environment. While the region will continue to battle population and household growth that trail the nation through the near term due to its lack of available land inventories, Northern New Jersey's economic condition should be strengthened in the long term through large investments in life sciences/pharmaceutical and warehouse/distribution spaces. Furthermore, a significant number of multifamily developments are underway over the next few years that will help reduce strain in the regional housing market.

Local Area Analysis

LOCAL AREA MAP



Location Overview

The subject property is located in Edgewater, a borough in Bergen County. Edgewater contains approximately 2.46 square miles and is bordered by Fort Lee to the north, Cliffside Park to the west, North Bergen to the south and Hudson River to the east.

Edgewater, like the name implies, is a 3.5-mile-long, half mile wide municipality that is bordered to the east by the Hudson River. On the western edge of Edgewater is the Palisades, which is an escarpment that runs north/south along the Hudson River basin from Hudson County to New York State. The Palisades effectively separate the “Gold Coast” portion of Hudson and Bergen Counties from the balance of New Jersey. Communities along the Gold Coast have significantly higher income levels and associated higher rents than communities that are on top, or west of the Palisades.

Edgewater has good access to Manhattan, the primary regional employment center, via bus or ferry service. There is no parking at the ferry terminal, so the municipality supplies free shuttle service to the Edgewater Ferry Terminal, as well as free shuttle service to the shopping centers Tuesday, Thursday, and Saturday from 11 a.m. to 7 p.m. In addition, there is extensive NJTransit bus service along River Road, which is the primary north/south thoroughfare below the Palisades.

River and Manhattan skyline views add value in the Gold Coast market. Southern Gold Coast municipalities, including Jersey City and Hoboken, have superior access to Manhattan via PATH service and superior views of Midtown and Downtown Manhattan, which has a positive impact on rental rates in this market. However, supporting retail in Edgewater is superior to the southern section of the Gold Coast market are in that there are multiple large shopping centers with multiple supermarkets, including Trader Joe's, Acme Markets, Whole Foods Market and Mitsuwa, which is a popular Asian supermarket drawing customers from well outside the immediate area.

Access

The subject is located 4.5 miles west of New York City, which is the region's largest employment center, and 4.0 miles south of the George Washington Bridge office market, the area's primary local employment center.

According to Experian Marketing Solutions, Inc., within a half-mile radius of the subject, the primary form of transportation to work is private vehicle (58 percent of workers age 16 and older). The secondary form of travel to work in the subject's area is public transportation (37 percent of workers age 16 and older). The average commute time to work within a half-mile radius of the subject is 47 minutes.

The subject is approximately 2.3 miles from the Edgewater ferry terminal and one block from the nearest bus stop on River Road. Travel times are approximately 30 minutes by bus to Port Authority Bus Terminal in Manhattan, 35 minutes by car to Midtown Manhattan (depending on traffic) and 15 minutes by ferry to the 39th Street pier Manhattan.

Regional and local access relies on the following transportation arteries:

Local:	River Road
Regional:	New Jersey Turnpike, also known as Interstate 95, is a 10-lane, limited access highway that traverses northeast-southwest across the New Jersey. Also known as Interstate 95, the highway provides regional access to New York, Philadelphia and Delaware.
	US Route 495, a divided east/west highway that accesses the Lincoln Tunnel, which provides access to Midtown Manhattan.

The Palisades Parkway, which is a limited access highway that leads north to the New York State line and beyond to the New York State Thruway.

Interstate 80, which is a limited access highway traveling in an east/west direction from the George Washington Bridge to Pennsylvania and beyond across the United States.

Access Conclusion

Overall, the subject has good access to mass transit, good access to local roadways and good access to area highway networks.

Nearby and Surrounding Uses

The subject is located on the northwest corner of Somerset Lane and Pembroke Place.

Adjacent uses are as follows:

North:	A parking garage
South:	A luxury condominium building
East:	An adaptive re-use, luxury condominium building
West:	A hotel

Quality of Life Characteristics

The subject is located 2 blocks to River Road, which is the primary local retail corridor in the area. Retailers here include several grocery-anchored shopping centers and a lifestyle center anchored by multiple nationally recognized establishments such as such as Target, Michaels, Acme Markets, Trader Joe's and Whole Foods Market. Other well-known retailers include Home Goods, Old Navy, Marshalls, TJ Maxx, CVS, Ulta Beauty, The Vitamin Shoppe and chain restaurants including Fleming's Steakhouse, Five Guys Burgers & Fries, Moe's Southwest Grill, Chipotle Mexican Grill, Panera Bread, Bare Burger and multiple popular local chain restaurants. Additional shopping is available along Routes 1 and 9. This retail thoroughfare features big box retailers such as The Home Depot, Lowe's Home Improvement, Target, PetSmart and Walmart. In terms of essential retail, the subject is 1.1 miles from the nearest supermarket and 3 blocks from the nearest drug store.

Public schools in the subject's area are rated 6 to 8 out of a high score of 10 by greatschools.org.

Demographic Characteristics

We analyzed the demographic profile for the subject’s municipality, and more specifically, based upon a radius of 0.25, 0.50, and 1.00 mile concentric circles from the subject. For comparison purposes, we have also provided demographic data for the subject’s municipality, county and the United States.

DEMOGRAPHIC SUMMARY	0.25-Mile Radius	0.5-Mile Radius	1.0-Mile Radius	Borough of Edgewater	Bergen County	United States
POPULATION STATISTICS						
2000	707	5,592	37,457	8,921	884,068	281,422,025
2021	1,142	8,972	46,933	13,567	935,503	331,030,342
2026	1,192	9,496	48,494	14,838	952,161	342,471,025
Compound Annual Change						
2000 - 2021	2.31%	2.28%	1.08%	2.02%	0.27%	0.78%
2021 - 2026	0.86%	1.14%	0.66%	1.81%	0.35%	0.68%
HOUSEHOLD STATISTICS						
2000	261	2,655	15,008	4,503	330,802	105,480,443
2021	485	4,505	19,362	6,795	353,745	126,093,779
2026	513	4,790	20,107	7,431	361,047	131,168,645
Compound Annual Change						
2000 - 2021	2.99%	2.55%	1.22%	1.98%	0.32%	0.85%
2021 - 2026	1.13%	1.23%	0.76%	1.81%	0.41%	0.79%
AVERAGE HOUSEHOLD INCOME						
2000	$78,551	$67,971	$62,154	$95,640	$89,185	$56,675
2021	$146,649	$139,309	$117,580	$170,403	$149,944	$94,822
2026	$157,161	$149,732	$126,867	$181,541	$158,014	$99,827
Compound Annual Change						
2000 - 2021	3.02%	3.48%	3.08%	2.79%	2.50%	2.48%
2021 - 2026	1.39%	1.45%	1.53%	1.27%	1.05%	1.03%
OCCUPANCY						
Owner Occupied	38.35%	36.48%	38.43%	35.31%	64.61%	63.90%
Renter Occupied	61.65%	63.52%	61.57%	64.69%	35.39%	36.10%

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Population and Household Data

Between 2000 and 2021, Experian Marketing Solutions, Inc., reports that the population increased at a compound annual rate of 2.28 percent within a 0.5-mile radius of the subject. Within a 1.0-mile radius, population is expected to increase 0.66 percent per annum over the next five years.

Within a 0.5-mile radius of the subject, households grew at a compound annual rate of 2.55 percent between 2000 and 2021. That pace is expected to continue through 2026, and is estimated at 1.23 percent annually.

A greater number of smaller households with fewer children generally indicates more disposable income. In 2000, there were 1.96 persons per household within a 0.5-mile radius of the subject and by 2021, this number is estimated to have increased to 2.02 persons. Through 2026, the average number of persons per household is forecasted to remain stable at 2.02 persons.

Average Household Income

According to Experian Marketing Solutions, Inc., in 2021 average household income within a 0.5-mile radius of the subject was approximately $139,309, which was 81.75 percent of the municipality average ($170,403) and 92.91 percent of the county average ($149,944).

Further analysis shows a relatively broad-based distribution of income. This information is summarized as follows:

DISTRIBUTION OF HOUSEHOLD INCOME						
Category	0.25-Mile Radius	0.5-Mile Radius	1.0-Mile Radius	Borough of Edgewater	Bergen County	United States
$150,000 or more	31.75%	28.42%	21.41%	37.19%	31.90%	14.51%
$125,000 to $149,999	6.80%	7.95%	7.54%	10.35%	8.54%	6.17%
$100,000 to $124,999	11.13%	11.52%	11.25%	10.70%	11.37%	9.77%
$75,000 to $99,999	14.43%	12.66%	12.41%	10.57%	11.12%	13.37%
$50,000 to $74,999	14.85%	14.45%	15.12%	10.98%	12.29%	17.52%
$35,000 to $49,999	8.04%	8.41%	9.76%	7.59%	7.97%	11.73%
$25,000 to $34,999	2.68%	4.86%	6.96%	3.16%	5.28%	8.38%
$15,000 to $24,999	3.51%	4.62%	6.70%	3.25%	5.41%	8.51%
Under $15,000	6.80%	7.10%	8.84%	6.21%	6.12%	10.03%

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Area Median Income and Maximum Restricted Rents

In Bergen County, the most recent Area Median Income (AMI) is $113,200 for a four-person Household. The most recent income limits for 1.5 person households or COAH properties are summarized below:

Maximum Income Level - 1.5 Person Households	
% of AMI	Income Limit
30%	$28,950
50%	$42,850
60%	$51,420
80%	$77,200

In New Jersey, maximum rents allowed for affordable units are published at the end of April every year. According to the New Jersey Housing and Mortgage Financing Agency, the most recent maximum rents in Bergen County for non-tax credit affordable properties, less the in-place utility allowance, are summarized below:

NJHMA Maximum Rent Limits as of 4/2022				
Percent of AMI	Max Rent 1 BR	Max Rent 1 BR Less Utility Allowance	Max Rent 2 BR	Max Rent 2 BR Less Utility Allowance
Projected Utility Allowance	$123		$0	
30%	$723	$600		
60%	$1,447	$1,324	$1,737	$1,737
80%	$1,930	$1,807		

Note that the two bedroom unita on the ground floor were added at a later stage of development so all utilities for these units are included in the rent.

Affordable Housing Rent Increases

Maximum rent increases for existing tenants is established each year by the state. The 2022 maximum rent increase for existing tenants is 2.90 percent.

Housing Occupancy

There are 485 occupied housing units within a 0.25-mile radius, 4,504 occupied housing units within a 0.50 radius, and 19,362 in the total 1.00-mile radius.

The percentage of occupied housing units that are renter occupied is an indicator of demand within an area. For reference, we note that the United States has 36.10 percent of the occupied housing stock is occupied by renters, while the subject's municipality and county have 64.69 and 35.39 percent of the housing stock occupied by renters. This compares to local statistics, which reflect renter occupied ratios of 61.65 percent, 63.52 percent and 61.57 percent within a 0.25-, 0.50- and 1.00-mile radius of the subject.

Local Area Housing

Edgewater is a well-established residential location within Bergen County. Residential development primarily comprises for sale condominiums, townhomes and apartment buildings throughout the local area. Residential growth is limited to infill locations and areas where underutilized land uses are being redeveloped with residential uses.

According to Experian Marketing Solutions, Inc., there are 5,012 housing units within a 0.50-mile radius of the subject property. The median year built of the existing housing stock is 1984 and the median home value as of 2021 was $366,556. There is a fairly small proportion of renter-occupied housing, comprising 63.52 percent of total occupied housing units within a 0.50-mile radius of the subject. The following table reflects a housing summary of the subject's area, with comparisons provided for the municipality, county and nation.

HOUSING SUMMARY

	0.25-Mile Radius	0.5-Mile Radius	1.0-Mile Radius	Borough of Edgewater	Bergen County	United States
HOUSING STATISTICS						
2021 Est. Total Housing Units	560	5,012	20,993	7,442	365,589	141,695,821
2021 Est. Median Housing Value	$286,179	$366,556	$405,701	$569,990	$490,429	$227,827
2021 Est. Median Year Built	1986	1984	1966	2000	1959	1979

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Demand drivers in the local market include proximity to local and regional employment centers via mass transit or area highway networks and walkable access to retail and services.

Special Hazards or Adverse Influences

We observed no detrimental influences in the local market area, such as landfills, flood areas, noisy or air polluting industrial plants, or chemical factories.

Land Use Changes

Although the number of proposed rental units in the pipeline will add significantly to the supply of newly developed luxury product in this market, due to the affordable nature of the subject, the potential new supply should have no impact on the subject's occupancy or income levels.

Conclusion

In summary, Edgewater is an upper middle-income area that benefits from its proximity to Manhattan and its views of the Hudson River and the Manhattan Skyline. The borough has good access to Manhattan by ferry and bus service along River Road and good access to local employment centers via local and regional roadways. The town has good access to a wide variety of retail, restaurants and services and above average quality public schools. Overall, Edgewater represents a viable residential market that is expected to increase in value over time given a balanced recovery from the pandemic and world-event induced economic instability.

Apartment Market Analysis

A variety of factors influence the performance of a property in the market. In this section we provide an in-depth analysis of both the market in which the subject property competes and its position within that market.

- We begin our analysis with a discussion of current market statistics such as supply, absorption, vacancy, effective rental rates and new and proposed construction.
- Next we provide analysis of competing local properties to determine the competitive inventory, occupancy rates, rent levels and concessions that might impact the market.
- We finish our analysis with an examination of the underlying demographic indices. Comparisons are made to larger study areas such as the CBSA, state and U.S. as a whole in order to place the historical and prospective performance of the subject trade area in context.

National Apartment Market Analysis

Introduction

Overview

The recession that began in March 2020, triggered by the COVID-19 pandemic, was short and steep. In the second quarter of 2020, real (inflation-adjusted) gross domestic product (GDP) collapsed at a record 31.4% annual pace, only to bounce back at a record 33.4% annual rate in the third quarter. In the final quarter of 2020, the pace of recovery had slowed substantially as the pandemic worsened again, and for year-end 2020 the GDP remained 2.5% below its peak in fourth quarter of 2019. For fourth quarter 2021, economic activity increased at an annual rate of 6.9%. For the year, GDP increased 5.7%, sitting above the GDP decline of 3.4% in 2020, as the COVID-19 situation improved behind increased vaccinations, reopening of businesses and less restrictive policies across the U.S.

Driving much of this slowdown were concerns about the Delta variant, but as we head towards the end of the year, fears have eased. In fact, in early November, the U.S. ended its travel ban and open its borders. Upon the lifting of this restriction, airlines are now tasked with verifying vaccination statuses of those entering the country, a burden not previously required. This is a welcome burden, however, as industry advocates have been pushing the Biden administration to lift resections for months, arguing that the U.S. was lagging other countries that had already opened their borders. Travel is expected to boom through year-end as U.S. travel has already almost rebounded to pre-pandemic levels, and more than doubled since the same time last year.

According to the Census Bureau for Housing Data, more households are headed by renters than at any other point since 1965. House prices continue to climb forcing individuals and families, especially young adults, into the apartment market. During 2020, renters were more likely than existing homeowners to buy homes, with many shifting into homeownership through the late summer and early fall. The likelihood of homeowners to sell their homes measured at 18% and renters looking to purchase a home at 34% has held steady since the beginning of 2021. The biggest concern for the industry is supply, as completions have outpaced demand in each of the past five years and the industry is expected to see more supply over absorption through 2025, according to estimates from Reis, Inc. Despite this worry, favorable demographic trends and an improving economy continues to largely benefit the rental sector. Strong demand for the apartment market will maintain its recent gains for the foreseeable future and the apartment sector still remains as the most heavily transacted sector in the U.S. Even still, apartment property prices are rising and outpacing all other property types, except for the industrial sector, in terms of price growth during the year.

COVID-19 Impacts

The economy continues to recover from the impacts of the COVID-19 pandemic and the economic crisis that followed. While social distancing rules have been relaxed across most of the country, vaccination rates vary greatly across different regions, and the nation has not yet reached herd immunity. Additionally, the Delta variant strain has caused another recent surge that is clouding the recovery. That being said, it is important to take in mind that data lags, and we are still trying to accurately determine the pandemic's current effects on the commercial real estate market. In other sections of the report, we will discuss these effects and impacts on the immediate market and subject property in as much detail as possible. Therefore, we ask that you consider the following points:

- Early in the COVID-19 pandemic, most non-essential businesses shut down, causing significant disruption in the economy. As things are opening back up, some businesses are not returning or are returning in a different capacity.
- Certain property types have been more heavily impacted than others, with some asset classes benefiting from the COVID environment. Broadly speaking, cap rates and price growth remain relatively flat across the board, but in certain asset types and properties there is notable compression or expansion within these metrics.
- Investment activity picked up significantly in the first half of the year, with a clear flight to quality.
- The global pandemic has affected the national apartment market and landlords and renters are wondering where the rent will be coming from over the next several months. Through December 31, 92% of rental households paid either full or partial rental payments, according to the National Multifamily Housing Council (NMHC). This is a 1.8 percentage point decrease from the share who paid rent through December 31, 2020 and under the 95.9% that had paid by December 31, 2019.
- The Federal Housing Finance Agency moved to protect multifamily owners and tenants in response to the novel coronavirus. Apartment landlords with government-backed mortgages can avoid foreclosure if they do not evict tenants, and the order applies to Fannie Mae and Freddie Mac mortgage companies, which will extend mortgage forbearance to any landlord negatively affected by the coronavirus national emergency. Several states and local governments have put temporary eviction moratoriums in place during the pandemic. Additionally, the Biden administration announced a new federal moratorium on evictions on August 3 in a move to extend protections for tenants who have fallen behind on rent due to the pandemic. However, the Supreme Court rejected the moratorium placing hundreds of thousands of tenants at risk.
- The United States' coronavirus multifamily loan forbearance programs has seen the number of borrowers looking for support continue to increase. Fannie Mae and Freddie Mac have created three additional forbearance options to assist multifamily borrowers during the COVID-19 pandemic. The options include delaying the start of the repayment period following forbearance, an extension of the repayment period and an extension of the forbearance period with an optional extended repayment period.

National Apartment Market Statistics

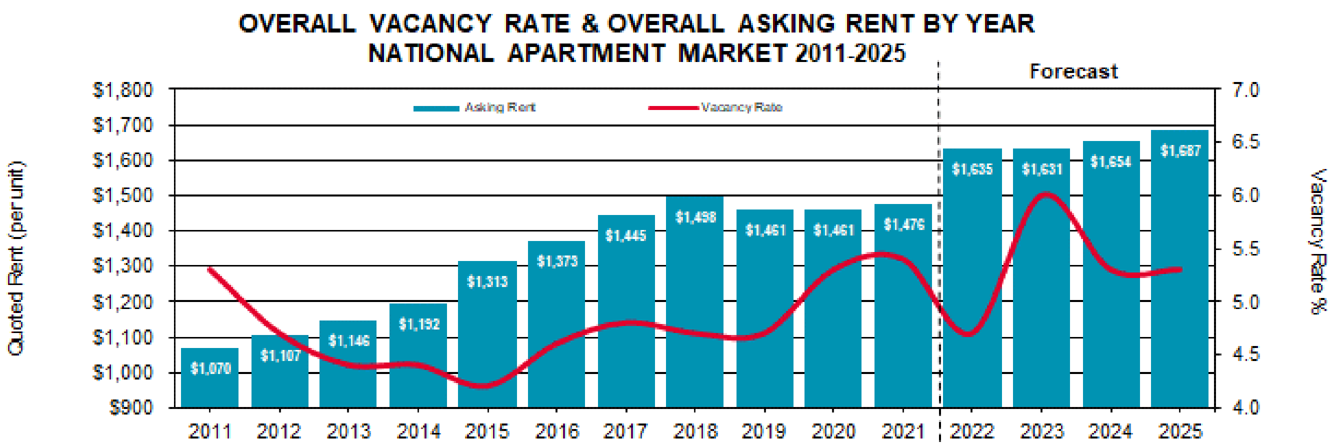
Vacancy and Asking Rent

Strong absorption levels since 2010 resulted in a drop in overall vacancy rates, a trend that continued in the following years. Occupancy levels caused developers to add large quantities of supply to the market over recent years. As completions surpassed net absorption for the sixth consecutive year in 2020, the market's vacancy rate rose six basis points year-over-year, to 5.3% at year-end 2020. Many feared that rent growth would suffer as a consequence of apartment volume and increasing vacancy rates, but this has not been the case. Between 2015 and 2019, average asking rates increased by 18.7%. Additionally, the COVID-19 pandemic affected tenant demand as prospective tenants moved out of cities and postponed moving into apartments during the pandemic.

Through year-end 2021, 202,166 units were absorbed, behind the 146,301 units that were completed during the year. At the end of 2021, overall net absorption improved by 33% in a year-over-year comparison, according to data from Reis, Inc. Net absorption is projected to observe a general slowdown through 2025. The five-year average from 2016 through 2020 saw 210,410 units being absorbed annually, while the five-year annual absorption average from 2021 through 2025 is projected at 159,737 units per year.

At the end of 2021, the market's average asking rents, at $1,635 per unit, have increased 11.9% in a year-over-year comparison as prices climbed through the end of the year. Going forward, Reis, Inc. anticipates that the apartments market's vacancy rate will slightly fluctuate over the next five years, due to high levels of supply. Furthermore, Reis, Inc. projects that the average asking rent to rise to $1,898 per unit in 2025, representing an increase of 15.4% from year-end 2021.

The following graph displays historical and projected vacancy and asking rent between 2011 and 2025:



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Note: Data includes Classes ABC. Complexes w/40+ units (except CA & AZ 20+)

National Apartment Investment Sales Market

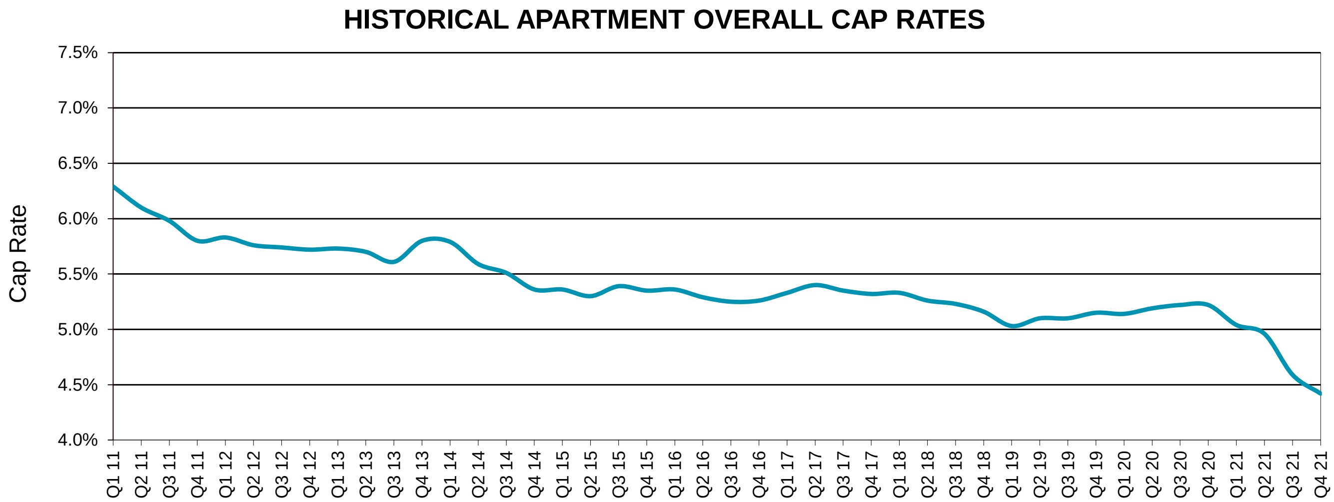
Overall Capitalization Rates

Both the PriceWaterhouse Coopers (PwC) Real Estate Investor Survey and the National Council of Real Estate Investment Fiduciaries (NCREIF) methodologies offer unique perspectives on capitalization rate trends. The PwC Real Estate Investor Survey calculates its data based on a personal survey of major institutional equity real estate market participants. In contrast, NCREIF looks at data from appraisals included in their benchmark property return index. The index contains quarterly performance data for unlevered investment-grade income-producing properties, which are owned by, or on behalf of, exempt institutions.

The PwC Real Estate Investor Survey and NCREIF data demonstrates how capitalization rates (OAR) soar during an economic downturn. The risk associated with apartment buildings in 2009 pushed the OAR to 8%, according to PwC. At the end of fourth quarter 2021, the PwC Investor Survey reported the average capitalization rate for apartment properties, at 4.4%, fell 17 basis point below the average cap rate recorded in the previous quarter, after falling eight basis points from fourth quarter 2020. 60% of the surveyed investors noted that current market conditions favor sellers, while 40% believe market conditions favor neither buyers nor sellers. Additionally, investors believe rising home prices will keep the renters in apartments and drive market fundamentals over the near term.

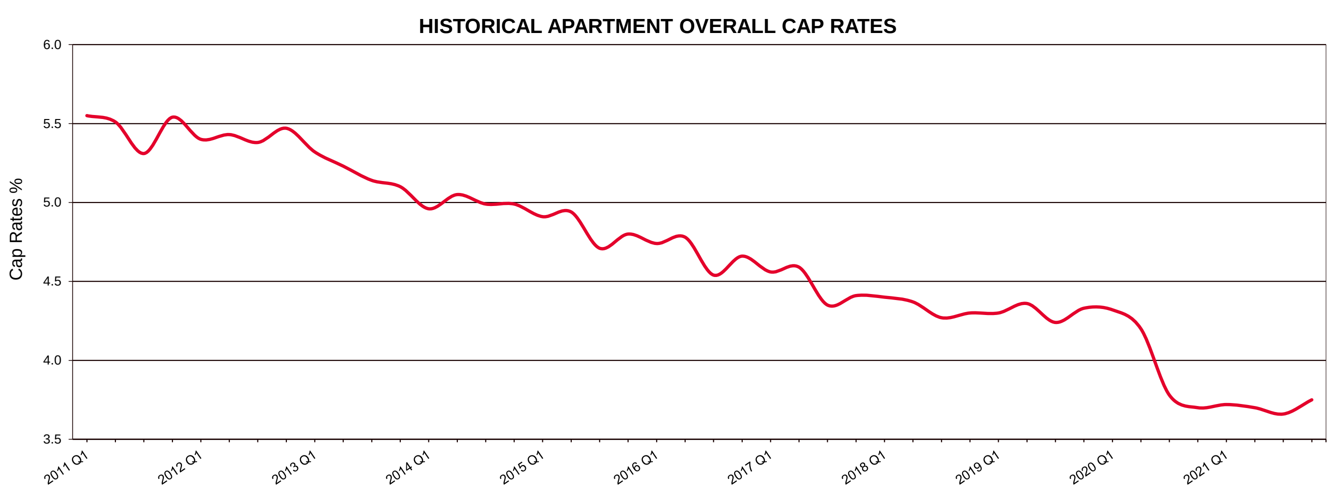
According to NCREIF, the overall capitalization rate, at 3.8% in fourth quarter 2021, dropping nine basis points from the previous quarter and falling five basis points the year prior. Despite displaying distinct rates, similar trends are usually evident in both the PwC Real Estate Investor Survey and NCREIF data. Even with the difference in the quarterly data, both surveys suggest that capitalization rates are well below what they were 10 years ago. This emphasizes investors' positive sentiment toward the apartment market.

The following graph reflects historical trends for national apartment market OARs, per PwC:



Source: PwC Real Estate Investor Survey

The following graph reflects national historical cap rate trends as reported by NCREIF:



Source: NCREIF, the numbers represent equal weighted cap rate

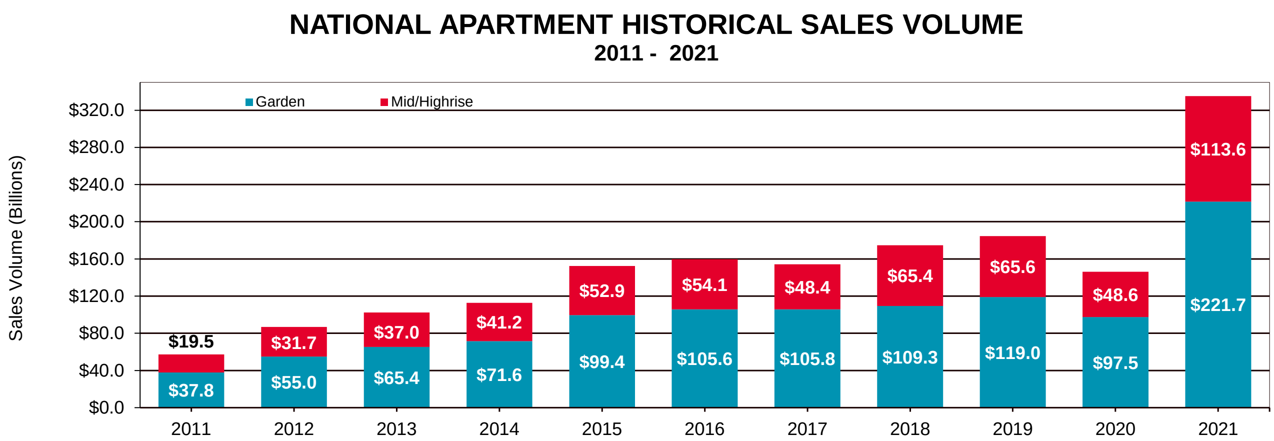
Sales Volume

Total apartment sales volume returned to prerecession levels in 2013 and grew through 2016, when sales volume set a new high. In 2017, sales volume for the national apartment market declined on an annual basis for the first time since the economic expansion began. A total of roughly 8,000 properties transferred for $153.9 billion, representing a 3.5% drop on an annual basis. Investors were mindful of the recent interest rate increases and aware that further potential hikes were on the horizon.

Through year-end 2021, sales volume in the apartment sector totaled approximately $335.3 billion, increasing by $189.2 billion in a year-over-year sales comparison. According to Real Capital Analytics, mid/high-rise transactions rose $65 billion from year-end 2020. Furthermore, garden-style apartment community's transactions are up by $124.2 billion in a year-over-year comparison.

Through fourth quarter 2021, apartment volume significantly increased by 129.5% in a year-over-year comparison as the apartment sector saw transaction volume hit record high levels for any second quarter period, according to Real Capital Analytics. Deal volume for the quarter totaled roughly $148.9 billion and deal volume for the year totaled approximately $335.3 billion. For the year, the non-major metros continue to outperform the major metros in transaction volume, with roughly $210.5 billion in activity through the end of 2021. Major metro transaction volume totaled approximately $62.6 billion over the same frame.

The following graph reflects national apartment historical sales volume for both garden and mid/high-rise properties from 2011 through fourth quarter 2021, as surveyed by RCA:



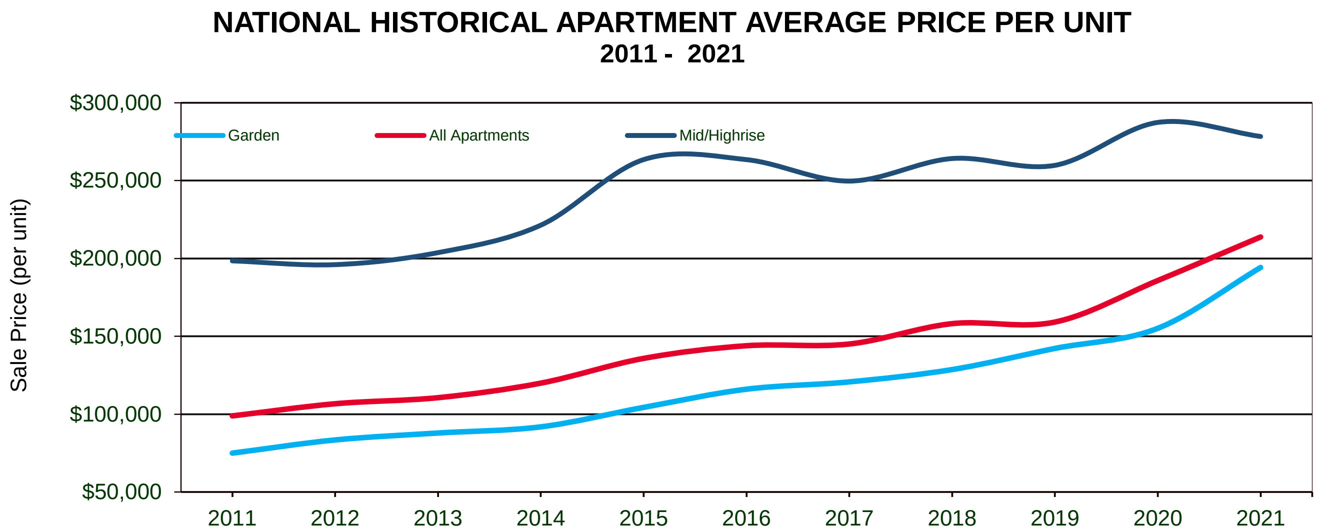
Source: Real Capital Analytics

Average Sales Price per Unit

The average price per unit has steadily increased over the past few years. As the market recovered, the value of the average apartment appreciated, however a portion of apartment units that were sold following the financial crash were distressed assets, limiting price growth. Over the last five years there has been a decline in distressed assets that are available for purchase. This has led to escalating prices alongside an increasingly strong appreciation for mid- and high-rise properties in primary and secondary markets.

Through fourth quarter 2021, the price per unit for garden properties was $194,274 and the mid/high-rise price per unit, at a weighted average of $278,440 per unit during the same time period. At the end of 2021, the average price per unit for all apartments, at $213,761, increased by 15.1% in a year-over-year comparison. The average price per unit in the six major metro markets sits at $359,692 per unit while the non-major metro markets average price per unit comes in at $214,615 per unit.

The following graph reflects the national apartment's weighted historical averages for price per unit as surveyed by RCA:



Source: Real Capital Analytics

The Moody's/RCA Commercial Property Index

The Moody's/RCA Commercial Property Price Index (CPPI) is an advanced repeat-sale regression analytic used to measure price changes in U.S. commercial real estate. The analysis allows for a timely and accurate picture of U.S. commercial property price trends. The Index uses transaction data sourced from Real Capital Analytics (RCA) and a methodology developed by a team headed by MIT Professor David Geltner working in conjunction with Moody's and RCA.

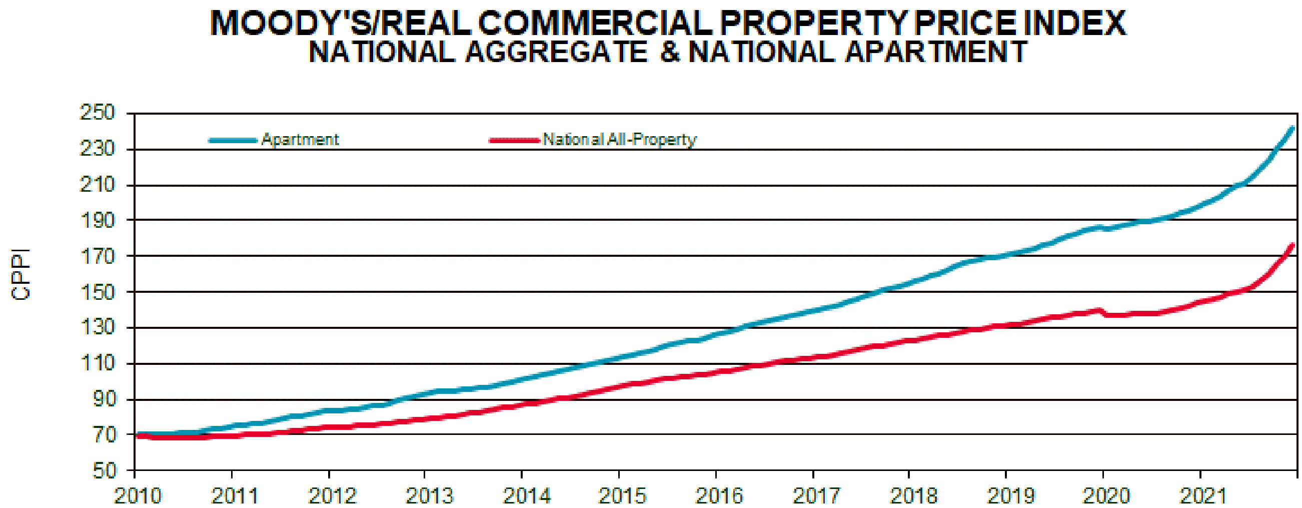
Several characteristics qualify property sales data for inclusion in the CPPI:

- The minimum value of a sale for inclusion is $2.5 million.
- Each sale must be a valid arms-length transaction. Foreclosures and other non-market transactions are excluded.
- A minimum of 12 months between sales is necessary to control against "flips."
- Neither of the sales in a pair can represent a material change in property use or size.

A transaction is excluded if the annualized return is less than negative 50% or greater than 50%. This restricts the inclusion of erroneous reports, major rehab projects, and partial sales or otherwise flawed data.

The national index for all properties as of December 2021 was 176.2, an increase of 22.5% from December 2020. The apartment CPPI has increased by 22.7% to 242.4 in a year-over-year comparison.

The following graph displays the Commercial Property Price Index from 2010 through December 2021:



Source: Moody's/REAL; *National Aggregrate reflects data as of December 2021

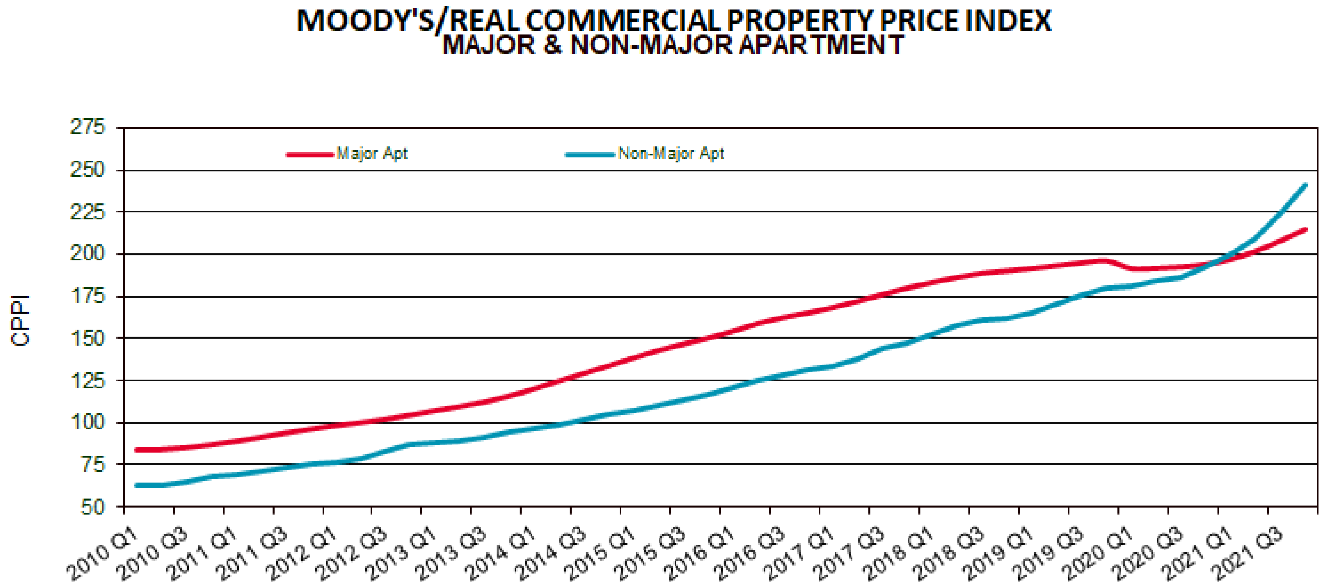
Major and Non-Major Apartment Property Index

Moody's major markets include the six metropolitan areas of: Boston; Chicago; Los Angeles; New York; San Francisco; and Washington D.C., which are often referred to as gateway markets. These markets reflect significant differences in liquidity, when compared to other markets in the United States, as they attract capital from global investors and account for more than half of the U.S. total sales volume. Therefore, apartment properties located in one of the six major markets usually have a higher CPPI value than that of non-major markets.

The CPPI value for apartment properties in major markets reached its previous cyclical peak, at 112.5, in December of 2007, and only declined 19.5% to its trough of 90.6 in December 2009. Since then, the CPPI value for major market apartment buildings has not only recovered, but significantly surpassed the value lost during the economic recession. As of second quarter 2021, the CPPI value for apartment buildings in major markets reached 197.1 representing an 89.8% increase over its previous cyclical peak.

The CPPI value for non-major apartment complexes reached its peak of 103.2 in June 2007, only to decline 37.9% to a trough of 64.1 in early 2010. Naturally, price appreciation started off slow in non-major markets as investors focused on the aforementioned gateway markets. However, apartment properties in non-major markets have surpassed their previous high value by 104.2%, with an index value at 210.9 as of second quarter 2021.

The following graph displays the Commercial Property Price Index for major and non-major markets over the last decade:



Source: Moody's/REAL; *National Aggregrate reflects data from 2010 through fourth quarter 2021

National Apartment Market Summary

The national apartment market has been hurt by the ongoing COVID-19 pandemic but has shown signs of improvement during the through the first half of 2021 as the recovery from the pandemic helped drive market conditions. By the end of the year, the national apartment improved and transaction volume continued to climb, driven by activity in secondary markets. Transaction volume in the national apartment sector is up almost 130% when compared to year-end 2020. At the end of the year, Dallas continues to lead the apartment market in deal activity for the year, rising 159% in a year-over-year comparison, according to Real Capital Analytics. Given current market conditions, owners are more likely to sell than they were a year ago and the cap rates remain under 5% for the first time since the PwC Real Estate Investor Survey was published in the mid-1990s.

However, the COVID-19 pandemic does not seem to be going anywhere and the threat of additional variants is a serious concern for the national economy. Additionally, the eviction moratorium that was put in place last year by the CDC has ended. The rental protections put in place to combat the spread of COVID-19 are over, putting millions of people at risk of eviction. The uncertainty surrounding the coronavirus has caused landlords and renters financial strain throughout the pandemic and evictions are expected to rise, but states like California and Illinois have extended their state eviction moratoriums to protect tenants while they search for additional financial support. However, eviction filings sit 48% below pre-pandemic levels as of November 2021, latest data available. While landlords are pleased that the eviction moratorium is over, renters will face a tough situation as the COVID-19 pandemic continues to affect the U.S. through the near term.

Following are notes regarding the outlook for the U.S. national apartment market:

- Construction levels poses localized risk in several markets that have ramped up development. The number of new developments breaking ground and coming to market will increase in the next year and likely surpass the rate at which units can be absorbed, particularly in metros with a high concentration of new, expensive infill product.
- Home ownership levels are at lows only matched in the 1960s and it is anticipated that will be the case for the foreseeable future. Concerns could arise if the millennial generation start to trend toward houses in the suburbs rather than walkable urban areas. It is worth noting that this generation grew up in the middle of the housing bust which may have affected a general view of home ownership. The lack of inventory will continue rising home prices and cause more competition in the housing market. With elevated prices, the share of first-time buyers has decreased to 26%, falling to its lowest level since 2008.
- Mortgage rates reached historic lows in 2020-2021 and it is worth noting that renters and homeowners took advantage of the low rates. In February 2020, 40% of renters plan to purchase a home given current interest rates, according to Freddie Mac. At the beginning of 2021, the average rate for a 30-year fixed rate mortgage was 2.7% but climbed through the end of the year. Additionally, the Federal Reserve is expected to end the pandemic monetary policy and interest rates are project to increase in response.
- With the shutdowns of non-essential businesses, construction has slowed across the United States and in some metro areas construction has come to a full stop. Expect apartment deliveries to be pushed back until construction can resume. At this time, it is too difficult to speculate how long the delays will last.
- Overall, the national apartment market remains healthy, underscored by steady absorption and stabilized rent growth. Oversupply could result in slower rent growth over the next five years; however, demand will continue, and rent is expected to increase 15.4% between 2021 and 2025, according to Reis, Inc. To summarize, the apartment market should remain one of the top choices for investors.

Northern New Jersey Apartment Market Overview

Introduction

Data for the analysis of the Northern New Jersey Apartment market is provided by Reis, Inc., a leading provider of multifamily and commercial real estate market information since 1980. Their proprietary database includes trends, forecasts, news and analyses for approximately 200,000 multifamily and commercial properties in 232 metropolitan markets (4 property types multiplied by 58 metropolitan areas) and roughly 2,500 submarkets.

Current and historical figures are compiled by highly qualified industry analysts. Surveyors, as they are called, are responsible for gathering information on property availabilities, rents and lease terms, etc. by directly contacting owners, managers and leasing agents. Projected data is calculated using a suite of economic forecasting models developed by The Economic Research Group, a team led by Ph.D. economists.

Reis' data are released on a quarterly basis and is widely recognized as a fundamental tool for appraisers throughout the country.

Submarket Snapshot

As of first quarter 2022 the Northern New Jersey Apartment market contains 256,252 rental units in 1,129 buildings, located in seven submarkets. Hudson County is the largest submarket, with 26.3 percent of the region's total inventory. West Essex County is the smallest submarket, comprising 7.2 percent of total inventory.

The following table presents the geographic distribution of inventory in the area, along with other statistical information for the most recent quarter.

Geographic Distribution of Inventory

Submarket	No. Bldgs	Inventory (Units)	% Total	Vacancy Rate (%)	Free Rent (Months)	Asking Rent ($/Month)
Bergen County	241	47,311	18.5%	6.5	0.4	$2,257
Passaic County	100	24,720	9.6%	3.9	0.3	$1,677
Morris County	94	25,047	9.8%	4.6	0.5	$1,702
West Essex County	126	18,352	7.2%	4.8	0.6	$2,284
Newark/Orange/East Essex County	154	44,745	17.5%	4.8	0.4	$1,314
Hudson County	230	67,492	26.3%	8.5	0.8	$3,609
Union County	184	28,585	11.2%	3.7	0.3	$1,721
Market Total	**1,129**	**256,252**	**100.0%**	**5.8**	**0.5**	**$2,280**

Source:

As of first quarter 2022, the overall vacancy rate for the region was 5.8 percent. Hudson County has the highest vacancy rate of 8.5 percent, while Union County has the lowest vacancy rate of 3.7 percent.

The average quoted rental rate for all types of space within the region is $2,280 per month. The lowest rents are achieved in Newark/Orange/East Essex County at $1,314 per month. Hudson County has the highest average rent of $3,609 per month. Free rent concessions are generally limited to initial leasing at newly built properties within the market, but are occasionally offered at established projects from time to time, averaging 0.3 to 0.8 months.

Supply Analysis

Vacancy Rates

The vacancy rate for the Northern New Jersey region currently stands at 5.8 percent for first quarter 2022, which is down as year-end 2021 when vacancy was 6.1 percent. Reis projects that vacancy rates will decrease over the near term from an average of 5.7 in 2022 to 5.2 in 2026.

The subject submarket is underperforming the market as a whole, with a current vacancy rate of 6.5 percent. Vacancy rates are projected to decrease over the next few years from 5.9 in 2022 to 4.9 in 2026.

The following table presents historical vacancy for the region and subject submarket.

Historical and Projected Vacancy Rates						
	Northern New Jersey			Bergen County		
Year	Class A	Class B/C	Total	Class A	Class B/C	Total
2017	5.7	3.2	4.2	7.3	1.9	4.3
2018	6.2	4.2	5.0	8.2	2.5	5.1
2019	6.9	3.8	5.1	7.7	2.5	4.9
2020	8.0	4.0	5.7	9.8	3.0	6.2
2021	9.6	3.3	6.1	10.2	3.0	6.4
1Q22	9.8	2.8	5.8	11.0	2.3	6.5
2022	---	---	5.7	---	---	5.9
2023	---	---	5.8	---	---	6.0
2024	---	---	5.8	---	---	5.7
2025	---	---	5.8	---	---	5.2
2026	---	---	5.2	---	---	4.9

Source: Reis, Inc.
Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A properties within the region are experiencing higher vacancies than the market as a whole at 9.8 percent, and Class B/C properties are experiencing lower vacancies of 2.8 percent. Within the Bergen County submarket, Class A properties are experiencing higher vacancies than Class B/C properties.

Construction Completions

The Northern New Jersey Apartment market experienced 28,440 units were completed between 2017 and 2021 or an average of 5,688 units per year. Over the next five years, Reis projects that an additional 17,551 units will be added to the Northern New Jersey market.

Between 2017 and 2021, the subject's Bergen County submarket experienced new construction of 3,531 units, or an average of 706 units per year. This accounts for approximately 12.4 percent of the region's total completions. Over the next five years, Reis projects that an additional 1,304 units will be added to the Bergen County submarket.

The following table presents historical inventory for the region and subject submarket, as well as future projections.

Historical & Projected Inventory (Units)					
	Northern New Jersey		Bergen County		
Year	Inventory	Completions	Inventory	Completions	% Total
2017	233,425	5,940	44,100	491	8.3%
2018	240,322	6,897	45,324	1,224	17.7%
2019	245,764	5,286	45,376	52	1.0%
2020	250,591	4,827	46,578	1,202	24.9%
2021	256,081	5,490	47,140	562	10.2%
1Q22	256,252	171	47,311	171	100.0%
2022	261,819	5,738	47,546	406	7.1%
2023	267,454	5,635	48,137	591	10.5%
2024	269,360	1,906	48,298	161	8.4%
2025	272,833	3,473	48,401	103	3.0%
2026	273,632	799	48,444	43	5.4%
2017-2021					
Total Completions		**28,440**		**3,531**	**12.4%**
Annual Average		**5,688**		**706**	

Source: Reis, Inc.

Demand Analysis

Rental Rates

As shown in the following chart, average asking rents for the region have been trending upward, from an average of $1,914 per month in 2017 to an average of $2,294 per month in 2021, indicating a compound average growth rate (CAGR) of 4.6 percent. As of first quarter 2022, average asking rents dropped to $2,280 per month. Over the past few years, concessions have been declining and currently stand at 4.8 percent of face rents. Over the next five years, average asking rents are expected to increase from an average of $2,330 per month in 2022 to $2,600 per month in 2026.

Average asking rental rates in the Bergen County submarket ranged from an average of $2,011 per month in 2017 to an average of $2,292 per month in 2021, demonstrating a CAGR of 3.3 percent. As of first quarter 2022, average rents were $2,257 per month. Over the next five years, average asking rents are projected to increase from an average of $2,294 per month in 2022 to $2,537 per month in 2026. Concessions currently stand at 3.7 percent of face rents.

The following table presents historical and projected average asking rental rates for the region and submarket.

Historical and Projected Average Asking Rental Rates

	Northern New Jersey						Bergen County					
	Asking Rent $/Month				%	Concessions	Asking Rent $/Month				%	Concessions
Year	Class A	Class B/C	Total	Eff Rent	Change	% Face Rent	Class A	Class B/C	Total	Eff Rent	Change	% Face Rent
2017	$2,477	$1,541	$1,914	$1,846	4.3	3.6	$2,611	$1,523	$2,011	$1,942	3.7	3.4
2018	$2,587	$1,647	$2,031	$1,955	5.9	3.7	$2,668	$1,607	$2,092	$2,015	3.7	3.7
2019	$2,613	$1,694	$2,078	$1,978	1.2	4.8	$2,681	$1,626	$2,109	$2,038	1.1	3.4
2020	$2,501	$1,670	$2,026	$1,924	-2.7	5.0	$2,538	$1,556	$2,019	$1,947	-4.4	3.6
2021	$2,815	$1,887	$2,294	$2,180	13.3	5.0	$2,853	$1,780	$2,292	$2,214	13.7	3.4
1Q22	$2,785	$1,885	$2,280	$2,171	-0.4	4.8	$2,801	$1,758	$2,257	$2,174	-1.8	3.7
2022	---	---	$2,330	$2,212	1.5	5.1	---	---	$2,294	$2,217	0.1	3.4
2023	---	---	$2,394	$2,271	2.7	5.1	---	---	$2,348	$2,273	2.5	3.2
2024	---	---	$2,456	$2,327	2.5	5.3	---	---	$2,410	$2,327	2.3	3.4
2025	---	---	$2,530	$2,413	3.7	4.6	---	---	$2,475	$2,394	2.9	3.3
2026	---	---	$2,600	$2,481	2.8	4.6	---	---	$2,537	$2,466	3.0	2.8
CAGR	**3.25%**	**5.19%**	**4.63%**	**4.25%**			**2.24%**	**3.98%**	**3.32%**	**3.33%**		

Regional demand drivers include proximity to primary employment centers, the most important of which is Manhattan, ease of access to mass transportation, walkable access to retail and services and the quality of local schools.

Absorption

Over the past few years, new construction within the region has outpaced absorption levels. As shown in the following table, total completions were 28,440 in the Northern New Jersey region between 2017 and 2021, while 22,750 new units were absorbed. As of first quarter 2022, a total of 171 new units were completed, while 791 new units were absorbed. This resulted in a decline vacancy of 6.1 percent in 2021 to the current vacancy rate of 5.8 percent. Over the next five years, Reis projects that construction figures will trail absorption (new construction will total 17,551 units, and absorption will total 18,879 units).

New construction within the Bergen County submarket has outpaced absorption levels, resulting in increased vacancy rates. Between 2017 and 2021, a total of 3,531 new units were completed, while 2,567 new units were absorbed. Over the next five years, Reis projects that 1,304 units will be added to the market, while 1,971 will be absorbed.

The following table presents historical and projected absorption levels for the region and subject submarket.

Historical and Projected Net Absorption (units)								
	Northern New Jersey				Bergen County			
Year	Class A	Class B/C	Total	Completions	Class A	Class B/C	Total	Completions
2017	5,485	364	5,849	5,940	621	21	642	491
2018	4,461	300	4,761	6,897	697	122	819	1,224
2019	3,278	1,664	4,942	5,286	142	2	144	52
2020	3,214	(192)	3,022	4,827	643	(133)	510	1,202
2021	2,746	1,430	4,176	5,490	365	87	452	562
1Q22	-7	798	791	171	(35)	153	118	171
2022	---	---	6,303	5,738	---	---	602	406
2023	---	---	5,266	5,635	---	---	524	591
2024	---	---	1,653	1,906	---	---	315	161
2025	---	---	3,216	3,473	---	---	306	103
2026	---	---	2,441	799	---	---	224	43
2017-2021								
Total Absorption	**19,184**	**3,566**	**22,750**	**28,440**	**2,468**	**99**	**2,567**	**3,531**
Annual Average	**3,837**	**713**	**4,550**	**5,688**	**494**	**20**	**513**	**706**

Source: Reis, Inc.

New Construction Activity

According to Reis, 8,997 units were completed within the Northern New Jersey region over the past few years in a total of 64 projects. There are currently 14,307 units under construction within 84 projects. An additional 45,179 units are planned within 236 projects for potential delivery in the next few years, along with 570 proposed buildings which would add another 83,077 units.

Competitive Properties Overview

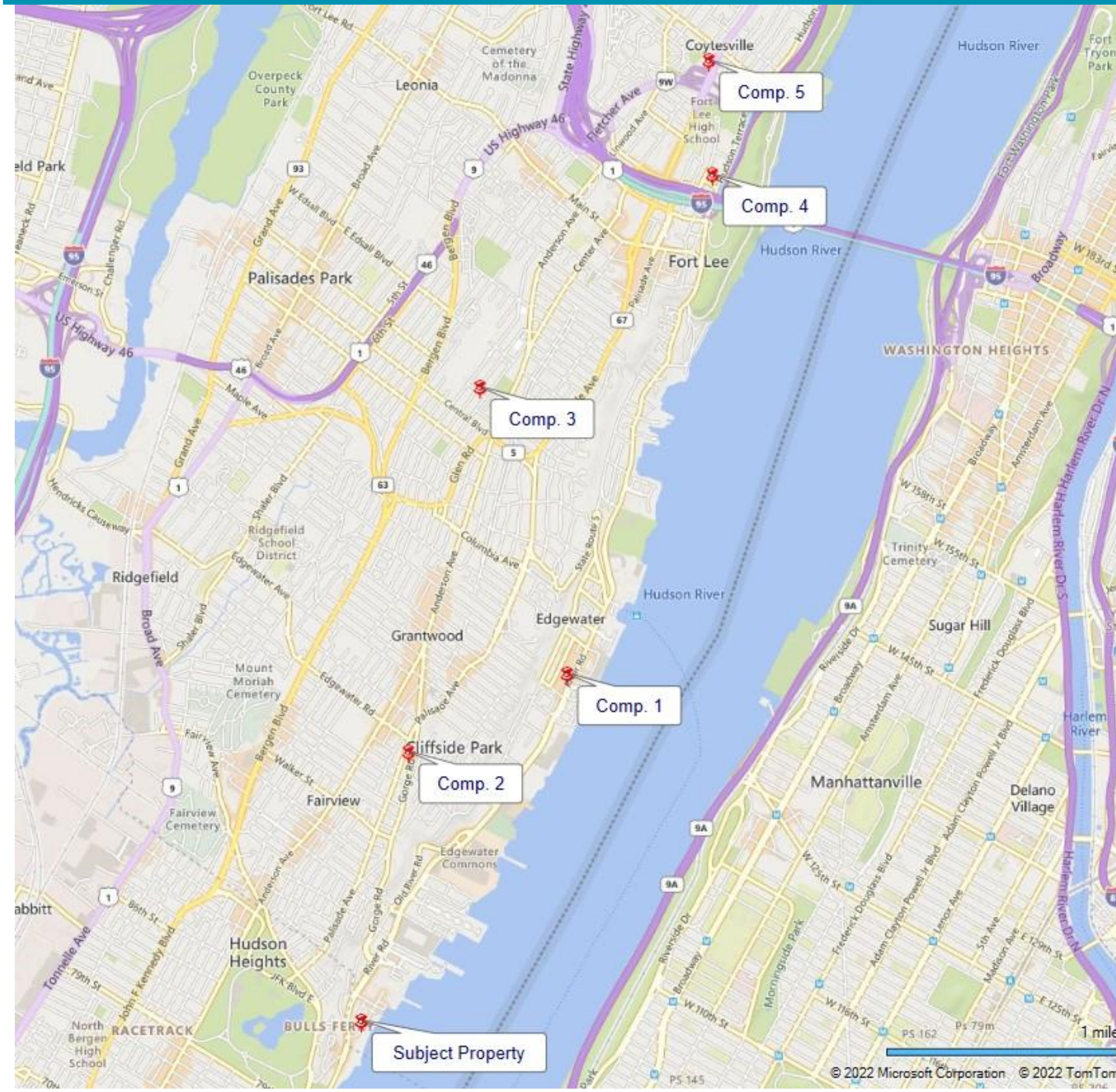
In order to examine the subject property in its proper context, we have researched the local market to determine the subject's most direct competition. Consideration was given to the size and level of amenities when choosing the comparable properties. The competitive properties are presented on the following table.

MARKET RATE COMPETITIVE APARTMENT PROJECTS

PROPERTY INFORMATION								QUOTED MONTHLY RENT & CONCESSIONS					
No.	PROPERTY NAME ADDRESS, CITY, STATE	NUMBER OF UNITS	NET BUILDING AREA	AVERAGE UNIT SIZE	YEAR BUILT	NUMBER OF STORIES	OCCUPANCY RATE (%)	BEDS/ BATHS	UNIT SIZE (SF) Avg.	QUOTED RENT PER MONTH Avg.	QUOTED RENT $/SF/ MONTH Avg.	RENT INCLUSIONS	CONCESSIONS
S	**Subject Property**	78	56,630	726	2021	6	74.4%						
1	The Sugar Factory 840 River Rd Edgewater, NJ 07020	40	29,500	738	1920	5	97.5%	Studio 1BR/1BA 2BR/2.5BA	 750 1,100	 $2,200 $2,500	 $2.93 $2.27	Cold water, sewer and trash removal	None
2	Sole 448 Palisade Ave Cliffside Park, NJ 07010-2800	18	20,616	1,145	2012	4	97.6%	Studio 1BR/1BA 2BR/1BA	 926 1,208	 $2,000 $2,600	 $2.16 $2.15	Hot water, cold water, sewer and trash removal	None
3	The Edge 461 Palisades Blvd Fort Lee, NJ 07024	25	26,275	1,051	2017	3	100.0%	Studio 1BR/1BA 2BR/2BA	 875 1,150	 $2,400 $2,800	 $2.74 $2.43	None	None
4	Sylvan Ridge 2150 N Central Rd Fort Lee, NJ 07024	44	50,110	1,139	2017	5	100.0%	Studio 1BR/1BA 2BR/2BA	 761 1,250	 $2,333 $2,957	 $3.07 $2.37	Hot water, cold water, sewer and trash removal	None
5	The 2301 2301 Lemoine Ave Fort Lee, NJ 07024-6201	24	20,200	842	2020	5	91.7%	Studio 1BR/1BA 2BR/2BA	 800 1,050	 $2,500 $2,900	 $3.13 $2.76	Cold water, sewer and trash removal	None
STATISTICS (Including Subject)													
	Low:	18	20,200	738	1920	3	91.7%						
	High:	44	50,110	1,145	2020	5	100.0%						
	Average:	30	29,340	983	1997	4	97.4%						
	Totals:	151	203,331										

Compiled by Cushman & Wakefield of New Jersey, LLC

COMPARABLE MARKET RATE RENTAL LOCATION MAP



To summarize, the comparable projects were constructed between 1920 and 2020 and range in size from 18 to 44 units. Average unit sizes range from 738 to 1,145 square feet. The comparable apartment projects revealed occupancy levels ranging from 91.7 percent to 100.0 percent, with an average of 97.4 percent. The following table summarized the rents at the competitive set by unit type:

Summary of Comparable Rental Properties									
BEDS/ BATHS	UNIT SIZE (SF)			QUOTED RENT PER MONTH			$/SF/MONTH		
	Min	Max	Ave.	Min	Max	Ave.	Min	Max	Ave.
One Bedroom Units	750	926	822	$2,000	$2,500	$2,287	$2.16	$3.13	$2.81
Two Bedroom Units	1,050	1,250	1,152	$2,500	$2,957	$2,751	$2.15	$2.76	$2.40

CoStar tracks a total of 8 apartment properties containing more than 25 units within a one-mile radius. Their data indicates that asking rents in these properties have increased by 10.4 percent over the past year.

A comparison of the subject's quoted rents to the comparables is presented in the Income Capitalization Approach. Presently, minimal rent concessions are offered at competitive projects due to the limited availability of vacant units. Although it varies, most of the properties require tenants to pay for all utilities. At the subject, tenants are separately metered for electric, which includes heat, air conditioning and cooking fuel. The landlord is responsible for hot and cold water and sewer costs. Trash removal is provided by the municipality and is included in the real estate tax payment.

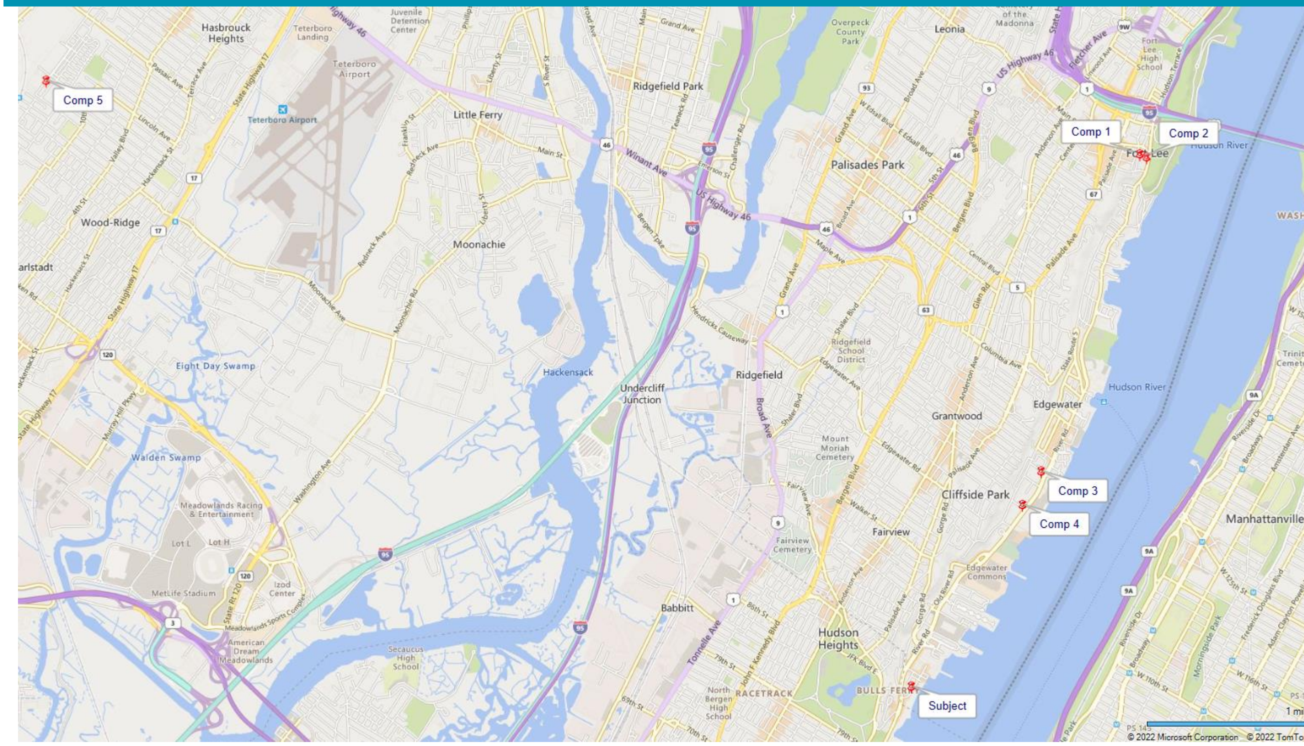
Affordable Competition

The affordable competitive properties are presented on the following table:

COMPETITIVE APARTMENT PROJECTS														
PROPERTY INFORMATION								QUOTED MONTHLY RENT & CONCESSIONS						
No.	PROPERTY NAME ADDRESS, CITY, STATE	NUMBER OF UNITS	NET BUILDING AREA	AVERAGE UNIT SIZE	YEAR BUILT	NUMBER OF STORIES	OCCUPANCY RATE (%)	BEDS/ BATHS	UNIT SIZE (SF) Avg.	QUOTED RENT PER MONTH Avg.	QUOTED RENT $/SF/ MONTH Avg.	RENT INCLUSIONS	CONCESSIONS
S	**Subject Property**	78	56,630	726	2021	6	74.4%						
1	Liberty Place at Fort Lee 101 Cedar St Fort Lee, NJ	60	47,900	0	2003	5	100.0%	1BR/1BA 50% AMI 1BR/1BA 60% AMI 2BR/1BA 50% AMI 2BR/1BA 60% AMI	615 615 865 865	$1,007 $1,221 $1,209 $1,466	$1.64 $1.99 $1.40 $1.69	Cold water & sewer	None
2	The Pinnacle 69 Main St Fort Lee, NJ	142	142,331	1,002	2020	15	96.5%	1BR/1BA 60% AMI	716	$1,208	$1.69	Cold water & sewer	None
3	Winterburn Apartments 774 River Rd Edgewater, NJ	21	19,399	924	2015	3	0.0%	1BR/1BA 30% AMI 1BR/1BA 60% AMI	666 666	$615 $1,231	$0.92 $1.85	Hot/cold water & sewer	None
4	Vreeland Terrace 1 Vreeland Ter Edgewater, NJ	39	33,802	867	2015	5	97.4%	1BR/1BA 30% AMI 1BR/1BA 50% AMI 1BR/1BA 60% AMI	773 773 773	$615 $1,026 $1,231	$0.80 $1.33 $1.59	Hot/cold water & sewer	None
5	Wesmont Station 100 Johnson Dr Wood Ridge, NJ	104	99,608	0	2015	3	100.0%	2BR/1BA 60% AMI	972	$1,392	$1.43	Hot/cold water & sewer	None
STATISTICS (Including Subject)													
	Low:	21	19,399	0	2003	3	0.0%						
	High:	142	142,331	1,002	2020	15	100.0%						
	Average:	73	68,608	559	2014	6	78.8%						
	Totals:	366	399,670										

Compiled by Cushman & Wakefield of New Jersey, LLC

COMPARABLE AFFORDABLE RENTAL LOCATION MAP



Other Competition

We surveyed the local market to determine if there are other competing apartment projects not previously listed in our analysis. There are other apartment complexes located more distant from the subject property, or which have inferior or superior attributes that would preclude them from being competitive with the subject property.

Proposed Competition

Our research included investigation of potential near-term changes in the apartment market that would impact the subject property.

Potential New Supply

Property Name	Address	City	State	# of Units	Status	Secondary Type
1000 Portside Drive	1000 Portside Dr	Edgewater	NJ	91	Under Constr.	Apartments
Former Hess Site	615 River Rd	Edgewater	NJ	1,200	Planned	Apartments
575 River Road	575 River Rd	Edgewater	NJ	384	Proposed	Apartments
115 River Road	115 River Rd	Edgewater	NJ	437	Proposed	Apartments
Edgewater Superfund Site	145 River Rd	Edgewater	NJ	2,000	Proposed	Apartments
460-510 Old River Road	460-510 Old River Road	Edgewater	NJ	409	Proposed	Apartments
E Residences on the Hudson	6600 River Road (a.k.a. 6600 Hillside Road)	West New York	NJ	133	Proposed	Apartments
8709 River Road	8709 River Road	North Bergen	NJ	120	Proposed	Apartments
Total				4,774		

According to CoStar, within a one-mile radius, there are 91 apartment units under construction and 1,200 units planned. In addition, 3,483 units have been proposed.

Although the number of proposed rental units in the pipeline will add significantly to the supply of newly developed luxury product in this market, due to the affordable nature of the subject, the potential new supply should have no impact on the subject's occupancy or income levels.

Absorption

The owner noted that there are over 200 potential tenants on the waiting list and the absorption time for the remaining units is a function of gaining approvals for each specific tenant application. The subject began has its first move-ins in December 2021 and currently has 58 units occupied. Including preleasing, this amounts to an approval /move-in rate of approximately 8 units per month. Going forward, we estimate an absorption rate of 7 units per month. Accordingly, we anticipate that absorption will be fully complete within 3.0 months. Our absorption projection is summarized below:

Absorption Projection				
Month Ending	**Jul-22**	**Aug-22**	**Aug-22**	**Post Completion Absorption**
Months of Absorption	**Mo. 1**	**Mo. 2**	**Mo. 3**	
Vacant Units	**20**	**13**	**6**	
Units Rented Per Month	**7**	**7**	**5**	**19**
* Completion Highlighted in Yellow				

Apartment Market Summary

We analyzed the profile of the subject's region in order to make reasonable assumptions as to the continued performance of the property. A compilation of this data forms the basis for our projections and forecasts for the subject property. The following are our key conclusions.

- Vacancy levels for the Northern New Jersey Apartment market are down as last year and are expected to decrease from 5.7 percent next year to 5.2 percent in 2026. Reis forecasts that construction will trail absorption in the near future, and that rental rates should increase over the same period. In the subject's Bergen County submarket, vacancy levels are expected to be 4.9 percent by 2026, and rental rates are forecast to increase from $2,294 per month in 2022 to $2,537 per month during the same period.
- Regional demand drivers include proximity to primary employment centers, the most important of which is Manhattan, ease of access to mass transportation, walkable access to retail and services and the quality of local schools.
- Over the next five years, both the population and number of households in the subject's market are projected to increase by 1.23 percent annually. Household income levels within a half-mile radius of the subject are higher than the nation but are lower than the municipality and county.
- Overall, the subject has good access to mass transit, good access to local roadways and good access to area highway networks.
- Demand drivers in the local market include proximity to local and regional employment centers via mass transit or area highway networks and walkable access to retail and services.

Conclusion

The subject property is located in an upper middle-income area that features good quality schools and good access to area employment centers via mass transit and area highway networks. Furthermore, the subject benefits from walkable access to a wide variety of retail stores, restaurants and services. Overall, the subject is well positioned for net appreciation in real estate values over time given a balanced recovery from the pandemic and world-event induced economic instability.

Property Analysis

Site Description

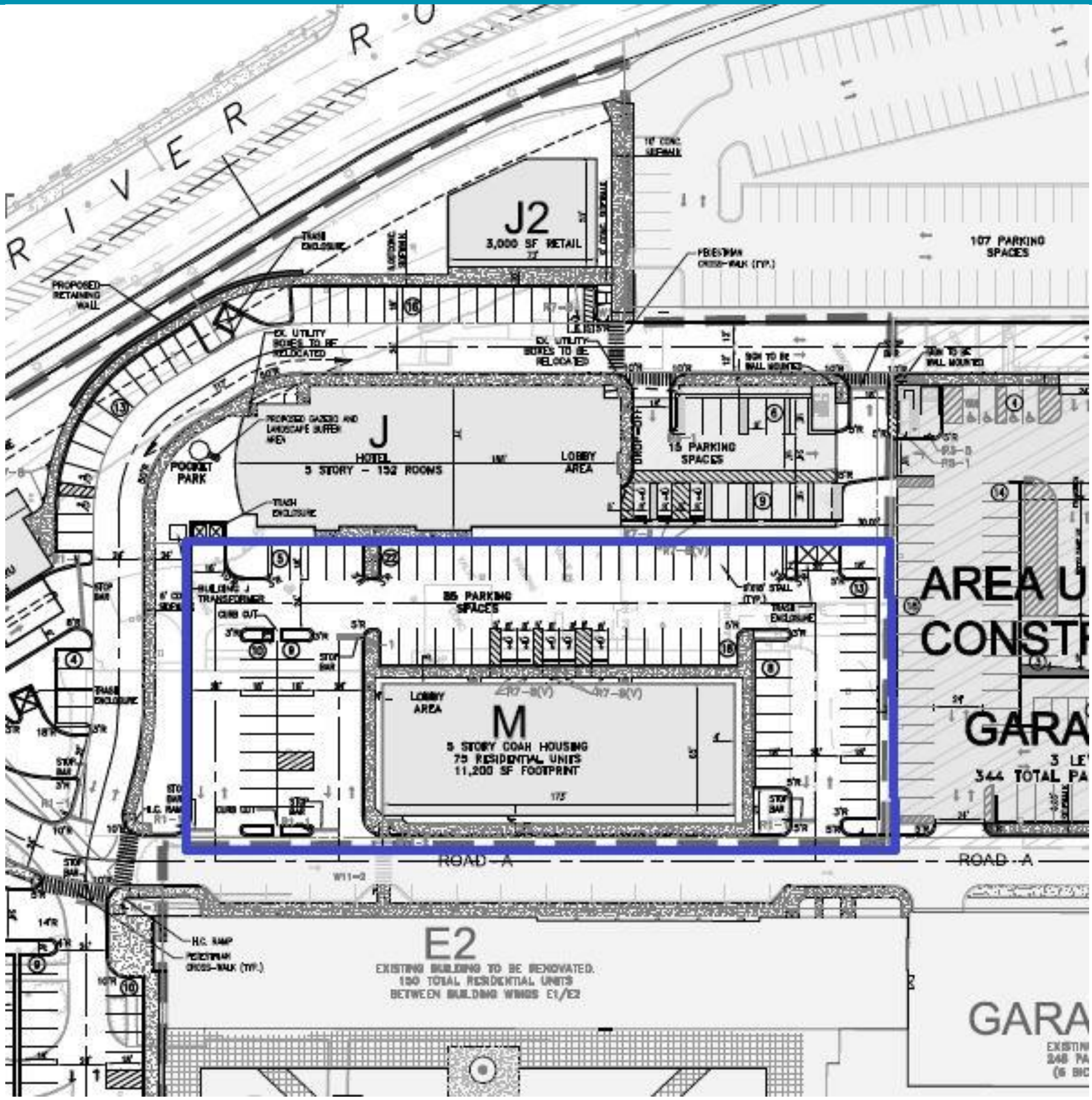
Location:	8 Somerset Lane (a. k. a. 45 River Road) Edgewater, Bergen County, New Jersey 07020 The subject is located on the northwest corner of Somerset Lane and Pembroke Place.
Shape:	Rectangular
Topography:	Level
Land Area:	1.343 acres / 58,520 square feet
Frontage:	The subject property has average frontage. The frontage dimensions are listed as follows: Somerset Lane 173 feet
Access:	The subject property has average access.
Visibility:	The subject property has average visibility.
Soil Conditions:	We were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing structures. We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
Utilities:	Utility providers for the subject property are as follows: Water Municipal Sewer Municipal Electricity PSE&G Gas PSE&G Telephone Verizon or Other
Site Improvements:	Site improvements include curbing, signage and drainage.
Land Use Restrictions:	We were not given a title report to review. The subject is encumbered by an access easement that allows the adjacent hotel to cross the parking lot to get to their trash bins. In our opinion, this easement does not detract from the subject’s value. We do not know of any other easements, encroachments, or restrictions that would adversely impact the site's use or value.

Flood Zone Description:	The subject property is located in flood zone AE (Special flood hazard areas subject to inundation by the 100-year flood determined in a Flood Insurance Study by detailed methods. Base flood elevations are shown within these zones. Mandatory flood insurance purchase requirements apply) as indicated by FEMA Map 34003C0286H, dated August 28, 2019.

The flood zone determination and other related data are provided by a third-party vendor deemed to be reliable. If further details are required, additional research is required that is beyond the scope of this analysis.

Wetlands:	According to the NJ-GeoWeb site run by the New Jersey Department of Environmental Protection, there are no wetlands on the site.
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
Overall Site Utility:	The subject site has average utility.
Location Rating:	Good
Comments	The site is functional for its current use.

SITE PLAN


J2
3,000 SF RETAIL
107 PARKING SPACES
J
HOTEL
5 STORY - 132 ROOMS
LOBBY AREA
POCKET PARK
15 PARKING SPACES
85 PARKING SPACES
M
5 STORY COAH HOUSING
75 RESIDENTIAL UNITS
11,200 SF FOOTPRINT
LOBBY AREA
ROAD - A
E2
EXISTING BUILDING TO BE RENOVATED.
150 TOTAL RESIDENTIAL UNITS
BETWEEN BUILDING WINGS E1/E2
344 TOTAL PA
GARA
PROPOSED RETAINING WALL
TRASH ENCLOSURE

Improvements Description

The subject is a 6-story, rent restricted apartment building that was completed in November 2021. The improvements contain a total of 78 apartment units, one of which is provided to the superintendent on a rent-free basis. There is 56,630 square feet of residential rentable area that is currently 74.4 percent occupied at an average contract rent of $1,329 per unit per month. The property is the required affordable component attributable to the larger development known as Edgewater Harbor. As such, the property is regulated by Uniform Housing Affordability Controls (UHAC), which governs the administration of affordable units and affordability controls in New Jersey. The site contains 1.34-acres, which includes an 89-space surface parking lot. The property also contains a ground floor office that is leased to a related party to ownership. It is our opinion that, if sold to an unrelated party, the ground floor office space would be used as a management/ leasing office and potentially amenity space, particularly under the hypothetical market scenario.

The subject's unit mix is presented in the following table:

UNIT MIX

No.	Plan	BR	BA	No. Units	Percent of Total	Unit (SF)	NRA (SF)
1	1 BR - Low (30% AMI)	1	1.0	9	12%	762	6,860
2	1 BR - Mod (60% AMI)	1	1.0	31	40%	727	22,530
3	1 BR - Mod (80% AMI)	1	1.0	36	46%	728	26,200
4	2 BR - Mod (60% AMI)	2	1.0	1	1%	1,040	1,040
5	Super Unit	2	1.0	1	1%	0	0
TOTAL/AVERAGE				**78**	**100%**	**726**	**56,630**

*All averages are weighted

The following description of improvements is based on our physical inspection of the improvements and our discussions with the subject property's owner's representative.

GENERAL DESCRIPTION	
Year Completed:	2021
Number of Units:	78
Number of Buildings:	1
Number of Stories:	6
Land To Building Ratio:	0.83 to 1
Gross Building Area Including Garages:	70,700 square feet
Net Residential Rentable Area:	56,630 square feet
CONSTRUCTION DE27TAIL	
Basic Construction:	Reinforced concrete, wood and steel stud frame

Foundation:	Poured concrete slab
Framing:	Steel frame and wood
Floors:	Wood base with gypcrete layer
Exterior Walls:	Brick on grade with EFIS on upper floors
Roof Type:	Flat
Roof Cover:	Sealed membrane
Windows:	Thermal windows in vinyl frames
Pedestrian Doors:	Glass & metal exterior doors and wood interior doors
MECHANICAL DETAIL	
Heat Source:	Electric
Heating System:	PTAC units in apartments and mini-split systems in common areas
Cooling:	PTAC units in apartments and mini-split systems in common areas
Cooling Equipment:	The cooling equipment is in-unit and on roof
Utility Structure:	Tenants are separately metered for electric, which includes heat, air conditioning and cooking fuel. The landlord is responsible for hot and cold water and sewer costs. Trash removal is provided by the municipality and is included in the real estate tax payment. The table below outlines the source and metering of all utilities at the subject:

Apartment Utilities

Utility Expense	Source	Administered By	Paid By
Cooking	Electric	Direct Meter	Tenant
Heating	Electric	Direct Meter	Tenant
Air-Conditioning	Electric	Direct Meter	Tenant
Hot Water	Gas	Direct Meter	Landlord
Cold Water	Public	Master System	Landlord
Electric (Plug Load)	Public	Direct Meter	Tenant
Sewer			Landlord
Trash Removal			Landlord

Plumbing:	The plumbing system is assumed to be adequate for the existing use and in compliance with local law and building codes.
Electrical Service:	Electrical service appears adequate for the existing use.
Electrical Metering:	Each unit is separately metered
Emergency Power:	Emergency lighting
Elevator Service:	The building has 2 elevators.
Fire Protection:	100 percent sprinklered

Security:	Secured access
INTERIOR DETAIL	
Layout:	The subject is a 6-story rectangular building with the main entrance located on the parking lot side of the building. The ground floor contains 7 residential units, including the one employee apartment. The western side of the building houses the lobby, an office, laundry facilities, the mailroom and two centrally located elevators that accesses all floors. Floors 2 through 6 contain the remainder of the residential units. In addition, there is a stairwell on each side of the building. Note that one additional two-bedroom unit was added on the ground floor in place of the planned fitness center. This unit has all utilities paid by the owner.
Floor Covering:	Vinyl wood plank, carpet and tile
Walls:	Drywall
Ceilings:	Drywall
Lighting:	LED lighting
Restrooms:	Apartment units are equipped with one full bathroom. The bathrooms consist of a shower/tub combination with tile surrounds. There are wall-mounted showerheads, toilets, vanity sinks, medicine cabinets and tile floor coverings.
AMENITIES	
Project Amenities:	On-site laundry and on-site surface parking.
Unit Amenities:	Fully equipped kitchens with white appliances and wood cabinets, vinyl wood plank flooring in living areas and tile baths with tub/shower combinations, cultured marble vanity sinks and medicine cabinets.
SITE IMPROVEMENTS	
Parking:	The property has a total of 89 surface parking spaces, reflecting an overall parking ratio of 1.14 spaces per unit.
Onsite Landscaping:	The site has limited landscaping.
Other:	Site improvements include curbing, signage and drainage.
PERSONAL PROPERTY	
	The subject property has the typical personal property associated with an apartment building, including refrigerators, microwaves, range/ovens, etc. While these and other items of personal property are associated with the operation of an apartment building, buyers in the subject’s market do not typically allocate a separate value for them in their purchase decisions. As such, these items are inherently included in our valuation.
SUMMARY	
Condition:	New

Quality:	Average
Property Rating:	After considering all physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Roof & Mechanical Inspections:	We did not make a detailed inspection of the roof nor did we make a detailed inspection of the mechanical systems. All systems are new and in new condition.
Actual Age:	1 year
Effective Age:	0 years
Expected Economic Life:	55 years
Remaining Economic Life:	55 years
CAPITAL EXPENDITURES	
Known Costs:	The subject was recently completed and there are no known costs for the upcoming year.
FUNCTIONAL OBSOLESCENCE	
Description:	There is no apparent functional obsolescence present at the subject property.
EXTERNAL OBSOLESCENCE	
Description	External obsolescence is the adverse effect on value resulting from influences outside the property. External obsolescence may be the result of market softness, proximity to environmental hazards or other undesirable conditions, spikes in construction costs, cost estimates that don't properly reflect changes in the local market, the lack of an adequate labor force, changing land use patterns, or other factors. Based on a review of the location of the subject as well as local market conditions, there is no apparent external obsolescence impacting the subject property.

Real Property Taxes and Assessments

Current Property Taxes

The subject property is located in the taxing jurisdictions of the Borough of Edgewater, and the assessor's parcel identification is Block 99, Lot 1.19. Taxes are due and payable without penalty on a quarterly basis each year. According to the local tax collector's office, taxes are current.

Within this jurisdiction, reassessments occur periodically, with the most current reassessment having been completed in 2022. We note that within the State of New Jersey, the sale of a property does not trigger a reassessment. Assessments are typically changed in the event of a municipal-wide revaluation or successful tax certiorari proceedings.

A summary of the subject's new, full assessment and taxes are presented in the following table:

PROPERTY ASSESSMENT INFORMATION	
Assessor's Parcel Number:	Block 99, Lot 1.19
Assessing Authority:	Borough of Edgewater
Current Tax Year:	2022
Equalization Rate:	100.00%
Are taxes current?	Taxes are current
Is there a grievance underway?	Not to our knowledge
The subject's assessment and taxes are:	At market levels

ASSESSMENT INFORMATION	
Assessed Value	**Totals**
Land Assessment:	$1,100,000
Improved Assessment:	$5,300,000
Taxable Assessment:	**$6,400,000**
Total Assessor's Implied Market Value	**$6,400,000**
TAX LIABILITY	
2022 Tax Rate:	**1.631%**
Total Property Taxes:	**$104,384**
Number of Units	78
Property Taxes per Unit	$1,338

Compiled by Cushman & Wakefield of New Jersey, LLC

Total taxes for the property are $104,384, or $1,338 per unit. A conversation with the Edgewater tax assessor revealed that the subject is not yet fully assessed.

Affordable Tax Comparable Analysis

To determine if the taxes on the property are reasonable, we examined the actual tax burdens of similar properties in the subject's market. They are illustrated in the following table:

REAL ESTATE TAX COMPARABLES AT RESTRICTED RENT								
No.	**Property Name & Location**	**Address**	**Year Built**	**Units**	**Assessment**	**Assess/Unit**	**Total Taxes**	**Taxes/Unit**
S	SUBJECT PROPERTY	8 Somerset Lane (a. k. a. 45 River Road)	2021	78	$6,400,000	$82,051	$104,384	$1,338
1	377 Undercliff Avenue	377 Undercliff Ave	N/A	7	$1,181,200	$168,743	$19,265	$2,752
2	774 River Road (Winterburn)	774 River Rd	2015	21	$1,752,500	$83,452	$28,583	$1,361
3	75-79 Edgewater Place	75-79 Edgewater Pl	1970	15	$2,033,300	$135,553	$33,163	$2,211
4	660 River Road (Vreeland)	660 River Rd - Afford HSE	N/A	38	$3,308,300	$87,061	$53,958	$1,420
5	1252 River Road	1252 River Rd	1960	29	$3,931,200	$135,559	$64,118	$2,211
STATISTICS								
Low:			1960	7	$1,181,200	$83,452	$19,265	$1,361
High:			2015	38	$3,931,200	$168,743	$64,118	$2,752
Average:			1982	22	$2,441,300	$122,074	$39,818	$1,991

Compiled by Cushman & Wakefield of New Jersey, LLC

The comparable properties reflect tax liabilities that range from $1,361 to $2,752 per unit, with an average of $1,991 per unit. Given that the subject has approximately 46% of units leased at restricted rents based on 80% AMI levels, we have employed the assessor's method to help us project the subject 's full tax liability after full assessments are placed on the property.

Assessor's Method

Our conversation with the Edgewater tax assessor revealed that he would use the Income Approach as the primary measure of market value. He indicated he would apply a 5% vacancy and collection loss factor to estimate effective gross income. Additionally, He would apply a 30% operating expense ratio and use an unloaded capitalization rate of 6.0%.

The effective tax rate is calculated by multiplying the current tax rate of 1.631% by the equalization ratio of 100%, which results in an effective tax rate of 1.631%. The effective tax rate is added to the overall rate of 6.0%, resulting in a loaded capitalization rate of 7.631% (1.631% + 6.0% = 7.631%). The loaded capitalization rate is used to capitalize the net operating income into value. That value is then multiplied by the equalization rate to estimate the assessed value. These calculations and the resulting current tax estimates are summarized below:

Hypothetical Assessor's Method	
Projected Gross Income	$1,293,461
Less Vacancy & Collection Loss (5%)	($64,673)
Effective gross Income	$1,228,788
Less Operating Expenses (30%)	($368,636)
Net Operating Income (Exclusive of Taxes)	$860,152
Divided by the Loaded Capitalization Rate	7.63%
Market Value	$11,271,810
Times Equalization Rate	100.00%
Projected Assessed Value	$11,271,810
Times Tax Rate	1.631%
Projected Taxes	$183,843
Per Unit	$2,357
Rounded Stabilized Tax Estimate as of a Current Date	**$2,360**

Based on the assessor's method, we conclude that the stabilized tax liability will be $184,080, or $2,360 per unit.

PILOT Agreement

The subject benefits from a 30-year PILOT agreement whereby the property will pay taxes based on a percentage of 6.28% of effective gross income for 30 years.

Due to the limited life of the PILOT agreement, we have capitalized the net operating income assuming full taxes and added the present value of the tax savings to the resulting stabilized value.

The full tax liability and our stabilized effective gross income estimate has been grown by 2.5 percent annually beginning in year 2.

The discount rate applied to project the net present value of the tax savings is 5.25 percent, which is in line with our concluded capitalization rate. This is an appropriate discount rate as there is little risk that the city will change the terms of the PILOT agreement.

The present value calculation is summarized below:

PRESENT VALUE CALCULATION of FUTURE TAX BENEFITS					
Year	**Full Tax Payment**	**Projected Effective Revenue**	**Percentage Payment Residential Income**	**PILOT Payment**	**Annual Tax Savings**
1	$184,080	$1,254,658	6.28%	$78,792	$105,288
2	$188,682	$1,286,024	6.28%	$80,762	$107,920
3	$193,399	$1,318,175	6.28%	$82,781	$110,618
4	$198,234	$1,351,129	6.28%	$84,851	$113,383
5	$203,190	$1,384,907	6.28%	$86,972	$116,218
6	$208,270	$1,419,530	6.28%	$89,146	$119,123
7	$213,476	$1,455,018	6.28%	$91,375	$122,101
8	$218,813	$1,491,394	6.28%	$93,660	$125,154
9	$224,284	$1,528,678	6.28%	$96,001	$128,283
10	$229,891	$1,566,895	6.28%	$98,401	$131,490
11	$235,638	$1,606,068	6.28%	$100,861	$134,777
12	$241,529	$1,646,219	6.28%	$103,383	$138,146
13	$247,567	$1,687,375	6.28%	$105,967	$141,600
14	$253,756	$1,729,559	6.28%	$108,616	$145,140
15	$260,100	$1,772,798	6.28%	$111,332	$148,768
16	$266,603	$1,817,118	6.28%	$114,115	$152,488
17	$273,268	$1,862,546	6.28%	$116,968	$156,300
18	$280,099	$1,909,110	6.28%	$119,892	$160,207
19	$287,102	$1,956,838	6.28%	$122,889	$164,213
20	$294,280	$2,005,759	6.28%	$125,962	$168,318
21	$301,637	$2,055,902	6.28%	$129,111	$172,526
22	$309,177	$2,107,300	6.28%	$132,338	$176,839
23	$316,907	$2,159,983	6.28%	$135,647	$181,260
24	$324,830	$2,213,982	6.28%	$139,038	$185,791
25	$332,950	$2,269,332	6.28%	$142,514	$190,436
26	$341,274	$2,326,065	6.28%	$146,077	$195,197
27	$349,806	$2,384,217	6.28%	$149,729	$200,077
28	$358,551	$2,443,822	6.28%	$153,472	$205,079
29	$367,515	$2,504,918	6.28%	$157,309	$210,206
30	$376,703	$2,567,540	6.28%	$161,242	$215,461
Present Value of the Tax Savings					**$2,098,434**
Discount Rate			5.25%		**$2,100,000**

Market Rent Tax Comparable Analysis

To help us estimate the taxes on the property if it were a market rate property, we examined the actual tax burdens of similar properties in the subject's market. They are illustrated in the following table:

REAL ESTATE TAX COMPARABLES AT MARKET RENT								
No.	**Property Name & Location**	**Address**	**Year Built**	**Units**	**Assessment**	**Assess/Unit**	**Total Taxes**	**Taxes/Unit**
S	SUBJECT PROPERTY	8 Somerset Lane (a. k. a. 45 River Road)	2021	78	$6,400,000	$82,051	$104,384	$1,338
1	The Metropolitan	190 Old River Road	1999	386	$103,258,400	$267,509	$1,684,145	$4,363
2	The View - Building D	45 River Road-BLDG D	2014	65	$20,301,000	$312,323	$331,109	$5,094
3	The Sugar Factory	840 River Road	1920	41	$7,494,400	$182,790	$122,234	$2,981
4	Avalon at Edgewater	100 River Miews Lane	2002 / 2020	408	$131,440,210	$322,157	$2,143,790	$5,254
5	Riello	99 Gorge Road	2004	225	$73,463,000	$326,502	$1,198,182	$5,325
STATISTICS								
Low:			1920	41	$7,494,400	$182,790	$122,234	$2,981
High:			2014	408	$131,440,210	$326,502	$2,143,790	$5,325
Average:			1984	225	$67,191,402	$282,256	$1,095,892	$4,604

Compiled by Cushman & Wakefield of New Jersey, LLC

The comparable properties reflect tax liabilities that range from $2,981 to $5,325 per unit, with an average of $4,604 per unit.

The tax comparables at the high end of the range are superior to the subject in terms of amenities and unit finishes. Overall, the subject should fall below the middle of the range due to its inferior finishes and limited amenities. Given the subject's attributes, we conclude to a stabilized market rate tax liability of $4,000 per unit, or $312,000.

Zoning

General Information

The property is zoned SWR, Southern Waterfront Redevelopment. A summary of the subject's zoning is presented in the following table:

ZONING	
Municipality Governing Zoning:	Borough of Edgewater
Current Zoning:	SWR, Southern Waterfront Redevelopment
Current Use:	a 6-story rent-restricted apartment building
Is current use permitted:	Yes
Permitted Uses:	Permitted uses within this district include residential, retail and community use facilities. However, the subject's specific site must be developed with affordable housing to satisfy affordable requirements for the greater Edgewater Harbor development.

ZONING REQUIREMENTS	CODE	Compliance
Minimum Lot Area:	20 Acres	Complying based on approvals received
Maximum Building Height:	6 Stories	Complying
Maximum Building Coverage (%):	45%	Complying based on approvals received
Maximum Impervious Coverage (% of lot area):	75%	Complying based on approvals received
Minimum Yard Setbacks:		
Front Yard	50 feet	Complying based on approvals received
Side Yard	25 feet	Complying
Rear Yard	50 feet	Complying
Required On-Site Parking:	2 spaces per unit, plus 1 visitor space per 6 units	Complying based on approvals received

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We analyzed the zoning requirements in relation to the subject property and considered the compliance of the existing use. Based on our review of public information, the subject property appears to be legally non-complying based on approvals received. Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence.

Valuation

Highest and Best Use

Highest and Best Use Definition

The Dictionary of Real Estate Appraisal, Sixth Edition (2015), a publication of the Appraisal Institute, defines the highest and best use as:

> The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

To determine the highest and best use we typically evaluate the subject site under two scenarios: as though vacant land and as presently improved. In both cases, the property’s highest and best use must meet the four criteria described above.

Highest and Best Use of Site as though Vacant

Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. As described in the Zoning section, the subject sites are zoned SWR, Southern Waterfront Redevelopment by the Borough of Edgewater. Permitted uses within this district include residential, retail and community use facilities. However, the subject's specific site must be developed with affordable housing to satisfy affordable requirements for the greater Edgewater Harbor development. We are not aware of any further legal restrictions that limit the potential uses of the subject.

Physically Possible

The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject site contains 1.343 acres, or 58,520 square feet. The site is rectangular and the topography is level with average frontage, average access, and average visibility. The overall utility of the site is average. All public utilities are available from the various providers, including public water and sewer, gas, electric and telephone. Overall, the site is considered adequate to accommodate most permitted development possibilities.

Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

Mid-rise, multifamily affordable apartment development with structured parking is the only use that is financially feasible if there is government support in the form of real estate tax benefits.

Conclusion

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as though vacant is for development with an affordable apartment building that complies with zoning requirements provided there is government support.

Highest and Best Use of Property as Improved

The Dictionary of Real Estate Appraisal defines highest and best use of the property as improved as:

> The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

Legally Permissible

As described in the Zoning Analysis section of this report, the subject sites are zoned SWR, Southern Waterfront Redevelopment. The site is improved with a multi-family apartment property containing 70,700 square feet of gross building area. In the Zoning section of this appraisal, we determined that the existing improvements are legally non-complying based on approvals received.

Physically Possible

The subject improvements, which were completed in 2021, are in new condition. We know of no current or pending municipal actions or covenants that would require a change to the current improvements.

Financially Feasible and Maximally Productive

In the Reconciliation section, we estimate a market value for the subject property, as improved of $16,700,000, which is greater than the site if vacant. In our opinion, the improvements contribute significantly to the value of the site, bringing the highest return to the land given the allowed use based on zoning.

Conclusion

It is our opinion that the existing improvements add value to the site as though vacant, dictating a continuation of the current use. It is our opinion that the Highest and Best Use of the subject property as improved is continued use as an affordable apartment building.

Most Likely Buyer

The subject is a multi-tenant, income-producing property. An examination of recent rental activity in the area suggests that there is demand for similar properties within the market, and recent comparable sales indicate such properties are typically purchased by real estate investors. As a result, we conclude that the most likely purchaser of the subject is an investor, who would typically rely on the Income Capitalization Approach to value the property.

Valuation Process

Methodology

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

We considered each approach in developing our opinion of the market value of the subject property. We discuss each approach below and conclude with a summary of their applicability to the subject property.

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent 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 for which there are few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and external causes. Land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in an opinion of value for the subject property.

Sales Comparison Approach

In the Sales Comparison Approach, sales of comparable properties are adjusted for differences to estimate a value for the subject property. A unit of comparison such as price per square foot of building area or effective gross income multiplier is typically used to value the property. When developing an opinion of land value the analysis is based on recent sales of sites of comparable zoning and utility, and the typical units of comparison are price per square foot of land, price per acre, price per unit, or price per square foot of potential building area. In each case, adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive an opinion of value for the subject property.

Income Capitalization Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

Summary

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

Sales Comparison Approach

Methodology

Using the Sales Comparison Approach, we developed an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings in the competitive area;
- Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison such as price per unit or effective gross income multiplier;
- Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property; and
- Interpret the adjusted sales data and draw a logical value conclusion.

The most widely used and market-oriented units of comparison for properties such as the subject is sales price per unit. All comparable sales were analyzed on this basis. The following contain a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process.

Comparable improved sale data sheets are presented in the Addenda of this report.

SUMMARY OF IMPROVED SALES

PROPERTY INFORMATION

No.	Property Name Address, City, State	Building NRA	Year Built	No. of Stories	No. of Units	Ave Unit Size	Quality	Cond.	Sale Date	Sale Price	$/Unit	NOI/Unit	OAR	Comments
	Subject Property	56,630	2021	6	78	726	Average	New				$9,843		
1	Medford Landing 500 Addison Place Medford, NY	102,256	2002	2	112	913	Average	Average	Dec-21	$17,000,000	$151,786	$6,433	4.24%	This is the sale of a LIHTC, age-restricted, garden apartment complex that featured kitchens with white appliances that included refrigerators, stove/ovens and dishwashers, laminate countertops, wood cabinets, carpeting in living areas and bedrooms and bathrooms with tub/shower inserts and vanity sink tops. Community amenities include a clubhouse with a community kitchen and community room and outdoor courtyard space with table seating.
2	Eagle View Apartments 402 Market St Monroe Township, NJ	54,000	2019	3	48	1,125	Average	Good	Nov-21	$7,000,000	$145,833	$8,385	5.75%	This is the sale of the affordable component of a new market-rate Hovnanian development that is leased to very low, low and moderate income families. The property contains one-, two-, and three-bedroom units that are rent-restricted in an effort to meet the township COAH obligations. Unit amenities include white appliance kitchens with refrigerators, electric ranges and dishwashers, vinyl wood plank floors, one bath per unit, in-unit washer/dryers and central heat and air. Property amenities include free surface parking. The property does not benefit from a PILOT agreement.
3	Highland Avenue Senior Apartments 34 Highland Avenue Yonkers, NY	57,450	2008	9	88	653	Good	Good	Aug-21	$15,700,000	$178,409	$7,762	4.35%	The subject property is an income-restricted multi-family residential complex containing 88 residential apartment units including one superintendent’s unit. The subject property’s construction was partially financed with Low Income Housing Tax Credits (LIHTC) and is presently governed by a long-term Regulatory Agreement between ownership and the New York State Housing Finance Agency, Housing Trust Fund Corporation. All revenue-generating units are rented to senior households in which at least one member is 55 years or older with incomes at or below 60 percent of the AMI for Westchester County. There is a Payment in Lieu of Taxes (PILOT) agreement in place through 2032, which is reflected in the reported capitalization rate.
4	Heritage at Piscataway Begonia Court Piscataway, NJ	22,620	2014	2	30	754	Average	Good	Sep-19	$3,200,000	$106,667	$5,333	5.00%	This is the sale of an age-restricted (55+), affordable elevator apartment complex that is leased to very low to moderate income tenants. The complex was built adjacent to a for sale, single-family home development as the affordable housing requirement. The property previously traded on March 26, 2019 for a consideration of $2,450,000 with a reported capitalization rate of 6.65%. Units feature standard kitchens with range/ovens, refrigerators, and dishwashers, laminate counter tops, vinyl flooring in kitchens and foyers, carpeting in living areas, tile baths with cultured marble vanity sinks and patios or balconies in each unit. Property amenities include on-site surface parking. It appears that this property does not have a PILOT agreement.
5	Centennial Court 100 North Main Street Wharton, NJ	62,620	1997	4	101	620	Average	Average	Dec-17	$8,750,000	$86,634	$4,713	5.44%	This is the sale of a senior living affordable housing apartment complex in Wharton, NJ. The capitalization rate noted was based on in-place income. The property was 99% occupied at the time of the sale and benefits from a PILOT agreement.
STATISTICS														
Low		22,620	1997	2	30	620			Dec-17	$3,200,000	$86,634	$4,713	4.24%	
High		102,256	2019	9	112	1,125			Dec-21	$17,000,000	$178,409	$8,385	5.75%	
Average		59,789	2008	4	76	813			Aug-20	$10,330,000	$133,866	$6,525	4.96%	

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IMPROVED SALE ADJUSTMENT GRID

	ECONOMIC ADJUSTMENTS (CUMULATIVE)						PROPERTY CHARACTERISTIC ADJUSTMENTS (ADDITIVE)									
No.	**$/Unit & Date**	**Property Rights Conveyed**	**Conditions of Sale**	**Financing**	**Market [1] Conditions**	**Per Unit Subtotal**	**Location**	**Num of Units (Size)**	**Age, Quality & Condition**	**Unit Mix**	**Amenities**	**Average Unit Size**	**Utility**	**Economics**	**Other**	**Adj. $/Unit**
1	**$151,786**	Leased Fee	Arm's-Length	None	Inferior	**$155,141**	Superior	Similar	Inferior	Similar	Similar	Similar	Similar	Inferior	Similar	**$193,926**
	12/21	0.0%	0.0%	0.0%	2.2%	2.2%	-10.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	30.0%	0.0%	25.0%
2	**$145,833**	Leased Fee	Arm's-Length	None	Inferior	**$149,214**	Inferior	Similar	Similar	Similar	Similar	Similar	Similar	Inferior	Similar	**$179,057**
	11/21	0.0%	0.0%	0.0%	2.3%	2.3%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	0.0%	20.0%
3	**$178,409**	Leased Fee	Arm's-Length	None	Inferior	**$183,970**	Superior	Similar	Inferior	Similar	Similar	Similar	Superior	Inferior	Similar	**$193,168**
	8/21	0.0%	0.0%	0.0%	3.1%	3.1%	-10.0%	0.0%	5.0%	0.0%	0.0%	0.0%	-5.0%	15.0%	0.0%	5.0%
4	**$106,667**	Leased Fee	Arm's-Length	None	Inferior	**$113,199**	Inferior	Similar	Inferior	Similar	Similar	Similar	Superior	Inferior	Similar	**$175,459**
	9/19	0.0%	0.0%	0.0%	6.1%	6.1%	10.0%	0.0%	5.0%	0.0%	0.0%	0.0%	-5.0%	45.0%	0.0%	55.0%
5	**$86,634**	Leased Fee	Arm's-Length	None	Inferior	**$96,713**	Inferior	Similar	Inferior	Similar	Similar	Similar	Superior	Inferior	Similar	**$159,576**
	12/17	0.0%	0.0%	0.0%	11.6%	11.6%	10.0%	0.0%	10.0%	0.0%	0.0%	0.0%	-5.0%	50.0%	0.0%	65.0%
STATISTICS																
	$86,634	**- Low**													**Low -**	$159,576
	$178,409	**- High**													**High -**	$193,926
	$133,866	**- Average**													**Average -**	$180,237

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[1] Market Conditions Adjustment

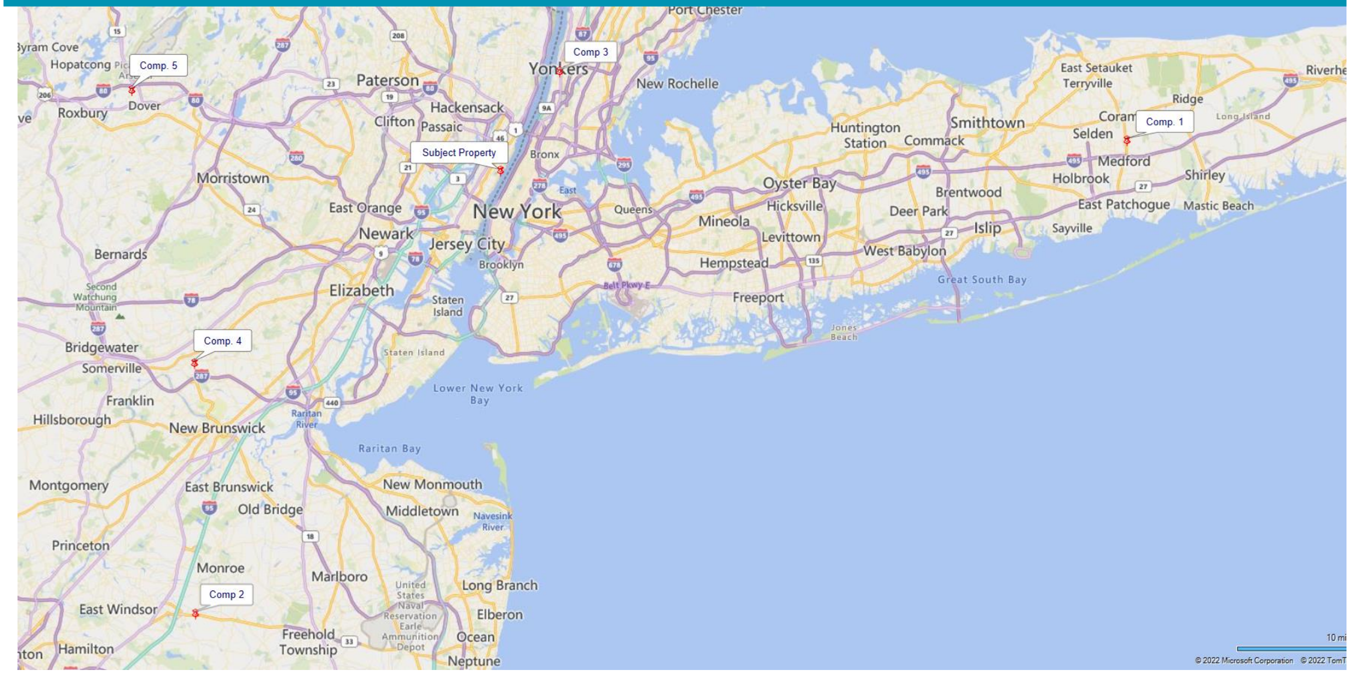
See Variable Growth Assumptions Table

Date of Value (for adjustment calculations): 9/1/22

Variable Growth Rate Assumptions

Starting Growth Rate:	3.0%
Inflection Point 1 (IP1):	**3/11/2020**
Change After IP1:	0.0%
Inflection Point 2 (IP2):	**3/1/2021**
Change After IP2:	3.0%

IMPROVED SALE LOCATION MAP



Percentage Adjustment Method

Adjustment Process

The sales that we used were the best available comparables to the subject property. The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or atypical conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market conditions must be accounted for, thereby creating a time adjusted price. Lastly, adjustments for location, physical traits and the economic characteristics of the market data are made in order to generate the final adjusted unit rate for the subject property.

We made a downward adjustment to those comparables considered superior to the subject and an upward adjustment to those comparables considered inferior. Where expenditures upon sale exist, we included them in the sales price.

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the leased fee interest as reflected by each of the comparables, an adjustment for property rights was not required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arm’s-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were necessary.

Market Conditions

The sales that are included in this analysis occurred between December 2017 and December 2021. Given the impact of the pandemic on values and the subsequent impact on rents and vacancy levels since vaccines became widely available, we have used variable assumptions that have grown values by 3.0 percent to the date that the pandemic became official in March 2020, with no growth from March 2020 through to March 2021 when the vaccine became readily available. From March 2021 we have grown values by 3.0 percent annually through the stabilized date of value.

Location

An adjustment for location is required when the location characteristics of a comparable property differ from those of the subject property. Any adjustments that were applied were based on the income levels of each county and the overall desirability when compared to the subject, which impacts achievable rents and occupancy levels.

Physical Traits

Each property has various physical traits that determine its appeal. These traits include size, age, condition, quality, unit mix, amenities offered and average unit size.

- Size has an impact on unit sale prices. Smaller properties tend to sell for more per unit than larger properties. The subject contains 78 units, while the comparables contain between 30 and 112 units. In this case, the sales are not materially different in terms of size and size adjustments were not necessary.
- The subject was completed in 2021 and is an average quality property that is in new condition. Units feature fully equipped kitchens with white appliances and wood cabinets, vinyl wood plank flooring in living areas and tile baths with tub/shower combinations, cultured marble vanity sinks and medicine cabinets. The sales, which were built between 1997 and 2019, were adjusted where there are material differences in age, quality and condition when compared to the subject.
- Unit mix has an impact on value in that offering a range of units appropriate for any given market aids in maintaining strong occupancy. Although the subject's unit mix is primarily one-bedroom units, it appears that the unit mix is appropriate for its market given the subject's strong leasing velocity. In this case, adjustments for unit mix were not necessary.
- This adjustment includes differences in property amenities offered at the subject versus the comparable sales. Amenities at the subject include on-site laundry and on-site surface parking. In this case, the sales are not materially different in terms of amenities offered and adjustments were not necessary.
- The subject has an average unit size of 726 square feet, while the comparables have average unit sizes that range from 620 to 1,125. The average size of units impacts livability/occupancy but does not impact income levels for COAH or Tax credit units. In this case, the sales are not materially different in terms of unit size and adjustments were not necessary.

Utility

The subject, which is located within an AE flood zone, is a 6-story, mid-rise apartment building with 89 off street surface parking spaces. The sales were adjusted for utility components that impact value as follows:

Utility Adjustment

Sale #	Elevator	Flood Zone	Total Adjustment
1	5%	-5%	0%
2	5%	-5%	0%
3	0%	-5%	-5%
4	0%	-5%	-5%
5	0%	-5%	-5%

Economic Characteristics

This adjustment is used to reflect differences in occupancy levels, operating expense ratios, tenant quality, and other items not covered under prior adjustments that would have an economic impact on the transaction. The subject is somewhat unique for an affordable property in that approvals allow the property to have 47% of units leased at restricted rents equal to 80% of AMI, while the sales are restricted with a mix that has a maximum of 60% AMI restricted rents. This is apparent in that all sales have inferior net operating levels when compared to the subject, warranting upward adjustments to varying degrees.

Other

This category accounts for any other adjustments not previously discussed. In this case, no further adjustments were necessary.

Conclusion of Percentage Adjustment Method

Prior to adjustments, the comparable improved sales reflect unit prices that ranged from $86,634 to $178,409 per unit with an average price of $133,866 per unit. After adjustments the comparable improved sales reflect unit prices that range from $159,576 to $193,926 per unit with an average adjusted price of $180,237 per unit. We placed reliance on Sales 1, 2 and 3 as these are the most recent sale and required the fewest gross adjustments indicating that they are most similar to the subject. Therefore, we conclude that the indicated value by the Percentage Adjustment Method is:

PERCENT ADJUSTMENT METHOD SUMMARY	
Prospective Market Value Upon Stabilization	**Per Unit**
Indicated Value per Unit	$190,000
Num of Units	x 78
Indicated Value	$14,820,000
PLUS Prospective Value of the Tax Savings	$2,100,000
Adjusted Value	$16,920,000
Rounded to nearest $100,000	**$16,900,000**
Per Unit	$216,667

As Is Value Calculation	
Market Value As Is	
Prospective Market Value Upon Stabilization	**$16,920,000**
LESS Lease Up Costs	($41,353)
Indicated Value	$16,878,647
Rounded to nearest $100,000	**$16,900,000**
Per Unit	$216,667

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Adjustments to Value

We have added the prospective value of the tax savings to the concluded stabilized value.

As Is Value Estimate

To estimate the value of the subject as is, we must deduct lease-up costs and rent loss over the remaining lease-up period.

Rent Loss Over Lease-Up

The owner noted that there are over 200 potential tenants on the waiting list and the absorption time for the remaining units is a function of gaining approvals for each specific tenant application. The subject began has its first move-ins in December 2021 and currently has 58 units occupied. Including preleasing, this amounts to an approval /move-in rate of approximately 8 units per month. Going forward, we estimate an absorption rate of 7 units per month. Accordingly, we anticipate that absorption will be fully complete within 3.0 months. Consequently, we deducted 1.50 months of income from the value upon stabilization to account for rent loss after completion.

Marketing Costs/Leasing Commissions

For affordable buildings within this market, in-house leasing agents are hired by ownership or management. As such, leasing commissions are inherently included in management or payroll costs. However, marketing costs are paid by the landlord. In this case, there is no need for additional marketing as the waiting list is already significant. Therefore, we have not modeled marketing costs in our lease up cost analysis.

Rent Concessions

Given demand for affordable units in this market in conjunction with the lack of supply, concessions are not typical at this time, even for first generation tenants. For this reason, we have not modeled rent concessions in our lease up cost analysis.

Entrepreneurial Profit

In order to estimate the value upon completion, we must deduct entrepreneurial profit required by typical investors as incentive to purchase the completed building and take on the risk of lease up. Based on the location of the subject and the number of potential tenants on the waiting list, we estimate entrepreneurial incentive at 5% of lease up costs. Total lease-up costs are summarized below:

LEASE-UP COSTS - Residential Component	
	Assumptions
Average Lease-Up Period (Months)	1.50
Vacant Space (Unit)	19
Rent ($/Unit Annually)	$15,435
Other Income Per Unit (Annually)	$1,148
Marketing ($ or %)	0.00%
Free Rent (months)	0.00
Entrepreneurial Profit (% of lease-up)	5.00%
Lease-Up Costs	**Value**
Rent Loss	$36,658
Other Income Rent Loss	$2,727
Marketing Costs	$0
Total Lease-Up Costs	$39,384
Plus Entrepreneurial Profit	$1,969
Total Lease-Up Costs (With Profit)	**$41,353**

We note that the lease up costs are limited and are, therefore, lost in rounding.

Income Capitalization Approach

Methodology

The Income Capitalization Approach is based on the principle that the value of a property is indicated by the net return to the property, or what is also known as the present worth of future benefits. The future benefits of income-producing properties, such as hotels and motels, is net income before debt service and depreciation, derived by a projection of income and expense, along with any expected reversionary proceeds from a sale.

The two most common methods of converting net income into value are direct capitalization and discounted cash flow analysis. In direct capitalization, net operating income is divided by an overall rate extracted from the market to indicate a value. In the discounted cash flow method, anticipated future net income streams and a reversionary value are discounted to provide an opinion of net present value at a chosen yield rate (internal rate of return or discount rate).

We placed sole reliance on the Direct Capitalization Method since the property is an income-producing, multi-tenant property and the overall rate used is derived from recent market transactions. It is likely that a prospective purchaser of this type of property would utilize Direct Capitalization as the primary tool in evaluating the property.

Apartment Unit Rental Income Analysis

Earlier in the report we discussed the competitive market for apartment properties in the subject's market. Before we analyze the competitive properties, we will discuss certain aspects of the subject property, namely occupancy and quoted rent levels for various unit types.

Occupancy

The subject property contains 78 apartment units that are 74.4 percent occupied. The occupancy statistics, based on the rent roll dated July 1, 2022, are presented in the following table:

OCCUPANCY								
No.	Plan	BR	BA	Total No. Units	Unit (SF)	Units Occupied	SF Occupied	Unit Occupancy
1	1 BR - Low (30% AMI)	1	1.0	9	762	5	3,811	55.6%
2	1 BR - Mod (60% AMI)	1	1.0	31	727	26	18,896	83.9%
3	1 BR - Mod (80% AMI)	1	1.0	36	728	26	18,922	72.2%
4	2 BR - Mod (60% AMI)	2	1.0	1	1,040	1	1,040	100.0%
5	Super Unit	2	1.0	1	0	0	0	0.0%
TOTAL/AVERAGE				**78**		**58**	**42,669**	**74.4%**

Based on rent roll dated: 7/1/2022

Utility Structure

In terms of utility structure, tenants are separately metered for electric, which includes heat, air conditioning and cooking fuel. The landlord is responsible for hot and cold water and sewer costs. Trash removal is provided by the municipality and is included in the real estate tax payment.

Actual Rent for Occupied Units

The subject property offers units ranging in size from 0 to 1,040 square feet, with an average size of 726 square feet. The actual rents for the subject's occupied units, based on the rent dated July 01, 2022, are as follows:

ACTUAL RENTAL RATES ON OCCUPIED UNITS ONLY										
No.	Plan	BR	BA	Occupied Units	Unit (SF)	Occupied SF	Actual Monthly Rent	Average Monthly Rent Per Unit	Average Monthly Rent $/SF	Actual Annual Rent
1	1 BR - Low (30% AMI)	1	1.0	5	762	3,811	$4,772	$954	$1.25	$57,264
2	1 BR - Mod (60% AMI)	1	1.0	26	727	18,896	$30,125	$1,159	$1.59	$361,500
3	1 BR - Mod (80% AMI)	1	1.0	26	728	18,922	$40,975	$1,576	$2.17	$491,700
4	2 BR - Mod (60% AMI)	2	1.0	1	1,040	1,040	$1,231	$1,231	$1.18	$14,772
5	Super Unit	2	1.0	0	0	0	$0	$0	$0.00	$0
TOTAL/AVERAGE				**58**	**736**	**42,669**	**$77,103**	**$1,329**	**$1.81**	**$925,236**

Based on rent roll dated: 7/1/2022
*All averages are weighted

The subject property currently has 58 occupied units generating a contractual monthly rent of $77,103, or $925,236 annually. This amounts to an average in-place rent of $1,329 per unit per month, or $1.81 per square foot per month.

Owner Average Quoted Rents

The table below shows the average quoted rents based on the rent roll provided:

SUBJECT PROPERTY - OWNER'S AVERAGE QUOTED RENTS							
No.	Plan	BR	BA	Unit (SF)	Average Quoted Rent (Monthly)	Effective Monthly Rent (No Concessions)	Effective Monthly Quoted Rent $/SF
1	1 BR - Low (30% AMI)	1	1.0	762	$699	$699	$0.92
2	1 BR - Mod (60% AMI)	1	1.0	727	$1,159	$1,159	$1.59
3	1 BR - Mod (80% AMI)	1	1.0	728	$1,579	$1,579	$2.17
4	2 BR - Mod (60% AMI)	2	1.0	1,040	$1,231	$1,231	$1.18
5	Super Unit	2	1.0	0	$0	$0	$0.00
Minimum				0	$0	$0	$0.00
Maximum				1,040	$1,579	$1,579	$2.17
Average				726	$1,286	$1,286	$1.77

*All averages are weighted

The owner's quoted rents are generally in line with the average rental rates on the occupied units.

Affordable Competitive Properties Overview

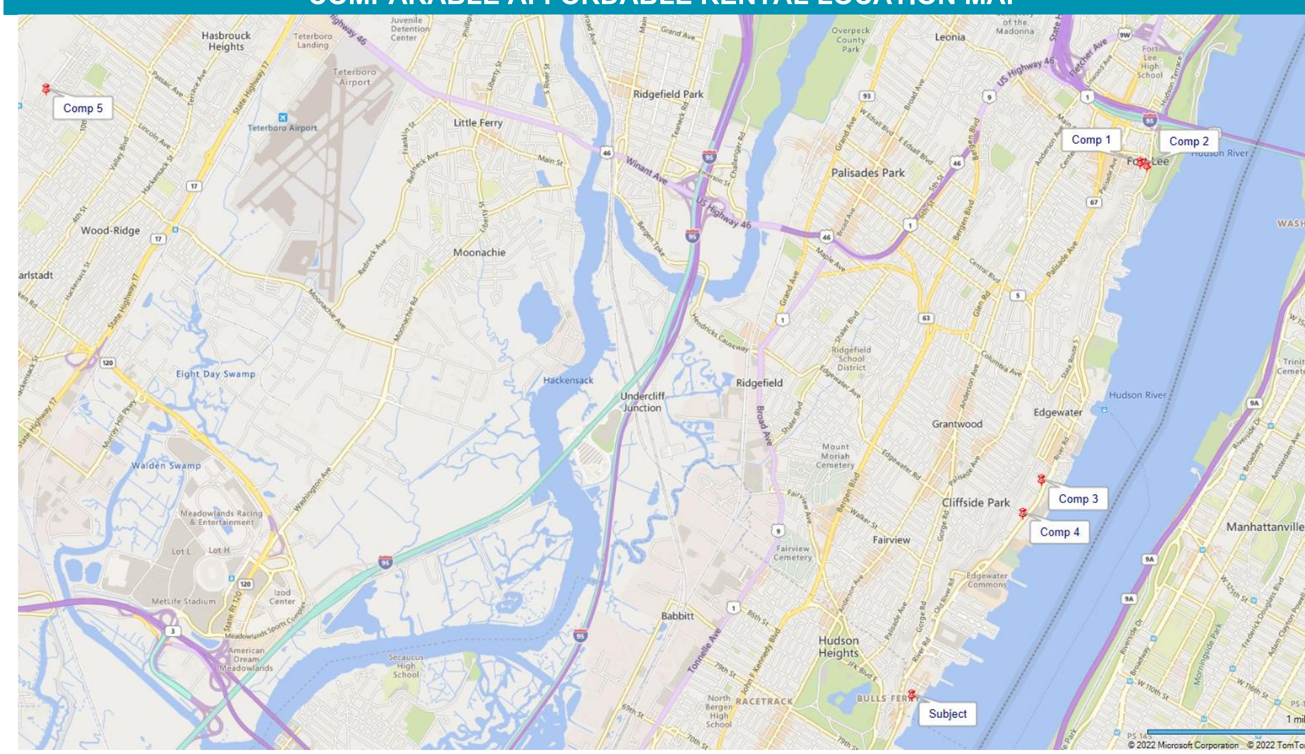
The competitive affordable properties in the subject's market are presented on the following table:

COMPETITIVE APARTMENT PROJECTS

PROPERTY INFORMATION								QUOTED MONTHLY RENT & CONCESSIONS					
No.	PROPERTY NAME ADDRESS, CITY, STATE	NUMBER OF UNITS	NET BUILDING AREA	AVERAGE UNIT SIZE	YEAR BUILT	NUMBER OF STORIES	OCCUPANCY RATE (%)	BEDS/ BATHS	UNIT SIZE (SF) Avg.	QUOTED RENT PER MONTH Avg.	QUOTED RENT $/SF/ MONTH Avg.	RENT INCLUSIONS	CONCESSIONS
S	**Subject Property**	78	56,630	726	2021	6	74.4%						
1	Liberty Place at Fort Lee 101 Cedar St Fort Lee, NJ	60	47,900	0	2003	5	100.0%	1BR/1BA 50% AMI 1BR/1BA 60% AMI 2BR/1BA 50% AMI 2BR/1BA 60% AMI	615 615 865 865	$1,007 $1,221 $1,209 $1,466	$1.64 $1.99 $1.40 $1.69	Cold water & sewer	None
2	The Pinnacle 69 Main St Fort Lee, NJ	142	142,331	1,002	2020	15	96.5%	1BR/1BA 60% AMI	716	$1,208	$1.69	Cold water & sewer	None
3	Winterburn Apartments 774 River Rd Edgewater, NJ	21	19,399	924	2015	3	0.0%	1BR/1BA 30% AMI 1BR/1BA 60% AMI	666 666	$615 $1,231	$0.92 $1.85	Hot/cold water & sewer	None
4	Vreeland Terrace 1 Vreeland Ter Edgewater, NJ	39	33,802	867	2015	5	97.4%	1BR/1BA 30% AMI 1BR/1BA 50% AMI 1BR/1BA 60% AMI	773 773 773	$615 $1,026 $1,231	$0.80 $1.33 $1.59	Hot/cold water & sewer	None
5	Wesmont Station 100 Johnson Dr Wood Ridge, NJ	104	99,608	0	2015	3	100.0%	2BR/1BA 60% AMI	972	$1,392	$1.43	Hot/cold water & sewer	None
STATISTICS (Including Subject)													
	Low:	21	19,399	0	2003	3	0.0%						
	High:	142	142,331	1,002	2020	15	100.0%						
	Average:	73	68,608	559	2014	6	78.8%						
	Totals:	366	399,670										

Compiled by Cushman & Wakefield of New Jersey, LLC

COMPARABLE AFFORDABLE RENTAL LOCATION MAP



Although quoted rents at the comparable affordable properties vary somewhat by program and utility allowance, the rents generally support the owner's quoted rents and in-place rents at the subject.

Area Median Income and Maximum Affordable Rents

In New Jersey, maximum rents allowed for affordable units are published at the end of April every year. According to the New Jersey Housing and Mortgage Financing Agency, the most recent maximum rents in Bergen County for non-tax credit affordable properties, less the in-place utility allowance, are summarized below:

NJHMA Maximum Rent Limits as of 4/2022				
Percent of AMI	Max Rent 1 BR	Max Rent 1 BR Less Utility Allowance	Max Rent 2 BR	Max Rent 2 BR Less Utility Allowance
Projected Utility Allowance	$123		$0	
30%	$723	$600		
60%	$1,447	$1,324	$1,737	$1,737
80%	$1,930	$1,807		

We note that the two-bedroom units are were added at a later stage of development and all utilities are included in the rent. Therefore, there is no utility allowance for the two-bedroom units.

In general, the owner's quoted rents net of utility allowance are based on 2021 rents, while the rents in the above table are based on the maximum 2022 rents net of the utility allowance. Given that the 2022 rents are almost 13 percent higher than the 2021 rents, the subject has significant upside as units roll over.

Affordable Housing Rent Increases

Maximum rent increases for existing tenants is established each year by the state. The 2022 maximum rent increase for existing tenants is 2.90 percent.

Potential Restricted Rent for Vacant Units

Although the 2022 rents would apply to any units that roll over going forward, the applications for prospective tenants are based on the 2021 rents. For this reason, we have applied the owner's quoted 2021 rents to the vacant units in our analysis. The potential rent for the vacant units is summarized below:

CUSHMAN & WAKEFIELD - POTENTIAL RENT FOR VACANT UNITS - RESTRICTED SCENARIO											
No.	**Plan**	**BR**	**BA**	**No. of Vacant Units**	**Unit (SF)**	**NRA of Vacant Units**	**Potential Monthly Rent $/Unit**	**Potential Gross Rent (Before Concessions)**	**Effective Monthly Rent Per Unit**	**Effective Gross Rent (After Concessions)**	**Effective Monthly Rent $/SF**
1	1 BR - Low (30% AMI)	1	1.0	4	762	3,049	$699	$33,568	$699	$33,568	$0.92
2	1 BR - Mod (60% AMI)	1	1.0	5	727	3,634	$1,159	$69,523	$1,159	$69,523	$1.59
3	1 BR - Mod (80% AMI)	1	1.0	10	728	7,278	$1,579	$189,483	$1,579	$189,483	$2.17
4	2 BR - Mod (60% AMI)	2	1.0	0	1,040	0	$1,231	$0	$1,231	$0	$0.00
5	Super Unit	2	1.0	1	0	0	$0	$0	$0	$0	$0.00
TOTAL/AVERAGE				**20**	**698**	**13,961**	**$1,219**	**$292,574**	**$1,219**	**$292,574**	**$1.75**

(1) Effective rents reflect market rent after deductions for concessions
*All averages are weighted

Applying the estimated effective market rent to the vacant units results in a gross potential rent of $292,574, which amounts to $1,219 per unit per month, or $1.75 per square foot per month.

Market Competitive Properties Overview

In order to ascertain if the subject's rents are market oriented, we analyzed rent levels at competing properties. The competitive properties are presented on the following table, followed by a detailed composite of each property.

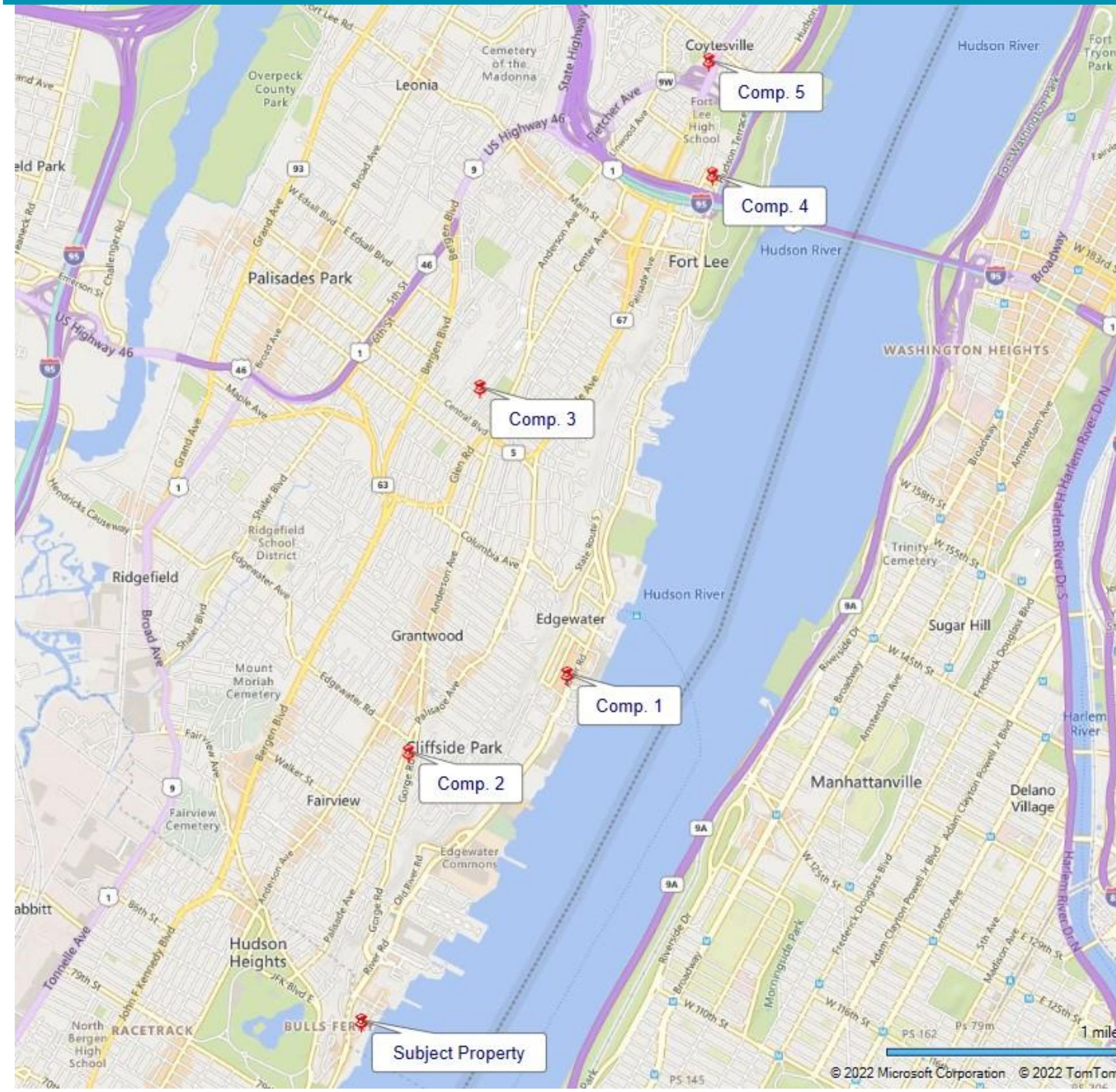
Note that vacancy for the comparables is based on the number of vacant units divided by the total units. In addition, the survey below was completed within two weeks of the effective date of this appraisal as leasing personnel responded to our calls.

Given the impact of good amenities on rent in this market and the subject's limited amenity structure, we researched market comparables that are mots similar to the subject in terms of size and amenity structure. Our research is outlined below:

MARKET RATE COMPETITIVE APARTMENT PROJECTS													
PROPERTY INFORMATION								QUOTED MONTHLY RENT & CONCESSIONS					
No.	PROPERTY NAME ADDRESS, CITY, STATE	NUMBER OF UNITS	NET BUILDING AREA	AVERAGE UNIT SIZE	YEAR BUILT	NUMBER OF STORIES	OCCUPANCY RATE (%)	BEDS/ BATHS	UNIT SIZE (SF) Avg.	QUOTED RENT PER MONTH Avg.	QUOTED RENT $/SF/ MONTH Avg.	RENT INCLUSIONS	CONCESSIONS
S	**Subject Property**	78	56,630	726	2021	6	74.4%						
1	The Sugar Factory 840 River Rd Edgewater, NJ 07020	40	29,500	738	1920	5	97.5%	Studio 1BR/1BA 2BR/2.5BA	 750 1,100	 $2,200 $2,500	 $2.93 $2.27	Cold water, sewer and trash removal	None
2	Sole 448 Palisade Ave Cliffside Park, NJ 07010-2800	18	20,616	1,145	2012	4	97.6%	Studio 1BR/1BA 2BR/1BA	 926 1,208	 $2,000 $2,600	 $2.16 $2.15	Hot water, cold water, sewer and trash removal	None
3	The Edge 461 Palisades Blvd Fort Lee, NJ 07024	25	26,275	1,051	2017	3	100.0%	Studio 1BR/1BA 2BR/2BA	 875 1,150	 $2,400 $2,800	 $2.74 $2.43	None	None
4	Sylvan Ridge 2150 N Central Rd Fort Lee, NJ 07024	44	50,110	1,139	2017	5	100.0%	Studio 1BR/1BA 2BR/2BA	 761 1,250	 $2,333 $2,957	 $3.07 $2.37	Hot water, cold water, sewer and trash removal	None
5	The 2301 2301 Lemoine Ave Fort Lee, NJ 07024-6201	24	20,200	842	2020	5	91.7%	Studio 1BR/1BA 2BR/2BA	 800 1,050	 $2,500 $2,900	 $3.13 $2.76	Cold water, sewer and trash removal	None
STATISTICS (Including Subject)													
	Low:	18	20,200	738	1920	3	91.7%						
	High:	44	50,110	1,145	2020	5	100.0%						
	Average:	30	29,340	983	1997	4	97.4%						
	Totals:	151	203,331										

Compiled by Cushman & Wakefield of New Jersey, LLC

COMPARABLE RENTAL LOCATION MAP



COMPARABLE RENT NO. 1

Property:	The Sugar Factory
Address:	840 River Rd
City, State:	Edgewater, NJ

PROPERTY INFORMATION

Property Sub-Type:	Mid/High-Rise	Year Built:	1920
Number of Units:	40	Number of Stories:	5
Net Building Area:	29,500	Occupancy Rate:	97.5%
Average Unit Size:	738		

PROPERTY AMENITIES

Project amenities include on-site laundry facilities and surface parking.

UNIT AMENITIES

Unit amenities include stainless steel appliance kitchens with refrigerators, ranges and dishwashers, stone countertops and tile flooring, hardwood flooring throughout the living areas and bedrooms, private balconies in select units, and marble tiled baths, cultured marble vanity sinks and tub/shower combinations.

QUOTED MONTHLY RENT & CONCESSIONS

BEDS/ BATHS	(SF) Ave.	RENT PER Ave.	RENT Ave.
1BR/1BA	750	$2,200	$2.93
2BR/2.5BA	1,100	$2,500	$2.27

Rent Inclusions:	Cold water, sewer and trash removal
Concessions:	None

COMPARABLE RENT NO. 2

Property:	Sole
Address:	448 Palisade Ave
City, State	Cliffside Park, NJ

PROPERTY INFORMATION

Property Sub-Type:	Mid/High-Rise	Year Built:	2012
Number of Units:	18	Number of Stories:	4
Net Building Area:	20,616	Occupancy Rate:	97.6%
Average Unit Size:	1,145		

PROPERTY AMENITIES

Project amenities include garage parking.

UNIT AMENITIES

Unit amenities include fully equipped stainless steel appliance kitchens with laminate countertops, hardwood flooring throughout the kitchens and living areas, carpeting in bedrooms, in-unit washer/dryers and tile baths with cultured marble vanity sinks, wainscoting and tub/shower combinations with tile surrounds.

QUOTED MONTHLY RENT & CONCESSIONS

BEDS/ BATHS	(SF) Ave.	RENT PER Ave.	RENT Ave.
1BR/1BA	926	$2,000	$2.16
2BR/1BA	1,208	$2,600	$2.15

Rent Inclusions:	Hot water, cold water, sewer and trash removal
Concessions:	None

COMPARABLE RENT NO. 3

Property: The Edge

Address: 461 Palisades Blvd

City, State: Fort Lee, NJ

PROPERTY INFORMATION

Property Sub-Type:	Mid/High-Rise	Year Built:	2017
Number of Units:	25	Number of Stories:	3
Net Building Area:	26,275	Occupancy Rate:	100.0%
Average Unit Size:	1,051		

PROPERTY AMENITIES

Property amenities include garage parking.

UNIT AMENITIES

Unit amenities include fully equipped stainless steel appliance kitchens with quartz countertops, vinyl wood plank flooring throughout the kitchens, living areas and bedrooms, in-unit washer/dryers, tile baths with cultured marble vanity sinks and glass stall showers with tile surrounds

QUOTED MONTHLY RENT & CONCESSIONS

BEDS/ BATHS	(SF) Ave.	RENT PER Ave.	RENT Ave.
1BR/1BA	875	$2,400	$2.74
2BR/2BA	1,150	$2,800	$2.43

Rent Inclusions: None

Concessions: None

COMPARABLE RENT NO. 4

Property: Sylvan Ridge

Address: 2150 N Central Rd

City, State: Fort Lee, NJ

PROPERTY INFORMATION

Property Sub-Type:	Mid/High-Rise	Year Built:	2017
Number of Units:	44	Number of Stories:	5
Net Building Area:	50,110	Occupancy Rate:	100.0%
Average Unit Size:	1,139		

PROPERTY AMENITIES

Project amenities include outdoor terrace, fitness center, tenant lounge and covered parking.

UNIT AMENITIES

Unit amenities include fully equipped stainless steel appliance kitchens with quartz countertops and tile backsplashes, vinyl wood plank flooring throughout the kitchens, living areas and bedrooms, in-unit washer/dryers and tile baths, quartz topped vanity sinks and tub/shower combinations with tile wet walls.

QUOTED MONTHLY RENT & CONCESSIONS

BEDS/ BATHS	(SF) Ave.	RENT PER Ave.	RENT Ave.
1BR/1BA	761	$2,333	$3.07
2BR/2BA	1,250	$2,957	$2.37

Rent Inclusions: Hot water, cold water, sewer and trash removal

Concessions: None

COMPARABLE RENT NO. 5

Property: The 2301

Address: 2301 Lemoine Ave

City, State:: Fort Lee, NJ

PROPERTY INFORMATION

Property Sub-Type:	Mid/High-Rise	Year Built:	2020
Number of Units:	24	Number of Stories:	5
Net Building Area:	20,200	Occupancy Rate:	91.7%
Average Unit Size:	842		

PROPERTY AMENITIES

Project amenities include covered parking.

UNIT AMENITIES

Unit amenities include fully equipped stainless steel appliance kitchens with quartz countertops and tile backsplashes, vinyl wood plank floors throughout the kitchens, living areas and bedrooms, in-unit washer/dryers and tile baths, quartz topped vanity sinks and tub/shower combinations with tile surrounds.

QUOTED MONTHLY RENT & CONCESSIONS

BEDS/ BATHS	(SF) Ave.	RENT PER Ave.	RENT Ave.
1BR/1BA	800	$2,500	$3.13
2BR/2BA	1,050	$2,900	$2.76

Rent Inclusions: Cold water, sewer and trash removal

Concessions: None

In total, the competitive set includes 151 units within 5 directly competing properties. The comparable projects were constructed between 1920 and 2020 and range in size from 18 to 44 units. Average unit sizes range from 738 to 1,145 square feet. The comparable apartment projects occupancy rates range from 91.7 percent to 100.0 percent, with an average of 97.4 percent.

Demand drivers in the local market include proximity to local and regional employment centers via mass transit or area highway networks and walkable access to retail and services.

Subject Competitive Position

Location

The subject property is located in an upper middle-income area that features good quality schools and good access to area employment centers via mass transit and area highway networks. Furthermore, the subject benefits from walkable access to a wide variety of retail stores, restaurants and services. The property is 2 blocks from the primary local retail corridor, 1.1 miles from the nearest supermarket and 3 blocks from the nearest drug store.

Physical Attributes

The subject's units feature fully equipped kitchens with white appliances and wood cabinets, vinyl wood plank flooring in living areas and tile baths with tub/shower combinations, cultured marble vanity sinks and medicine cabinets.

Property amenities currently include on-site laundry and on-site surface parking.

In terms of utility structure, tenants are separately metered for electric, which includes heat, air conditioning and cooking fuel. The landlord is responsible for hot and cold water and sewer costs. Trash removal is provided by the municipality and is included in the real estate tax payment.

To visually aid the reader in deciphering the subject's competitive position, the following table qualitatively rates the subject and the comparables for variables that impact rental rates in this market:

Subject vs. Comparable Property Characteristics

No.	Comparable Name	Location	Age/ Condition	Unit Finishes	Building Amenities	Microwaves	Garage Parking	In-Unit Washer/ Dryer	Private Outdoor Space	Utility Structure	Overall
1	The Sugar Factory	Similar	Inferior	Superior	Similar	Inferior	Similar	Similar	Superior	Similar	Inferior
2	Sole	Inferior	Inferior	Superior	Similar	Similar	Superior	Superior	Similar	Superior	Inferior
3	The Edge	Inferior	Inferior	Superior	Similar	Similar	Superior	Superior	Similar	Inferior	Similar
4	Sylvan Ridge	Inferior	Inferior	Superior	Superior	Similar	Superior	Superior	Similar	Superior	Superior
5	The 2301	Inferior	Similar	Superior	Similar	Similar	Superior	Superior	Similar	Similar	Superior

In terms of competitive position, the subject is superior to Comparables 1 and 2, similar to Comparable 3 and inferior to Comparables 4 and 5. Excluding adjustments for unit size, market rent for the subject's units should fall towards the middle of the comparable range.

Analysis by Unit Type

In order to estimate the market rates for the various floor plans, the subject unit types have been compared with similar units at the comparable projects. The following is a summary of the subject's in-place rents and quoted rents as they compare to the comparable properties, and our market rent conclusion for each unit type.

Analysis of One Bedroom Units

The quoted rents, concessions and effective rents for one bedroom units in the marketplace are depicted in the following table:

COMPETITIVE RENTAL SUMMARY								
One Bedroom Units								
			Quoted Rents			Concessions	Effective Rents	
Name	BEDS/ BATHS	AVE. UNIT SIZE	Average Quoted Rent (Month)	Average Quoted Rent Per SF/Month	Average Quoted Rent Per SF/Year	Concessions (Months Free)	Average Effective Rent (month)	Average Effective Rent Per SF/Month
The Sugar Factory	1BR/1BA	750	$2,200	$2.93	$35.20	0.0	$2,200	$2.93
Sole	1BR/1BA	926	$2,000	$2.16	$25.92	0.0	$2,000	$2.16
The Edge	1BR/1BA	875	$2,400	$2.74	$32.91	0.0	$2,400	$2.74
Sylvan Ridge	1BR/1BA	761	$2,333	$3.07	$36.79	0.0	$2,333	$3.07
The 2301	1BR/1BA	800	$2,500	$3.13	$37.50	0.0	$2,500	$3.13
Low		750	$2,000	$2.16	$25.92	0.0	$2,000	$2.16
High		926	$2,500	$3.13	$37.50	0.0	$2,500	$3.13
Average		822	$2,287	$2.81	$33.66	0.0	$2,287	$2.81

The comparable one bedroom units range in size from 750 to 926 square feet. Quoted asking rents range from $2,000 to $2,500 per month. Concessions for one bedroom units are not typical at this time. Effective rents range from $2.16 to $3.13 per square foot per month, with an average of $2.81 per square foot per month.

The subject's one bedroom units have an average size of 727 and 762 square feet, which is below the comparable projects. Based on the subject's competitive position and average unit size, we estimate a current market rent of $2,275 per month, which amounts to $2.98 per square foot.

Analysis of Two Bedroom Units

The quoted rents, concessions and effective rents for two bedroom units in the marketplace are depicted following table:

COMPETITIVE RENTAL SUMMARY								
Two Bedroom Units								
			Quoted Rents			Concessions	Effective Rents	
Name	BEDS/ BATHS	AVE. UNIT SIZE	Average Quoted Rent (Month)	Average Quoted Rent Per SF/Month	Average Quoted Rent Per SF/Year	Concessions (Months Free)	Average Effective Rent (month)	Average Effective Rent Per SF/Month
The Sugar Factory	2BR/2.5BA	1,100	$2,500	$2.27	$27.27	0.0	$2,500	$2.27
Sole	2BR/1BA	1,208	$2,600	$2.15	$25.83	0.0	$2,600	$2.15
The Edge	2BR/2BA	1,150	$2,800	$2.43	$29.22	0.0	$2,800	$2.43
Sylvan Ridge	2BR/2BA	1,250	$2,957	$2.37	$28.39	0.0	$2,957	$2.37
The 2301	2BR/2BA	1,050	$2,900	$2.76	$33.14	0.0	$2,900	$2.76
Low		1,050	$2,500	$2.15	$25.83	0.0	$2,500	$2.15
High		1,250	$2,957	$2.76	$33.14	0.0	$2,957	$2.76
Average		1,152	$2,751	$2.40	$28.77	0.0	$2,751	$2.40

The comparable two bedroom units range in size from 1,050 to 1,250 square feet. Quoted asking rents range from $2,500 to $2,957 per month. Concessions for two bedroom units are not typical at this time. Effective rents range from $2.15 to $2.76 per square foot per month, with an average of $2.40 per square foot per month.

The subject's two bedroom units have an average size of 1,040 square feet, which below the comparable projects. Based on the subject's competitive position and average unit size, we estimate a market rent of $2,700 per month, which amounts to $2.60 per square foot.

Market Rent Estimate & Potential Rent at Market (All Units)

After analyzing the quoted rents and concessions at the comparables, and after detailed review of the actual rents at the subject property, we are able to estimate an effective market rent for each unit type. Included in these figures are rents for the subject's non-revenue unit, so we can fully account for all potential revenue. We estimated an effective market rent for each of the subject's unit types as follows:

CUSHMAN & WAKEFIELD - PROJECTED MARKET RENTS & POTENTIAL RENT AT MARKET (ALL UNITS)									
No.	Plan	BR	BA	Total Units	Unit (SF)	Total SF	Cushman & Wakefield Market Rent Estimate	Potential Gross Rent (Before Concessions)	Potential Average Monthly Rent $/SF
1	1 BR - Low (30% AMI)	1	1.0	9	762	6,860	$2,275	$245,700	$2.98
2	1 BR - Mod (60% AMI)	1	1.0	31	727	22,530	$2,275	$846,300	$3.13
3	1 BR - Mod (80% AMI)	1	1.0	36	728	26,200	$2,275	$982,800	$3.13
4	2 BR - Mod (60% AMI)	2	1.0	1	1,040	1,040	$2,700	$32,400	$2.60
5	Super Unit	2	1.0	1	0	0	$2,700	$32,400	$0.00
TOTAL/AVERAGE				**78**	**726**	**56,630**	**$2,286**	**$2,139,600**	**$3.10**

*All averages are weighted

The potential gross rental revenue for the entire property at market rent levels is projected to be $2,139,600, which amounts to an average monthly rent of $2,286 per unit or $3.10 per square foot per month.

Comparison of Actual Rents to Market

On the following chart we compare the restricted rents for each unit type to the estimated market rent:

ACTUAL RENTS VERSUS EFFECTIVE MARKET RENTS (1)								
No.	Plan	BR	BA	Unit (SF)	Average In-Place Monthly Rent Per Unit	Average Effective Monthly Market Rent Per Unit	Actual Rent as Percent of Effective Market Rent	
1	1 BR - Low (30% AMI)	1	1.0	762.2	$954	$2,275	58.05%	below market
2	1 BR - Mod (60% AMI)	1	1.0	726.8	$1,159	$2,275	49.07%	below market
3	1 BR - Mod (80% AMI)	1	1.0	727.8	$1,576	$2,275	30.73%	below market
4	2 BR - Mod (60% AMI)	2	1.0	1,040	$1,231	$2,700	54.41%	below market
5	Super Unit	2	1.0	0	$0	$2,700	100.00%	below market
TOTAL/AVERAGE					$1,329	$2,282	41.8%	below market

(1) Effective rents reflect market rent after deductions for concessions
*All averages are weighted to reflect occupied units only

As exhibited, the restricted rents at the subject property are currently 41.8 percent below market.

Lag Adjustment

A lag adjustment is generally applied to current contract rental income on the occupied units to account for near term rollover of tenants within a complex. The lag adjustment suggests that many of the units will rollover during the first twelve months of the analysis period and would be re-leased at a higher rental rate. We foresee some rollover of units over the next twelve months that would be increase rents to the 2022 maximum rent levels. In addition, upon lease renewal, rents can legally be increased by 2.90 percent in 2022. With consideration given to the much higher 2022 maximum rents and the fact that 58 units will, at minimum, renew over the upcoming year, we have applied a lag adjustment of 2.00% for the upcoming year. This increase represents an average increase that assumes that half of the units renew or turn over in the first half of the year and half will renew or turn over in the second half of the year.

Concessions

Rental concessions are defined as a discount or other benefit offered by a landlord to induce a prospective tenant to enter into a lease. Rental concessions typically occur in slow rental markets and tend to disappear as markets tighten. Where concessions exist, it is necessary to deduct the concessions from market rents to arrive at an effective market rent. Given the strong occupancy in the market and the lack of concessions offered at this time, we have not modeled concessions in the stabilized proformas.

Non-Revenue Units

Non-revenue units can include model units or employee units. The property has one non-revenue employee unit that is provided free of charge. For properties of this size, it is fairly typical within this market to have a live-in employee. Considering the size of the subject, we project that this unit will remain non-revenue going forward. The income loss from this unit is summarized in the following table:

Non Revenue Units							
Category	**Plan Name**	**BR**	**BA**	**Unit (SF)**	**Monthly Rent Based on Rent Roll**	**Discount**	**Annual Rent Loss**
Employee Unit	Super Unit	2	1	0	$2,700	100%	$32,400
Totals:				**1,040**	**$2,700**		**$32,400**

Forecast Rental Revenue – Apartment Units

The following table summarizes the potential gross income anticipated in year one for the apartment units at the subject property.

FORECAST RENTAL REVENUE - RESTRICTED RENTS		
Rental Revenue and Adjustments		**Annual Rent**
Occupied Units (Actual)		$925,236
Plus: Lag Adjustment	2.00%	$18,505
Year One Forecast - Occupied Space		$943,741
Plus: Vacant Units (at Owner's Quoted Rents)		$292,574
Potential Gross Rental Revenue		$1,236,315
Less: Non-Revenue Units		($32,400)
Forecast Adjusted Gross Rental Revenue		$1,203,915

Compiled by Cushman & Wakefield of New Jersey, LLC

FORECAST RENTAL REVENUE - MARKET SCENARIO	
Rental Revenue and Adjustments	**Annual Rent**
Potential Gross Rental Revenue	$2,139,600
Less: Non-Revenue Units	($32,400)
Forecast Adjusted Gross Rental Revenue	$2,107,200

Compiled by Cushman & Wakefield of New Jersey, LLC

Revenue & Expense Analysis

We developed an opinion of the property's annual income and operating expenses after reviewing the Trailing 5 month statement, the owner's proforma and the operating performance of similar buildings. We analyzed each item of expense and developed an opinion of what an informed investor would consider typical.

Cushman & Wakefield, Inc. recognizes the standards defined by the CRE Finance Council as the definitive standards by which operating expense data should be analyzed. All operating statements been recast to reflect these categories, which are provided in the Glossary section of this Appraisal Report.

Our income and expense forecast is presented in the following table, followed by a discussion of each line item.

REVENUE AND EXPENSE ANALYSIS	SUBJECT PROPERTY							
	Proforma		Trailing-5 (12/1/2021 to 5/1/2022) Annualized		Cushman & Wakefield Forecast Stabilized at Restricted Rent		Cushman & Wakefield Forecast Stabilized at Market Rent	
REVENUE	**Total**	**Per Unit**	**Total**	**Per Unit**	**Total**	**Per Unit**	**Total**	**Per Unit**
Base Rental Revenue								
Actual Rent From Occupied Units	$0	$0	$0	$0	$925,236	$11,862	$0	$0
Potential Rent From Vacant Units	$0	$0	$0	$0	$292,574	$3,751	$0	$0
Lease Gain/Loss (Lag Adjustment)	$0	$0	$0	$0	$18,505	$237	$0	$0
Total Potential Gross Rental Revenue	$1,200,000	$15,385	$718,339	$9,209	$1,236,315	$15,850	$2,139,600	$27,431
Base Rent Adjustments								
Less: Employee Unit	$0	$0	$0	$0	($32,400)	($415)	($32,400)	($415)
Total Adjusted Rental Revenue	$1,200,000	$15,385	$718,339	$9,209	$1,203,915	$15,435	$2,107,200	$27,015
Parking Income Gross	$0	$0	$18,982	$243	$70,470	$903	$70,470	$903
Commercial Rent	$12,000	$154	$0	$0	$0	$0	$0	$0
Total Other Income	$32,000	$410	$7,253	$93	$19,077	$245	$19,077	$245
POTENTIAL GROSS REVENUE	$1,232,000	$15,795	$744,574	$9,546	$1,293,461	$16,583	$2,196,747	$28,163
Vacancy (Total Income)	($10,883)	($140)	$0	$0	($32,337)	($415)	($76,886)	($986)
Collection Loss (Total Income)	$0	$0	$0	$0	($6,467)	($83)	($10,984)	($141)
Total Vacancy and Collection Loss	($10,883)	($140)	$0	$0	($38,804)	($497)	($87,870)	($1,127)
EFFECTIVE GROSS REVENUE	$1,221,117	$15,655	$744,574	$9,546	$1,254,658	$16,085	$2,108,877	$27,037
OPERATING EXPENSES								
Property Insurance	$38,606	$495	$69,192	$887	$46,800	$600	$46,800	$600
Utilities	$42,000	$538	$93,566	$1,200	$62,400	$800	$62,400	$800
Repairs & Maintenance	$35,656	$457	$19,291	$247	$50,700	$650	$50,700	$650
Management Fees	$30,800	$395	$24,000	$308	$37,640	$483	$52,722	$676
Payroll & Benefits	$9,360	$120	$0	$0	$62,400	$800	$62,400	$800
General & Administrative	$6,500	$83	$20,587	$264	$23,400	$300	$23,400	$400
Replacement Reserves	$0	$0	$0	$0	$19,500	$250	$19,500	$250
Total Operating Expenses	$162,922	$2,089	$226,637	$2,906	$302,840	$3,883	$317,922	$4,076
Real Estate Taxes	$77,370	$992	$145,073	$1,860	$184,080	$2,360	$312,000	$4,000
TOTAL EXPENSES	$240,292	$3,081	$371,710	$4,766	$486,920	$6,243	$629,922	$8,076
NET OPERATING INCOME	**$980,825**	**$12,575**	**$372,864**	**$4,780**	**$767,738**	**$9,843**	**$1,478,955**	**$18,961**

(1) Year One Begins: 6/22/2022
(1) Stabilized Year Begins: 6/22/2022
Compiled by Cushman & Wakefield of New Jersey, LLC

Discussion of Revenue Items

Below is a comparison of historical and proforma data for each revenue item and our projection of income over the upcoming year.

Total Potential Gross Rental Revenue

Our forecast for Total Potential Gross Rental Revenue for the Restricted Rents scenario is based on in-place rents plus a lag adjustment and vacant units at achievable restricted rents. Our projection for the Market Rents scenario is based on all units at our projection of market rents.

TOTAL POTENTIAL GROSS RENTAL REVENUE		
	Per Unit	**Totals**
Proforma	$15,385	$1,200,000
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$9,209	$718,339
Cushman & Wakefield - Restricted Rents Scenario	**$15,850**	**$1,236,315**
Cushman & Wakefield - Market Rents Scenario	**$27,431**	**$2,139,600**

Note that the property is not stabilize, so the trailing 5 data reflects a non-stabilized property.

Total Adjusted Rental Revenue

Our projection for Total Adjusted Rental Revenue includes a deduction for a non-revenue unit.

TOTAL ADJUSTED RENTAL REVENUE		
	Per Unit	**Totals**
Proforma	$15,385	$1,200,000
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$9,209	$718,339
Cushman & Wakefield - Restricted Rents Scenario	**$15,435**	**$1,203,915**
Cushman & Wakefield - Market Rents Scenario	**$27,015**	**$2,107,200**

Parking Income

The subject has 89 parking garage spaces, two of which are assumed to be provided to the superintendent and property manager on a rent-free basis. Within this market, residential parking has an additional monthly charge. However, given the subject’s affordable status, we project that there will be additional vacancy attributed to the parking component that is over an above the standard vacancy in the building. Based on surface parking charges within Edgewater Harbor and an estimated additional vacancy factor of 10 percent, we project that the parking spaces will generate the following income:

Parking Income Estimate		
Estimated Monthly Rent		$75
Estimated Annual Rent		$900
Times # of Parking Spaces		87
Equals		$78,300
Less Additional Parking Vacancy	10%	-$7,830
Estimated Parking Income		$70,470

PARKING INCOME GROSS	Per Unit	Totals
	Per Unit	**Totals**
Proforma	$0	$0
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$243	$18,982
Cushman & Wakefield - Restricted Rents Scenario	**$903**	**$70,470**
Cushman & Wakefield - Market Rents Scenario	**$903**	**$70,470**

Total Other Income

Other revenue is generated by a variety of sources, including cable income, application fees, pet fees, lost key revenue, forfeited security deposits and other miscellaneous tenant fees. Our estimated charges and associated income, which is modified by frequency assumptions, are summarized in the following table:

Miscellaneous Income Projection					
Income Source	Fee	Total Rental Units	Gross Income Per Unit	Annual Frequency/ Vacancy	Adjusted Income
Application Fee	$65	77	$5,005	35%	$1,752
Miscellaneous Tenant Fees	$150	77	$11,550	100%	$11,550
Laundry Income	$75	77	$5,775	100%	$5,775
Total Fees					$19,077

Our estimate is summarized below:

TOTAL OTHER INCOME		
	Per Unit	**Totals**
Proforma	$410	$32,000
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$93	$7,253
Cushman & Wakefield - Restricted Rents Scenario	**$245**	**$19,077**
Cushman & Wakefield - Market Rents Scenario	**$245**	**$19,077**

Our projection for Other Income is based on typical tenant charges and laundry income modified by our frequency assumptions.

Vacancy and Collection Loss

The following table compares the subject's current occupancy rates to the subject's broader market, the submarket and directly competing properties.

VACANCY ANALYSIS		
Vacancy Statistics	**Rate**	**Building Class and Market**
Current Vacancy at Subject Property	25.6%	(Based on rent roll provided)
Regional Vacancy Statistics	2.8%	Multi-Family Class B/C - Northern New Jersey
Local Vacancy Statistics	2.3%	Multi-Family Class B/C - Bergen County
Competitive Property Vacancy Statistics	2.6%	Competitive Set

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Based on the historical occupancy of the subject, the current vacancy in the local market, and our perception of future market vacancy, we projected a global stabilized vacancy rate of 2.50 percent under the restricted scenario and 3.5 percent under the hypothetical market scenario. In addition, we have modeled a collection loss of 0.50 percent in both scenarios. After accounting for all factors, the total vacancy and collection loss amounts to 3.00 percent in the restricted rent scenario and 4.0 percent in the market scenario. For the subject property, vacancy and collection loss are applied against all income sources. In year one, vacancy and collection loss is projected to be $38,804 in the restricted rent scenario.

Discussion of Expenses

Below is a comparison of the Trailing 5 historical data, the proforma and expense data from comparable properties for each expense item and our projection of income over the upcoming year.

Property Insurance

Property insurance expenses include coverage for general liability and loss or damage to the property caused by fire, lightning, vandalism malicious mischief, additional perils fire, extended coverage and owner's liability coverage.

PROPERTY INSURANCE	
	Per Unit
Proforma	$495
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$887
Expense Comparable Low	$415
Expense Comparable High	$900
Expense Comparable Average	$636
Cushman & Wakefield - Stabilized Year 1	**$600**

Our Stabilized Year One projection for property insurance is higher than the proforma but supported by the comparable range.

Utilities

This expense category includes expenses for fuel, gas, electricity, water and sewer, trash removal and other utilities. Utilities are generally property specific and vary considerably from property to property in the subject's market based on the utilities paid by the tenant and the owner, as well as the efficiency of the HVAC systems. At the subject, tenants are separately metered for electric, which includes heat, air conditioning and cooking fuel. The landlord is responsible for hot and cold water and sewer costs. Trash removal is provided by the municipality and is included in the real estate tax payment.

UTILITIES	
	Per Unit
Proforma	$538
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$1,200
Expense Comparable Low	$501
Expense Comparable High	$1,178
Expense Comparable Average	$785
Cushman & Wakefield - Stabilized Year 1	**$800**

Our Stabilized Year One projection for utilities is higher than the proforma but supported by the comparable range.

Repairs and Maintenance

This expense category includes all expenses incurred for general repairs and maintenance, including HVAC, electrical, plumbing, safety systems and pest control/exterminating. This expense category also typically includes all outside maintenance service contracts and the cost of maintenance and repairs supplies. The historical and comparable data are detailed in the following table:

REPAIRS & MAINTENANCE	
	Per Unit
Proforma	$457
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$247
Expense Comparable Low	$649
Expense Comparable High	$1,286
Expense Comparable Average	$1,008
Cushman & Wakefield - Stabilized Year 1	**$650**

Our Stabilized Year One projection for repairs & maintenance is higher than the proforma but supported by the low end of the comparable range.

Management Fees

Management expenses typically include the costs paid for professional management services. Management services may be contracted out or provided by the property owner.

MANAGEMENT FEES	
	Per Unit
Proforma	$395
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$308
Expense Comparable Low	$0
Expense Comparable High	$937
Expense Comparable Average	$671
Cushman & Wakefield - Restricted Rents Scenario	**$483**
Cushman & Wakefield - Market Rents Scenario	**$676**

Our Affordable Scenario projection for Management Fees is based on 3.0 percent of effective gross revenue, which is supported by the comparable range. Our Market Scenario projection is based on 2.5 percent of effective gross revenue, which is market oriented.

Payroll & Benefits

This expense category includes total payroll costs for on-site management and maintenance personnel including employee salaries, bonuses, payroll taxes, insurance and other benefits.

PAYROLL & BENEFITS	
Proforma	$120
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$0
Expense Comparable Low	$400
Expense Comparable High	$1,859
Expense Comparable Average	$1,102
Cushman & Wakefield - Stabilized Year 1	**$800**

Our Stabilized Year One projection for payroll & benefits is higher than the proforma but supported by the comparable range.

General & Administrative

This expense category includes general and administrative expenses, including professional fees, legal fees, office expenses and other miscellaneous expenses.

GENERAL & ADMINISTRATIVE	
	Per Unit
Proforma	$83
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$264
Expense Comparable Low	$200
Expense Comparable High	$881
Expense Comparable Average	$468
Cushman & Wakefield - Stabilized Year 1	**$300**

Our Stabilized Year One projection for general & administrative is higher than the proforma but supported by the comparable range.

Replacement Reserves

This is an allowance that provides for the periodic replacement of building components that wear out more rapidly than the building itself and must be replaced during the building's economic life.

REPLACEMENT RESERVES	
	Per Unit
Proforma	$0
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$0
Expense Comparable Low	$0
Expense Comparable High	$390
Expense Comparable Average	$194
Cushman & Wakefield - Stabilized Year 1	**$250**

Our Stabilized Year One projection for replacement reserves is supported by the comparable range.

Real Estate Taxes

A complete discussion of taxes for the subject property is included in the Real Property Taxes and Assessments section of this report. The subject's expense is detailed in the following table.

REAL ESTATE TAXES	
	Per Unit
Proforma	$992
Purchaser's Proforma	$0
Expense Comparable Low	$1,361
Expense Comparable High	$2,752
Expense Comparable Average	$1,991
Cushman & Wakefield - Stabilized Year 1	**$2,360**
Cushman & Wakefield - Forecast Year 1	**$4,000**

Our projection for Real Estate Taxes is based on the Assessor's method for the Restricted Rent scenario and tax comparables for the Market Rate scenario.

Operating Expense Conclusion

We forecast total operating expenses for the subject property, excluding real estate taxes, to be $3,883 per unit for the Restricted Rents scenario and $4,000 per unit for the Market Rents scenario. The operating expense comparisons presented in the following section support our opinion of operating expense conclusion for the subject property.

TOTAL EXPENSES EXCLUDING REAL ESTATE TAXES AND RESERVES	
	Per Unit
Proforma	$2,089
Trailing-5 (12/1/2021 to 5/1/2022) Annualized	$2,906
Expense Comparable Low	$3,506
Expense Comparable High	$6,688
Expense Comparable Average	$5,014
Cushman & Wakefield - Restricted Rents Scenario	**$3,883**
Cushman & Wakefield - Market Rents Scenario	**$4,076**

Our projection for Total Expenses for the Restricted Rents scenario, excluding real estate taxes, is higher than the proforma but supported by the comparable range. Our projection for Total Expenses for the Market Rents scenario, excluding real estate taxes, is supported by the comparable range.

Expense Analysis Conclusion

The following table illustrates detailed expense levels for the buildings that have varying degrees of similarity to the subject property in terms of property type, age, size and quality. Due to less regulatory requirements for COAH buildings, we researched expenses for a mix of mid-rise, market rate properties with limited amenities and tax credit properties to help us project reasonable expenses for the upcoming year. These properties are detailed on the following page:

	SUBJECT PROPERTY	COMPARABLES REVENUE AND EXPENSE ANALYSIS							
Property City	Edgewater	Newark	Hackensack	Rahway	Garfield	Little Ferry	Newark	Flanders	
Property County	Bergen	Essex	Bergen	Union	Bergen	Bergen	Essex	Morris	
Property State	New Jersey	NJ	NJ	NJ	NJ	NJ	NJ	NJ	
Building Size (Units)	78	84	88	109	79	85	89	57	Min, Max and Average
Year Built	2021	2020	2020	2013	2023	2022	2018	2018	
Property Sub-Type	Mid/High-Rise	Mid/ High-Rise	Mid/ High-Rise	Mid/ High-Rise	Mid/ High-Rise	LIHTC Tax Credits	LIHTC Tax Credits	LIHTC Tax Credits	
Number of Stories	6	5	5	5	5	3	4	3	
Year of Record		2021	2022	2021	2023	2022	2020	2021	
Actual/Budget/Annualized		Actual	Budget	Budget	Budget	Actual	Budget	Actual	

	Cushman & Wakefield Forecast Stabilized (1)		Comp1		Comp2		Comp3		Comp 4		Comp 5		Comp 6		Comp 7		Min	Max	Average
	Per Unit	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**Per Unit**	**Per Unit**
EFFECTIVE GROSS REVENUE	$16,085	100%	$26,768	100%	$29,487	100%	$22,124	100%	$24,609	100%	$12,592	100%	$12,453	100.00%	$14,556	100.00%	$12,453	$29,487	$20,370
OPERATING EXPENSES																			
Property Insurance	$600	3.73%	$478	1.79%	$415	1.41%	$501	2.27%	$701	2.85%	$900	7.15%	$794	6.37%	$664	4.56%	$415	$900	$636
Utilities	$800	4.97%	$781	2.92%	$501	1.70%	$661	2.99%	$760	3.09%	$904	7.18%	$710	5.70%	$1,178	8.09%	$501	$1,178	$785
Repairs & Maintenance	$650	4.04%	$649	2.42%	$950	3.22%	$1,121	5.07%	$1,286	5.23%	$881	7.00%	$992	7.97%	$1,179	8.10%	$649	$1,286	$1,008
Management Fees	$483	3.00%	$937	3.50%	$840	2.85%	$0	0.00%	$643	2.61%	$744	5.91%	$747	6.00%	$786	5.40%	$0	$937	$671
Payroll & Benefits	$800	4.97%	$536	2.00%	$400	1.36%	$1,155	5.22%	$468	1.90%	$1,500	11.91%	$1,859	14.93%	$1,793	12.32%	$400	$1,859	$1,102
Advertising & Marketing	$0	0.00%	$179	0.67%	$0	0.00%	$116	0.52%	$0	0.00%	$0	0.00%	$0	0.00%	$49	0.34%	$0	$179	$49
General & Administrative	$300	1.87%	$277	1.03%	$200	0.68%	$268	1.21%	$281	1.14%	$600	4.77%	$769	6.17%	$881	6.05%	$200	$881	$468
Replacement Reserves	$250	1.55%	$278	1.04%	$200	0.68%	$0	0.00%	$187	0.76%	$390	3.10%	$300	2.41%	$0	0.00%	$0	$390	$194
Total Operating Expenses	$3,883	24.14%	$4,114	15.37%	$3,506	11.89%	$4,016	18.15%	$4,325	17.58%	$5,919	47.01%	$6,688	53.71%	$6,530	44.86%	$3,506	$6,688	$5,014

(1) Fiscal Year Beginning 6/22/2022
Fiscal Year Ending: 6/21/2023

Compiled by Cushman & Wakefield of New Jersey, LLC

The seven expense comparables reflect operating expenses (excluding real estate taxes) ranging from $3,506 to $6,688 with an average of $5,014 per unit. Excluding real estate taxes and reserves, the comparables reflect operating expenses that range from $3,506 to $6,688 with an average of $5,014 per unit. In our judgment, a reconciled expense figure of $3,883 per unit (excluding real estate taxes) is reasonable for the subject property given its age, size, condition and level of amenities. Excluding real estate taxes, our estimate reflects an operating expense ratio of 24.14 percent of effective gross income, which is supported by the comparable range.

Income and Expense Pro Forma – Restricted Rents Scenario

The following chart summarizes our opinion of income and expenses for year one of the Restricted Rents Scenario, which is the first stabilized year in this analysis.

SUMMARY OF REVENUE AND EXPENSES				
Stabilized Year For Direct Capitalization:		**Year One**		
REVENUE	**Adjustments**	**Annual**	**$/Per Unit**	**% of EGI**
Base Rental Revenue				
Actual Rent From Occupied Units		$925,236	$11,862	
Potential Rent From Vacant Units		$292,574	$3,751	
Lease Gain/Loss (Lag Adjustment)	2.00%	$18,505	$237	
Total Base Rental Revenue		$1,236,315	$15,850	
Base Rent Adjustments				
Less: Employee Unit		($32,400)	($415)	
Total Base Rent Adjustments		$1,203,915	$15,435	
Parking Income Gross		$70,470	$903	
Other Income		$19,077	$245	
POTENTIAL GROSS REVENUE		**$1,293,461**	**$16,583**	
Vacancy (Total Income)	2.50%	($32,337)	($415)	
Collection Loss (Total Income)	0.50%	($6,467)	($83)	
EFFECTIVE GROSS REVENUE		**$1,254,658**	**$16,085**	**100.00%**
OPERATING EXPENSES				
Property Insurance		$46,800	$600	3.73%
Utilities		$62,400	$800	4.97%
Repairs & Maintenance		$50,700	$650	4.04%
Management Fees		$37,640	$483	3.00%
Payroll & Benefits		$62,400	$800	4.97%
General & Administrative		$23,400	$300	1.87%
Replacement Reserves		$19,500	$250	1.55%
Total Operating Expenses		**$302,840**	**$3,883**	**24.14%**
Real Estate Taxes		$184,080	$2,360	14.67%
TOTAL EXPENSES		**$486,920**	**$6,243**	**38.81%**
NET OPERATING INCOME		**$767,738**	**$9,843**	**61.19%**

Compiled by Cushman & Wakefield of New Jersey, LLC

Investment Considerations

Before determining the appropriate risk rate(s) to apply to the subject, a review of recent market conditions, particularly in the financial markets, is warranted. The following subsection provides review of these trends, ending with a summary of the investment considerations impacting the subject property. The trends are based upon the appraiser's market research, discussions with participants in the market, and the relative position of the subject property within its market.

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. Since its onset in March 2020, the COVID-19 pandemic has had a dramatic effect on both of these factors as the market navigated actual and perceived impact. We observed asset classes experiencing various impacts, both positive and negative. We observed that asset values can fall significantly in short periods of time if either demand or liquidity, often in conjunction with many other factors, change significantly. We also observed asset values rise based on new-found demand for sector or property characteristics. Either through empirical data or COVID fatigue, society and the market are perceiving that we are near the end of the pandemic. Restrictions continue to be lifted and activities, such as travel and dining, are returning to pre-pandemic levels. We are observing stabilizing trend lines in most asset classes as we see the effects of vaccinations and approach herd immunity. In spite of the threat of new variants, the uncertainty of the early months of the pandemic has been replaced with clearer expectations and forecasts of asset class and individual property performance. Of course, some uncertainty exists in most property types in terms of forecast demand, to varying degrees. As we have throughout the pandemic, Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic and recovery and its effect on the subject and its market.

Overview

The recession that began in March 2020, triggered by the COVID-19 pandemic, was short and steep. In 2021 the economy continued to recover, however, midway through the year, fears of inflation and the Delta variant resulted in continued economic uncertainty. At 5.7%, economic expansion saw its largest annual increase since 1984. While this figure is impressive, it is also indicative of the damage caused by the coronavirus the prior year. At the end of April 2022, the Centers for Disease Control (CDC) announced that we have transitioned out of the “acute component of the pandemic phase,” and moved on to a more controlled phase. They did, however, warn that the BA.2 Omicron variant would continue to be disruptive, that eradicating the virus was unlikely, and that efforts were now concentrated around keeping infections as low as possible.

For the first three months of 2022, lingering effects from the pandemic continued to affect global supply chains and labor markets, causing the economy to contract by 0.4%, or by 1.4% on an annualized basis. This is a sharp decline from the 1.7% growth (6.9% annualized) for the last three months of 2021 and marks the weakest quarter since the beginning of the pandemic. The largest drag on the economy (more than 3 percentage points) was the trade deficit as consumers bought more foreign goods than American exports overseas. While these figures indicate that the economy is facing challenges, many fundamentals remain solid. In fact, consumer spending grew by 0.7% in the first quarter, and stripping out the effects of inventory and trade, growth was 0.6%, a modest acceleration from the end of 2021.

The war in Ukraine, rising interest rates, high inflation, and lockdowns in China, are not affecting commercial property sales, or at least not yet. For first quarter 2022, commercial property sales volume climbed 56% over the same time last year. Retail led the pack with a year-over-year increase of 102%, followed by hotel at 71% and office at 59%. It is important to keep in mind, however, that the commercial property transaction process takes a couple of months, so the activity through the end of March likely reflects sentiment from the beginning of the year. Any fallout around more recent uncertainties would become more apparent by the end of second quarter 2022.

Further considerations include:

- U.S. Consumer Confidence eased in April 2022 as the views on current conditions slightly worsened. For April 2022 the index fell to 107.3 from an upwardly revised reading of 107.6 in March 2022.
- Retail sales rose 0.5% in March 2022, below the upwardly revised 0.8% rise in February as well as the forecasted 0.6% estimate, as inflation hindered consumer spending. The two categories that had the largest impact on the index were food and energy at 8.8% and 6.9%, respectively.

- The Consumer Price Index rose 8.3 % through April 2022, easing slightly from 8.5% in March, but still ahead of the 8.1% estimate. Core CPI, which excludes food and energy, also rose higher than expected at 6.2%.
- In 2021, U.S. stocks rose 25.8%, however stocks lost ground in the first quarter of 2022, dropping by 5.3% overall, and showing a 4.6% decline for the S&P 500 and about a 9% drop for the Nasdaq Composite. In April 2022, the S&P dropped 13%, experiencing its worst month since March 2020.
- On June 16. 2022, the Federal Reserve raised the interest rate by 0.75%, the third time this year and the largest hike since 1994. The Federal Reserve now expects the benchmark rate to end the year at 3.5%, and upward revision of 1.5 percentage points from the March 2022 estimate.

That being said, it is important to take in mind that data lags, and industry participants are still trying to accurately determine the pandemic's current effects on the commercial real estate market. In other sections of the report, we will discuss these effects and impacts on the immediate market and subject property in as much detail as possible. Therefore, we ask that you consider the following points:

- Early in the COVID-19 pandemic, most non-essential businesses shut down, causing significant disruption in the economy. As businesses continue to adjust to the realities and complexities of the pandemic, some are not returning, or are returning in a different capacity.
- Certain property types have been more heavily impacted than others, with some asset classes benefiting from the COVID environment. Broadly speaking, cap rates compressed, and price growth improved significantly in 2021, however, this is not true for every property or asset class.
- Investment activity picked up significantly throughout 2021 and has now reached pre-pandemic levels. We anticipate this growth to continue throughout 2022.
- Inflation is expected to continue to rise through the end of the year and will begin tapering back in 2023, however, it has not yet manifested into actual deal metrics. Market experts agree that we are in a sellers' market and expect to remain in one for the foreseeable future, as there remains ample money sitting on the sidelines waiting to be deployed.

As mentioned earlier, COVID is now endemic; the once-novel coronavirus, COVID-19, will remain circulating and mutating, primarily remaining a threat to vulnerable population groups. In the meantime, businesses here in the US are now operating much as they did pre-pandemic. The economy, however, will continue to be impacted by the virus, mostly through supply chain issues like the current lockdowns in China that are now occurring. Other significant challenges facing the economy will come from interest rate hikes, inflation, and global uncertainty surrounding the war in Ukraine.

Economic Conditions & Current Trends

For the past two years, economic growth in the U.S. has been volatile. GDP approached 7% in second quarter 2021, fell to less than 2.5% in the third quarter, then went back up to nearly 7% for the last three months of the year. For first quarter of 2022 GDP fell by 1.4%, the first decline since the early days of the pandemic. Some of the volatility can be directly linked to the numerous COVID-19 waves, however, other factors such as inventory accumulation, also played a role. Further compounding recent events was the Russian invasion of Ukraine in February 2022 which caused oil, natural gas, agricultural, and metal prices to surge. These events also coincided with the highest inflation in 40 years, caused by pandemic disruptions to supply chains and labor markets. Further exacerbating this are the current lockdowns in China which are also heavily contributing to a new wave of supply chain disruptions.

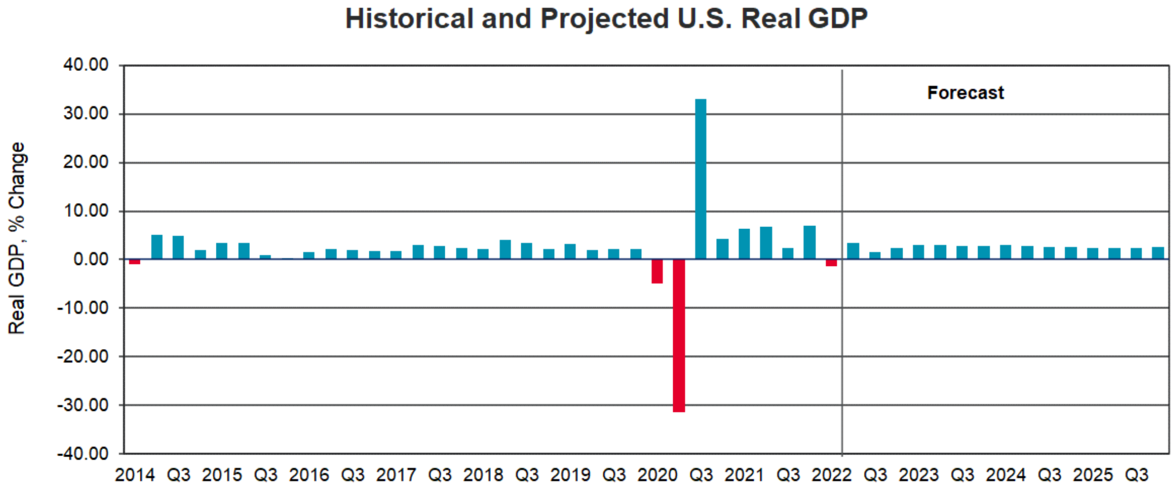
Although growth will slow this year, the economy should remain near full employment throughout the year and inflation should ease as well. In April 2022, the economy added 428,000 jobs, surpassing expectations and slightly higher than consensus. By comparison, prior to the pandemic, job gains were averaging about 200,000 per month. The positive job gains so far this year also mean that the labor market needs to add a bit more than 1 million more jobs to reach its pre-pandemic peak, something that experts believe can easily happen by summer. Moody's expects the employment rate to fall to 3.3% by the end of 2022, however, earnings growth of 5.5% is insufficient to keep up with inflation.

Higher interest rates will help slow the economy's growth and ultimately ease inflation through multiple channels, most notably via the highly rate sensitive housing and mortgage markets. In fact, fixed mortgage rates have risen surprisingly quickly in response to the Fed's aggressive moves. Still, the outlook for the year remains risky. The Russia-Ukrainian war has now surpassed potential virus waves as the main threat, and both can upset supply chains and keep interest rates at historically high levels. On top of that, the housing market appears overvalued, high consumer prices are putting a strain on consumers and hurting confidence. However, there are upside risks as well, most notably the huge amount of cash consumers have saved since the onset of the pandemic. Additionally, wages could rise more rapidly than expected, lifting household income, and spending along with it.

Further considerations are as follows:

- In March 2020, the Coronavirus Aid Relief and Economic Security, or CARES Act, was passed by Congress and signed by President Trump. The bill was intended to provide emergency assistance and health care for individuals, families and businesses affected by the COVID-19 pandemic. Totaling $2 trillion, the bill was unprecedented in size and scope, dwarfing the $831 billion stimulus act passed in 2009, and amounting to 10% of total 2019 U.S. GDP.
- On December 27, 2020, President Trump signed The Consolidated Appropriations Act of 2021 into law. One of the largest spending bills ever enacted, the $2.3 trillion spending bill combined $900 billion in stimulus relief with a $1.4 trillion omnibus spending bill for the 2021 federal fiscal year.
- On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARP) into law. The bill was a $1.9 trillion economic stimulus designed to speed up the recovery from the health effects of the pandemic and the ongoing recession.
- The three major vaccines (Pfizer, Moderna and Johnson & Johnson) were all granted emergency use authorization in late 2020 and early 2021. In August 2021, the FDA approved the first COVID-19 vaccine which was known as the Pfizer-BioNTech COVID-19 Vaccine but is now being marketed as Comirnaty. A third vaccine shot, a booster shot, was approved in fall 2021, and a fourth one may be forthcoming this year.
- As of early 2022, President Biden's two other proposed parts to his Build Back Better Plan, the American Jobs Plan and the American Families Plan, appear to have come to a halt due to a Congressional stalemate. President Biden's administration has instead turned its focus on passing the climate change portion of the Plan. This piece would provide about $320 billion in tax credits for producers and investors in wind, solar and nuclear power, and would extend tax credits for those who purchased electric vehicles. Further, it intends to lower energy costs for homeowners, at up to 30%, for those who installed solar panels, geothermal pumps, and small wind turbines.
- On March 16, 2022, the Federal Open Market Committee (FOMC) voted to raise the federal funds rate by 25 basis points. Updated projections from the FOMC suggest that six additional rate hikes, each at about 25 basis points are expected by year end, with three more expected to occur in 2023.
- On February 24, 2022, Russia launched a full-scale invasion of Ukraine. Since then, the global oil market has been thrown into turmoil and has experienced unprecedented volatility. The Russian-Ukrainian War will have further impacts on the global supply chain in the coming year, particularly with wheat exports as both Russia and Ukraine export about 30% of the global wheat supply.

The following graph displays historical and projected U.S. real GDP percentage change (annualized on a quarterly basis) from first quarter 2014 through fourth quarter 2025:



Source: Historical Data Courtesy of the Bureau of Economic Analysis, Forecast Data Courtesy of Moody's Analytics

Further points regarding current economic conditions are as follows:

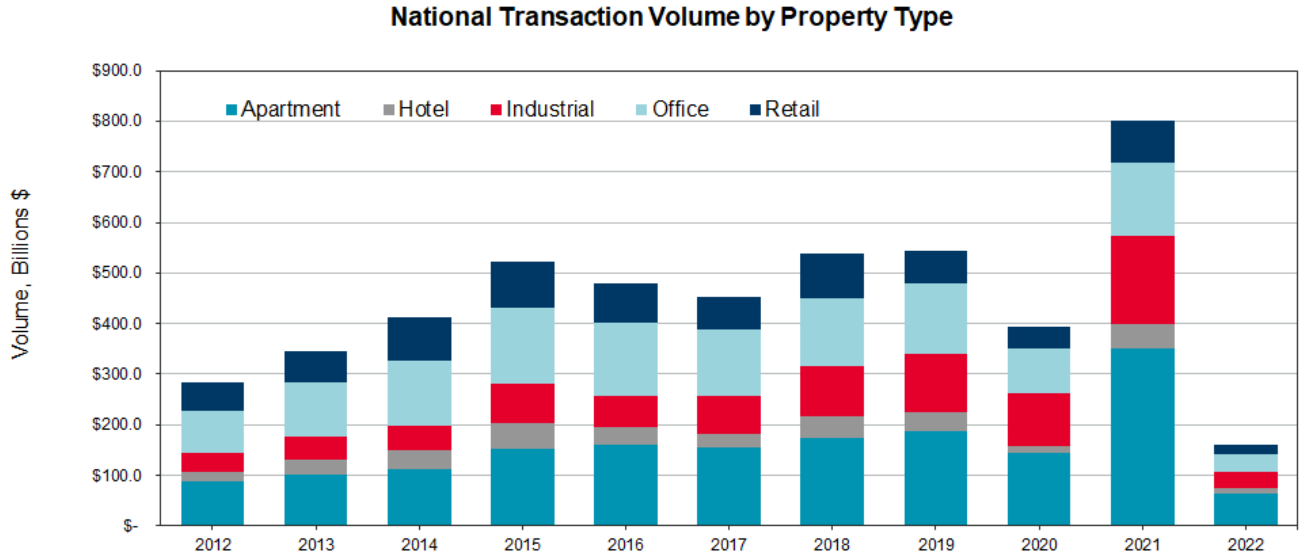
- Through first quarter 2022, GDP decreased 1.4% according to the Bureau of Economic Analysis' advanced estimate. First quarter 2022 ended the U.S. economy run of growth over the last six quarters behind increased vaccinations and eased restrictions in public settings across the nation. Furthermore, GDP is expected to face pressure throughout the rest of the year as supply chain disruptions and rising inflation continues.
- Commercial and multifamily mortgage loan originations increased 79% in fourth quarter 2021 (latest data available) when compared to the fourth quarter of 2020, according to the Mortgage Bankers Association's Quarterly Survey of Commercial/Multifamily Mortgage Bankers. In line with seasonality trends, loan originations between October and December 2021 were 44% higher than third quarter 2021.
- Commercial mortgage-backed securities (CMBS) have been spurred by measured investment sales activity and stable credit spreads. Commercial Mortgage Alert data indicates that U.S. CMBS issuance through April 2022 was 45.4% higher when compared to CMBS issuance during the same period in 2021. At the end of April 2022, Commercial Mortgage Alert data indicates that U.S. CMBS issuance sat at approximately $37.7 billion.

U.S. Real Estate Market Implications

Through first quarter 2022, overall deal volume totaled almost $161.6 billion. According to Real Capital Analytics (RCA), first quarter 2022 deal volume increased 56% from the previous year. Looking at individual property types, year-over-year transaction volume was up 59% for the office sector, 102% for retail, 50% for industrial, 71% for hotel and 56% for the apartment market.

Digging a bit deeper, portfolio and single asset deals were up 50% and 58%, respectively, from first quarter 2021. Individual assets are where the market is rebounding. In the first quarter of 2022, there were $126.1 billion in individual asset sales, while portfolio deals totaled $44.7 billion. Over the next few months, the U.S. real estate market will monitor the uncertainty surrounding rising interest rates, inflation and the war in Ukraine and its potential impacts on deal volume and pricing.

The following graph compares national transaction volume by property type from 2012 through 2022:



Source: Real Capital Analytics

According to the PricewaterhouseCoopers (PwC) Real Estate Investor Survey, average cap rates for all property types increased in 11 survey markets, decreased in 15, and held steady in nine through second quarter 2022 (in a quarterly comparison). When compared to the previous year, 91% of the market averages are lower today than they were a year ago, with 26 markets posting double-digit decreases. Additionally, for all markets, the average cap rate change is a four basis-point decline over last quarter.

The following chart displays an overall cap rate analysis of six distinct property classes during fourth quarter 2021, and compares them to the same time last year:

Overall Cap Rate Analysis			
Second Quarter 2022			
Asset Class	**Q2 2022**	**Q2 2021**	**Basis Point Change**
CBD Office	5.70%	5.78%	-8
Suburban Office	6.03%	6.22%	-19
National Warehouse	4.37%	4.77%	-40
National Apartment	4.45%	4.96%	-51
National Regional Mall	7.23%	7.40%	-17
National Net Lease	5.95%	6.28%	-33

Source: PwC Real Estate Investor Survey and Cushman & Wakefield Valuation & Advisory

Notable points for the U.S. real estate market include:

- Annual price growth in the six major metro areas as defined by RCA (Boston, Chicago, Los Angeles, New York, San Francisco, and Washington DC), rose 12.7% in a year-over-year comparison through the end of first quarter 2022, according to RCA, while annual price growth in the non-major metros rose by 10.6% over the same time frame.

- Approximately 25% of participants in the PwC Real Estate Investor Survey believe that current market conditions favor buyers in the national net lease market, and investor demand has increased in the industrial net lease sector especially. Investors believe the net lease market is overpriced and they will look to sell off excess net lease office assets given current market conditions. Additionally, inflation, combined with a lack of for-sale net lease assets, is expected to keep deal activity low through the near term.
- The national warehouse and national apartment markets recorded the largest yearly cap rate shift, falling 40 basis points and 51 basis points, respectively.
- At 7.5%, the Chicago office market average cap rate fell by 11 basis points from the previous year and is still the highest in the country, while the Manhattan office market, at 5.1%, holds the lowest cap rate, falling 15 basis points from first quarter 2021.
- Over the next six months, surveyed investors foresee overall cap rates holding steady in 27 of 33 markets, however, Austin and Seattle have varied expectations for cap rates over the same term.

Conclusion

Despite the many obstacles that arose, it took about 20 months for the economy to fully recover from the pandemic's first blow. Now, once again, the economy is facing headwinds due to the Russian-Ukrainian war in Europe, high inflation, subsequent COVID waves, and supply chain issues caused by a combination of these factors. The Federal Reserve is tackling the inflation issue head-on, employment data is good, investment is robust, but the stock market's recent performance, consumer confidence and a possibly overvalued housing market are casting a shadow and will likely continue to damper growth, at least somewhat, this year.

Below are notes regarding the outlook for the U.S. national real estate market for early 2022 and beyond:

- Since last year, investment activity is up, and cap rates are down, overall. That said, some property types are still faring better, with industrial and multifamily leading the pack.
- Oil and gas prices remain volatile, causing concerns across the globe as tensions mount due to the crisis in Ukraine. The U.S. and Canada have banned Russian oil imports, although other countries in Western Europe are still hesitant to do so given their Russian oil dependency.
- While GDP fell by 1.4% for first quarter 2022, final sales of domestic product, which strips out trade and inventory components, increased at an annualized 2.6%, an improvement from 1.7% in first quarter, a positive sign for the remainder of the year.

In addition to the above, factors listed in the following table have been considered in the valuation of the subject property and have an impact on the selection of all investor rates.

INVESTMENT CONSIDERATIONS	
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently stable.
Property Rating:	After considering all physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is good.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

Investor Survey Trends

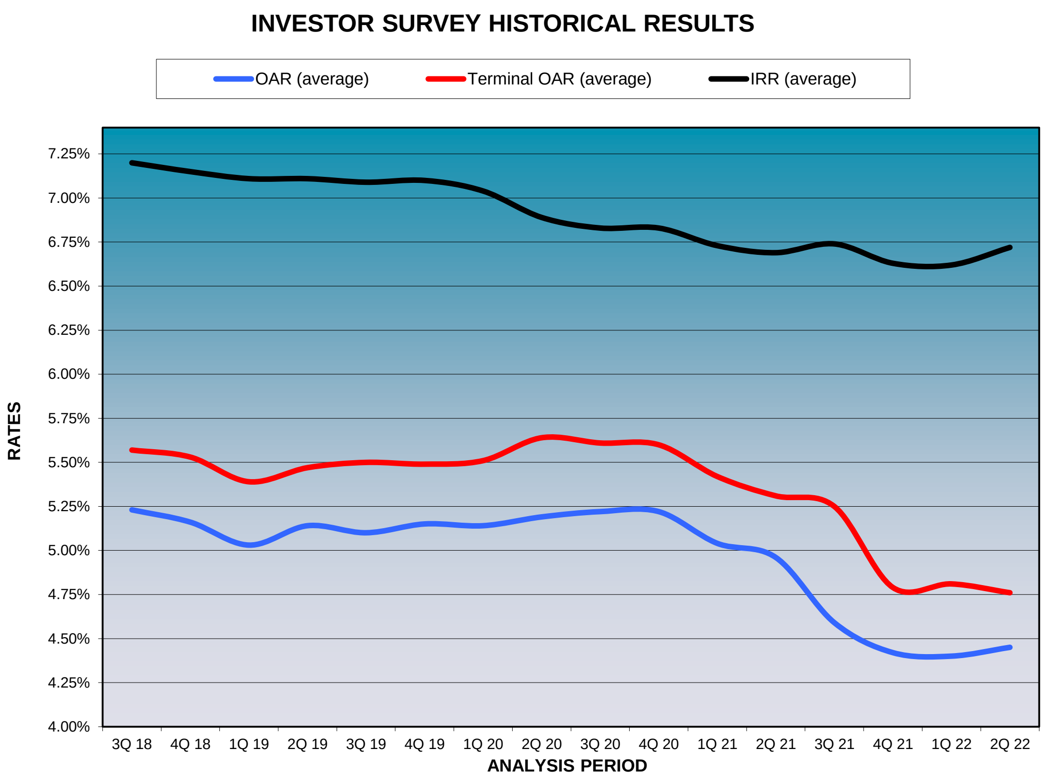
The following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.

INVESTOR SURVEY HISTORICAL RESULTS

Survey: PwC **End Quarter:** 2Q 22

Property Type: NATIONAL APARTMENT

Quarter	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22
OAR (average)	5.23%	5.16%	5.03%	5.14%	5.10%	5.15%	5.14%	5.19%	5.22%	5.22%	5.04%	4.96%	4.59%	4.42%	4.40%	4.45%
Terminal OAR (average)	5.57%	5.53%	5.39%	5.47%	5.50%	5.49%	5.51%	5.64%	5.61%	5.60%	5.42%	5.31%	5.25%	4.79%	4.81%	4.76%
IRR (average)	7.20%	7.15%	7.11%	7.11%	7.09%	7.10%	7.04%	6.89%	6.83%	6.83%	6.73%	6.69%	6.74%	6.63%	6.62%	6.72%



Source: PwC Real Estate Investor Survey

As the chart illustrates, overall return requirements cited by investors declined to historic lows in first quarter 2022 and then ticked up slightly in second quarter 2022. Discount rates also decreased to historic lows due to the low interest rate environment, which had driven investors to accept lower returns. Discount rates also ticked up slightly in second quarter as inflation fears and potential interest rate hikes have driven investors to require higher returns.

Capitalization Rate from Investor Surveys

We considered data extracted from the Investor Survey for institutional grade assets. Previously, we presented historical capitalization rates for the prior four-year period. The most recent information from this survey is listed in the following table:

CAPITALIZATION RATES			
Survey	**Date**	**Range**	**Average**
PwC Institutional	Second Quarter 2022	3.00% - 7.00%	4.45%
PwC Noninstitutional	Second Quarter 2022		5.75%
Market Participants		5.00% - 5.75%	5.38%

PwC Institutional - Refers to National Apartment market regardless of class or occupancy
PwC Noninstitutional - Reflects the average rate for this property type, adjusted by the average premium

Capitalization Rate Analysis

On the following pages we discuss the process of how we determine an appropriate overall capitalization rate to apply to the subject's forecast net income.

Capitalization Rate from Comparable Sales

The capitalization rates extracted from comparable sales data used in the Sales Comparison Analysis are summarized below:

No.	Name and Location	Year Built	Sale Date	Capitalization Rate
1	Medford Landing 500 Addison Place Medford, NY	2002	12/2021	4.24%
2	Eagle View Apartments 402 Market St Monroe Township, NJ	2019	11/2021	5.75%
3	Highland Avenue Senior Apartments 34 Highland Avenue Yonkers, NY	2008	8/2021	4.35%
4	Heritage at Piscataway Begonia Court Piscataway, NJ	2014	9/2019	5.00%
5	Centennial Court 100 North Main Street Wharton, NJ	1997	12/2017	5.44%
STATISTICS				
Sample Size			5	5
Low			12/2017	4.24%
High			12/2021	5.75%
Median			8/2021	5.00%
Average			8/2020	4.96%

Compiled by Cushman & Wakefield of New Jersey, LLC

The comparable sales show capitalization rates that range from 4.24 to 5.75 percent, with an average of 4.96 percent and a median of 5.00 percent. The subject is in new condition and is located in a market with high occupancy rates and a high demand for affordable housing due to its proximity to Manhattan. Sales 1 and 3 are superior to the subject in terms in location and Sales 2, 4 and 5 are inferior. In terms of property type, the subject is most similar to Sales 2 and 4 in terms of age and the fact that these properties are the affordable components of larger properties that are subject to COAH regulations. Due to the significant increases in maximum rents released in April 2022 for COAH buildings, the subject currently has significant upside income potential when units are vacated. Overall, it is our opinion that the comparable sales suggest an overall capitalization rate of 5.25 percent reflects reasonable investor expectations of return given the subject's potential upside.

Discussions With Market Participants

A previous conversation with a capital markets broker at Matt Weilheimer, Executive Vice President at The Kislak Company, Inc. who has been involved in multiple sales of affordable properties in recent times. He indicated that capitalization rates for affordable properties in Northern and Central New Jersey range from 5.00 to 5.75 depending on the circumstances of each sale. These rates support our conclusion based on recent sale data.

Capitalization Rate Conclusion

The subject is an investment-grade asset in a location that has good access to local and regional employment centers and strong occupancy rates. The indications from our research are summarized as follows:

CAPITALIZATION RATE SUMMARY	
Conclusion Based on Comparable Sales	5.25%
PwC Institutional	4.45%
Market Participants	5.00 to 5.75%
Conclusion	5.25%

Compiled by Cushman & Wakefield of New Jersey, LLC

We believe that data derived from market sales, which was supported by our discussions with market participants, most clearly reflects current market investment parameters. Given the property attributes and prevailing market return rates, we conclude to a market-based capitalization rate of 5.25 percent.

Direct Capitalization Method Conclusion

In the Direct Capitalization Method, we developed an opinion of market value by dividing year one net operating income by our selected overall capitalization rate. Our conclusion using the Direct Capitalization Method is as follows:

DIRECT CAPITALIZATION METHOD		
Prospective Market Value Upon Stabilization		
NET OPERATING INCOME	**$767,738**	**$9,843**
Sensitivity Analysis (0.25% OAR Spread)	**Value**	**$/Per Unit**
Based on Low-Range of 5.00%	$15,354,756	$196,856
Based on Most Probable Range of 5.25%	$14,623,577	$187,482
Based on High-Range of 5.50%	$13,958,869	$178,960
Indicated Value	$14,623,577	$187,482
PLUS Prospective Value of the Tax Savings	$2,100,000	$26,923
Adjusted Value	$16,723,577	$214,405
Rounded to nearest $100,000	**$16,700,000**	**$214,103**

APPLICATION TO SUBJECT		
Market Value As Is		
Prospective Market Value Upon Stabilization	**$16,723,577**	**$214,405**
LESS Lease Up Costs	($41,353)	($530)
Indicated Value	$16,682,224	$213,875
Rounded to nearest $100,000	**$16,700,000**	**$214,103**

Compiled by Cushman & Wakefield of New Jersey, LLC

A complete discussion of lease up costs is found in the Sales Comparison Approach. As noted previously, projected remaining lease up costs are limited enough to be lost in rounding.

Hypothetical Valuation

Per the scope of this assignment, we have valued the subject based on the hypothetical condition that the property is operated as a market rate property and all units are leased at market rents.

The Net Operating Income under the Hypothetical Valuation scenario differs from our As Is valuation proforma on several lines in the proforma as follows:

Income From All Units at Market Rents

The income from all units at our projection of market rent is summarized in the table below:

CUSHMAN & WAKEFIELD - PROJECTED MARKET RENTS & POTENTIAL RENT AT MARKET (ALL UNITS)									
No.	Plan	BR	BA	Total Units	Unit (SF)	Total SF	Cushman & Wakefield Market Rent Estimate	Potential Gross Rent (Before Concessions)	Potential Average Monthly Rent $/SF
1	1 BR - Low (30% AMI)	1	1.0	9	762	6,860	$2,275	$245,700	$2.98
2	1 BR - Mod (60% AMI)	1	1.0	31	727	22,530	$2,275	$846,300	$3.13
3	1 BR - Mod (80% AMI)	1	1.0	36	728	26,200	$2,275	$982,800	$3.13
4	2 BR - Mod (60% AMI)	2	1.0	1	1,040	1,040	$2,700	$32,400	$2.60
5	Super Unit	2	1.0	1	0	0	$2,700	$32,400	$0.00
TOTAL/AVERAGE				**78**	**726**	**56,630**	**$2,286**	**$2,139,600**	**$3.10**

*All averages are weighted

- Vacancy is project to be 3.5 percent.
- Management fees are projected to be 2.5 percent of Effective Gross income.
- General and administrative expenses are estimated to be $400 per unit including advertising expenses.

Hypothetical Market Rate Proforma

Our concluded Hypothetical proforma is depicted below:

HYPOTHETICAL PROFORMA AS IF LEASED AT MARKET RENTS				
Stabilized Year For Direct Capitalization:				
REVENUE	**Adjustments**	**Annual**	**$/Per Unit**	**% of EGI**
Total Base Rental Revenue		$2,139,600	$27,431	
Base Rent Adjustments				
Less: Employee Unit		($32,400)	($415)	
Total Base Rent Adjustments		$2,107,200	$27,015	
Parking Income Gross		$70,470	$903	
Other Income		$19,077	$245	
POTENTIAL GROSS REVENUE		**$2,196,747**	**$28,163**	
Vacancy (Total Income)	3.50%	($76,886)	($986)	
Collection Loss (Total Income)	0.50%	($10,984)	($141)	
EFFECTIVE GROSS REVENUE		**$2,108,877**	**$27,037**	**100.00%**
OPERATING EXPENSES				
Property Insurance		$46,800	$600	2.22%
Utilities		$62,400	$800	2.96%
Repairs & Maintenance		$50,700	$650	2.40%
Management Fees		$52,722	$676	2.50%
Payroll & Benefits		$62,400	$800	2.96%
General & Administrative		$23,400	$300	1.11%
Replacement Reserves		$19,500	$250	0.92%
Total Operating Expenses		**$317,922**	**$4,076**	**15.08%**
Real Estate Taxes		$312,000	$2,360	14.79%
TOTAL EXPENSES		**$629,922**	**$8,076**	**29.87%**
NET OPERATING INCOME		**$1,478,955**	**$18,961**	**70.13%**

Compiled by Cushman & Wakefield of New Jersey, LLC

Capitalization Rates from Comparable Market Rate Sales

The following table is a summary of recent market rate sales transactions in Northern New Jersey:

SUMMARY OF IMPROVED SALES - Hypothetical Market Value

PROPERTY INFORMATION						TRANSACTION INFORMATION									
No.	**Property Name Address, City, State**	**Land (SF)**	**Year Built**	**No. of Units**	**Average Unit Size**	**Grantor**	**Grantee**	**Sale Date**	**Sale Price**	**$/Unit**	**NOI/Unit**	**OAR**	**Occup.**	**Comments**
S	Subject Property	58,520	2021	78	726									
1	Confidential Confidential Parsippany, NJ	168,142	2018	212	907	Confidential	Confidential	May-22	$82,500,436	$389,153	$17,201	4.42%	97%	This is the contract of sale of a class A apartment building that is partially visible from Interstate 80 but not visible from Route 46, the primary local thoroughfare. Units feature stainless steel, fully equipped kitchens with quartz countertops, luxury cabinetry with soft close drawers, removable islands with quartz counter tops, vinyl wood plank flooring in kitchens, living areas and bathrooms, carpeting in bedrooms, tub/shower combinations and glass stall showers with tile surrounds, walk-in closets, in-unit washer/dryers and private patios and balconies in select units. Property amenities include a fitness center with yoga studio, outdoor pool and sun deck with lounge seating, fire pits and grilling stations, a club room with a bar, TVs, billiards and shuffleboard table, business center, private offices, conference rooms, dry cleaning drop-off services, car vacuum area, bike storage, dog washing station and garage parking.
2	Bella at Bergenfield 15 West Johnson Avenue Bergenfield, NJ	26,572	2020	62	869	HR BERGENFIELD, LLC	ALBARELLI HACKENSACK ASSOCIATES LP	Apr-22	$22,500,000	$362,903	$17,056	4.70%	100%	This is the sale of a mid-rise apartment building. Units feature fully equipped kitchens with stainless steel appliances, quartz countertops and tile backsplashes, vinyl wood plank floors in living areas, tile baths with stone-top vanity sinks and tub/shower combinations, PTAC units and in-unit washer/dryers. Select units have built-in wine refrigerators and lofts. Property amenities include a fitness center with peloton bikes, a door deck with lounge and table seating, tenant lounge, co-working lobby and limited covered parking (17 spaces). The cap rate noted is based on in-place income.
3	34 Bank 34 Bank Street Netcong, NJ	203,861	2021	126	756	34 Bnk Street Urban Renewal Ll	Landmark Companies	Apr-22	$44,500,000	$353,175	$17,094	4.84%	0%	This is the sale of a 4-building apartment complex located 0.3 miles from a train station in an industrial area. Unit amenities feature fully equipped kitchens with stainless steel appliances, quartz countertops and tile backsplashes, vinyl wood plank flooring in kitchens and living areas, carpeting in bedrooms, tile baths with quartz-top vanity sinks and tub/shower combinations, in-unit washer/dryers and balconies or patios. Property amenities include a fitness center, tenant lounge with a wet bar, television, billiards and lounge seating, an outdoor courtyard with a fire pit, private garage parking and surface parking. According to the broker, the property had stabilized just prior to sale. As such, the capitalization rate was based on the stabilized proforma. There are 13 affordable units, which amounts to 10.3 percent of all units. In addition, the property benefits from a 30-year PILOT agreement.
4	The Vue at Hackensack 295 Polifly Road Hackensack, NJ	37,248	2017	78	1,201	295 Polify Realty, LLC	Confidential	Feb-22	$36,000,000	$461,538	$22,154	4.80%	97%	This is the sale of a luxury apartment building that features fully equipped stainless steel appliances kitchens including double door refrigerators, tile backsplashes and quartz countertops with breakfast bar, vinyl plank wood floors throughout living areas and bedrooms, tile baths with glass stall showers and double sinks with stone topped vanities in master baths, stacked Bosch washer/dryers, fireplaces in select units and private balconies in most units. Property amenities include part-time concierge service, a fitness center, tenant lounge with fireplace and television, a large outdoor deck and garage parking. The capitalization rate is based on in-place income at the time of sale.
5	22 Sussex 22 Sussex Street Hackensack, NJ	36,465	2020	88	809	22 Sussex Street Urban Renewal, LLC	Luisa Realty Corp	Jan-22	$38,500,000	$437,500	$21,000	4.80%	100%	This is the sale of a newly completed, stabilized apartment building located within walking distance of the Bergen County government building is Downtown Hackensack. At the time of sale, the property had a 15-year PILOT agreement. The unit mix includes 32 studios, 48 one bedroom units and 8 two bedroom units. Units feature fully equipped stainless steel appliances including double sided refrigerators with water/ice dispensers, quartz counter tops, tile backsplashes and two tone cabinetry, vinyl plank wood floors in living areas and bedrooms, two tone tile baths with quartz counter top vanity sinks, back lit mirrors and tub/shower combinations with tile surrounds or glass stall showers and double sinks in master baths and private outdoor space in select units. Building amenities include a fitness center, a two-level tenant lounge with gaming tables and wall scrabble, and a roof deck lounge and sun deck with television, picnic table, gas grills and lounge seating. The cap rate noted is based on an aggressive proforma.
6	Infinity 340 Old River Road Edgewater, NJ	149,411	2014	100	1,170	WC EDGEWATER PROPCO LLC	INFINITY EDGEWATER OWNER LLC	Nov-21	$53,000,000	$530,000	$21,995	4.15%	98%	This is the sale of a100-unit apartment building with structured parking and 5,458 square feet of ground floor retail space. There are 28 one-bedroom and 72 two-bedroom units that average 1,175 square feet. The property features custom cabinetry, granite counter tops, Bosch stainless steel appliances, Bosch washer/dryer, walk-in closets and private balconies in select units. Building amenities include a business center, resident lounge, and fitness center including yoga room and locker rooms with sauna and steam rooms. The reported cap rate of 4.15 percent is based on in-place income.
	STATISTICS													
Low		26,572	2014	62	756			Nov-21	$22,500,000	$353,175	$17,056	4.15%	0%	
High		203,861	2021	212	1,201			May-22	$82,500,436	$530,000	$22,154	4.84%	100%	
Average		103,617	2018	111	952			Mar-22	$46,166,739	$422,378	$19,417	4.62%	82%	

Compiled by Cushman & Wakefield of New Jersey, LLC

The subject is a newly completed apartment building with limited amenities and upside income potential from unit renovations to class A finishes. However, the subject does not benefit from water or city views and there is a limited amount of space for amenities, and particularly outdoor amenities, which drives value in this market. In addition, the unit mix is weighted heavily towards one-bedroom units resulting in lower average unit size when compared to the market. Overall, it is our opinion that a capitalization rate of 4.50 percent represents reasonable investor criteria given the subject's attributes.

Hypothetical Market Rate Value Conclusion

Our hypothetical value conclusion is as follows:

DIRECT CAPITALIZATION METHOD - HYPOTHETICAL SCENARIO		
Hypothetical Stabilized Value as if Leased at Market Rents		
NET OPERATING INCOME	**$1,478,955**	**$9,843**
Sensitivity Analysis (0.25% OAR Spread)	**Value**	**$/Per Unit**
Based on Low-Range of 4.25%	$34,798,940	$446,140
Based on Most Probable Range of 4.50%	$32,865,666	$421,355
Based on High-Range of 4.75%	$31,135,894	$399,178
Indicated Value	$32,865,666	$421,355
Rounded to nearest $100,000	**$32,900,000**	**$421,795**

Reconciliation and Final Value Opinion

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

FINAL VALUE RECONCILIATION				
	Market Value As-Is	Per Unit	Prospective Market Value Upon Stabilization	Per Unit
Date of Value	**June 22, 2022**		**September 1, 2022**	
Sales Comparison Approach				
Percentage Adjustment Method	$16,900,000	$216,667	$16,900,000	$216,667
Income Capitalization Approach				
Direct Capitalization	$16,700,000	$214,103	$16,700,000	$214,103
Hypothetical Market Scenario			$32,900,000	$421,795
Conclusion	$16,700,000	$214,103	$16,700,000	$214,103
Final Value Conclusion	**$16,700,000**	**$214,103**	**$16,700,000**	**$214,103**

Compiled by Cushman & Wakefield of New Jersey, LLC

We gave sole weight to the Income Capitalization Approach because this mirrors the methodology used by purchasers of this property type (i.e., an income-producing property). The quantity and quality of the data for the Income Capitalization Approach was sufficient to form a credible opinion of value. Investment rates of return used for converting net income into value were derived via extraction from recent sales of similar apartments in the area, investor surveys and discussions with local market participants. The value from the Income Capitalization Approach is well supported by the value indicated by the secondary approach to value – the Sales Comparison Approach. The quantity and quality of data used for this approach consisted of multiple relevant sales of apartment properties in the local and regional marketplace.

Value Conclusions			
Appraisal Premise	**Real Property Interest**	**Date Of Value**	**Value Conclusion**
Market Value As-Is	Leased Fee	June 22, 2022	$16,700,000
Prospective Market Value Upon Stabilization	Leased Fee	September 1, 2022	$16,700,000
Hypothetical Stabilized Value As If Leased At Market Rents	Leased Fee	June 22, 2022	$32,900,000
Insurable Value	N/A	June 22, 2022	$12,000,000

Compiled by Cushman & Wakefield of New Jersey, LLC

The implied "going in" capitalization rate is 4.60 percent. The overall capitalization rates derived from the improved property sales are between 4.24 percent and 5.75 percent, averaging 4.96 percent. The implied going-in cap rate is in line with the capitalization rates indicated by the sales and the range of the most recent Investor Surveys.

Exposure Time and Marketing Time

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately six-nine (6-9) months. This assumes an active and professional marketing plan would have been employed by the current owner.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within six-nine (6-9) months.

Insurable Replacement Cost Value

At the Client's request, we provided an Insurable Replacement Cost estimate. The estimate is based on figures typically derived from the Marshall and Swift (M&S) Commercial Cost Explorer and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.

Replacement Cost and/or Insurable Value are directly related to the portion of the real estate that is covered under the asset’s insurance policy. We based this opinion on the building’s replacement cost new (RCN) which has no direct correlation with its actual market value.

There are many variations and requirements specified by various clients. Hence, we employed the Client’s requirements as defined in their letter of engagement attached in the addenda hereto, unless of course the Client and/or engagement letter is silent, in which case we employed our typical method for estimating Insurable Value/Insurable Replacement Cost described below.

Unless overridden by the Client’s letter of engagement/requirements, we developed an opinion of RCN using the Calculator Method developed by Marshall & Swift. The RCN is the total construction cost of a new building with the same specifications and utility as the building being appraised, but built using modern technology, materials, standards and design. For insurance purposes, RCN includes all direct and indirect costs necessary to construct the building improvements. Items that are not considered include land value, site improvements, depreciation and entrepreneurial profit.

Per the clients request, we have included the following definition and methodology:

Insurable Replacement Cost Estimate Definition

A site-specific replacement cost estimate to replace the structure(s) with one of “Like-Kind and Quality” utilizing similar materials, construction standards, design and quality of workmanship.

Methodology

Utilizing a recognized third-party source such as Marshall & Swift Valuation Services, develop a replacement cost new estimate (RCN) for all vertical construction improvements. The RCN used for Insurable Replacement Cost estimates should include all direct construction costs, typical general contractor overhead and profit, indirect costs such as architectural / engineering fees, and building permits. It should exclude entrepreneurial (developer) profit. The Insurable Replacement Cost Estimate should include a provision for debris removal per M&S standards. NOTE: Debris removal is a cost not a deduction in the insurable replacement cost.

The Insurable Replacement Cost New Estimate should exclude the land, all site improvements and below ground improvements that would not normally be destroyed by fire such as foundations of buildings, structures, machinery or boilers if their foundations are below (a) the lowest basement floor; or (b) the surface of the ground if there is no basement. Additionally, all below ground piping, flues, drains, tanks, utilities and utility connections should be excluded. Note: If the building is located in an area prone to earthquake, and if Key requires the borrower to obtain earthquake insurance, a value for the foundations should be included.

The Insurable Value summary is presented on the following page. Please note that Architectural, Engineering and Permit fees are included in the base cost noted below.

REPLACEMENT SUMMARY		
IMPROVEMENTS (STRUCTURES)		
DESCRIPTION		Apartment Building
Marshall & Swift - Improvement Type		Apartment High-Rise
Construction Class		B
Quality of Construction		Low Cost
Marshall & Swift - Section		Section 11
Marshall & Swift - Page		Page 18
Date		Nov-20
Number of Stories		6
Base SF Cost		$104.00
SQUARE FOOT REFINEMENTS		
Debris Removal		$0.10
Sprinklers		$2.73
Elevators		$0.00
Adjusted Base Cost		$106.83
HEIGHT AND SIZE REFINEMENTS		
Number of Stories		1.015
Height Per Story		1.000
Perimeter		1.000
Adjusted Base Cost		$108.43
FINAL CALCULATIONS		
Current Cost Multiplier		1.320
Local Area Multiplier		1.270
Prospective Multiplier		1.000
Adjusted SF Cost		$181.78
TIMES: SF for Replacement Cost Purposes		70,700
Adjusted Cost		**$12,851,574**
REPLACEMENT COST SUMMARY (STRUCTURES)		
Adjusted Base Costs		$12,851,574
PLUS: Indirect Costs	5.0%	$642,579
		$13,494,153
Total includes all component / building costs as detailed above		
REPLACEMENT SUMMARY		
Insurable Value Type		**Replacement Cost**
Cost Source:		Marshall Valuation Service
Replacement Cost New		$13,494,153
Insurance Exclusions		
Foundations Below Grade		(5.0%)
Piping Below Grade (Negligible)		0.0%
Architect Fees		(6.2%)
Total Insurance Exclusion Adjustment		**-11.2%**
Total Insurance Exclusion Amount		**($1,511,345)**
Adjusted Costs (Structures)		**$11,982,808**
INDICATED REPLACEMENT COST		**$11,982,808**
Rounded to the Nearest	**$1,000,000**	**$12,000,000**
Total Units		78
Conclusion Per Unit		**$153,846**

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Cushman & Wakefield assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Cushman & Wakefield recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against Cushman & Wakefield or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Cushman & Wakefield or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil’s load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site’s use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Certification of Appraisal

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Joanne Murdock, MAI made a personal inspection of the property that is the subject of this report. Michael Weinberg did not inspect the property.
- We have performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment including an appraisal dated March 10, 2022.
- No one provided real property appraisal assistance to the persons signing this report.
- As of the date of this report, Joanne Murdock, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.

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Addenda Contents

Addendum A:
Glossary of Terms & Definitions

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Sixth Edition (2015), published by the Appraisal Institute, Chicago, IL, as well as other sources.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Proposed Interagency Appraisal and Evaluation Guidelines, OCC-4810-33-P 20%)

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

Cash Equivalency

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

Depreciation

1. In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2. In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

Disposition Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interest.
- An adequate marketing effort will be made in the limited time allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. In the case of Disposition value, the seller would be acting under compulsion within a limited future marketing period.

Ellwood Formula

A yield capitalization method that provides a formulaic solution for developing a capitalization rate for various combinations of equity yields and mortgage terms. The formula is applicable only to properties with stable or stabilized income streams and properties with income streams expected to change according to the J- or K-factor pattern. The formula is

RO = [YE – M (YE + P 1/Sn¬ – RM) – ΔO 1/S n¬] / [1 + ΔI J]

where

RO = Overall Capitalization Rate
YE = Equity Yield Rate
M = Loan-to-Value Ratio
P = Percentage of Loan Paid Off
1/S n¬ = Sinking Fund Factor at the Equity Yield Rate
RM =Mortgage Capitalization Rate
ΔO = Change in Total Property Value
ΔI = Total Ratio Change in Income

J = J Factor
Also called mortgage-equity formula.

Exposure Time

1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. See also marketing time.

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Highest and Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Hypothetical Conditions

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are 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.

Insurable Replacement Cost/Insurable Value

A type of value for insurance purposes.

Intended Use

The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User

The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold Interest

The tenant's possessory interest created by a lease. See also negative leasehold; positive leasehold.

Liquidation Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a severely limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer is acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- The buyer is acting in what he or she considers his or her best interest.
- A limited marketing effort and time will be allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. Under market value, the seller would be acting in his or her own best interests. The seller would be acting prudently and knowledgeably, assuming the price is not affected by undue stimulus or atypical motivation. In the case of liquidation value, the seller would be acting under extreme compulsion within a severely limited future marketing period.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value

As defined in the Agencies' appraisal regulations, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

Marketing Time

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. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) See also exposure time.

Mortgage-Equity Analysis

Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

Operating Expenses

Other Taxes, Fees & Permits - Personal property taxes, sales taxes, utility taxes, fees and permit expenses.

Property Insurance – Coverage for loss or damage to the property caused by the perils of fire, lightning, extended coverage perils, vandalism and malicious mischief, and additional perils.

Management Fees - The sum paid for management services. Management services may be contracted for or provided by the property owner. Management expenses may include supervision, on-site offices or apartments for resident managers, telephone service, clerical help, legal or accounting services, printing and postage, and advertising. Management fees may occasionally be included among recoverable operating expenses

Total Administrative Fees – Depending on the nature of the real estate, these usually include professional fees and other general administrative expenses, such as rent of offices and the services needed to operate the property. Administrative expenses can be provided either in the following expense subcategories

[1] "Interagency Appraisal and Evaluation Guidelines." Federal Register 75:237 (December 10, 2010) p. 77472.

or in a bulk total. 1) Professional Fees – Fees paid for any professional services contracted for or incurred in property operation; or 2) Other Administrative – Any other general administrative expenses incurred in property operation.

Heating Fuel - The cost of heating fuel purchased from outside producers. The cost of heat is generally a tenant expense in single-tenant, industrial or retail properties, and apartment projects with individual heating units. It is a major expense item shown in operating statements for office buildings and many apartment properties. The fuel consumed may be coal, oil, or public steam. Heating supplies, maintenance, and workers' wages are included in this expense category under certain accounting methods.

Electricity - The cost of electricity purchased from outside producers. Although the cost of electricity for leased space is frequently a tenant expense, and therefore not included in the operating expense statement, the owner may be responsible for lighting public areas and for the power needed to run elevators and other building equipment.

Gas - The cost of gas purchased from outside producers. When used for heating and air conditioning, gas can be a major expense item that is either paid by the tenant or reflected in the rent.

Water & Sewer - The cost of water consumed, including water specially treated for the circulating ice water system, or purchased for drinking purposes. The cost of water is a major consideration for industrial plants that use processes depending on water and for multifamily projects, in which the cost of sewer service usually ties to the amount of water used. It is also an important consideration for laundries, restaurants, taverns, hotels, and similar operations.

Other Utilities - The cost of other utilities purchased from outside producers.

Total Utilities - The cost of utilities net of energy sales to stores and others. Utilities are services rendered by public and private utility companies (e.g., electricity, gas, heating fuel, water/sewer and other utilities providers). Utility expenses can be provided either in expense subcategories or in a bulk total.

Repairs & Maintenance - All expenses incurred for the general repairs and maintenance of the building, including common areas and general upkeep. Repairs and maintenance expenses include elevator, HVAC, electrical and plumbing, structural/roof, and other repairs and maintenance expense items. Repairs and Maintenance expenses can be provided either in the following expense subcategories or in a bulk total. 1) Elevator - The expense of the contract and any additional expenses for elevator repairs and maintenance. This expense item may also include escalator repairs and maintenance. 2) HVAC – The expense of the contract and any additional expenses for heating, ventilation and air-conditioning systems. 3) Electrical & Plumbing - The expense of all repairs and maintenance associated with the property's electrical and plumbing systems. 4) Structural/Roof - The expense of all repairs and maintenance associated with the property's building structure and roof. 5) Pest Control – The expense of insect and rodent control. 6). Other Repairs & Maintenance - The cost of any other repairs and maintenance items not specifically included in other expense categories.

Common Area Maintenance - The common area is the total area within a property that is not designed for sale or rental, but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. Common Area Maintenance (CAM) expenses can be entered in bulk or through the sub-categories. 1) Utilities – Cost of utilities that are included in CAM charges and passed through to tenants. 2) Repair & Maintenance – Cost of repair and maintenance items that are included in CAM charges and passed through to tenants. 3) Parking Lot Maintenance – Cost of parking lot maintenance items that are included in CAM charges and passed through to tenants. 4) Snow Removal – Cost of snow removal that are included in CAM charges and passed through to tenants. 5) Grounds Maintenance – Cost of ground maintenance items that are included in CAM charges and passed through to tenants. 6) Other CAM expenses are items that are included in CAM charges and passed through to tenants.

Painting & Decorating - This expense category is relevant to residential properties where the landlord is required to prepare a dwelling unit for occupancy in between tenancies.

Cleaning & Janitorial - The expenses for building cleaning and janitorial services, for both daytime and night-time cleaning and janitorial service for tenant spaces, public areas, atriums, elevators, restrooms, windows, etc. Cleaning and Janitorial expenses can be provided either in the following subcategories or entered in a bulk total. 1) Contract Services - The expense of cleaning and janitorial services contracted for with outside service providers. 2) Supplies, Materials & Misc. - The cost any cleaning materials and any other janitorial supplies required for property cleaning and janitorial services and not covered elsewhere. 3) Trash Removal - The expense of property trash and rubbish removal and related services. Sometimes this expense item includes the cost of pest control and/or snow removal .4) Other Cleaning/Janitorial - Any other cleaning and janitorial related expenses not included in other specific expense categories.

Advertising & Promotion - Expenses related to advertising, promotion, sales, and publicity and all related printing, stationary, artwork, magazine space, broadcasting, and postage related to marketing.

Professional Fees - All professional fees associated with property leasing activities including legal, accounting, data processing, and auditing costs to the extent necessary to satisfy tenant lease requirements and permanent lender requirements.

Total Payroll - The payroll expenses for all employees involved in the ongoing operation of the property, but whose salaries and wages are not included in other expense categories. Payroll expenses can be provided either in the following subcategories or entered in a bulk total. 1) Administrative Payroll - The payroll expenses for all employees involved in on-going property administration. 2) Repair & Maintenance Payroll - The expense of all employees involved in on-going repairs and maintenance of the property. 3) Cleaning Payroll - The expense of all employees involved in providing on-going cleaning and janitorial services to the property 4) Other Payroll - The expense of any other employees involved in providing services to the property not covered in other specific categories.

Security - Expenses related to the security of the Lessees and the Property. This expense item includes payroll, contract services and other security expenses not covered in other expense categories. This item also includes the expense of maintenance of security systems such as alarms and closed circuit television (CCTV), and ordinary supplies necessary to operate a security program, including batteries, control forms, access cards, and security uniforms.

Roads & Grounds - The cost of maintaining the grounds and parking areas of the property. This expense can vary widely depending on the type of property and its total area. Landscaping improvements can range from none to extensive beds, gardens and trees. In addition, hard-surfaced public parking areas with drains, lights, and marked car spaces are subject to intensive wear and can be costly to maintain.

Other Operating Expenses - Any other expenses incurred in the operation of the property not specifically covered elsewhere.

Real Estate Taxes - The tax levied on real estate (i.e., on the land, appurtenances, improvements, structures and buildings); typically by the state, county and/or municipality in which the property is located.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Value upon Reaching Stabilized Occupancy

The value of a property as of a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

Special, Unusual, or Extraordinary Assumptions

Before completing the acquisition of a property, a prudent purchaser in the market typically exercises due diligence by making customary enquiries about the property. It is normal for a Valuer to make assumptions as to the most likely outcome of this due diligence process and to rely on actual information regarding such matters as provided by the client. Special, unusual, or extraordinary assumptions may be any additional assumptions relating to matters covered in the due diligence process, or may relate to other issues, such as the identity of the purchaser, the physical state of the property, the presence of environmental pollutants (e.g., ground water contamination), or the ability to redevelop the property.

Addendum B:
Comparable Improved Sale Data Sheets

IMPROVED SALE COMPARABLE 1

Property Name:	Medford Landing
Address:	500 Addison Place
City, State, Zip:	Medford NY 11763
MSA:	Nassau-Suffolk
Jurisdiction:	Suffolk
Submarket:	
Property Type:	Multi-Family
Property Subtype:	LIHTC Tax Credits
Classification:	N/A
ID:	678448
Tax Number(s):	N/A

PROPERTY INFORMATION

Site Area (Acres):	10.17	Number of Units:	112
Site Area (Sq.Ft.):	443,005	Average Unit Size:	913
Gross Bldg Area:	137,797	Number of Buildings:	N/A
Net Bldg Area:	102,256	Number of Stories:	2
Year Built:	2002	Class:	C
Last Renovation:	N/A	Number of Parking Spaces:	N/A
Quality:	Average	Parking Ratio:	0.00:1,000
Condition:	Average	Resident Type:	Market Rate
Density (Units/Acre):	11.01	Retail Space	N/A

COMMON AMENITIES

Common Amenities: N/A

UNIT AMENITIES

Unit Amenities: N/A

SALE INFORMATION

Status:	Closed Sale	OAR:	4.24%
Sale Date:	12/2021	Cap Rate Type:	Trailing
Sale Price:	$17,000,000	NOI:	$720,492
Price per Unit	$151,786	NOI per Sq.Ft.:	$5.23
Value Interest:	Leased Fee	NOI per Unit:	$6,433
Grantor:	Medford Landing II LP	Occupancy:	N/A
Grantee:	Whitney Medford LLC	Expense Ratio:	N/A
Financing:	N/A	EGIM:	N/A
Condition of Sale:	None		

VERIFICATION COMMENTS

CoStar

COMMENTS

This is the sale of a LIHTC, age-restricted, garden apartment complex that featured kitchens with white appliances that included refrigerators, stove/ovens and dishwashers, laminate countertops, wood cabinets, carpeting in living areas and bedrooms and bathrooms with tub/shower inserts and vanity sink tops. Community amenities include a clubhouse with a community kitchen and community room and outdoor courtyard space with table seating.

IMPROVED SALE COMPARABLE 2

Property Name:	Eagle View Apartments
Address:	402 Market St
City, State, Zip:	Monroe Township NJ 08831-7191
MSA:	Middlesex-Somerset-Hunterdon
Jurisdiction:	Middlesex
Submarket:	North/Central NJ
Property Type:	Multi-Family
Property Subtype:	Affordable Housing
Classification:	N/A
ID:	659916
Tax Number(s):	Block 4, Lot 16 and Block 4.1, Lot 14

PROPERTY INFORMATION

Site Area (Acres):	3.79	Number of Units:	48
Site Area (Sq.Ft.):	165,176	Average Unit Size:	N/A
Gross Bldg Area:	N/A	Number of Buildings:	N/A
Net Bldg Area:	54,000	Number of Stories:	3
Year Built:	2019	Class:	B
Last Renovation:	N/A	Number of Parking Spaces:	140
Quality:	Average	Parking Ratio:	2,920.00:1,000
Condition:	Good	Resident Type:	Subsidized
Density (Units/Acre):	12.66	Retail Space	N/A

COMMON AMENITIES

Common Amenities:	Free surface parking

UNIT AMENITIES

Unit Amenities:	White appliance kitchens with refrigerators, electric ranges and dishwashers, vinyl wood plank floors, one bath per unit, in-unit washer/dryers and central heat and air.

SALE INFORMATION

Status:	Recorded Sale	OAR:	5.75%
Deed Reference:	18742-1616	Cap Rate Type:	Trailing
Sale Date:	11/2021	NOI:	$402,500
Sale Price:	$7,000,000	NOI per Sq.Ft.:	N/A
Price per Unit:	$145,833	NOI per Unit:	$8,385
Value Interest:	Leased Fee	Occupancy:	99.50%
Grantor:	Shared Properties Llc	Expense Ratio:	N/A
Grantee:	Phoenix Monroe Llc	EGIM:	N/A
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Confirmed by selling broker

COMMENTS

This is the sale of the affordable component of a new market-rate Hovnanian development that is leased to very low, low and moderate income families. The property contains one-, two-, and three-bedroom units that are rent-restricted in an effort to meet the township COAH obligations. Unit amenities include white appliance kitchens with refrigerators, electric ranges and dishwashers, vinyl wood plank floors, one bath per unit, in-unit washer/dryers and central heat and air. Property amenities include free surface parking. The property does not benefit from a PILOT agreement.

IMPROVED SALE COMPARABLE 3

Property Name:	Highland Avenue Senior Apartments
Address:	34 Highland Avenue
City, State, Zip:	Yonkers NY 10705
MSA:	New York
Jurisdiction:	Westchester
Submarket:	
Property Type:	Multi-Family
Property Subtype:	LIHTC Tax Credits
Classification:	N/A
ID:	646557
Tax Number(s):	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.71	Number of Units:	88
Site Area (Sq.Ft.):	30,928	Average Unit Size:	676
Gross Bldg Area:	77,042	Number of Buildings:	1
Net Bldg Area:	57,450	Number of Stories:	9
Year Built:	2008	Class:	N/A
Last Renovation:	N/A	Number of Parking Spaces:	88
Quality:	Good	Parking Ratio:	1.00:1,000
Condition:	Good	Resident Type:	Subsidized
Density (Units/Acre):	123.94	Retail Space	N/A

COMMON AMENITIES

Common Amenities: N/A

UNIT AMENITIES

Unit Amenities: N/A

SALE INFORMATION

Status:	Closed Sale	OAR:	4.35%
Sale Date:	8/2021	Cap Rate Type:	Pro Forma
Sale Price:	$15,700,000	NOI:	$683,071
Price per Unit	$178,409	NOI per Sq.Ft.:	$8.87
Value Interest:	Leased Fee	NOI per Unit:	$7,762
Grantor:	Highland Senior Residence LLC	Occupancy:	97.00%
Grantee:	Heritage Affordable Communities	Expense Ratio:	N/A
Financing:	N/A	EGIM:	N/A
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Buyer
Appraiser

COMMENTS

The subject property is an income-restricted multi-family residential complex containing 88 residential apartment units including one superintendent's unit. The subject property's construction was partially financed with Low Income Housing Tax Credits (LIHTC) and is presently governed by a long-term Regulatory Agreement between ownership and the New York State Housing Finance Agency, Housing Trust Fund Corporation. All revenue-generating units are rented to senior households in which at least one member is 55 years or older with incomes at or below 60 percent of the AMI for Westchester County. There is a Payment in Lieu of Taxes (PILOT) agreement in place through 2032, which is reflected in the reported capitalization rate.

IMPROVED SALE COMPARABLE 4

Property Name:	Heritage at Piscataway
Address:	Begonia Court
City, State, Zip:	Piscataway NJ 08854
MSA:	Middlesex-Somerset-Hunterdon
Jurisdiction:	Middlesex
Submarket:	North/Central NJ
Property Type:	Multi-Family
Property Subtype:	LIHTC Tax Credits
Classification:	N/A
ID:	509771
Tax Number(s):	Block 2707, Lot 16

PROPERTY INFORMATION

Site Area (Acres):	3.30	Number of Units:	30
Site Area (Sq.Ft.):	143,748	Average Unit Size:	754
Gross Bldg Area:	22,620	Number of Buildings:	4
Net Bldg Area:	22,620	Number of Stories:	2
Year Built:	2014	Class:	C
Last Renovation:	N/A	Number of Parking Spaces:	60
Quality:	Average	Parking Ratio:	2.00:1,000
Condition:	Good	Resident Type:	Subsidized
Density (Units/Acre):	9.09	Retail Space	N/A

COMMON AMENITIES

Common Amenities:	Elevators in each building and free on-site surface parking.

UNIT AMENITIES

Unit Amenities:	Kitchens with range/ovens, refrigerators, and dishwashers, laminate countertops, vinyl flooring in kitchens and foyers, carpeting in living areas, tile baths with cultured marble vanity sinks and patios or balconies in each unit.

SALE INFORMATION

Status:	Recorded Sale	OAR:	5.00%
Deed Reference:	Book 17618. Page 1217	Cap Rate Type:	Trailing
Sale Date:	9/2019	NOI:	$160,000
Sale Price:	$3,200,000	NOI per Sq.Ft.:	$7.07
Price per Unit:	$106,667	NOI per Unit:	$5,333
Value Interest:	Leased Fee	Occupancy:	100.00%
Grantor:	HERITAGE AJH LLC	Expense Ratio:	N/A
Grantee:	TOWER HERITAGE LLC	EGIM:	N/A
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

CoStar and Public Record

COMMENTS

This is the sale of an age-restricted (55+), affordable elevator apartment complex that is leased to very low to moderate income tenants. The complex was built adjacent to a for sale, single-family home development as the affordable housing requirement. The property previously traded on March 26, 2019 for a consideration of $2,450,000 with a reported capitalization rate of 6.65%. Units feature standard kitchens with range/ovens, refrigerators, and dishwashers, laminate counter tops, vinyl flooring in kitchens and foyers, carpeting in living areas, tile baths with cultured marble vanity sinks and patios or balconies in each unit. Property amenities include on-site surface parking. It appears that this property does not have a PILOT agreement.

IMPROVED SALE COMPARABLE 5

Property Name:	Centennial Court
Address:	100 North Main Street
City, State, Zip:	Wharton NJ 07885
MSA:	Newark
Jurisdiction:	Morris
Submarket:	
Property Type:	Multi-Family
Property Subtype:	Affordable Housing
Classification:	N/A
ID:	480481
Tax Number(s):	Block 903 Lot 1

PROPERTY INFORMATION

Site Area (Acres):	4.77	Number of Units:	101
Site Area (Sq.Ft.):	207,563	Average Unit Size:	620
Gross Bldg Area:	78,000	Number of Buildings:	1
Net Bldg Area:	62,620	Number of Stories:	4
Year Built:	1997	Class:	B
Last Renovation:	N/A	Number of Parking Spaces:	N/A
Quality:	Average	Parking Ratio:	0.00:1,000
Condition:	Average	Resident Type:	Subsidized
Density (Units/Acre):	21.17	Retail Space	N/A

COMMON AMENITIES

Common Amenities: N/A

UNIT AMENITIES

Unit Amenities: N/A

SALE INFORMATION

Status:	Recorded Sale	OAR:	5.44%
Deed Reference:	Book 23277 Page 992	Cap Rate Type:	Trailing
Sale Date:	12/2017	NOI:	$476,000
Sale Price:	$8,750,000	NOI per Sq.Ft.:	$6.10
Price per Unit:	$86,634	NOI per Unit:	$4,713
Value Interest:	Leased Fee	Occupancy:	99.00%
Grantor:	Wharton Senior Citizen Housing LP	Expense Ratio:	N/A
Grantee:	Avanath Centennial Court LP	EGIM:	N/A
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

C&W Research; Public Record

COMMENTS

This is the sale of a senior living affordable housing apartment complex in Wharton, NJ. The capitalization rate noted was based on in-place income. The property was 99% occupied at the time of the sale and benefits from a PILOT agreement.

Addendum C: Rent Roll & Financial Statements

Rent Roll
As of Date: 07/21/2022
Select By: Move In Date

Unit	Rent Status	Tenant Name	Unit Sqft	% of AMI	Actual Rent	Legal Rent	Move In
ipark							
100	Current	Robert P. Travers Esq.	0		1,000.00	1,000.00	2/16/2022
101	Current	Lynn Carney	720	60	1,159.00	1,159.00	1/1/2022
102	Current	Frances Hoyo	720	80	1,587.00	1,587.00	1/1/2022
103	Current	Deborah Santana	720	60	1,159.00	1,159.00	2/1/2022
104	Current	Jhonathon Rivera	1,040.00		0	2,150.00	12/1/2021
105	Current	Michael Iafelice	720	60	1,150.00	1,150.00	2/1/2022
106	Current	Angel Mavrianos	720	80	1,587.00	1,587.00	7/1/2022
107	Current	Salwa Ishakou	1,040.00	60	1,231.00	1,231.00	2/1/2022
201	Current	Mariah Rivera	740	80	1,587.00	1,587.00	2/1/2022
202	Current	Blanca Galindo	730	30	518	518	1/1/2022
203	Current	Miriam Feria	730	60	1,159.00	1,159.00	1/1/2022
204	Current	Patricia Coyle	720	80	1,587.00	1,587.00	2/1/2022
205	Current	Rosa Emilia Medina	720	80	1,587.00	1,587.00	6/1/2022
206	Current	Alicia Beghyn	730	80	1,300.00	1,300.00	6/1/2022
207	Current	Phillip Tarabola	730	80	1,587.00	1,587.00	1/1/2022
208	Vacant Pre-Leased	Dean Hussein	730	30	518	518	8/1/2022
209	Current	Assam Ahmed	730	60	1,159.00	1,159.00	1/1/2022
210	Current	Louis Iafelice	730	80	1,587.00	1,587.00	5/1/2022
211	Current	Juan Padilla	720	80	1,587.00	1,587.00	4/1/2022
212	Current	David Nguyen	720	80	1,587.00	1,587.00	12/1/2021
213	Current	Khaled Atshan	730	60	1,159.00	1,159.00	5/1/2022
214	Current	Kristin Brenneman	730	80	1,587.00	1,587.00	4/1/2022
301	Current	Marianna Mendonca	740	80	1,587.00	1,587.00	4/1/2022
302	Vacant Pre-Leased	Eveitte Kassis	730	60	1,159.00	1,159.00	8/1/2022
303	Current	Meirna Hanna	730	80	1,587.00	1,587.00	4/1/2022
304	Current	Arianna Aponte	720	80	1,587.00	1,587.00	12/1/2021
305	Current	Diego Miranda	720	60	1,159.00	1,159.00	12/1/2021
306	Current	Marcia Pinto	730	60	1,159.00	1,159.00	12/1/2021
307	Current	Allison DeLeon	730	60	1,159.00	1,159.00	12/1/2021
308	Current	Antonio Gagliardi	730	60	1,159.00	1,159.00	12/1/2021
309	Vacant Pre-Leased	Robert Cimino	730	80	1,587.00	1,587.00	8/1/2022
310	Vacant Pre-Leased	Brittany Tovar	730	80	1,587.00	1,587.00	8/1/2022
311	Vacant Pre-Leased	Nabil Jarai	720	30	518	518	8/1/2022
312	Current	Carlos Cappobianco	720	80	1,587.00	1,587.00	12/1/2021
313	Vacant Pre-Leased	Darweesh Abdullah	730	80	1,587.00	1,587.00	8/1/2022
314	Vacant Pre-Leased	Verjin Dumanoglu	730	60	1,159.00	1,159.00	8/1/2022
401	Current	Chryssi Vamvakidis	740	80	1,587.00	1,587.00	12/1/2021
402	Vacant Pre-Leased	Warren Titka	730	60	1,159.00	1,159.00	8/1/2022
403	Current	Pamela Richardson	730	80	1,587.00	1,587.00	1/1/2022
404	Current	Aaron Lewis	720	60	1,159.00	1,159.00	12/1/2021
405	Vacant Pre-Leased	Matthew Darnese	720	60	1,159.00	1,159.00	8/1/2022
406	Current	Israel Ramos	730	80	1,587.00	1,587.00	7/1/2022
407	Vacant Pre-Leased	Anastasia Clark	730	30	518	518	8/1/2022
408	Vacant Pre-Leased	Linda Pierro	730	80	1,587.00	1,587.00	8/1/2022
409	Current	Maria Calautti	730	60	1,159.00	1,159.00	12/1/2021
410	Current	Maria Robertson	730	60	1,159.00	1,159.00	1/1/2022
411	Current	Hazel Tally	720	80	1,587.00	1,587.00	7/1/2022
412	Current	Ramzi Jaloudi	720	60	1,159.00	1,159.00	12/1/2021
413	Current	Sarah Passante	730	80	1,587.00	1,587.00	1/1/2022

414	Current	Margaret Ferry	730	80	1,587.00	1,587.00	12/1/2021
501	Current	Karim Gamil	740	60	1,159.00	1,159.00	12/1/2021
502	Current	Linda Calbi	730	60	1,159.00	1,159.00	1/1/2022
503	Current	China McRae	730	80	1,587.00	1,587.00	4/1/2022
504	Current	Jean Nehme	720	30	518	518	2/1/2022
505	Current	Rosjannie Checo	720	80	1,587.00	1,587.00	6/1/2022
506	Vacant Pre-Leased	Brianna Iovino	730	60	1,159.00	1,159.00	8/1/2022
507	Vacant Pre-Leased	Kung Sung Kwak	730	80	1,587.00	1,587.00	8/1/2022
508	Vacant Pre-Leased	Kansara Kruti	730	80	1,587.00	1,587.00	8/1/2022
509	Vacant Pre-Leased	Raymond Daibes	730	30	518	518	8/1/2022
510	Current	Evan Bringas	730	80	1,587.00	1,587.00	7/1/2022
511	Current	Dean Salerno	720	80	1,587.00	1,587.00	1/1/2022
512	Current	Wakimba Davenport	720	60	1,159.00	1,159.00	12/1/2021
513	Current	Nabil Hanna	730	60	1,159.00	1,159.00	12/1/2021
514	Current	Nicholas Cockinos	730	60	1,159.00	1,159.00	1/1/2022
601	Vacant Pre-Leased	Sawar Radwan	740	30	518	518	8/1/2022
602	Current	Joel Torres	730	60	1,159.00	1,159.00	3/1/2022
603	Current	Enrique Tiburcio	730	60	1,159.00	1,159.00	7/1/2022
604	Current	Zakaria Hadla	720	60	1,159.00	1,159.00	3/1/2022
605	Current	Regina Pellegrino	720	60	1,159.00	1,159.00	5/1/2022
606	Current	Austin Petgrave	730	80	1,587.00	1,587.00	6/1/2022
607	Current	Noritza Perito	730	60	1,159.00	1,159.00	12/1/2021
608	Current	Steven Zitzman	730	80	1,587.00	1,587.00	4/1/2022
609	Current	Harry Muniz	730	80	1,587.00	1,587.00	2/1/2022
610	Current	Steven DelGaudio	730	60	1,159.00	1,159.00	1/1/2022
611	Current	Ozgur Kose	720	60	1,159.00	1,159.00	12/1/2021
612	Current	Brandon Sebahie	720	30	518	518	12/1/2021
613	Current	Daniel DeMiglio	730	80	1,587.00	1,587.00	1/1/2022
614	Current	Mariana Deassis	730	80	1,587.00	1,587.00	1/1/2022
78	Total				$ 99,140	$ 101,290	
					$ 1,189,680	$ 1,215,480	
61	Total Occupied						
78.21%	% Occupied				$ 17,907		
					$ 81,233		
17	Total Vacant				974,796.00		
21.79%	% Vacant						

Total Annual Gross ResidentialCollections:	1,200,000.00
Total Annual Gross Commercial Collections:	12,000.00
Other Income	20,000.00
Total Income	**1,232,000.00**
Management Fee @ 2.5%:	30,800.00
Insurance	38,606.26
Utilities (Common Area)	42,000.00
Repairs & Mntnce	20,500.00
Landscaping & Snow removal:	15,156.00
Superintendent @ 12 HRS PER WEEK x $15/HR:	9,360.00
PILOT	77,369.60
Administrative - Supplies, Fees, & other expenses	6,500.00
Reserves	12,000.00
otal Expenses	**252,291.86**
NOI	**979,708.14**

Addendum D: Legal Description & Survey

All that certain lot, parcel or tract of land, situate and lying in the Borough of Edgewater, County of Bergen and State of New Jersey being more particularly described as follows:

BEING known and designated as Lot 1.19, Block 99 as shown on map entitled "I.Park Edgewater, LLC, Proposed Lot 1.14 Subdivision Block 99, Lots 1.04, 1.11, 1.13 & 1.15 to 1.19, Borough of Edgewater, Bergen County, New Jersey filed on August 21, 2014 as Map No. 9582.

BEGINNING at the northeasterly corner of Proposed Lot 1.19, said point being the following two (2) courses from the northwesterly corner of Lot 1.14, Block 99 as shown on a map entitled "Proposed Lot 1.14 Subdivision Block 99, Lot 1, Borough of Edgewater, Bergen County, New Jersey" filed in the Bergen County Clerk's Office on October 6, 2010, Filed Map No. 9540.

a) South 30 degrees 00 minutes 57 seconds West a distance of 262.91 feet to a point; thence

b) North 59 degrees 59 minutes 03 seconds West a distance of 35.00 feet to the point of beginning, and running thence

1) South 30 degrees 00 minutes 57 seconds West a distance of 173.04 feet to a point; thence

2) North 59 degrees 59 minutes 03 seconds West a distance of 75.48 feet to a point; thence

3) North 30 degrees 00 minutes 57 seconds East a distance of 173.04 feet to a point; thence

4) South 59 degrees 59 minutes 03 seconds East a distance of 75.48 feet to the point of BEGINNING.

The above description is drawn in accordance with a survey made by Paulus, Sokolowski and Sartor, LLC, dated January 23, 2015.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Parts of Lots 1, 3, 4 & 5 (Lot 1.19 not a matter of record) in Block 99 on the Borough of Edgewater Tax Map.

FOR INFORMATIONAL PURPOSES ONLY: BEING COMMONLY KNOWN AS 45 River Road, Edgewater, NJ 07020

PROPERTY DESCRIPTION - LOT 1.19

ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND, WITH THE BUILDINGS AND IMPROVEMENTS THEREON ERECTED, SITUATE, LYING AND BEING IN THE BOROUGH OF EDGEWATER, COUNTY OF BERGEN, AND STATE OF NEW JERSEY AND IS BOUNDED BOUNDED AND DESCRIBED AS FOLLOWS:

BEING KNOWN AND DESIGNATED AS LOT 1.19 IN BLOCK 99 AS SHOWN ON A CERTAIN MAP ENTITLED "I.PARK EDGEWATER, LLC ... SUBDIVISION BLOCK 99 LOT 1 PROPOSED LOTS 1.04, 1.11, 1.13, & 1.15 TO 1.19 ..." SITUATE IN THE BOROUGH OF EDGEWATER, BERGEN COUNTY, NEW JERSEY, WHICH MAP WAS FILED IN THE OFFICE OF THE BERGEN COUNTY CLERK ON 08/21/2014 AS FILED MAP NO. 9582

BEGINNING AT THE NORTHEASTERLY CORNER OF PROPOSED LOT 1.19, SAID POINT BEING THE FOLLOWING TW (2) COURSES FROM THE NORHTWESTERLY CORNER OF LOT 1.14, BLOCK 99 AS SHOWN ON A MAP ENTITLED "PROPOSED LOT 1.14 SUBDIVISION BLOCK 99 LOT 1, BOROUGH OF EDGEWATER, BERGEN COUNTY, NEW JERSEY" FILED IN THE BERGEN COUNTY CLERK'S OFFICE ON OCTOBER 6, 2010 AS FILED MAP NO. 9540, THENCE

A. SOUTH 30 DEGREES 00 MINUTES 57 SECONDS WEST A DISTANCE OF 262.91 FEET TO A POINT, THENCE

B. NORTH 59 DEGREES 59 MINUTES 03 SECONDS WEST A DISTANCE OF 35.00 FEET TO THE POINT OF BEGINNING AND RUNNING THENCE

1. SOUTH 30 DEGREES 00 MINUTES 57 SECONDS WEST A DISTANCE OF 173.04 FEET TO A POINT, THENCE
2. NORTH 59 DEGREES 59 MINUTES 03 SECONDS WEST A DISTANCE OF 75.48 FEET TO A POINT, THENCE
3. NORTH 30 DEGREES 00 MINUTES 57 SECONDS ESST A DISTANCE OF 173.04 FEET TO A POINT, THENCE
4. SOUTH 59 DEGREES 59 MINUTES 03 SECONDS EAST A DISTANCE OF 75.48 FEET TO THE POINT OF BEGINNING

FOR INFORMATION PURPOSES ONLY: BEING KNOWN AS TAX LOT 1.19 IN TAX BLOCK 99, ON THE OFFICIAL TAX MAP OF THE BOROUGH OF EDGEWATER.

FOR INFORMATION PURPOSES ONLY: THE MAILING ADDRESS IN: 8 SOMERSET LANE, EDGEWATER, NEW JERSEY 07020

ENCROACHMENTS:

1. TRASH ENCLOSURE AND CONCRETE PAD CURRENTLY USED BY HOTEL ON LOT 1.18 IS PARTIALLY ON SUBJECT PROPERTY. ACCESS TO TRASH ENCLOSURE IS ACROSS SUBJECT PROPERTY.
2. PVC SHED APPARENTLY USED BY HOTEL IS PARTIALLY ON SUBJECT PROPERTY.
3. APPROX 4" - 5" OF PARKING LOT PAVEMENT ON LOT 1.13 ENCROACHES ONTO HOTEL PROPERTY (LOT 1.18)
4. PART OF SOMERSET LANE PAVEMENT AND DRAINAGE STRUCTURES ENCROACH ONTO SUBJECT PROPERTY.
5. PEMBROKE WAY CURB AND SIDEWALK ENCROACHES ONTO SUBJECT PROPERTY.

5 ENCROACHMENT LOCATION ON SURVEY

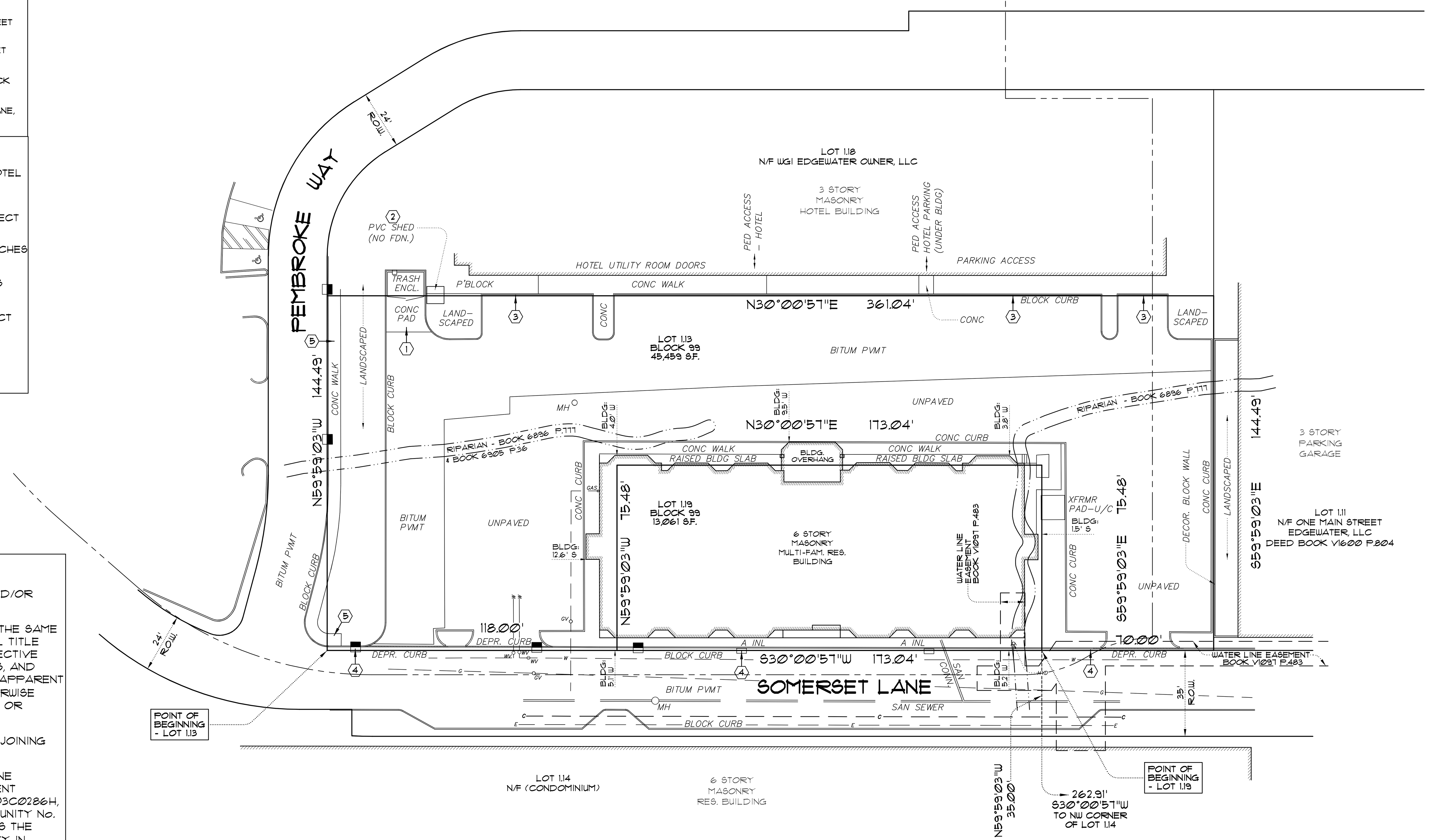
PROPERTY DESCRIPTION - LOT 1.13

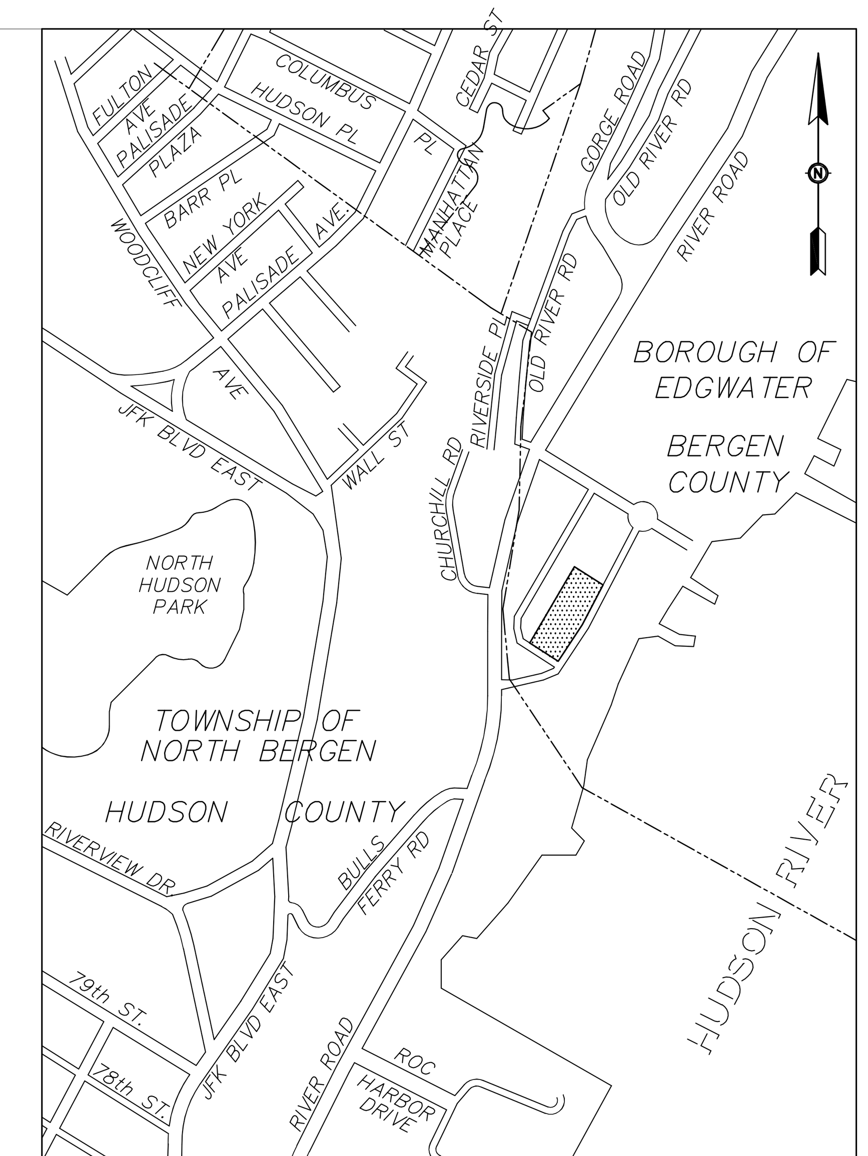
DESCRIPTION OF LOT 1.13 IN BLOCK 99 AS SHOWN ON "I.PARK EDGEWATER, LLC - SUBDIVISION BLOCK 99 LOT 1 ..." FILED IN THE BERGEN COUNTY CLERK'S OFFICE ON AUG. 21, 2014 AS FILED MAP No 9582, IN THE BOROUGH OF EDGEWATER, BERGEN COUNTY, NEW JERSEY

BEGINNING AT THE SOUTHEAST CORNER OF LOT 1.13, AT THE INTERSECTION OF THE WESTERLY LINE OF SOMERSET LANE (IDENTIFIED AS "PROPOSED ROAD A" ON SAID FILED MAP), WITH THE NORTHERLY LINE OF PEMBROKE WAY (IDENTIFIED AS "PROPOSED ROAD C" ON SAID FILED MAP), AND RUNNING THENCE:

1. ALONG SAID NORTHERLY LINE NORTH 59 DEGREES 59 MINUTES 03 SECONDS WEST A DISTANCE OF 144.49 FEET, THENCE
2. ALONG THE DIVISION LINE BETWEEN SUBJECT PROPERTY AND LOT 1.18 AS SHOWN ON SAID FILED MAP, LANDS NOW OR FORMERLY OF WGI EDGEWATER OWNER, LLC NORTH 30 DEGREES 00 MINUTES 57 SECONDS EAST A DISTANCE OF 361.04 FEET, THENCE
3. ALONG THE DIVISION LINE BETWEEN SUBJECT PROPERTY AND LOT 1.11 AS SHOWN ON SAID FILED MAP, LANDS NOW OR FORMERLY OF ONE MAIN STREET EDGE-WATER, LLC SOUTH 59 DEGREES 59 MINUTES 03 SECONDS EAST A DISTANCE OF 144.49 FEET, THENCE
4. ALONG SAID WESTERLY LINE SOUTH 30 DEGREES 00 MINUTES 57 SECONDS EAST A DISTANCE OF 70.00 FEET, THENCE
5. ALONG THE DIVISION LINE BETWEEN SUBJECT PROPERTY AND LOT 1.19 AS SHOWN ON SAID FILED MAP NORTH 59 DEGREES 59 MINUTES 03 SECONDS EAST A DISTANCE OF 75.48 FEET, THENCE
6. STILL ALONG SAID DIVISION LINE SOUTH 30 DEGREES 00 MINUTES 57 SECONDS WEST A DISTANCE OF 173.04 FEET, THENCE
7. STILL ALONG SAID DIVISION LINE SOUTH 59 DEGREES 59 MINUTES 03 SECONDS EAST A DISTANCE OF 75.48 FEET TO THE WESTERLY LINE OF SOMERSET LANE, THENCE
8. ALONG SAID WESTERLY LINE SOUTH 30 DEGREES 00 MINUTES 57 SECONDS WEST A DISTANCE OF 118.00 FEET TO THE POINT OF BEGINNING.

CONTAINING: 39,103 SQUARE FEET, MORE OR LESS





KEY MAP SCALE: 1" = 600'±

0 SCALE IN MILES 1/4 1/2

0 100 500 SCALE IN FEET

LEGEND

○	STORM/SAN MANHOLE STRUCTURE
○ SAN C/O	SANITARY SEWER CLEANOUT
	TYPE B INLET
	UTILITY POLE
	HYDRANT
	FOUND CORNER
RCP	REINFORCED CONCRETE PIPE
HDPE	HIGH-DENSITY POLYETHYLENE (PLASTIC PIPE)
PVC	POLYVINYL CHLORIDE (PLASTIC PIPE)
DIP	DUCTILE IRON PIPE
FDN	FOUNDATION
——G——	UNDERGROUND GAS LINE
——W——	UNDERGROUND WATER LINE
— —E— —	OVERHEAD ELECTRIC WIRE(S)
— —C— —	OVERHEAD COMMUNICATIONS WIRE(S)

NOTES:

1. THIS SURVEY WAS MADE IN ACCORDANCE WITH THE LAWS AND/OR MINIMUM STANDARDS OF THE STATE OF NEW JERSEY.
2. THE PROPERTY DESCRIBED HEREON (THE "PROPERTY") IS THE SAME AS THE PROPERTY DESCRIBED IN OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY COMMITMENT No. BRQ-78 WITH AN EFFECTIVE DATE OF 10/29/2020, AND THAT ALL EASEMENTS, COVENANTS, AND RESTRICTIONS REFERENCED IN SAID TITLE COMMITMENT OR APPARENT FROM A PHYSICAL INSPECTION OF THE PROPERTY OR OTHERWISE KNOWN TO THE UNDERSIGNED HAVE BEEN PLOTTED HEREON OR OTHERWISE NOTED AS TO THEIR EFFECT ON THE PROPERTY.
3. ALL UTILITIES SERVING THE PROPERTY ENTER THROUGH ADJOINING STREETS AND/OR EASEMENTS OF RECORD.
4. THE PROPERTY IN LOCATED WITHIN AN AREA HAVING A ZONE DESIGNATION AE BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), ON FLOOD INSURANCE RATE MAP No. 34003C0286H, WITH A DATE OF IDENTIFICATION OF AUG 28, 2019, FOR COMMUNITY No. 340029 IN BERGEN COUNTY, STATE OF NEW JERSEY, WHICH IS THE CURRENT FLOOD INSURANCE RATE MAP FOR THE COMMUNITY IN WHICH THE PROPERTY IS LOCATED.
5. THERE ARE NO ENCROACHMENTS ONTO ADJOINING PREMISES, STREETS, OR ALLEYS BY ANY BUILDINGS, STRUCTURES, OR OTHER IMPROVEMENTS LOCATED ON THE PROPERTY, AND NO ENCROACHMENTS ONTO THE PROPERTY BY BUILDINGS, STRUCTURES OR OTHER IMPROVEMENTS SITUATED ON ADJOINING PREMISES, EXCEPT AS LISTED HEREON.
6. THIS PROPERTY HAS DIRECT ACCESS TO SOMERSET LANE
7. THE TOTAL NUMBER OF PARKING SPACES ON THE PROPERTY IS 89 AS PER SITE PLAN (PARKING LOT IS UNDER CONSTRUCTION)
8. THERE ARE NO PROPOSED CHANGES IN STREET RIGHT-OF-WAY LINES AFFECTING THE PROPERTY, ACCORDING TO THE BOROUGH OF EDGEWATER.
9. THERE IS NO OBSERVED EVIDENCE OF USE OF PROPERTY AS A SOLID WASTE DUMP, SUMP, OR SANITARY LANDFILL.

TO: THE COMMUNITY PRESERVATION CORPORATION
THIER SUCCESSORS AND/OR ASSIGNS, AS THEIR INTERESTS MAY APPEAR

45 RIVER ROAD URBAN RENEWAL ASSOCIATES, LLC

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

BERGENLINE REAL ESTATE SERVICES, LLC

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2016 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6a. 6b, 7a, 8, 9 10a, 11, 13, 16, &, 19, OF TABLE A THEREOF.

THE FIELD WORK WAS COMPLETED ON 21 NOV 2020

DATE OF PLAT OR MAP: 21 NOV 2020

DATE	REVISIONS	BY

SCHAN ASSOCIATES
41 HORSENECK ROAD
MONTVILLE, NJ 07045
973-541-1555

PROJECT No: 1118
DATE: 21 NOV 2020
SCALE: 1" = 30'
CHECKED BY: AS
DRAFTED BY: AS

ANDRE SCHAN
PROFESSIONAL LAND SURVEYOR NJ LIC. 30749

ALTA/ACSM LAND TITLE SURVEY
LOTS 1.13 & 1.19 - BLOCK 99
TAX ASSESSMENT MAP DESIGNATION
8 SOMERSET LANE
BOROUGH OF EDGEWATER
BERGEN COUNTY NEW JERSEY

SHEET 1 OF 1

Addendum E:
Engagement Letter

GREYSTONE
419 Belle Air Lane
Warrenton, VA 20186
Phone: 540.341.2100
Fax: 540.341.7359

6/17/2022

VIA EMAIL

Robert Porto
Cushman & Wakefield
1290 Avenue of the Americas, 9th Floor
New York, NY, 10104
bobby.porto@cushwake.com

RE: Engagement Letter

Property Name (the "Project")	45 RIVER RD	
Street Address	8 SOMERSET PLACE	
City, State, Zip	Edgewater, NJ, 07020	
Unit Count/Year Built	76	2021
# of Buildings /# of Stories	N/A	N/A
Type of Deal	FANNIE MAE, FNMA MAH	

Dear Robert Porto,

Please accept this letter (the "Engagement Letter") as confirmation of the terms of the engagement of Cushman & Wakefield (the "Vendor") by Greystone Servicing Company LLC ("Greystone").

Scope of Work

Report(s)	Fee
APPRAISAL (AFFORDABLE)	$6,500.00
CLOSER UPLOAD FILE	$0.00

*Fannie Mae Deal Identifier -

Compensation: It is agreed that the total fee to prepare all the required Report(s) outlined above is $6,500.00 (the "Fee"), which includes all costs and expenses (including, but not limited to, any travel, printing and copying costs) incurred by the Vendor with respect to the Report(s). Greystone agrees to pay the Fee upon our receipt and acceptance of the report(s) (each a "Report" and collectively the "Reports").

Report Due Dates:
Greystone must receive an unlocked draft of each Report via email on or before 7/11/2022 (the "Draft Delivery Date").

Ownership Interest: Leased Fee

Scope of Services:

- **Appraisal (Affordable):** Provide a full narrative appraisal of the Property and Market and an estimate of the market value of the Property that is based upon and supported by market data, logical analysis and sound, professional judgement. The appraisal report must estimate the market value of the Property, on an "as-is" basis and as of the effective date of the Appraisal subject to stated assumptions and limiting conditions. The appraisal must include three values: insurable, restricted, and unrestricted value. Also, a market study is required when more than twenty percent (20%) of the units have a project-based HAP Contract in order to identify an absorption rate and rent level for the submarket.
- **Closer Upload File:** Provide the data schema (via XML or JSON) for direct upload/import into the Closer system.

Appraisal Standards: The appraisal must be prepared by a qualified, state licensed or certified appraiser, comply in content and format with the Fannie Mae Guide and conform to the requirements prescribed by the Uniform Standards of Professional Appraisal Practice (USPAP). The report must also meet any governmental regulations in effect when the Mortgage Loan was originated, including the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

Greystone Contacts: All electronic drafts of each Report(s) and invoices should be sent to the following designated Greystone Contacts.

Third Party Coordinator - Shawntae Nixon, at Shawntae.nixon@greyco.com

Delivery & Completion: Please notify Greystone as soon as possible of any major issues that may require additional testing and/or mitigation, any unanticipated delays, or unusual findings discovered during the preparation of the Report(s). Communication prior to delivery of each draft Report is greatly appreciated.

All draft and final Report(s) must be either in Word, Excel or non-scanned PDF form, so that word searches are possible. Color photos of items requiring critical and non-critical repair, and all completed required Fannie Mae forms and files must accompany each draft Report; otherwise such Report will not be deemed complete. Note that the list of critical and non-critical repairs should clearly describe the location of each of the repairs at the Property and what repair(s) is/are required. The description of each repair must be sufficiently detailed so that an experienced person can perform the work and that an experienced inspector can inspect such repair with minimal additional direction or consultation.

Greystone reserves the right to impose a five percent (5%) penalty for each week each Report(s) is/are late unless an alternative delivery date is mutually agreed upon by Greystone and Vendor in writing. After review and approval of each of the Report(s), the final signed electronic copy of each Report(s) will be promptly due thereafter. Additionally, unexcused delays in the delivery of any Report(s) may require the Vendor, at no additional fee, cost, or expense to Greystone, to revisit the Project or undertake other measures as required by Greystone or Fannie Mae to ensure the information contained in each Report(s) is/are within the timeframe permitted by Fannie Mae. The Vendor understands and agrees that time is of the essence with respect to the performance of its obligations hereunder.

> Please immediately furnish Greystone by email a list of what information you need to (1) begin your work and (2) timely complete each of the Report(s). The effective date of each of the Report(s) will be the site visit date, and the Vendor understands and agrees that each of the Report(s) has/have a limited shelf life. If the Vendor makes the site visit prior to its receipt of any critical piece of information required to conduct its review and assessment of the Project and prepare the Report(s), then Greystone may require the Vendor to re-issue each of the Report(s) at no further fee, cost, or expense to Greystone. Greystone prefers that the Vendor not make the site visit to the Project until all critical information has been delivered to it, but in all cases, the parties will work together to ensure that you receive the information you need in a timely fashion.

Intended User: Greystone Servicing Company LLC and Fannie Mae and their respective successors and assigns. You must obtain Greystone's prior written authorization before releasing any of the Report(s) to any other person or party.

Distribution of Report: It is understood and agreed by the Vendor that a copy of each of the Report(s) may be provided by Greystone to any representative and/or employee of Greystone (and/or any affiliate of Greystone), the Borrower/Owner and/or sponsor(s) of the Project (and their respective representatives and employees), Fannie Mae and all other third-party report providers.

Identity-of-Interest: The Vendor represents and warrants to Greystone that neither the Vendor nor any of the individuals conducting any review and assessment of the Project and preparing any of the Report(s) is/are affiliated with the Borrower, any Sponsor or any individual or entity involved in the Project of which Vendor is made aware by Greystone, nor involved in any way with respect to the proposed Fannie Mae loan for the Project, other than the engagement with Greystone hereunder to prepare the Report(s).

Confidentiality: The results of your engagement are to be communicated only in writing and only to Greystone. All documents and information furnished to you by Greystone and/or Borrower in connection with this engagement are confidential information.

Competency: Your engagement is predicated on being able to complete the assessment(s) and prepare the Report(s) in compliance with the above requirements. If at any time in the course of your engagement you find that you will not be able to comply with any of the requirements outlined herein, please contact us immediately and do not proceed with any further performance of the assessment(s) and preparation of the Report(s) until we have discussed the matter.

Requested Amendments. It is agreed that the final Report(s) provided to Greystone hereunder will not be amended or otherwise revised without the written consent and approval of Greystone. In addition, the terms and conditions of this Engagement Letter is not amended, modified, and/or supplemented except in writing signed by both parties, nor will any provision of this Engagement

Letter be waived except in writing signed by the party waiving its rights hereunder.

Reliance Language:

The report(s) must include the following reliance language in the letter of transmittal above the contacts signature and/or on the contacts Certification page above the contacts signature:

"This report is for the use and benefit of, and may be relied upon by,

- the Greystone Servicing Company LLC, Fannie Mae and any successors and assigns ("Lender");
- independent auditors, accountants, attorneys and other professionals acting on behalf of Lender;
- governmental agencies having regulatory authority over Lender;
- designated persons pursuant to an order or legal process of any court or governmental agency;
- prospective purchasers of the Mortgage; and
- with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is subject of this report, the following parties and their respective successors and assigns;
    - any placement agent or broker/dealer and any of their respective affiliates, agents and advisors;
    - any initial purchaser or subsequent holder of such debt and/or securities;
    - any Servicer or other agent acting on behalf of the holders of such debt and/or securities;
    - any indenture trustee;
    - any rating agency; and
    - any institutional provider from time to time of any liquidity facility or credit support for such financing

In addition, this report, or a reference to this report, may be included or quoted in any offering circular, information circular, offering memorandum, registration statement, private placement memorandum, prospectus or sales brochure (in either electronic or hard copy format) in connection with a securitization or transaction involving such debt (or portion thereof) and/or securities."

Applicable Law: Please acknowledge your acceptance of the terms and conditions of this Engagement Letter by executing below and returning via e-mail. Please provide us with the name of each individual(s) who will be working on each Report(s). Failure to complete and timely deliver any one or more of the foregoing items shall entitle Greystone, at its option, to terminate this Engagement Letter upon written notice to the Vendor, all without any fee or liability to the Vendor. Should you need any future information, please reach out to the Greystone contacts.

I / We agree to the terms of the assignment stated in this engagement letter:

Greystone Servicing Company LLC

Printed Name: Shawntae Nixon

Signature: DocuSigned by: Shawntae Nixon
712E3DEF7B85457...
6/17/2022

Vendor Name: Cushman & Wakefield

Printed Name: Robert Porto

Signature: DocuSigned by: PORTO, ROBERT
43F8219877634FB...
6/17/2022

Report to be completed by: ____
(Name of Individual)

Addendum F:
Qualifications of Appraiser

Joanne Murdock, MAI Senior Director

Valuation & Advisory
Cushman & Wakefield of New Jersey, Inc.

Professional Expertise

Ms. Murdock joined Cushman & Wakefield, Inc. in April 2011 with more than 10 years of commercial appraisal experience in New Jersey and the New York Metropolitan area. She presently works in the East Rutherford, New Jersey office and directly oversees valuation assignments for commercial properties throughout New Jersey, concentrating on multifamily assets of all types.

Appraisal and consulting assignments include a wide range of property types consisting of proposed and existing rental apartment buildings, cooperative buildings, proposed condominium and townhome development and proposed subdivisions. Ms. Murdock has extensive experience appraising government subsidized multifamily rental properties, including proposed low income housing tax credit properties, Section 8 properties and FHA appraisals for residential properties under HUD's MAP guidelines. Other assignments include highest and best use analysis, feasibility analysis, proposed and existing office buildings, proposed and existing shopping centers, all types of retail properties, as well as industrial properties, vacant land, schools and other special use properties.

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute (MAI #541864). As of the current date, Joanne Murdock, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Certified General Real Estate Appraiser in the following states:
  - New Jersey – 42RG00234300
- Master of Science, New York University
- Bachelor of Arts in Business Administration, Eckerd College

NEW JERSEY

THIS DOCUMENT IS PRINTED ON WATERMARKED PAPER, WITH A MULTI-COLORED BACKGROUND AND MULTIPLE SECURITY FEATURES. PLEASE VERIFY AUTHENTICITY.

State Of New Jersey
New Jersey Office of the Attorney General
Division of Consumer Affairs

THIS IS TO CERTIFY THAT THE
Real Estate Appraisers Board

HAS CERTIFIED

Joanne Murdock
1225 River Road, #7B
Edgewater NJ 07020

FOR PRACTICE IN NEW JERSEY AS A(N): Certified General Appraiser

12/24/2021 TO 12/31/2023
VALID

42RG00234300
LICENSE/REGISTRATION/CERTIFICATION #

Joanne Murdock

Signature of Licensee/Registrant/Certificate Holder

ACTING DIRECTOR

CUSHMAN & WAKEFIELD

Michael Weinberg Associate

Valuation & Advisory
Cushman & Wakefield of New Jersey, Inc.

Professional Expertise

Mr. Weinberg is an Associate Appraiser within the Valuation & Advisory group at Cushman & Wakefield of New Jersey, Inc. in East Rutherford, New Jersey. He graduated from the University of Connecticut with a degree in Finance and a minor in Real Estate. Subsequently, he joined Cushman & Wakefield in July 2018.

Appraisal experience includes land, proposed and existing multifamily properties and proposed and existing mixed-use properties.

Memberships, Licenses, Professional Affiliations and Education

- Bachelor of Science, University of Connecticut

Appraisal Education

- Basic Appraisal Principles
- Basic Appraisal Procedures
- National USPAP, 15-hour
- Supervisory Appraiser/Trainee Appraiser Course