

Appraisal of Real Property

Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)

Vacant Land
Beach-N/S of Casino Pier
Seaside Heights, Ocean County, New Jersey 08751

Prepared For:

Borough of Seaside Heights

Effective Date of the Appraisal:

February 13, 2016

Report Format:

Appraisal Report – Comprehensive Format

IRR - Coastal New Jersey

File Number: 109-2016-0060, Parcel B
Green Acres Reference: SHC#: 1527002





Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)
Beach-N/S of Casino Pier
Seaside Heights, New Jersey



February 19, 2016

Borough of Seaside Heights
C/O George R. Gilmore
Gilmore & Monahan
10 Allen Street
Toms River, NJ 08754

SUBJECT: Market Value Appraisal
 Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)
 Beach-N/S of Casino Pier
 Seaside Heights, Ocean County, New Jersey 08751
 IRR - Coastal New Jersey File No. 109-2016-0060, Parcel B
 Green Acres Reference: SHC#: 1527002

Dear Mr. Gilmore:

Integra Realty Resources – Coastal New Jersey is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property. The client for the assignment is the Borough of Seaside Heights, and the intended use is for negotiations for a possible acquisition.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of the Borough of Seaside Heights and the NJ DEP Green Acres.

The property owner was notified of the appraisal assignment by certified mail on February 12, 2016. While we inspected the property on February 13, 2016 due to the time constraints in completing the assignment, we offered the property owner the opportunity to accompany the appraiser on a re-inspection of the site; however, as of the report date, the property owner did not contact our office.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of the 2014-2015 edition of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Comprehensive Format. This type of report contains the greatest depth and detail of the available report types. It describes and explains the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. This format meets or exceeds the former Self-Contained Appraisal Report requirements that were contained in the 2012-2013 edition of USPAP.

The subject is a parcel of vacant beach land containing an area of 1.37 acres or 59,794.53 square feet and is part of Block 99.02, Lots 1 & 1.01, which totals 46.61 acres and contains both beach and land east of the mean high water line (Atlantic Ocean). The parcel is adjacent to the north side of Casino Pier, east of the Boardwalk and is within the Public Zoning designation. Our appraisal values only 1.37 acres or 59,794.53 square feet within the larger 46.61 acre parcel owned by the Borough of Seaside Heights. This was shown on a Proposed Minor Subdivision Plan prepared by O'Donnell, Stanton, & Associates, Inc., dated February 1, 2016 as Proposed Lot 1.04 within Block 99.02. This subdivision is pending approval and is expected to be presented to the Seaside Heights Land Use Board on February 24, 2016.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	February 13, 2016	\$4,780,000



Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We have relied on the Proposed Subdivision Map, prepared by O'Donnell, Stanton, & Associates, Inc., dated February 1, 2016 to describe and analyze the subject property (Note: Subdivision application is expected to be presented to the Land Use Board on February 24, 2016).
2. Our analysis and valuation conclusions within this report are specifically contingent on the subject receiving CAFRA and municipal approvals to utilize the subject for expansion land for the adjacent pier (Casino Pier). The subject has received CAFRA approval on July 15, 2015 to expand the pier on a portion of Lots 1 & 1.01, immediately to the north and adjacent to Casino Pier as well as to relocate the 50' x 60' base of the Skyride. Further, the municipality views the application favorably. Our analysis and conclusions assume that all State and municipal approvals are granted.
3. Casino Beach Pier, LLC (Casino Pier) leases the Skyride from the Borough of Seaside Heights; a portion of which is located on the subject property. The tenant exercised a ten-year option in 2012 and is now under lease through April 15, 2022 to operate the Skyride. The tenant has the right to relocate the Skyride at any time during the term of the lease if a new location is mutually agreed upon by the parties. If a new location is agreed upon which provides a reasonable basis for increasing or decreasing the annual rent, the rental amount may be renegotiated by the parties. Based on our review of the CAFRA approval, the Skyride is expected to be relocated approximately 160 feet to the north of the existing footprint. We have not considered the impact of the Skyride lease as it relates to the valuation of the subject. We have appraised the site as-if free and clear of any encumbrances specifically recognizing that the tenant is the party to which the Borough is in negotiations with to acquire the subject property.
4. Typically the NJ DEP requires a before and after valuation approach for partial acquisitions. However, in the instant case, the subject represents a unique and peculiar property and application of a before and after analysis would not prove useful in valuing the subject. In some instances, agencies and valuation managers are able to modify standards as necessary to meet specific program requirements. Accordingly, given that a before and after analysis is not relevant in the instant case, we have valued only that portion of the property being conveyed to AFMV, LLC as this has a clear and distinct highest and best use as compared to the balance of the beach parcel owned by the Borough.
5. Our analysis has not considered any possible restrictions that may be placed on the property as a result of any contemplated dune maintenance easements.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None
-

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY RESOURCES - COASTAL NEW JERSEY



Anthony S. Graziano, MAI, CRE
Certified General Real Estate Appraiser
New Jersey Certificate # RG 00466



Thomas J. Grouss
Certified General Real Estate Appraiser
New Jersey Certificate # RG 02053



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Summary of Salient Facts and Conclusions

Property Name	Vacant Land E/S of Boardwalk adjacent to Casino Pier	
Address	Beach-N/S of Casino Pier Seaside Heights, Ocean County, New Jersey 08751	
Property Type	Land - Amusement/Theme Park	
Owner of Record	Borough of Seaside Heights	
Tax ID	Block 99.02, P/O Lot 1 & 1.01	
Land Area	1.37 acres; 59,794.53 SF	
Zoning Designation	PUB, Public Zone	
Highest and Best Use	Expansion land for adjacent casino pier	
Exposure Time; Marketing Period	9 to 12 months; 9 to 12 months	
Effective Date of the Appraisal	February 13, 2016	
Date of the Report	February 19, 2016	
Property Interest Appraised	Fee Simple	
Sales Comparison Approach		
Number of Sales	5	
Range of Sale Dates	Jul 13 to Oct 14	
Range of Prices per Usable SF (Unadjusted)	\$59.88 - \$223.10	
Market Value Conclusion	\$4,780,000	(\$79.94/Usable SF)

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than the intended users may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

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1. None
-

General Information

Identification of Subject

The subject is a parcel of vacant beach land containing an area of 1.37 acres or 59,794.53 square feet and is part of Block 99.02, Lots 1 & 1.01, which totals 46.61 acres and contains both beach and land east of the mean high water line (Atlantic Ocean). The parcel is adjacent to the north side of Casino Pier, east of the Boardwalk and is within the Public Zoning designation. Our appraisal values only 1.37 acres or 59,794.53 square feet within the larger 46.61 acre parcel owned by the Borough of Seaside Heights. This was shown on a Proposed Minor Subdivision Plan prepared by O'Donnell, Stanton, & Associates, Inc., dated February 1, 2016 as Proposed Lot 1.04 within Block 99.02. This subdivision is pending approval and is expected to be presented to the Seaside Heights Land Use Board on February 24, 2016.

Property Identification

Property Name	Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)
Address	Beach-N/S of Casino Pier Seaside Heights, New Jersey 08751
Tax ID	Block 99.02, P/O Lot 1 & 1.01 (Proposed New Lot 1.04)

Current Ownership and Sales History

The owner of record is the Borough of Seaside Heights who has owned the property for more than three years prior to our effective date of value.

To the best of our knowledge, no other sale or transfer of ownership has occurred within the past three years, and as of the effective date of this appraisal, the property is not subject to an agreement of sale or option to buy, nor is it listed for sale.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property as of the effective date of the appraisal, February 13, 2016. The date of the report is February 19, 2016. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

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

- 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.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of Property Rights Appraised

Fee simple estate is defined as, “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010)

Intended Use and User

The intended use of the appraisal is for negotiations for a possible acquisition. The client and intended user is the Borough of Seaside Heights. Other intended users include the Borough of Seaside Heights municipal professionals as well as the NJ DEP and their professionals. The appraisal is not intended for any other use or user. No party or parties other than the intended users may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;

- Applicable state appraisal regulations;
- Appraisal guidelines of the Borough of Seaside Heights and the NJ DEP Green Acres

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of the 2014-2015 edition of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Comprehensive Format. This type of report contains the greatest depth and detail of the available report types. It describes and explains the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. This format meets or exceeds the former Self-Contained Appraisal Report requirements that were contained in the 2012-2013 edition of USPAP. For additional information, please refer to Addendum B – Comparison of Report Formats.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have previously appraised the property that is the subject of this report for the current client within the three-year period immediately preceding acceptance of this assignment. The report was dated November 19, 2014 and had an effective date of November 17, 2014.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

We use only the sales comparison approach in developing an opinion of value for the subject. This approach is applicable to the subject because there is an active market for similar properties, and sufficient sales data is available for analysis.

The cost approach is not applicable because there are no improvements that contribute value to the property, and the income approach is not applicable because the subject is not likely to generate rental income in its current state.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Anthony S. Graziano, MAI, CRE, conducted an on-site inspection of the property on February 13, 2016. Thomas J. Grouss also conducted an on-site inspection on February 13, 2016.

The property owner was notified of the appraisal assignment by certified mail on February 12, 2016. While we inspected the property on February 13, 2016 due to the time constraints in completing the assignment, we offered the property owner the opportunity to accompany the appraiser on a re-inspection of the site; however, as of the report date, the property owner did not contact our office.

Economic Analysis

Ocean County Area Analysis

Ocean County is located in southern New Jersey approximately 68 miles south of New York, New York. It is 629 square miles in size and has a population density of 939 persons per square mile. Ocean County is part of the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area, hereinafter called the New York MSA, as defined by the U.S. Office of Management and Budget.

Transportation

The transportation linkages are adequate to serve the needs of this growing suburban population, including the limited-access Garden State Parkway for north/south travel and Interstate 195 for east/west travel.

Major commercial highway systems are adequate, including NJ State Highway Route 35 and US Highway Route 9 for north/south travel, and NJ State Highways Route 37, 70, and 72 for east/west travel. These highways are supplemented by an extensive County road network throughout the region.

Most communities in the more densely developed northern areas of the County are served by public transportation and various community services for particular population segments, while there is a passenger rail line linkage to Manhattan via the New York/New Jersey Long Branch railroad from the northerly communities of Bay Head and Point Pleasant.

Utilities

Utilities availability is a key ingredient of growth; the County overall has an extensive network of central utilities systems operating on both a municipal as well as a regional level.

Consistent with historic development patterns, the most extensive utilities systems are found generally east of the Garden State Parkway corridor, where land areas are the most densely developed.

Historically, the westerly and southerly portions of the County were primarily rural or agricultural in nature; however, significant growth has occurred along the N/S highway routes, and more recently in the north westerly and southerly portions of the County. As a result, many central utilities systems have been extended and are continuing to be extended within those planned Water Quality Management Planning areas.

Population

Ocean County has an estimated 2016 population of 590,233, which represents an average annual 0.4% increase over the 2010 census of 576,567. Ocean County added an average of 2,278 residents per year over the 2010-2016 period, and its annual growth rate is similar to that of the State of New Jersey.

Looking forward, Ocean County's population is projected to increase at a 0.4% annual rate from 2016-2021, equivalent to the addition of an average of 2,628 residents per year. The Ocean County growth rate is expected to be similar to that of New Jersey.

Population Trends					
	Population			Compound Ann. % Chng	
	2010 Census	2016 Est.	2021 Est.	2010 - 2016	2016 - 2021
Seaside Heights	2,887	2,807	2,810	-0.5%	0.0%
Ocean County	576,567	590,233	603,372	0.4%	0.4%
New Jersey	8,791,894	8,985,147	9,162,197	0.4%	0.4%

Source: The Nielsen Company

Employment

Total employment in Ocean County is currently estimated at 156,621 jobs. Between year-end 2004 and the present, employment rose by 12,615 jobs, equivalent to a 8.8% increase over the entire period. There were gains in employment in eight out of the past ten years despite the national economic downturn and slow recovery. Given the rise in employment over the last decade, Ocean County outperformed New Jersey, which experienced a decline in employment of 0.8% or 32,737 jobs over this period.

A comparison of unemployment rates is another way of gauging an area’s economic health. Over the past decade, the Ocean County unemployment rate has been consistently higher than that of New Jersey, with an average unemployment rate of 7.5% in comparison to a 6.9% rate for New Jersey. A higher unemployment rate is a negative indicator.

Recent data shows that the Ocean County unemployment rate is 5.4% in comparison to a 5.0% rate for New Jersey, a negative sign for Ocean County economy but one that must be tempered by the fact that Ocean County has outperformed New Jersey in the rate of job growth over the past two years.

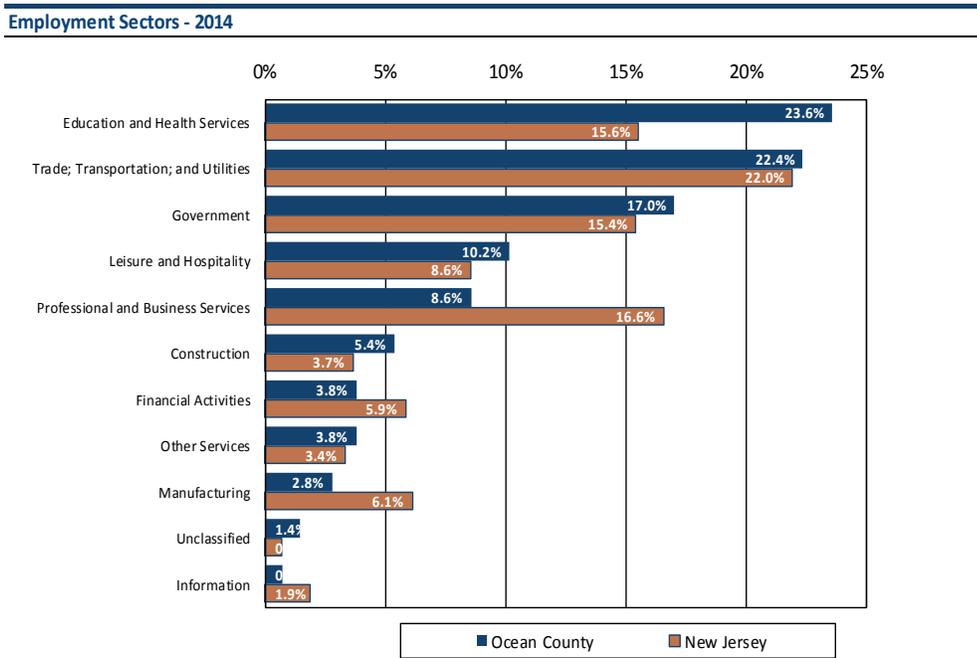


Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	%		%		Ocean County	New Jersey
	Ocean County	Change	New Jersey	Change		
2004	144,006		3,954,698		5.0%	4.8%
2005	146,702	1.9%	3,985,771	0.8%	4.7%	4.5%
2006	148,414	1.2%	4,019,760	0.9%	5.0%	4.7%
2007	148,886	0.3%	4,025,429	0.1%	4.6%	4.3%
2008	145,992	-1.9%	3,920,569	-2.6%	5.8%	5.3%
2009	143,910	-1.4%	3,799,840	-3.1%	9.5%	9.1%
2010	144,048	0.1%	3,788,169	-0.3%	10.3%	9.5%
2011	145,068	0.7%	3,805,246	0.5%	10.4%	9.3%
2012	146,702	1.1%	3,840,054	0.9%	10.6%	9.3%
2013	153,949	4.9%	3,881,678	1.1%	9.1%	8.1%
2014	156,621	1.7%	3,921,961	1.0%	7.2%	6.7%
Overall Change 2004-2014	12,615	8.8%	-32,737	-0.8%		
Avg Unemp. Rate 2004-2014					7.5%	6.9%
Unemployment Rate - November 2015					5.4%	5.0%

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Ocean County job market is depicted in the following chart, along with that of New Jersey. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Ocean County jobs in each category.



Source: Bureau of Labor Statistics and Economy.com



Ocean County has greater concentrations than New Jersey in the following employment sectors:

1. Education and Health Services, representing 23.6% of Ocean County payroll employment compared to 15.6% for New Jersey as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Trade; Transportation; and Utilities, representing 22.4% of Ocean County payroll employment compared to 22.0% for New Jersey as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Government, representing 17.0% of Ocean County payroll employment compared to 15.4% for New Jersey as a whole. This sector includes employment in local, state, and federal government agencies.
4. Leisure and Hospitality, representing 10.2% of Ocean County payroll employment compared to 8.6% for New Jersey as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.

Ocean County is underrepresented in the following sectors:

1. Professional and Business Services, representing 8.6% of Ocean County payroll employment compared to 16.6% for New Jersey as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
2. Financial Activities, representing 3.8% of Ocean County payroll employment compared to 5.9% for New Jersey as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
3. Manufacturing, representing 2.8% of Ocean County payroll employment compared to 6.1% for New Jersey as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
4. Information, representing 0.7% of Ocean County payroll employment compared to 1.9% for New Jersey as a whole. Publishing, broadcasting, data processing, telecommunications, and software publishing are included in this sector.

Major Employers

Major employers in Ocean County are shown in the following table.

Major Employers in Ocean County	
1 Community/Kimball/Behavioral Health, Ambulatory Care	4,534
2 Six Flags Theme Parks, Inc.	3,000
3 Naval Engineering Station-Naval Air Warfare Center-Aircraft Division	2,994
4 Toms River Regional School System	2,185
5 Anchor Auto Lease	1,500
6 Brick Township Board of Education	1,500
7 Ocean Medical Center	1,400
8 Disabled American Veterans	1,000
9 Jackson Township Board of Education	819
10 Lacey Township Board of Education	702

Source: Ocean County Planning Board - July 2013



Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the New York MSA is considered meaningful when compared to the nation overall, as Ocean County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the New York MSA than the United States overall during the past eight years. The New York MSA has grown at a 1.2% average annual rate while the United States has grown at a 0.8% rate. As the national economy improves, the New York MSA continues to perform better than the United States. GDP for the New York MSA rose by 2.4% in 2014 while the United States GDP rose by 2.2%.

The New York MSA has a per capita GDP of \$70,830, which is 44% greater than the United States GDP of \$49,110. This means that New York MSA industries and employers are adding relatively more value to the economy than their counterparts in the United States overall.

Gross Domestic Product				
Year	(\$ Mil)		(\$ Mil)	
	New York MSA	% Change	United States	% Change
2007	1,311,356		14,798,367	
2008	1,273,014	-2.9%	14,718,304	-0.5%
2009	1,276,750	0.3%	14,320,114	-2.7%
2010	1,317,459	3.2%	14,628,169	2.2%
2011	1,329,936	0.9%	14,833,680	1.4%
2012	1,374,136	3.3%	15,127,489	2.0%
2013	1,389,316	1.1%	15,317,517	1.3%
2014	1,423,173	2.4%	15,659,221	2.2%
Compound % Chg (2007-2014)		1.2%		0.8%
GDP Per Capita 2014	\$70,830		\$49,110	

Source: Bureau of Economic Analysis and Economy.com; data released September 2015. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009 dollars.

Household Income

Ocean County has a lower level of household income than New Jersey. Median household income for Ocean County is \$61,753, which is 14.4% less than the corresponding figure for New Jersey.

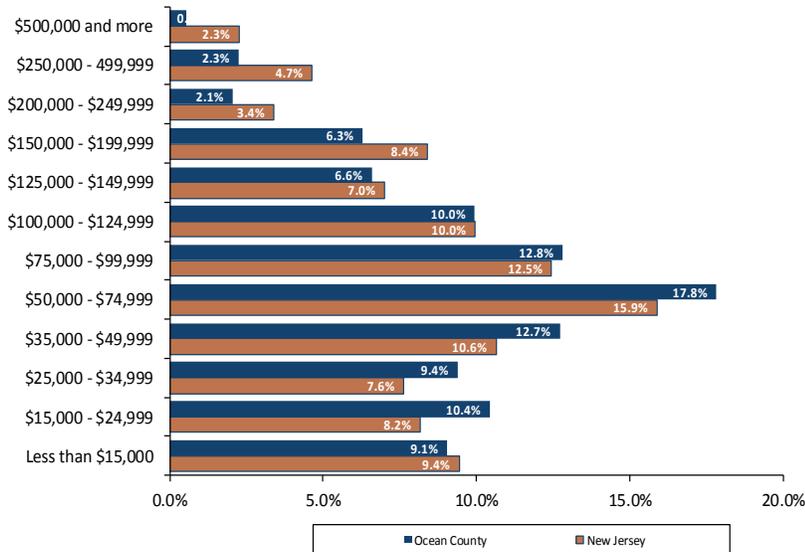
Median Household Income - 2016	
	Median
Ocean County	\$61,753
New Jersey	\$72,173
Comparison of Ocean County to New Jersey	- 14.4%

Source: The Nielsen Company



The following chart shows the distribution of households across twelve income levels. Ocean County has a greater concentration of households in the middle income levels than New Jersey. Specifically, 31% of Ocean County households are between the \$35,000 - \$75,000 levels in household income as compared to 27% of New Jersey households. A lesser concentration of households is apparent in the higher income levels, as 41% of Ocean County households are at the \$75,000 or greater levels in household income versus 48% of New Jersey households.

Household Income Distribution - 2016

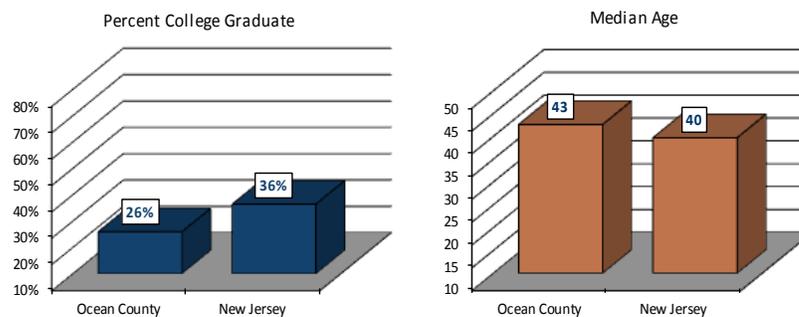


Source: The Nielsen Company

Education and Age

Residents of Ocean County have a lower level of educational attainment than those of New Jersey. An estimated 26% of Ocean County residents are college graduates with four-year degrees, versus 36% of New Jersey residents. People in Ocean County are older than their New Jersey counterparts. The median age for Ocean County is 43 years, while the median age for New Jersey is 40 years.

Education & Age - 2016



Source: The Nielsen Company



Building Permits

The following table illustrates the trends in building permit issuances for selected barrier island communities within Northern Ocean County. We include Brick Township, Toms River Township, and Berkeley Township in our table due to their sizable land areas along the barrier island. Final building permit issuances were not yet available for 2015 as of the writing of our report.

Residential Building Permits Authorized												
Source: United States Census Bureau												
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>10 Year Total</u>	<u>Average/ Yr.</u>
Bay Head	5	8	2	3	0	6	9	9	5	10	57	6
Brick Township	142	111	111	71	51	53	69	60	101	166	935	94
Berkeley Township	111	102	78	57	41	71	56	71	81	116	784	78
Lavallette	20	14	10	17	21	23	18	20	70	100	313	31
Mantoloking	4	1	2	2	2	4	5	3	5	28	56	6
Point Pleasant Beach	17	19	13	8	13	20	6	6	38	61	201	20
Seaside Heights	32	79	27	8	5	4	0	2	15	11	183	18
Seaside Park	14	13	16	14	8	15	8	6	8	16	118	12
Toms River Township	252	244	450	347	69	368	103	76	418	803	3,130	313
Total	597	591	709	527	210	564	274	253	741	1,311	5,777	578
Ocean County Total	2,904	2,114	2,160	1,527	902	1,325	933	1,125	2,171	2,937	18,098	1,810
% of County Total	20.6%	28.0%	32.8%	34.5%	23.3%	42.6%	29.4%	22.5%	34.1%	44.6%		

The county overall saw a total of just under 18,000 permits issued over the last 10 years and vacillated somewhat over the last 5 years with surprising strength into 2013 and 2014, although we believe the sharp upturn is a result of the rebuilding and restoration efforts following Superstorm Sandy in October 2012. As demonstrated, the barrier island communities of Lavallette, Mantoloking, and Point Pleasant Beach all saw significant increases in issuances in 2013 and 2014 as compared to their historical averages.

Specific to Seaside Heights, the period between 2005-2007 saw a total of 138 issuances, and averaged 46± issuances per year. Over the next five year period, between 2008-2012, a total of 19 permits were issued, or an average of less than 4 permits per year. This increased to 15 permits in 2013 and 11 permits in 2014.

Conclusion

The Ocean County economy will be affected by a stable to slightly growing population base and lower income and education levels. Ocean County experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. Moreover, Ocean County benefits from being part of the New York MSA, which is the most populous metropolitan area in the country, and exhibits both a higher rate of GDP growth and a higher level of GDP per capita than the nation overall.



Ocean County has historically had a strong and stable residential and commercial market. We expect that property values in the subject's area will change with the broader market, and the long term outlook for Ocean County is optimistic.

At the end of October 2012, the region was devastated by the effects of "Superstorm Sandy" particularly across the barrier islands and bay front areas due to flooding and wave action. A substantial number of homes were destroyed and residents displaced, while the popular commercial boardwalks were also destroyed in several communities.

By early 2016, a significant number of homes and nearly all commercial boardwalks have been rebuilt. The harder hit areas including Mantoloking and the Ortley Beach section of Toms River have a significant amount of work yet to be completed and homes yet to be rebuilt. Over the short-term, we expected a continuation of the rebuilding process and expect the local construction industry to remain robust as demand for rebuilding and raising homes remains very strong.

Surrounding Area Analysis

Boundaries

The subject is located in the Borough of Seaside Heights, Ocean County. This market area is generally delineated as follows:

North	Toms River Township Municipal Boundary/Ortley Beach
South	Seaside Park Borough Municipal Boundary
East	Atlantic Ocean
West	Barnegat Bay/Pelican Island

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the market area is provided by State Highway Route 37, which runs in an east/west direction connecting the mainland and the barrier island by the Stanley Tunney/Thomas Mathis Bridge. Route 37 connects to the Garden State Parkway eight miles to the west. Route 35, which runs in a north/south direction, is the primary corridor for local access along the barrier island.

The Route 37 corridor provides access to the Garden State Parkway in nearby Toms River Township and convenient access to and from the barrier island for summer tourism and year-round residents.

There is limited public transportation available in the local area. However, the primary mode of transportation in this area is by automobile. The nearest NJ Transit train station is located in Bay Head, approximately 10 miles to the north, making train travel to Seaside from points north somewhat impractical.

Demand Generators

Primary seasonal employment within the local market is generated by the Boardwalk commercial uses as well as the numerous hotels and motels, restaurants, and night clubs located in the area. Much of the employment, however, is seasonal in nature.

Other major employers in the surrounding area include the Brick, Jackson, and Toms River school systems, the Ocean County Government Offices (Toms River), and the St. Barnabas Healthcare System.

Middlesex and Monmouth County employment centers located to the north are accessible via the Garden State Parkway, although access times from the barrier island to the Parkway prohibit most year-round residents of the Barrier Island from working outside Ocean or Monmouth County.

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics						
2016 Estimates	5-Minute Drive Time	10-Minute Drive Time	20-Minute Drive Time	Seaside Heights	Ocean County	New Jersey
Population 2010	7,339	20,877	114,137	2,887	576,567	8,791,894
Population 2016	7,161	20,353	111,689	2,807	590,233	8,985,147
Population 2021	7,183	20,254	111,087	2,810	603,372	9,162,197
Compound % Change 2010-2016	-0.4%	-0.4%	-0.4%	-0.5%	0.4%	0.4%
Compound % Change 2016-2021	0.1%	-0.1%	-0.1%	0.0%	0.4%	0.4%
Households 2010	3,709	9,356	43,804	1,376	221,111	3,214,360
Households 2016	3,689	9,280	43,153	1,336	224,229	3,289,113
Households 2021	3,735	9,325	43,103	1,338	228,310	3,358,537
Compound % Change 2010-2016	-0.1%	-0.1%	-0.2%	-0.5%	0.2%	0.4%
Compound % Change 2016-2021	0.2%	0.1%	0.0%	0.0%	0.4%	0.4%
Median Household Income 2016	\$42,388	\$60,450	\$72,506	\$29,318	\$61,753	\$72,173
Average Household Size	1.9	2.2	2.6	2.1	2.6	2.7
College Graduate %	29%	29%	30%	10%	26%	36%
Median Age	49	47	42	37	43	40
Owner Occupied %	55%	71%	77%	23%	81%	65%
Renter Occupied %	45%	29%	23%	77%	19%	35%
Median Owner Occupied Housing Value	\$698,446	\$413,398	\$322,120	\$493,939	\$273,802	\$333,394
Median Year Structure Built	1959	1961	1968	1958	1979	1967
Avg. Travel Time to Work in Min.	28	33	32	21	32	34

Source: The Nielsen Company

As shown above, the current population within a 5-minute drive time of the subject is 7,161, and the average household size is 1.9. Population in the area has declined since the 2010 census, but the trend is projected to reverse over the next five years. Compared to Ocean County overall, the population within a 5-minute drive time is projected to grow at a slower rate.

Median household income is \$42,388, which is lower than the household income for Ocean County. Residents within a 5-minute drive time have a higher level of educational attainment than those of Ocean County, while median owner occupied home values are considerably higher.

Market Area Services and Amenities

The densely populated urbanized shore community of Seaside Heights has numerous local stores and personal services. Bars, eateries, amusement stands, and novelty/beach shops are located on the Boardwalk, although many of these operations are closed in the off-season. Shops, night clubs, eateries, and personal service establishments are concentrated along the Boulevard. Ocean Terrace, which runs north/south just west of the Boardwalk, is essentially a spillover area from the Boardwalk. Central Avenue, which runs west of the Boulevard, is less pedestrian friendly and is primarily developed with residences and hotels/motels. Because year-round demand is insufficient for the operation of traditional community or regional scale retail/commercial uses, larger scale shopping and services are located on the mainland in Toms River Township.

Land Use

Land uses along the Boardwalk are varied and include scattered motels, retail shops, and boardwalk amusement type stands and souvenir shops. The intensity of development becomes less toward the far north end of the boardwalk. Other land use characteristics are summarized as follows:

Surrounding Area Land Uses	
Character of Area	Coastal Waterfront
Predominant Age of Improvements	50+ years to newer construction
Predominant Quality and Condition	Average
Approximate Percent Developed	90 to 95% (not including the former Fun Town Pier area which was destroyed from Super Storm Sandy and Fire)
Infrastructure/Planning	Average
Predominant Location of Undeveloped Land	N/A; Infill Only

Subject's Immediate Surroundings	
North	Open Beach Area
South	Casino Pier
East	Atlantic Ocean
West	Boardwalk Commercial Development

Development Activity and Trends

Prior to Hurricane Sandy, over the last decade, the area has seen the emerging re-development of deteriorating or less functional properties, as well as Boulevard streetscape improvements completed by property owners and the municipality.

The predominant trend in real estate utilization within the Borough has been the development of a significant condominium inventory. After more than 10 years with no new subdivisions/site plans for residential construction within Seaside Heights, the period from 2003 to 2005 saw the granting of site plan approvals for 194 condominium units. This new construction was primarily concentrated between Sherman Avenue and Franklin Avenue.

Other condominium developments include construction of a mid-rise condominium complex at the far north end of the Boardwalk on the former Wine Cellar (bar/restaurant) property. The project was met with moderate success, however, the units were being marketed at the same time that the residential market continued to weaken throughout 2007-2009.

Additionally, there was a proposed 30 unit condo job by Paragon at Seaside located along the Boardwalk between Sampson and Carteret Avenue, however, the developer had financial difficulty and the property was sold out of foreclose prior to any development.

As in the entire Borough, during the prime summer season the area is heavily populated with seasonal residents, while during the winter months, many properties are winterized until the following season. Over the last several years, the Borough has experienced an increased population of winter rentals, many of which benefit by rental assistance through various public programs. In season, however the vast majority of these temporary winter residents are typically relocated to the mainland.

Super Storm Sandy and Fun Town Pier Fire Impact

One of the most devastating storms to hit the Shore region of the state occurred October 29, 2012. As a result, over 2 million homes lost power; almost 350,000 homes were damaged or destroyed; Atlantic City Casinos were closed for up to a week; the Boardwalks in Point Pleasant and Seaside Heights were significantly destroyed and significant beach sand losses occurred.

Specific to Seaside, substantial portions of the boardwalk were damaged and the Borough experienced significant flooding. Both Fun Town Pier and Casino Pier suffered major damage with sections of both piers destroyed by wave action and storm surge. As the piers collapsed, many rides ended up in the Atlantic Ocean as demonstrated by the iconic image of the Jet Star roller coaster which sat in the Ocean for several months prior to being removed in May 2013.

Repairs to the Boardwalk were completed and the iconic Boardwalk completely reopened in June 2013, although the pier areas remained closed.

Shortly thereafter, on September 12, 2013, a ten-alarm fire engulfed what remained of Fun Town Pier. The fire was believed to have started near Kohr's Custard Shop. The fire quickly spread northward and destroyed nearly all of the business between Stockton Avenue in Seaside Park and Lincoln Avenue in Seaside Heights, the notable exceptions were the Sawmill and the Beachcomber, which, although experiencing smoke and water damage, remained standing after the fire due to sprinkler systems. Fire crews stopped the fire by tearing up portions of the newly constructed Boardwalk at Lincoln Avenue.

The towns of Seaside Park and Seaside Heights hired Earle Paving Corp. to demolish and cleanup the areas impacted by the fire at a cost in the \$4.5 to \$5.0M range.

The boardwalk was again rebuilt and was reopened for the Summer of 2014. There remains little development in the area between the Sawmill at the southern-end of the Boardwalk and the Beachcomber at the corner of Dupont Avenue, although many temporary stands were set up to operate during the Summer 2014 and 2015 season.

As of the writing of this report, it believed that there is currently an application before CAFRA to re-build Fun Town Pier, while the northern portion of the pier, which is under different ownership, was listed for sale (listing expired in January 2015).

Outlook and Conclusions

The Seaside Heights market area should continue its long-standing resort commercial heritage. The community is widely recognized as one of the core amusement attractions at the Jersey Shore. Chief among its attributes are its well-maintained beaches, a nearly one-mile long boardwalk promenade replete with amusement attractions, accessibility to a variety of navigable waterways, and accessible location from most points within the metropolitan New York and Philadelphia regions. The Borough has also managed to provide an adequate level of public services to the community.

Commercial and condominium development activity has been fairly brisk over the past decade after many years of stagnation. However, development has slowed significantly over the past few years; a direct result of the weakness in the economy, high unemployment, and low consumer confidence. As indicated, the area has most recently suffered the impacts from Super Storm Sandy and the Boardwalk fire that occurred in September 2013.

After increasing for several years, tourism revenue in Ocean County generated \$4.2 billion in 2013, down 2.3% from the previous year. The drop was insignificant and was less than what was expected given the impacts on the area from the Super Storm Sandy. The Ocean County Freeholders continue to support tourism initiatives and aggressively market the county to visitors both in and out of State.

In 2014, Ocean County annual tourism expenditures increased by 3.9% to \$4.4 billion. During this same period, New Jersey saw an increase of 3.7% from \$38.6 billion to \$40 billion. As of the writing of this report, final 2015 statistics have not been released, but anecdotally the 2015 summer season was seen as very strong, benefiting from very good weather and limited storms.

Beach badge sales, which are an early indicator on gauging the success of the summer, were up significantly in 2015 as compared to 2014 and 2014 figures were up significantly from 2013.

Locally, Lavallette has its best summer ever, surpassing 2012 figures with more than \$900,000 in sales. Seaside Park also saw a significant increase of 13% from 2014 to 2015 with sales of more than \$1.6 million. Seaside Heights collected \$1.71 million in beach badge revenue, a nearly 20% increase from 2014, but slightly off the 2012 figures.

Toms River collected slightly over \$400,000 which is still nearly 50% less than 2012 figures, however, this area was significantly hard hit from Super Storm Sandy and beaches within Ortley Beach remain very small.

The following table summarizes the beach fees and sales statistics between 2013 and 2015.

Monmouth County	Badge fees (daily/weekend/seasonal)	2013	2014	2015	% Change 2014-15
Allenhurst	\$7/\$130-\$291	\$1,315,343	\$1,309,743	\$1,580,443	21%
Asbury Park	\$5/\$7/\$70	\$1,055,221	\$1,320,000	\$1,867,000	41%
Avon	\$9/\$90	\$1,334,047	\$1,577,504	\$1,916,515	21%
Belmar	\$8/\$55	\$2,677,584	\$3,184,000	\$3,812,000	20%
Bradley Beach	\$8/\$70	\$1,328,088	\$1,499,690	\$1,735,843	16%
Deal	\$8/\$150	\$29,994	\$73,701	\$118,577	61%
Long Branch	\$3/\$5/\$7/\$45	\$1,712,116	\$1,900,000	\$2,114,367	11%
Manasquan	\$9/\$80	\$1,464,802	\$1,670,000	\$1,940,000	16%
Sea Bright	\$8/\$100	\$276,765	\$424,916	\$616,106	45%
Sea Girt	\$10/\$110	\$985,761	\$1,058,176	\$1,072,195	1%
Total		\$12,179,720	\$14,017,730	\$16,773,046	20%
Ocean County					
Barnegat Light	\$5/\$25-\$35	\$234,275	\$210,814	\$215,834	2%
Berkeley	\$6/\$30-\$35	\$83,626	\$89,577	\$97,439	9%
Brick	\$5/\$25-\$30	\$246,340	\$377,420	\$413,500	10%
Harvey Cedars	\$6/\$30-\$40	\$230,318	\$236,077	\$237,695	1%
Lavallette	\$8/\$35-\$45	\$697,388	\$817,487	\$909,678	11%
Long Beach Twp.	\$5/\$30-\$40	\$1,465,075	\$1,605,150	\$1,571,365	-2%
Mantoloking	\$12 seasonal	\$28,441	\$42,737	\$48,258	13%
Seaside Heights	\$6/\$50	\$1,156,714	\$1,429,861	\$1,712,145	20%
Seaside Park	\$10/\$55-\$60	\$1,439,180	\$1,477,104	\$1,671,905	13%
Ship Bottom	\$7/\$30-\$40	\$608,611	\$643,279	\$710,984	11%
Surf City	\$7/\$30-\$40	\$503,503	\$541,700	\$577,544	7%
Toms River	\$8/\$35	\$234,851	\$317,929	\$401,651	26%
Total		\$6,928,322	\$7,789,135	\$8,567,998	10%
Grand Total		\$19,108,042	\$21,806,865	\$25,341,044	16%

Notes: Bay Head, Ocean Grove and Point Pleasant Beach have no publicly operated beaches. Beach Haven, Loch Arbour, Monmouth Beach and Spring Lake did not report their 2015 numbers and have been removed from the chart.
Sources: Municipal budgets; municipal administrators

Seaside Heights has been aggressively trying to attract family friendly entertainment to the Borough and hosted the highly successful “Gentlemen of the Road” concert in June 2015. It was estimated that 30,000 people attended the event to hear bands including Mumford & Sons, The Flaming Lips, and Alabama Shakes among others.

We expect continued rebuilding and renovations of many of the Boardwalk buildings that remain damaged as a result of the storm damage. The operators of Casino Pier have aggressively rebuilt their pier and have upgraded many of the Boardwalk buildings. It remains unclear what the eventual redevelopment plan is for Fun Tier Pier, however, it is expected that at least some portion of this pier will be rebuilt.

Property Analysis

Land Description and Analysis

The subject is a parcel of vacant beach land containing an area of 1.37 acres or 59,794.53 square feet and is part of Block 99.02, Lots 1 & 1.01, which totals 46.61 acres and contains both beach and land east of the mean high water line (Atlantic Ocean). The parcel is adjacent to the north side of Casino Pier, east of the Boardwalk and is within the Public Zoning designation. Our appraisal values only 1.37 acres or 59,794.53 square feet within the larger 46.61 acre parcel owned by the Borough of Seaside Heights.

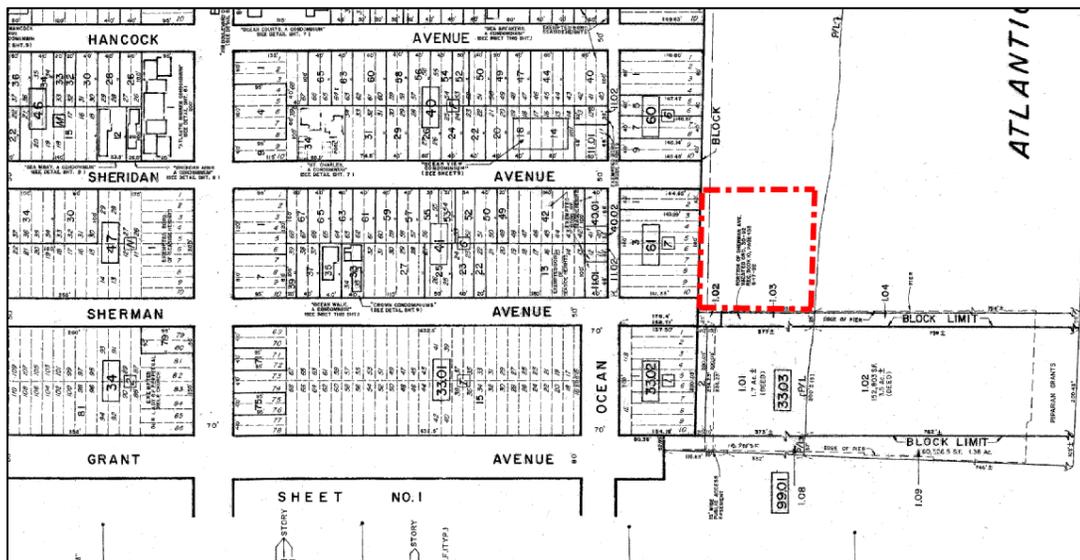
Location

The property is located on the east side of the Boardwalk between Sherman and Sheridan Avenue and is adjacent to the north side of Casino Pier. For visual illustration purposes we provide the following aerial and tax map (not to scale):

Aerial



Tax Map



Land Area

The following table summarizes the subject’s land area.

Land Area Summary			
Tax ID	Address	SF	Acres
Block 99.02, P/O Lot 1 & 1.01 (Proposed New Lot 1.04)	Beach Adjacent to North Side of Casino Pier	59,794.53	1.37

Source: Minor Subdivision Plan prepared by O'Donnell, Stanton, & Associates, Inc. dated February 1, 2016.

Shape and Dimensions

The site is generally rectangular in shape, with dimensions of approximately 225’ x 266’ x 225’ x 266’. Site utility based on shape and dimensions is average.

Topography

The topography in comparison to typical beach land does not result in any particular development limitations from a physical characteristics perspective. It is typical, however, that most structural support requires the installation of wood, concrete, or steel pilings when over beach land.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that there are not any unusual drainage issues that would affect the development of the subject.



Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status	
Community Panel Number	34029C0329G
Date	Revised Preliminary-January 30, 2015
Zone	VE
Description	Within 100-year flood plain
Insurance Required?	Typically required

Note: Information is based on review of FEMA's preliminary maps dated January 30, 2015. The subject is primarily located within Zone VE (El. 12'); The eastern portion is within VE (El. 15').

Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

In accordance with the NJ DEP website (Geo Web), we did not observe any Known Contaminated Sites (KCS's) or concerns associated with ground water contamination either on-site or in the immediate proximity of the subject site. However, only qualified environmental specialists should be relied upon to conduct such research and make such determinations.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support a variety of uses, including those permitted by zoning. Again, given that the subject is comprised of beach, most structural support requires the installation of wood, concrete, or steel pilings.

Our research, relying upon the NRCS Web-Soil Survey website indicates that the subject is located within the HorsC soil classification. The HorsC soil classification is Hooksan fine sand, with 2 to 10% slopes.

(See Addendum D for Soil Map).

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage	
Street	Boardwalk
Frontage Feet	225
Paving	Wooden Boardwalk
Curbs	N/A
Sidewalks	N/A
Lanes	N/A
Direction of Traffic	N/A
Condition	Good
Traffic Levels	Pedestrian-Seasonal
Visibility	Average
Rail Access	No

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities	
Service	Provider
Water	Seaside Heights
Sewer	Seaside Heights
Electricity	JCP&L
Natural Gas	NJNG
Local Phone	Verizon, AT&T, & Others

Our review of the NJ DEP Geo Web site indicates that the properties to the west of the Boardwalk, as well as the adjacent pier to the south are located within a Sewer Service Area.

Zoning

The subject is zoned PUB, Public Zone, by the Borough of Seaside Heights. Specific zoning requirements are summarized in the following table.

Zoning Summary	
Zoning Jurisdiction	Borough of Seaside Heights
Zoning Designation	PUB
Description	Public Zone
Legally Conforming?	Yes
Zoning Change Likely?	See Comments Below
Category	PUB (Public Zone)
Permitted Uses	The purpose of this zone is to provide areas where landscaped vistas and other general public purposes can be accommodated without disruption of the daily activities of residence and businesses alike. This zone shall be subject to the limitation that it provide some form of benefit, whether it be tangible or intangible, to the public.
Minimum Lot Area	Not Specified
Minimum Front Setback	Not Specified
Minimum Side Setback	Not Specified
Minimum Rear Setback	Not Specified
Maximum Building Height	Not Specified

Source: Borough of Seaside Heights Land Use Ordinance as available on e-code 360.

Note: The subject property has received CAFRA approval to reconstruct and partially relocate a 225' x 265.79' section of Casino Pier, including relocation of the 50' x 60' Skyride base approximately 160 feet to the north of the original footprint. The permit also authorizes the placement of sand beneath the pier for purposes of maintaining a 12' elevation. The existing Casino Pier is located within the RR (Resort Recreational Zone) and future development on the subject will likely be subject to the zoning standards outlined within the RR Zoning ordinance.

Other Land Use Regulations

Development in the State of New Jersey is among the most complex and multi-layered in the nation. Often, multiple applications, public hearings, approvals, and permitting processes are required from local, county, state and quasi-public agencies and departments. Development approvals can oftentimes take up to 2 to 4 years or longer for especially large or complex applications.

Located in the Coastal Zone, development is subject to the oversight and approval of the NJ Department of Environmental Protection (NJ DEP), and is further subject to the Rules on Coastal Management and the Coastal Area Facilities Review Act (CAFRA) land use regulations.

Determinations of applicable requirements are typically made by qualified engineers, land planners, and attorneys during the application and approval processes with local, county, and state agencies/departments.

As indicated, the subject property has received CAFRA approval on July 15, 2015 to reconstruct and partially relocate a 225' x 265.79' section of Casino Pier, including relocation of the 50' x 60' Skyride base approximately 160 feet to the north of the original footprint. The permit also authorizes the placement of sand beneath the pier for purposes of maintaining a 12' elevation.

The permit is valid through July 14, 2020.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Casino Beach Pier, LLC (Casino Pier) leases the Skyride from the Borough of Seaside Heights; a portion of which is located on the subject property. The tenant exercised a ten-year option in 2012 and is now under lease through April 15, 2022 to operate the Skyride. The tenant has the right to relocate the Skyride at any time during the term of the lease if a new location is mutually agreed upon by the parties. If a new location is agreed upon which provides a reasonable basis for increasing or decreasing the annual rent, the rental amount may be renegotiated by the parties. Based on our review of the CAFRA approval, the Skyride is expected to be relocated approximately 160 feet to the north of the existing footprint. We have not considered the impact of the Skyride lease as it relates to the valuation of the subject. We have appraised the site as-if free and clear of any encumbrances specifically recognizing that the tenant is the party to which the Borough is in negotiations with to acquire the subject property.

Our analysis has not considered any possible restrictions that may be placed on the property as a result of any contemplated dune maintenance easements.

Conclusion of Site Analysis

The site contains a total area of 59,794.53 square feet and contains 225 feet of frontage along the municipal Boardwalk between Sherman and Sheridan Avenue and extends eastward toward the Atlantic Ocean approximately 266 feet. The property sits immediately north of Casino Pier. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for pier expansion.



Southeast View Across Boardwalk Toward Subject
(Photo Taken on February 13, 2016)



View Along Existing Northern End of Casino Pier & Skyride
(Photo Taken on February 13, 2016)



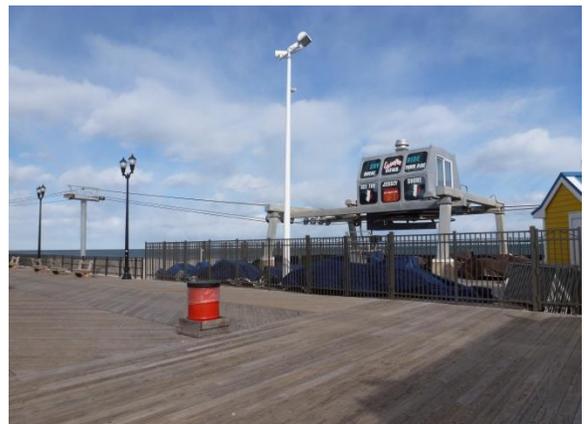
South View of Subject
(Photo Taken on February 13, 2016)



East View of Subject
(Photo Taken on February 13, 2016)



Additional View of Subject
(Photo Taken on February 13, 2016)



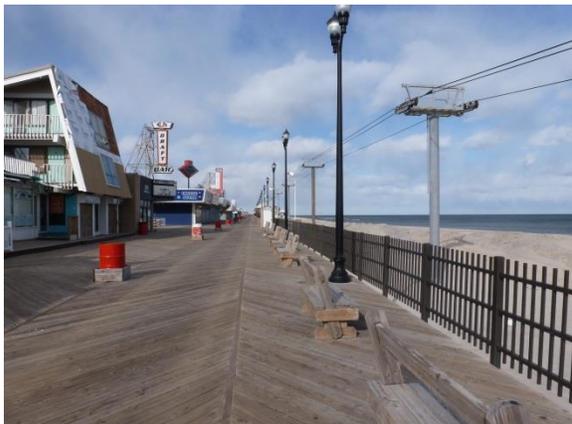
View of Existing Skyride Platform
(Photo Taken on February 13, 2016)



View Toward Subject from Sheridan Avenue
(Photo Taken on February 13, 2016)



North View of Beach Area from Sheridan Ave. Access
(Photo Taken on February 13, 2016)



North View along Boardwalk
(Photo Taken on February 13, 2016)



South View along Boardwalk
(Photo Taken on February 13, 2016)

Real Estate Taxes

In New Jersey, real estate tax assessments are administered by the New Jersey Department of Treasury, Division of Taxation, and by the local County Board of Taxation. Tax assessments are established by jurisdiction on a municipal basis by the local assessor. The subject property is located in the Borough of Seaside Heights, Ocean County, New Jersey.

Real estate taxes in this state represent ad valorem tax, meaning a tax is applied in proportion to market value of the real estate. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the result by the local property tax rate.

The final 2015/preliminary 2016 tax rate is \$2.135 per \$100 of assessed value. This does not include the business improvement district add-on rate of \$0.082 per \$100 of assessed value as this add-on is not currently applicable to the subject, but may be upon development of the site. The current equalization ratio is 97.22%.

The subject of this appraisal is comprised of Block 99.02, P/O Lot 1 & 1.01. These parcels are currently owned by the Borough of Seaside Heights and the portion comprised of the subject does not have an individual assessment. The real estate taxes and assessments for the current tax year shown in the following table are for the total land area within Lot 1 and 1.01.

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - Final 2015/Preliminary 2016						
Tax ID	Assessed Value			Taxes and Assessments		
	Land	Improvements	Total	Ad Valorem Tax Rate	Taxes	Total
Block 99.02, Lot 1	\$7,420,000	\$0	\$7,420,000	2.135000%	\$158,417	\$158,417
Block 99.02, Lot 1.01	\$293,600	\$0	\$293,600	2.135000%	\$6,268	\$6,268
	\$7,713,600	\$0	\$7,713,600		\$164,685	\$164,685

The subject property is currently tax exempt as it is owned by the Borough of Seaside Heights.

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as vacant, and as improved. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

Highest and Best Use As Vacant

Our highest and best use of the site as vacant has specifically recognized that the subject land is adjacent to Casino Pier and the site has received CAFRA approval for pier expansion. Further, the municipality views the application favorably and our analysis and conclusions specifically assume that all State and municipal approvals are granted to utilize the subject property for expansion of the adjacent pier.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for pier expansion. The land is of sufficient size and shape to accommodate future pier expansion.

Legally Permissible

While the site is currently within the PUB (Public Zone) designation, the adjacent pier to the south is located within the RR (Resort Recreational) designation. Again, an assumption within this report is that all state and municipal approvals are granted to utilize the site for pier expansion area. As a result, ultimate development on the site would likely be consistent with the permitted uses within the RR, Resort Recreational Zone. Permitted uses within this zone include restaurants and bars, boardwalk oriented retail uses, various games of chance and boardwalk amusement uses including mechanical rides, miniature golf courses, and other amusement games. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for expansion of the adjacent pier onto and including the subject property. Given the limited existing competition and lack of new future competition due to the regulatory environment, amusement piers are highly desired and represent a readily feasible land use. However, the operation of such properties requires extensive experience and specialized knowledge to effectively operate and sustain profitable

operations, thus there are few qualified entrepreneurs and even fewer opportunities to acquire such assets.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than utilization of the subject land area for future expansion of the adjacent pier. Accordingly, it is our opinion that utilizing the subject for future pier expansion of the adjacent pier to the south (Casino Pier) is the maximally productive use of the property.

Conclusion

Utilization of the subject for future pier expansion, consistent with the CAFRA approval, is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as vacant.

As Improved

No improvements are situated on the subject. Therefore, a highest and best analysis as improved is not applicable.

Most Probable Buyer

The most probable buyer of the subject is the adjacent owner of Casino Pier (AFMV, LLC). Alternative buyers would be experienced amusement or boardwalk investors.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

Sales Comparison Approach

To develop an opinion of the subject's land value, as vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

For this analysis, we use price per usable square foot as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The sales most relevant to analyzing the subject's land value are summarized in the following table (Note: Detailed sale write-ups are in the Addenda section of this report):

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Summary of Comparable Land Sales							
No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Usable SF; Usable Acres	Zoning	\$/Usable SF
1	Boardwalk Stand-N/E/C of 303 Ocean Terrace Seaside Heights Ocean County	Oct-14 Recorded	\$850,000	3,810 0.09	3,810 0.09	Resort Recreational	\$223.10
<i>Comments: The property is located on the northeast corner of Franklin Avenue and Ocean Terrace and has 40' of frontage along the Boardwalk. Arms length sale between unrelated parties confirmed with buyers attorney. The buyer (Kohr) had been renting space at that location for several years. Our CE sale price was adjusted downward by \$550,000 for the contributory value of the building improvements (\$125/SF main level & \$75/SF for second level space). CE sale price reflects \$21,250 per front foot of Boardwalk. \$1.2M mortgage obtained from TD Bank.</i>							
2	Boardwalk Redevelopment 1401-1419 Ocean Terrace Seaside Heights Ocean County	Sep-14 Closed	\$2,000,000	32,746 0.75	32,746 0.75	Resort Recreational	\$61.08
<i>Comments: The property is located at the north end of the Boardwalk between Sampson and Carteret Avenue and is zoned RR (Resort Recreational). Arms-length sale between unrelated parties. Buyer (Storino) owns significant land holdings within the Borough. This parcel formerly sold in March 2012 out of foreclosure for \$1.4M and original owner contemplated development with as many as 30 condominium units.</i>							
3	Sandy Damaged Boardwalk Stands & Dwelling 1313 Ocean Terrace 8751 Ocean County	Nov-13 Closed	\$574,000	9,586 0.22	9,586 0.22	Resort Recreational	\$59.88
<i>Comments: The property is located along the northern section of the Boardwalk between Carteret Ave. & Kearney Ave. There are two building improvements on the site including a 3,600 SF building located along the Boardwalk and a three-story dwelling containing a total of 1,440 SF. Both buildings suffered significant storm damage as a result of Super Storm Sandy, however, were deemed to be structurally sound. Arms-length, all-cash sale between unrelated parties confirmed with agent Candace Golembeski. The property was listed for over 8 months at an original list price of \$1,200,000. Subsequent to the sale, the buyers spent significant money gutting and renovating the building improvements. Our CE sale price has been adjusted downward by \$126,000 (\$25/SF of bld. area) for the contributory value of the building improvements. CE sale price reflects \$9,567 per boardwalk front foot.</i>							
4	Old Time Photo 217-19 Boardwalk Seaside Heights Ocean County	Jul-13 Recorded	\$619,599	4,387 0.10	4,387 0.10	Resort Recreational	\$141.24
<i>Comments: The property is located at the southeast corner of Franklin Avenue and Ocean Terrace and has 40' of frontage along the Boardwalk. Arms length sale between unrelated parties, our CE sale price was adjusted downward by \$323,800 (\$100/SF of bld. area) for the contributory value of the building improvements located on the property. CE sale price reflects \$15,490 per front foot of Boardwalk. Seller financing was not believed to have any material impact on purchase price.</i>							
5	Former Beach Bar E/S of Boardwalk Across from Du Listing Seaside Heights Ocean County	Feb-14	\$1,750,000	52,673 1.21	9,000 0.21	Resort Recreational	\$194.44
<i>Comments: The property is located on the east side of the Boardwalk and is the site of the former "Beach Bar" that was destroyed as a result of Super Storm Sandy. The site is adjacent to the north side of the former "Fun Town Pier" which was also destroyed by Super Storm Sandy and subsequently a boardwalk fire. Total Land area includes riparian grant area. Usable Land area represents our estimate of land area between the Boardwalk and the high water line. There is an approx. area of 5,626 SF which is currently improved with pilings and decking. Property is zoned RR (Resort Recreational) which permits a broad range of uses. ACTIVE LISTING- Property is listed for \$3,300,000 which represents a reduction from the original list price of \$3.8M. Our CE sale price has been adjusted downward by \$1,550,000 for the contributory value of the pilings and boardwalk decking. This estimate is based on \$275/SF rounded for the boardwalk improvements (5,626 SF x \$275/SF). February 2016 Update: Property was previously under contract at an undisclosed price (> \$3M), but the contract fell through and the property remains listed. Listed since February 2014.</i>							
Subject				62,803	62,803	Public Zone	
Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel Seaside Heights, NJ)				1.44	1.44		

Comparable Land Sales Map



Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)





Sale 1
Boardwalk Stand-N/E/C of Franklin & Ocean Terrace



Sale 2
Boardwalk Redevelopment



Sale 3
Sandy Damaged Boardwalk Stands & Dwelling



Sale 4
Old Time Photo



Sale 5
Former Beach Bar

Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)



Adjustment Factors

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factors	
Effective Sale Price	Accounts for atypical economics of a transaction, such as demolition cost, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale, related parties transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Visibility/Exposure	Visibility and exposure from boardwalk.
Size	Inverse relationship that often exists between parcel size and unit value.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.

Analysis and Adjustment of Sales

Our analysis of the comparable sales is described in the following paragraphs.

Land Sale 1 is a 0.09 acre (usable), or 3,810 square foot (usable), parcel located at 303 Ocean Terrace, Seaside Heights, Ocean County, NJ. The property sold in October 2014 for \$1,400,000. Adjusting downward for the contributory value of the building improvements reflects an effective price of \$850,000 or \$223.10 per square foot of land. A downward conditions of sale adjustment was made as this was acquired by the existing occupant of the building who was seeking to buy the property for many years. While our confirmation indicated that it was not believed any material premium was paid for the motivation of the buyer, our review of sales activity would demonstrate that a premium was paid for the site. As a result, we make a conservative downward 10% adjustment for the likely motivation of the buyer to acquire the property. A downward size adjustment was made to this sale as typically smaller sites will sell for a premium on a per square foot basis.

Land Sale 2 is a 0.75 acre, or 32,746 square foot (usable), parcel located at 1401-1419 Ocean Terrace, Seaside Heights, Ocean County, NJ. The property sold in September 2014 for \$2,000,000, or \$61.08 per usable square foot. An upward location adjustment was made to this sale for its location at the far north end of the Boardwalk in an inferior location as compared to the subject which is located immediately adjacent to Casino Pier in the heart of the commercial portion of the Boardwalk. A downward size adjustment was made to this sale as typically smaller sites will sell for a premium on a per square foot basis.

Land Sale 3 is a 0.22 acre, or 9,586 square foot (usable), parcel located at 1313 Ocean Terrace, Seaside Heights, Ocean County, NJ. The property sold in November 2013 for \$700,000. We adjust the sale price downward by \$126,000 for the contributory value of the building improvements which reflects an effective price of \$574,000, or \$59.88 per square foot. An upward location adjustment was made to this sale for its location at the far north end of the Boardwalk. An upward visibility and exposure adjustment was made as this parcel is an interior lot as compared to the subject which benefits from its corner location and exposure. A downward size adjustment was made for the economies of scale concept. Typically smaller sites will sell for a premium on a per square foot basis as compared to larger sites.

Land Sale 4 is a 0.10 acre, or 4,387 square foot (usable), parcel located at 217-19 Boardwalk, Seaside Heights, Ocean County, NJ. The property sold in July 2013 for \$943,399. Adjusting downward for the contributory value of the building improvements reflects an effective sale price of \$619,599, or \$141.24 per usable square foot. We make a downward size adjustment as smaller sites typically sell for a premium on a per square foot basis as compared to larger sites.

Land Sale 5 is a 0.21 acre, or 9,000 square foot (usable), parcel located at E/S of Boardwalk Across from Dupont Avenue, Seaside Heights, Ocean County, NJ. The property is listed for \$3,300,000. Adjusting downward for the value of the decking and pilings reflects an effective price of \$1,750,000, or \$194.44 per usable square foot. A downward conditions of sale adjustment was made as this is an active listing, not a closed transaction. Our adjustment recognizes that, although this is a highly desirable property, the list price appears high and while there was previously a contract on the property, the deal fell through. The site has been listed since February 2014. This is the location of the

former Beach Bar which is one of the most prime sections of Boardwalk. We make a downward size adjustment as smaller sites typically sell for a premium on a per square foot basis as compared to larger sites.

The following table summarizes the adjustments we make to the comparable sales.

Land Sales Adjustment Grid						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)	Boardwalk Stand-N/E/C of Franklin & Ocean Terrace	Boardwalk Redevelopment	Sandy Damaged Boardwalk Stands & Dwelling	Old Time Photo	Former Beach Bar
Address	Beach-N/S of Casino Pier	303 Ocean Terrace	1401-1419 Ocean Terrace	1313 Ocean Terrace	217-19 Boardwalk	E/S of Boardwalk Across from Dupont
City	Seaside Heights	Seaside Heights	Seaside Heights	8751	Seaside Heights	Seaside Heights
County	Ocean	Ocean	Ocean	Ocean	Ocean	Ocean
State	New Jersey	NJ	NJ	NJ	NJ	NJ
Sale Date		Oct-14	Sep-14	Nov-13	Jul-13	Feb-14
Sale Status		Recorded	Closed	Closed	Recorded	Listing
Sale Price		\$1,400,000	\$2,000,000	\$700,000	\$943,399	\$3,300,000
Price Adjustment		-\$550,000		-\$126,000	-\$323,800	-\$1,550,000
Description of Adjustment		Contributory Value of Bld. Improvements		Contributory Value of Bld. Improvements	Contributory Value of Bld. Improvements	Value of Pilings and Boardwalk
Effective Sale Price		\$850,000	\$2,000,000	\$574,000	\$619,599	\$1,750,000
Square Feet	59,795	3,810	32,746	9,586	4,387	52,673
Acres	1.37	0.09	0.75	0.22	0.10	1.21
Usable Square Feet	59,795	3,810	32,746	9,586	4,387	9,000
Usable Acres	1.37	0.09	0.75	0.22	0.10	0.21
Database ID		1277431	1060654	1059980	1277376	1060521
Price per Usable Square Foot		\$223.10	\$61.08	\$59.88	\$141.24	\$194.44
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-	-
Financing Terms		Cash to seller -		All cash	Seller financing	
% Adjustment		-	-	-	-	-
Conditions of Sale						
% Adjustment		-10%	-	-	-	-30%
Market Conditions		Oct-14	Sep-14	Nov-13	Jul-13	Feb-14
Annual % Adjustment		-	-	-	-	-
Cumulative Adjusted Price		\$200.79	\$61.08	\$59.88	\$141.24	\$136.11
Location		-	30%	30%	-	-
Visibility/Exposure		-	-	10%	-	-
Size		-40%	-10%	-20%	-35%	-20%
Shape and Topography		-	-	-	-	-
Zoning		-	-	-	-	-
Entitlements		-	-	-	-	-
Net \$ Adjustment		-\$80.31	\$12.22	\$11.98	-\$49.43	-\$27.22
Net % Adjustment		-40%	20%	20%	-35%	-20%
Final Adjusted Price		\$120.47	\$73.29	\$71.85	\$91.80	\$108.89
Overall Adjustment		-46%	20%	20%	-35%	-44%
Range of Adjusted Prices		\$71.85 - \$120.47				
Average		\$93.26				
Indicated Value		\$80.00				

Land Value Conclusion

Prior to adjustments, the sales reflect a range of \$59.88 - \$223.10 per usable square foot. After adjustment, the range is narrowed to \$71.85 - \$120.47 per usable square foot, with an average of \$93.26 per usable square foot.

To arrive at an indication of value, we recognize that the first four sales are all closed transactions. Sale #2, #3, and #4 reflect a relatively tight range in adjusted prices, ranging from \$71.85 to \$91.80 per square foot. Sale #1, the most contemporary of all the transactions utilized, was confirmed as an arms-length transaction and reflected an adjusted price at the higher-end of the range at \$120.47 per square foot. The active listing (Sale #5) on the former Beach Bar reflects an adjusted price of \$108.89 per square foot and is the only property located east of the Boardwalk, similar to the subject.

We have not made any market conditions adjustment within our grid, although there is some early evidence that market conditions appear to be improving as evidenced by the significant increase in beach badge sales between the 2014 and 2015 season. Although some of this increase is likely attributed to the good weather experienced during the 2015 summer season, we do believe that the underlying economics within the Borough are beginning to strengthen.

We place slightly more weight on Sales #2, #3, and #4. Sale #1, which is the smallest of all the parcels, reflects the highest adjusted price, and was also acquired by a motivated buyer. Sale #5 is considered, but we must caution that this is an active listing that has been listed since February 2014, not a closed transaction. Considering these factors, we correlate to a value of \$80 per square foot as shown below:

Land Value Conclusion

Indicated Value per Usable Square Foot	\$80.00
Subject Usable Square Feet	59,795
Indicated Value	\$4,783,562
Rounded	\$4,780,000

Our correlated value of \$80 per square foot is \$5 per square foot higher than our correlated value in November 2014.

Reconciliation and Conclusion of Value

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Value Conclusion

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	February 13, 2016	\$4,780,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We have relied on the Proposed Subdivision Map, prepared by O'Donnell, Stanton, & Associates, Inc., dated February 1, 2016 to describe and analyze the subject property (Note: Subdivision application is expected to be presented to the Land Use Board on February 24, 2016).
2. Our analysis and valuation conclusions within this report are specifically contingent on the subject receiving CAFRA and municipal approvals to utilize the subject for expansion land for the adjacent pier (Casino Pier). The subject has received CAFRA approval on July 15, 2015 to expand the pier on a portion of Lots 1 & 1.01, immediately to the north and adjacent to Casino Pier as well as to relocate the 50' x 60' base of the Skyride. Further, the municipality views the application favorably. Our analysis and conclusions assume that all State and municipal approvals are granted.
3. Casino Beach Pier, LLC (Casino Pier) leases the Skyride from the Borough of Seaside Heights; a portion of which is located on the subject property. The tenant exercised a ten-year option in 2012 and is now under lease through April 15, 2022 to operate the Skyride. The tenant has the right to relocate the Skyride at any time during the term of the lease if a new location is mutually agreed upon by the parties. If a new location is agreed upon which provides a reasonable basis for increasing or decreasing the annual rent, the rental amount may be renegotiated by the parties. Based on our review of the CAFRA approval, the Skyride is expected to be relocated approximately 160 feet to the north of the existing footprint. We have not considered the impact of the Skyride lease as it relates to the valuation of the subject. We have appraised the site as-if free and clear of any encumbrances specifically recognizing that the tenant is the party to which the Borough is in negotiations with to acquire the subject property.
4. Typically the NJ DEP requires a before and after valuation approach for partial acquisitions. However, in the instant case, the subject represents a unique and peculiar property and application of a before and after analysis would not prove useful in valuing the subject. In some instances, agencies and valuation managers are able to modify standards as necessary to meet specific program requirements. Accordingly, given that a before and after analysis is not relevant in the instant case, we have valued only that portion of the property being conveyed to AFMV, LLC as this has a clear and distinct highest and best use as compared to the balance of the beach parcel owned by the Borough.
5. Our analysis has not considered any possible restrictions that may be placed on the property as a result of any contemplated dune maintenance easements.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local market, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 9 to 12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 9 to 12 months.

Certification

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

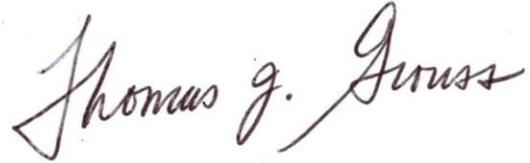
1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have 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.
4. We have previously appraised the property that is the subject of this report for the current client within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Anthony S. Graziano, MAI, CRE, made a personal inspection of the property that is the subject of this report. Thomas J. Grouss has also personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Anthony S. Graziano, MAI, CRE, has completed the continuing education program for Designated Members of the Appraisal Institute.



15. As of the date of this report, Thomas J. Grouss, has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



Anthony S. Graziano, MAI, CRE
Certified General Real Estate Appraiser
New Jersey Certificate # RG 00466



Thomas J. Grouss
Certified General Real Estate Appraiser
New Jersey Certificate # RG 02053

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The consideration placed on any deeds referenced herein to indicate the sale prices are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

- conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Coastal New Jersey , Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. Integra Realty Resources – Coastal New Jersey is not a building or environmental inspector. Integra Coastal New Jersey does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

- appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
25. Integra Realty Resources – Coastal New Jersey , an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client’s use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
 26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
 27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We have relied on the Proposed Subdivision Map, prepared by O'Donnell, Stanton, & Associates, Inc., dated February 1, 2016 to describe and analyze the subject property (Note: Subdivision application is expected to be presented to the Land Use Board on February 24, 2016).
2. Our analysis and valuation conclusions within this report are specifically contingent on the subject receiving CAFRA and municipal approvals to utilize the subject for expansion land for the adjacent pier (Casino Pier). The subject has received CAFRA approval on July 15, 2015 to expand the pier on a portion of Lots 1 & 1.01, immediately to the north and adjacent to Casino Pier as well as to relocate the 50' x 60' base of the Skyride. Further, the municipality views the application favorably. Our analysis and conclusions assume that all State and municipal approvals are granted.
3. Casino Beach Pier, LLC (Casino Pier) leases the Skyride from the Borough of Seaside Heights; a portion of which is located on the subject property. The tenant exercised a ten-year option in 2012 and is now under lease through April 15, 2022 to operate the Skyride. The tenant has the right to relocate the Skyride at any time during the term of the lease if a new location is mutually agreed upon by the parties. If a new location is agreed upon which provides a reasonable basis for increasing or decreasing the annual rent, the rental amount may be renegotiated by the parties. Based on our review of the CAFRA approval, the Skyride is expected to be relocated approximately 160 feet to the north of the existing footprint. We have not considered the impact of the Skyride lease as it relates to the valuation of the subject. We have appraised the site as-if free and clear of any encumbrances specifically recognizing that the tenant is the party to which the Borough is in negotiations with to acquire the subject property.
4. Typically the NJ DEP requires a before and after valuation approach for partial acquisitions. However, in the instant case, the subject represents a unique and peculiar property and application of a before and after analysis would not prove useful in valuing the subject. In some instances, agencies and valuation managers are able to modify standards as necessary to meet specific program requirements. Accordingly, given that a before and after analysis is not relevant in the instant case, we have valued only that portion of the property being conveyed to AFMV, LLC as this has a clear and distinct highest and best use as compared to the balance of the beach parcel owned by the Borough.
5. Our analysis has not considered any possible restrictions that may be placed on the property as a result of any contemplated dune maintenance easements.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None
-

Addendum A
Appraiser Qualifications



Anthony S. Graziano, MAI, CRE

Experience

Anthony S. Graziano is the Executive Director and Director of Litigation Services for INTEGRAL REALTY RESOURCES COASTAL, NJ, a full-service real estate organization with offices located in Toms River, NJ.

Mr. Graziano has been actively engaged in the real estate industry since the late 1960's. Over the years, he has completed valuation and consulting assignments on all classes of investment grade properties including; shopping centers, office buildings and parks, industrial buildings, large-scale manufacturing complexes, hotels, motels and mixed use properties. Residential experience is national in scope, including large-scale housing development tracts, conventional and subsidized multi-family properties, and manufactured housing developments. The coastal nature of the practice has presented an opportunity to complete numerous resort-related assignments such as marinas, boardwalk and pier amusement properties, casino resort hotels, commercial beaches and preservation properties.

Valuation and consulting practice includes market studies, urban renewal, rehabilitation, reuse and proposed construction studies. This broad-based practice includes assignments for financing, purchase, condemnation, property tax appeal, public and private equity placement.

As of this date, Anthony S. Graziano, MAI, CRE, FRICS has completed the requirements of the continuing education program of the Appraisal Institute and the New Jersey Real Estate Appraisal Boards.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)
Counselor of Real Estate (CRE)
Royal Institute of Chartered Surveyors, Fellow (FRICS) (2005 – 2014)
National Association of Realtors
Appraisal Institute Faculty (1998 - 2008)
International Right of Way Association
Lambda Alpha International

Licenses

New Jersey, Certified General Real Estate Appraiser, RG00466, Expires December 2017
New Jersey, NJ Licensed Real Estate Broker,
NJ Certified Tax Assessor, 1261, Expires July 2017

Education

American Institute of Real Estate Appraisers (AIREA) and Appraisal Institute (AI):
Studies Completed: I, II, IV, VIII, Cap 1B-A, 1B-B, and Market Feasibility Studies
New Jersey License Course Salesperson and Broker
Realtor Institute Courses

Mr. Graziano has lectured at numerous workshops, conventions and conferences sponsored by:

agraziano@irr.com • 732.244.7000 x101

Integra Realty Resources Coastal NJ

1415 Hooper Ave.
Suite 305
Toms River, NJ 08753

T 732.244.7000
F 732.505.9498

irr.com



Anthony S. Graziano, MAI, CRE

Education (Cont'd)

Appraisal Institute
The Counselors of Real Estate
New Jersey Builders Association
New Jersey Tax Assessors Association
New Jersey Association of Realtors
New Jersey Mortgage Bankers Association
American BAR Association (BAR)
American Institute of Certified Public Accountants (AICPA)

Mr. Graziano has taught Appraisal Institute Capitalization Series and the Subdivision Seminar Course on numerous occasions throughout the northeast.

Qualified Before Courts & Administrative Bodies

Federal Bankruptcy Court, Superior Court of the State of NJ, NJ State Tax Court, federal and state legislative committees, numerous county and local boards and commissions.

Miscellaneous

Anthony S. Graziano has served the Appraisal Institute at various local, regional and national levels since the early 1980's including; local chapter President 1988, Regional Committee Representative 1987 to 1996, National Board of Directors 1989, 1995-1998, Regional Chair 1996, National Chair of Government Relations and National Executive Committee 1995. Chair of the National Appraisal Standards Committee of the Appraisal Institute (1999 & 2000) and past Chairman of the New Jersey Chapter of Counselors of Real Estate.

Since 1999, Mr. Graziano has served on the Executive Committee and Board of Directors of Integra Realty Resources (1999 - 2011), and served as Chairman of Board (2010 & 2011), 11 Times Square, 640 Eighth Avenue, 15th Floor, Suite A, New York, NY.

For his distinguished service to the Appraisal Industry in 2000, Mr. Graziano received the National President's Award from the Appraisal Institute. In 2001, he was honored by the Philadelphia Chapter of the Appraisal Institute with the Harrison-Winder Memorial Award. In 2005, he was awarded a Lifetime Achievement Award from the Appraisal Institutes Metro New Jersey Chapter.

Integra Realty Resources

Coastal NJ

1415 Hooper Ave.
Suite 305
Toms River, NJ 08753

T 732.244.7000
F 732.505.9498

irr.com

agraziano@irr.com • 732.244.7000 x101



Thomas J. Grouss

Experience

Thomas J. Grouss is the Director - INTEGRA REALTY RESOURCES-COASTAL, NJ office, a full-service real estate organization with offices in Toms River and 56 metro markets throughout the United States.

Since joining the firm in May of 2003, Mr. Grouss has completed appraisal and consulting assignments on vacant land, retail, office, industrial and special purpose properties throughout New Jersey, with a concentration in the Central and Southern part of the State. These assignments have been completed for corporate clients, financial institutions, and private clients, for use in financing, evaluation of sale/purchase decisions, estate planning, and property tax appeals.

Mr. Grouss has provided primary research, analysis and report writing for valuation relating to condemnation and eminent domain projects throughout Monmouth and Ocean County.

Residential experience includes the valuation of large-scale subdivision tracts, conventional and subsidized multi-family projects, and various single-family residential waterfront and non-waterfront properties throughout the region.

Mr. Grouss has also participated in the valuation and consulting of special purpose properties along the Jersey Shore, including amusement piers, water parks, marinas and restaurants.

Professional Activities & Affiliations

Appraisal Institute, Associate Member / Candidate for MAI Designation
Member: International Right of Way Association (IRWA) NJ Chapter 15

Licenses

New Jersey, Certified General Real Estate Appraiser, 42RG00205300, Expires December 2017

New Jersey, Real Estate Commission - Salesperson, 0572381
New Jersey, Certified General Real Estate Appraiser, 43RG00205300, Expires December 2017

New Jersey, Thomas Grouss, 42RG00205300, Expires December 2017

Education

Completed Real Estate Appraisal Courses sponsored by the Appraisal Institute:
Appraisal Principles (Metro NJ Chapter-Rutgers University)
Appraisal Procedures (Maryland Chapter-Johns Hopkins)
Basic Income Capitalization (Long Island Chapter)
General Applications (Virginia Commonwealth Chapter)
Advanced Income Capitalization (Massachusetts Chapter)
General Appraiser Report Writing & Case Studies (New York Chapter)
General Market Analysis and Highest and Best Use (Central Pennsylvania Chapter)
Advanced Sales Comparison & Cost Approaches (Chicago Chapter)
Completed Real Estate Appraisal Courses sponsored by the Business Learning Center

tgrouss@irr.com - 732.244.7000 x105

Integra Realty Resources Coastal NJ

1415 Hooper Ave.
Suite 305
Toms River, NJ 08753

T 732.244.7000
F 732.505.9498

irr.com



Thomas J. Grouss

Education (Cont'd)

Uniform Standards of Professional Appraisal Practices

Undergraduate Studies:
Fairleigh Dickinson University-Florham Madison Campus, Madison, New Jersey
Degree: Bachelor Science in Finance
Graduation Date: May 2002

Qualified Before Courts & Administrative Bodies

Qualified Expert before the Ocean County Commissioners
Qualified Expert before the Superior Court of New Jersey
Qualified Expert before the Ocean County Tax Board
Appeared before Monmouth County Tax Board

Integra Realty Resources

Coastal NJ

1415 Hooper Ave.
Suite 305
Toms River, NJ 08753

T 732.244.7000
F 732.505.9498

irr.com

tgrouss@irr.com - 732.244.7000 x105



Integra Realty Resources, Inc.

Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with 62 independently owned and operated offices in 34 states and the Caribbean. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and virtually all are headed by a Senior Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Senior Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins, MAI, FRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS
BOISE, ID - Bradford T. Nipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, Jr., MAI, MRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Eric L. Enloe, MAI, FRICS
CINCINNATI, OH - Gary S. Wright, MAI, FRICS, SRA
CLEVELAND, OH - Douglas P. Sloan, MAI
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, FRICS
DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA
DENVER, CO - Brad A. Weiman, MAI, FRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Gregory B. Cook, SR/WA
GREENSBORO, NC - Nancy Tritt, MAI, SRA, FRICS
GREENVILLE, SC - Michael B. Dodds, MAI, CCIM
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, FRICS
JACKSON, MS - J. Walter Allen, MAI, FRICS
JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS
KANSAS CITY, MO/KS - Kenneth Jagers, MAI, FRICS
LAS VEGAS, NV - Charles E. Jack IV, MAI
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS
MIAMI/PALM BEACH, FL - Scott M. Powell, MAI, FRICS

MIAMI/PALM BEACH, FL - Anthony M. Graziano, MAI, CRE, FRICS
MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS
NEW JERSEY COASTAL - Halvor J. Egeland, MAI
NEW JERSEY NORTHERN - Barry J. Krauser, MAI, CRE, FRICS
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
ORANGE COUNTY, CA - Larry D. Webb, MAI, FRICS
ORLANDO, FL - Christopher Starkey, MAI, MRICS
PHILADELPHIA, PA - Joseph D. Pasquarella, MAI, CRE, FRICS
PHOENIX, AZ - Walter 'Tres' Winius III, MAI, FRICS
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS
PROVIDENCE, RI - Gerard H. McDonough, MAI, FRICS
RALEIGH, NC - Chris R. Morris, MAI, FRICS
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS
SACRAMENTO, CA - Scott Beebe, MAI, FRICS
ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS
SALT LAKE CITY, UT - Darrin W. Liddell, MAI, CCIM, FRICS
SAN ANTONIO, TX - Martyn C. Glen, MAI, CRE, FRICS
SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS
SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS
SAVANNAH, GA - J. Carl Schultz, Jr., MAI, FRICS, CRE, SRA
SEATTLE, WA - Allen N. Safer, MAI, MRICS
SYRACUSE, NY - William J. Kimball, MAI, FRICS
TAMPA, FL - Bradford L. Johnson, MAI, MRICS
TULSA, OK - Robert E. Gray, MAI, FRICS
WASHINGTON, DC - Patrick C. Kerr, MAI, SRA, FRICS
WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS
CARIBBEAN/CAYMAN ISLANDS - James Andrews, MAI, FRICS

Corporate Office

1133 Avenue of the Americas, 27th Floor, New York, New York 10036
Telephone: (212) 255-7858; Fax: (646) 424-1869; E-mail info@irr.com
Website: www.irr.com



Addendum B

Comparison of Report Formats





Comparison of Report Formats

Reporting Options in 2014-2015 Edition of USPAP	Integra Reporting Formats Effective January 1, 2014	Corresponding Reporting Options in 2012-2013 Edition of USPAP
Appraisal Report	Appraisal Report – Comprehensive Format	Self-Contained Appraisal Report
	Appraisal Report – Standard Format	Summary Appraisal Report
	Appraisal Report – Concise Summary Format	Minimum Requirements of Summary Appraisal Report
Restricted Appraisal Report	Restricted Appraisal Report	Restricted Use Appraisal Report



USPAP Reporting Options

The 2014-2015 edition of USPAP requires that all written appraisal reports be prepared under one of the following options: Appraisal Report or Restricted Appraisal Report.

An Appraisal Report summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. The requirements for an Appraisal Report are set forth in Standards Rule 2-2 (a) of USPAP.

A Restricted Appraisal Report states the appraisal methods employed and the conclusions reached but is not required to include the data and reasoning that supports the analyses, opinions, and conclusions. Because the supporting information may not be included, the use of the report is restricted to the client, and further, the appraiser must maintain a work file that contains sufficient information for the appraiser to produce an Appraisal Report if required. The requirements for a Restricted Appraisal Report are set forth in Standards Rule 2-2 (b).

Integra Reporting Formats under the Appraisal Report Option

USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal. Accordingly, Integra Realty Resources has established internal standards for three alternative reporting formats that differ in depth and detail yet comply with the USPAP requirements for an Appraisal Report. The three Integra formats are:

- Appraisal Report – Comprehensive Format
- Appraisal Report – Standard Format
- Appraisal Report – Concise Summary Format

An Appraisal Report – Comprehensive Format has the greatest depth and detail of the three report types. It describes and explains the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. This format meets or exceeds the former Self-Contained Appraisal Report requirements that were contained in the 2012-2013 edition of USPAP.

An Appraisal Report – Standard Format has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. This format meets or exceeds the former Summary Appraisal Report requirements that were contained in the 2012-2013 edition of USPAP.

An Appraisal Report - Concise Summary Format has less depth and detail than the Appraisal Report – Standard Format. It briefly summarizes the data, reasoning, and analyses used in the appraisal process while additional supporting documentation is retained in the work file. This format meets the minimum requirements of the former Summary Appraisal Report that were contained in the 2012-2013 edition of USPAP.

On occasion, clients will request, and Integra will agree to provide, a report that is labeled a Self-Contained Appraisal Report. Other than the label, there is no difference between a Self-Contained Appraisal Report and an Appraisal Report - Comprehensive Format. Both types of reports meet or

exceed the former Self-Contained Appraisal Report requirements set forth in the 2012-2013 edition of USPAP.

Integra Reporting Format under Restricted Appraisal Report Option

Integra provides a Restricted Appraisal Report format under the USPAP Restricted Appraisal Report option. This format meets the requirements of the former Restricted Use Appraisal Report that were contained in the 2012-2013 edition of USPAP.



Addendum C

Definitions



Definitions

The source of the following definitions is *The Dictionary of Real Estate Appraisal, Fifth Edition*, Appraisal Institute, Chicago, Illinois, 2010, unless otherwise noted.

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.

Disposition Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time specified by the client.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date of Appraisal

The date on which the analyses, opinions, and advice in an appraisal, review, or consulting service apply.

Entitlement

In the context of ownership, use, or development of real property, the right to receive governmental approvals for annexation, zoning, utility extensions, construction permits, and occupancy/use permits. The approval period is usually finite and may require the owner and/or developer to pay impact and/or user fees in addition to other costs to secure the entitlement. Entitlements may be transferable, subject to covenants or government protocols, may constitute vested rights, and may represent an enhancement to a property's value.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her

contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

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.

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.

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Lease

A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

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.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars, or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

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.

Market Value

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

- 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.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)



Prospective Opinion of Value

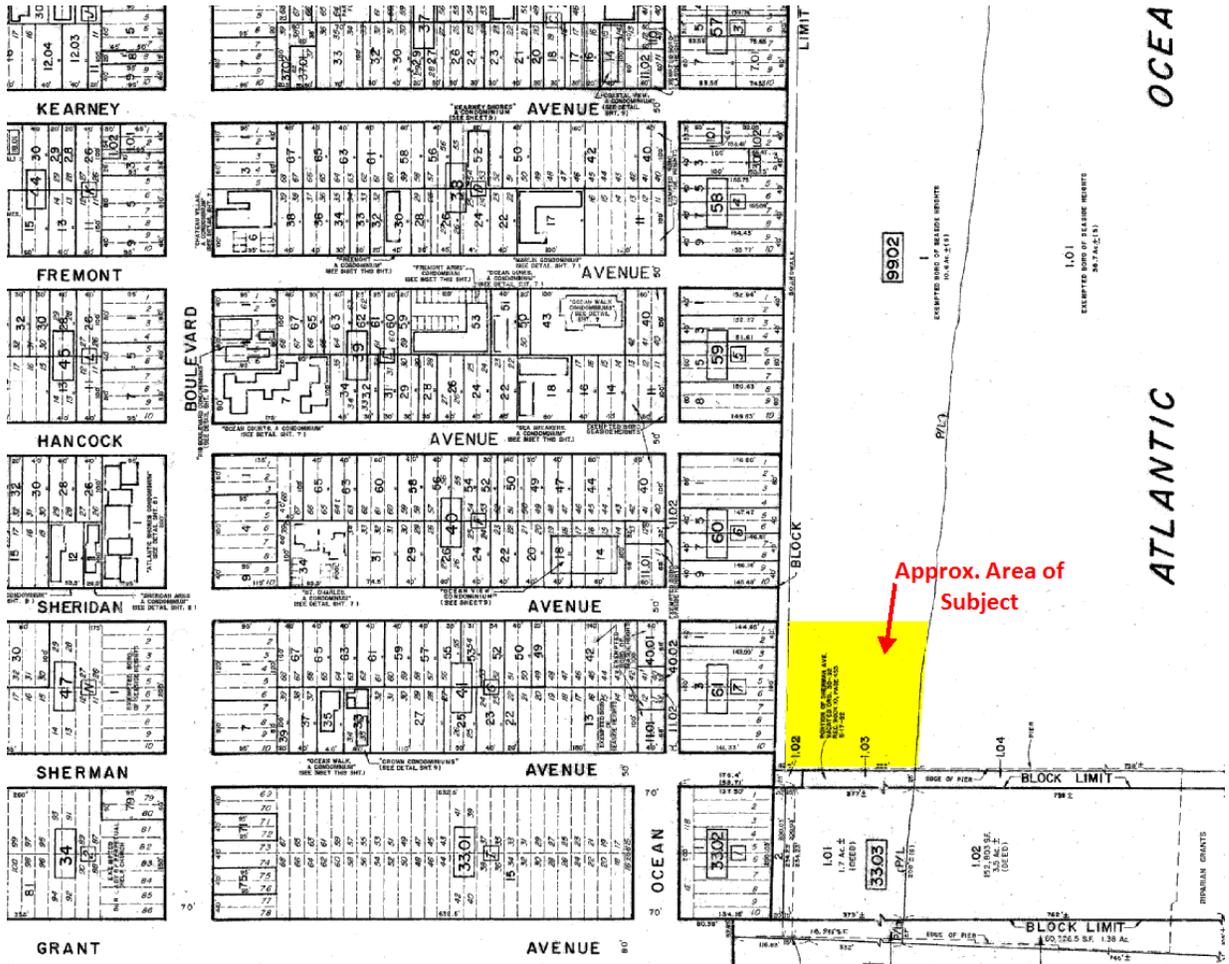
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under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

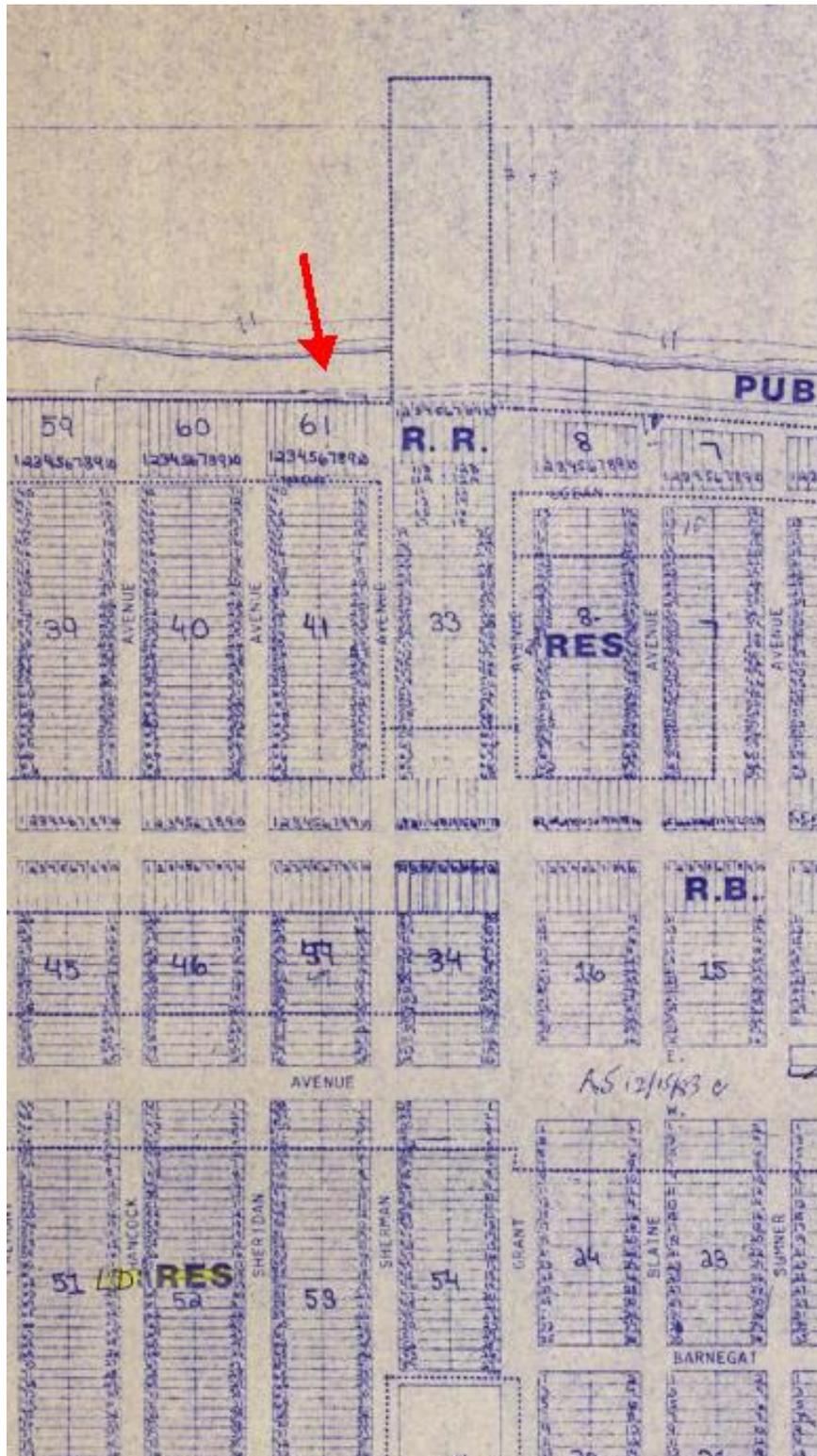


Addendum D

Property Information







Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)





NFIP

PANEL 0329G

FIRM
FLOOD INSURANCE RATE MAP

**OCEAN COUNTY,
NEW JERSEY
(ALL JURISDICTIONS)**

PANEL 329 OF 660

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

<u>COMMUNITY</u>	<u>NUMBER</u>	<u>PANEL</u>	<u>SUFFIX</u>
BERKELEY, TOWNSHIP OF	340369	0329	G
LAVALLETT, BOROUGH OF	340379	0329	G
SEASIDE HEIGHTS, BOROUGH OF	340389	0329	G
SEASIDE PARK, BOROUGH OF	345319	0329	G
TOMS RIVER, TOWNSHIP OF	345293	0329	G

**REVISED PRELIMINARY
JANUARY 30, 2015**

Notice to User: The **Map Number** shown below should be used when placing map orders; the **Community Number** shown above should be used on insurance applications for the subject community.



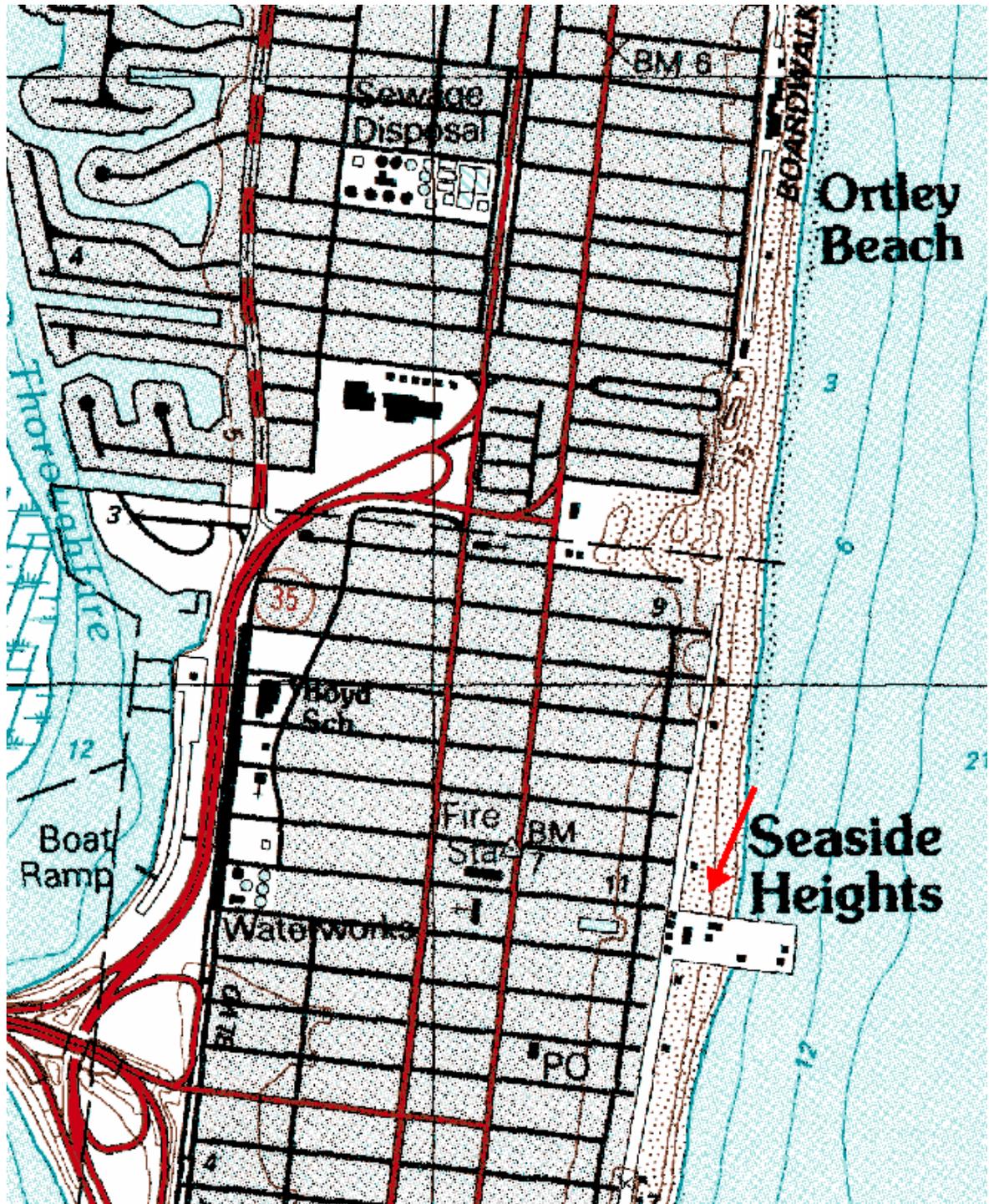
**MAP NUMBER
34029C0329G**

MAP REVISED

Federal Emergency Management Agency

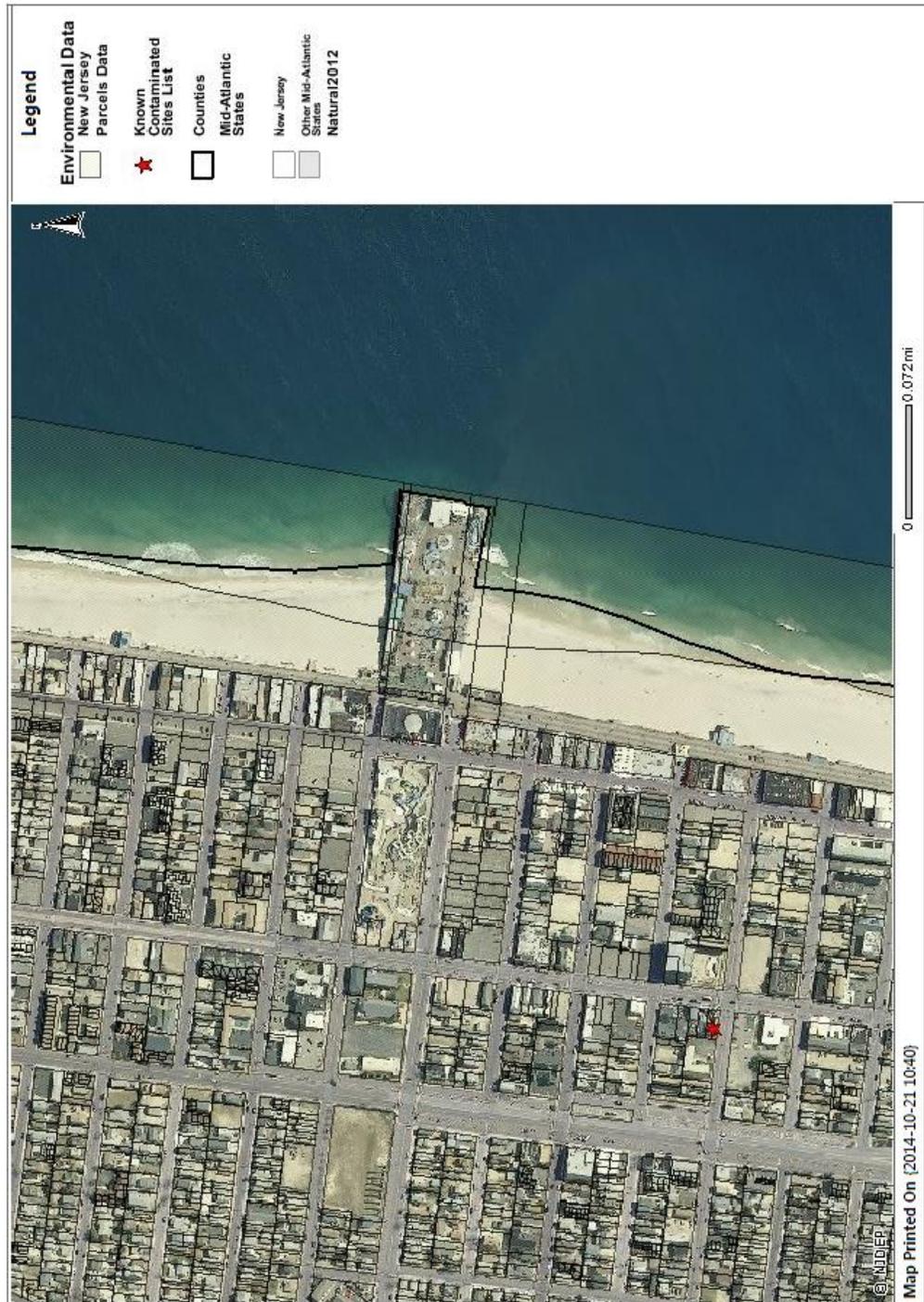
NATIONAL FLOOD INSURANCE PROGRAM





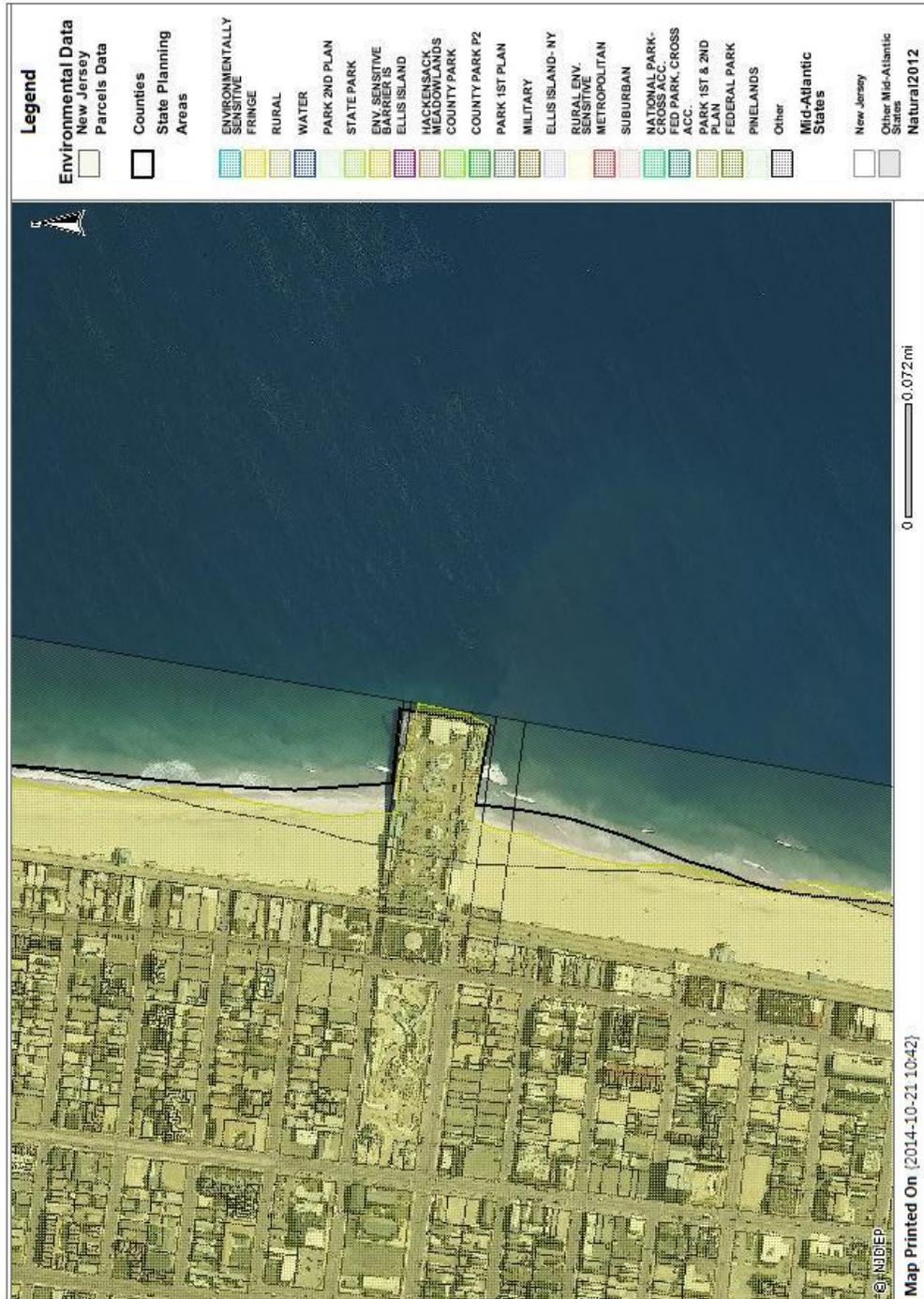
Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)





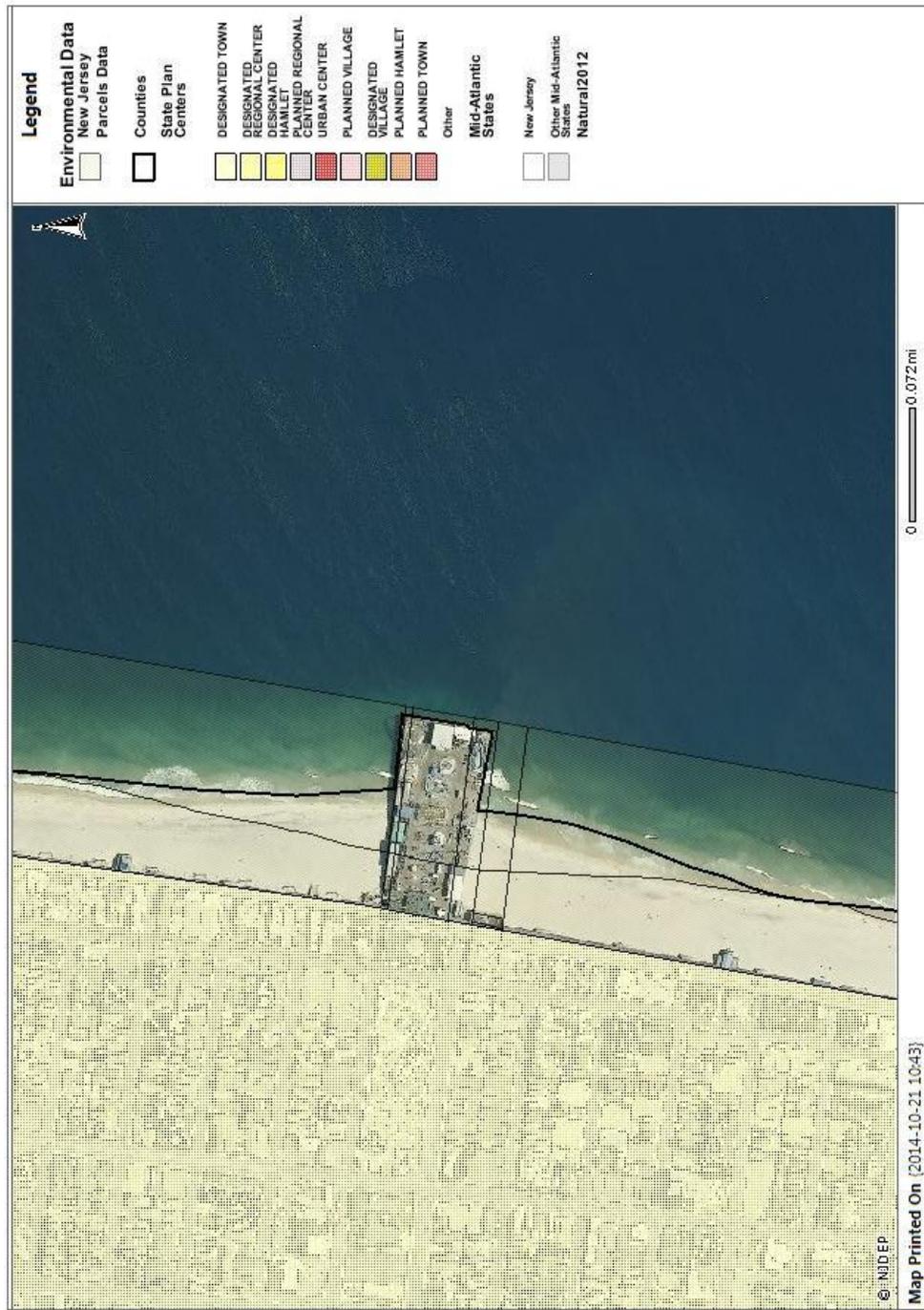
Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)





Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)





Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)



Environmental at
819 BOARDWALK OCEAN SEASIDE HEIGHTS, NJ 08751

Disclaimer: The data returned in this query is for informational purposes only. It is necessary to check all categories (Environmental, Economic Growth/Planning and Work Force/Demographic) to determine all possible constraints that might exist in or near your particular location.



Land Use/Conservation	
CAFRA Area	Yes
Meadowlands District	Not Applicable
Pinelands Area	Not Applicable
Highlands Area	Not Applicable
Well Head Protection Areas	Not Applicable
Land Use/Land Cover	
Category :	BEACHES
General Category :	BARREN LAND
Water/Wetlands	
Category 1 Waters - 300 ft buffers	Not Applicable
Wetlands	Not Applicable
Contaminated Sites	
Deed Notice Extents for Known Contaminated Sites	Not Applicable
Groundwater Contamination Extents - Known Sources	Not Applicable
Groundwater Contamination Extents - Unknown Sources	Not Applicable
Transportation	
Public Use Airports (within 10 miles)	Not Applicable
Counties	OCEAN



Economic Growth / Planning at
819 BOARDWALK OCEAN SEASIDE HEIGHTS, NJ 08751

Disclaimer: The data returned in this query is for informational purposes only. It is necessary to check all categories (Environmental, Economic Growth/Planning and Work Force/Demographic) to determine all possible constraints that might exist in or near your particular location.

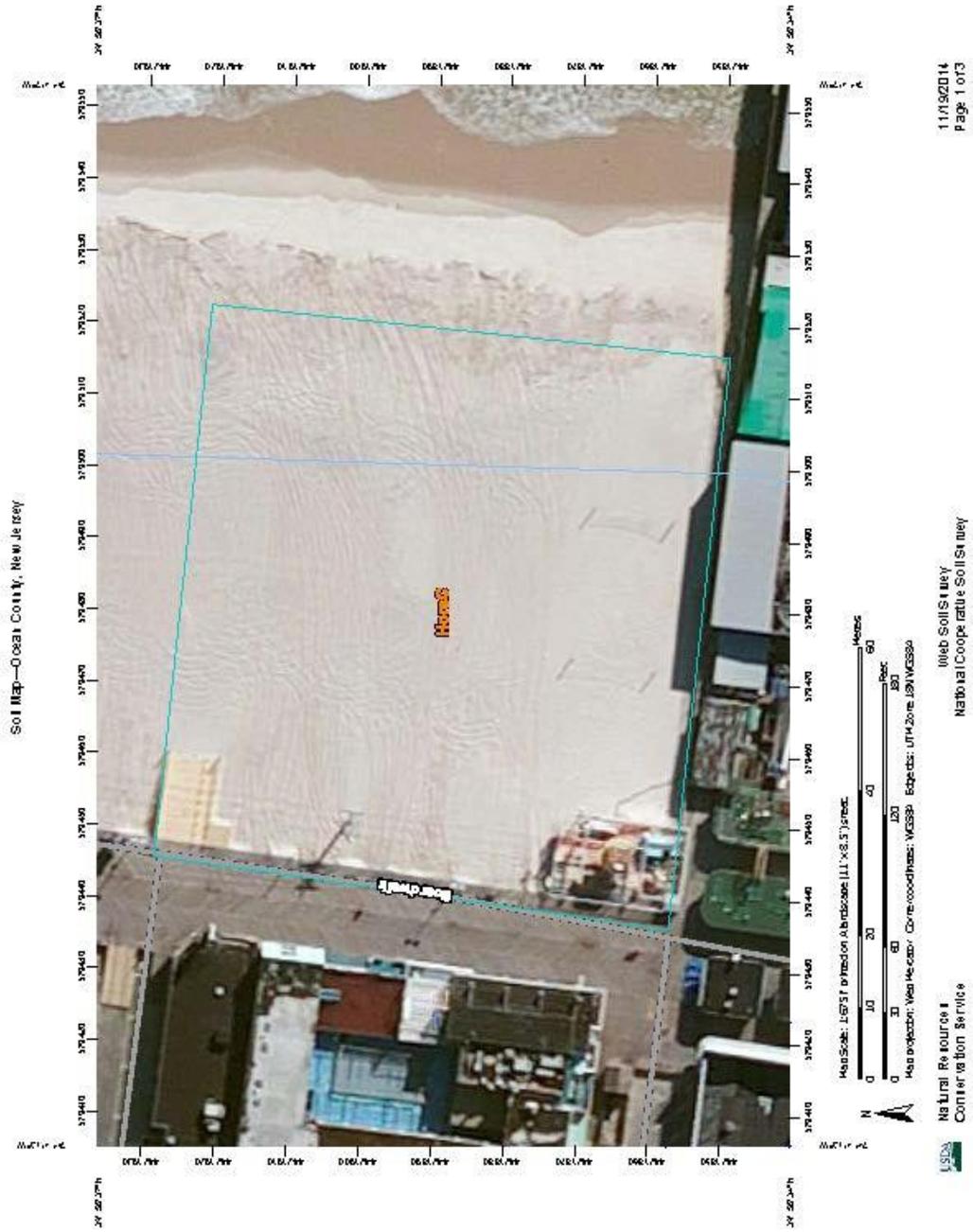


Economic Growth	
Brownfield Sites	Not Applicable
Urban Enterprise Zones	Not Applicable
Innovation Zones	Not Applicable
Urban Aid Communities	Not Applicable
Areas in Need Of Redevelopment	Not Applicable
Areas in Need of Rehabilitation	Yes
Municipal Revitalization Index	
Rank : 542	
Urban Coordinating Council Qualified Municipalities	Not Applicable
NJ Redevelopment Authority Eligible Municipalities	Not Applicable
Main Street New Jersey Program Focus Areas	Not Applicable
Planning	
Smart Growth Areas	
Disclaimer: If your location is in a Smart Growth Area, please check the environmental category to look for specific constraints that might exist in this location.	
Smart Growth Area : N	
Endorsed Plans	Not Applicable
Designated Centers	Not Applicable
Cores	Not Applicable
Nodes	Not Applicable
Critical Environmental Sites	Not Applicable
Historic and Cultural Sites	Not Applicable



Planning Areas	ENV. SENSITIVE BARRIER IS
CAFRA Area	Yes
Pinelands Area	Not Applicable
Highlands Area	Not Applicable
Meadowlands District	Not Applicable
Sewer Service Areas	Not Applicable
Transportation	
Public Use Airports (within 10 miles)	Not Applicable
Counties	OCEAN





Vacant Land E/S of Boardwalk adjacent to Casino Pier (Parcel B)



Soil Map—Ocean County, New Jersey

MAP LEGEND

<p>Area of Interest (AOI)</p> <ul style="list-style-type: none"> Area of Interest (AOI) <p>Soils</p> <ul style="list-style-type: none"> Soil Map Unit Polygons Soil Map Unit Lines Soil Map Unit Points <p>Special Point Features</p> <ul style="list-style-type: none"> Blowout Borrow Pit Clay Spot Closed Depression Gravel Pit Gravelly Spot Landfill Lava Flow Marsh or swamp Mine or Quarry Miscellaneous Water Perennial Water Rock Outcrop Saline Spot Sandy Spot Severely Eroded Spot Sinkhole Slide or Slip Sodic Spot 	<p>Water Features</p> <ul style="list-style-type: none"> Streams and Canals <p>Transportation</p> <ul style="list-style-type: none"> Rails Interstate Highways US Routes Major Roads Local Roads <p>Background</p> <ul style="list-style-type: none"> Aerial Photography 	<p>Soil Area</p> <ul style="list-style-type: none"> Stony Spot Very Stony Spot Wet Spot Other Special Line Features
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MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:24,000.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
 Web Soil Survey URL: <http://websoilsurvey.nrcs.usda.gov>
 Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Ocean County, New Jersey
 Survey Area Date: Version 12, Sep 24, 2014

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Mar 19, 2011—May 1, 2011

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.



Soil Map—Ocean County, New Jersey

Map Unit Legend

Ocean County, New Jersey (NJ029)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
HorsC	Hooksan fine sand, 2 to 10 percent slopes	1.4	100.0%
Totals for Area of Interest		1.4	100.0%



aa

STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF LAND USE REGULATION

Mail Code 501-02A, P.O. Box 420, Trenton, New Jersey 08625-0420
Telephone: (609) 777-0454 or Fax: (609) 777-3656
www.state.nj.us/dep/landuse



PERMIT

<p>In accordance with the laws and regulations of the State of New Jersey, the Department of Environmental Protection hereby grants this permit to perform the activities described below. This permit is revocable with due cause and is subject to the limitations, terms and conditions listed below and on the attached pages. For the purpose of this document, "permit" means "approval, certification, registration, authorization, waiver, etc." Violation of any term, condition or limitation of this permit is a violation of the implementing rules and may subject the permittee to enforcement action.</p>		Approval Date JUL 15 2015
		Expiration Date JUL 14 2020
Permit Number(s): 1500-07-0002.9 CAP150001	Type of Approval(s): CAFRA IP	Enabling Statute(s): NJSA 13:19 CAFRA
Permittee: Borough of Seaside Heights / AFMV, LLC 901 Boulevard / 800 Ocean Terrace Seaside Heights, New Jersey 08751	Site Location: Block(s) 99.02 Lot(s): 1 & 1.01 Municipality: Borough of Seaside Heights County: Ocean	
<p>Description of Authorized Activities: This permit authorizes the reconstruction and partial relocation of a 225' x 265.79' section of the Casino Pier, including the relocation of the 50' x 60' Skyride base approximately 160 feet to the north of the original footprint. This permit also authorizes the placement of sand beneath the pier for the purpose of maintaining a 12' elevation. The authorized activities are depicted on two (2) plans entitled:</p> <p>"C.A.F.R.A. MAP, OVERALL PLAN & NOTES FOR TAX MAP BLOCK 99.02, LOTS 1, 1.01 & 1.03 & P/O TAX MAP BLOCK 33.03, LOT 1.01, BOROUGH OF SEASIDE HEIGHTS, OCEAN COUNTY, NEW JERSEY" prepared by O'Donnell, Stanton & Associates, Inc., dated January 20, 2014, unrevised.</p> <p>"PROJECT: SEASIDE HEIGHTS CASINO PIER EXPANSION, SEASIDE HEIGHTS, NJ, SHEET TITLE: FRAMING PLAN AND DETAILS" dated December 16, 2014, unrevised, and prepared by Paulus, Sokolowski and Sartor, LLC.</p> <p>This permit is authorized under and in compliance with applicable Rules on Coastal Zone Management (N.J.A.C. 7:7E-1.1 et seq.) provided the conditions listed within this permit are met.</p> <p>The Director of the Division of Land Use Regulation hereby finds the applicable findings as required by Sections 10 & 11 of the CAFRA statute (N.J.S.A. 13:19-1 et seq.) and the Rules on Coastal Zone Management have been met to the satisfaction of the Division of Land Use Regulation. The issuance of this permit is contingent upon compliance with the conditions below and failure to comply with any or all conditions may result in appropriate enforcement action and revocation of this permit.</p>		
Prepared by: Eric Virostek	Received and/or Recorded by County Clerk: 	
THIS PERMIT IS NOT EFFECTIVE AND NO CONSTRUCTION APPROVED BY THIS PERMIT, OR OTHER REGULATED ACTIVITY, MAY BE UNDERTAKEN UNTIL THE PERMITTEE HAS SATISFIED ALL PRE-CONSTRUCTION CONDITIONS AS SET FORTH HEREIN.		INSTR # 2015073336 OR BK 16142 PG 1498 RECORDED 07/23/2015 10:44:13 AM SCOTT M. COLABELLA, COUNTY CLERK OCEAN COUNTY, NEW JERSEY
This permit is not valid unless authorizing signature appears on the last page.		

Eric Virostek

PRE-CONSTRUCTION CONDITIONS:

1. **Timing:** If this permit contains a condition that must be satisfied prior to the commencement of construction, the permittee must comply with such condition(s) within the time required by the permit or, if no time specific requirement is imposed, then within six months of the effective date of the permit, or provide evidence satisfactory to the Division that such condition(s) cannot be satisfied.
2. Prior to site preparation, the applicant shall undergo the "Change in Use" procedure outlined in N.J.A.C. 7:36-25.6, as the proposed improvements will result in the development of an undeveloped portion of parkland pursuant to N.J.A.C. 7:36-25.6(c)1.

SPECIAL CONDITIONS:

1. **Recording of Permit:** This permit shall be recorded in its entirety in the office of the County Clerk or the Registrar of Deeds and Mortgages for each county where this project is located. Verified notice of this action shall be forwarded to the Division immediately thereafter.
2. **Material Disposal:** All excavated material and dredge material shall be disposed of in a lawful manner. The material shall be placed outside of any flood hazard area, riparian zone, regulated water, freshwater coastal wetlands and adjacent transition area, and in such a way as to not interfere with the positive drainage of the receiving area.
3. This permit only authorizes construction on Block 99.02, Lots 1 & 1.01.
4. The relocated amusement pier shall continue to be only used for public access or amusements as shown on the approved plan, unless additional authorization has been granted by the Division.
5. This permit does not legalize any permanent structures located on the beach that were constructed without prior Division approval (i.e., year-round presence of lifeguard storage boxes, showers, concrete walkways, badge booths, etc.).
6. No construction activities may occur waterward of the footprint of development or waterward of the Spring High Tide Line.
7. All foundations, slabs, footings and walls of the proposed structure/s shall be designed to resist uplift and lateral loads associated with hydrostatic pressure resulting from flooding to the design flood elevation of 15.0 feet NAVD. Furthermore, all structural components shall be designed to resist hydrodynamic forces resulting from the design flood. Compliance with this condition shall be determined by the municipal construction official.
8. The area below the platform (boardwalk) of proposed Casino Pier shall remain free of enclosures and accessible to the passage of floodwaters at all times. In addition, the area below the platform (boardwalk) of proposed Casino Pier should be constructed in accordance with the requirements of the Federal Flood Reduction Standards, 44 C.F.R. Part 60 & FEMA's Technical Bulletins.
9. Within 180 days of completion of construction of the authorized project, the permittee shall submit as-built plans to the Division of Land Use Regulation.
10. Should the permittee transfer ownership of the expanded boardwalk area to private ownership, the permittee would be required to obtain approval for the sale of the parcel from the Green Acres Program through the submission of a diversion/disposal application pursuant to N.J.A.C. 7:36-26. Please contact the Green Acres Program for further details on these requirements.

11. If amusement rides located on the pier extend beyond the footprint of the pier and waterward of the Spring High Water Line (SHWL), review and approval by the ACOE may be required.
12. Below grade utilities and parking on the pier are not authorized by this permit.
13. Pursuant to N.J.A.C. 7:7E-7.3(e)1v, the applicant shall provide a provision for public seating and viewing at the terminal end of the expanded amusement pier.
14. Pursuant to N.J.A.C. 7:7E-3A.5, the construction of the pier shall comply with the following standards:
 - a. All timber support piles shall be a minimum of 8" in diameter.
 - b. Support piles shall be driven to a depth of at least -10' MSL.
 - c. The method of insertion of piles should be a pile driver or drop hammer.
 - d. All support joists and timber connections shall be anchored through the use of hurricane clips or metal plates.
 - e. All metal fasteners shall be hot dipped galvanized.

STANDARD CONDITIONS:

1. **Responsibilities:**
 - a. The permittee, its contractors and subcontractors shall comply with all conditions of this permit, authorizing and/or supporting documents and approved plans and drawings.
 - b. A copy of this permit, other authorizing documents, records and information including all approved plans and drawings shall be maintained at the authorized site at all times and made available to Department representatives or their designated agents upon request.
2. **Permit modification:** Plans and specifications in the application and conditions imposed by this permit shall remain in full force and effect so long as the proposed development or any portion thereof is in existence, unless modified by the Department. No change in plans or specifications upon which this permit is issued shall be made except with the prior written permission of the Department. The filing of a request to modify an issued permit by the permittee, or a notification of planned changes or anticipated noncompliance does not stay any condition of this permit.
1. **Duty to minimize environmental impacts:** The permittee shall take all reasonable steps to prevent, minimize or correct any adverse impact on the environment resulting from activities conducted pursuant to the permit, or from noncompliance with the permit. The permittee shall immediately inform the Department of any unanticipated adverse effects on the environment not described in the application or in the conditions of this permit. The Department may, upon discovery of such unanticipated adverse effects, and upon the failure of the permittee to submit a report thereon, notify the permittee of its intent to suspend the permit.
4. **Proper site maintenance:** While the regulated activities are being undertaken, neither the permittee, its contractors nor subcontractors shall cause or permit any unreasonable interference with the free flow of a regulated feature by placing or dumping any materials, equipment, debris or structures within or adjacent to the regulated area. Upon completion or abandonment of the work, the permittee, its contractors or subcontractors shall remove and dispose of in a lawful manner all excess materials, debris, equipment, silt fences and other temporary soil erosion and sediment control devices from all regulated areas. Only clean non-toxic fill shall be used where necessary.

5. **Sediment control:** Development which requires soil disturbance, creation of drainage structures, or changes in natural contours shall conduct operations in accordance with the latest revised version of "Standards for Soil Erosion Sediment Control in New Jersey," promulgated by the New Jersey State Soil Conservation Committee, pursuant to the Soil Erosion and Sediment Control Act of 1975, N.J.S.A. 4:24-42 et seq. and N.J.A.C. 2:90-1.3-1.14.
6. **Rights of the State:**
- a. This permit does not convey any property rights of any sort, or any exclusive privilege.
 - b. Upon notification and presentation of credentials, the permittee shall allow Department representatives or their designated agents, to enter upon the project site and/or where records must be kept under the conditions of this permit, inspect at reasonable times any facilities, equipment, practices or operations regulated or required under the permit, and sample or monitor for the purposes of determining compliance. Failure to allow reasonable access shall be considered a violation of this permit and subject the permittee to enforcement action.
 - c. The issuance of this permit shall in no way expose the State of New Jersey or the Department to liability for the sufficiency or correctness of the design of any construction, structure or structures. Neither the State nor the Department shall, in any way, be liable for the loss of life or property which may occur by virtue of the activity of development resulting from any permit.
7. **Duty to Reapply:** If the permittee wishes to continue an activity covered by the permit after the expiration date of the permit authorization, the permittee must apply for and obtain a new permit authorization.
8. **Transfer of Permit:** This permit may not be not transferable to any person unless the transfer is approved by the Department. Please refer to the applicable rules for more information.
9. **Other Approvals:** The permittee must obtain any and all other Federal, State and/or Local approvals. Authorization to undertake a regulated activity under this permit does not indicate that the activity also meets the requirements of any other rule, plan or ordinance.
10. **Noncompliance:**
- a. Any noncompliance with this permit constitutes a violation, and is grounds for enforcement action, as well as modification, suspension and/or termination of the permit.
 - b. The permittee shall immediately report to the Department by telephone at (877) 927-6337 any noncompliance that may endanger health or the environment. In addition, the permittee shall report all noncompliance to Bureau of Coastal and Land Use Compliance and Enforcement, 401 E. State Street, 4th Floor, P.O. Box 420, Mail Code: 401-04C, Trenton, NJ 08625, in writing within five business days of the time the permittee becomes aware of the noncompliance. The written notice shall include: a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and, if the noncompliance has not been corrected, the anticipated length of time it is expected to continue; and steps taken or planned to reduce, eliminate and prevent recurrence of the noncompliance. Such notice shall not, however, serve as a defense to enforcement action if the project is found to be in violation of this chapter.

11. **Appeal of Permit:** In accordance with the applicable regulations, any person who is aggrieved by this decision or any of the conditions of this permit may request a hearing within 30 days after notice of the decision is published in the DEP Bulletin. This request must include a completed copy of the Administrative Hearing Request Checklist. The DEP Bulletin is available through the Department's website at <http://www.nj.gov/dep/bulletin> and the Checklist is available through the Division's website at http://www.nj.gov/dep/landuse/download/lur_024.pdf. In addition to your hearing request, you may file a request with the Office of Dispute Resolution to engage in alternative dispute resolution. Please see the website www.nj.gov/dep/odr for more information about this process.

If you need clarification on any section of this permit or conditions, please contact the Division of Land Use Regulation's Technical Support Call Center at (609) 777-0454.

Approved By:

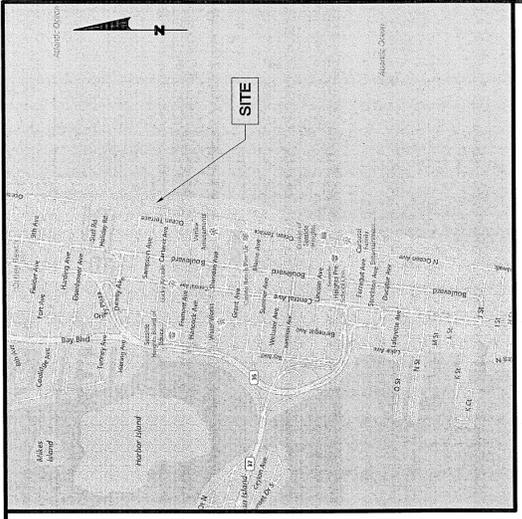
David B. Fanz
 David B. Fanz, Assistant Director
 Division of Land Use Regulation

7/15/15
 Date

Original sent to Agent to record
 c: Permittee

This is not a certified copy

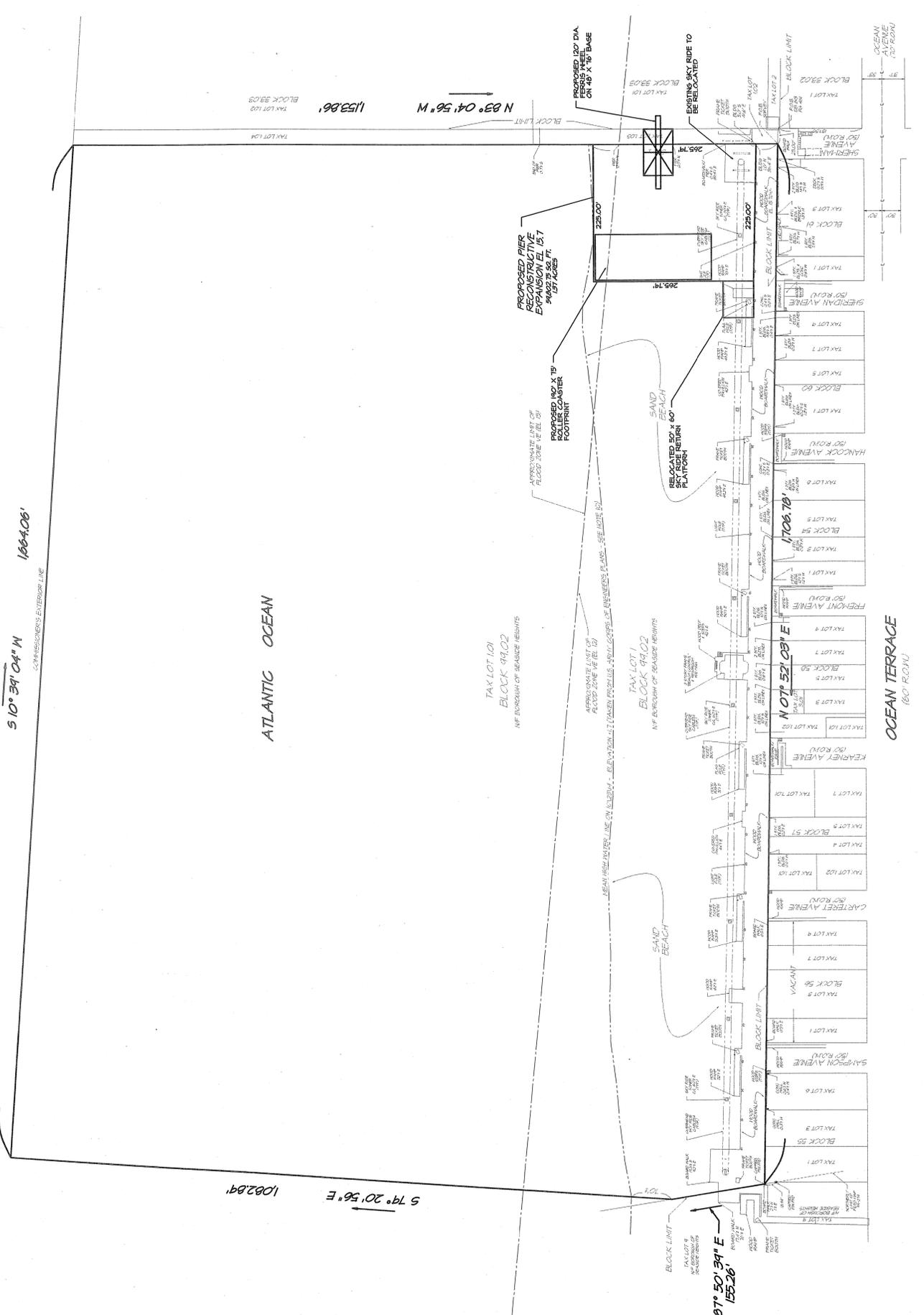
PAR
 Gilmore v Monahan
 Box 1540
 NJ 08754



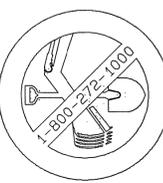
AREA MAP
1" = 1,500' +/-

GENERAL NOTES

- PROPERTY KNOWN AS TAX MAP BLOCK 99.02, LOTS 1, 1.01 & 1.03 & P/O TAX MAP BLOCK 33.03, LOT 1.01 AS INDICATED ON THE LATEST TAX MAP OF THE BOROUGH OF SEASIDE HEIGHTS. SITE IS SHOWN ON TAX MAP SHEET #3, LAST REVISED 10/7/98.
- TOTAL AREA OF SITE = 46.61 ACRES. AREA OF IMPROVEMENTS = 1.37 ACRES +/-.
- THIS PLAN IS BASED ON A PLAN ENTITLED "SURVEY OF PROPERTY, BLOCK 99.02, LOTS 1 & 1.01 (TAX MAP)" AS PREPARED BY O'DONNELL, STANTON & ASSOCIATES, INC. PLAN IS SIGNED BY STUART D. CHRISTIE, N.J.P.S. NO. 085849. PLAN IS DATED 10/26/14. NO REVISIONS.
- AREA OF PROPOSED IMPROVEMENTS IS LOCATED IN FLOOD ZONE VE, EL. 12.0 AND EL. 15.0 AS INDICATED ON THE COASTAL ANALYSIS AND MAPPING MAP SHEET AS OF 11/14/2014.
- EFFECTIVE FLOOD ZONES ARE VE 12 & VE 15.
- FLOOD ZONES & ELEVATIONS AS SHOWN ON PRELIMINARY FIRM NUMBER 3402603286 ARE VE 12 & VE 15.
- PROJECT WILL BE DESIGNED IN COMPLIANCE WITH THE FLOOD HAZARD AREA CONTROL ACT, N.J.S.A. 58:16A-50, ET SEQ., AND IMPLEMENTING RULES AT N.J.A.C. 7:13.
- PROJECT WILL BE DESIGNED IN CONFORMANCE WITH THE UNIFORM CONSTRUCTION CODE, N.J.A.C. 5:23.
- PROJECT WILL BE DESIGNED IN CONFORMANCE WITH THE FEDERAL FLOOD REDUCTION STANDARDS, 44 C.F.R. PART 60.
- MEAN HIGH WATER LINE & HIGH TIDE LINE DETERMINED BY ELEVATION (+1.7) ON 10/23/2014. (MAY 1988)
- REFERENCE: U.S. ARMY CORPS OF ENGINEERS PLAN DATED MARCH 14, 2014 ENTITLED "MANASQUAN INLET TO BAYVIEW CANAL CONSTRUCTION, BEACH FILL INITIAL CONSTRUCTION", SHEETS CSH-100, CSH-101 AND CSH-200.
- SURFACE GRADES OF EXPANSION IS FOR AMUSEMENT RIDES, CONCESSIONS, AND ANY OTHER PERMITTED USES.



PROTECT YOURSELF
PHONE YOUR AGENT FOR A POLICY
CAN BE YOUR INSURANCE POLICY



WHAT YOU DON'T KNOW CAN HURT YOU.
THE STATE OF NEW JERSEY'S REQUIREMENTS FOR THE DESIGN OF EXCAVATION AND DEPTH OF SHIELDING FOR UNDERGROUND STRUCTURES ARE STRICTLY ENFORCED. THE STATE OF NEW JERSEY'S REQUIREMENTS FOR THE DESIGN OF EXCAVATION AND DEPTH OF SHIELDING FOR UNDERGROUND STRUCTURES ARE STRICTLY ENFORCED. THE STATE OF NEW JERSEY'S REQUIREMENTS FOR THE DESIGN OF EXCAVATION AND DEPTH OF SHIELDING FOR UNDERGROUND STRUCTURES ARE STRICTLY ENFORCED.

OWNERSHIP OF DOCUMENTS
This document and the ideas and designs incorporated herein, are the property of O'DONNELL, STANTON & ASSOCIATES, INC. and shall not be used, in whole or in part, for any other project without the written authorization of O'DONNELL, STANTON & ASSOCIATES, INC.

OWNER: BLOCK 99.02, LOTS 1, 1.01, 1.03 & P/O TAX MAP BLOCK 33.03, LOT 1.01 AS INDICATED ON THE LATEST TAX MAP OF THE BOROUGH OF SEASIDE HEIGHTS. SITE IS SHOWN ON TAX MAP SHEET #3, LAST REVISED 10/7/98.
OWNER: BLOCK 33.03, LOTS 1.01 & 1.03 AS INDICATED ON THE LATEST TAX MAP OF THE BOROUGH OF SEASIDE HEIGHTS. SITE IS SHOWN ON TAX MAP SHEET #3, LAST REVISED 10/7/98.
APPLICANTS: O'DONNELL, STANTON & ASSOCIATES, INC.
BOROUGH OF SEASIDE HEIGHTS
SEASIDE HEIGHTS, NJ 08751
NEW LLC
800 OCEAN TERRACE
SEASIDE HEIGHTS, NJ 08751

O'DONNELL, STANTON & ASSOCIATES, INC.
ENGINEERS, PLANNERS AND SURVEYORS
CERTIFICATE OF AUTHORIZATION #646804900
1705 ROUTE 37 EAST
TOMS RIVER, NEW JERSEY 08753
PHONE: (732) 573-0490 FAX: (732) 573-0499
EMAIL: osajnc@verizon.net

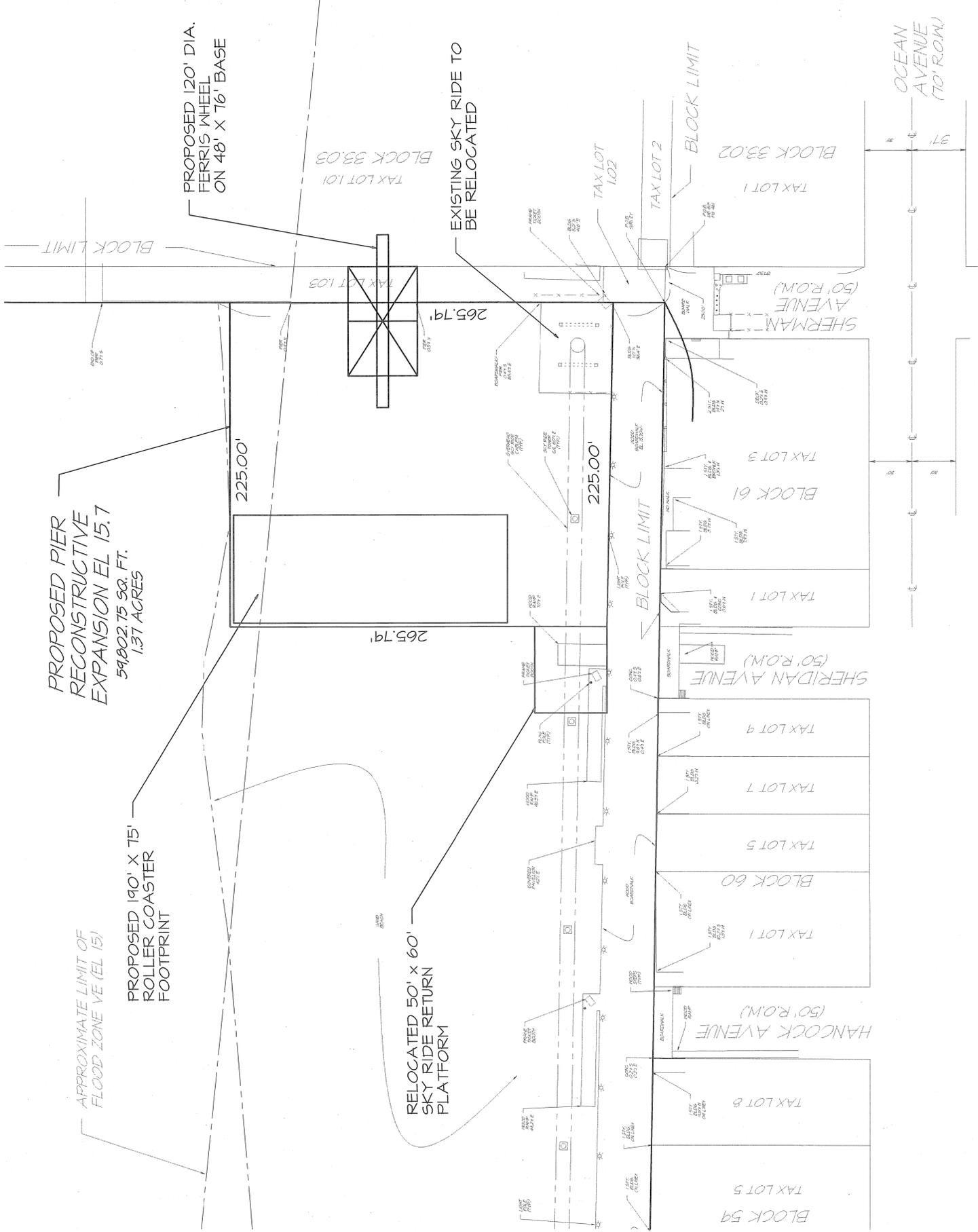
MILLIS J. LOONEY, P.E.
PROFESSIONAL ENGINEER
N.J. LIC. NO. 35722

DATE: 01/20/14

NO.	DATE	DESCRIPTION OF REVISION	BY	ENR.
1	01/20/14	OVERALL PLAN & NOTES FOR TAX MAP BLOCK 99.02, LOTS 1, 1.01 & 1.03 & P/O TAX MAP BLOCK 33.03, LOT 1.01 BOROUGH OF SEASIDE HEIGHTS		

OCEAN COUNTY
NEW JERSEY

CHECKED BY: E.A.C.	DATE: 01/20/14	PROJECT NO: 14142.00	DWG. NO: 1
SCALE: 1" = 100'	TRP		2



PROPOSED PIER
RECONSTRUCTIVE
EXPANSION EL. 15.7
54,802.75 SQ. FT.
1.37 ACRES

APPROXIMATE LIMIT OF
FLOOD ZONE VE (EL 15)

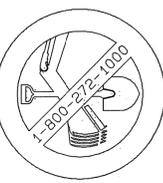
PROPOSED 190' X 15'
ROLLER COASTER
FOOTPRINT

PROPOSED 120' DIA.
FERRIS WHEEL
ON 48' X 76' BASE

RELOCATED 50' X 60'
SKY RIDE RETURN
PLATFORM

EXISTING SKY RIDE TO
BE RELOCATED

PROTECT YOURSELF
CAN BE YOUR INSURANCE POLICY



WHAT YOU DON'T KNOW CAN HURT YOU.
THE STATE OF NEW JERSEY HAS A PUBLIC POLICY TO PROTECT THE PUBLIC FROM THE CONSEQUENCES OF SURFACE WATER IN THE STATE.

THE CONTRACTOR IS RESPONSIBLE FOR VERIFYING THE EXACT LOCATION AND DEPTH OF UTILITIES, PIPES, DOWNSPIES, ETC. PRIOR TO THE START OF WORK. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND ENSURE THAT ALL UTILITIES ARE PROPERLY AND COMPLETELY MARKED OUT IN THE FIELD. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS, EASMENTS, AND THE FANS SHALL BE REPORTED TO THE ENGR'S OFFICE IMMEDIATELY. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS, EASMENTS, AND THE FANS SHALL BE REPORTED TO THE ENGR'S OFFICE IMMEDIATELY. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS, EASMENTS, AND THE FANS SHALL BE REPORTED TO THE ENGR'S OFFICE IMMEDIATELY.

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O'DONNELL, STANTON & ASSOCIATES, Inc.
ENGINEERS, PLANNERS AND SURVEYORS
CERTIFICATE OF AUTHORIZATION #A66280A7500
1705 ROUTE 37 EAST
TOMS RIVER, NEW JERSEY 08753
PHONE: (732) 573-0490 FAX: (732) 573-0499
EMAIL: osainc@verizon.net

MILLIS J. LOONEY, P.E.
PROFESSIONAL ENGINEER
N.J. LIC. NO. 35722

Millis J. Looney
DATE: 01/20/14

NO.	DATE	DESCRIPTION OF REVISION	BY	ENGR.
		C.A.F.R.A. MAP		NEW JERSEY
		LAYOUT DETAIL		
		FOR TAX MAP BLOCK 99.02, LOTS 1, 1.01 & 1.03 & P/O TAX MAP BLOCK 33.03, LOT 1.01		
		BOROUGH OF SEASIDE HEIGHTS		
		OCEAN COUNTY		
		DRAWN BY	SCALE	PROJECT NO.
		Tap	1"=40'	14112.00
				2
				2

Addendum E

Comparable Data



Location & Property Identification

Property Name:	Boardwalk Stand-N/E/C of Franklin & Ocean Terrace
Sub-Property Type:	Other
Address:	303 Ocean Terrace
City/State/Zip:	Seaside Heights, NJ 08751
County:	Ocean
Market Orientation:	Coastal-Waterfront
Property Location:	N/E/C of Franklin Ave & Ocean Terrace
IRR Event ID:	1277431



Sale Information

Sale Price:	\$1,400,000
Eff. R.E. Sale Price:	\$850,000
Sale Date:	10/14/2014
Sale Status:	Recorded
\$/Acre(Gross):	\$9,714,286
\$/Land SF(Gross):	\$223.10
\$/Acre(Usable):	\$9,714,286
\$/Land SF(Usable):	\$223.10
Grantor/Seller:	Mary Peterson
Grantee/Buyer:	GMB Holding, LLC (Gregory Kohr)
Property Rights:	Fee Simple
Financing:	Cash to seller - buyer obtained financing
Document Type:	Deed
Recording No.:	Book 15922, Page 453
Verification Type:	Confirmed-Buyer Attorney

Improvement and Site Data

Legal/Tax/Parcel ID:	Block 4.02, Lot 9
Acres(Usable/Gross):	0.09/0.09
Land-SF(Usable/Gross):	3,810/3,810
Usable/Gross Ratio:	1.00
Shape:	Rectangular
Topography:	Level

Vegetation:	Minimal
Corner Lot:	Yes
Frontage Feet:	40
Frontage Desc.:	Boardwalk
Zoning Code:	RR
Zoning Desc.:	Resort Recreational
Easements:	No
Easements Desc.:	None known or indicated
Environmental Issues:	Yes
Environmental Desc.:	CAFRA
Flood Plain:	Yes
Flood Zone Designation:	VE
Comm. Panel No.:	34029C0329G
Date:	01/30/2015
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV
Utilities Desc.:	All public utilities available.
Source of Land Info.:	Public Records

Comments

The property is located on the northeast corner of Franklin Avenue and Ocean Terrace and has 40' of frontage along the Boardwalk. Arm's length sale between unrelated parties confirmed with buyers attorney. The buyer (Kohr) had been renting space at that location for several years. Our CE sale price was adjusted downward by \$550,000 for the contributory value of the building

Comments (Cont'd)

improvements (\$125/SF main level & \$75/SF for second level space). CE sale price reflects \$21,250 per front foot of Boardwalk. \$1.2M mortgage obtained from TD Bank.

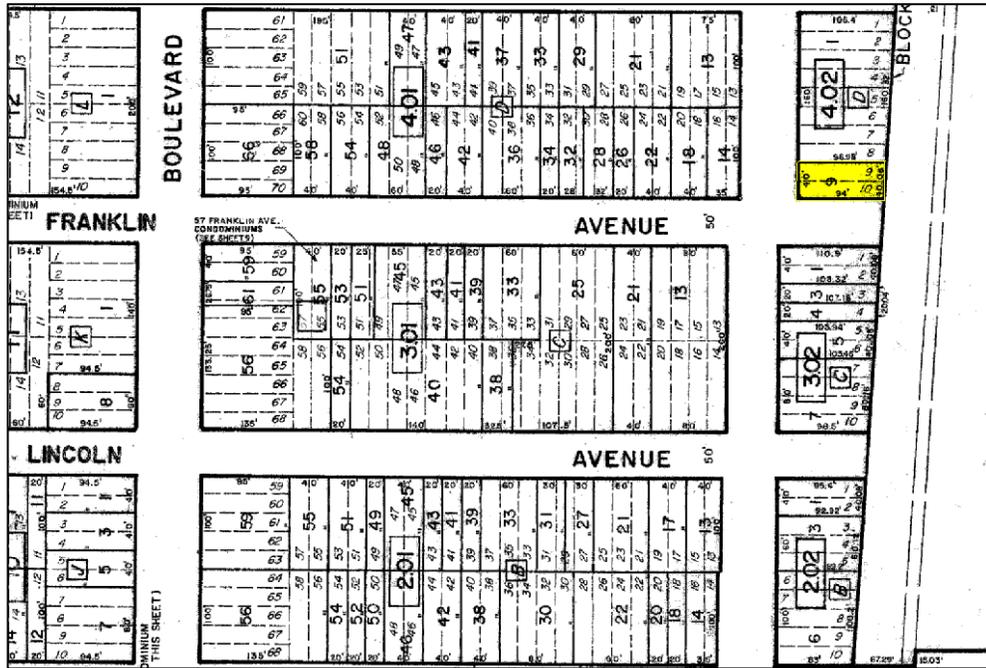
Sale Property #1 Images and Maps

Ground Photo Taken February 13, 2016 by Thomas J. Grouss

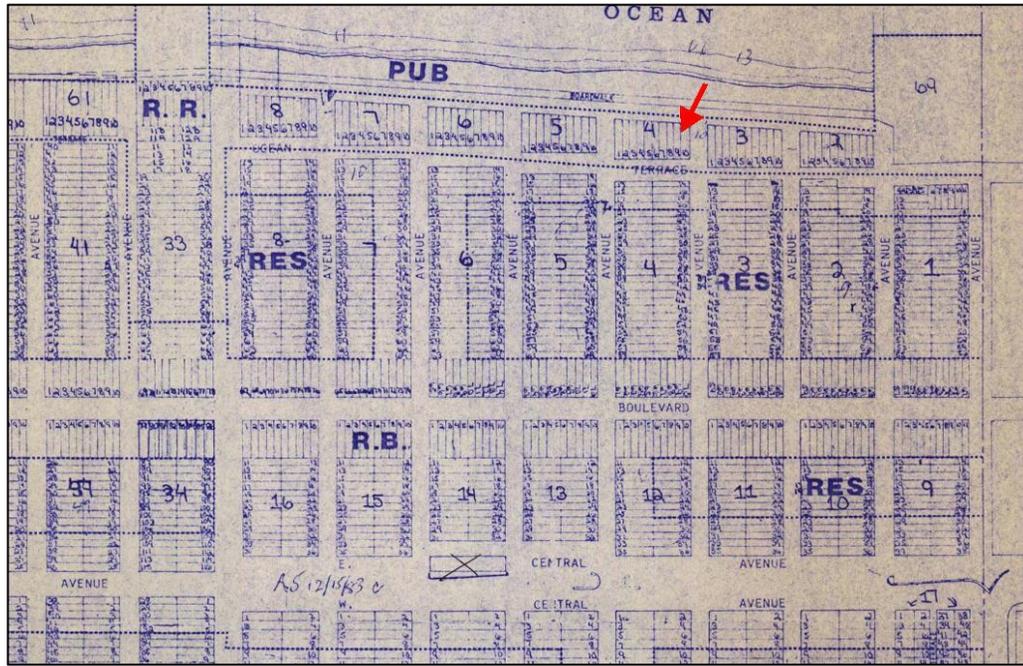


1401-1419 Ocean Terrace

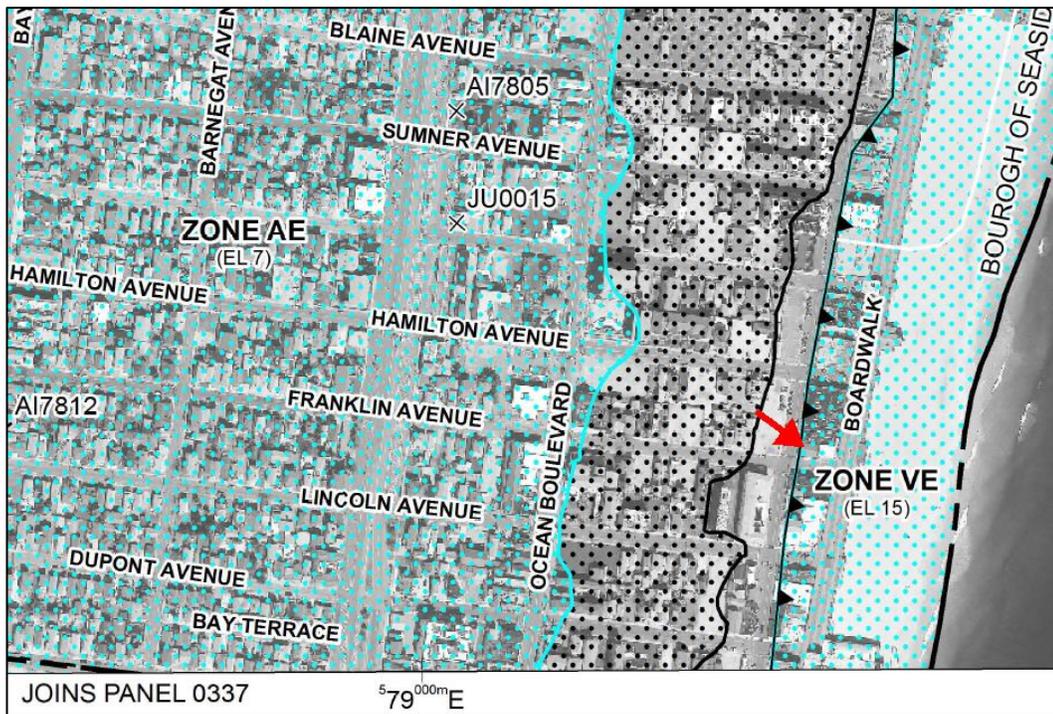
Tax Map



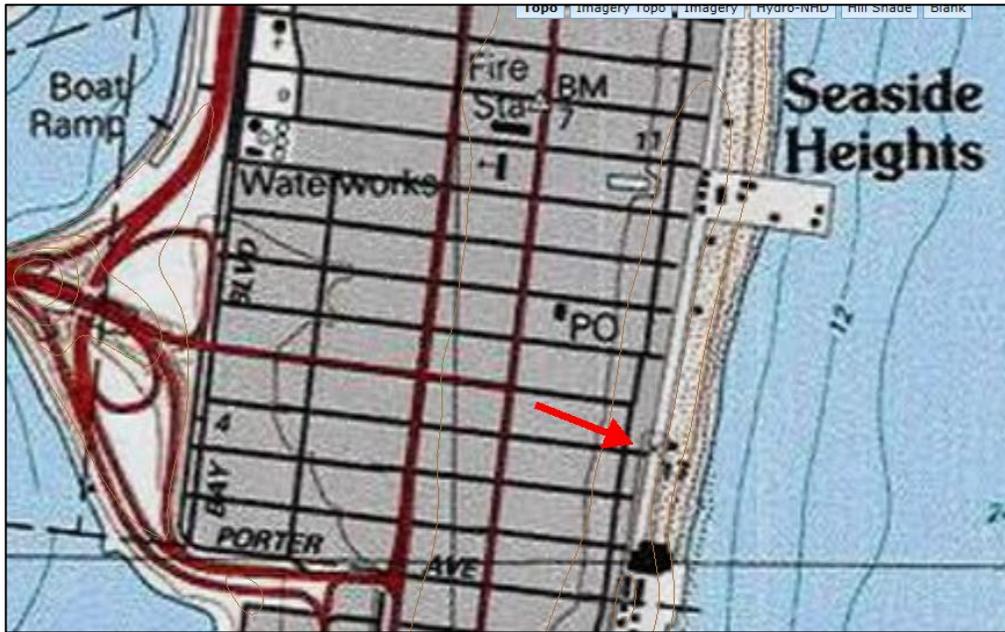
Zoning Map – Seaside Heights Borough (RR)



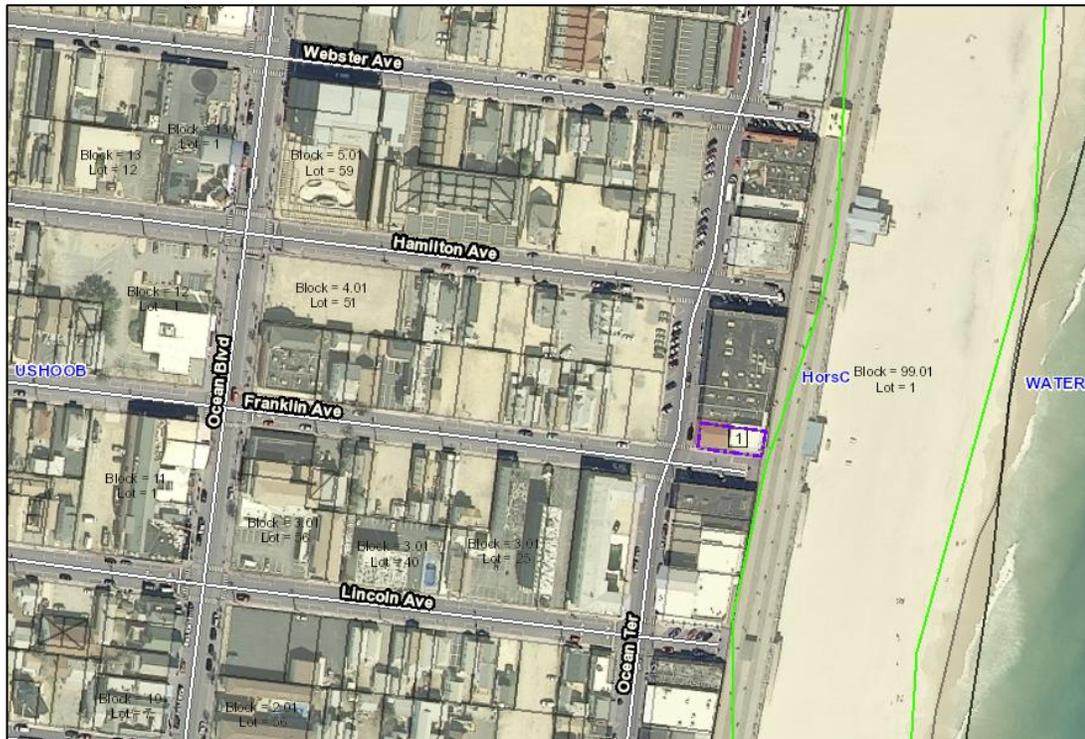
Flood Map



Geodetic Topography Map



Geo Web Image Sale Property – Illustrates Surgo Soils



Location & Property Identification

Property Name:	Boardwalk Redevelopment
Sub-Property Type:	Other
Address:	1401-1419 Ocean Terrace
City/State/Zip:	Seaside Heights, NJ 08751
County:	Ocean
Submarket:	Monmouth-Ocean
Market Orientation:	Coastal-Waterfront
Property Location:	Full Boardwalk Block



Lat./Long.: 39.947166/-74.070229 IRR Event ID (1060654)

Sale Information

Sale Price:	\$2,000,000
Eff. R.E. Sale Price:	\$2,000,000
Sale Date:	09/16/2014
Sale Status:	Closed
\$/Acre(Gross):	\$2,660,636
\$/Land SF(Gross):	\$61.08
\$/Acre(Usable):	\$2,660,636
\$/Land SF(Usable):	\$61.08
Grantor/Seller:	Thirty Five Land Corp. (Owners of Aztec)
Grantee/Buyer:	AFMV, LLC (Casino Pier/Storino)
Property Rights:	Fee Simple
Document Type:	Deed
Recording No.:	Book 15900, Page 843
Verification Type:	Confirmed-Buyer

Shape:	Rectangular
Topography:	Level
Vegetation:	Minimal
Corner Lot:	Yes
Frontage Feet:	200
Frontage Desc.:	Boardwalk
Zoning Code:	RR
Zoning Desc.:	Resort Recreational
Easements:	No
Easements Desc.:	none known or indicated
Environmental Issues:	Yes
Environmental Desc.:	CAFRA
Flood Plain:	Yes
Date:	01/01/1900
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV
Utilities Desc.:	All public utilities available.
Source of Land Info.:	Public Records

Improvement and Site Data

MSA:	New York-Northern New Jersey-Long Island, NY-NJ-PA Metropolitan Statistical Area
Legal/Tax/Parcel ID:	Block 56, Lots 1, 3, 7, 9, & 30
Acres(Usable/Gross):	0.75/0.75
Land-SF(Usable/Gross):	32,746/32,746
Usable/Gross Ratio:	1.00

Comments

The property is located at the north end of the Boardwalk between Sampson and Carteret Avenue and is zoned RR (Resort Recreational). Arms-length sale between unrelated parties. Buyer (Storino) owns significant land holdings within the Borough. The buyers acquired this site with the intention of completing a land exchange with the Borough. It was confirmed that they paid what was believed to be market price for the site. This parcel

Comments (Cont'd)

formerly sold in March 2012 out of foreclosure for \$1.4M from Paragon at Seaside Heights to Thirty Five Land Corp. (owners of Aztec). This was a distressed sale and was priced below market value. Property has approvals for 30 condo units which were granted in 2004.

Sale Property #2 Images and Maps

Ground Photo Taken October 6, 2014 by Thomas J. Grouss

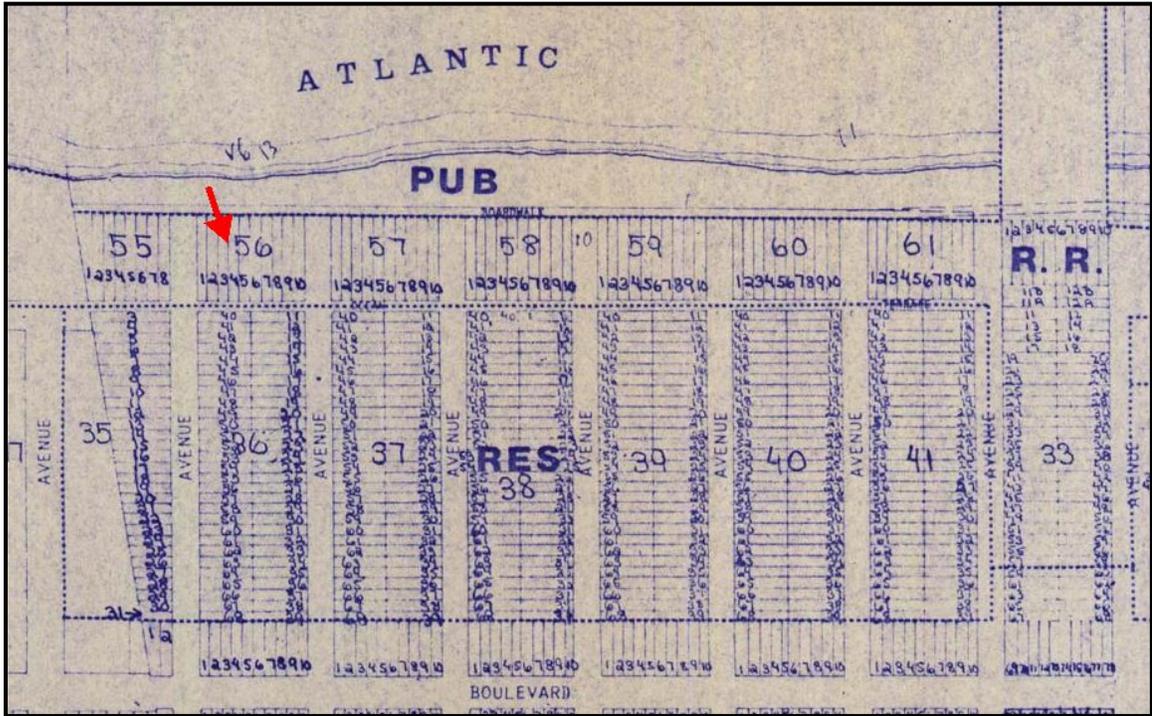


1401-1419 Ocean Terrace

Tax Map



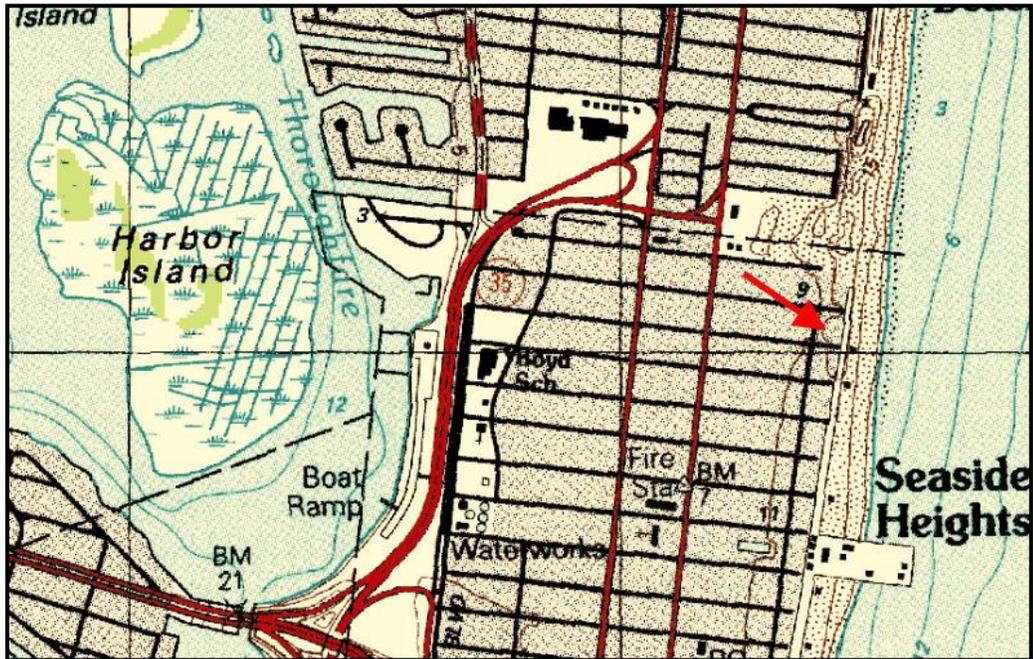
Zoning Map – Seaside Heights Borough (RR)



Flood Map



Geodetic Topography Map



Geo Web Image Sale Property – Illustrates Surgo Soils



Location & Property Identification

Property Name: Sandy Damaged Boardwalk Stands & Dwelling

Sub-Property Type: Other

Address: 1313 Ocean Terrace

City/State/Zip: 08751, NJ 08751

County: Ocean

Market Orientation: Coastal-Waterfront

Property Location: Boardwalk between Carteret Ave. & Kearney Ave.



Lat./Long.: 39.946270/-74.069969 IRR Event ID (1059980)

Sale Information

Sale Price: \$700,000

Eff. R.E. Sale Price: \$574,000

Sale Date: 11/22/2013

Sale Status: Closed

\$/SF GBA: \$113.89

\$/SF NRA: \$113.89

\$/Acre(Gross): \$2,607,906

\$/Land SF(Gross): \$59.88

\$/Acre(Usable): \$2,607,906

\$/Land SF(Usable): \$59.88

\$/Land SF(Potential): \$113.89

Grantor/Seller: Wayne & Karen Hopson

Grantee/Buyer: 1309 Boardwalk, LLC

Property Rights: Fee Simple

Occupancy at Time of Sale: 0.00

Financing: All cash

Document Type: Deed

Recording No.: Book 15698, Page 1311

Verification Source: Candace Golembeski

Verification Type: Confirmed-Seller Broker

NRA-SF: 5,040

Acres(Usable/Gross): 0.22/0.22

Land-SF(Usable/Gross): 9,586/9,586

Usable/Gross Ratio: 1.00

Year Built: 1940

Construction Quality: Average

Improvements Cond.: Poor

Shape: Rectangular

Topography: Level

Vegetation: Minimal

Corner Lot: No

Frontage Feet: 60

Frontage Desc.: Boardwalk

Bldg. to Land Ratio FAR: 0.53

Zoning Code: RR

Zoning Desc.: Resort Recreational

Easements: No

Easements Desc.: None known or indicated

Environmental Issues: Yes

Environmental Desc.: CAFRA

Flood Plain: Yes

Utilities: Electricity, Water Public, Sewer, Gas, Telephone, CableTV

Utilities Desc.: All public utilities available

Source of Land Info.: Public Records

Improvement and Site Data

Legal/Tax/Parcel ID: Block 57, Lot 4 & 5

GBA-SF: 5,040

Comments

The property is located along the northern section of the Boardwalk between Carteret Ave. & Kearney Ave. There are two building improvements on the site including a 3,600 SF building located along the Boardwalk and a three-story dwelling containing a total of 1,440 SF. Both buildings suffered significant storm damage as a result of Super Storm Sandy, however, were deemed to be structurally sound. Arms-length, all-cash sale between unrelated parties confirmed with agent Candace Golembeski. The property was listed for over 8 months at an original list price of \$1,200,000. Subsequent to the sale, the buyers spent significant money gutting and renovating the building improvements. Our CE sale price has been adjusted downward by \$126,000 (\$25/SF of bld. area) for the contributory value of the building improvements. CE sale price reflects \$9,567 per boardwalk front foot.

Sale Property #3 Images and Maps

Ground Photo Taken October 24, 2014 by Thomas J. Grouss

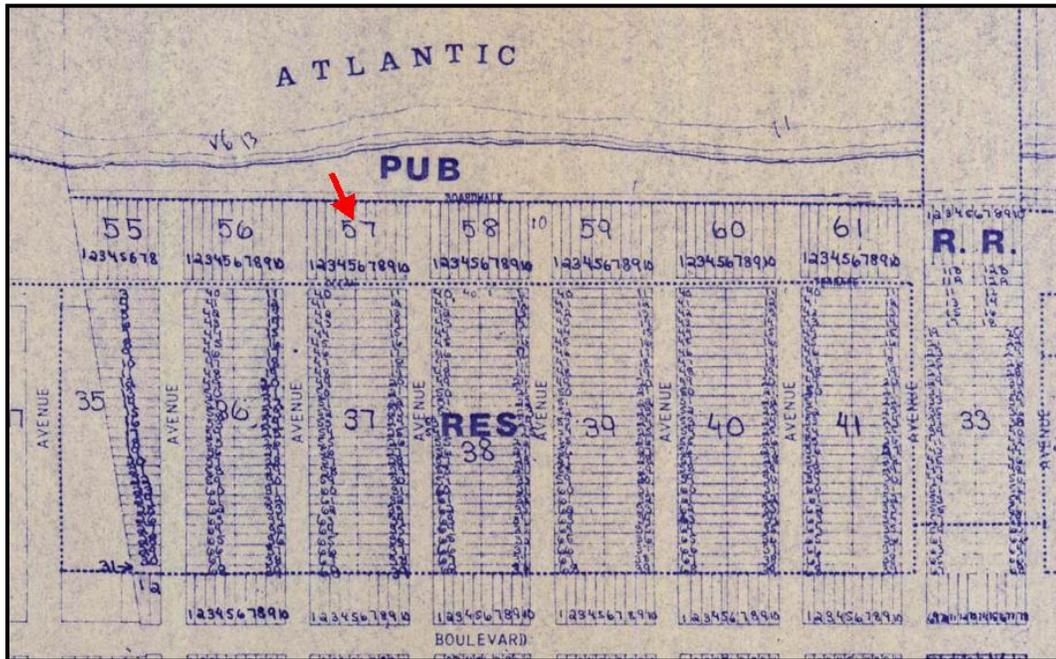


1313 Ocean Terrace

Tax Map



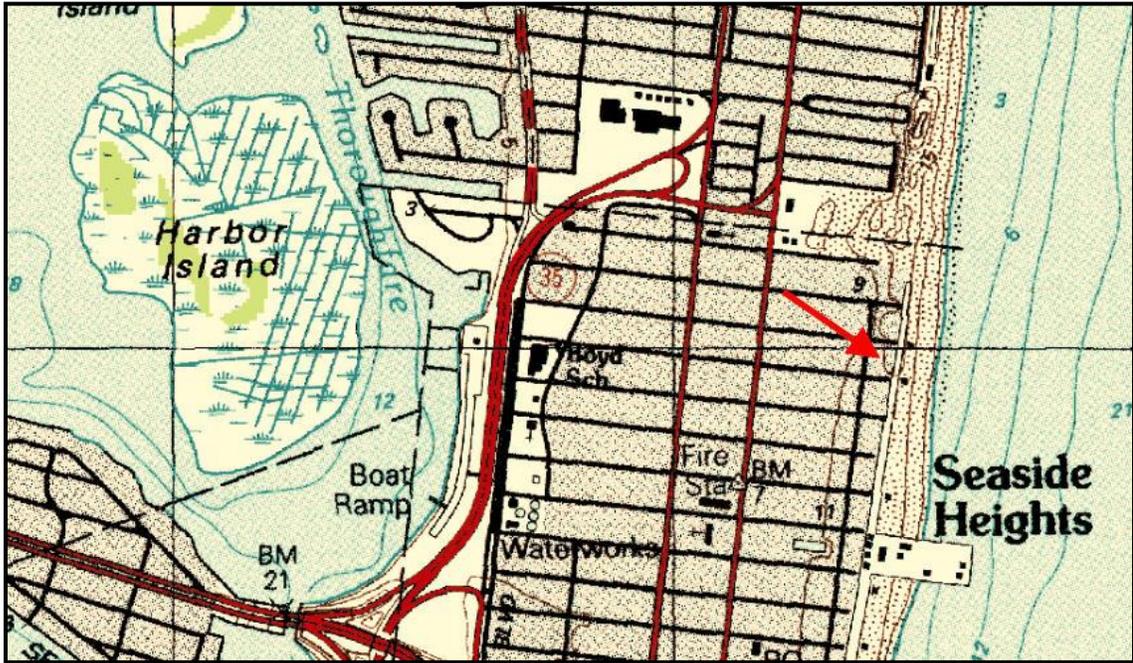
Zoning Map – Seaside Heights Borough (RR)



Flood Map



Geodetic Topography Map



Geo Web Image Sale Property – Illustrates Surgo Soils



Location & Property Identification

Property Name:	Old Time Photo
Sub-Property Type:	Other
Address:	217-19 Boardwalk
City/State/Zip:	Seaside Heights, NJ 08751
County:	Ocean
Market Orientation:	Coastal-Waterfront
Property Location:	S/E/C of Franklin Avenue & Ocean Terrace
IRR Event ID:	1277376



Sale Information

Sale Price:	\$943,399
Eff. R.E. Sale Price:	\$619,599
Sale Date:	07/25/2013
Sale Status:	Recorded
\$/Acre(Gross):	\$6,152,920
\$/Land SF(Gross):	\$141.24
\$/Acre(Usable):	\$6,152,920
\$/Land SF(Usable):	\$141.24
Grantor/Seller:	Charlene R. Gregory
Grantee/Buyer:	Old Time Photo, LLC
Property Rights:	Fee Simple
Financing:	Seller financing
Terms of Sale:	Seller financing for \$543,398 at 2% interest.
Document Type:	Deed
Recording No.:	Book 15610, Page 1404
Verification Type:	Confirmed-Buyer Attorney

Corner Lot:	Yes
Frontage Feet:	40
Frontage Desc.:	Boardwalk
Zoning Code:	RR
Zoning Desc.:	Resort Recreational
Easements:	No
Easements Desc.:	None known or indicated
Environmental Issues:	Yes
Environmental Desc.:	CAFRA
Flood Plain:	Yes
Flood Zone Designation:	VE
Comm. Panel No.:	34029C0320G
Date:	01/30/2015
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV
Utilities Desc.:	All public utilities available
Source of Land Info.:	Public Records

Improvement and Site Data

Legal/Tax/Parcel ID:	Block 3.02, Lot 1
Acres(Usable/Gross):	0.10/0.10
Land-SF(Usable/Gross):	4,387/4,387
Usable/Gross Ratio:	1.00
Shape:	Rectangular
Topography:	Level
Vegetation:	Minimal

Comments

The property is located at the southeast corner of Franklin Avenue and Ocean Terrace and has 40' of frontage along the Boardwalk. Arm's length sale between unrelated parties, our CE sale price was adjusted downward by \$323,800 (\$100/SF of bld. area) for the contributory value of the building improvements located on the property. CE sale price reflects \$15,490 per front foot of Boardwalk. Seller financing was not believed to have any material impact on purchase price.

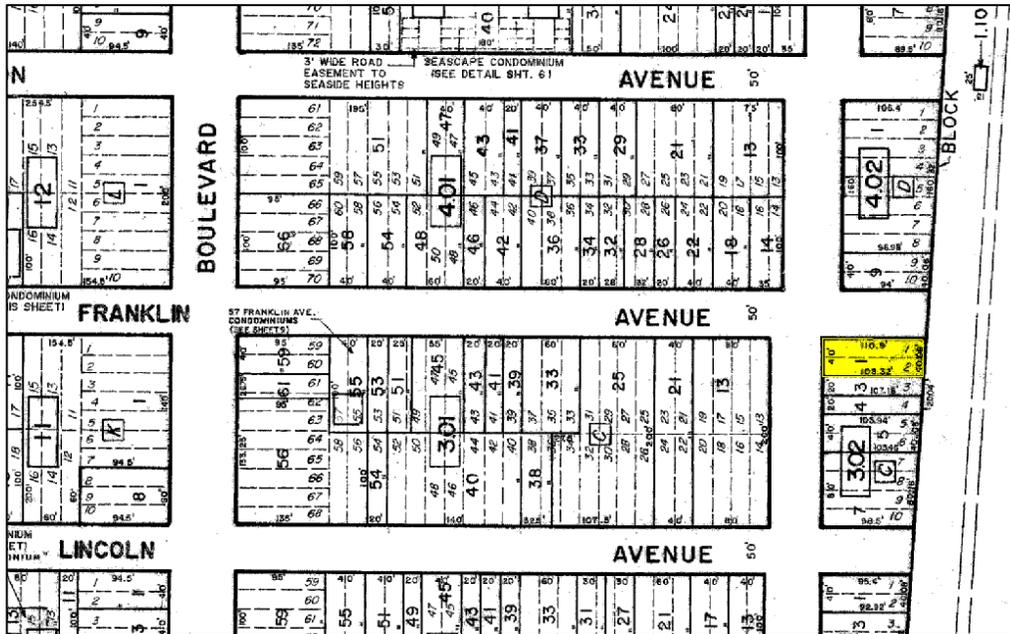
Sale Property #4 Images and Maps

Ground Photo Taken February 13, 2016 by Thomas J. Grouss

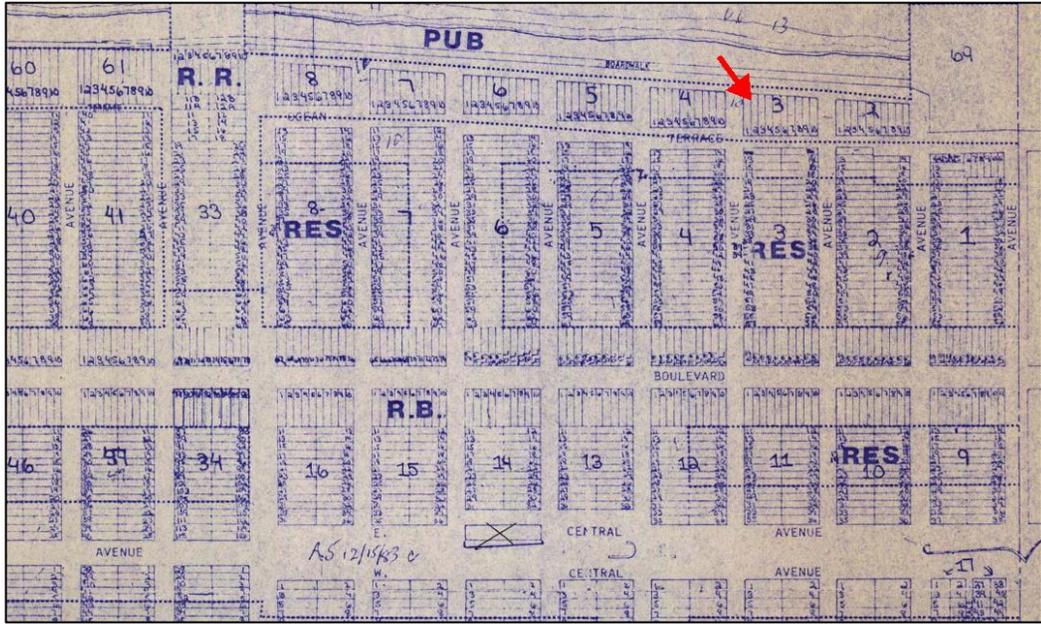


1401-1419 Ocean Terrace

Tax Map



Zoning Map – Seaside Heights Borough (RR)



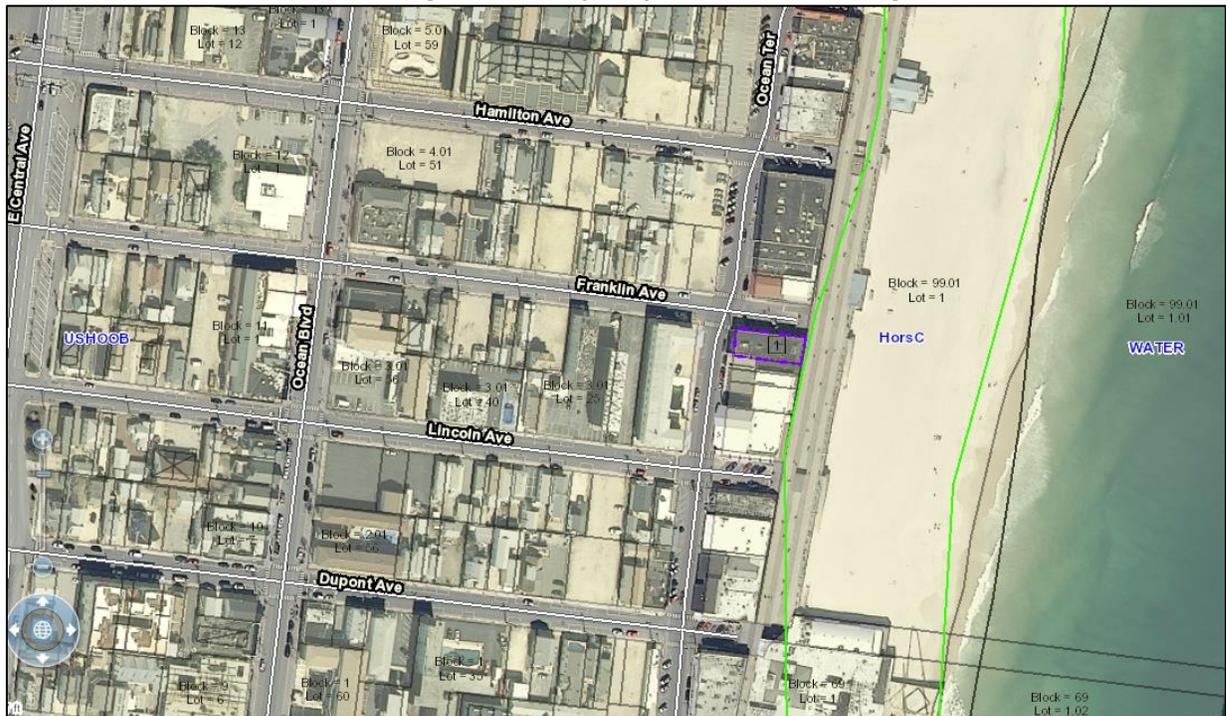
Flood Map



Geodetic Topography Map



Geo Web Image Sale Property – Illustrates Surgo Soils



Location & Property Identification

Property Name: Former Beach Bar
 Sub-Property Type: Other
 Address: E/S of Boardwalk Across from Dupont
 City/State/Zip: Seaside Heights, NJ 08751
 County: Ocean

Market Orientation: Coastal-Waterfront
 Property Location: E/S of Boardwalk Across from Dupont; Adjacent to N/S of Fun Town Pier



Lat./Long.: 39.937719/-74.071435 IRR Event ID (1060521)

Sale Information

Listing Price: \$3,300,000
 Eff. R.E. Listing Price: \$1,750,000
 Listing Date: 02/26/2014
 Sale Status: Listing
 \$/Acre(Gross): \$1,447,238
 \$/Land SF(Gross): \$33.22
 \$/Acre(Usable): \$8,470,000
 \$/Land SF(Usable): \$194.44
 Grantor/Seller: Richard E. & Mary Peterson
 Grantee/Buyer: ACTIVE LISTING
 Property Rights: Fee Simple
 Document Type: Listing Flyer
 Verification Type: Secondary Verification

Vegetation: Minimal
 Corner Lot: No
 Frontage Feet: 40
 Frontage Desc.: Boardwalk
 Zoning Code: RR
 Zoning Desc.: Resort Recreational
 Easements: No
 Easements Desc.: None known or indicated
 Environmental Issues: Yes
 Environmental Desc.: CAFRA
 Flood Plain: Yes
 Utilities: Electricity, Water Public, Sewer, Gas, Telephone, CableTV
 Utilities Desc.: All public utilities available.
 Source of Land Info.: Broker

Improvement and Site Data

MSA: New York-Newark-Jersey City, NY-NJ-PA
 Legal/Tax/Parcel ID: Block 69, Lot 35 & 35.01 (Riparian)
 Acres(Usable/Gross): 0.21/1.21
 Land-SF(Usable/Gross): 9,000/52,672
 Usable/Gross Ratio: 0.11
 Shape: Rectangular
 Topography: Gently Sloping

Comments

The property is located on the east side of the Boardwalk and is the site of the former "Beach Bar" that was destroyed as a result of Super Storm Sandy. The site is adjacent to the north side of the former "Fun Town Pier" which was also destroyed by Super Storm Sandy and subsequently a boardwalk fire. Total Land area includes riparian grant area. Usable Land area represents our estimate of land area between the Boardwalk and the high water line.

Comments (Cont'd)

There is an approx. area of 5,626 SF which is currently improved with pilings and decking. Property is zoned RR (Resort Recreational) which permits a broad range of uses. ACTIVE LISTING- Property is listed for \$3,300,000 which represents a reduction from the original list price of \$3.8M. Our CE sale price has been adjusted downward by \$1,550,000 for the contributory value of the pilings and boardwalk decking. This estimate is based on \$275/SF rounded for the boardwalk improvements (5,626 SF x \$275/SF). February 2016 Update: Property was previously under contract at an undisclosed price (> \$3M), but the contract fell through and the property remains listed. Listed since February 2014.

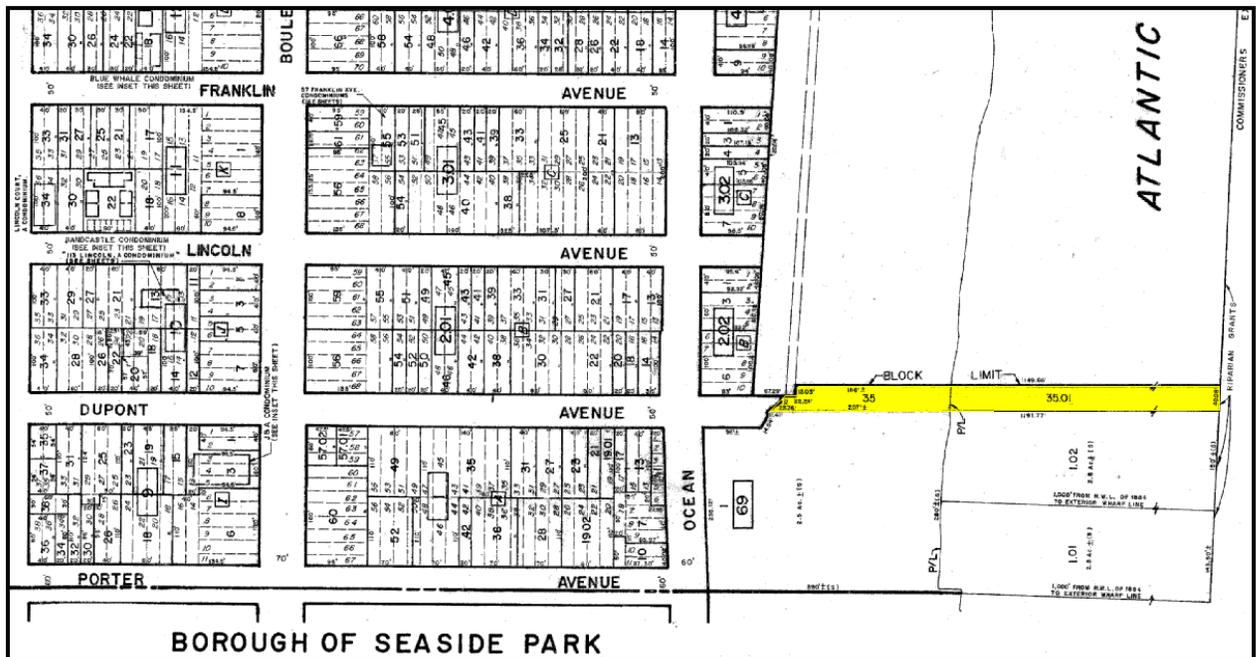
Sale Property #5 Images and Maps

Ground Photo Taken October 6, 2014 by Thomas J. Grouss

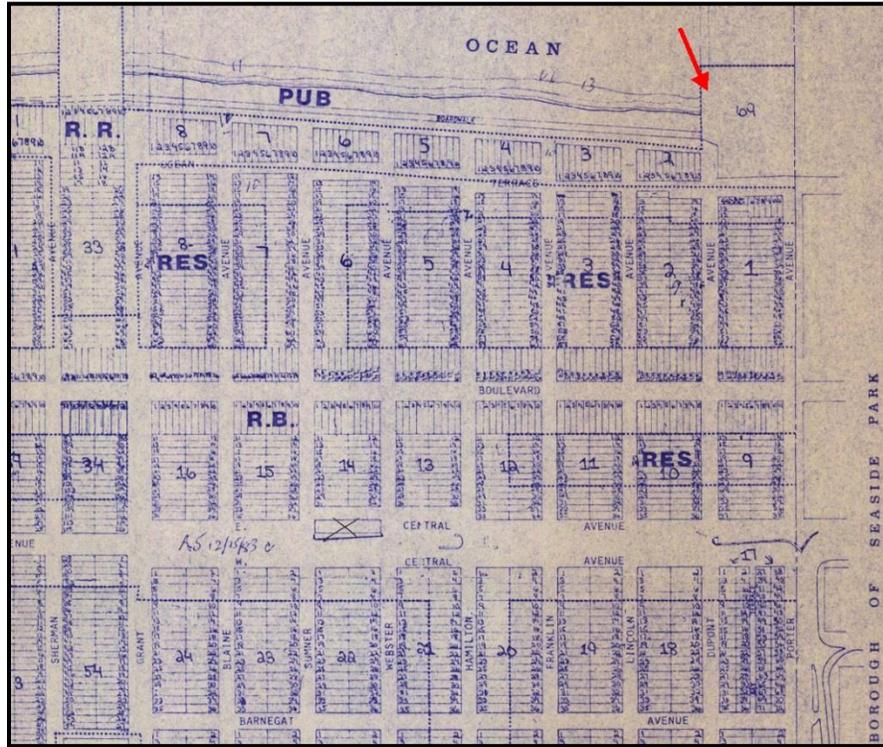


Former Beach Bar

Tax Map



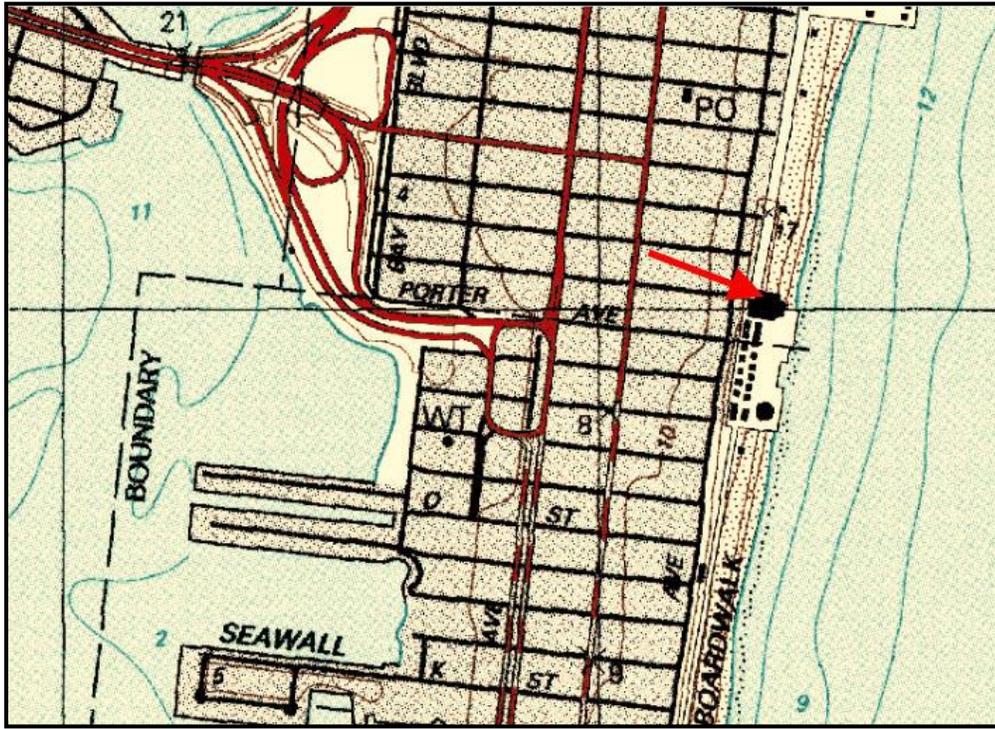
Zoning Map – Seaside Heights Borough (RR)



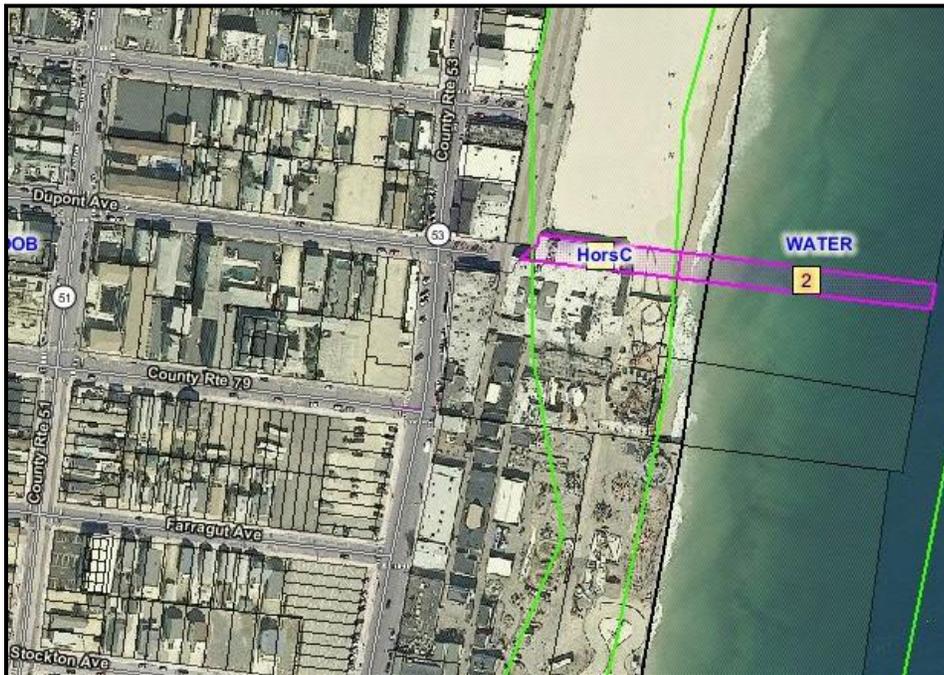
Flood Map



Geodetic Topography Map



Geo Web Image Sale Property – Illustrates Surgo Soils



Addendum F

Owner Notification Letter

February 12, 2016



Borough of Seaside Heights
Borough Hall
901 Boulevard
Seaside Heights, NJ 08751

RE: Owner Notification
Tax Block 99.02, P/O Lots 1 & 1.01
Borough of Seaside Heights, Ocean County, NJ
IRR File #: 109-2016-0060

Dear Property Owner(s):

An updated appraisal of the above captioned property has been requested by Gilmore & Monahan, Counsel for the Borough of Seaside Heights. The purpose of the appraisal is to estimate the market value of the fee simple interest of the property for a possible acquisition in connection with a contemplated land exchange.

The appraisal is being completed consistent with the requirements of the Uniform Standards of Professional Appraisal Practices, and the appraisal guidelines of the NJ Department of Environmental Protection, Green Acres Program.

Both the property owner (Borough of Seaside Heights) and AFMV, LLC (other owner to land exchange) are aware of this assignment. The property will be inspected on February 13, 2016, without the owner in attendance. However, we would like to offer you the opportunity to accompany our appraiser on a re-inspection of your property. If you would like to meet with the appraiser, please contact Thomas Grouss from our office at (732) 244-7000, Ext. 105 to confirm an appointment.

We are sending you this letter in compliance with the "Eminent Domain Act" of 1971.

Very truly yours,

**INTEGRA REALTY RESOURCES
COASTAL, NJ**

Anthony S. Graziano, MAI, CRE

Certified Mail, R/R/R & Regular Mail
cc: Gilmore & Monahan

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Total Postage & Fees	\$ 13.08	

PS
Borough of Seaside Heights
Borough Hall
901 Boulevard
Seaside Heights, NJ 08751

Instructions