

COMPREHENSIVE
REAL ESTATE APPRAISAL REPORT

PROPERTY OF

Sheft Associates Inc.

LOCATION

**2420 Brunswick Pike
Blk. 2101, Lot 39 (PO)
Lawrence Township, Mercer County, NJ**

PROJECT

Addition to Colonial Lake Township Park

FOR

**Township of Lawrence
Engineering Department
2207 Lawrence Road
Lawrence Township, NJ 08648**

DATE OF VALUATION

June 27, 2018

DATE OF REPORT

August 14, 2018

**PREPARED BY
Thomas Rodriguez
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August 14, 2018

Mr. James F. Parvesse, PE
Municipal Engineer
Township of Lawrence
Engineering Department
2207 Lawrence Road
Lawrence Township, NJ 08648

RE: Appraisal of Real Estate
Owner: Sheft Associates Inc.
Blk. 2101 Lot 39 (PO)
Lawrence Township, Mercer County, NJ

Dear Mr. Parvesse:

Pursuant to your request, the appraiser inspected the above referenced property on June 27, 2018, the effective date of this appraisal report, and prepared a comprehensive appraisal report to develop an opinion of the market value of a partial acquisition of the above referenced property. The acquisition area is 5.9 vacant acres with current development application filed for a 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use per project map supplied. The area is appraised under two scenarios. Scenario #1 values the project "as is" and scenario #2 values the project considering the hypothetical condition "as approved". Prior to inspection the appraiser met at the site for pre-appraisal meeting on June 15, 2018 with Green Acres representatives to discuss the project at which time it was agreed the acquisition area could be directly valued since the remainder is not enhanced or negatively impacted.

Per NJ DEP requirement the property is appraised based upon the **Extraordinary Assumption** that there are no hazardous substances or contamination on the property.

The appraiser made a careful investigation, study and analysis of the property and considered all factors that would tend to influence the market value. Personal property, trade fixtures or intangible items that are not real property will not be included in the valuation. The appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Standards Boards of the Appraisal Foundation, Code of Professional Ethics, revised NJ DEP Green Acres guidelines and standards of professional practice of the Appraisal Institute.

Scenario #1:

It is the appraiser's opinion the "as is" market value of the subject project 5.9 vacant acres with current development application filed for a 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use is: \$2,952,500.

August 14, 2018

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Mr. James F. Parvesse, PE

Municipal Engineer

Scenario #2:

It is the appraiser's opinion the "as approved " market value of the subject project 5.9 vacant acres with current development application filed for a 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use is: \$3,137,400.

Thank you for the opportunity to complete this assignment for you. If you have any comments or questions regarding the appraisal, please do not hesitate to call my office.

Very truly yours,

A handwritten signature in blue ink, appearing to be 'TK' followed by a flourish.

Thomas Rodriguez, Appraiser, SCGREA #RG 01215

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY LOCATION	2420 Brunswick Pike Blk. 2101, Lot 39 Lawrence Township Mercer County, NJ
OWNER OF RECORD	Sheft Associates Inc.
DEED BOOK/PAGE	6052/542
PROP. RIGHTS APPRAISED	Fee simple
APPRAISAL PURPOSE inspection	Fee simple market value as of date of 6/27/2018 of acquisition area of 5.9 vacant acres with current development application filed for a 52,902 SF 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use per project map supplied. The area is appraised under two scenarios. Scenario #1 values the project “as is” and scenario #2 values the project considering the hypothetical condition “as approved”.
EXTRAORDINARY ASSUMPTION:	Per NJ DEP requirement the property is appraised based upon the Extraordinary Assumption that there are no hazardous substances or contamination on the property.
HYPOTHETICAL CONDITION:	The valuation of the acquisition area “as approved for 52,902 SF 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use results in a hypothetical condition.
PROPERTY TYPE	Acquisition Area: Vacant
LAND SIZE	8.79± acres-Entirety 5.9± acres-Acquisition Area, Directly valued
IMPROVEMENTS	Remainder-37,148 SF one story masonry and frame bowling & entertainment center. 24 lanes, laser tag room, arcade area, 3 party rooms and restaurant with bar area.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS CONT'D

ZONING

HC Highway Commercial District
Minimum Lot Size Requirement; 40,000 SF

HIGHEST AND BEST USE: ACQUISITION AREA:

As proposed 5.9 vacant acres with current development application filed for a 52,902 SF 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use

MARKET VALUE OPINION

SCENARIO #1:

“as is” 5.9 acres with current development application filed for a 52,902 SF 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use:

\$2,952,500

SCENARIO #2:

“as approved” 5.9 acres with current development application filed for a 52,902 SF 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use:

\$3,137,400

VALUATION DATE

June 27, 2018

APPRAISER CERTIFICATION

The appraiser certifies that, to the best of his 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 is his personal, unbiased professional analyses, opinions and conclusions.
- 3) The appraiser has no present or prospective interest in the property that is the subject of this report, and he has no personal interest or bias with respect to the parties involved.
- 4) The appraiser has performed no services, as an appraiser, regarding the property that is the subject of this report within the three year period immediately preceding the acceptance of this assignment.
- 5) The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 6) The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7) The appraiser's compensation 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 estimate, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 8) The appraiser's analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- 9) The appraiser made a personal inspection of the property that is the subject of this report.
- 10) No one provided significant professional assistance to the appraiser signing this report.

FEE SIMPLE MARKET VALUE OPINION, BLK. 2101, LOT 39 (PO), LAWRENCE TOWNSHIP, MERCER COUNTY NJ AS OF 6/27/2018:

SCENARIO #1: "as is" 5.9 acres with current development application filed for a 52,902 SF 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use: \$2,952,500

SCENARIO #2: "as approved" 5.9 acres with current development application filed for a 52,902 SF 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use: \$3,137,400



Thomas Rodriguez, Appraiser
SCGREA #RG 01215

ASSUMPTIONS & LIMITING CONDITIONS

I assume no responsibility for matters legal in nature, nor do I render any opinions as to the title, which is assumed to be good. All existing liens and encumbrances have been disregarded, unless specifically mentioned and the property is appraised as though free and clear, under responsible ownership and competent management. It is further assumed that there are no hidden or unapparent conditions of the property that would render it more or less valuable than otherwise comparable property.

I have inspected only the visible and accessible areas of the property. If there are any structures on the property, I cannot represent what is inside the walls. It is assumed that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in good condition.

If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items. Since we are not engineers, it is suggested that an engineering inspection firm inspect all improvements to ascertain their structural soundness.

I assume the information furnished to me by others to be reliable, but I accept no responsibility for its accuracy, including the Tax Map of Lawrence Township, Mercer County, NJ. It is assumed that any rental income information supplied by the client or owner is accurate. The appraiser assumes no responsibility for independently verifying this information. If the client has any question regarding this information, it is the client's responsibility to seek whatever independent verification is deemed necessary.

Pursuant to the United States of America v. The American Institute of Real Estate Appraisers et al., this appraisal recognizes the fact that it is improper to base a conclusion or opinion of value, or a conclusion with respect to neighborhood trends, upon stereotyped or biased presumptions relating to race, color, religion, sex or national origin or upon unsupported presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located. This appraisal has been made in accordance with the Fair Housing Act, Title VIII of the Civil Rights Act of 1968.

Possession of this report does not carry with it the right of publication nor may it be used for other than its intended use; the physical report (s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only. This report may not be used for any purpose by a person or corporation other than the client or the party to whom it is addressed or copied without the written consent of an officer of this appraisal firm and then only in its entirety. The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. I am not required to give testimony or to appear in court, by reason of the appraisal with reference to the property in question, unless arrangements have been previously made therefore.

All conclusions and opinions concerning the real estate that are set forth in this appraisal report were prepared by the appraiser whose signature appears on the appraisal report, unless indicated as "review appraiser". No change of any item in the appraisal report shall be made by anyone other than the appraiser, and the appraiser shall have no responsibility for any such unauthorized change.

ASSUMPTIONS & LIMITING CONDITIONS CONT'D.

Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraiser has made no survey of the property. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status, as of the date of the photos.

Any distribution of the evaluation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures that would render it more or less valuable. The appraiser assumed no responsibility for such conditions, or for engineering that would be required to discover such factors. Information, estimates and opinions furnished to the appraiser, and contained within the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items as furnished the appraiser can be assumed by the appraiser.

The market value opinion and the costs used, are as of the date of the opinion of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value opinion.

The opinion of market value is subject to change with market changes over time; value is highly related to exposure, time, promotion effort, terms, motivation and conditions surrounding the offering. The value opinion considers the productivity and relative attractiveness of the property physically and economically in the marketplace. The "Opinion of Market Value" in the appraisal report is not based in whole or part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property being appraised.

Disclosure of the contents of the appraisal report is governed by the by-laws and regulations of the professional appraisal organizations with which the appraiser is affiliated.

Neither all, nor any part of the content of the report copy, or a copy thereof (including conclusions as to property value, the identity of the appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the appraiser is connected, shall be used for any purposes by anyone but the client specified in the report, persons specifically authorized by the client, a duly authorized professional peer review committee, or such third parties as may be authorized by due process of law, without the previous written consent of the appraiser..., nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the approval by the appraiser.

Per NJ DEP requirement the property is appraised based upon the **Extraordinary Assumption** that there are no hazardous substances or contamination on the property.

The valuation of the acquisition area "as approved for 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use results in a **hypothetical condition**.

ACCEPTANCE OF, AND/OR USE OF, THE APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.



Thomas Rodriguez, Appraiser, SCGRE #RG01215

PURPOSE

The purpose of this appraisal is to develop an opinion of market value a portion of the subject consisting of 8.79± acres. The property is improved with a bowling and entertainment center on 3 acres supporting these improvements. 5.9 vacant acres is the subject of this report with current development application filed for a 52,902 SF 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use per project map supplied. The area is appraised under two scenarios. Scenario #1 values the project “as is” and scenario #2 values the project considering the hypothetical condition “as approved” as part of the addition to Colonial Lake Township Park Project.

The property is identified as Block 2101 Lot 39 (PO), Lawrence Township, Mercer County, New Jersey. The appraisal is prepared for the client, Township of Lawrence, for possible partial acquisition as described herein.

INTENDED USE/INTENDED USER

The intended use of this report is to assist the client, Township of Lawrence with its consideration of acquiring 5.9 acres of vacant land with current development application filed for a 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use. The intended users of the report are the Township of Lawrence, D & R Greenway Land Trust and State of New Jersey DEP Green Acres Program.

DEFINITIONS

EXTRAORDINARY ASSUMPTION

“An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions with the following comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis.” (USPAP 2010-2011)¹

HYPOTHETICAL CONDITION

“Is that which is contrary to what exists, but is supposed for the purpose of analysis with the following comment: Hypothetical conditions assume conditions contrary to known facts about physical, legal, economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis’.” (USPAP 2010-2011)²

¹ Dictionary of Real Estate Appraisal, 5th ed., (Chicago, Appraisal Institute, 2010, page 73)

² Dictionary of Real Estate Appraisal, 5th ed., (Chicago, Appraisal Institute, 2010, page 97)

DEFINITIONS CONT'D.

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, assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and each acting in what he considers his own best interest;
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.³

EXTRAORDINARY ASSUMPTION

Per NJ DEP requirement the property is appraised based upon the **Extraordinary Assumption** that there are no hazardous substances or contamination on the property.

HYPOTHETICAL CONDITION

The client proposes a partial acquisition of 5.9± acres with current development application filed for a 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use. The valuation of the project “as approved” in a hypothetical condition.

PROPERTY INSPECTION

The subject property was inspected on June 27, 2018. At the time of inspection, the appraiser met with and was accompanied by Mr. Peter Sheft, one of the principles of Shaft Associates, Inc. Prior the inspection the appraiser met with Stan Sheft, Peter Sheft, property owners; Kevin Nerwinski, Lawrence Township Manager; Jim Parvesse, Lawrence Township engineer; Jay Watson, D&R Greenway Land Trust and Rick Carabelli, independent appraiser to discuss details of the project at D& R Greenway offices in Princeton, NJ. A copy confirming the inspection with the owner is in the addendum.

Prior to the above referenced meeting and inspection with the property owners, the appraiser met at the subject site on June 15, 2018 for a required pre appraisal meeting with NJ DEP. At the time of the meeting the appraiser met with Martha Sapp, DEP Assistant Commissioner, Anine Rusecky and Michael Pratico, DEP Review Appraisers; Jay Watson, D & R Greenway Land Trust; Jim Parvesse, Lawrence Township engineer and Rick Carabelli, independent appraiser. The meeting discussed the area of acquisition, the pending approvals for the subject acquisition area. Discussion with regard to the remainder concluded the area retained by the owner is not enhanced or negatively impacted, therefore the acquisition area could be valued directly.

³ Dictionary of Real Estate Appraisal, 5th ed., (Chicago, Appraisal Institute, 2010, page 123)
Sheft Associates Inc.
Block 2101, Lot 39
Lawrence Township Mercer County NJ

APPRAISAL SCOPE

It is the intent of this appraisal report to provide our client with the market value of the subject property as described, as of the effective date, June 27, 2018. The property is identified as Block 2101 Lot 39 (PO), Lawrence Township, Mercer County, N.J.

In arriving at the market value of the property, the appraiser will review and analyze all the information furnished concerning the neighborhood, municipality and county. He will review all comparable sales. From this information, he will extract data most similar to the subject property. The data will be analyzed and compared to the subject property to develop an opinion of the market value in fee simple as of the effective date June 27, 2018.

The following sources were referenced in the preparation of the appraisal report.

Physical inspection of subject property

Tax & zoning records Lawrence Twp.

Various maps: tax map, flood plain map, soil map & freshwater wetlands map prepared by Tom Rodriguez Associates

Garden State MLS database

Trend MLS database

Costar data base

Site Selection Package-Woodspring Suites

Feasibility and Financial Projection Study by: Interim Hospitality Consultants.

Tom Rodriguez Associates database

PROPERTY RIGHTS APPRAISED

The property is vested in the name of Sheft Associates Inc. The estate appraised is the fee simple interest of the subject property subject to the covenants, conditions and restrictions of record, if any.

Fee Simple interest includes the physical real estate (land and structures affixed thereto), and the interest, benefits and rights inherent in the ownership of the physical real estate subject only to the limitations of eminent domain, escheat, police power and taxation. The valuation of personal property, furniture and any machinery is not included in this appraisal.



REGIONAL ANALYSIS MERCER COUNTY

Mercer County is located in the western-central section of New Jersey, approximately mid-way between the Philadelphia and New York metropolitan areas. The County is bordered by Hunterdon and Somerset Counties to the north; Middlesex County to the northeast; Monmouth County to the southeast; Burlington County to the south and the Delaware River and Bucks County, Pennsylvania to the west. Mercer County consists of 225.9 square miles in land area and 2.92 square miles in water area. It ranks as the fifteenth largest in land area among New Jersey's twenty-one counties. Mercer County consists of thirteen municipalities.

According to the 2000 US Census figures population in the county was 350,761 persons or 1552.7 persons per square mile. The 2010 census figures indicate population was 366,513 persons, representing an increase of 15,752 persons (69.73 persons per square mile or 4.5%). According to the 2009-2013 American Community Survey 5-Year Estimates was 368,094 representing an increase of 1,581 persons (7 persons/square mile) or 0.43%.

The most highly populated municipalities in Mercer County are located in the southwest section, bordering Burlington County and the Delaware River and the southern portion of Bucks County to the west. The 2010 population estimate for these two municipalities was 173,377 persons, roughly 47% of the entire county population. The largest increase in population from 2000 through 2010 was in Robbinsville Township, East and West Windsor Townships, all located in the eastern area of Mercer County. Of these municipalities, Robbinsville Township had the largest increase. It is also most conveniently located with interchanges with major transportation arteries, including Routes 195 and the New Jersey Turnpike.

Mercer County's location within the northeast corridor is easily accessible from surrounding areas. Major transportation arteries through the county include I-295, 195 and the New Jersey Turnpike. Additional roadways include US Route 1, providing a major link to the New Jersey Turnpike and the New York metropolitan areas and northern New Jersey. I295 and 95 provide access and linkage to the State Capitol and the Philadelphia metropolitan area to the southwest. I-195 also bisects the county in an east/west direction providing access to the shore communities in Monmouth and Ocean Counties. There is adequate rail access to and from Mercer County. Amtrack service to New York and Philadelphia and the balance of the northeast corridor is available at Junction and Trenton. Septa rail services from Philadelphia have scheduled stops several times daily in the City of Trenton.

Mercer County's labor force has remained generally stable over the past ten years. The following chart compares projected employment statistics from 2012 through 2022.

MERCER INDUSTRY EMPLOYMENT PROJECTIONS: 2012-2020

INDUSTRY TITLE	EMPLOYMENT*		CHANGE 2012-2020	
	2012	2020	NUMBER	PERCENT
Professional, Scientific, and Technical Services	23,650	29,700	6,050	25.7
Healthcare and Social Services	27,850	32,450	4,600	16.6
Educational Services	18,800	20,450	1,650	8.7
Retail Trade	19,100	20,600	1,500	7.9
Finance and Insurance	16,350	17,800	1,450	9.1
Transportation and Warehousing	4,800	6,200	1,400	38.3

Construction	4,900	6,150	1,250	26.4
Administration and Waste Services	11,300	12,400	1,100	9.7
Accommodation and Food Services	10,850	11,600	750	7.1
Other Services	9,600	10,300	700	7.3
Manufacturing	8,550	8,850	300	3.1
Wholesale Trade	6,500	6,800	300	4.7
Management of Companies and Enterprises	3,200	3,450	250	7.8
Arts, Entertainment, and Recreation	2,500	2,650	150	4.8
Real Estate and Rental and Leasing	1,900	2,000	100	3.5
Natural Resources and Mining	300	250	-50	-8.3
Utilities	600	550	-50	-5.2
Information	5,550	5,300	-250	-5.2
Government	67,750	66,100	-1,650	-2.5
Total Nonfarm	109,050	223,350	24,350	12.2

Note: Total nonfarm employment excludes self-employed and unpaid family workers

Source: NJ Dept of Labor and workforce development-November 2014

The chart illustrates moderate growth in employment over a ten year period with the largest employment growth in professional, healthcare and educational services, transportation, warehousing and construction. A drop in employment is projected in mining, utilities, information and government. Traditional manufacturing centers such as the City of Trenton continue to lose their manufacturing base. The trend is expected to level off. Evidence of growth in professional, healthcare and educational services, can be seen on the following chart listing the top ten employers in Mercer County.

TOP TEN PRIVATE EMPLOYERS MERCER COUNTY, NEW JERSEY*

EMPLOYER	LOCATION
Amazon	Robbinsville
Bank of America (Merrill Lynch)	Hopewell Twp
Bristol Meyer Squibb	Lawrence/Hopewell
Capital Health Medical Center	Hopewell Twp
Capital Health Regional Medical Center	Trenton
Church and Dwight, Co.	Ewing, Princeton
College of New Jersey	Ewing
Computer Associates	Ewing
Conair Corporation	East Windsor
Educational testing Service (ETS)	Lawrence

* Mercer County at a Glance, Mercer County Planning Division, May 2014

According to the latest NJ Department of Labor and Workforce Development as of 6/2015, unemployment for Mercer County was 4.9%, below the state rate for the same period at 6.1%. Mercer County median household income in 2000 was \$56,612 which increased to \$73,480 according to the 2009-2013 American Community Survey 5-Year Estimates, an increase of \$16,868 or 29.8%. In 2000 the total number of housing units was 133,280, which grew to 143,169 in 2010, representing an increase of 9889 units or approximately 7.4%. The county has experienced steady residential growth over the past several years that is expected to continue.

Following is a table indicating the number of residential permits issued.

YEAR	PERMITS ISSUED
2009	269
2010	655
2011	400
2012	447
2013	964
2014	368
2015	896
2016	711
2017	605

Mercer County benefits from its central location within the northeast corridor and its ease of accessibility. The county is maintaining a strong economic base and is continuing to grow moderately. The county, driven by its convenient location, strong employment base and diverse economy, should continue moderate growth into the foreseeable future.



MUNICIPAL ANALYSIS-LAWRENCE TOWNSHIP

Lawrence Township is located in the northeast quadrant of Mercer County. It is bordered by East Hopewell Township to the north/northwest; Princeton Township, to the northeast; West Windsor township to the southeast; Hamilton Township to the south and Ewing Township to the south/southeast. Lawrence Township consists of 22.14 square miles in land area.

According to the US Census, population increased from 29,159 persons in 2000 to 33,472 persons in 2010, representing an increase of 4,313 persons or 14.8%. According to the 2009-2013 American Community Survey 5-Year Estimates the 2013 population was 33,228 persons a decrease of 244 persons or 0.7% from 2010

The total number of housing units in Lawrence Township in 2000 was 11,180, which increased to 13,239 units in 2010, an increase of 2059 units or 18.4%. Only 1900 units existed prior to 1950. In 2013 the median value of a single-family dwelling was \$295,200; median rent, \$1,401.

Following is a table showing building permits issued for residential units over the past several years. The number of building permits issued has increased recently over the past year due to multi-family development.

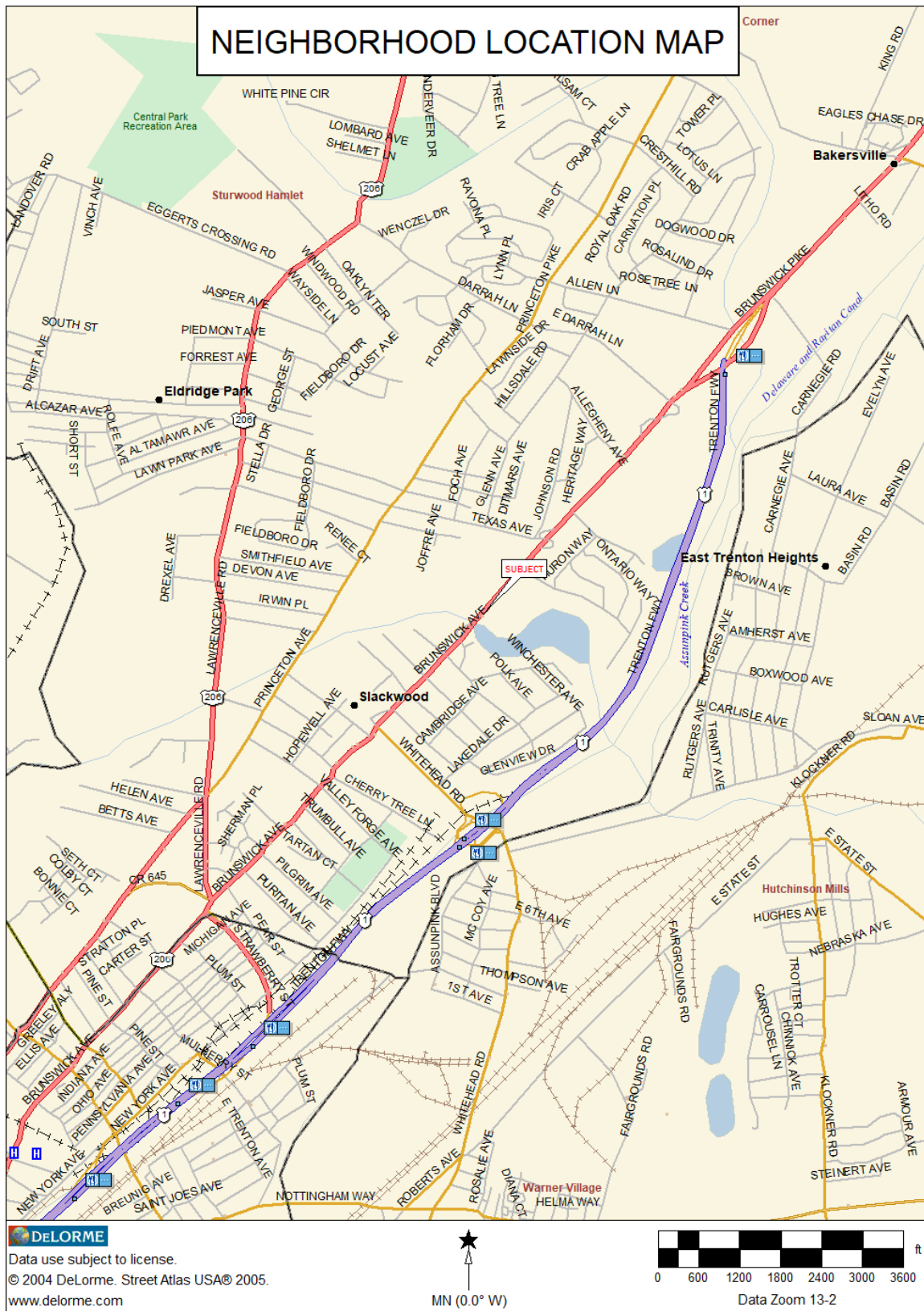
YEAR	PERMITS	ISSUED
	Single	Multi
2009	2	0
2010	2	0
2011	0	0
2012	2	0
2013	6	0
2014	7	0
2015	3	0
2016	3	101
2017	4	15

Major transportation arteries through Lawrence Township include State Highway Route 206, passing north/south through the east section of the municipality with an interchange in the central section of the town to I-95, which provides access to the Philadelphia metropolitan area to the southwest and to points southeast to the shore areas. I-95 provides linkage to the New Jersey Turnpike via I-295 and 195, to the New York metropolitan area. Route 1 which passes south/northeast through the south portion of the site also interchanges with I95 in the northeast

According to the 1990 Census, per capita income was \$23,605; median household income, \$51,035; median family income, \$59,807. According to 2000 census figures, per capita income was \$33,120, Median household income in 2000 was \$67,959, and median family income was \$82,704. According to the 2009-2013 American Community Survey 5-Year Estimates, per capita income \$40,159 an increase of \$16,554 or 70% from 2000, median household income was \$88,356 an increase of \$20,397 or 30% from 2000 and median family income \$111,295 an increase of \$28,591 or 35% from 2000.

Neighborhood, community and regional shopping can be found along the Route 1 Corridor in the Quaker Bridge area and can be reached via Route 31 and 95 to Route 1.

Overall, neighborhood stability, proximity to neighborhood goods and services and linkage to employment centers are considered above average.



NEIGHBORHOOD DATA & MARKET ANALYSIS

The purpose of the neighborhood analysis is to determine how the operation of social, economic, government and environmental forces influence property values in the subject's area. A neighborhood usually exhibits a degree of uniformity and therefore, can vary in size from an entire region to a particular subdivision within that community. The appraiser inspected the subject's physical characteristics especially those in the subject's neighborhood and market area.

The subject property is located on the south side of north bound lanes of Brunswick Pike, Lawrence Township, Mercer County NJ. Brunswick Pike is a four lane divided state highway. There is a signalized interchange 600 feet south where southbound traffic can u-turn north. The subject is located three miles southwest of an interchange with I-295 and one mile north of Brunswick Pike interchange with State Route 206. I-295 provides linkage west/southwest into Pennsylvania and the Philadelphia metro area.

Land uses in the immediate area include Colonial Lake Park which forms a portion south/southeast boundary of the acquisition area. Across from the subject is a fledging community shopping center that has been sold through foreclosure and is under new management. It is anchored by a national food store and new management is adding tenants although vacancy remains high. Management is removing a building formerly used as a furniture store and rebuilding for a national fitness operator. North of the site is a former fast food store purchased recently by an adjoining owner. North along Brunswick Pike for 1.5 miles is free standing commercial uses although when Brunswick Pike intersects into Route 1 the highway becomes wider and commercial uses become more regional/national and north of Route 295 interchange along Route 1 the commercial uses increase to national retail malls, big box stores and office campuses. South of the subject along Brunswick Pike is a mix of older detached residential uses for 1.5 miles until the intersection with Route 206. It appears the subject is located in an area of Brunswick Pike/Route 1 with the least commercial development pressure and largest vacancy rates.

The subject is within the greater Philadelphia market area. The subject competes with several other hotels and extended stay hotels along Route 1 and Route I-295 corridor.

The owner in conjunction with a hotel developer has submitted an application to the planning board for development of a 52,902 SF 3 story 123-room extended stay hotel on condominium pad with 126 parking spaces and retail pad condominium to accommodate a 1200 SF doughnut shop with 33 parking spaces. Amenities at the hotel include a fitness center and BBQ/picnic area with a view of Colonial Lake. According to Jim Parvesse, municipal engineer, the retail pad could support up to a 5000 SF retail building. The bowling and entertainment center will be on a 2.5 acre condo pad, the extended stay hotel on a 2.10 acre condo pad and the retail pad will be 1.14 acres. Common Area is estimated to be 3.05 acres. The hotel will be located at the rear of the site having a view of Colonial Lake and the retail pad will be located on the northeast part of the lot with visibility from Brunswick Pike.

New Jersey Hotel Market

According to The Real Deal, New York RE June 2017, the Atlantic City Hotel market is "shuttering between 2014 and last year" there is a "growth spurt" in hotel market in northern half of New Jersey. This 2018 summer season two shuttered casinos reopened one as the Hard Rock and the second Ocean Resort Casino.

NEIGHBORHOOD DATA & MARKET ANALYSIS CONT'D.

According to hotel analytics company STR market report the US hotel industry experiences another record-breaking quarter during Q2 2018, reported positive year-over-year results in the three key performance metric occupancy rates increased 1% to 63.4% in 2016. Over a five year period it's increased 6.4%. The national average is 64.3%, New Jersey just below the national average, which has led to increasing room rates. Average daily rates rose 15.4% between 2011 and 2016 to \$122.01. increasing every year per STR data. According to STR, RevPAR or revenue per available room (hotel metric) between 2011 and 2016 grew 22.9% to \$77.39.

Demand has outpaced supply with demand increasing 2.2% in 2016 and supply growing by 0.7%. Hudson County is leading construction of hotels. Other counties leading hotel growth in northern NJ include Essex, Bergen and Middlesex Counties.

Following is a survey of competing properties surveyed. The survey was conducted in July/August 2018.

Comp #	Name	Location	Property Type	Vacancy Rate	SF	Total # Rooms	Room Type	Price per 30 nights	Lease?
#1	Extended Stay America	3450 Rte 1, West Windsor NJ	Extended Stay Hotel	n/a	300 400	92	S 1B	\$2,400 \$2,850	No
#2	Extended Stay America	4230 Rte 1, South Brunswick NJ	Extended Stay Hotel	n/a	n/a	129	Dbl Full Queen	\$2,340 \$2,340	No
#3	Extended Stay America	30 Worlds Fair Dr Somerset NJ	Extended Stay Hotel	25%	n/a	125	S 1B	\$2,700 \$3,300	No
#4	Homewood Suites	3819 Route 1 Plainsboro NJ	Extended Stay Hotel	24.9 %	450 550	142	S 1B	\$2,970 \$3,210	No
#5	Residence Inn	559 Route 130 & Stanbery Way Hamilton NJ	Extended Stay Hotel	n/a	300 350	120	2 1B	\$3,570 \$4,170	No
#6	Springhill Suites	5000 Midlantic Drive Mount Laurel NJ	Extended Stay Hotel	n/a	450 345	135	Dbl Queen King	\$3,870 \$3,870	No
#7	Hilton Garden Inn	1300 Lenox Drive Lawrence Twp NJ	Hotel	To open March 2019	351 322	107	Dbl Queen King	\$4,290 \$4,410	No
#8	Courtyard Marriott	231 Main Street North Brunswick NJ	Hotel	To open November 2018	364 364	124	Dbl Queen King	n/a	No
#9	Towneplace Suite-Marriott	1050 Route 202 S Branchburg NJ	Extended Stay Hotel	To open November 2018	n/a	111	S 1B	n/a	No
#10	Woodspring Suites	2991 Hamilton Blvd South Plainfield NJ	Extended Stay Hotel	n/a	270 300	124	Standard Suite	\$2,357 \$2,571	No
#11	Woodspring Suites	1830 Frontage Road Cherry Hill NJ	Extended Stay Hotel	n/a	270 300	124	Standard Suite	\$2,357 \$2,571	No

Comp #1: Extended Stay America is an extended stay hotel. Hotel charges a nightly rate and all units are furnished. Rate per night: S - \$79.99/nt & 1B - \$94.99/nt

Comp #2: Extended Stay America is an extended stay hotel. Hotel charges a nightly rate and all units are furnished. Rate per night: Dbl Full - \$77.99/nt & Queen - \$77.99/nt

Comp #3: Extended Stay America is an extended stay hotel. Hotel charges a nightly rate and all units are furnished. Rate per night: S - \$89.99/nt & 1B - \$109.99/nt

Comp #4: Homewood Suites offers an extended stay option. This option is still applied as a nightly rate. All units are furnished. Rate per night: S - \$99/nt & 1B - \$107/nt

Comp #5/Sale #2: Residence Inn is also an extended stay hotel. Hotel charges a nightly rate and all units are furnished. Rate per night: S - \$119/nt & 1B - \$139/nt

Comp #6/Sale #3: Springhill Suites is an extended stay hotel. Hotel charges a nightly rate and all units are furnished. Rate per night: Dbl Queen - \$129/nt & King - \$129/nt

Comp #7/Sale #1: Hilton Garden Inn is a Hotel that is opening in March 2019. This hotel will charge a nightly rate and all units are furnished with breakfast. Rate per night: Dbl Queen - \$143/nt & King - \$147/nt

Comp #8/Sale #4: Courtyard Marriot is a Hotel that is opening in November 2018. This hotel will charge a nightly rate and all units are furnished with breakfast. Rates unavailable

NEIGHBORHOOD DATA & MARKET ANALYSIS CONT'D.

Comp #9/Sale #5: Townplace Suites is an extended stay hotel that is opening in November 2018. This hotel will charge a nightly rate and all units are furnished. Rates unavailable

Comp #10: WoodSpring Suites is an extended stay hotel. Hotel charges a nightly rate and all units are furnished. Rate per night: Standard - \$78.57/nt & Suite - \$85.71/nt

Comp #11: WoodSpring Suites is an extended stay hotel. Hotel charges a nightly rate and all units are furnished. Rate per night: Standard - \$78.57/nt & Suite - \$85.71/nt

Based on this survey and review of the two Woodspring Suites located in NJ, it appears the subject would compete as an economy extended stay hotel with its major competitor Extended Stay America in West Windsor, South Brunswick and Somerset NJ.

The owner supplied a study done internally by Woodspring (now Choice) to determine viability of the site and a Feasibility and Financial Projection Study prepared by Interim Hospitality Consultants. The study was conducted based on the hotel having 140 rooms. The current application for site plan approval is for construction of a three story 52,902 SF building having 123 rooms averaging 325 SF. The owner supplied "salient sections of this study for review".

Below is the conclusions section of the feasibility analysis supplied.

CONCLUSIONS

The Market research and analysis, as described in this report, indicate that the composition, strength, and projected demand for lodging accommodations in Lawrence Township, New Jersey are sufficient to support the WoodSpring Suites Signature Hotel. The following comments highlight the findings that support this market conclusion.

Market Area Analysis

(Section C)

Lawrence Township or Lawrenceville as some people refer to the community is a true suburban bedroom area between Trenton, New Jersey to the South in the State Capital and Princeton to the North with its world famous university.

Bristol Myers Squibb Research and Development is headquartered in Lawrence Township. World renowned pharmaceutical products used by millions of ill patients are researched, tested and approved in the facility.

Being located between the seat of the State Government and a major university – in addition to the local Rider University – leads to a recession resistant community in the ebb and flow of the United States economy for Lawrence Township, New Jersey

Site Evaluation Study

(Section D)

A more pristine lake side site for an extended stay hotel would be hard to find. The proposed site of the WoodSpring Suites Signature Hotel, on the shore of Colonial Lake, is excellent.

NEIGHBORHOOD DATA & MARKET ANALYSIS CONT'D.

Located at 2422 Brunswick Pike (Business US-1) in Lawrenceville, New Jersey the hotel will enjoy the two market bases of the suburban bedroom community of Lawrenceville as the residents commute to Trenton and Princeton in addition to the local business commercial market.

The hotel building is set back, from the busy US-1 Business Route, to the far east side of the lot parcel and to the east side of the Colonial Entertainment Center. The Entertainment Center features a full restaurant, lounge, bowling, laser tag, and numerous electronic video games

The east side of the hotel will be enhanced with a walk way around Colonial Lake to a city park with tennis courts. The hotel will further be enhanced with a gazebo, picnic tables, charcoal grill and a conversation fire pit.

This is a great extended stay hotel site!

Supply and Demand Analysis

(Section E)

The field research of this Market Analysis analyzed the Accommodated Room Demand of the extended stay hotels of the area of Lawrence Township, NJ representing 1,638 hotel guest rooms.

Extended Stay Hotels of Greater Lawrence Township, New Jersey

Name of Establishment	City & State	Class	Aff Date	Open Date	Rooms
Residence Inn	Cranbury, NJ	Upscale	Oct 2002	Oct 2002	108
Residence Inn	Princeton, NJ	Upscale	Apr 2005	Apr 2005	120
Residence Inn	Hamilton, NJ	Upscale	Jun 2016	Jun 2016	120
Residence Inn	Langhorne, PA	Upscale	Jan 2007	Jan 2007	100
Homewood Suites	Princeton, NJ	Upscale	Nov 2006	Nov 2006	142
Homewood Suites	Hamilton, NJ	Upscale	Dec 2014	Dec 2014	110
Homewood Suites	Newton, PA	Upscale	Jan 2010	Jan 2010	104
Element	Ewing, NJ	Upscale	Jan 2010	Jan 2010	127
Staybridge Suites	Cranbury, NJ	Upscale	Feb 2004	Feb 2004	87
Candlewood Suites	Bordertown, NJ	Midscale	Jul 2007	Jul 2007	90
Sonesta ES Suites	Monmouth Junction, NJ	Upper Midscale	Jul 2015	Jul 2015	208
Extended Stay America	Princeton, NJ	Economy	Dec 2000	Dec 2000	92
Extended Stay America	South Brunswick, NJ	Economy	Jun 1999	Jun 1999	129
Extended Stay America	Bensalem, PA	Economy	Jun 1998	Jun 1998	101
			Total Properties	14	1,638

Source: Smith Travel Research, Hendersonville, Tennessee

NEIGHBORHOOD DATA & MARKET ANALYSIS CONT'D.

The hotel industry leading Smith Travel Research Trend Report was obtained to delineate the monthly historical Occupancy and Supply, defined as **Accommodated Room Demand**, of the selected Market Area of Hotels from January 2010 through June 2016 as recapped on page E-8.

Daily Occupancy Competitive Market Area of Extended Stay Hotels Lawrence Township, New jersey

Current Year Occupancy								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total
Jul - 15	63.9	79.4	86.5	82.9	73.2	80.0	85.7	78.8
Aug - 15	64.0	78.1	83.9	82.8	73.0	77.6	86.1	77.8
Sep - 15	58.8	66.5	73.0	72.3	65.0	64.7	76.5	68.4
Oct - 15	55.2	67.2	74.5	72.9	62.0	68.7	75.4	68.1
Nov - 15	50.5	65.4	69.7	69.0	64.8	67.1	67.2	64.4
Dec - 15	48.9	56.0	59.7	58.0	55.4	53.9	57.3	55.8
Jan - 16	42.4	56.9	64.9	63.2	53.0	46.8	49.3	53.0
Feb - 16	48.7	61.6	67.9	67.1	58.8	52.2	56.9	59.1
Mar - 16	49.4	67.3	73.6	71.3	59.2	57.9	61.9	63.4
Apr - 16	53.3	73.4	78.4	77.5	69.9	71.8	74.6	71.4
May - 16	58.8	71.7	77.5	75.4	71.2	76.0	84.8	73.2
Jun - 16	59.1	73.9	81.0	78.0	72.8	79.4	84.7	75.5
Total Year	54.4	68.3	74.0	72.6	64.9	66.5	71.8	67.5
Three Year Occupancy								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total
Jul 13 – Jun 14	55.2	73.2	80.8	77.9	67.1	62.8	66.8	69.2
Jul 14 - Jun15	57.2	72.0	77.7	75.9	66.1	66.2	71.3	69.5
Jul 15 - Jun 16	54.4	68.3	74.0	72.6	64.9	66.5	71.8	67.5
Total 3 Yr	55.6	71.1	77.4	75.4	66.0	65.2	70.1	68.7

Source: Smith Travel Research, Hendersonville, Tennessee

Daily consistency of excellent occupancy year after year, exhibits stable demand. It has long been stated in the Hotel Industry:

- Occupancy at 50% - the hotel breaks even
- Occupancy at 60% - the hotel makes money
- Occupancy at 70% - It is time for additional competition

The past 6 years (2010-2015) the average extended stay hotel occupancy in the Greater Lawrence Township is 70.2%

NEIGHBORHOOD DATA & MARKET ANALYSIS CONT'D.

Facilities and Services

(Section F)

The Market research for this Feasibility Study has revealed that there is sufficient demand for a 140 room extended stay hotel. For the purposes of this study, the developer has chosen a WoodSpring Suites Signature Hotel. The Market Research reveals that the hotel should incorporate the following amenities:

Hotel Amenities for WoodSpring Suites Signature Hotel

1. Clean and fresh bedding, comfortable seating, high density television, desk space and eating area.
2. Well-designed kitchen in every room including full-size refrigerator with freezer, two- burner stove, microwave, dishwasher, place settings for 4 persons, coffee maker, toaster, and cooking utensils
3. Complimentary wireless internet throughout the hotel
4. Guest Laundry facilities
5. Fitness Center
6. On-site Retail Store
7. Pet-friendly rooms
8. All rooms are smoke-free
9. The site on the shore of Colonial Lake , calls for a guest use charcoal grill, two picnic style tables and an evening conversation fire pit
10. Basketball ¼ court with “Key Markings“ near the guest activities area noted above.

WoodSpring Suites Signature Hotel Lawrence Township, New Jersey Proposed Room Mix	
<i>Room Type</i>	<i>Number</i>
One King Bed, easy chair	70
2 Queen Beds \$50 Additional per week	70
Total Rooms	140

Source: Interim Hospitality Consultants

Projected Utilization of the Hotel

(Section G)

Based upon the occupancy of the Woodspring Suites Hotel, the proposed hotel's Total Market Penetration and underlying assumptions are summarized as follows:

NEIGHBORHOOD DATA & MARKET ANALYSIS CONT'D.

1. *Leisure:* Due to the hotel's being marketed as the number one quality product in the upscale extended stay hotel classification, its' projected penetration of fair market share will range from 102.2% to 102.9% over the five-year projection period. If for any reason, the leisure business declines through seasonality or energy shortages, state and local commercial solicitation must be made to offset the decline.

2. *Commercial:* The fair market share of commercial business is projected to run from 102.2% to 102.9%. This can be achieved with a professional sales marketing effort enhanced by the uniqueness of this new type of hotel.

3. *Occupancy:* The projected occupancy should be attainable if the property is professionally operated in all facets, and business of the area continues to be positive. In years 3 to 5, additional competition may materialize to substantially reduce the projections.

These projections are based on estimates and assumptions are developed in connection with the Feasibility Study. However, certain assumptions may not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the projection period may vary from the forecasts, and the variations may be material.

WoodSpring Suites Signature Hotel Lawrence Township, New Jersey Projected Average Room Revenue (Current Year Dollars)			
Year	Occupancy	ADR	Room Revenue
2019	80%	\$62.00	\$2,534,560
2020	81%	\$64.00	\$2,656,280
2021	82%	\$66.00	\$2,765,530
2022	83%	\$68.00	\$2,884,080
2023	84%	\$70.00	\$3,004,680

Source: Interim Hospitality Consultants

NEIGHBORHOOD DATA & MARKET ANALYSIS CONT'D.

Projected Room Occupancy and Average Daily Rate

WoodSpring Suites Signature Hotel Lawrence Township, New Jersey Optimum Proforma Year One						
<i>Seasons</i>		<i>Superior</i>	<i>High</i>	<i>Shoulder</i>	<i>Balance of Year</i>	<i>2019</i>
<i>Months</i>		<i>6,7,8</i>	<i>3,4,5,9,10,11</i>	<i>2,12</i>	<i>1</i>	
<i>Days</i>		<i>92</i>	<i>183</i>	<i>59</i>	<i>31</i>	<i>365</i>
<i>Room Mix</i>	<i># Rooms</i>	<i>Daily Rate Per Room</i>				
King Bedroom	70	65.00	60.00	50.00	45.00	
Two Queen Beds	70	73.00	68.00	58.00	53.00	
Total Rooms:	140					
Optimum Revenue		418,600	768,600	206,500	97,650	1,491,350
King Bedroom	70	470,120	871,080	239,540	115,010	1,695,750
Two Queen Beds	70					
Total Optimum Revenue	140	888,720	1,639,680	446,040	212,660	3,187,100
Seasonal Occupancy		90%	80%	70%	65%	79.6%
Optimum Guest Room Nights		12,880	25,620	8,260	4,340	51,100
Seasonal Guest Room Nights		11,592	20,496	5,782	2,821	40,691
Seasonal Revenue		799,848	1,311,744	312,228	138,229	2,562,049
Seasonal Average Daily Rate		69.00	64.00	54.00	49.00	62.96
Average Daily Rate Use						62.00
Occupancy Use						80%
Week Sign Rate - use		455	420	350	315	434

The projected average room rates could be materially different if significantly higher or lower rates of inflation are actually experienced. Since the actual rates of inflation cannot be predicted with any degree of certainty, no assurance is given that the actual average room rates achieved will not vary materially from those projected in this Study.

Financial Analysis (Section H)

Projections of annual operating returns for the proposed hotel were prepared for five years, 2019 through 2023. The projections are based on the results of operations of comparable facilities and our conclusions regarding the environment in which the proposed hotel would operate.

NEIGHBORHOOD DATA & MARKET ANALYSIS CONT'D.

WoodSpring Suites Signature Hotel Lawrence Township, New Jersey			
<i>Year</i>	<i>Total Revenue</i>	<i>Net Operating Income Before Debt Service</i>	
2019	\$2,820,720	\$1,439,130	51.0%
2020	\$2,946,810	\$1,537,660	52.2%
2021	\$3,058,850	\$1,631,040	53.3%
2022	\$3,179,440	\$1,717,710	54.0%
2023	\$3,305,150	\$1,835,710	55.5%

Source: Interim Hospitality Consultants

The above feasibility analysis reviews historical data through 2016 and projections through 2023.

After reviewing the feasibility analysis completed by Interim Hospitality Consultants with data through 2016 and review of competing properties completed July/August 2018 and considering the two Woodspring Suites located in NJ, it appears the subject site is feasible as proposed and would compete as an economy extended stay hotel with its major competitor Extended Stay America having locations in West Windsor, South Brunswick and Somerset NJ.

PROJECT AND DESCRIPTION OF INTEREST ACQUIRED

The Township of Lawrence proposes a partial acquisition of 5.9 acres of excess land with current development application filed for a 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use of the subject site, Block 2101, Lot 39; Lawrence Township; Mercer County NJ as part of Additions to Colonial Lake Township Park. The entire site is 8.9 acres improved with a 37,148 SF bowling and entertainment center on a proposed 2.5 acre condo pad. The improvement is located in the northwest near frontage. It is not enhanced or negatively impacted by the proposed acquisition. The site as proposed will have the same access after the acquisition. Because the remainder is not impacted by the acquisition, the acquisition area is directly valued.

GENERAL PROPERTY DESCRIPTION

LAND

The subject property entire site is 8.9± acres, irregular in shape with 595± feet of frontage and a maximum depth of 727± feet being the north boundary. The topography is generally level at grade and generally level throughout. The southwest and south/southeast of the lot is formed by Colonial Lake/Colonial Lake Park. The south, east and west parts of the lot is wooded with the northwest siting an existing building and surface macadam paved parking lot.

The acquisition area is 5.9 acres in area having 140 and 25 split feet of frontage. The acquisition area is horseshoe in shape with a 25 foot flag stem making the west boundary. The southwest and south/southeast of the lot is formed by Colonial Lake/Colonial Lake Park. The south, east and west parts of the lot is wooded

FRESHWATER WETLANDS/FLOOD PLAIN

On July 1, 1988, the New Jersey Freshwater Wetlands Act became effective, with provisions creating transition areas and/or buffers around wetlands. Development in the wetland and transition areas requires approval from the NJDEP under this law.

The Freshwater Protection Act prohibits the removal, excavation or disturbance of soil; dumping or filling with any materials; erection of permanent structures; placement of pavements or destruction of plant life within any wetland or wetland buffer area except in accordance with the approval of the DEP.

A review of a LOI and Site Plan supplied by the client, indicates a small isolated wetland in the south east. The wetland area appears just north of a 100 foot stream corridor. The LOI extension is dated September 14, 2016 and is extended through April 8, 2018.

New Stormwater Management Regulations (N.J.A.C. 7:8) became effective February 2, 2004 which set forth required regional and municipal stormwater management design and performance standards for new/proposed development. New development will be required to incorporate non-structural stormwater strategies to minimize site disturbance; maintain groundwater recharge levels to the standards before construction; non-increase of runoff; and impose rigorous design standards

GENERAL PROPERTY DESCRIPTION CONT'D.

for stormwater management basins. This rule also creates what is known as SWRPA's or Special Water Resource Protection Areas which are areas within 300 feet of Category I waters and their immediate tributaries. The 300 foot buffer is measured from the bank of the stream, or the center line if the stream does not have clearly defined banks. There are however, provisions for existing development where the buffer may be reduced to 150 feet. The subject lot is not impacted by C-1 waters.

A review of the Flood Insurance Rate Map locates the subject within Community Panel #34021C0138F, effective 7/20/2016 indicates none of the site impacted by flood hazard. A review of FHAVA indicates a 50 foot riparian zone from the bank of Colonial Lake that forms the west, south, southwest boundary. A review of the site plan indicates a 100 foot stream corridor setback from the bank of Colonial Lake.

EASEMENTS

The acquisition area is subject to a 10 foot wide sanitary sewer line easement at the west boundary. There is a 100 foot wide indicates a 100 foot stream corridor setback from the bank of Colonial Lake.

To the best knowledge of the appraiser, there are no known easements across the site, except those for public utilities; however, a title search is highly recommended.

IMPROVEMENTS

Improvements located on the site include 37,148 SF one story masonry and frame constructed bowling & entertainment center with 24 lanes, laser tag room, arcade area, 3 party rooms and restaurant with bar area and surface macadam paved parking lot with 187 striped parking spaces. The improvements were completely renovated in 2011-2012. The improvements are with in the 3 acre remainder. The improvements are considered to have the same value after the acquisition as before, therefore is not directly valued nor further discussed in detail.

UTILITIES

Utilities available to the site include electric, telephone, public water, sewer and natural gas..

ENVIRONMENTAL FACTORS

PER NJ DEP Green Acres Requirement, the property is appraised based upon the **Extraordinary Assumption** that there are no hazardous substances or contamination on the property. To the best knowledge of the appraiser, there are no adverse environmental conditions directly affecting the subject property. If, subsequent to the appraisal report, ground contamination is found to exist on the subject property or adjoining properties, or properties within the immediate market area of the subject property, the appraiser reserves the right to revise the report accordingly at an additional fee. The appraiser strongly recommends a Phase I Preliminary Environmental Site Assessment of the property.

PROPERTY USE/HISTORY

The property was purchased by the current ownership in 2010. At that time it was improved as a bowling alley. Subsequent to acquisition the improvement was completely renovated and remodeled into a bowling & entertainment center with 24 lanes, laser tag room, arcade area, 3 party rooms and restaurant with bar area and surface macadam paved parking lot with 187 striped parking spaces.

The owner in conjunction with a hotel developer has submitted an application to the planning board for development of a 52,902 SF 3 story 123-room extended stay hotel on condominium pad with 126 parking spaces and retail pad condominium to accommodate a 1200 SF doughnut shop with 33 parking spaces. Amenities at the hotel include a fitness center and BBQ/picnic area with a view of Colonial Lake. According to Jim Parvesse, municipal engineer, the retail pad could support up to a 5000 SF retail building. The bowling and entertainment center will be on a 2.5 acre condo pad, the extended stay hotel on a 2.10 acre condo pad and the retail pad will be 1.14 acres. Common Area is estimated to be 3.05 acres. The hotel will be located at the rear of the site having a view of Colonial Lake and the retail pad will be located on the northeast part of the lot with visibility from Brunswick Pike.

According to Jim Parvesse, the application status is as follows:

Application Status

“The Sheft Application was originally submitted to the Zoning Board on August 2, 2017 and was deemed complete in September. Following the preparation of initial reports by the professionals and Township committees, the Applicant modified the application to conform to all conditions of the conditional use. This changed the jurisdiction of the Application to the Planning Board. On March 5, 2018 the revised Application was deemed complete by the Planning Board and again reviewed by all the professions and committees. On April 19, 2018 the Application was heard by the Planning Board Screening Committee. The application was presented and the Board took public comment. The plans were again revised and resubmitted for review prior to a scheduled June 18, 2018 Planning Board hearing. On June 1, 2018, the Applicant agreed to postpone the Board hearing until August 6th due to the ongoing acquisition discussion with the Township.”

Conditional Use Criteria

“The Sheft Property is located in the Highway Commercial Zone. Extended Stay Lodging Facilities are permitted in the Highway Commercial Zone as a conditional use conforming to the following conditions:

- Limited accessory uses as defined in the ordinance
- Trip generation shall not exceed the peak hour rates of permitted uses of the zone
- Each unit of accommodation shall contain a minimum floor area of 325 square feet
- Ceilings shall be a minimum of 8 feet in height
- All access to individual units shall be from interior hallways
- Bulk requirements as defined in the ordinance

Based on the information provided and the Township’s review of the documentation, the Application has demonstrated conformance with the conditional use conditions.

PROPERTY USE/HISTORY CONT'D.

Variances

The Applicant is only requesting two (2) Variances as follows:

- The basin discharge pipe, pavement removal and plantings are within the 100 feet stream corridor buffer
- Grading in the future cross access easement

Based on the information provided and the Township's review of the documentation, these two (2) variances are necessary and supported by the professionals."

The municipal engineer stated to the appraiser the application is one meeting from site plan approval.

REAL ESTATE ASSESSMENT & TAXES

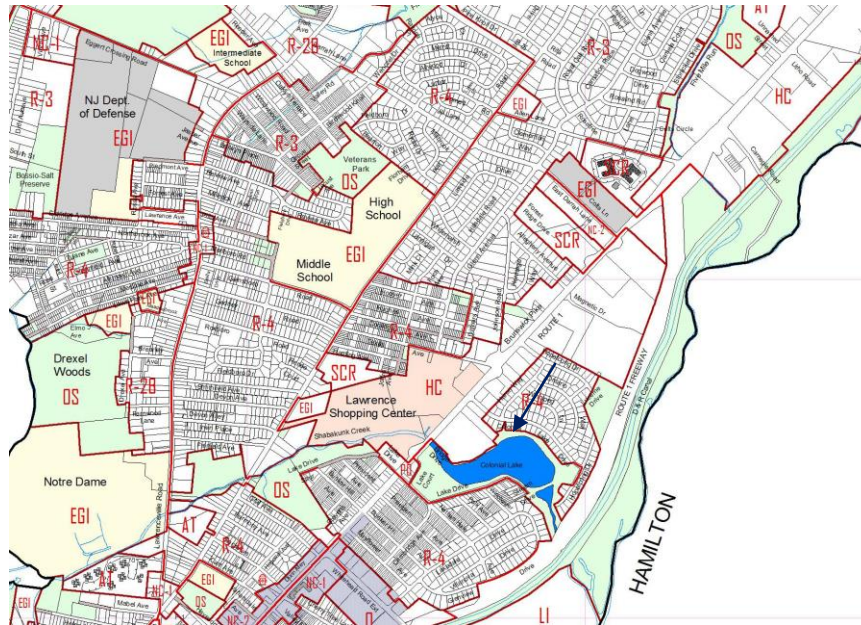
According to the most recent Lawrence Township tax assessment records, the subject property Block 2101, Lot 39 is classified as 4A; commercial. Following is the 2017 assessment.

LAND:	\$2,067,500
IMPROVEMENTS:	<u>\$1,080,700</u>
TOTAL:	\$3,148,200

The 2017 tax rate for Lawrence Township is \$2.787 per \$100 of assessed value resulting in a real estate tax expense of \$87,740.33. The 2017 County Equalization Ratio for Lawrence Township was 90.49%.

Any change in land use from agriculture would be subject to rollback taxes. Rollback taxes are based upon the actual market value of the land and adjusted by the local ratio, less a credit for farmland values, for the year in which the change occurs and the two years immediately preceding such change. Transfer of ownership does not necessarily indicate a change in use, but any subdivision or development of the property would.

ZONING



According to the zoning map of Lawrence Township the site is within the HC Highway Commercial District. Following is the permitted uses and bulk area requirements.

A. Purpose. The Highway Commercial (HC) district is intended to serve both the residents of the municipality and the general public with uses typically oriented towards motorized travel. The HC district is the primary retail zone for localized sales and services that are not regionally based. It differs from the NC-1 and NC-2 districts by including automobile business uses and excluding residential uses, with the exception of certain senior citizen housing. The Highway Commercial district is also intended to support the retail uses in the Regional Commercial district.

B. Permitted Uses. In the HC district, no lot shall be used and no structure shall be erected, altered or occupied for any purpose except the following:

1. Automobile sales through franchised new car dealers.
2. Automobile accessories and car washes.
3. Banks, including drive-in facilities.
4. Bars and taverns.
5. Convenience stores.
6. Department and discount stores.
7. Governmental uses.
8. Indoor recreational facilities.
9. Membership club bulk retail outlets.
10. Offices.
11. Retail sales of goods and services.
12. Restaurants, including fast food restaurants.
13. Shopping centers.
14. Theaters and entertainment.
- 15.

ZONING CONT'D.

C. Accessory Uses Permitted. Any of the following accessory uses may be permitted when used in conjunction with a principal use:

1. Canopy for motor fuel equipment protection or passenger drop off.
2. Fences and walls.
3. Garages, storage buildings and tool sheds.
4. Off-street and structured parking.
5. Outdoor display of new and used motor vehicles only in association with a franchised new car dealer.
6. Outdoor seating associated with a restaurant, complying with the following standards:
 - a. Seating shall comply with the handicapped accessibility requirements of *N.J.A.C. 5:23-7*.
 - b. No seating shall be located within 5 feet of any public or private parking and shall be adequately protected from vehicular traffic.
 - c. No glare from lighting for outdoor seating shall be created.
 - d. No impediment to the free flow of pedestrian or vehicular traffic shall be created by the outdoor seating.
 - e. Off-street parking for outdoor seating shall be provided in accordance with §530.C.2 and Table 5.16.
 - f. The Zoning Officer may approve a plan conforming to these conditions without the necessity of site plan review pursuant to §801.
7. Satellite dish and television antennae.
8. Service station attendant booth, not to exceed 40 sf. in floor area when placed on a motor fuel pump island or 150 sf. when placed elsewhere on the site. Such booths may incorporate rest rooms.
9. Signs.
10. Accessory uses customarily incidental to a principal use.

D. Conditional Uses Permitted. The following uses may be permitted when authorized as a conditional use by the Planning Board in accordance with §705:

1. Service station or repair garage conforming to the following conditions:
 - a. The minimum lot size for service stations or repair garages shall be 20,000 square feet and the minimum lot frontage shall be 150 feet.
 - b. Such use may be combined with a convenience store or membership club bulk retail outlet on the same lot, provided that the minimum lot size, or minimum lease area in the event the service station is not within an individual lot, shall be a minimum of 1.5 acres. Notwithstanding any other provision to the contrary, service stations on their own lot shall be permitted two entrances and exits on one street frontage and three per lot.
 - c. All appliances, pits, storage areas and trash facilities other than motor fuel filling pumps or air pumps shall be within a building or roofed structure.
 - d. Motor fuel filling pumps, service station attendant booths, canopies and air pumps shall be permitted within the required front yard area of service stations but shall be no closer than 20 feet to any street line.

ZONING CONT'D

- e. All lubrication, repair or similar activities shall be performed in a fully enclosed building and no dismantled parts shall be displayed outside of an enclosed building.
- f. No junked motor vehicle or part thereof, or such vehicles incapable of normal operation upon the highway, shall be permitted on the premises of the repair garage, except as noted herein. No more than 8 vehicles awaiting repair or disposition at the repair garage shall be permitted on the premises for a period not exceeding seven days, except that up to 3 inoperable vehicles in an enclosed building may be permitted. It shall be deemed prima facie evidence of violation of this Ordinance if more than 3 motor vehicles incapable of operation are located at any one time upon the premises not within an enclosed building.
- g. In addition to landscaping that is otherwise required pursuant to the provisions of this Ordinance; a minimum of 25% of the front yard shall consist of landscape screening of the building and front yard parking.
- h. No exterior display of motor vehicles, recreational vehicles, boats, other forms of transportation, or equipment for sale shall be permitted.
- 2. Motels conforming to the following conditions:
 - a. Any motel shall contain a minimum of at least 20 units of accommodation, exclusive of, but in addition to, a permanent, on-site superintendent's living quarters. The minimum number of units of accommodation in any single building shall be 10.
 - b. Each unit of accommodation shall contain a minimum floor area of 250 square feet. Ceilings shall be a minimum of 8 feet in height.
 - c. No more than 20% of the units may include cooking facilities.
 - d. There shall be a maximum residency limitation on all guests of 30 days. The residency limitation shall not apply to an employee living on the premises or to occupants of the allowed units with cooking facilities.
 - e. Minimum lot frontage shall be 300 feet.
- 3. Hotels conforming to the following conditions:
 - a. Trip generation shall not exceed the peak hour rates of permitted uses of the zone.
 - b. Each unit of accommodation shall contain a minimum floor area of 250 square feet. Ceilings shall be a minimum of 8 feet in height.
 - c. No more than 20% of the units may include cooking facilities.
 - d. There shall be a residency limitation on all guests of a maximum of 30 days. The residency limitation shall not apply to an employee living on the premises or to occupants of the allowed units with cooking facilities.
 - e. Minimum lot frontage shall be 300 feet.
 - f. Restaurants and nightclubs shall be permitted as an accessory use within the hotel.
 - g. Barber shops and hair salons, gift shops, newspaper stands, smoking shops and similar uses shall be permitted as accessory uses provided there is no direct access to the outside for customers and no exterior signage.
- 4. Continuing Care Retirement Center pursuant to the regulations of §410 conforming to the following condition: Any such use shall be located east of U.S. Route 1 and south of its intersection with I-95/295.
- 5.

ZONING CONT'D

6. Used automobile sales excluding auctions conforming to the following conditions: [Ord. 2166-13, 12/3/13]

- a. Minimum lot size: 5 acres
- b. Minimum frontage on U.S. Route 1: 500 feet
- c. The use shall require a building with a minimum gross floor area of 15,000 sf.
- d. The building shall contain a showroom with a minimum display area for four passenger vehicles.
- e. No service bay door shall face a zoning district that is predominantly used and occupied for residential purposes unless sound attenuation measures are installed to ensure that no sound greater than 50 decibels (dBA measurement) occurs at a point 150 feet distant or the property line, whichever is closer.

7. Extended Stay Lodging Facilities conforming to the following conditions: [Ord. 1567-99, 3/2/1999]

- a. Accessory uses shall be permitted as follows:
 - (1) Exercise facilities.
 - (2) Business services, such as access to fax, copier, personalized voice mail, meeting rooms and computers and Internet access, etc.
 - (3) Limited recreation facilities, such as a swimming pool, jogging trails and child play areas.
 - b. Trip generation shall not exceed the peak hour rates of permitted uses of the zone.
 - c. Each unit of accommodation shall contain a minimum floor area of 325 square feet. Ceilings shall be a minimum of 8 feet in height.
 - d. All access to individual units shall be from interior hallways.
 - e. Bulk requirements:
 - (1) Minimum lot size: 2 acres
 - (2) Minimum lot width/frontage: 200 feet
 - (3) Maximum FAR: .30
 - (4) Maximum building height: 3 stories and 45 feet
 - (5) Maximum impervious coverage: .60
 - f. Off street parking shall be provided based on a minimum of 1 parking space for each guest unit, inclusive of units occupied by resident employees.
8. All of other requirements not modified herein shall apply to all conditional uses.

E. Area, Yard, Height and Building Coverage. Except as otherwise modified, the following bulk standards shall apply to all lots:

- 1. Principal building.
 - a. Minimum lot area: 40,000 sf
 - b. Minimum lot frontage: 200 feet
 - c. Minimum lot width: 200 feet

ZONING CONT'D

- d. Minimum lot depth: 175 feet
- e. Minimum front yard: 25 feet
- f. Minimum side yard: 25 feet
- g. Minimum rear yard: 60 feet
- h. Maximum floor area ratio.
- i. For lots less than 5 acres: .25
- ii. For lots 5 acres or larger: .30
- i. Maximum impervious surface ratio:
- ii. For lots less than 5 acres: .70
- iii. For lots 5 acres or larger: 75
- i. Maximum building height: 35 feet
- 2. Accessory building. [Ord. 1585-99, 9/7/99]
- a. No accessory building shall be permitted in the front yard.
- b. Minimum distance to side line: 20 feet
- c. Minimum distance to rear line: 20 feet
- d. Minimum distance to other building, separation area not used for parking or vehicular circulation: [Ord. 1585-99, 9/7/1999] 25 feet
- e. Minimum distance to other building, separation area used for parking or vehicular circulation: 50 feet
- f. Maximum height: 20 feet

F. Additional Regulations. The following additional regulations shall apply to the HC district:

- 1. No pad site shall be built and occupied in advance of the construction and occupancy of the larger retail building to which it is related.
- 2. All buildings shall be separated by a minimum of 25 feet provided such separation is to be used solely for pedestrian circulation. All buildings shall be separated by a minimum of 50 feet when any part of such separation is to be used for parking or vehicular circulation. However, the separation requirements should not be construed to prohibit covered pedestrian walkways when the roof or covering of such walkway extends between the buildings.
- 3. Any principal building may contain no more than five establishments unless it is a shopping center, provided that the total building coverage of the combined activities does not exceed the maximum floor area ratio specified for the district and, further, that each activity occupies a minimum gross floor area of 750 square feet.
- 4. No merchandise, products, motor vehicles, equipment or similar material or objects shall be displayed, sold or stored outside except as approved by the Board of Jurisdiction and made a part of a site plan approval. The area of any outdoor sales or storage except for motor vehicle display shall be enclosed entirely by fences, walls, landscaping material or a combination thereof in order to provide a visual barrier between the outdoor sales and storage areas and any street, residential zoning district or parking area.
- 5. All buildings shall be compatibly designed whether constructed all at one time or in stages over a period of time. All building walls facing any street or residential district line shall be suitably finished for aesthetic purposes. See also §521.

ZONING CONT'D

6. Where appropriate, agreements providing for cross access for pedestrians and vehicles between adjacent lots or tracts shall be provided to reduce the amount of traffic on adjacent roads.

The current use appears to be conforming. According to the municipal engineer the proposed plans to further develop the site with a 123-room extended stay hotel on condominium pad and retail pad condominium to accommodate a 1200 SF doughnut shop. According to Jim Parvesse, municipal engineer, the retail pad could support up to a 5000 SF retail building. He further stated the application is one meeting from site plan approval.

OWNERSHIP OCCUPANCY & RIGHTS OF WAY

According to the Lawrence Township tax assessor records the subject property is under the ownership of Sheft Associates, Inc. The property has been in same ownership for at least the past five years.

HIGHEST AND BEST USE

The definition of Highest and Best Use is as follows:

“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported and financially feasible and that results in the highest value. The four criteria the Highest and Best Use must meet are legal permissibility, physical possibility, financially feasible and maximum profitability. Alternatively, the probable use of the land or improved property-specific with respect to the user and the timing of the use-that is adequately supported and results in the highest present value.”⁴

- 1) Possible use. What uses of the site in question are physically possible.
- 2) Permissible use (legal). What uses are permitted by zoning and deed restrictions on the site in question.
- 3) Feasible use. What possible and permissible uses will produce a net return to the owner of the site.
- 4) Highest and Best Use. Among the feasible uses, which use will produce the highest net return or the highest present worth.

AS VACANT

The first criterion involves a discussion of the physical uses of the site. These uses are determined by the size, shape, location, terrain and utilities available to the site. The subject property is 8.79± acres of this report is 116± acres, irregular in shape with adequate road frontage and access via to curb cuts on the northbound lane of Brunswick Pike. There is a small isolated wetland in the southeast. None of the site appears impacted by flood hazard. The rear and west part of the lot is subject to a 100 foot steam corridor setback from the bank of Colonial Lake that forms the west and south boundary. All utilities are available to the lot.

Thus by virtue of its physical characteristics, it appears the site has potential to for further development.

The second criterion focuses on legal restrictions. The property is located within the HC Highway Commercial Zone along a developed commercial corridor. There are a number of permitted commercial uses. According to the municipal engineer the owner has proposed plans to further develop the site with a 123-room extended stay hotel on condominium pad and retail pad condominium to accommodate a 1200 SF doughnut shop. According to Jim Parvesse, municipal engineer, the retail pad could support up to a 5000 SF retail building. He further stated the application is one meeting from site plan approval.

Thus by virtue of its legal restrictions it appears the site would qualify for a number of permitted uses including those proposed.

The third criterion focuses on the most financially feasible use of the site. The site is located in an area developed with commercial uses. North along Brunswick Pike for 1.5 miles is free standing commercial uses although when Brunswick Pike intersects into Route 1 the highway becomes wider and commercial uses become more regional/national and north of Route 295

⁴ The Appraisal of Real Estate, 14th ed., (Chicago, Appraisal Institute, 2013, page 333)

HIGHEST AND BEST USE CONT'D.

interchange along Route 1, three miles north, the commercial uses increase to national retail malls, big box stores and office campuses. South of the subject along Brunswick Pike is a mix of older detached residential uses for 1.5 miles until the intersection with Route 206. It appears the subject is located in an area of Brunswick Pike/Route 1 with the least commercial development pressure and largest vacancy rates. There is a sign redevelopment is underway in the immediate area of the subject with a community center across the street under new management which is aggressively leasing up and redeveloping the site along with proposed plans on the subject. More redevelopment is expected to continue as economic recovery continues.

Consequently, the maximally productive use of the site as vacant is for multi-tenant retail and hospitality uses.

AS IMPROVED

Improvements located on the site include 37,148 SF one story masonry and frame constructed bowling & entertainment center with 24 lanes, laser tag room, arcade area, 3 party rooms and restaurant with bar area and surface macadam paved parking lot with 187 striped parking spaces. The improvements were completely renovated in 2011-2012. According to the municipal engineer the owner has proposed plans to further develop the site with a 123-room extended stay hotel on condominium pad and retail pad condominium to accommodate a 1200 SF doughnut shop. According to Jim Parvesse, municipal engineer, the retail pad could support up to a 5000 SF retail building. He further stated the application is one meeting from site plan approval.

After considering the four criteria of the highest and best use and considering alternative uses of the site it is the appraiser opinion the highest and best use of the lot improved is for continues use of the existing improvement as a bowling and entertainment center with the site further developed as planned along with the retail pad improved with a 5000 SF retail/office building.

MARKET/EXPOSURE TIME

Reasonable marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately following the effective date of the appraisal. The market value concluded in this report is predicated upon estimates of reasonable marketing and exposure time. These times are a function of price, time and use and anticipated marketing conditions.

Marketing time and exposure time are defined as follows:

Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (USPAP 2001 Edition, Appraisal Foundation).

Exposure time may be defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at a market value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market. (USPAP 2001 Edition, Appraisal Foundation).

The estimate of the period for reasonable exposure and marketing time is not intended to be a prediction of the date of sale, but an analysis of a reasonable range of time necessary to sell the property at the appraised value. The forecast is based on primary research obtained through sale verification and market participant interviews.

Based on the sales and opinions expressed by various real estate professionals in the subject's market area, the most probable exposure time for the subject property is up to twelve months. The primary difference between exposure time and market time for the subject is that exposure time precedes the date of value; the marketing period follows the date of value. There are no known future market conditions that will have a material effect on the marketing period that have not been considered in the estimate of exposure. Therefore, the marketing period for the property is also estimated to be up to twelve months.

APPRAISAL PROCESS

The subject acquisition area site is 5.9 acres per project with current development application filed for a 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use per project map supplied. The area is appraised under two scenarios. Scenario #1 values the project “as is” and scenario #2 values the project considering the hypothetical condition “as approved”. In developing an opinion of the market value of the acquisition area, the appraiser considered all three traditional approaches to value: the Cost, Direct Sales Comparison and Income Approaches.

Cost Approach–“A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.”⁵

Direct Sales Comparison Approach–“The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units on comparison, and making qualitative comparisons with or quantitative adjustments to the sales prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.”⁶

Income Approach–“A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year’s income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flow for the holding period and the reversion can be discounted at a specified yield rate.”⁷

Since the acquisition area is vacant land with current development application filed for a 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use, the only applicable approach is the Direct Sales Comparison Approach.

⁵ The Dictionary of Real Estate Appraisal, 5th ed., (Chicago, Appraisal Institute, 2010, page 45)

⁶ The Dictionary of Real Estate Appraisal, 5th ed., (Chicago, Appraisal Institute, 2010, page 173)

⁷ The Dictionary of Real Estate Appraisal, 5th ed., (Chicago, Appraisal Institute, 2010, page 99)

DIRECT SALES COMPARISON APPROACH

As stated, the Township of Lawrence has proposed a partial acquisition of 5.9 acre with current development application filed for a 123-room extended stay hotel on condominium pad and retail pad to accommodate up to 5,000 SF retail/office use.

In developing an opinion of the market value of the acquisition area the appraiser searched for sales exhibiting features similar to the subject. Due to lack of vacant land approved for hotel use with a retail pad site in Lawrence Township and Mercer County, the appraiser was required to expand the sales search into other competing areas. The appraiser values the contributing value of the hotel based on price per room and the pad site based on price per potential SF of retail/office space with adjustments made for their differences.

Found on the following pages are the sales, grids and comparability analysis used in Direct sales comparison approach to develop and opinion of the “as is” and “as approved” contributory value of hotel and commercial pad site that could support 5000 SF of retail/office space.

**CONTRIBUTORY VALUE 52,902 SF, 123 ROOM EXTENDED STAY HOTEL
“AS IS” AND “AS APPROVED”**

SALE #1

GRANTOR: AG Prism NJPP, LLC

GRANTEE: Briad Lodging Group, Lawrenceville, LLC

LOCATION: 1300 Lenox Drive
Blk. 5101, Lot 10-C04
Lawrence Township, Mercer County, NJ

DEED DATE: 4/24/17

CONSIDERATION: \$1,650,000

DEED BK/PG: 6283/1363

ACRES-SF: 25± acres-25% common areas

\$/ACRE \$275,000

#/ROOMS: 107

\$/ROOM: \$15,420

BUILDING SIZE` 64,592 SF

\$/SF APP. BLD/LD: \$25.55 SF

ROOMS/ACRE: 5.71/1-excluding common areas

ZONING: RD-2 Research Development Zone

UTILITIES: Electric, telephone, water sewer, natural gas

COND. OF SALE: Arms Length

HIGHEST & BEST
USE: Development as proposed

PRIOR SALES: None within three years of last recorded deed

FINANCING: Cash to seller

MER578 VERIFIED: Marlene Laveman VP, municipal, county records

The property was purchased contingent on the grantee obtaining approvals for a 64,592 SF hotel having 107 rooms under the Hilton Garden Inn brand. The site is in condominium ownership divided into two office buildings and a four unit not developed. Amenities include a fitness center, business center, bar area, pool and coin laundry.

SALE #MER578

Photo Taken: 7/26/2018
By: Tom Rodriguez

SALE #2

GRANTOR:	Hamilton Shoppes, LLC
GRANTEE:	Briad Lodging Group, Hamilton, LLC
LOCATION:	559 Route 130 and Stanbery Way Blk. 2712, Lot 133.01 Hamilton Township, Mercer County, NJ
DEED DATE:	5/13/14
CONSIDERATION:	\$2,125,000
DEED BK/PG:	6193/323
ACRES	5.848± acres
\$/ACRE	\$363,372
#/ROOMS:	120
\$/ROOM:	\$17,708
BUILDING SIZE`	96,609 SF
\$/SF APP. BLD/LD:	\$22.00 SF
ROOMS/ACRE:	20.52
ZONING:	RD Research Development Zone
UTILITIES:	Electric, telephone, water sewer, natural gas
COND. OF SALE:	Arms Length
HIGHEST & BEST USE:	Development as proposed
PRIOR SALES:	See Comments.
FINANCING:	Cash to seller
MER579	VERIFIED: Scot Butler, grantor attorney, municipal, county records

The lot is 5.848 acres almost rectangular in shape with adequate frontage and access. The east corner is impacted by wetlands and a conservation easement. There is a billboard in the northeast corner. The site is generally rolling. The property sold with approvals in place for a four story extended stay hotel consisting of 96,609 SF with 120 rooms under the Residence Inn-Marriott brand. The site was sold in March 2012 as a package that included an adjoining shopping center for \$9,750,000. Amenities include a fitness center, indoor pool, BBQ/picnic area and breakfast.

SALE #MER579



Photo Taken: 7/26/2018
By: Tom Rodriguez

SALE #3

GRANTOR:	Brandywine Operating Partnership, LP
GRANTEE:	High Hotels, Ltd.
LOCATION:	5000 Midlantic Drive Blk. 515, Lot 1, C-0001 Mount Laurel Township, Burlington County, NJ
DEED DATE:	9/1/15
CONSIDERATION:	\$2,200,000
DEED BK/PG:	13191/2993
ACRES	2.917± acres
\$/ACRE	\$753,200
#/ROOMS:	134
\$/ROOM:	\$16,296
BUILDING SIZE`	78,852 SF
\$/SF APP. BLD/LD:	\$22.00 SF
ROOMS/ACRE:	46.28
ZONING:	MCD Major Commercial District
UTILITIES:	Electric, telephone, water sewer, natural gas
COND. OF SALE:	Arms Length
HIGHEST & BEST USE:	Development as proposed
PRIOR SALES:	None three years last recorded deed
FINANCING:	Cash to seller
BUR1174	VERIFIED: Jeffery Lucas Listing Broker, municipal, county records

The lot is unit A consisting of 2.917 acres mostly rectangular in shape with estimated frontage of 625 feet on Midland Drive 350 on Marter Avenue and 350 feet of frontage on Duffy Drive. The site is generally level. The property sold with approvals paid by seller for a four story 78,852 SF 135 room hotel with 155 surface parking spaces under the Springhill Suites brand. Amenities include a fitness center, business center, pool, bar, conference center and breakfast.

SALE #BUR1174

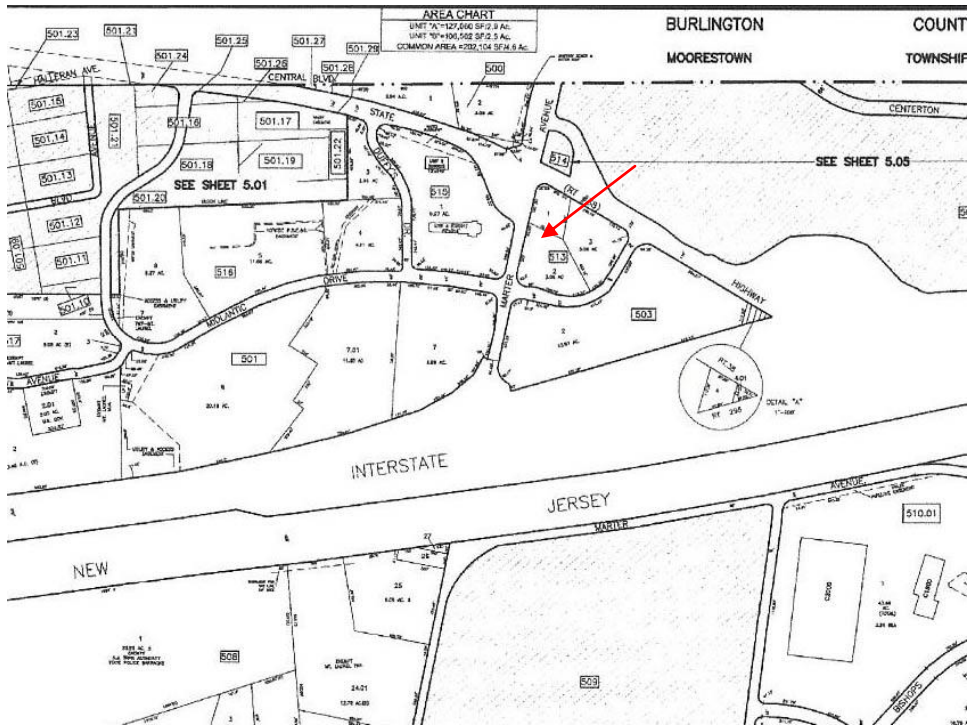


Photo Taken: 7/26/2018
By: Tom Rodriguez

SALE #4

GRANTOR:	North Brunswick TOD Associates LLC
GRANTEE:	Main Street Hotel LLC
LOCATION:	231 Main Street Blk. 141, Lot 21.02 North Brunswick Twp., Middlesex County, NJ
DEED DATE:	10/26/16
CONSIDERATION:	\$3,500,000
DEED BK/PG:	6900/155
ACRES	0.68± acres
\$/ACRE	\$5,147,059
#/ROOMS:	124
\$/ROOM:	\$28,226
BUILDING SIZE`	77,130 SF
\$/SF APP. BLD/LD:	\$22.00 SF
ROOMS/ACRE:	45.38
ZONING:	TOD District
UTILITIES:	Electric, telephone, water sewer, natural gas
COND. OF SALE:	Arms Length
HIGHEST & BEST USE:	Development as proposed
PRIOR SALES:	None three years last recorded deed
FINANCING:	Cash to seller
MIDD00338	VERIFIED: Megan Bedell, Grantor attorney, municipal, county records

The lot is 0.68 acres and is part of a large scale transit oriented development known as Main Street NB. The site is generally level. The property sold with approvals paid by seller for a six story 77,130 SF 124 room hotel under Marriott Courtyard Hotel with 178 surface parking spaces shared with an adjoining restaurant use. Amenities include a fitness center, indoor pool, meeting/event room and breakfast.

SALE #MIDD00338

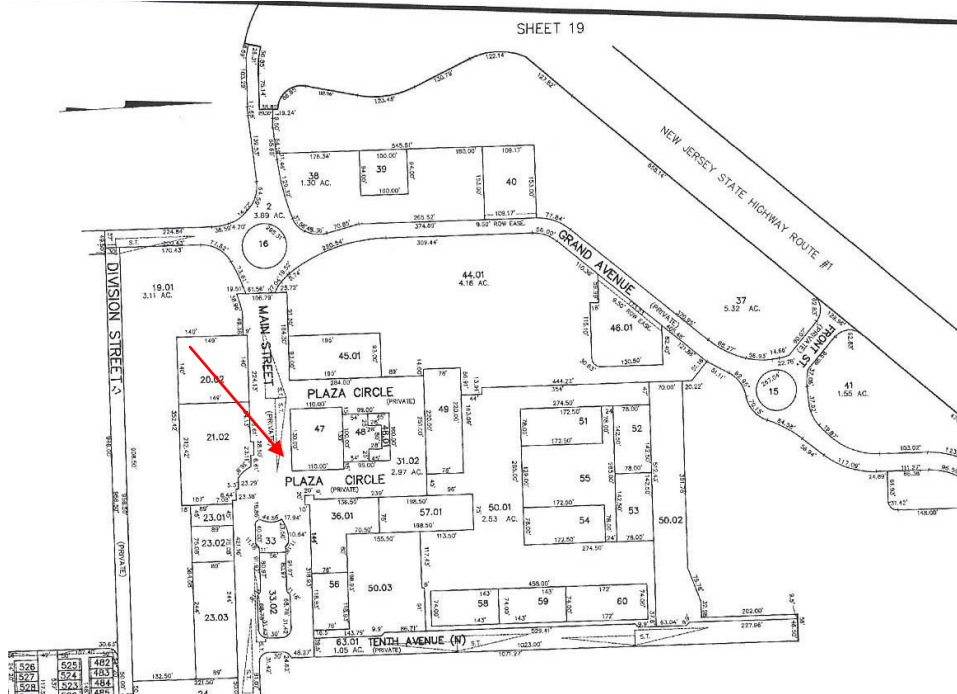


Photo Taken: 7/26/2018
By: Tom Rodriguez

SALE #5

GRANTOR:	Terraplasty, LLC
GRANTEE:	Briad Lodging Group Branchburg TPS, LLC
LOCATION:	1050 Route 202 Blk. 58, Lot 27, 27.01 Branchburg Township, Somerset County, NJ
DEED DATE:	11/9/16, effective 11/17/16
CONSIDERATION:	\$2,025,000 + \$50,000 estimated improvement demolition cost \$2,075,000 - adjusted consideration land
DEED BK/PG:	6922/1852
ACRES-SF:	3.170± acres-138,085± SF
\$/ACRE-SF:	\$654,574-\$15.03
#/ROOMS:	111
\$/ROOM:	\$18,694
BUILDING SIZE:	65,759 SF
\$/SF APP. BLD/LD:	\$31.55 SF
ROOMS/ACRE:	35/1
ZONING:	R/S-2 Retail/Service-2 Zone
UTILITIES:	Electric, telephone, water sewer, natural gas
COND. OF SALE:	Arms-length transaction
HIGHEST & BEST USE:	Development, as approved
PRIOR SALES:	None within three years of last recorded deed
FINANCING:	Cash to seller
SOM0303 VERIFIED:	Alan W. Mandell, grantor attorney, municipal, county records

SALE #5 CONT'D.

This is the sale of two contiguous tax parcels totaling 3.170± acres with 330.82± feet of road frontage. The property is generally level to gently rolling throughout. The site was purchased contingent on the grantee obtaining approvals for demolition of an existing one story ranch dwelling converted to office building and construction of a three story 65,759± SF three story extended stay hotel with 111 rooms, outdoor recreation area, indoor pool and 135 parking spaces and 19 banked spaces. The average room size is 590 SF. Upon completion, the property will be run by as Townplace suites by Marriott. Amenities include a fitness center, business center, meeting room, BBQ/picnic area and breakfast.

SALE #SOM0303

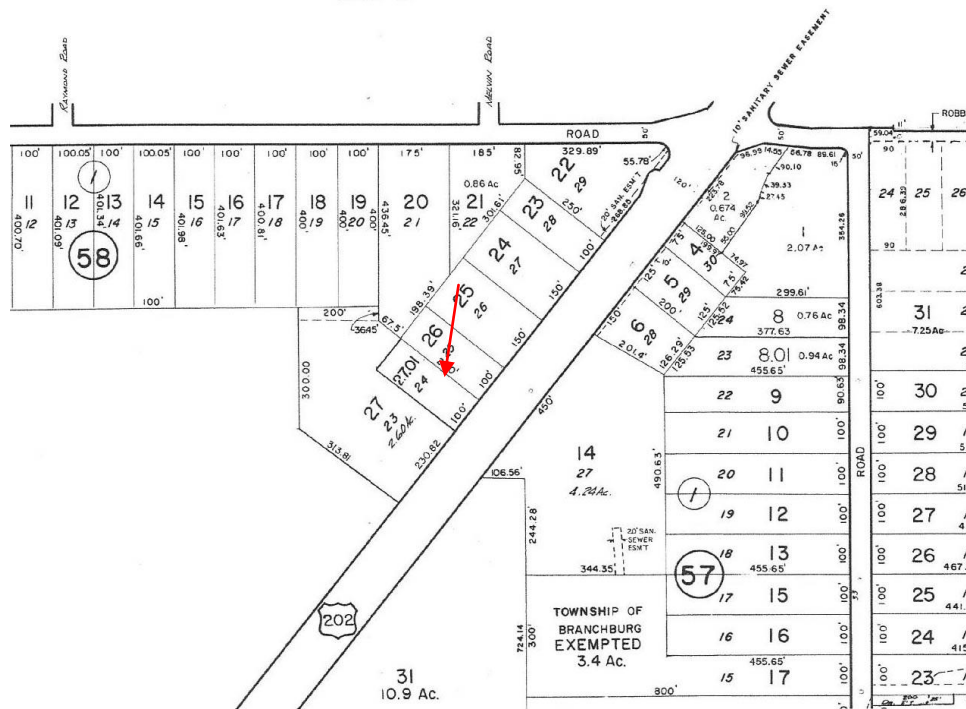


Photo taken by: Tom Rodriguez
Date: 8/22/2017

SALES ANALYSIS GRID “AS IS”

	SUBJECT	SALE #1		SALE #2		SALE #3		SALE #4		SALE #5	
Block/lot Municipality	2101/39 Lawrence Twp	5101/19-C04 Lawrence Twp		2712/133.01 Hamilton Twp		515/1 C-0001 Mount Laurel Twp		141/21.02 North Brunswickll Twp		58/27, 27.01 Branchburg Twp	
#/Rooms	123	107		120		135		124		111	
Building size	52,902 SF	64,592 SF		96,609 SF		78,852 SF		77,130 SF		65,759	
Sale date		4/24/17		5/13/14		9/1/15		10/26/16		11/9/16	
Sale \$		\$1,650,000		\$2,125,000		\$2,200,000		\$3,500,000		\$2,075,000	
\$/Room		\$15,420		\$17,708		\$16,296		\$28,226		\$18,694	
Property Rights	FeeSimple	FeeSimple	-0-	FeeSimple	-0-	Fee Simple	-0-	Fee Simple	-0-	Fee Simple	-0-
Adj. Value		\$15,420		\$17,708		\$16,296		\$28,226		\$18,694	
Cond. Of Sale		ArmsLngth	-0-	ArmsLngth	-0-	ArmsLngth	-0-	ArmsLngth	-0-	ArmsLngth	-0-
Adj. Value		\$15,420		\$17,708		\$16,296		\$28,226		\$18,694	
Financing Terms		CashEquiv	-0-	CashEquiv	-0-	Market		Market		Market	
Adj. Value		\$15,420		\$17,708		\$16,296		\$28,226		\$18,694	
Market Conditions	6/26/2018	Equal	-0-	Inferior	+10%	Inferior	+5%	Equal	-0-	Equal	-0-
Adj. Value		\$15,420		\$19,479		\$17,111		\$28,226		\$18,694	
ADJ. \$		\$15,420		\$19,479		\$17,111		\$28,226		\$18,694	
Location	Lawrence Twp	Equal	-0-	Equal	-0-	Equal	-0-	Superior	(20%)	Superior	(5%)
Rooms	123	107	-0-	120	-0-	135	-0-	124	-0-	111	-0-
Frontage/Access	Adequate	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Size/Amenity	52,902 SF Fitness Ctr BBQ/Picnic Area Guest Laundry	64,592 SF Fitness Ctr Business Ctr Bar area Pool Guest Laundry	(5%)	96,609 SF Fitness Ctr Indoor Pool Continental Breakfast BBQ/Picnic Area	(5%)	78,852 SF Fitness Ctr Business Ctr Pool Bar Conference Ctr Continental Breakfast	(5%)	77,130 Fitness Ctr Indoor Pool Meeting/ Event Room Breakfast	(5%)	65,759 SF Fitness Ctr Business Ctr Meeting Rm BBQ/Picnic Area Breakfast	(5%)
Physical	Rolling	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Utilities	All	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Zoning/Approvals	Almost Approved	Contingent	+10%	Approved	(5%)	Approved	(5%)	Approved	(5%)	Contingent	+10%
Net Adj.			+5%		(10%)		(10%)		(30%)		-0-
IND. \$		\$16,191		\$17,531		\$15,400		\$19,758		\$18,694	
Mean \$/Room Unadjusted	\$19,269										
Mean \$/Room Adjusted	\$17,515										

INDICATED MARKET VALUE: \$17,500/ACRE

123 ROOMS@ \$17,500/ROOM = \$2,152,500

SALES ANALYSIS GRID “AS APPROVED”

	SUBJECT	SALE #1		SALE #2		SALE #3		SALE #4		SALE #5	
Block/lot Municipality	2101/39 Lawrence Twp	5101/19-C04 Lawrence Twp		2712/133.01 Hamilton Twp		515/1 C-0001 Mount Laurel Twp		141/21.02 North Brunswickll Twp		58/27, 27.01 Branchburg Twp	
#/Rooms	123	107		120		135		124		111	
Building size	52,902 SF	64,592 SF		96,609 SF		78,852 SF		77,130 SF		65,759	
Sale date		4/24/17		5/13/14		9/1/15		10/26/16		11/9/16	
Sale \$		\$1,650,000		\$2,125,000		\$2,200,000		\$3,500,000		\$2,075,000	
\$/Room		\$15,420		\$17,708		\$16,296		\$28,226		\$18,694	
Property Rights	FeeSimple	FeeSimple	-0-	FeeSimple	-0-	Fee Simple	-0-	Fee Simple	-0-	Fee Simple	-0-
Adj. Value		\$15,420		\$17,708		\$16,296		\$28,226		\$18,694	
Cond. Of Sale		ArmsLngth	-0-	ArmsLngth	-0-	ArmsLngth	-0-	ArmsLngth	-0-	ArmsLngth	-0-
Adj. Value		\$15,420		\$17,708		\$16,296		\$28,226		\$18,694	
Financing Terms		CashEquiv	-0-	CashEquiv	-0-	Market		Market		Market	
Adj. Value		\$15,420		\$17,708		\$16,296		\$28,226		\$18,694	
Market Conditions	6/26/2018	Equal	-0-	Inferior	+10%	Inferior	+5%	Equal	-0-	Equal	-0-
Adj. Value		\$15,420		\$19,479		\$17,111		\$28,226		\$18,694	
ADJ. \$		\$15,420		\$19,479		\$17,111		\$28,226		\$18,694	
Location	Lawrence Twp	Equal	-0-	Equal	-0-	Equal	-0-	Superior	(20%)	Superior	(5%)
Rooms	123	107	-0-	120	-0-	135	-0-	124	-0-	111	-0-
Frontage/Access	Adequate	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Size/Amenity	52,902 SF Fitness Ctr BBQ/Picnic Area Guest Laundry	64,592 SF Fitness Ctr Business Ctr Bar area Pool Guest Laundry	(5%)	96,609 SF Fitness Ctr Indoor Pool Continental Breakfast BBQ/Picnic Area	(5%)	78,852 SF Fitness Ctr Business Ctr Pool Bar Conference Ctr Continental Breakfast	(5%)	77,130 Fitness Ctr Indoor Pool Meeting/ Event Room Breakfast	(5%)	65,759 SF Fitness Ctr Business Ctr Meeting Rm BBQ/Picnic Area Breakfast	(5%)
Physical	Rolling	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Utilities	All	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Zoning/Approvals	Approved	Contingent	+20%	Approved	-0-	Approved	-0-	Approved	-0-	Contingent	+15%
Net Adj.			+5%		(5%)		(5%)		(25%)		+5%
IND. \$		\$18,504		\$18,505		\$16,255		\$21,170		\$19,629	
Mean \$/Room Unadjusted	\$19,269										
Mean \$/Room Adjusted	\$18,814										

INDICATED MARKET VALUE: \$18,800/ACRE

123± ROOMS @ \$18,800/ACRE = \$2,312,400

COMPARABILITY ANALYSIS

PROPERTY RIGHTS APPRAISED

The estate appraised is the fee simple interest. Each sale is the sale of the fee simple interest; therefore, no adjustment is required.

CONDITION OF SALE

Each sale is considered an arms-length transaction. No adjustment is indicated.

FINANCING

Each sale sold cash or cash equivalent to seller requiring no adjustment.

MARKET CONDITIONS

The effective date of this appraisal report is June 26, 2018. Sale #1 occurred approximately one year two months prior to the effective date of this report; sale #2, occurred approximately four years one month prior; sale #3 occurred two years nine months prior, sale #4 occurred one year eight months prior to the effective date of this appraisal report and sale #5 occurred one year seven months prior to the effective date of this report.

Market conditions have improved over the time period of sale #2 and #3 requiring a positive adjustment.

LOCATION

The subject property is located on the south side of north bound lanes of Brunswick Pike, Lawrence Township, Mercer County NJ. Brunswick Pike is a four lane divided state highway. There is a signalized interchange 600 feet south where southbound traffic can u-turn north. The subject is located three miles southwest of an interchange with I-295 and one mile north of Brunswick Pike interchange with State Route 206. I-295 provides linkage west/southwest into Pennsylvania and the Philadelphia metro area.

Land uses in the immediate area include Colonial Lake Park which forms a portion south/southeast boundary. Across from the subject is a fledging community shopping center that has been sold through foreclosure and is under new management. It is anchored by a national food store and new management is adding tenants although vacancy remains high. Management is removing a building formally used as a furniture store and rebuilding for a national fitness operator. North of the site is a former fast food store purchased recently by an adjoining owner and vacant offered for rent. North along Brunswick Pike for 1.5 miles is free standing commercial uses, when Brunswick Pike intersects into Route 1 the highway becomes wider and commercial uses become more regional and national. North of Route 295 interchange with Route 1 the commercial uses increase to national retail malls, big box stores and office campuses. South of the subject along Brunswick Pike is a mix of older detached residential uses for 1.5 miles until the intersection with Route 206. It appears the subject is located in an area of Brunswick Pike/Route 1 with the least commercial development pressure and largest vacancy rates.

COMPARABILITY ANALYSIS CONT'D.

Sale #1 through #3 are considered similar to the subject. Sale #4 is located within a newly transit oriented development known as Main Street NB. It benefits from higher traffic volume and more stable commercial market. Sale #5 is located in a commercial location with slightly higher traffic volume and a more stable commercial market. A negative adjustment is indicated to each.

ROOMS

The subject hotel is proposed for 123 rooms. Sale #1 is 107 rooms; sale #2, 120 rooms; sale #3, 135 rooms; sale #4, 124 rooms and sale #5, 111 rooms. Historically, market data indicates smaller hotels will sell at higher per unit values and conversely, larger hotels at lower per unit values. Each sale is considered overall similar in number of rooms.

FRONTAGE/ACCESS

The subject has adequate frontage and access. Each sale is comparable.

SIZE/AMENITY

The subject hotel is proposed for 52,902 SF having amenities to include a fitness center and BBQ/picnic area with a view of Colonial Lake. Sale #1 is 64,592 SF, amenities include fitness center, business center, bar area, pool and coin laundry; sale #2 is 96,609 SF, amenities include fitness center, indoor pool, breakfast, BBQ /picnic area; sale #3 is 78,852 SF, amenities include fitness center, business center, bar area, pool, conference center, breakfast; sale #4 is 77,130 SF, amenities include fitness center, indoor pool, meeting/event room and breakfast and sale #5 is 65,759 SF, amenities include fitness center, business center, meeting room, BBQ /picnic area and breakfast. Each sale is larger in size and offer more amenities than the subject, a negative adjustment is made to each.

PHYSICAL

The subject physical site can support the proposed development. Each sale has received approvals to support development of a hotel use, considered similar to the subject. The subject property is overall generally rolling. Sale #1 through #5 is considered similar to the subject, no adjustment is indicated

UTILITIES

All utilities are available to the subject site. Each sale is comparable.

COMPARABILITY ANALYSIS CONT'D.

ZONING/APPROVALS

All sales are located in commercial zones with similar permitted uses or have similar approvals for development.

“As Is”; According to the municipal engineer the hotel is one meeting away from site plan approval. Sale #1 and #5 sold contingent on approvals paid by the buyer. This is considered inferior to the subject having almost all development approvals completed. A positive adjustment is indicated. Sale #2 through #4 sold with site plan approval for hotel development use. This is considered superior to the subject a negative adjustment is indicated.

“As Approved”; The client has requested a valuation considering the hypothetical condition the site has approvals for hotel use. Sale #1 and #5 sold contingent on approvals paid by the buyer. This is considered inferior to the subject having all development approvals completed. A positive adjustment is indicated. Sale #2 through #4 sold with site plan approval for hotel development use, considered similar to the subject.

“AS IS”

Based upon the above five sales and after making adjustments for their differences with the subject there is an indicated range in value between \$15,400/room to \$19,758/room. The appraiser selected \$17,500/room as the per unit value for the subject property.

$$123 \text{ ROOMS @ } \$17,500/\text{ROOM} = \$2,152,500$$

“AS APPROVED”

Based upon the above five sales and after making adjustments for their differences with the subject there is an indicated range in value between \$16,255/room to \$21,170/room. The appraiser selected \$18,800/acre as the per unit value for the subject property.

$$123 \text{ ROOMS @ } \$18,800/\text{ROOM} = 2,312,400$$

**CONTRIBUTORY VALUE RETAIL PAD WITH 5,000 SF RETAIL/OFFICE USE
“AS IS” AND “AS APPROVED”**

SALE#1

GRANTOR:	Ewing Leasing, Inc.
GRANTEE:	2470 Route 1, LLC
LOCATION:	2458 Brunswick Pike Block 2101, Lot 40.01 Lawrence Township, Mercer County, NJ
DEED DATE:	7/14/2016
CONSIDERATION:	815,000 <u>(\$100,000)</u> \$715,000
DEED BK/PG:	6256/487
LOT SIZE:	1.86 ± acres
\$SF/BLDING:	\$ 194.82
ZONING:	HC Highway Commercial
UTILITIES:	Electric, telephone, gas, water and sewer
DAYS ON MKT:	Unknown
COND.OF SALE:	Arms Length
HIGHEST & BEST USE:	Commercial use
PRIOR SALES:	None within five years last recorded deed
FINANCING:	Cash to seller
MER580 VERIFIED:	Alex Shapiro, Grantee, municipal and county records

The site is one tax parcel located on the northbound side of Brunswick Pike. The lot is 1.86 acres rectangular in shape having 125 feet of frontage and a maximum depth of 650 feet. The lot is rolling and wooded in the rear. The most southern part of the lot is subject to a variable width conservation easement. The front or north part of the lot is subject to a 25 foot wide cross access easement. At the time of sale the lot was improved with a 3,670 SF former one story pizza hut building. The lot was purchased by an adjoining owner to take advantage of potential increase in parking. The building is currently offered for lease at \$13.00 SF net with operating expenses estimated at \$4.00 SF. It is the appraiser's opinion the improvement has a contributory shell value estimated at \$100,000.

SALE #MER580

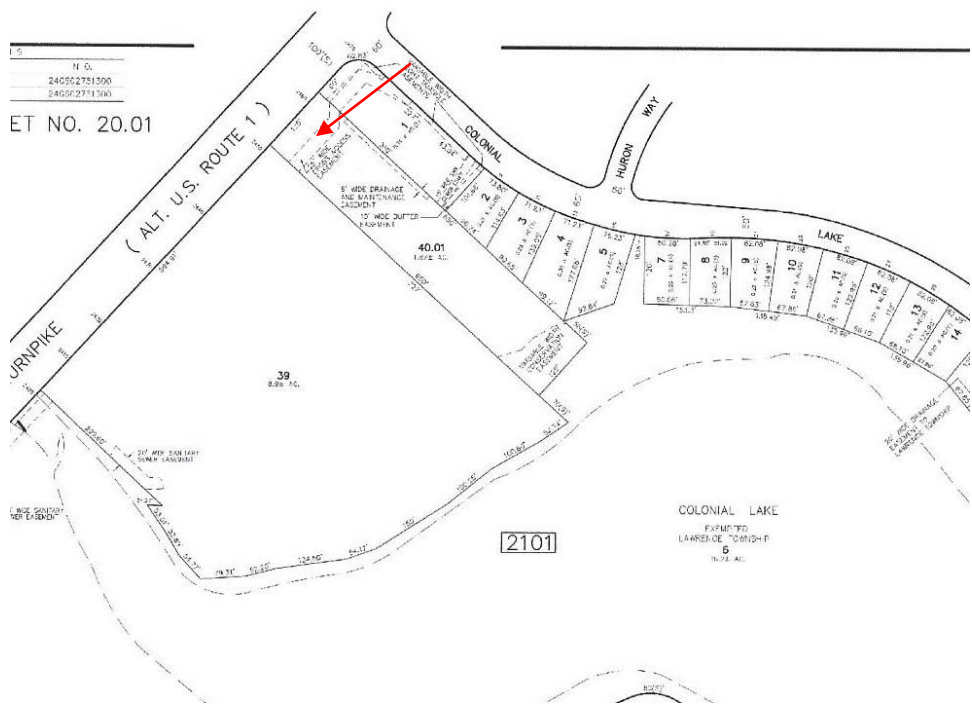


Photo Taken: 7/26/2018
By: Tom Rodriguez

SALE#2

GRANTOR: Central Jersey Cycle, Inc.

GRANTEE: Route 1 Realty, LLC

LOCATION: 2915-2917 Brunswick Pike (Route 1)
Block 3507, Lot 13, Lawrence Township, Mercer
County, NJ

DEED DATE: 3/3/17

CONSIDERATION: \$1,650,000
(\$100,000)
\$1,550,000

DEED BK/PG: 6279/1738

LOT SIZE: 53,143± SF (1.22 ± acres)

\$SF/BLDING: \$ 121.70

ZONING: HC Highway Commercial

UTILITIES: Electric, telephone, gas, water and sewer

COND.OF SALE: Arms Length

HIGHEST & BEST USE: Commercial use

PRIOR SALES: None within five years last recorded deed

FINANCING: Cash to seller

MER570 VERIFIED: David E. Orron, Grantee Attorney

The site is one tax parcel located on the north side of Route 1 (southbound lane) and east side of an unnamed road ending at the north boundary of the site. The lot is an irregular L shaped lot consisting of 53,143± SF (1.22± acres), with 100± feet of frontage on Route 1. It is generally level to generally rolling. There is a variable width site triangle easement at the southwest corner, a sanitary sewer easement across frontage and a 20 foot wide underground drainage easement extending across the northern portion or rear portion of the site. None of the site appears impacted by flood hazard. There is a small isolated wetland area in the northeast corner.

At the time of sale, the property was improved with a 12,736± SF concrete block building used as a former motorcycle dealership. This site was purchased by the owner of the Mercedes dealership across the street. This grantee previously acquired four lots adjoining the subject to the west of an unimproved street and is now presenting a site plan for approvals to consolidate and build an additional dealership facility on the lots. The site plan indicates three improvements on the adjoining lots will be demolished and the existing structure on the sale site will be refitted and used for the new dealership building. The municipality is vacating the paper street. It is the appraiser's opinion the improvement has a contributory shell value estimated at \$100,000.

SALE #MER570



Photo Taken by Tom Rodriguez
Date: 7/14/2017

SALE #3

GRANTOR: Kenneth Emma
GRANTEE: Route 1 Realty, LLC
LOCATION: 2907-2911 Brunswick Pike (Route 1)
Block 3507, Lot 14.01, 16, 17, 18
Lawrence Township, Mercer County, NJ
DEED DATE: 4/24/16
CONSIDERATION: \$1,000,000
DEED BK/PG: 6247/1665
LOT SIZE: 65,340± SF
\$/SF BLDING: \$ 207.68
ZONING: HC Highway Commercial
UTILITIES: Electric, telephone, gas, water and sewer
DAYS ON MKT: Unknown
COND.OF SALE: Arms Legnth
HIGHEST & BEST
USE: Commercial use
PRIOR SALES: None within five years last recorded deed
FINANCING: Cash to seller

MER563 VERIFIED: Martin Jennings, Seller Attorney

The site is four contiguous lots located on the north side of Route 1 (southbound lane) and west side of an unnamed road ending at the north boundary of the site. The four lots are mostly rectangular in shape consisting of 65,340± SF, with 186.1± feet of frontage. It is generally level to rolling. The northwest corner in Lot 18 appears impacted by flood hazard and it appears the north half of this lot may be impacted by wetlands. Overall it appears no more than 20% of the total site area may be impacted. There appears to be a sight easement at the southeast corner and 20 foot wide sewer easement at lot 14.01 frontage. At the time of sale Lot 14.01 is improved with a 1,642± SF 2 story frame dwelling built in 1932 converted to commercial use, a detached garage and detached 2 story frame building consisting of 1,620± SF. Lot 16, 17 is improved with 2 story frame dwelling consisting of 1,553± SF built in 1950 converted to commercial use. The lots are purchased by the Mercedes dealer across the street for expansion. The expansion is not planned until 2018 and will collect rent from existing tenants until redevelopment. It is the appraiser's opinion the income offsets holding cost until redevelopment. The appraiser estimates demolition cost of existing improvements to be \$75,000.

SALE #MER563



Photo Taken by Tom Rodriguez
Date: 10/20/16

SALE#4

GRANTOR:	2653 Brunswick Pike, LLC
GRANTEE:	Paramjit S. and Gurbhinder K. Anand
LOCATION:	2653 Brunswick Pike Block 3301, Lot 5, 6, 7 Lawrence Township, Mercer County, NJ
DEED DATE:	7/14/2016
CONSIDERATION:	\$400,000
DEED BK/PG:	6293/580
LOT SIZE:	0.51 ± acres
\$SF/BLDING:	\$ 135.32
ZONING:	HC Highway Commercial
UTILITIES:	Electric, telephone, gas, water and sewer
DAYS ON MKT:	Unknown
COND.OF SALE:	Arms Length
HIGHEST & BEST USE:	Commercial use
PRIOR SALES:	None within five years last recorded deed
FINANCING:	Cash to seller
MER581 VERIFIED:	Grantee, municipal and county records

The site is three contiguous tax parcels located at the corner of Brunswick Pike and Allegheny Avenue. The lot has 150 feet of frontage on Brunswick Pike and 150 feet of frontage on Allegheny Avenue. The lot is level. At the time of sale the site was improved with a 512 SF former Stewarts food stand and 2444 SF 3 bedroom house. The Stewarts was vacant for approximately two years prior to purchase. According to the grantee the intention is to redevelop the site with a restaurant at some point in the future. In the interim the owners have opened a fast food steak sandwich store in the former Stewarts. It is the appraiser's opinion the interim use of improvements have a contribution to value that is offset by demolition cost.

SALE #MER581



SHEET NO. 22.01

SHEET NO



Photo Taken: 7/26/2018
By: Tom Rodriguez

SALE#5

GRANTOR:	GSA of Whitehorse Inc
GRANTEE:	Danza Group of Lawrence LLC
LOCATION:	2098 Brunswick Pike Block 1601, Lot 49.01 Lawrence Township, Mercer County, NJ
DEED DATE:	9/22/2014
CONSIDERATION:	\$950,000
DEED BK/PG:	6293/580
LOT SIZE:	0.77± acres
\$SF/APP. BLDING:	\$ 71.965
ZONING:	NC Neighborhood Commercial
UTILITIES:	Electric, telephone, gas, water and sewer
DAYS ON MKT:	Unknown
COND.OF SALE:	Arms Length
HIGHEST & BEST USE:	Commercial use
PRIOR SALES:	None within five years last recorded deed
FINANCING:	Cash to seller
MER583 VERIFIED:	Walt Henley, grantee attorney municipal and county records

The site is parcels located at the corner of Brunswick Pike and Whitehead Road. The lot is 0.77 acres mostly rectangular in shape having 150 feet of frontage and 225 feet of frontage on Brunswick Pike. The lot is level. Subsequent to acquisition the lot received site plan approval for construction of a 13, 200 SF 2 story retail/apartment building divided into 4 retail units on the 1st floor and 4 two bedroom apartments on the 2nd floor and 38 parking spaces. According to the grantee attorney at the time of contract parties were not related however subsequent to the contract one of the grantees became a member of Danza Group. Although related parties at closing it had no impact with the meeting of the minds and is considered a market sale

SALE #MER583

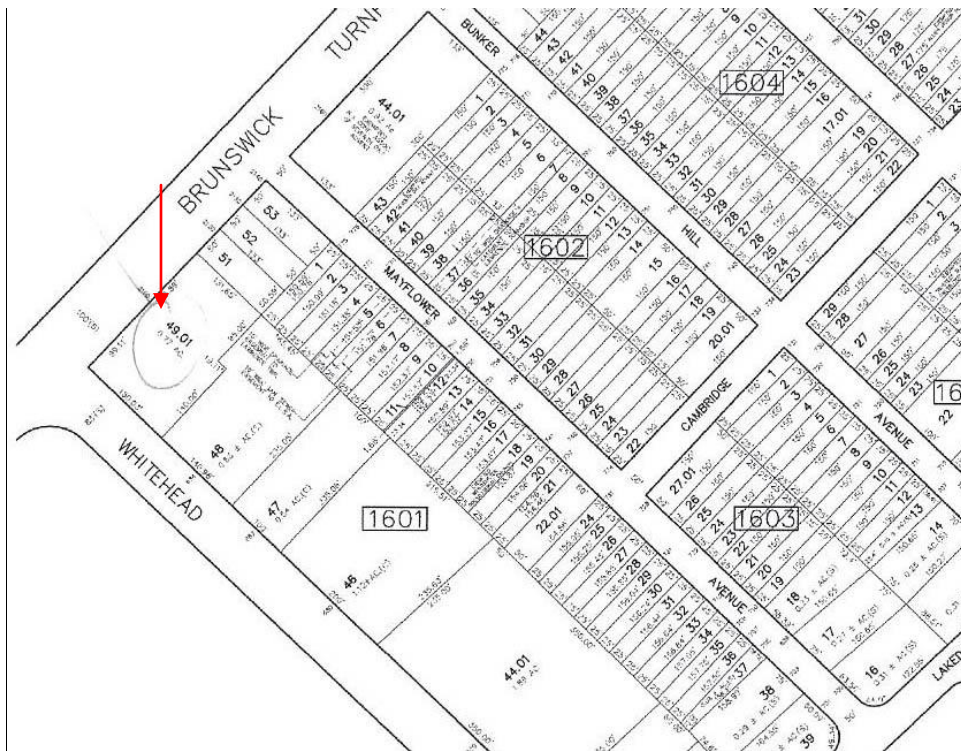


Photo Taken: 7/26/2018
By: Tom Rodriguez



Sheft Associates Inc.
 Block 2101, Lot 39
 Lawrence Township Mercer County NJ

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Tom Rodriguez Associates

SALES ANALYSIS GRID “AS IS”

	SUBJECT	SALE #1		SALE #2		SALE #3		SALE #4		SALE #5	
Block/lot Municipality	2101/39 Lawrence Twp	2101/40.01 Lawrence Twp		3507/13 Lawrence Twp		3507/14.01, 16, 17, 18 Lawrence Twp		3301/5, 6, 7 Lawrence Twp		1601/49.01 Lawrence Twp	
Building size	5000 SF	3670 SF		12,736		4,815		2956		13,200	
Sale date		7/14/2016		3/3/17		4/24/16		7/14/2016		9/22/14	
Sale \$		\$715,000		\$1,550,000		\$1,000,000		\$400,000		\$950,000	
\$/SF Bldg.		\$194.82		\$121.70		\$207.68		\$135.32		\$71.97	
Property Rights	FeeSimple	FeeSimple	-0-	FeeSimple	-0-	Fee Simple	-0-	Fee Simple	-0-	Fee Simple	-0-
Adj. Value		\$194.82		\$121.70		\$207.68		\$135.32		\$71.97	
Cond. Of Sale		Adjoining Owner	(10%)	ArmsLngth	-0-	ArmsLngth	-0-	ArmsLngth	-0-	ArmsLngth	-0-
Adj. Value		\$175.34		\$121.70		\$207.68		\$135.32		\$71.97	
Financing Terms		CashEquiv	-0-	CashEquiv	-0-	Market		Market		Market	
Adj. Value		\$175.34		\$121.70		\$207.68		\$135.32		\$71.97	
Market Conditions	6/26/2018	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Inferior	+10%
Adj. Value		\$175.34		\$121.70		\$207.68		\$135.32		\$71.97	
ADJ. \$		\$175.34		\$121.70		\$207.68		\$135.32		\$71.97	
Location	Lawrence Twp	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Bldg Size	5000 SF	3670	(5%)	12,736	+15%	4,815	-0-	2956	(5%)	13,200	+15%
Frontage/Access	Adequate	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Physical	Rolling	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Utilities	All	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Approvals	Amend Site Plan	Existing	(5%)	As is	+10%	As is	+10%	As is	+10%	Approved	(5%)
Use	Retail	Retail	-0-	Retail	-0-	Retail	-0-	17% Retail/ 83% Res	+25%	50% Retail/ 50% Res	+20%
Net Adj.			(10%)		+25%		+10%		+30%		+30%
IND. \$		\$157.82		\$152.13		\$228.56		\$175.92		\$93.56	
Mean \$/Potential. Bldg SF Unadjusted	\$150.30										
Mean \$/Potential. Bldg SF Adjusted	\$163.35										

INDICATED MARKET VALUE: \$160.00/SF POTENTIAL BUILDING

5000 SF @ \$160.00/SF= \$800,000

SALES ANALYSIS GRID “AS APPROVED”

	SUBJECT	SALE #1		SALE #2		SALE #3		SALE #4		SALE #5	
Block/lot Municipality	2101/39 Lawrencel Twp	2101/40.01 Lawrence Twp		3507/13 Lawrence Twp		3507/14.01, 16, 17, 18 Lawrence Twp		3301/5, 6, 7 Lawrence Twp		1601/49.01 Lawrence Twp	
Building size	5000 SF	3670 SF		12,736		4,815		2956		13,200	
Sale date		7/14/2016		3/3/17		4/24/16		7/14/2016		9/22/14	
Sale \$		\$715,000		\$1,550,000		\$1,000,000		\$400,000		\$950,000	
\$/SF Bldg.		\$194.82		\$121.70		\$207.68		\$135.32		\$71.97	
Property Rights	FeeSimple	FeeSimple	-0-	FeeSimple	-0-	Fee Simple	-0-	Fee Simple	-0-	Fee Simple	-0-
Adj. Value		\$194.82		\$121.70		\$207.68		\$135.32		\$71.97	
Cond. Of Sale		Adjoining Owner	(10%)	ArmsLngth	-0-	ArmsLngth	-0-	ArmsLngth	-0-	ArmsLngth	-0-
Adj. Value		\$175.34		\$121.70		\$207.68		\$135.32		\$71.97	
Financing Terms		CashEquiv	-0-	CashEquiv	-0-	Market		Market		Market	
Adj. Value		\$175.34		\$121.70		\$207.68		\$135.32		\$71.97	
Market Conditions	6/26/2018	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Inferior	+10%
Adj. Value		\$175.34		\$121.70		\$207.68		\$135.32		\$71.97	
ADJ. \$		\$175.34		\$121.70		\$207.68		\$135.32		\$71.97	
Location	Lawrence Twp	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Bldg Size	5000 SF	3670	(5%)	12,736	+15%	4,815	-0-	2956	(5%)	13,200	+15%
Frontage/Access	Adequate	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Physical	Rolling	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Utilities	All	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-	Equal	-0-
Approvals	Approved	Existing	-0-	As is	+15%	As is	+15%	As is	+15%	Approved	-0-
Use	Retail	Retail	-0-	Retail	-0-	Retail	-0-	17% Retail/ 83% Res	+25%	50% Retail/ 50% Res	+20%
Net Adj.			(5%)		+30%		+15%		+35%		+35%
IND. \$		\$166.57		\$158.21		\$238.83		\$182.68		\$97.16	
Mean \$/Potential. Bldg SF Unadjusted	\$150.30										
Mean \$/Potential. Bldg SF Adjusted	\$168.69										

INDICATED MARKET VALUE: \$165.00/SF POTENTIAL BUILDING

5000 SF @ \$165.00/SF= \$825,000

COMPARABILITY ANALYSIS

PROPERTY RIGHTS APPRAISED

The estate appraised is the fee simple interest. Each sale is the sale of the fee simple interest; therefore, no adjustment is required.

CONDITION OF SALE

Each sale is considered an arms-length transaction. No adjustment is indicated.

FINANCING

Each sale sold cash or cash equivalent to seller requiring no adjustment.

MARKET CONDITIONS

The effective date of this appraisal report is June 26, 2018. Sale #1 occurred approximately one year eleven months prior to the effective date of this report; sale #2, occurred approximately one year three months prior; sale #3 occurred two years two months prior, sale #4 occurred eleven months prior to the effective date of this appraisal report and sale #5 occurred three years nine months prior to the effective date of this report.

Market conditions have improved over the time period of sale #5 requiring a positive adjustment.

LOCATION

The subject property is located on the south side of north bound lanes of Brunswick Pike, Lawrence Township, Mercer County NJ. Brunswick Pike is a four lane divided state highway. There is a signalized interchange 600 feet south where southbound traffic can u-turn north. The subject is located three miles southwest of an interchange with I-295 and one mile north of Brunswick Pike interchange with State Route 206. I-295 provides linkage west/southwest into Pennsylvania and the Philadelphia metro area.

Land uses in the immediate area include Colonial Lake Park which forms a portion south/southeast boundary. Across from the subject is a fledging community shopping center that has been sold through foreclosure and is under new management. It is anchored by a national food store and new management is adding tenants although vacancy remains high. Management is removing a building formally used as a furniture store and rebuilding for a national fitness operator. North of the site is a former fast food store purchased recently by an adjoining owner and vacant offered for rent. North along Brunswick Pike for 1.5 miles is free standing commercial uses, when Brunswick Pike intersects into Route 1 the highway becomes wider and commercial uses become more regional and national. North of Route 295 interchange with Route 1 the commercial uses increase to national retail malls, big box stores and office campuses. South of the subject along Brunswick Pike is a mix of older detached residential uses for 1.5 miles until the intersection with Route 206. It appears the subject is located in an area of Brunswick Pike/Route 1 with the least commercial development pressure and largest vacancy rates.

COMPARABILITY ANALYSIS CONT'D.

Each sale is located within close proximity or adjoining the subject. No adjustment is indicated.

SIZE

The subject retail pad could support up to 5000 SF of retail/office space according to the municipal engineer. Sale #1 has a 3670 SF building; sale #2 has a 12,736 SF building; sale #3 has three buildings consisting of 4815 SF; sale #4 has two buildings consisting of 2956 SF and sale #5 is approved for 13,200 SF. Historically large space will sell at lower per unit values and smaller space at higher per unit values. Based on economies of scale a negative adjustment is indicated to sale #1 and #4 because they are smaller than the subject. A positive adjustment is required to sale #2 and #5 because they are larger than the subject.

FRONTAGE/ACCESS

The subject has adequate frontage and access. Each sale is comparable.

PHYSICAL

The subject physical site can support the proposed development. Each sale is similar to the subject.

UTILITIES

All utilities are available to the subject site. Each sale is comparable.

ZONING/APPROVALS

All sales are located in commercial zones with similar permitted uses or have similar approvals for development.

“As Is”; According to the municipal engineer although the site plan proposed 1200 SF building on the pad, he states the pad could support a 5000 SF building for retail/office use. The site plan however will need to be revised. Sale #1 is improved with a former pizza hut and parking lot. This is considered slightly superior to the subject a negative adjustment is indicated. Sale #2 through #4 are purchased “as is” without approvals for use. They are considered inferior to the subject a positive adjustment is required. Sale #5 sold with approvals considered slightly inferior to the subject a negative adjustment is indicated.

“As Approved”; According to the municipal engineer although the site plan proposed 1200 SF building on the pad, he states the pad could support a 5000 SF building for retail/office use. The client has requested a valuation considering the hypothetical condition the site has approvals for a 5000 SF retail/office building. Sale #1 is improved with a former pizza hut and parking lot. The sale existing use is considered similar to the subject. Sale #2 through #4 are purchased “as is” without approvals for use. They are considered inferior to the subject a positive adjustment is required. Sale #5 sold with approvals considered similar to the subject.

COMPARABILITY ANALYSIS CONT'D.

USE

The subject proposed use for 5000 SF of space is retail/office commercial use. Sale #1 through #3 are sales having 100% commercial use. Sale #4 and #5 are sales with a mix of residential and commercial uses. The residential use is considered inferior to commercial use therefore a positive adjustment is indicated to each in varying degree.

“AS IS”

Based upon the above five sales and after making adjustments for their differences with the subject there is an indicated range in value between \$93.56/SF POTENTIAL BLDG. to \$228.56/SF POTENTIAL BLDG. The appraiser has given most weight to sale #1 that borders the east boundary of the subject and selected \$160.00/SF POTENTIAL BLDG. as the per unit value for the subject.

$$5,000/\text{SF} @ \$160.00/\text{SF} = \$800,000$$

“AS APPROVED”

Based upon the above five sales and after making adjustments for their differences with the subject there is an indicated range in value between \$97.19/SF POTENTIAL BLDG. to \$238.83/SF APPROVED BLDG. The appraiser has given most weight to sale #1 that borders the east boundary of the subject and selected \$165.00/SF APPROVED BLDG. as the per unit value for the subject.

$$5,000/\text{SF} @ \$165.00/\text{SF} = \$825,000$$

DIRECT SALE COMPARISON APPROACH SUMMARY

The direct sales comparison approach developed an opinion of the contributory value of a proposed 52,902 SF 123 room extended stay hotel on a condominium pad and contributory value of a proposed 5000 SF retail/office building on condominium pad “as is” and “as approved”.

“AS IS”

52,902 SF EXTENDED STAY HOTEL:	123 ROOMS @ \$17,500/ROOM =	\$2,152,500
5,000 SF RETAIL/OFFICE BUILDING:	5,000 SF @ \$160.00/SF =	<u>\$800,000</u>
TOTAL:		\$2,952,500

“AS APPROVED”

52,902 SF EXTENDED STAY HOTEL:	123± ROOMS @ \$18,800/ACRE =	\$2,312,400
5,000 SF RETAIL/OFFICE BUILDING:	5,000 SF @ \$165.00/SF =	<u>\$825,000</u>
TOTAL:		\$3,137,400

FINAL RECONCILIATION AND MARKET VALUE CONCLUSION

“AS IS”

COST APPROACH:	N/A
DIRECT SALES COMPARISON:	\$2,952,500
INCOME APPROACH:	N/A

“AS APPROVED”

COST APPROACH:	N/A
DIRECT SALES COMPARISON:	\$3,137,400
INCOME APPROACH:	N/A

Based upon a careful analysis of the above approaches to value, it is the appraiser's opinion the market value of the subject property in fee simple as of the date of inspection, June 26, 2018, the effective date of this appraisal report, is as stated above. In making the final value selection, the appraiser considered all three traditional approaches to value, with the only applicable approach being the Direct Sales Comparison Approach.

The Direct Sales Comparison Approach is traditionally an appraisal procedure in which the market estimate of value is predicated upon prices paid in actual market transactions. It is the process of analyzing sales of similar, recently sold properties in order to derive an indication of the most probable sale price of the property being appraised.

The Cost Approach in appraisal analysis is based on the proposition that an informed purchaser would pay no more than the cost of producing a substitute property to the one being appraised. It is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land or when relatively unique or specialized improvements are located on a site for which there are no comparable properties on the market.

The Income Approach is a procedure in appraisal analysis that converts anticipated benefits (dollar income of amenities) to be derived from the ownership of property into a value estimate.

QUALIFICATIONS OF THOMAS RODRIGUEZ

EDUCATION

Somerset County College, A.A. Degree, 1985

AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS

Real Estate Appraisal Principles

Residential Valuation

Basic Valuation - Exam only

APPRAISAL INSTITUTE

Capitalization Theory & Techniques, Parts A & B

Standards of Professional Practice, Parts A & B

Standards of Professional Practice, Part C

Case Studies in Real Estate Valuation

Understanding Limited Appraisals and Appraisal Reporting Options

Highest and Best Use and Market Analysis

Uniform Appraisal Standards for Federal Land Acquisition

RUTGERS UNIVERSITY

New Jersey Property Tax Administration

BUCKS COUNTY COMMUNITY COLLEGE

Real Estate Finance

Brokerage and Office Management

Estate Investment Parts I & II

NEW JERSEY DEPARTMENT OF AGRICULTURE

Farmland Preservation Appraiser Seminar, 2010, 2009, 2008, 2007, 2005, 2004, 2003, 2002

STATE OF NEW JERSEY DEP

State of New Jersey DEP Appraiser Seminar, 2005, 2001

STATE OF NEW JERSEY DOT

Appraisal Forum, 2005

NEW JERSEY ASSESSORS CONFERENCE

Legal Update, 2005

Redevelopment, 2005

GENERAL APPRAISAL LICENSE

State of New Jersey SCGRE #RG 01215

Commonwealth of Pennsylvania #GA 001302R

PROFESSIONAL DESIGNATIONS

GAA-General Accredited Appraiser, National Association of Realtors

RAA-Residential Accredited Appraiser, National Association of Realtors

PROFESSIONAL ASSOCIATIONS

Associate Member, Appraisal Institute, Central Chapter, NJ

(NAR) National Association of Realtors

Realtor/Appraiser Hunterdon County Board of Realtors

Member, International Right of Way Association

PROFESSIONAL EXPERIENCE

Principal; Tom Rodriguez Associates

Senior Appraiser with MGM Associates

Staff Appraiser with C.L. Orbaker & Associates, Inc.

QUALIFICATIONS OF THOMAS RODRIGUEZ (CONT'D.)

Actively engaged in real estate appraising since 1989 with diversified experience encompassing valuation of residential properties, farms, vacant land, and industrial, commercial and special purpose properties including apartments, condominiums, shopping centers, office buildings, restaurants and manufacturing facilities.

PARTIAL LIST OF APPRAISAL CLIENTS: PREPARED APPRAISALS FOR THE FOLLOWING CLIENTS:

Government Agencies

State of New Jersey DOT
Hunterdon County Agriculture Development Board
Sussex County Agriculture Development Board
Warren County Agriculture Development Board
New Jersey Department of Environmental Protection - Green Acres Program
Superior Court of NJ, Morristown; the Honorable John J. Harper
State Agricultural Development Committee (SADC)
Hunterdon County Park System
Somerset County Park System
Warren County Park System

Municipalities

Alexandria Township, Hunterdon County, New Jersey
Andover Township, Sussex County, New Jersey
Bethlehem Township, Hunterdon County, New Jersey
Blairstown Township, Sussex County, New Jersey
Borough of Bernardsville, Somerset County, New Jersey
Byram Township, Sussex County, New Jersey
Clinton Township, Hunterdon County, New Jersey
Delaware Township, Hunterdon County, New Jersey
East Amwell Township, Hunterdon County, New Jersey
Fredon Township, Sussex County, New Jersey
Hampton Township, Sussex County, New Jersey
Hillsborough Township, Somerset County, New Jersey
Knowlton Township, Warren County, New Jersey
Lebanon Township, Hunterdon County, New Jersey
Montgomery Township, Somerset County, New Jersey
Pohatcong Township, Hunterdon County, New Jersey
Raritan Township, Hunterdon County, New Jersey
Readington Township, Hunterdon County, New Jersey
Tinicum Township, Bucks County, Pennsylvania
Union Township, Hunterdon County, New Jersey
Vernon Township, Sussex County, New Jersey
Wantage Township, Sussex County, New Jersey
West Orange Township, Essex County, New Jersey
West Amwell Township, Hunterdon County, New Jersey

Non-Profit Corporations

Delaware & Raritan Greenway
Hunterdon Land Trust Alliance
Morris Land Conservancy
The Conservation Fund
New Jersey Conservation Foundation
Trust for Public Lands

QUALIFICATIONS OF THOMAS RODRIGUEZ (CONT'D.)

Lending Institutions

CIT Small Business Lending Corporation
Commerce Bank
Hopewell Valley Bank
Peapack-Gladstone Bank
Team Capital Bank
Unity Bank

Utility Companies

Williams-Transco, Whitehouse, New Jersey
New Jersey Water Supply Authority

Miscellaneous Companies

Associates Relocation Management, Washington, DC
Coldwell Banker Relocation Management, Norwalk, Connecticut
Merrill Lynch Relocation Services, Southfield, Michigan
Prudential Relocation Services, Parsippany, New Jersey
Farmers Insurance Company of Flemington
Mikasa Factory Store, Flemington, NJ

Law Offices & Attorneys

Law Offices of Goldfarb, Drinker, Biddle & Bath, Princeton, New Jersey
Law Offices of Drinker Biddle & Reath LLP, Florham Park, NJ
Law Offices of Novak & Novak LLC, Clinton, NJ
Law Offices of Lee B. Roth, Flemington, NJ
Robert Ballard, Esq. Flemington, NJ
Ronald Bice, Esq., Nashville, Tenn.
John Danziger, Esq., Flemington, New Jersey
Thomas F. DiBianca, Esq., Flemington, New Jersey
Robert Hornby, Esq., Flemington, NJ
Steven Moreland, Esq., Lambertville, NJ
Tony Serra, Esq., Princeton, NJ
William Turiello, Esq., Flemington, NJ
Alan D. Williams, Esq., Doylestown, Pennsylvania

ASSISTED IN PREPARATION OF APPRAISALS FOR THE FOLLOWING CLIENTS:

Government Agencies

Commonwealth of Pennsylvania - Dept. of Environmental Resources
Commonwealth of Pennsylvania - Dept. of Transportation
National Park Service

Municipalities

Bridgeton Township, Bucks County, Pennsylvania
Montgomery Township, Montgomery County, Pennsylvania
Montgomery Township, Somerset County, New Jersey
Towamencin Township, Montgomery County, Pennsylvania

ADDENDUM

PHOTO SUMMARY
Taken 6/26/2018 by Thomas Rodriguez



Brunswick Pike Looking East



Brunswick Pike Looking West

PHOTO SUMMARY
Taken 6/26/2018 by Thomas Rodriguez



Driveway Access View from Brunswick Pike Looking South



East Site View (Acquisition Area) Looking Southeast from Street

PHOTO SUMMARY
Taken 6/26/2018 by Thomas Rodriguez



Acquisition Area View Looking Southwest



Acquisition Area View Looking Southeast

PHOTO SUMMARY
Taken 6/26/2018 by Thomas Rodriguez



Colonial Lake View Looking South



West Boundary (Acquisition Area) Looking North

PHOTO SUMMARY
Taken 6/26/2018 by Thomas Rodriguez



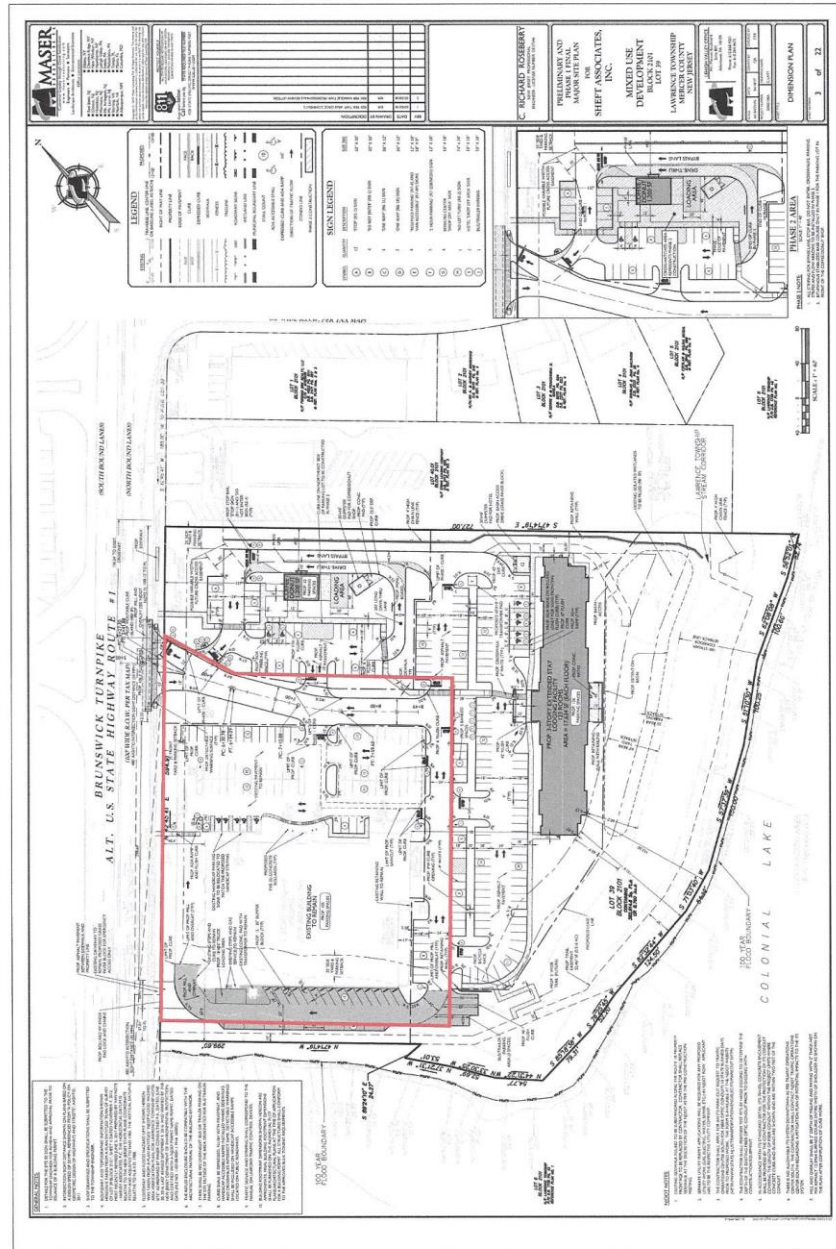
West Boundary (Acquisition Area) Driveway Access Looking South



Remainder View Looking Southwest



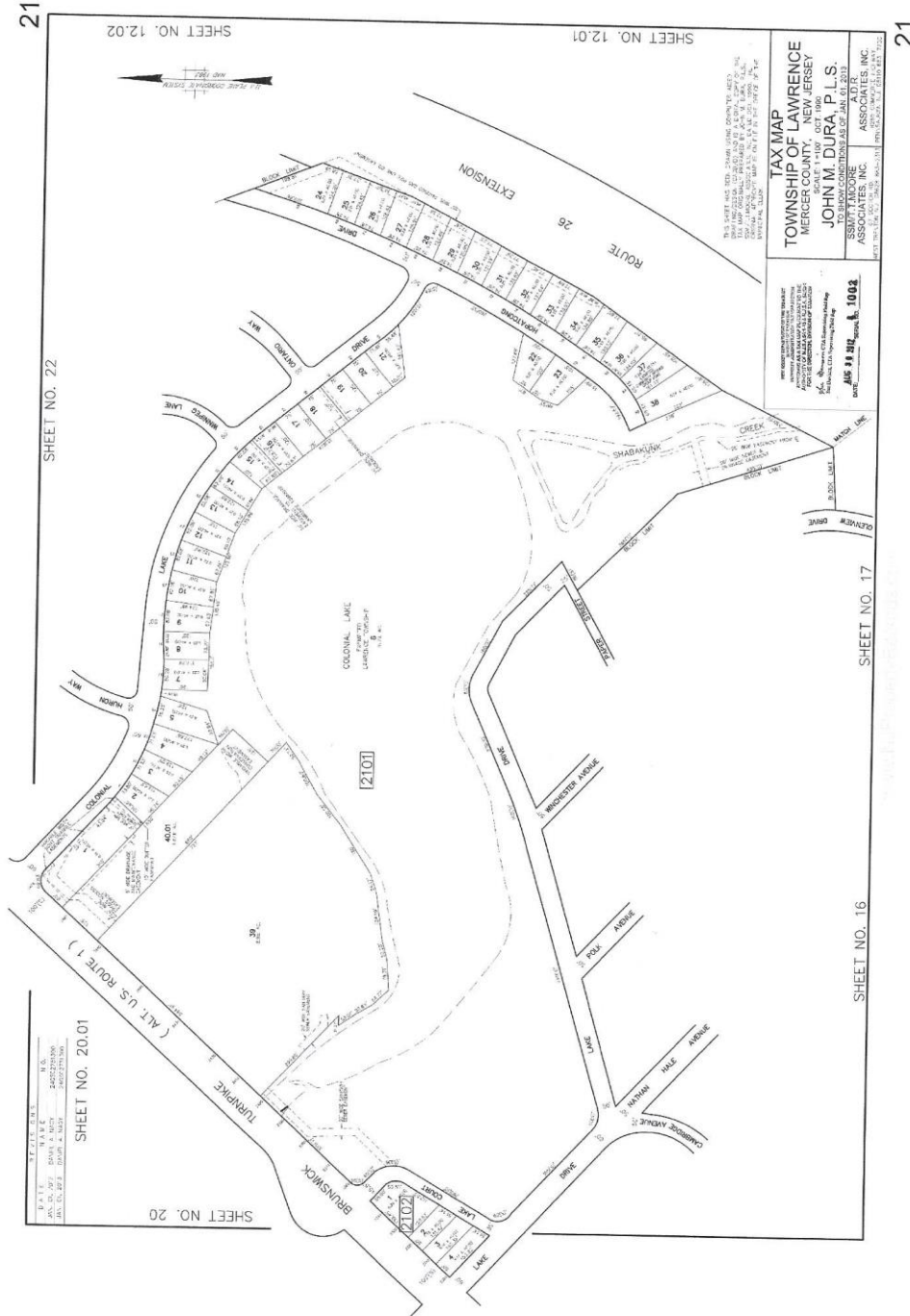
ACQUISITION MAP



[illegible]

[illegible]

TAX MAP



Sheft Associates Inc.
 Block 2101, Lot 39
 Lawrence Township Mercer County NJ

National Flood Hazard Layer FIRMette

40°15'30.477N 116°04'15.02W

USGS The National Map, Orthoimagery, Data refreshed October 2017

1:6,000

Feet 250 500 1,000 1,500 2,000

Legend

SEE ITS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone X, AR
- With BFE or Depth Zone AE, AD, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee, See Notes. Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

Cross Sections with 1% Annual Chance

- Water Surface Elevation
- Coastal Transact
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transact Baseline
- Profile Baseline
- Hydrographic Feature

OTHER FEATURES

- Digital Data Available
- No Digital Data Available
- Unmapped

MAP PANELS

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 8/14/2018 at 11:15:50 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is valid if the one or more of the following map elements do not appear: basemap, map scale bar, north arrow, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmapped areas cannot be used for regulatory purposes.



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
www.state.nj.us/dep/landuse

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

BOB MARTIN
Commissioner

Peter Sheft
Stanwill Investors, Inc.
2420 US Route 1
Lawrence, NJ 08648

SEP 14 2016

RE: Authorization for Freshwater Wetlands Letter of Interpretation - Extension
File No. and Activity No.: 1107-08-0001.1 FWW160001
Applicant: Stanwill Investors, Inc.
Block(s) and Lot(s): [2101, 39]
Lawrence Township, Mercer County

Dear Mr. Sheft:

The Division issued an original Freshwater Wetlands Letter of Interpretation (LOI) for the referenced site on April 9, 2008. You have requested that this LOI be extended in accordance with the requirements at N.J.A.C. 7:7A-3.6.

After review of the most recently updated resource value information and site inspection conducted by Division Staff on August 11, 2016, the Division hereby extends the original LOI without modification to April 8, 2018, five years from expiration of the original LOI. Please be advised that wetland resource value of the wetlands on the property is subject to change if new information is received by the Division.

Appeal Process

In accordance with N.J.A.C. 7:7A-1.7, any person who is aggrieved by this decision may request a hearing within 30 days after notice of the decision is published in the DEP Bulletin by writing to: New Jersey Department of Environmental Protection, Office of Legal Affairs, Attention: Adjudicatory Hearing Requests, 401 East State Street, P.O. Box 402, Trenton, NJ 08625-0402. This request must include a completed copy of the Administrative Hearing Request Checklist which can be downloaded at www.state.nj.us/dep/landuse/forms. The DEP bulletin is available through the Department's website at www.state.nj.us/dep/bulletin.

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Freshwater Wetlands Letter of Interpretation – Extension
DLUR File # 1107-08-0001.1
Page 2

Please contact Ariana Tsiattalos of our staff by e-mail at Ariana.Tsiattalos@dep.nj.gov or (609) 633-6563 should you have any questions regarding this letter. Be sure to indicate the Department's file number in all communication.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Ryan", with a stylized flourish extending from the end.

Patrick Ryan, Environmental Specialist 3
Division of Land Use Regulation

c: Lawrence Township Clerk
Lawrence Township Construction Official
Kevin Jamieson - Agent



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

www.nj.gov/dep/landuse

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

BOB MARTIN
Commissioner

October 24, 2016

Stanwill Investors, Inc.
2420 U.S. Route 1
Lawrence, NJ 08648

Re: Flood Hazard Area Verification Approval
File No.: 1107-08-0001.1 FHA 160001
Applicant: Stanwill Investors, Inc.
Block: 2101; Lot: 39
Township of Lawrence; Mercer County

Dear Sir/Madam:

This letter is in response to your request for a flood hazard area verification along Colonial Lake/Shabakunk Creek at the above-referenced site. The Department has reviewed your application and hereby verifies the flood hazard area elevation and/or limits, and riparian zone limits on this site, as depicted on the approved plan(s) described below.

The flood hazard area design flood elevation was established using Method 1 (Department delineation method) as described at N.J.A.C. 7:13-3.3, which is based on existing State of New Jersey flood mapping.

The riparian zone extends 50 feet from the top of bank along both sides of each regulated water on this site. If a discernible bank is not present along a regulated water, the riparian zone is measured in accordance with the definition of the top of bank at N.J.A.C. 7:13-1.2.

Please note that altering land cover or topography in a flood hazard area, as well as clearing, cutting and/or removing vegetation within a riparian zone, is regulated by the Flood Hazard Area Control Act rules, and may be prohibited or restricted in some cases. A flood hazard area permit is required prior to undertaking any regulated activity within a flood hazard area or riparian zone described at N.J.A.C. 7:13-2.4. Some projects may qualify for a permit-by-rule at N.J.A.C. 7:13-7, a general permit by certification at N.J.A.C. 7:13-8, a general permit at N.J.A.C. 7:13-9, or an individual permit at N.J.A.C. 7:13-10. Projects situated entirely outside both the flood hazard area and riparian zone do not require a flood hazard area approval.

This verification is based on the best information presently available to the Department, and is subject to change if this information is no longer accurate or if additional information is made available to the Department including, but not limited to, information supplied by the applicant.

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The drawing hereby approved is one (1) sheet prepared by C. RICHARD ROSEBERRY, P.E., of MASER CONSULTING, P.A., dated June 20, 2016, revised September 9, 2016, and entitled:

"NJDEP FLOOD HAZARD AREA VERIFICATION PLAN FOR LAWRENCE TOWNSHIP
HOTEL SITE BLOCK 2101 LOT 39 LAWRENCE TOWNSHIP MERCER COUNTY NEW
JERSEY", Sheet 1 of 1.

Within 90 calendar days of the date of this letter, the applicant shall submit the following information to the clerk of each county in which the site is located, and shall send proof to the Department that this information is recorded on the deed of each lot referenced in the verification:

1. The Department file number for the verification;
2. The approval and expiration dates of the verification;
3. A metes and bounds description of any flood hazard area limit and/or floodway limit approved under the verification;
4. The flood hazard area design flood elevation, or range of elevations if variable, approved under the verification; and
5. The following statement: "The State of New Jersey has determined that all or a portion of this lot lies in a flood hazard area. Certain activities in flood hazard areas are regulated by the New Jersey Department of Environmental Protection and some activities may be prohibited on this site or may first require a permit. Contact the Division of Land Use Regulation at (609) 777-0454 for more information prior to any construction onsite."

Failure to have this information recorded in the deed of each lot and/or to submit proof of recording to the Department constitutes a violation of the Flood Hazard Area Control Act rules and may result in suspension or termination of the verification and/or subject the applicant to enforcement action pursuant to N.J.A.C. 7:13-24.

A copy of this plan, together with the information upon which this boundary determination is based, has been made part of the Division's public records. Please note that this letter in no way legalizes any fill that may have been previously placed onsite, or any other regulated activities that may have previously occurred. Also this determination does not affect the applicant's responsibility to obtain any local, State or Federal permits that may be required, such as local building permits or freshwater wetlands approvals.

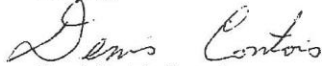
This verification is valid for five years from its issuance date and it can be transferred at the time of sale of a property to which the verification applies to a new owner pursuant to N.J.A.C. 7:13-22.4. Pursuant to N.J.A.C. 7:13-5.4(a), if the Department issues a verification for a site, and within five years issues a general permit authorization or an individual permit for a regulated activity that references or relies upon the verification at that site, the Department shall automatically reissue the verification upon approval of the permit or authorization so that the verification and permit or authorization have the same expiration date. This automatic reissuance shall occur only once per verification and there is no fee for this reissuance. The reissued verification shall reflect any alterations to the flood hazard area design flood elevation, flood hazard area limit and/or floodway limit that will result from the regulated activities authorized under the individual permit or general permit authorization. All pre-construction and post-construction elevations and limits shall be demarcated on drawings approved under the reissued verification.

In accordance with N.J.A.C. 7:13-23.1, any person who is aggrieved by this decision may request a hearing within 30 days after notice of the decision is published in the DEP Bulletin by writing to: New Jersey Department of Environmental Protection, Office of Legal Affairs, Attention: Adjudicatory Hearing Requests, Mail Code 401-04L, PO Box 402, 401 East State Street, 7th Floor, Trenton, NJ 08625-0402. This request shall 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/> and the Checklist is available through the Division's website at <http://www.nj.gov/dep/landuse/forms.html>.

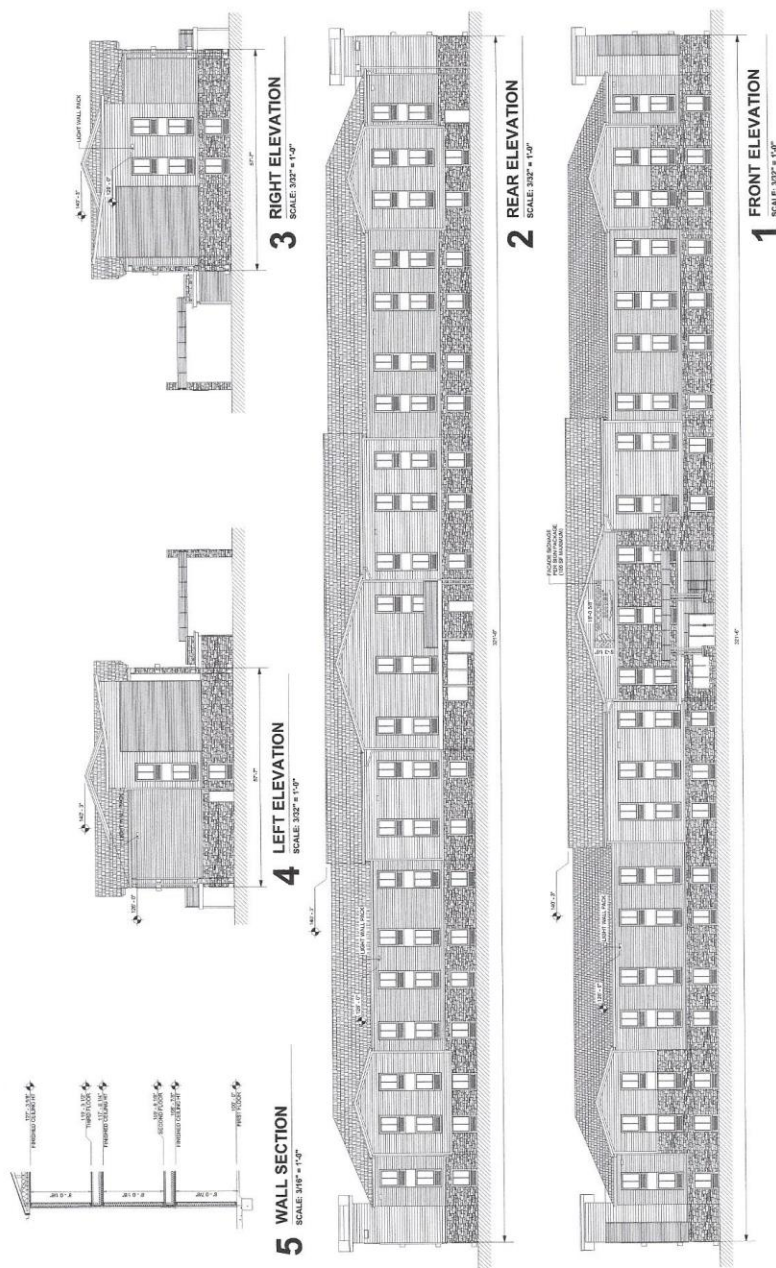
Please contact Vinaya Vardhana of my staff at vinaya.vardhana@dep.nj.gov or by telephone at (609) 633-6563 should you have any questions regarding this letter. Be sure to indicate the Division's file number in all communication.

Sincerely,



Dennis Contois, Supervisor
Bureau of Inland Regulation

- c. Agent
 Municipal Clerk
 Municipal Construction Official
 Municipal Engineer



WoodSpring Hotels - Elevations and Building Section

LAWRENCEVILLE, NJ

DESIGN PRESENTATION ONLY - NOT FOR CONSTRUCTION
 THE SHED STORE HAS BEEN PREPARED FOR THE SHED STORE TO BE USED AS A DESIGN PRESENTATION ONLY - NOT FOR CONSTRUCTION
 THE SHED STORE HAS BEEN PREPARED FOR THE SHED STORE TO BE USED AS A DESIGN PRESENTATION ONLY - NOT FOR CONSTRUCTION



4
 06/18/2018



1 FIRST FLOOR PLAN
SCALE 3/32" = 1'-0"

ROOM MATRIX:	
Queen Suite	59 Units @ 325 sf
Acc. Queen Suite	04 Units @ 325 sf
Double Queen Suite	01 Unit @ 325 sf
Acc. Double Queen Suite	01 Unit @ 325 sf
Deluxe King Suite	08 Units @ 341 sf
Acc. Deluxe King Suite	01 Unit @ 419 sf
TOTAL: 123 Guestrooms	

WoodSpring Hotels - First Floor Plan

LAWRENCEVILLE, NJ

1
brr
DESIGN PRESENTATION ONLY - NOT FOR CONSTRUCTION
06/18/2018



2 THIRD FLOOR PLAN
SCALE: 3/32" = 1'-0"



1 SECOND FLOOR PLAN
SCALE: 3/32" = 1'-0"

ROOM MATRIX:	
Queen Suite	59 Units @ 325 sf
Acc. Queen Suite	04 Units @ 325 sf
Double Queen Suite	50 Units @ 325 sf
Acc. Double Queen Suite	01 Unit @ 419 sf
Deluxe King Suite	01 Unit @ 341 sf
Acc. Deluxe King Suite	01 Unit @ 419 sf
TOTAL: 123 Guestrooms	

WoodSpring Hotels - Second and Third Floor Plan
LAWRENCEVILLE, NJ



WoodSpring Hotels - Enlarged Guestrooms

LAWRENCEVILLE, NJ

DESIGN PRESENTATION ONLY - NOT FOR CONSTRUCTION
brr
86162918

TOM RODRIGUEZ ASSOCIATES
REAL ESTATE APPRAISAL & CONSULTATION

Phone: 908-788-5543
Fax: 908-788-6881
74 Lambert Road
Stockton, NJ 08559

August 9, 2018

Dr. Stan Sheft and Mr. Peter Sheft
Sheft Associates, Inc.
2420 Brunswick Pike
Lawrence Township, NJ 08648

RE: Property Inspection
Owner: Sheft Associates, Inc.
2420 Brunswick Pike
Blk. 2101 Lot 39 (PO)
Lawrence Township, Mercer County, NJ

Dear Sirs:

Our firm has been contracted by the Hunterdon Land Trust Alliance to appraise the above referenced property for a municipal conservation project.

This letter acts as notification to the property owner (s) or his agent so they can be present at the inspection and/or can discuss any information pertinent to the property with the appraiser.

This letter confirms I met with Stan and Peter Sheft at D&R Greenway Land Trust in Princeton on June 27, 2018 to discuss the project and afterward inspected the property with Mr. Peter Sheft on June 27, 2018I

This letter confirms my inspection of the above referenced property on June 27, 2018.

If you have any questions, please call me at (908) 788-5543.

Thank you for your consideration.

Sincerely,



Thomas Rodriguez, SCGRE #RG01215
TOM RODRIGUEZ ASSOCIATES

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08/09/2018

Dr. Stan Sheft and Mr. Peter Sheft
Sheft Associates, Inc.
2420 Brunswick Pike
Lawrence Township, NJ 08648

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