

METROPOLITAN VALUATION SERVICES

REAL ESTATE CONSULTING AND APPRAISAL

APPRAISAL REPORT

OF

THE SAFE HARBOR HAVERSTRAW MARINA
600 BEACH ROAD WEST
HAVERSTRAW, NY 10993

DATE OF VALUE:
APRIL 16, 2021

PREPARED FOR
Town of Haverstraw
c/o Stein & Stein, LLP
1 Railroad Square
Haverstraw, NY 10927

MVS FILE NO. 21-0121

METROPOLITAN VALUATION SERVICES, INC.
44 East 32nd Street – 11th Floor
New York, NY 10016
Phone (212) 213-8650 Fax (212) 213-8621
www.MVSAppraisal.com

METROPOLITAN VALUATION SERVICES

REAL ESTATE CONSULTING AND APPRAISAL

June 25, 2021

Town of Haverstraw
c/o Stein & Stein, LLP
1 Railroad Square
Haverstraw, NY 10927


re: 600 Beach Road West
Haverstraw, NY 10993

Greetings:

Per your request, Metropolitan Valuation Services, Inc. ("MVS") has prepared an appraisal of the above-referenced property ("subject property") for the Town of Haverstraw (c/o Stein & Stein, LLP) and Safe Harbor Marinas. There are no other intended users. The intended use is to assist the client and intended users in establishing the market value of the subject property in support of asset disposition discussions.

The subject property site is situated along the easterly side of Beach Road, occupying a cove and peninsula extending into the Hudson River, in the town of Haverstraw, Rockland County, State of New York. The site comprises 3 parcels and identified as 21.13-1-1, 20.16-2-3, and 21.13-1-1/.1000 on the Rockland County Tax Maps. Overall, the subject property comprises 58.01 acres, of which approximately 14 acres are upland with the remaining land underwater.

The site is utilized as a full-service marina. The marina features 777 wet slips for non-commercial and pleasure boats, and several marina-related facilities; including a management and sales office, 3rd-party leased retail stores, a restaurant, a pool and cabana area, boat repair and maintenance facilities, and dry storage area. The facility is operated by Safe Harbor by agreement with the town of Haverstraw.

The subject property's improvements were observed to be in overall average condition at the time of our inspection; however, we note 

The purpose of the appraisal is to provide our opinion of: i) the "as is" market value of the fee simple interest in the subject property's going concern, as of April 16, 2021, the date the subject property was inspected by the staff of Metropolitan Valuation Services, Inc.; and ii) the "as is" market value of the fee simple interest in the subject property as an unoccupied marina complex in its current condition and under current zoning.

The income capitalization, sales comparison, and cost approaches have been employed to derive an opinion of the value under the requested value scenarios. The subject property is considered a special purpose property.

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44 East 32nd Street – 11th Floor
New York, NY 10016
Phone (212) 213-8650 Fax (212) 213-8621
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Attached is our appraisal report describing our investigation and analyses, together with Certification, Assumptions and Limiting Conditions, upon which we have based our opinion of the market values of the of the subject property.

This report is intended to comply with reporting requirements set forth under the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. This appraisal is in compliance with the requirements and guidelines of the 2010 Interagency Appraisal and Evaluation Guidelines.

“As Is” Market Value of the Going Concern

Based on the following analysis of all assembled data, we are of the opinion that the “as is” market value of the fee simple interest in the subject property’s going concern, as of April 16, 2021, is:

**SEVENTEEN MILLION SIX HUNDRED THOUSAND DOLLARS
(\$17,600,000)**

“As Is” Market Value as if Unoccupied

Furthermore, and based on the following analysis of all assembled data, we are of the opinion that the “as is” market value of the fee simple interest in the subject property as an unoccupied marina complex in its current condition, as of April 16, 2021, is:

**FOURTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
(\$14,100,000)**

The concluded market value represents cash or its equivalent value and assumes a marketing time of 9 to 12 months.

The market value opinions

[REDACTED] and (ii) information provided by the current operator is accurate. The use of the extraordinary assumptions may have affected assignment results. Otherwise, this appraisal employs no other extraordinary assumptions.

Further, and where noted, this appraisal employs the hypothetical condition that the subject property is unoccupied by the current operator.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. The long-term effect of the COVID-19 event on the national economy, the local economy, and the sub-market in which the subject property is located are unknown. The situation is very fluid and there is diversity of opinion among market participants as to the exact timeline for economic recovery and the long-term effects on commercial real estate. While some asset-types and metropolitan areas are being hit harder than others, and longer-term effects may vary between asset-type and location, many have expressed the view that commercial real estate markets will start recovering once the threat of additional outbreaks is quelled.



The consensus among market participants and economists was that economic recovery would begin once a vaccine and/or viable treatment is established. Given recent approvals of vaccines and expected increasing availability over the early months of 2021, improvement in market conditions is expected over the following months.

Adjustment(s) for the interim impact due to prevailing COVID-19 social distancing, 'pause', and mandated or voluntary business closures were considered as appropriate.

We appreciate this opportunity to assist you with this assignment. Please do not hesitate to contact us if we can be of further assistance.

Sincerely,

METROPOLITAN VALUATION SERVICES, INC.

DRAFT

By: Steven J. Schleider, MAI
President
LEED Accredited Professional BD+C
For the Firm
sschleider@MVSappraisal.com

DRAFT

By: David C. Lyon
Executive Vice President
For the Firm
dlyon@MVSappraisal.com

DRAFT

By: William S. Brown
Vice President
For the Firm
wbrown@MVSappraisal.com



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CERTIFICATION

We, Steven J. Schleider, MAI, David C. Lyon, and William S. Brown certify that to the best of our knowledge and belief that:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed appraisal services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the 3-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. William S. Brown has made a personal inspection of the property that is the subject of this report. Steven J. Schleider, MAI and David C. Lyon have not made a personal inspection that is the subject of this report. Steven J. Schleider, MAI and David C. Lyon have extensive experience in the appraisal of similar properties.
10. William T. Shepley provided significant real property appraisal assistance to the persons signing this certification with respect to elements of market research.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report Steven J. Schleider, MAI has completed the continuing education program for Designated Members of the Appraisal Institute. David C. Lyon has completed the continuing education requirements for Candidates for Designation.
14. Steven J. Schleider has been duly certified to transact business as a Real Estate General Appraiser (New York State certification #46000016498). David C. Lyon has been duly certified to transact business as a Real Estate General Appraiser (New York State certification #46000043655). William S. Brown has been duly certified to transact business as a Real Estate General Appraiser (New York State certification #46000052635).

METROPOLITAN VALUATION SERVICES, INC.

DRAFT
By: Steven J. Schleider, MAI
President

DRAFT
David C. Lyon
Executive Vice President

DRAFT
William S. Brown
Vice President



BASIC ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal and report have been prepared under the following general assumptions and limiting conditions:

1. No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters which are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser.
2. Title to the property is assumed to be good and marketable and the property is assumed to be free and clear of all liens unless otherwise stated. All mortgages, liens and encumbrances have been disregarded unless so specified within this report.
3. The appraiser has made no legal survey nor have we commissioned one to be prepared. Therefore, reference to a sketch, plat, diagram or previous survey appearing in the report is only for the purpose of assisting the reader to visualize the property.
4. The subject property is analyzed as though under responsible ownership and competent management with adequate financial resources to operate the property within market parameters.
5. It is assumed in this analysis that there were no hidden or unapparent conditions of the property, subsoil, or structures, including hazardous waste conditions, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
6. Information furnished by others is believed to be reliable. However, no warranty is given for its accuracy. Some information contained within this report may have been provided by the owner of the property, or by persons in the employ of the owner. Neither the appraiser nor Metropolitan Valuation Services, Inc. ("MVS") shall be responsible for the accuracy or completeness of such information. Should there be any material error in the information provided to or obtained by the appraiser; the results of this report are subject to review and revision.
7. The appraiser assumes that no hazardous wastes exist on or in the subject property unless otherwise stated in this report. The existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the subject property. The appraiser however, is not qualified to detect such substances or detrimental environmental conditions. The appraisers have inspected the subject property with the due diligence expected of a professional real estate appraiser. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The value estimate rendered in this report is predicated upon the assumption that there is no such material on or affecting the property which would cause a diminution in value. No responsibility is assumed by the appraiser for any such conditions, or for any expertise or environmental engineering knowledge required to discover same. The client is urged to retain an expert in this field if so desired.
8. The appraisers have inspected the subject property with the due diligence expected of a professional real estate appraiser. The physical condition of the improvements is based upon a visual inspection of the premises; MVS assumes no responsibility for the soundness the property's structural or mechanical systems and components. We accept no responsibility for considerations requiring expertise in other professional fields. Such considerations include, but are not limited to, soils and seismic stability, civil, mechanical, electrical, structural and other engineering and environmental matters.
9. It is assumed that there is full compliance with all applicable federal, state, and local land use laws and environmental regulations and unless non-compliance is noted, described, and considered herein.
10. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and/or analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more elements of the ADA. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible noncompliance with the requirements of the ADA in estimating the value of the subject property.



11. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
12. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraisers.
13. Unless prior arrangements have been made, the appraiser, by reason of this report, is not required to give further consultation or testimony, or to be in attendance in court with reference to the property that is the subject of this report.
14. Unless otherwise noted, this appraisal has not given any specific consideration to the contributory or separate value of any mineral and/or timber rights associated with the subject real estate.
15. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the Appraisal Institute.
16. This appraisal has been made subject to current market terms of financing. The opinion of value is valid only as of the date of appraisal. Any changes that take place either within the property or the market subsequent to that date of value can have a significant impact on value.
17. Forecasted income and expenses that may be contained within this report may be based upon lease summaries and operating expense statements provided by the owner or third parties. MVS assumes no responsibility for the authenticity or completeness of such data.
18. This report is intended to be used in its entirety; if not presented in its entirety, the conclusions presented herein may be misleading. No part of this report may be used in conjunction with any other appraisal.
19. This appraisal report has been prepared for the exclusive benefit of the addressee (the client), its successors and/or assigns. It may not be used or relied upon by any other party. Any other parties who use or rely upon any information in this report without our written consent do so at their own risk. Any person or entity not authorized by MVS in writing to use or rely this report, agrees to indemnify and hold MVS and its respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys fees, incurred in conjunction with defending any claim arising from or in any way connected to the use of, or reliance upon, the report by any such unauthorized person or entity.

Extraordinary Assumptions

An extraordinary assumption is defined as an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis.

[REDACTED] (ii) information provided by the current operator is accurate. The use of the extraordinary assumptions may have affected assignment results. Otherwise, this appraisal employs no other extraordinary assumptions.

Hypothetical Conditions

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

Where noted, this appraisal employs the hypothetical condition that the subject property is unoccupied by the current operator. Otherwise, this appraisal employs no other hypothetical conditions.



PHOTOGRAPHS OF THE SUBJECT PROPERTY



Additional photographs are contained within the Addenda.



AERIAL PHOTOGRAPHS OF THE SUBJECT PROPERTY



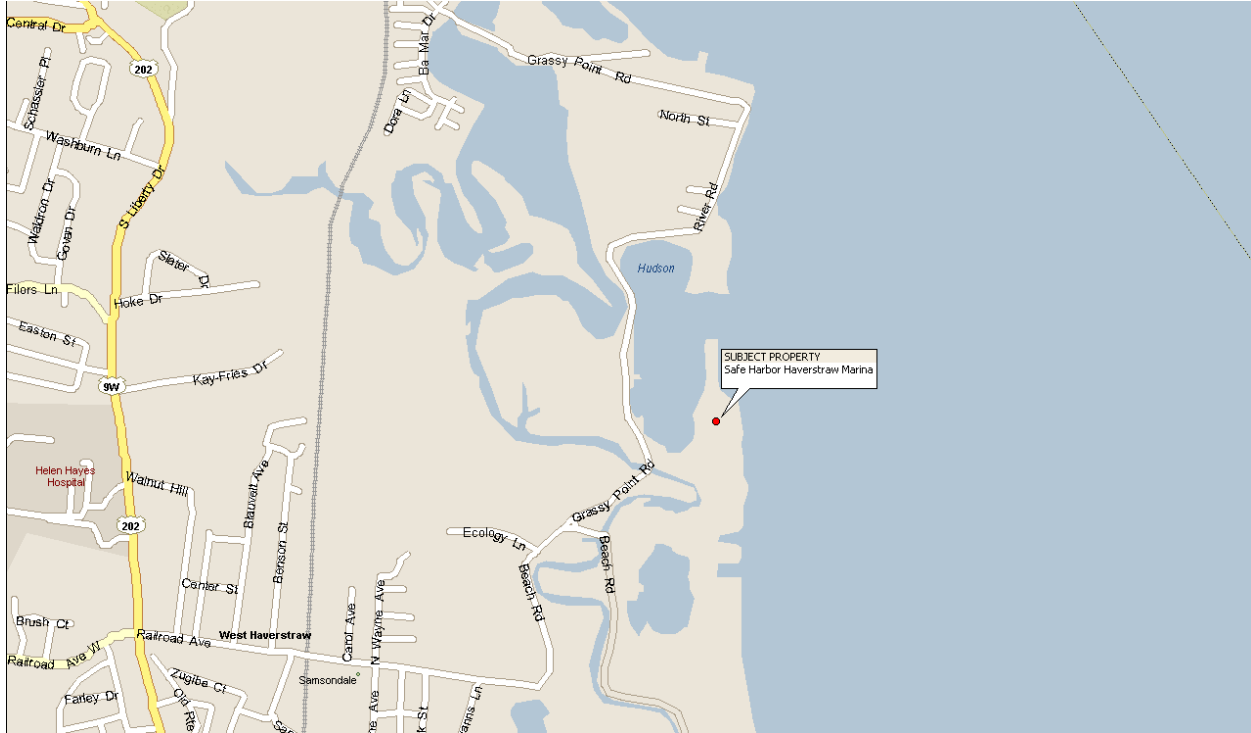
Source: marinas.com



SUBJECT PROPERTY SITE MAP



LOCATION MAPS



SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

Date of Value April 16, 2021

Interest Appraised Fee simple

Purpose of Appraisal The purpose of the appraisal is to provide our opinion of; i) the “as is” market value of the fee simple interest in the subject property’s going concern, as of April 16, 2021, the date the subject property was inspected by the staff of Metropolitan Valuation Services, Inc.; and ii) the “as is” market value of the fee simple interest in the subject property as an unoccupied marina complex in its current condition and under current zoning.

Address 600 Beach Road West
Haverstraw, NY 10993

Parcel Identification 21.13-1-1; 20-16-2-3; 21.13-1-1/.1000

Location The subject property site is situated along the easterly side of Beach Road, occupying a cove and peninsula extending into the Hudson River, in the town of Haverstraw, Rockland County, State of New York.

Site Area 58.01 acres

Type of Property The subject property consists of a 58.01-acre full-service marina, of which approximately 14-acres are upland with the remaining acreage underwater. The marina features 777 wet slips for non-commercial and pleasure boats, and several marina-related facilities; including a management and sales office, 3rd-party leased retail stores, a restaurant, a pool and cabana area, boat repair and maintenance facilities, and dry storage area. The facility is operated by Safe Harbor and was observed to be in overall average condition. The following table summarizes the site improvements.

SUMMARY OF IMPROVEMENTS

Building	Size (sq.ft.)	Year Built	Construction
Marina Office	3,234	1979	Wood frame on concrete slab
Retail Building (Samalot Marine)	5,000	1998	Wood frame on concrete slab
Hudson Water Club	8,134	2013	Steel frame with metal roof deck
Bath/Pool House	1,594	1984	Wood frame on concrete slab
Clubhouse and Cabana	2,748	1984	Wood frame on concrete slab
Retail Building (former Surfside 3)	2,400	1986	Steel frame with corrugated metal roof
North Restroom and Shower	901	1986	Wood frame on concrete slab
Hudson Boat Service Building	5,000	1986	Steel frame with corrugated metal roof
Repairs Shop Building	3,750	1986	Steel frame with corrugated metal roof
	32,761		

Source: submitted information, compiled by MVS



Zoning CR – “Commercial Recreation District”

Real Estate Taxes \$161,177 – unabated (2021)

Highest and Best Use
As if Vacant Marina or commercial recreational development.
As Improved Continued use as a full-service marina.

Most Probable Buyer The most probable buyer is a marina operator.

SWOT Analysis

Strengths

- Well-located on a protected cove in Haverstraw Bay, the widest point of the Hudson River;
- Offers amenities that are typical of a full-service marina, including a pool, clubhouse, restaurant, boat repair facilities, fuel sales, and dry storage capabilities;
- Deep water cove with a 14-foot depth at mean low; and
- Can accommodate vessels up to 150 feet in length.

Weaknesses

- [REDACTED]
- [REDACTED]
- [REDACTED]
- The facility does not contain covered racking dry storage, which many modern full-service marinas offer;
- Permitted for 847 wet slips, however, there are only 777 currently built.

Opportunities

- Increasing the occupancy rate and the expanding the number of slips to the full permitted capacity could yield higher revenue.

Threats

- Located within a flood zone; and
- External obsolescence is noted; the facility is located in a primarily industrial area and amongst other industrial uses, including an inactive industrial site that was once home to a US Gypsum industrial manufacturing facility. [REDACTED]

[REDACTED] however, this is somewhat mitigated by the fact that Rockland County is relatively affluent.



Value Conclusions

Value Scenario	Date of Value	Cost Approach	Income Capitalization Approach	Sales Comparison Approach	Final Value Conclusion
Going Concern	April 16, 2021	Not Applicable	\$17,600,000	\$17,900,000	\$17,600,000
As Unoccupied	April 16, 2021	\$14,100,000	\$14,100,000	\$14,400,000	\$14,100,000

[REDACTED] is accurate and are reflective of current costs to cure the noted deferred maintenance at the subject property.

Further, and where noted, this appraisal employs the hypothetical condition that the subject property is unoccupied by the current operator.



PREMISES OF THE APPRAISAL

- Identification* The subject property is located at 600 Beach Road West, Haverstraw, NY 10993, and comprises 3 tax parcels identified as 21.13-1-1; 21.13-1-1./1000; and 20.16-2-3.
- Purpose of the Appraisal* The purpose of the appraisal is to provide our opinion of; i) the “as is” market value of the fee simple interest in the subject property’s going concern, as of April 16, 2021, the date the subject property was inspected by the staff of Metropolitan Valuation Services, Inc.; and ii) the “as is” market value of the fee simple interest in the subject property as an unoccupied marina complex in its current condition and under current zoning.
- This report is intended to comply with reporting requirements set forth under the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. This appraisal is in compliance with the requirements and guidelines of the 2010 Interagency Appraisal guidelines.
- Intended Use and User(s)* The intended user of this report is the town of Haverstraw (c/o Stein & Stein, LLP) and Safe Harbor Marinas. There are no other intended users. The intended use is to assist the client and intended users in establishing the market value of the subject property in support of asset disposition discussions.
- Scope of Work* The scope of work herein is considered to be appropriate to the intended use of this report. In our appraisal of the subject property, we have:
- Inspected the subject property and its environs;
 - Reviewed demographic and economic trends pertaining to the regional market in which the subject property is located;
 - Conducted research and analysis with respect to the applicable zoning code requirements and flood zone status;
 - Examined the regional and local marina and development site markets in which the subject property competes. Competitive slip rate and sales data have been researched and verified with reliable sources wherever possible;
 - Reviewed the recent operating characteristics of the subject property;
 - Analyzed the data collected and processed it utilizing appropriate appraisal methodology and technique;
 - Reconciled the values indicated by the applicable approaches to value to a value conclusion; and



- Estimated a reasonable exposure and marketing period appropriate for the concluded value estimate.

Date of Valuation

The “as is” market value is appraised as of April 16, 2021, the date in which the subject property was inspected by Metropolitan Valuation Services, Inc.

Property Rights Appraised

The subject property is appraised on the basis of a fee simple interest. Fee simple interest is defined in the *Dictionary of Real Estate Appraisal* (6th ed., Chicago, IL, Appraisal Institute, 2015), as:

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

Definition of Market Value

The following definition of Market Value is used by agencies that regulate federally insured financial institutions in the United States:

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

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

(12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Market Value of the Going Concern

Market value of the going concern is defined by the *Dictionary of Real Estate Appraisal* (6th ed., Chicago, IL, Appraisal Institute, 2015), as:



“The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.”

Special-Purpose Property

Special-purpose property is defined in the *Dictionary of Real Estate Appraisal* (6th ed., Chicago, IL, Appraisal Institute, 2015), as:

“A property with a unique physical design, special construction materials, or a layout that particularly adapts its utility to the use for which was built.”

Exposure Time

Exposure time is defined by the *Dictionary of Real Estate Appraisal* (6th ed., Chicago, IL, Appraisal Institute, 2015), as:

“The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.”

Review of transfer records suggests that there is adequate activity to confirm the presence of an active investor market for most forms of commercial real estate. Market activity suggests that there is a demand for properties such as the subject property and that conventional financing is available. Our appraisal of the subject property reveals no factors that would reasonably suggest that the subject property is not marketable. The following table summarizes the number of days on the market of the comparable sales utilized within this report.

Sale No.	Marina Name	Days on Market
1	Key Harbor Marina	448
2	Lighthouse Harbor Marina	302
3	Dillon's Creek Marina	605
4	Mears Point/Great Oak Landing	N/Avail.
5	Sunset Bay Marina	N/Avail.
6	Chesapeake Yachting Center	N/Avail.
7	Aquamarina Sunset Harbor	183
	Avg.	385

Source: market research by MVS

Accordingly, we believe, that if exposed to the market for a reasonable period of time prior to the effective date of this appraisal, which we consider to be 12 months, the subject property would transfer at an appropriate price (that is to say, the appraised value). We acknowledge that in appraising the property to sell within 12 months, we must place most emphasis on the buyer's expectations and yield requirements.



Marketing Time

Marketing time is defined by the *Dictionary of Real Estate Appraisal* (6th ed., Chicago, IL, Appraisal Institute, 2015), as:

“An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.”

Our appraisal of the subject property did not reveal any factors that would reasonably suggest that the subject property is not marketable. Based upon the subject property’s location, the subject property would attract interest if offered on the market. Accordingly, we believe, that if exposed to the market for a reasonable period of time prior to the effective date of the appraisal, which we consider to 12 months, the subject property would transfer at an appropriate price.

Real Property versus Personal Property

Personal property is defined by the *Dictionary of Real Estate Appraisal* (6th ed., Chicago, IL, Appraisal Institute, 2015), as:

“Identifiable tangible objects that are considered by the general public as being “personal”—for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all tangible property that is not classified as real estate. (USPAP, 2016-2017 ed.)”

The Uniform Standards of Professional Appraisal Practice (“USPAP”) Standards Rule 7-3 states that “...the appraiser must consider the subject property within the correct market context.” In this appraisal, we assume all elements of the subject property are real estate and any allocation to non-realty to items is nominal relative to the overall value of the site.

Ownership History

The subject property is owned by the Town of Haverstraw, who has been the property owner for decades. The subject property was conveyed to Haverstraw Marina Corporation on June 23, 1977 via a long-term ground lease. The ground lease is structured on an absolute net basis, in which the lessee is responsible for 100% of expenses associated with the subject property and was responsible for the original construction of the marina facility. The lease was recently assigned to SHM Haverstraw, LLC on November 19, 2019.





We are unaware of any other bids to purchase, purchase options or agreements, or other offerings which may currently affect the property.



REGIONAL OVERVIEW

Introduction

The subject property is located within Rockland County in the Lower Hudson Valley portion of the state of New York. The region is generally defined as the counties of Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester. The Lower Hudson Valley area is an integral component of the larger New York metropolitan area. Centrally located in the Boston to Washington corridor, the region combines excellent transportation links, a diverse and educated work force, a range of housing options and proximity to Midtown Manhattan.

The 7 counties comprising the Lower Hudson Valley are home to 2.2 million people and almost 1,100,000 jobs. About 60% of these jobs are located in Westchester, Rockland, and Putnam counties. Dutchess and Orange counties account for about 30% of total employment while the largely rural Sullivan and Ulster Counties account for the remaining 10%.

Current Economic Climate

The following information was published by the Federal Reserve Board in the *Beige Book* publication dated April 14, 2021. The information pertains to the Second District, which covers all of New York State, Northern New Jersey, and Southwestern Connecticut.

Overview

Economic activity in the Second District has accelerated sharply in the latest reporting period (March 3, 2021), growing at a strong pace, despite an upturn in reported COVID cases across the District. Moreover, business contacts have grown increasingly optimistic about the near-term outlook. The labor market has strengthened, with contacts reporting a pickup in hiring activity, hiring plans, and wages. Input price pressures have continued to intensify, and more businesses report that they are raising their selling prices. Consumer spending has strengthened, with retail sales exceeding expectations. Tourism has continued to strengthen, though it remains well below pre-pandemic levels. Housing markets have generally remained robust, while markets for office and retail space appear to have stabilized at weak levels. Finally, contacts in the broad finance sector reported modest improvement in conditions, while regional banks reported steady to higher loan demand and little change in delinquency rates.

Employment and Wages

The labor market strengthened moderately in March, with businesses in most major industry sectors reporting a pickup in employment. A major New York City employment agency noted that financial sector hiring, though still subdued, has improved to levels not seen since before the pandemic.



Hiring plans for the months ahead increased markedly—particularly in the manufacturing, leisure & hospitality, and information sectors. Hiring and retaining tech workers has been cited as a particular challenge, due to competition from major tech firms as well as visa restrictions.

Wages have continued to grow moderately, at a similar rate as in the last report. Wage increases were particularly widespread in the retail, transportation, information, and construction sectors. Looking ahead, more businesses reported plans to raise wages than at any time during the pandemic, with the most widespread hikes expected in the leisure & hospitality, professional & business services, transportation, and retail trade sectors.

Prices

Firms' input prices have continued to accelerate, with exceptionally widespread increases reported from contacts in manufacturing, as well as sizable increases in construction, transportation, retail trade, and leisure & hospitality. Businesses in most sectors continue to expect widespread hikes in the prices they pay in the months ahead.

Selling prices have also continued to accelerate but more moderately. Still, contacts in the manufacturing and distribution sectors report widespread increases in their selling prices and also in their plans to hike prices in the months ahead.

Consumer Spending

Consumer spending has strengthened in recent weeks. Non-auto retailers reported that both business and foot traffic have picked up but were still short of normal levels. One retail chain noted that its sales across the District have exceeded plan, though sales at New York City stores continued to lag. Demand for home goods remained strong and luggage sales have reportedly picked up, whereas clothing sales have picked up somewhat but remain weak. Sales in some categories, notably furniture, have reportedly been constrained by inventory shortages due to supply chain delays. Retail contacts remained optimistic about the near-term outlook, but the uncertainty associated with the long lead time between ordering and receiving merchandise has been a concern.

New vehicle sales showed signs of picking up noticeably in March, despite low inventories—a constraint that is expected to persist for several months, due to various factors including a shortage of microchips used in new vehicles. Used auto sales have been somewhat constrained by low inventories. Dealers indicate that credit availability is not much of an issue.



Consumer confidence among New York State residents climbed in March to its highest level in a year, led by a surge in expectations.

*Manufacturing and
Distribution*

Manufacturing activity picked up further in March, expanding at a robust pace. Contacts in wholesale trade and transportation & warehousing also reported that activity picked up briskly. Contacts in these sectors continued to report supply disruptions and delays—particularly in getting shipments from overseas.

Looking ahead, businesses in all these sectors expressed increasingly widespread optimism about future business prospects.

Services

Service industry contacts also reported a strong pickup in growth in the latest reporting period. Contacts in information and professional & business services reported a brisk pickup in business, while education & health providers noted a moderate pickup. Contacts in the leisure & hospitality sector noted a significant upturn in activity for the first time since the onset of the pandemic. Looking to the months ahead, contacts in all these sectors expressed widespread optimism about business prospects.

Tourism has continued to trend up. Leisure air travel reportedly increased sharply in March, and flight bookings are being made longer in advance. In New York City, weekend hotel occupancy rates have risen steadily since the last report, recently surpassing 50 percent, though nightly room rates are still substantially below pre-pandemic levels. Future bookings have also expanded. Some hotels that had previously announced permanent closures have more recently announced plans to reopen. Museums and restaurants have also seen a steady uptrend in business. Most of the rebound in tourism has been from day-trippers and other domestic visitors, though tourism from Central and South America has reportedly increased.

*Real Estate and
Construction*

Housing markets have strengthened further in the latest reporting period. Sales markets in upstate New York have been particularly robust, with brisk sales volume, lean inventories, and strong price appreciation, with many homes reportedly selling for well above asking price. Home sales activity in areas around New York City has strengthened as well, with prices holding steady but running 5-10 percent ahead of pre-pandemic levels. Inventory levels remain low but have been stable since the start of the year.

New York City's co-op and condo market has picked up further since the last report, with apartment sales volume so far this year



surpassing comparable 2020 levels. However, price trends have been mixed, down nearly 10 percent in Manhattan but edging up to record highs in the outer boroughs. The inventory of unsold units has come down but remains somewhat above historical norms. New York City's rental market has stabilized, though rents are still down 15-20 percent from early-2020 levels in Manhattan and down 8-10 percent in Brooklyn and Queens. However, leasing activity has remained fairly brisk.

Commercial real estate markets have been mixed across the District. Office markets in New York City and northern New Jersey have continued to soften, but markets elsewhere across the District have steadied. The market for retail space has been fairly steady in recent weeks, though still quite slack, especially in New York City.

New office construction has remained sluggish, but residential construction has picked up outside New York City. Contacts in the District's construction industry remained somewhat negative about current conditions but have grown increasingly optimistic about the near-term outlook; the main concerns expressed pertain to costs of materials and shortages of materials and skilled workers.

Banking and Finance

Businesses in the broad finance sector reported modest improvement in business activity. Small to medium sized banks in the region reported rising demand for business loans, as well as commercial and residential mortgages, but steady demand for consumer loans. Bankers reported unchanged credit standards for all categories, steady loan spreads, and no change in average deposit rates. Contacts reported little change in delinquency rates, with bankers reporting some decrease in lenient policies for delinquent consumer loan and home mortgage accounts.

Westchester, Rockland, and Putnam Counties

These southern-most counties of the Lower Hudson Valley are considered part of the New York City Metropolitan Statistical Area. This area's major population centers - Yonkers, New Rochelle, White Plains, and Mount Vernon - are all in southern Westchester County and give that county a fairly urban profile. However, northern Westchester, along with Rockland and Putnam, can be described as a mixture of suburban and rural areas.

As of 2020, a relatively low 53% of households in Westchester are homeowners-compared with 64% in Rockland and 74% in Putnam. These three counties are among the most affluent in New York State and the nation; median household income ranges from 45% to 65% above the national average. Moreover, according to estimates by ESRI Business Information Solutions (ESRI), a



national demographic forecasting service, approximately 47% of all adults in Westchester, Rockland, and Putnam Counties graduated from college or other post collegiate education, well above the national average of 33%.

Westchester County has a high concentration of service industries and corporate headquarters. These include IBM, Pepsico, MasterCard International and Starwood Hotels. Rockland County has a high concentration of pharmaceuticals firms, but otherwise is not particularly manufacturing-intensive. The county also has a large cluster of high-tech and business services firms. Putnam County consists mainly of "bedroom communities" and some agriculture but little in the way of a major industrial base.

Dutchess and Orange Counties

These counties are generally rural and, although both have a significant industrial presence, are largely agricultural. Dutchess County's urban hub is the City of Poughkeepsie, while Orange County's urban hubs are the cities of Newburgh and Middletown. These counties are less affluent than their southern neighbors, but still well above the U.S. average. The 2020 median household income was \$81,365 per year in Dutchess County and \$77,572 per year in Orange County.

Dutchess County economic activity is highly concentrated in high-tech manufacturing, but far less so than a decade ago. Between 1990 and 1994, manufacturing employment fell nearly 50%, though it has since edged back up. Much of the decline was specific to IBM, though that firm is still, by far, the largest private-sector employer in the county. Orange County does not have a dominant industry, but rather has a typical balance of local market sectors, such as retailing and health services. Both counties have a higher concentration of correctional and psychiatric facilities.

Sullivan and Ulster Counties These are the most sparsely populated of the 7 Lower Hudson Valley counties and, aside from agriculture, neither has a sizable industry base. Both areas serve as recreation destinations for the broader New York City metropolitan area. Hotels account for more than 10% of employment in Sullivan County, and a large proportion of the housing stock is comprised of second homes which are typically vacant for part of the year. In Ulster County, median household income and educational attainment are roughly on par with the national average. However, both measures are below the national average in Sullivan County. Recent economic development proposals have focused largely on casinos to help revitalize the area's tourism industry.



LOWER HUDSON VALLEY - SELECTED CENSUS FIGURES

County	2020 Population	% Change from 2010	Pop. per Sq.Mile	Median Household Income
Westchester	954,596	0.6%	1,909.19	\$98,187
Rockland	323,988	3.9%	1,628.08	\$90,077
Putnam	99,269	-0.4%	403.53	\$102,775
Dutchess	302,157	1.6%	366.25	\$81,365
Orange	394,613	5.8%	470.34	\$77,572
Sullivan	79,584	2.6%	79.82	\$54,104
Ulster	185,341	1.6%	159.64	\$65,751
US	333,793,107	8.1%	87.91	\$62,203

Source: ESRI; Compiled by MVS

**Rockland County
Overview**

The subject property is located in Rockland County, New York. A suburban area of New York City, Rockland County is located approximately 40 miles northwest of Midtown Manhattan and bounded by the Hudson River on the east, Bergen County, New Jersey to the southwest, and Orange County, New York and the Ramapo Mountains to the north and west, respectively. Passaic County, New Jersey also shares a short common boundary with Rockland County on the south and west. Rockland County contains 199 square miles and is the smallest county in New York outside of the 5 boroughs encompassing New York City. As such, the entire county comprises much of what is considered the subject property's neighborhood and market areas. Rockland County is comprised of the towns of Orangetown, Clarkstown, Ramapo, Haverstraw, and Stony Point, and is further divided into numerous hamlets and incorporated villages. New City serves as the county seat.

Population

Rockland county's population has grown at a fairly steady rate for the greater part of its existence. As the county is separated by the Hudson River and somewhat isolated from the influence of a growing New York City, population levels grew by an estimated total of only 32,045 persons between 1800 and 1900. More modern means of transportation, combined with a growing industrial base in the county, increased growth patterns between 1900 and 1950 as the population grew from 38,398 to 89,279 person.

The completion of the Tappan Zee Bridge in 1956, and its interconnection with the New York State Thruway, triggered an explosion of the residential population growth that was unprecedented in the previous history of the county. Population levels soared between 1950 and 1960, rising from 89,276 persons to an estimated 136,803 persons, or a 53.2% increase in this 10-year period. Subsequent decades saw tremendous increases in population levels, rising to 259,530 persons by 1980, and to 286,753 people as of 2000.



The 2010 U.S. Census reported the residential population in the county to be 311,687 persons, up 8.6% from 2000. According to ESRI Business Information Solutions (“ESRI”), a national data collection and reporting agency, the residential population is estimated to have increased 3.9% to 323,988 persons by 2020 and further projected to increase 1.5% to 328,897 persons by 2025. The annualized rate of population growth in Rockland County over the next 5 years is projected to average 0.3%, exceeding the state wide average rate though lagging behind the national-wide average.

Household Income

Based on the 2010 U.S. Census Bureau findings, ESRI estimates that the median and average household income was \$90,077 and \$126,047 respectively as of 2020, with 46.0% of households reporting income levels of \$100,000 or greater. ESRI projects that the median and average household income in Rockland County will increase 9.7% and 10.2% to \$98,774 and \$138,942 respectively by 2025, implying that income rises substantially as one proceeds upward from the median. Additionally, the number of affluent households is projected to increase 9.4% to 52,091 households, comprising 55.9% of the total. The remaining households represent a wide range of income diversity, as demonstrated in the following table.

INCOME PROFILE ROCKLAND COUNTY

Households by Income	2020 Estimate		2025 Forecast		2020-2025 Change	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	7,633	7.4%	7,061	7.6%	-572	-7.5%
\$15,000 - \$24,999	7,828	7.6%	7,251	7.8%	-577	-7.4%
\$25,000 - \$34,999	6,257	6.0%	5,762	6.2%	-495	-7.9%
\$35,000 - \$49,999	8,030	7.8%	7,515	8.1%	-515	-6.4%
\$50,000 - \$74,999	13,918	13.5%	1,331	1.4%	-12,587	-90.4%
\$75,000 - \$99,999	12,177	11.8%	12,124	13.0%	-53	-0.4%
\$100,000 - \$149,999	18,342	17.7%	19,064	20.5%	722	3.9%
\$150,000 - \$199,999	11,624	11.2%	12,881	13.8%	1,257	10.8%
\$200,000+	<u>17,664</u>	<u>17.1%</u>	<u>20,146</u>	<u>21.6%</u>	<u>2,482</u>	<u>14.1%</u>
Total	103,473	100.0%	93,135	100.0%	-10,338	-91.3%
Median Household Income	\$90,077		\$98,774		\$8,697	9.7%
Average Household Income	\$126,047		\$138,942		\$12,895	10.2%
Per Capita Income	\$40,347		\$44,498		\$4,151	10.3%

Source: U.S. Census Bureau, ESRI Business Analyst

The above average household income earned by county residents helps sustain the network of local commerce and industry. The premier locations for retail sales are the Palisades Mall, opened in



1998, and the Nanuet Mall, opened in 1969. There are several other shopping and business centers in the Rockland area, many of them situated on or close to major traffic arteries. Large shopping centers can be found on Route 59 at Airmont, Monsey, Nanuet, and West Nyack, on Route 202 in Mt. Ivy, on Route 9W in West Haverstraw, and in hamlet areas such as Hillcrest, New City and Pearl River. Villages such as Hillburn, Haverstraw, Nyack, Spring Valley and Suffern have their own business districts, although not as large in size and more specialized in content.

Employment

The employed population in the county has been steadily increasing in most subsectors over the past 2 decades. A minimal decline in Transportation and Public Utilities, Government, and Manufacturing was noted, however, the total non-agricultural employment, as well as the construction and Mining, Trade, and Services industries. Pharmaceutical, research and development, technology, education, government, retail and service sector firms have led job growth in the past 2 years and are projected to remain the leading sectors in the near term.

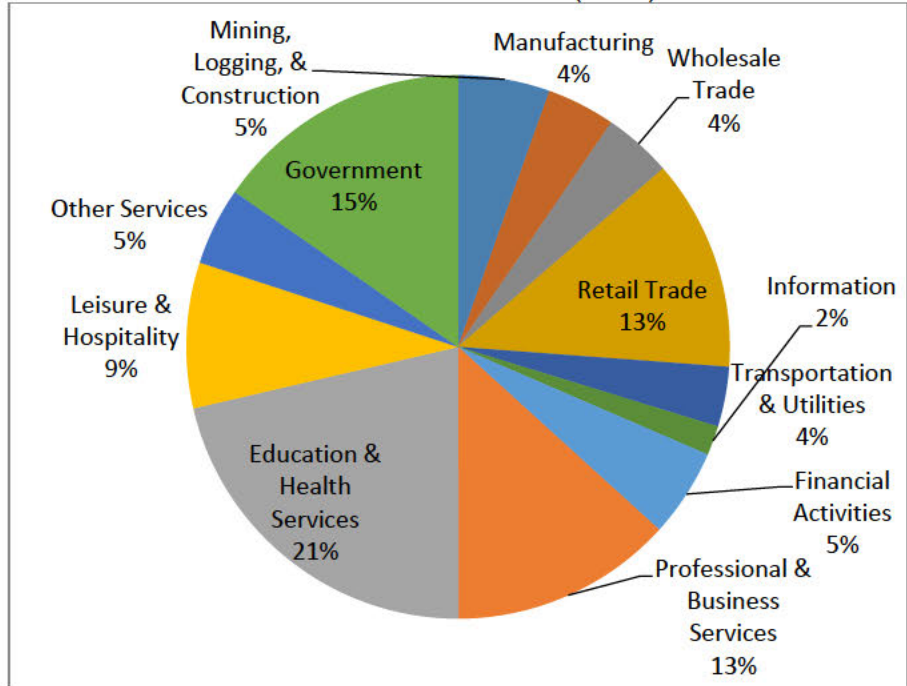
Industrial firms in Rockland provide a wide scale of product and services to local and distant markets including apparel, pharmaceuticals, chemicals, electronic equipment, machinery, fabricated metals, food, furniture, leather, paper, rubber, stone, and transportation goods. It should be noted that many of the firms within Rockland County have fewer than 50 employees and an increasing number are located in new industrial and industrial/office parks.

According to the following table, employment in the past 5 years in the Orange-Rockland-Westchester PMSA has increased overall by 6.1% with declines noted in the manufacturing, information and government sectors. The most significant employment gains are indicated from the Wholesale Trade, Construction, Education/Health, Wholesale Trade, Other, Professional/Business and Leisure/Hospitality Service sectors.

The following pie chart illustrates the 2017 profile of the employed population within the Orange-Rockland-Westchester PMSA by super-sector.



ORANGE-ROCKLAND-WESTCHESTER PMSA
 EMPLOYMENT PROFILE (2017)



Source: NY State Department of Labor; compiled by MVS

According to the U.S. Bureau of Labor Statistics, the average unemployment rate in Rockland County in December 2020 was 5.5%. It peaked at 13.8% in April and July 2020. Over the past 5 years, Rockland County has trended below the state and national averages. The following table illustrates unemployment rate trends from the county, state and national levels.

UNEMPLOYMENT RATES (%)



Source: U.S. Department of Labor (not seasonally adjusted)



Educational Facilities

Rockland County contains 12 public school districts, which schools rank among the US Department of Education's "National Schools of Excellence." Students' test scores consistently exceed national and statewide averages and drop-out rates are only 3.0%, well below the national and statewide averages. Overall, 80% to 90% of Rockland's high-school graduates go on to post-secondary education. Beyond the vocational programs offered within the public schools, there are technical and occupational training institutions that provide further educational opportunities for students interested in entering the workforce directly from high school. Rockland County offers a choice of private elementary and secondary schools as well.

Rockland County's institutions of higher learning include a mix of private colleges and universities, as well as a public 4-year college and a 2-year community college, which are part of the New York State system. Traditional four-year and two-year undergraduate degrees, as well as graduate degrees, are offered in a myriad of subject areas, such as engineering, business, education, computer science, public administration, health sciences, fine arts and science, among others. Local universities and community colleges include Dominican College, University of Long Island and Rockland Community College, which are all located within 10 miles of the subject property. In addition, New York Medical College, one of the oldest medical schools in the country, and Pace University School of Law, whose environmental law program ranks among the top in the nation, are located in nearby Westchester County, as are several nursing schools and two divinity schools. According to the 2000 census data, 39.2% of Rockland County's population over the age of 24 received at least of bachelor's degree, with 16.7% receiving at least a master's degree. Approximately 87.9% of the population is indicated to have received a high school diploma.

Transportation

Transportation services are considered good within Rockland County, with a network of major roadways such as Interstate 87 (New York State Thruway), Interstate 287, the Garden State Parkway, the Palisades Interstate Parkway, and Routes 9W, 17 & 202. These routes traverse the county and provide access to New York City, New Jersey and points north and west. The Tappan Zee Bridge connects Rockland County with Westchester County. Metro North Railroad provides rail access from Rockland County, including Ramapo via the nearby Pearl River station, to New York City via Hoboken, New Jersey. There are a number of public and private bus companies providing access to New York City and throughout the county as well. In addition, Interstate-287 is a major east/west thoroughfare providing access to the Tappan Zee Bridge and Westchester County to the east and New Jersey to the south



and west. The subject property area is easily accessible via these thoroughfares by automobile and truck, as well as by bus service to and from New York City.

Rockland County is located within 1 hour northwest of the New York metropolitan area's three major airports; JFK Airport and LaGuardia Airport in the Borough of Queens and Newark-Liberty International Airport in Newark, New Jersey. All three airports are proximate to major highways and interstates. In addition, Rockland County is within 1 hour's driving time of Stewart International Airport in Orange County, Westchester County Airport in White Plains, and Morristown Airport in northern New Jersey.

Conclusions

Rockland County's easy access to New York City and other East Coast metropolitan areas via the interstate highway network is advantageous to both local business and the local workforce and businesses. Exhibiting a lower unemployment rate than the state and nation, moderate population growth and steady rise in personal income levels, Rockland County is considered to be a desirable location offering commercial enterprises and its residents an exceptional quality of life. The long-term outlook for Rockland County is anticipated to be favorable based on current development.



REGIONAL LOCATION MAP



COVID-19 IMPACT ON REAL ESTATE MARKETS

Introduction

In an effort to provide guidance on this fluid situation, MVS is monitoring the published reactions of national, regional, and local economists, as well as commercial real estate industry market participants (including leasing and mortgage brokers, owners/investors, and lenders). We are actively interviewing market participants across this same spectrum regarding impacts on the various investment-grade real estate that we regularly appraise.

Economic Picture

As reported by S&P Global on April 9, 2021, during the summer of 2020, the unemployment rate was expected to remain above 8.0% through 2021, but now the consensus among more than 60 economists is for unemployment to fall to 5.8% in 2021. Consumers have recorded near-record savings rates over the last year, accumulating nearly \$2 trillion in excess savings from March through December 2020. The savings rate spiked again in January 2021 due to the passage of the \$900 billion in stimulus in December 2020. An even larger, \$1.9 trillion stimulus package was signed into law in early March, which will likely support further deposit growth in the near term. The distribution of vaccines should allow for economies to reopen, which in turn is expected to lead to increased consumer spending. Domestic GDP growth is anticipated to post 5.94% for 2021 and is forecasted to be 3.17% in 2022.

Consumer sentiment in the U.S. continued to rise in late March, as measured by the Index of Consumer Sentiment prepared by The University of Michigan, recording an 84.9 and reaching its highest level in a year due to the third disbursement of relief checks and better than anticipated vaccination progress. March's rise made consumer sentiment reach its highest level in a year, but despite recent gains, consumer sentiment still trails February 2020's prepandemic level of 101.0.

Consumers reported much more favorable assessments of the national economy in March. Favorable economic developments were cited by 57.0% of mentions in March, up from 38.0% last month. For the first time in the past year, more consumers expected good rather than bad times in the national economy during the year ahead (49.0% vs. 41.0%), a significant improvement from last month when negative views were held by the majority (36.0% vs. 53.0%). Expected job gains were a critical component. Declines in the unemployment rate during the year ahead were anticipated by 45.0% in March, up from last month's 36.0%.

As the economic distress moves past its most dire stages, unemployment remains an underlying issue. On April 2, 2021, the



Department of Labor stated that total nonfarm payroll employment rose by 916,000 in March, and the unemployment rate edged down to 6.0%. These improvements in the labor market reflect the continued resumption of economic activity that had been curtailed due to the coronavirus pandemic. Job growth was widespread in March, led by gains in leisure and hospitality, public and private education, and construction. The unemployment rate is now down considerably from its recent high in April 2020 but is 2.5% higher than its pre-pandemic level in February 2020. The number of unemployed persons, at 9.7 million, continued to trend down in March but is 4.0 million higher than in February 2020.

Resident migration patterns were accelerated in 2020 as a result of COVID-19, per a report published by CBRE in April 2021. Net move-outs from high-cost coastal cities increased, although anecdotal evidence suggests that many who left these coastal cities may return once the pandemic is over. New York City suffered the second worst net move-outs in 2020, behind only San Francisco, at roughly -10.9 net moves per 1,000 residents. The lure of returning to higher-cost cities, such as New York, will be sweetened by attractive rental rates and for-sale prices compared with recent years. But it is likely that some of the newly acquired suburban lifestyles will have staying power, particularly as the remote working landscape becomes more permanent throughout the workforce.

Capital Markets

According to CBRE Q42020, real estate investment volume increased by 97.2% from Q32020 to \$135.4 billion, indicating a strong resurgence of investor confidence. On a year-over-year basis, however, Q42020 volume was down by 21.0% and 2020 annual volume fell by 34.1% from the record high of 2019. These declines are expected to moderate further as economic recovery gains momentum and vaccine rollouts lift market sentiment. Capital is increasingly allocated to multifamily and industrial assets, which combined made up 66.3% of total investment in Q42020. Multifamily and industrial investment volumes fell by 2.1% and 1.3%, respectively, year-over-year in Q42020 and by 28.8% and 16.0% on an annual basis. Office investment improved in Q42020 but was 33.5% lower than a year ago. On an annual basis, office, retail and hotel investment decreased by 40.2%, 44.0% and 70%, respectively, having been heavily impacted by the COVID-19 pandemic.

In April 2021, Trepp released an article on the state of commercial mortgages and CMBS loans in the U.S. The Trepp CMBS delinquency rate continued to decline in March following an impressive decline in February. After two huge jumps in May and June 2020, the rate has now declined for nine consecutive months.



The Trepp CMBS Delinquency Rate in March was 6.58%, a drop of 22 basis points from the February number. (In February, the rate saw the biggest drop since the start of the COVID-19 pandemic.) As for March, the percentage of loans in the 30 days delinquent bucket is 0.70%, up 12 basis points for the month. In terms of loans in grace period, 1.92% of loans by balance missed the March payment but were less than 30 days delinquent. That was down 38 basis points for the month and could be a sign that even more delinquency rate improvements are on the way.

The percentage of loans with the special servicer fell to 9.4% in March from 9.6% in February. According to March servicer data, 24.2% of all lodging loans were in special servicing, virtually unchanged in March. In addition, 16.1% of retail loans are with the special servicer, down from 16.7% in February. The percentage of loans on servicer watchlist climbed to 24.7% in March from 23.4% in February.

CRE Sales Volume

For many real estate asset types, there remains a significant gap in pricing expectations between buyers and sellers, which has limited overall transaction volume. According to an April 21, 2021 article published by Real Capital Analytics, transaction activity in the U.S. rose in March compared to a year ago, with deal volume increases seen for most of the major property sectors. For the first quarter in total, deal activity dropped by nearly 30% compared to Q12020. March deal volume increased 11% versus March 2020 when the COVID-19 crisis first erupted and cracks started to show in U.S. deal activity. Sales of office, industrial and apartment properties all grew. Deal activity in the hotel sector spiked higher, though this was due to one large portfolio of nearly 200 properties. The industrial sector continues to shine. Sales of individual properties reached \$14.4 billion in Q12021, a record high level for a first quarter. Construction of industrial properties expanded in the majority of top U.S. markets during the past four quarters.

Some market participants, including Bob Knakal of JLL, expect that transaction activity will increase in 2021 due to the distress in the market that has built up, and that banks are likely to be major players in this regard due to the issues they will face from negatively impacted property values.

New York Impact

It is still unclear as to when the economy will fully reopen and how long it will take for spending patterns to return to normal. Despite being at the center of the outbreak in the U.S. early on, New York had largely managed to contain the infection rate by the summer of 2020. While cases began to spike again around Thanksgiving, the



latest data indicates that cases are currently trending downward once again.

Currently, the U.S. Food and Drug Administration (FDA) has authorized three COVID-19 vaccines: the Pfizer-BioNTech, Moderna, and Johnson & Johnson/Janssen vaccines. These vaccines are available to all New Yorkers 16 and older, and some people who live outside of the state but work in New York. According to the NYC citywide COVID-19 informational portal, as of Friday, March 19, restaurants and bars were allowed to operate indoor dining at 50% capacity. In addition, large private venues, such as Madison Square Garden, were reopened on February 23, 2021, at 10% of the previous legal capacity with attendees being required to present a negative COVID-19 test.

According to the March 2021 post from the NYC Independent Budget Office, after suffering a severe economic contraction at the outset of the pandemic and the public health responses to contain it, New York City has entered a slow and uncertain period of recovery. The recovery will remain closely tied to the success of public health efforts to slow the spread of COVID-19 and reduce its impact on the economy. Local cases have been on a downward trajectory since the last peak in mid-January, but along with hospitalizations and deaths, remain high relative to the rates of last summer and fall. The vaccination roll-out is picking up steam, yet statewide, New York remains below the national average for the percentage of the population vaccinated. These concerns are compounded by the recent identification of new, more contagious, and potentially more vaccine-resistant variants of the virus in the New York City area. All of this suggests the city's economic recovery will remain slow and fragile until greater and more sustained progress is made to increase the vaccination rate and reduce the number of cases, allowing for the safe resumption of some semblance of regular economic activity.

More than a year after the coronavirus sparked an exodus of workers from office buildings, what had initially seemed like a short-term adjustment is now clearly becoming a permanent shift in how and where people work. In fact, as per an article published by The New York Times on March 29, 2021, roughly 90% of Manhattan office workers are still working remotely. A recent survey of major employers estimates that less than half of office workers will return by September. Across Midtown and Lower Manhattan, the country's two largest central business districts, there has never been more office space (16.4%) for lease, much higher than in past crises, including after the September 11 terror attacks in 2001 and the Great Recession in 2008. Now, some of the largest companies



have told their work forces that the five-day office workweek is outdated and ultimately some form of hybrid between working remotely and in the office will be permanently adopted. At least one industry, however, is charging in the opposite direction. Led by some of the world's largest companies, the technology sector has expanded its footprint in New York during the pandemic. Facebook has added 1 million square feet of Manhattan office space, and Apple added two floors in a Midtown Manhattan building.

As more companies push back dates for returning to offices and make at least some remote work a permanent policy, the consequences for New York could be far-reaching, not just for the city's restaurants, coffee shops and other small businesses, but for municipal finances, which depend heavily on commercial real estate. Real estate and commercial buildings contribute almost half of the city's property tax revenues. For the first time in more than two decades, New York expects property tax receipts to decline, by an estimated \$2.5 billion in the next fiscal year.

A January 15, 2021 press release by the NYC Department of Finance announced that the tentative assessment roll for Fiscal Year 2022 shows a total market value of \$1.298 trillion for all New York City Properties, a 5.2% decrease from Fiscal Year 2021. This reflects the impact of COVID-19 on property values across the City. Citywide taxable billable assessed value, the portion of market value to which tax rates are applied, fell by 3.9% to \$260.3 billion for FY22. The tentative roll shows significant citywide construction activity with \$12.6 billion in new market value, which is consistent with the construction sector being among the NY Forward Phase One Industries that were authorized to resume operations on June 8, 2020. Manhattan, Brooklyn and Queens combined accounted for 85.4 percent of overall construction activity in the City, while Staten Island registered the highest percent increase in construction activity among the boroughs at 1.2 percent.

According to the Real Estate Board of New York, in the second half of 2020, with 1,356 recorded transactions, Citywide investment sales, including multifamily residential buildings and all commercial sales, reached a total consideration, or sales volume of \$11 billion. This represents a 41% decline in total consideration and a 21% decline in the volume of transactions compared to the second half of 2019. Both figures observed moderate 6-month increases after reaching all-time lows back in the first half of 2020. Overall, sales of multifamily residential buildings declined 34% and transactions declined 20% compared to the second half of 2019. The largest transaction this reporting period was the \$830 million sale of the Sotheby's New York office building at 1334 York Avenue. The total



tax revenue for the City and State generated from investment sales was \$356 million, with \$69 million in NYS transfer tax and \$288 million in NYC transfer tax. Total tax revenue in the second half of 2020 increased 5% from the previous 6 months and decreased 41% from the previous 12 months. The loss of tax revenue will have significant impact on NYC real estate.

REBNY issued a report on the State of Manhattan Retail for the Fall of 2020 on January 7, 2021. In the report, REBNY stated that there was significant availability of retail space in the 11 of the 17 corridors of Manhattan. Due to the increase in vacancies, all 17 corridors in Manhattan have experienced a decrease in asking PPSF rents ranging from 1% to 25%. Moreover, this is not fully reflective of the extent of the impacts on retail rents. Some brokers cited that the average difference between asking and taking rents was around 20%. More properties are offering increased concessions, as supply pipeline remains bloated.

In the fourth quarter of 2020, the New York City average residential sales price, which covers condominiums, cooperatives, and one-to-three family homes, was \$953,733 - a 3% decline year-over-year and 7% decline from the previous quarter according to REBNY. Total residential sales volume, or consideration, decreased from \$9.9 billion to \$9 billion year-over-year, representing a 10% drop. However, after three consecutive quarters of declining consideration, 4Q2020 represented a 39% increase from the previous quarter. The Citywide residential transaction volume also decreased year-over-year, declining from 10,057 to 9,397 sales, representing a 7% drop. Three of the five boroughs experienced a decrease in the number of transactions year-over-year. After three consecutive quarters of declining transactions, Q42020 represented a 49% increase from the previous quarter.

Investment Outlook

The disconnect between buyers and sellers as well as financial market constraints will continue to subdue deal flow in the short term. Post-COVID-19 pricing will need to be discovered and rent collection data from the trailing few months will offer some transparency of assets' value in the near term. However, it will be difficult to translate this backward-looking evaluation into a forward-looking projection that establishes a fair market value. As the nation begins to normalize and a larger sample size of rent collections becomes available, the bid/ ask spread should tighten as valuation is more discernible. Capital has been building up on the sidelines over the course of the crisis, and positive indicators of an economic recovery will bring back many to the bidding arena bolstering asset values.



Many institutional investment groups have paused acquisitions until the uncertainty dissipates, which has allowed private investors with long-term mindsets to aggressively pursue assets that they may have historically been priced out of. At the same time, long-time owners may not want to ride out another cycle or may want to transfer capital gains into less hands-on property types. It could take some time for transaction velocity to return to last cycle's peak-levels, yet buyer appetite should remain strong and private buyers could look to take advantage of the temporary reduction of bidding competition to bolster their portfolios.

According to the 1Q2021 PwC Real Estate Investor Survey, fundamentals for the U.S. office sector ended 2020 in relatively good shape and a temporary recovery is projected to start in 2022 and into 2023. However, for the 21 office markets surveyed, tenant retention rate posted 65.7% in 1Q2021, down from 67.7% a year ago. Additionally, the average months vacant on rollover assumption is 9.2 months, up from 8.2 months a year ago. For the U.S. retail sector, the 21 metros surveyed showed 2020 had the highest vacancy rates in the last 20 years. The current outlook is for a temporary recovery to begin in multiple locations in 2022. The U.S. industrial sector experienced improving fundamentals during the pandemic, ending 2020 with 29 metros in expansion mode. Moreover, 10 metros are beginning 2021 with vacancy rates at 20-year lows. Although new supply is expected to catch up with demand in 2021, fundamentals are forecasted to remain strong in 2022 and 2023. The pandemic has negatively impacted the U.S. multifamily sector, pushing up the 2020 vacancy rate to 6.3%, the highest level since 2010. The primary reason for rising vacancy is the imbalance between supply and demand. In 2021, most metros are expected to see additions to supply exceed absorption. By year-end 2022, the supply problem is expected to be corrected as demand is forecasted to exceed supply in most metros.

The Real Estate Board of New York surveys its residential and commercial brokerage members quarterly, measuring their present and six-month forecasted confidence in New York City's real estate market. Brokers reflect on their professional dealings and report their outlook on an index of 0 to 10. The Commercial Broker Confidence Index covers all forms of commercial real estate, including but not limited to office, retail and industrial space. The most recent survey results, published on January 28th, 2021, reveal overall real estate broker confidence is 4.35, a 41% increase from last quarter's all-time low, but still a 37% drop year-over-year. After three consecutive quarters of declining broker confidence, both overall residential and commercial real estate broker confidence witnessed an increase from the prior quarter. Overall commercial



broker confidence was 2.89 out of 10, an 34% increase since the third quarter of 2020 but a 60% decline since the fourth quarter of 2019.

Lending Institutions

MVS's recent discussions with lenders and mortgage brokers suggest that the current low yields on Treasuries have not translated into lowered CRE financing as spreads have not followed the downward trend. This is due to bank credit committees trying to price perceived short-term risk.

Trepp has seen spreads significantly compress in the CMBS market since early 2020 and has not seen rates return to pre-pandemic levels. Earlier in 2020, CMBS platforms temporarily stalled. Some lenders have pulled back from lending activity, but many lenders of varying sizes are still actively pursuing financing opportunities during this period.

As published by CBRE, the fourth quarter was characterized by higher levels of liquidity and lending momentum, increased participation by alternative lenders and life companies, tighter credit spreads and a modest loosening of underwriting measures. Nonetheless, certain deals remained challenging to underwrite, especially for retail, hotel and transitional assets. With capital availability improving in 4Q2020, lenders granted generally higher loan proceeds and underwriting measures were slightly less restrictive. Average loan-to-value ratios (LTVs) increased for permanent commercial and multifamily loans after reaching lows in Q3 not seen since the Global Financial Crisis. Spreads on seven-to 10-year, 55%-to-65% LTV permanent commercial and multifamily loans tightened in 4Q2020, based on data from CBRE Capital Markets. Commercial spreads tightened by 15 bps quarter-over-quarter to an average of 275 bps, while multifamily spreads tightened by 64 bps to an average of 200 bps.

Financing activity picked up some of the slack in the capital stack as per an article published by Real Capital Analytics on March 31st, 2021. The value of properties refinanced represented 61% of all capital flows to commercial real estate in the quarter. This figure was well above the 19% share represented by new acquisitions. The inability to refinance cash-flowing properties was a problem during the Great Financial Crisis. In this COVID-19 recession, however, the ability to refinance and not sell has led to sticky prices. Owners facing challenges are not forced to sell and have largely been able to refinance.



LOCAL OVERVIEW

Introduction

The subject property is located within the Town of Haverstraw. The Town of Haverstraw is a 22.7 square mile area that comprises 1 of 5 towns in Rockland County and is located 30 to 40 miles northwest of Midtown Manhattan and 25 miles west of White Plains. Haverstraw is bounded by the Orange County to the west, the Hudson River to the east, the Town of Stony Point to the north, and towns of Ramapo and Clarkstown to the south. Within the Town of Haverstraw are two complete villages and a portion of another. The Village of Haverstraw was incorporated in 1854 under the name Warren which was changed to Haverstraw in 1874. The Village of West Haverstraw was incorporated in 1883. The Village of Pomona, formed from unincorporated portions of the town of Ramapo and Haverstraw, was incorporated in 1967.

Overview

The town of Haverstraw is set in a valley between the Hi Torn Mountains and the widest section of the Hudson River. From the times of the first settlement in Haverstraw, the Hudson River has been an important route of commerce and transportation. The first steamboat to run from Haverstraw was the Rockland in 1836, followed by the Warren in 1840. In 1873, the New York and New Jersey Railroad service from Jersey City was extended to Haverstraw. The West Shore Railroad was opened to travel in 1883, and in West Haverstraw, a large depot and restaurant was built. Blessed with an abundance of clay underneath its riverbanks, Haverstraw was the brickmaking capital of the world from the 1750s to the 1930s. According to the Haverstraw Brick Museum, in the 1880s there were 42 brickmaking facilities, exporting over 300 million single bricks per year to New York City. After the brickyards closed in the 1940s, the town sought industrial tenants such as power plants. A large immigrant population migrated north to the town from New York City, many of whom settled in the downtown area.

Today, the Town of Haverstraw is a bedroom community consisting primarily of a grid of streets with modest wood-framed houses on small lots. Most commercial, retail and industrial development is concentrated along Routes 9W and 202 as well as along New Main Street in the Village of Haverstraw. There is limited industrial development in Haverstraw and is concentrated along Routes 9W and 304.

Population

The following demographic information has been provide by ESRI, a national demographic data collection and reporting agency. The residential population of the Town of Haverstraw was 22,075 in 2010. ESRI estimates that this population increased by 2.9% to 22,713 by 2020 and forecasts an increase of 0.8% to 22,896 people



by 2025. The forecasted annualized growth rate of the Town of Haverstraw is less than the national average.

Household Income

Based on the 2010 U.S. Census Data, ESRI estimates that the median and average household income in the Town of Haverstraw was \$65,993 and \$86,611 respectively in 2020. ESRI forecasts that the median and average household income in the Town of Haverstraw will increase 13.0% and 12.0% to \$74,555 and \$97,007 respectively by 2025. The forecasted annualized growth rate of the median household income in the Town of Haverstraw is greater than the national average. The number of affluent households (earning over \$100,000 per year) in the Town of Haverstraw is forecasted to increase from 30.7% to 35.0% between 2020 and 2025, supporting real estate and commercial activities.

HOUSEHOLD INCOME TRENDS (TOWN OF HAVERSTRAW, NY)

Households by Income	2020		2025		2020-2025 Change	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	560	8.0%	483	6.8%	(77)	-13.8%
\$15,000 - \$24,999	762	10.9%	691	9.7%	(71)	-9.3%
\$25,000 - \$34,999	546	7.8%	480	6.8%	(66)	-12.1%
\$35,000 - \$49,999	771	11.0%	731	10.3%	(40)	-5.2%
\$50,000 - \$74,999	1,214	17.3%	1,181	16.6%	(33)	-2.7%
\$75,000 - \$99,999	1,012	14.4%	1,051	14.8%	39	3.9%
\$100,000 - \$149,999	1,273	18.1%	1,426	20.1%	153	12.0%
\$150,000 - \$199,999	393	5.6%	482	6.8%	89	22.6%
\$200,000+	492	7.0%	577	8.1%	85	17.3%
Total	7,023	100.0%	7,102	100.0%	79	1.1%
Median Household Income	\$65,993		\$74,555		\$8,562	13.0%
Average Household Income	\$86,611		\$97,007		\$10,396	12.0%
Per Capita Income	\$27,081		\$30,407		\$3,326	12.3%

Source: ESRI Business Analyst, U.S. Census; compiled by MVS

Housing

The housing mix within the Town of Haverstraw is comprised predominantly of single-family, detached dwellings, and low-rise multifamily apartment buildings. Approximately 45.3% of the housing units are owner-occupied and 50.3% of the housing units are renter-occupied. The median home value is \$282,563 as of 2020, and is expected to increase to \$320,565 by 2025.



HOUSING STATS: TOWN OF HAVERSTRAW

Year	2010 Census	2020 Estimate	2025 Projection
Total Housing Units	7,086	7,350	7,466
Owner-Occupied	48.9%	45.3%	45.1%
Renter-Occupied	46.4%	50.3%	50.0%
Vacant	4.7%	4.4%	4.9%
Median Home Value		\$282,563	\$320,565
Average Home Value		\$319,345	\$364,367

Source: ESRI; compiled by MVS

Transportation

The Town of Haverstraw is adequately served by the regional highway system. State Route 9W is a northerly/southerly corridor which connects with I-87 and I-287 to the south and with the Palisades Interstate Parkway to the north. Other highways in vicinity to of the Town of Haverstraw include Routes 17 and 202 and the Garden State Parkway. These routes traverse Rockland County and provide access to New York City, New Jersey and points north and west. The Governor Mario M. Cuomo Bridge connects Rockland County with Westchester County. There is a dense network of additional state and county highways which provide access to all points in the neighborhood. Local and commuter bus services are provided throughout most of the Haverstraw area. Metro-North Railroad station provides rail access from Rockland County to New York City via Hoboken, New Jersey. Further, ferry service from Haverstraw provides connections to Metro-North’s Ossining train station on the Hudson Line in Westchester County. There are a number of public and private bus companies providing access to New York City and throughout the County as well.

Rockland County is located within 1 hour driving distance of the New York metropolitan area’s three major airports; JFK Airport and LaGuardia Airport in the Borough of Queens and Newark-Liberty International Airport in Newark, New Jersey. All three airports are proximate to major highways or intestates. In addition, Rockland County is within 1 hour’s driving time of Stewart International Airport in Orange County, Westchester County Airport in White Plains, and Morristown Airport in northern New Jersey.

Residential Services

The Helen Hayes Hospital is located Route 9W. The North Rockland County school district is comprised of 5 elementary schools and 3 middle schools, including Haverstraw Middle School in the village; and North Rockland High School in Thiells. Private schools in Haverstraw include St. Gregory Barbarigo School and St. Peter’s School. Several colleges such as Rockland Community College, Nyack College and Empire State College are proximate to the Town of Haverstraw.



Parks that are near the Town of Haverstraw include High Tor State Park, Rockland Lake State Park, Kennedy Dells County Park and South Mountain County Park. The Town of Haverstraw offers several parks for residents, including Bowline Point Park on the Hudson River, which has a large public pool, a tennis court, volleyball courts, walking paths, a fishing pier and picnic areas. In Thiells, the town has a public 18-hole golf course, and Mount Ivy Park with baseball and softball courts, along with a jogging path and a trout-stocked creek for fishing. There is also a movie theater at Palisades Center, in nearby West Nyack, NY.

Retail services are located throughout the neighborhood and are primarily contained within 1-story commercial facilities located along the main avenues and cross-streets. The main commercial strip is considered to be Route 9W. The downtown area has been showing signs of life. Union Restaurant and Bar Latino opened in a 5,000-square-foot former pool hall and draws customers from a broad area, including neighboring areas of New Jersey.

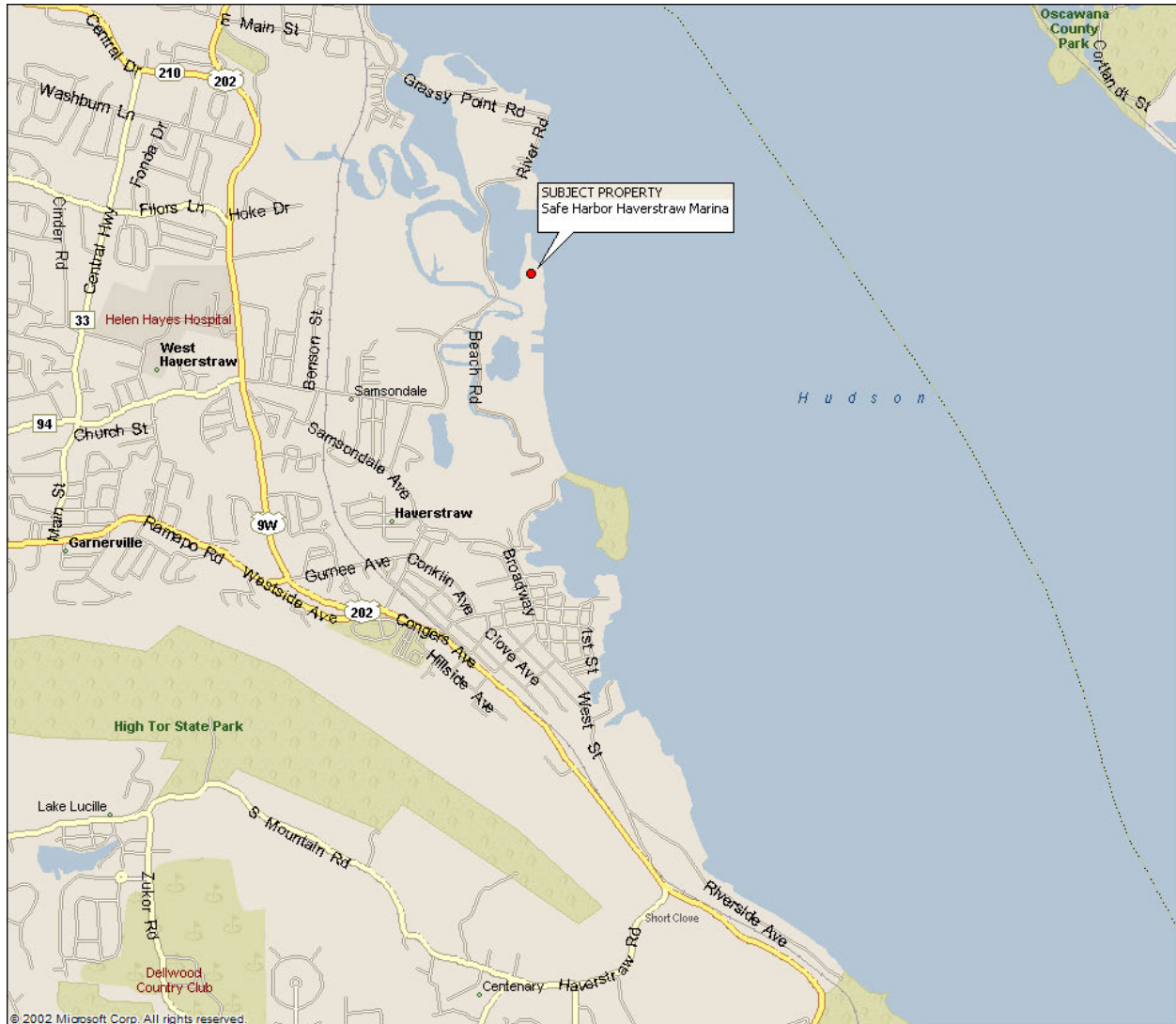
Conclusions

The Town of Haverstraw provides a requisite level of residential services supporting the local population as well as competitive transit linkages for accessing regional employment districts. The appeal of Haverstraw as a residential community is enhanced by its natural setting between the Palisades mountain range and Hudson River waterfront as well as transit accessibility to New York City.

As the local and national economies continue to recover from the COVID-19 pandemic, the short-term outlook remains uncertain. Nevertheless, the long-term outlook for the Town of Haverstraw and the wider Rockland County area is anticipated to be favorable based on current initiatives and a good pre-COVID-19 economic foundation.



LOCAL AREA MAP



SITE ANALYSIS

Introduction

The following description is based on information submitted by property ownership, public records, and a site inspection by Metropolitan Valuation Services, Inc. on April 16, 2021.

Physical Description

<i>Site Size</i>	58.01 acres (14-acres upland)
<i>Configuration</i>	Irregular
<i>Frontage</i>	The subject property site has frontage along the easterly side of Beach Road, and frontage along the Hudson River.
<i>Excess Land</i>	None.
<i>Zoning</i>	CR – “Commercial Recreation District”
<i>Flood Map Panel Nos.</i>	36087C0104G (March 3, 2014) and 36087C0102G (March 3, 2014)
<i>Flood Zone</i>	Flood Zone AE; Flood Zone X; and non-shaded Zone “X”
<i>Assessor’s I.D. Nos.</i>	21.13-1-1; 20-16-2-3; 21.13-1-1/.1000

Topography

The site is generally level. No unusual soil or drainage conditions were observed during the inspection; however, no engineering or soil reports were provided to the appraiser supporting these observations.

Utilities

All typical public utilities are available to the site including water, electricity, gas and telephone.

Dredging and Deepwater Status

Information regarding any recent actions or upcoming needs to dredge the basin in which the subject property is located was not provided. According to marketing materials and provided information, the approach depth to the marina is a minimum 25 feet deep, and the cove has a 14-foot average depth at mean low, which can accommodate nearly all forms of pleasure craft. Furthermore, the marina is advertised as a “deep-water cove” that can accommodate vessels up to 150 feet. The marina is sheltered from the open waters, wave action and current from the Hudson River.

On-site Parking

543 striped spaces, inclusive of 10 handicapped-marked spaces (according to a submitted site survey)

Vehicular Access

The site has multiple access points from Beach Road. Beach Road is a 2-lane, 2-way street permitting traffic flow in the northerly and southerly directions. Beach Road connects with Railroad Avenue, which leads to the downtown area of West Haverstraw, and Route 9W to the south. The Palisades Interstate Parkway is accessed approximately 4.5 miles west of the subject property and provides access to the interstate highway system including Interstate 87 (further west) and Interstate 287 (further south). The Governor



Mario M. Cuomo Bridge is 13 miles south of the subject property site, and the George Washington Bridge is approximately 31 miles south of the subject property site.

Public Transportation

Bus service in the local area is provided via Transport of Rockland (TOR), Rockland County's local bus system, which provides service along major corridors as well as with feeder loops within the county. Haverstraw is serviced by TOR91, TOR95, and TOR97 which connects Haverstraw and West Haverstraw with Spring Valley and the Palisades Mall. We note there is no public bus service directly to or from the subject property site.

Surrounding Properties

Located adjacent and to the north of the subject property is a large inactive industrial site that was once home to a US Gypsum industrial manufacturing facility. To the east is the Hudson River. To the south is Cedar Pond Brook followed by the Haverstraw Bay Park. To the west is protected wetland area.

Light, Air, and Visibility

The subject property is a large, 58.01-acre site with frontage along Beach Road and the Hudson River. The site has excellent exposure and visibility from the roadway traversing the westerly side of the site. The marina cove is not as visible from the Hudson River given its protected nature, but the restaurant and pool house building is easily visible from the water.

Easements and/or Encroachments

According to a provided site survey, there is an easement with NY Telephone Co. on the southern portion of the subject property site, near the main sales office building. On the northernly side of the lot, there is a utility easement as well as an ingress and egress easement. The noted easements do not appear to have a material impact on daily operations, and do not appear to impact the marketability of the property.

We are not aware of any other easements or access agreements affecting the subject property site. It is recommended that if any other easements and/or encroachments are suspected, that a current title report be obtained.

Restrictive Covenants, Etc.

We are not aware of any covenants, conditions or restrictions impacting the site that may affect the marketability or highest and best use of the subject property other than the underlying zoning regulations.

Subsoil Conditions

We were not provided with an engineer's report for review. However, no adverse subsoil or drainage conditions were evident at the time of our inspection.



Flood Zone

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map Nos. 36087C0104G and 36087C0102G, dated March 3, 2014, the subject property is located within a non-shaded Zone "X," shaded Zone "X," and a Zone "AE."

Non-shaded Zone X are areas determined to be outside the 0.2% annual chance floodplain.

Shaded Zone X are areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.

Zone AE are areas that are subject to flooding by the 1% annual chance flood (100-year flood).

Hazardous Substances

A Phase I Environmental Site Assessment Report was provided. The report, conducted by AEI Consultants and dated October 9, 2019, did not find evidence of any RECs (Recognized Environmental Conditions) or CRECs (Controlled Recognized Environmental Conditions). However, it was noted the subject property operates as a fueling station for boats as part of the marina's services.

The report also noted Other Environmental Concerns (OECs), including that in the offseason, boats are removed and stored on land. Sanding and sandblasting paint is part of routine maintenance and may have settled in surface soils in unpaved areas of the marina.

Another noted OEC is that the cove was filled with soils no later than 1953 and was used for undetermined industrial purposes. Until the redevelopment as the Haverstraw Marina in the early 1980s, the subject property was apparently utilized as a quarry, possibly by the neighboring US Gypsum property. The source and quality of the fill materials uses at the property is unknown; however, the potential for impacts is minimal due to the tidal flow of the waters.

In summation, the submitted Phase I Environmental Site Assessment Report did not identify any evidence of RECs or CRECs in connection with the subject property. Nonetheless, Metropolitan Valuation Services, Inc. is not qualified to detect the existence of potentially hazardous material.



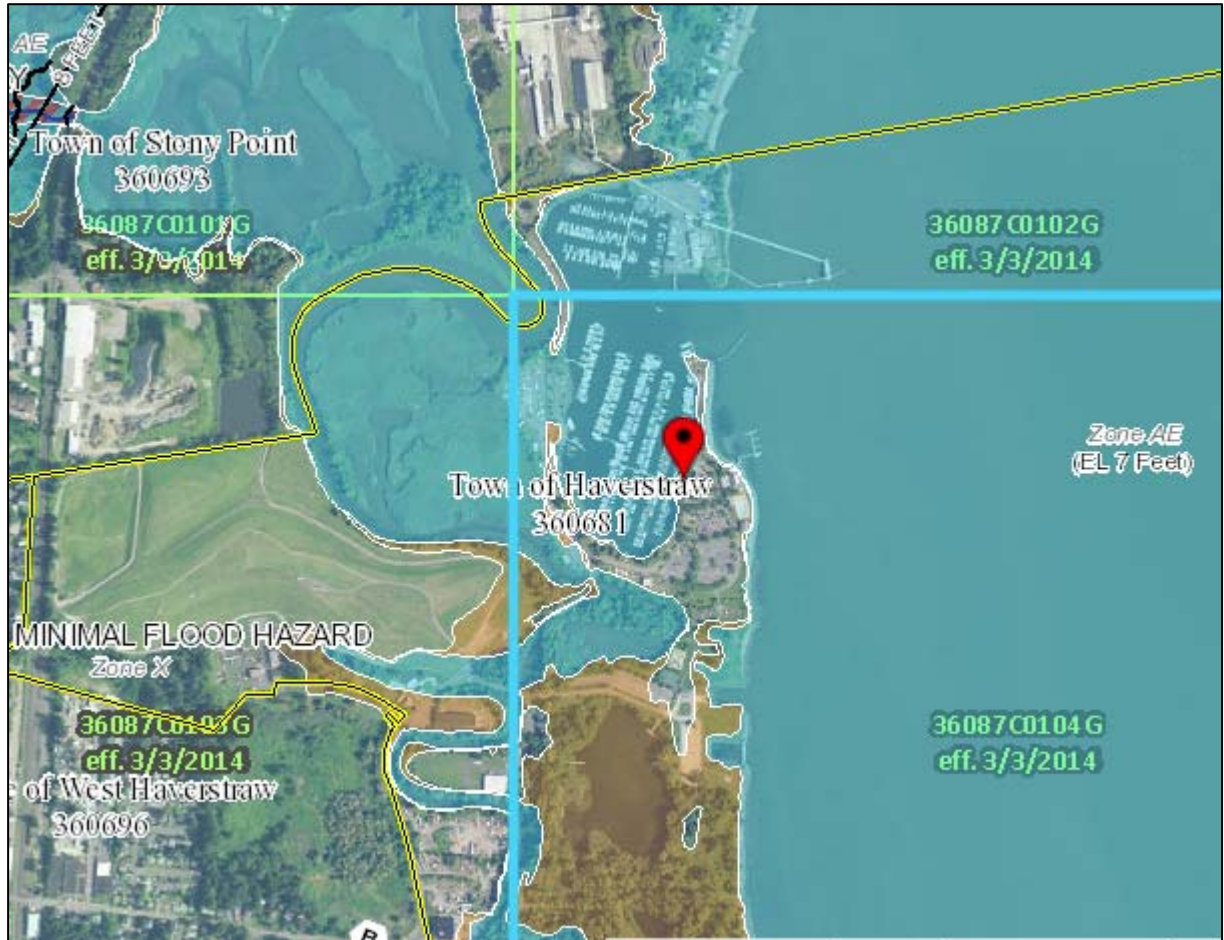
Conclusions

The subject property site appears fully capable of supporting the current improvements. Photographs of the site and the immediate vicinity are contained within the Addenda. A detailed site survey is also included within the Addenda.

SITE MAP



FLOOD ZONE MAP



ZONING ANALYSIS

Definition Zoning is defined by the *Dictionary of Real Estate Appraisal* (6th ed., Chicago, IL, Appraisal Institute, 2015), as:

“Public regulation of the use of private land through application of police power; accomplished by establishing districts or areas with uniform requirements relating to lot coverage, setbacks, type of improvement, permitted activities, signage, structure height, minimum lot area, density, landscaping, and other aspects of land use and development. Zoning regulations are established by enactment of a local (city, town, or county) zoning ordinance.”

Overview The subject property is wholly located in the Commercial Recreation District (CR), as shown on the Town of Haverstraw Zoning Map.

Permitted Uses According to the Town of Haverstraw zoning ordinance, the following is a list of the principal as-of-right permitted uses in the “CR” district:

- Marinas
- Commercial recreation establishments
- Public parks and playgrounds; and
- Camps

Permitted accessory uses in the CR District include parking, lodging, signage, garage for storage/maintenance, and eating and drinking establishments.

Bulk Restrictions A zoning compliance report dated November 15, 2019, prepared by Zoning Inc., was provided. The following bulk compliance analysis was provided in the submitted zoning study and is reconstructed for the purpose of this report. Bulk requirements and other regulations for marina use in the “CR” district are detailed in the following table.

ZONING DISTRICT REGULATIONS AND COMPLIANCE

Regulation	Required	Existing	Compliant
Max Building Height	2.5 stories or 35 ft.	2 stories / 28 ft.	Yes
Minimum Lot Area	5 acres	58.01 acres	Yes
Minimum Lot Width	250 ft.	> 250 ft.	Yes
Maximum Building Coverage	N/A	1.3%	N/A
Required Parking Spaces	4 spaces per slip	543 spaces + 777 slip spaces	Yes
Front Yard Set-Back*	60	>60	Yes
Side Yard Set-Back**	40	>40	Yes
Rear Yard Set-Back	60	N/A - abuts water	Yes

Source: compliance analysis conducted by Zoning, Inc.; reproduced by MVS

*in conformance except a 2,442 sq.ft. 2-story building located 25.3 feet from front

**in conformance except a shed located 38.2 ft from the side lot line



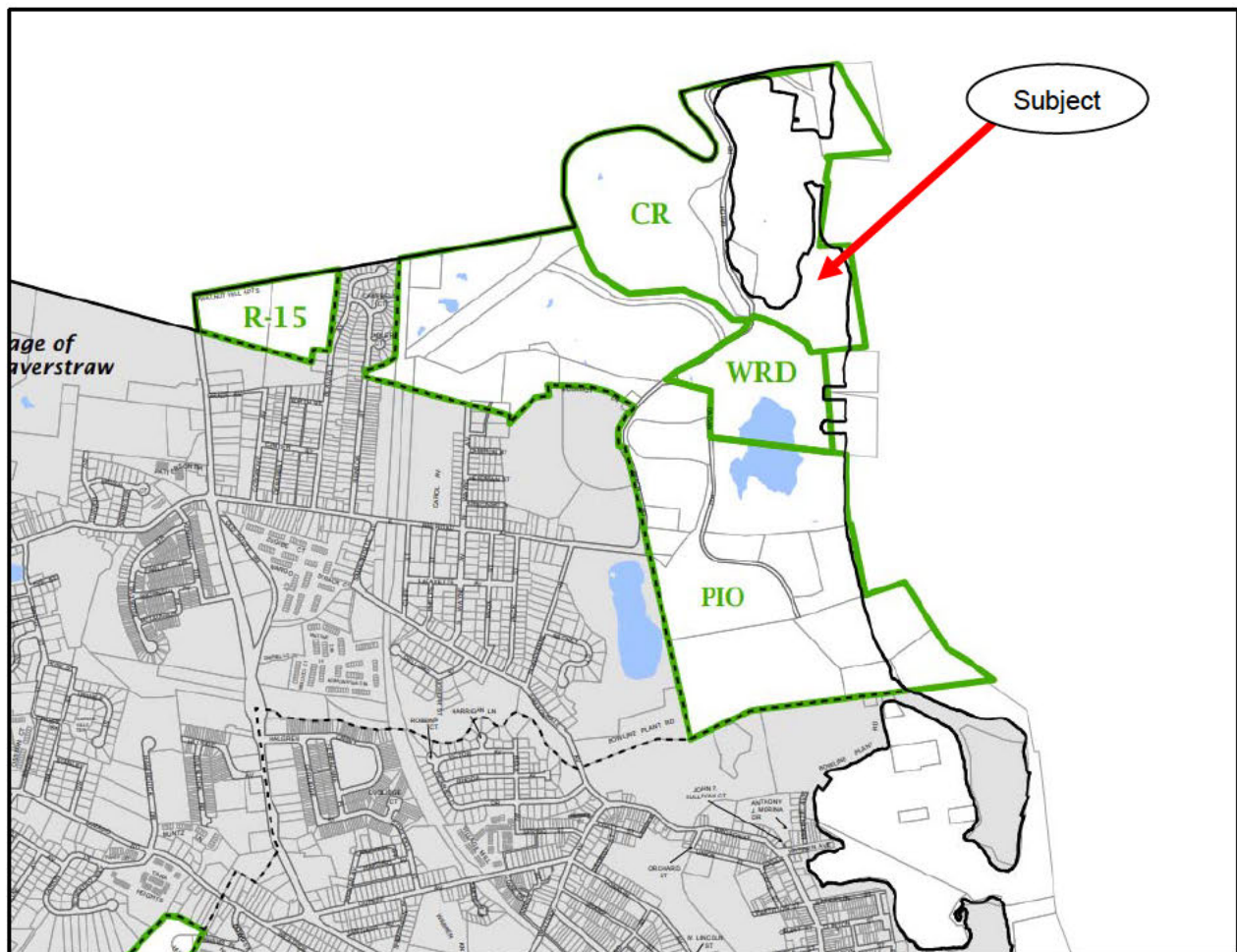
Zoning Change

There are no known pending or publicly contemplated proposals to rezone the subject property's CR district. Based on the current scale and character of its surrounding setting, a rezoning of the CR district is not considered to be likely.

Conclusions

The subject property as currently operated appears to be a legal use. The improvements appear to mostly conform to the underlying zoning district with a few minor exceptions as noted. A copy of the subject property's location within the CR zone is shown below.

ZONING MAP



Source: Town of Haverstraw



REAL ESTATE ASSESSMENTS AND TAXES

Introduction The subject property is under the assessing jurisdiction of the Town of Haverstraw (town, county, school, and library real property taxes). The fiscal year for county, town and school property taxes is January 1 to December 31. The fiscal year for school and library property taxes runs from June 1 to May 30.

Assessed Value The subject property’s assessed value in the Town of Haverstraw is \$1,575,00, which has been flat for several years. Furthermore, we are unaware of any plans of any jurisdiction-wide or property specific revaluation of the subject property’s assessment.

Real Estate Taxes The following calculates the subject property’s current year real estate taxes based on public-recorded tax rates and the subject property’s assessed value. Copies of the prior year tax bills are included in the Addenda of this report.

2021 REAL ESTATE TAXES (SUBJECT PROPERTY)

Category	Assessed Value	Tax Rate	Taxes
Town	\$1,575,000	\$22.042	\$34,716
Part Town	1,575,000	1.839	2,896
Highway	1,575,000	2.837	4,468
County	1,575,000	3.884	6,117
Sewer 1 (town)	1,575,000	0	0
Sol. Waste Disp. Ch.	1,575,000	0	0
Transfer Station	1,575,000	24.09	<u>37,942</u>
Total Town/County			\$86,140
School	\$1,575,000	45.196469	\$71,184
Library	1,575,000	2.446	<u>3,852</u>
Total School/Library			75,037
Total Taxes			\$161,177

Source: Town of Haverstraw, NY public records; compiled by MVS

Exemption The subject property receives a 100% property tax exemption, given that the land is owned by the Town of Haverstraw. Instead, a Payment in Lieu of Property Taxes (“PILOT”) is levied against the current operator of the subject property. A copy of the recent PILOT agreement payments was requested but not provided. According to recent financial statements, the real estate tax (a/k/a PILOT) expense ranged from \$18,311 to \$139,773. The most recent expense as of 2020 reflects the upper limit of the range. As the subject property’s fee simple interest is appraised, we have assumed the exemption is not applied, and therefore the unabated tax liability is processed in the following analysis.



Comparable Assessments Given the unique use of the subject property as a full-service marina, an analysis of comparable property assessment is not relevant given that there are no other marinas under the taxing jurisdiction of the Town of Haverstraw.

Real Estate Taxes \$161,177 (2021 – unabated)



DESCRIPTION OF THE IMPROVEMENTS

Overview

The subject property consists of a 58.01-acre full-service marina, of which approximately 14-acres are upland. The marina features 777 wet slips for non-commercial boats and several marina-related facilities: including a management and sales office, 3rd-party leased retail stores, a restaurant, a pool and cabana area, boat repair and maintenance facilities, and dry storage area. The facility is operated by Safe Harbor and was observed to be in overall average condition.

The marina is accessed from several locations along Beach Road. The main entrance is to the southern half of the site, which contains the marina office, retail buildings, the restaurant, and pool and cabana area, as well as the main parking area. A majority of the wet slips are accessed from this area. The northern portion of the marina contains the boat service and repair shop buildings, the north restrooms and showers, fueling stations, and the boat launch. A smaller portion of the wet slips are accessed from the northern portion of the marina.

The marina has 2 main boat storage yards. The north portion of the marina where the boat service and repair shops are located contains a large dry storage area. The other storage yard is located along the westerly side of Beach Road, between the northern and southern portions of the marina. Both areas contain a permeable gravel and paved sections. Both storage yards conduct various services including winterization, painting, waxing, and washing. The northern yard is used for most other intensive maintenance and repair services.

Improvement Summary

<i>Property Type</i>	Full-service marina
<i>Number of Slips</i>	777 wet slips (actual). We note the facility is permitted for 847 wet slips; however, many slips were reportedly destroyed during Superstorm Sandy and were never replaced.
<i>Number of Buildings</i>	9
<i>Number of Stories</i>	1 to 3
<i>Year Built</i>	1979 - 2013
<i>Total Building Area</i>	32,761 square feet
<i>Dry Storage</i>	Dry storage is located on land and is exposed to the elements. There is no rack or sheltered storage.

Site Improvements

The following table summarizes the buildings on the subject property site.



SUMMARY OF BUILDINGS

Building	Size (sq.ft.)	Year Built	Construction
Marina Office	3,234	1979	Wood frame on concrete slab
Retail Building (Samalot Marine)	5,000	1998	Wood frame on concrete slab
Hudson Water Club	8,134	2013	Steel frame with metal roof deck
Bath/Pool House	1,594	1984	Wood frame on concrete slab
Clubhouse and Cabana	2,748	1984	Wood frame on concrete slab
Retail Building (former Surfside 3)	2,400	1986	Steel frame with corrugated metal roof
North Restroom and Shower	901	1986	Wood frame on concrete slab
Hudson Boat Service Building	5,000	1986	Steel frame with corrugated metal roof
Repairs Shop Building	<u>3,750</u>	1986	Steel frame with corrugated metal roof
	<u>32,761</u>		

Source: submitted information, compiled by MVS

In addition to the noted buildings, other site improvements include paved parking, landscaping, an in-ground outdoor Olympic-sized swimming pool, perimeter fences, and a children's play area.

On-Site Parking

543 striped spaces, inclusive of 10 handicapped-marked spaces (according to a submitted site survey).

Wet Slips

The subject property contains 777 wet slips, according to the on-site manager. We note the facility is permitted for 847 wet slips; however, many slips were reportedly destroyed during Superstorm Sandy and were never replaced.



It is noted that at the time of our inspection,

The wet slips are supported by wood framed piers with wood plank decks. All docks are constructed atop wood pilings.

Bulkhead

Timber bulkhead walls on timber piles and steel sheet bulkhead walls on steel piles are located along portions of the shoreline adjacent to the wet slip docks, boat launch areas, and refueling pier. Buckling, splintering, and sinkholes along the boat launch area were observed at the time of the inspection.



Mechanical Systems

HVAC

Heating is provided in the Marina Office, Bath/Pool House and North Restroom/Shower buildings by electric baseboard heaters. Cooling in the Marina Office is provided by ductless mini-split system air conditioners. Heating and cooling in the Clubhouse and Cabana is provided by a split system air conditioner with electric heat.

Utilities

Electricity and water and sewer services are provided by the local municipality. The property is not supplied with natural gas.

Fire Prevention

Fire protection in all buildings, with the exception of the Retail Building (Samalot Marine) and the Hudson Water Club, consists of only fire extinguishers and smoke detectors. Within the Retail Building (Samalot Marine) and the Hudson Water Club, the fire protection system consists of a wet-pipe sprinkler system, fire extinguishers, smoke detectors, pull stations, and alarm horns.

Marina Equipment

Marinas commonly use equipment for day-to-day operations. Marina equipment can include heavy boat lifts, large cranes, company-owned vehicles, and a wide variety of smaller items such as steel jacks and wooden racks for on-site boat storage.

The subject property has a single large, high-capacity sling-lift travel tractor with a rated capacity of 35 tons to transport, launch, and recover boats at the northerly side of the marina, adjacent to the boat storage yard and boat service and repair shop buildings. Additionally, there is a 22-ton crawler crane, and a 16-ton high-capacity forklift.

The marina also owns and maintains a 7 dispenser fuel service pier which is served by (3) 10,000-gallon underground storage tanks. One tank contains mid-grade gasoline, one contains high-test gasoline, and the third contains marine diesel fuel. All 3 tanks are buried and bunkered immediately adjacent to the fuel service pier.

Building Evaluation

Condition/Functional Utility

The subject property is in overall average

otherwise, the site and improvements have overall good utility, features, and level of services of a full-service marina and should therefore remain competitive for the foreseeable future.



ADA Compliance

We have not made, nor are we qualified to make, a compliance survey and analysis of the subject property to determine whether or not it is in conformity with ADA requirements.

Deferred Maintenance

The subject property's improvements were in overall average condition.

[REDACTED]

We have employed the extraordinary assumption that the cost estimates are accurate and are reflective of current costs to cure the noted deferred maintenance at the subject property.



Source: submitted Property Condition Evaluation Report (conducted by EMG, dated August 28, 2019)

External Obsolescence

[REDACTED] The facility is located in a primarily industrial area and amongst other industrial uses, including an inactive industrial site that was once home to a US Gypsum industrial manufacturing facility. Also, the town of Haverstraw's noted level of household income may limit local patronage of the facility; however, this is somewhat mitigated by the fact that Rockland County is relatively affluent. Otherwise, the subject property has good connectivity to the surrounding communities of Rockland and Westchester Counties.

Economic Age and Life

The *Marshall Valuation Service* suggests that most commercial buildings typically have a life expectancy of 50 years. We estimate the effective age of the commercial buildings to range from 8 to 30 years, centering mostly between 25 and 30 years. Further analysis of the economic age and life of the improvements is included in the Cost Approach section of this report.



Conclusions

As noted, the improvements are in overall average condition, typical of market expectations for a full-service marina in the local market area.



MARINA INDUSTRY OVERVIEW

Introduction

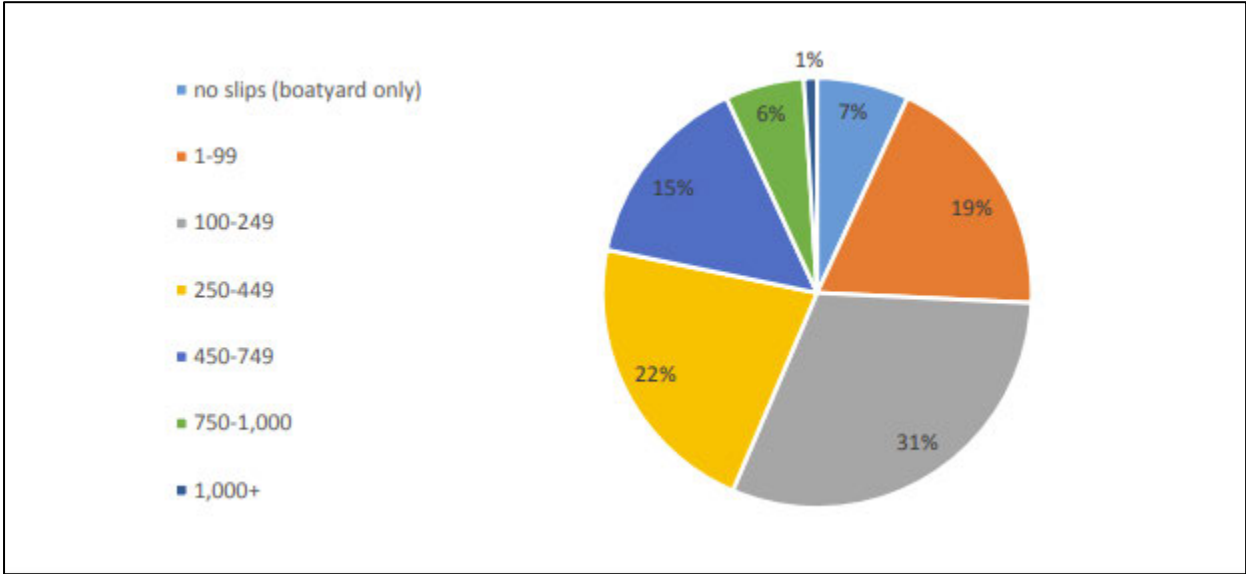
Marinas consist of boat basins that provide dockage and other services to pleasure craft. The 3 basic types of marinas are recreational marinas, yacht clubs, and boatyards. A recreational marina caters to boaters who use their boats for pleasure or noncommercial activities. A yacht club is a recreational marina that typically requires annual membership, and often offers a wider range of amenities and services than a recreational marina. A boatyard is a marina that offers significant repairs and maintenance services for both recreational and commercial maritime craft. The subject property is a full-service recreational marina.

The following overview of industry trends and statistics is based upon the *2020 Marina industry Economic Outlook Report* (latest) and the *2018 Financial and Operational Benchmark Study for Marina Operators* (latest), both published by the Association of Marina Industries.

Industry Statistics
Typical Size

The following chart summarizes the typical size of marinas by number of slips, both wet and dry. As the table indicates, the majority are between 100 and 249 slips, and more than 50% are less than 250 slips. Only 7% of marinas contain more than 750 slips.

TYPICAL SIZE OF MARINAS (# OF SLIPS)

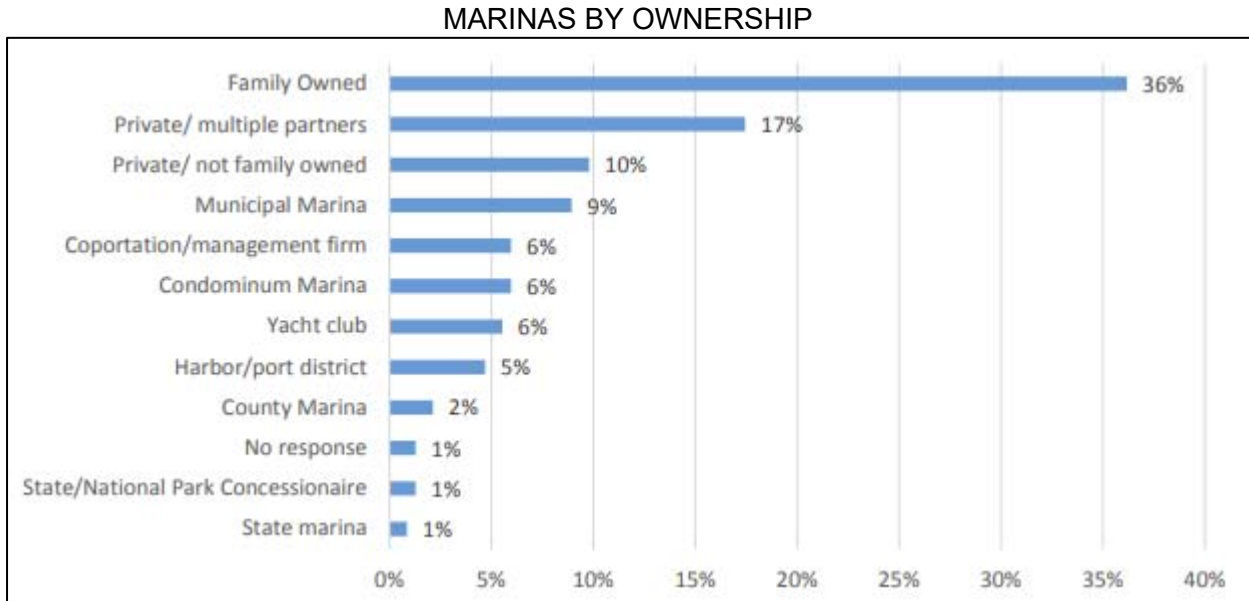


Source: Association of Marina Industries; Financial and Operational Benchmark Study



Marinas by Ownership

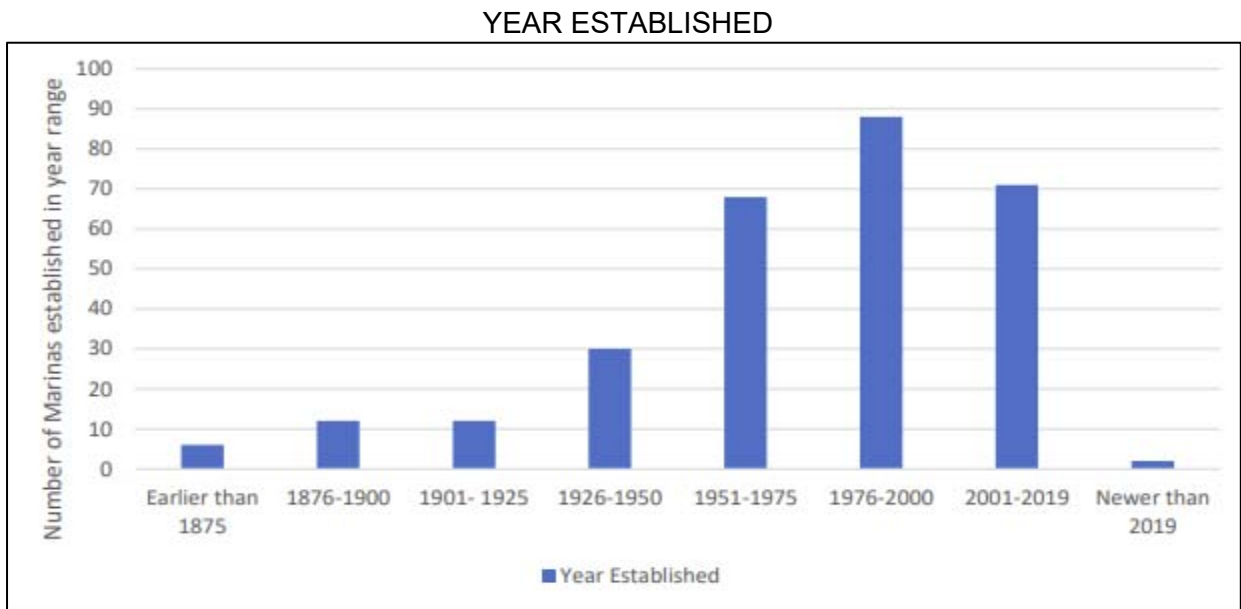
The following chart summarizes marinas by ownership type. As indicated, the majority are family-owned businesses, while 27% are private (either multiple parties or individual), and 6% are corporate owned/managed. Reportedly, corporate ownership is on the raise.



Source: Association of Marina Industries; Financial and Operational Benchmark Study

Typical Age

The following chart summarizes the typical age of the marinas surveyed in the 2020 Marina Industry Economic Outlook report. Most marinas were constructed between 1976 and 2000.



Source: Association of Marina Industries; 2020 Marina Industry Economic Outlook report

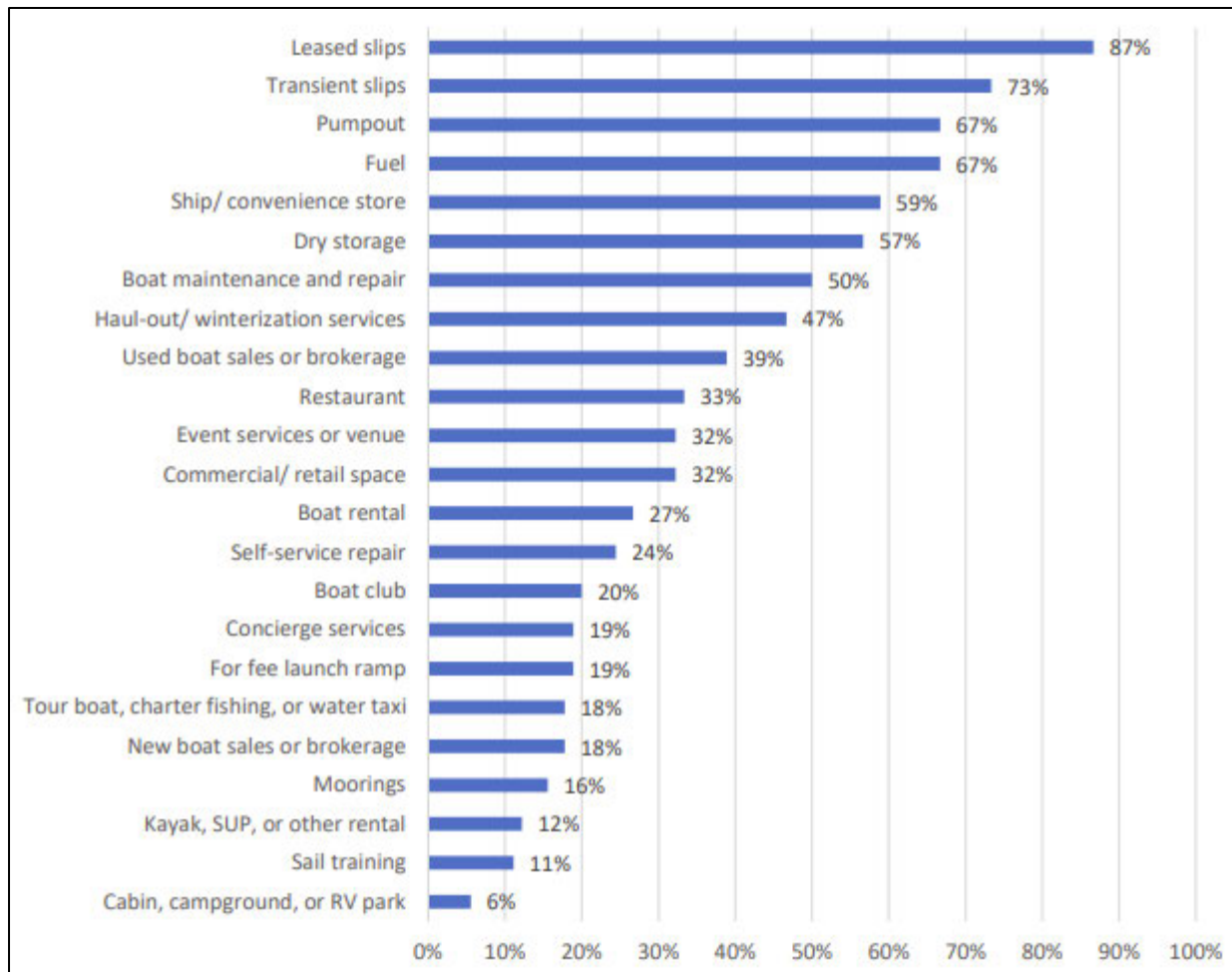


Operating Economic Statistics

Sources of Income

Marinas generate revenue through a variety of means, the most common being leasing of boat slips. Other sources of revenue typically include fuel sales, dry storage, boat maintenance and repair, restaurant, event services or venue, leased commercial or retail spaces, among others. The following table summarizes survey respondents of sources of profits to marinas.

SOURCES OF INCOME



Source: Association of Marina Industries; 2020 Marina Industry Economic Outlook report

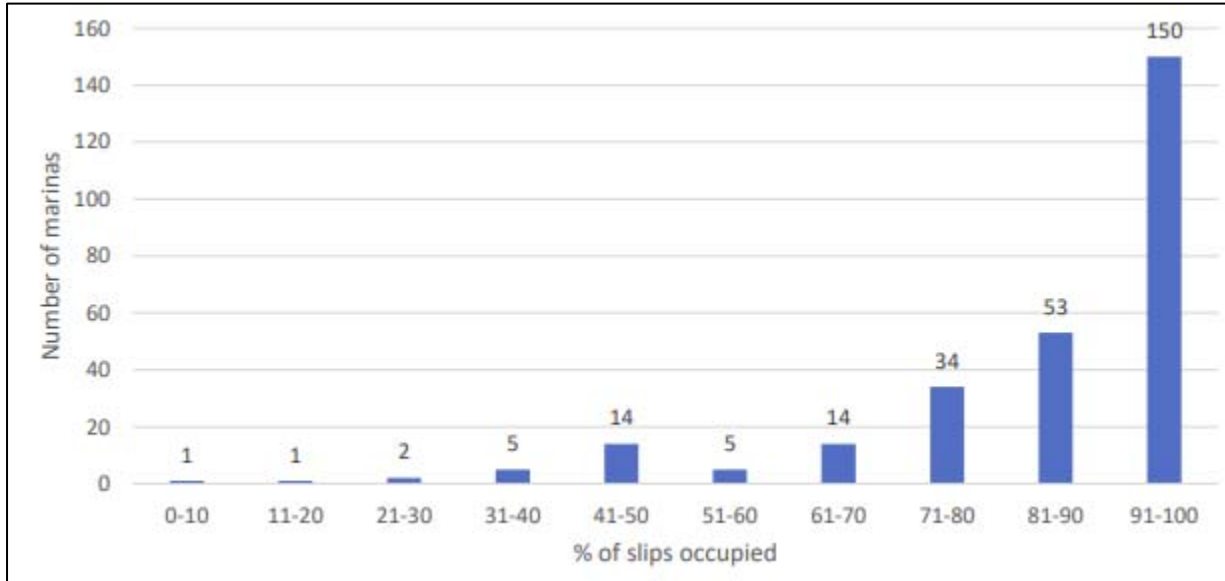
Occupancy

The following tables represents 2019 occupancy rates (most recent available), followed by a table summarizing changes in historical stabilized occupancy rates based on a survey conducted by Association of Marina Industries. Marinas reported an occupancy rate of 86%, on average. **We note this is the most recent data available and does not fully reflect the impact of COVID-19 on occupancy rates.**



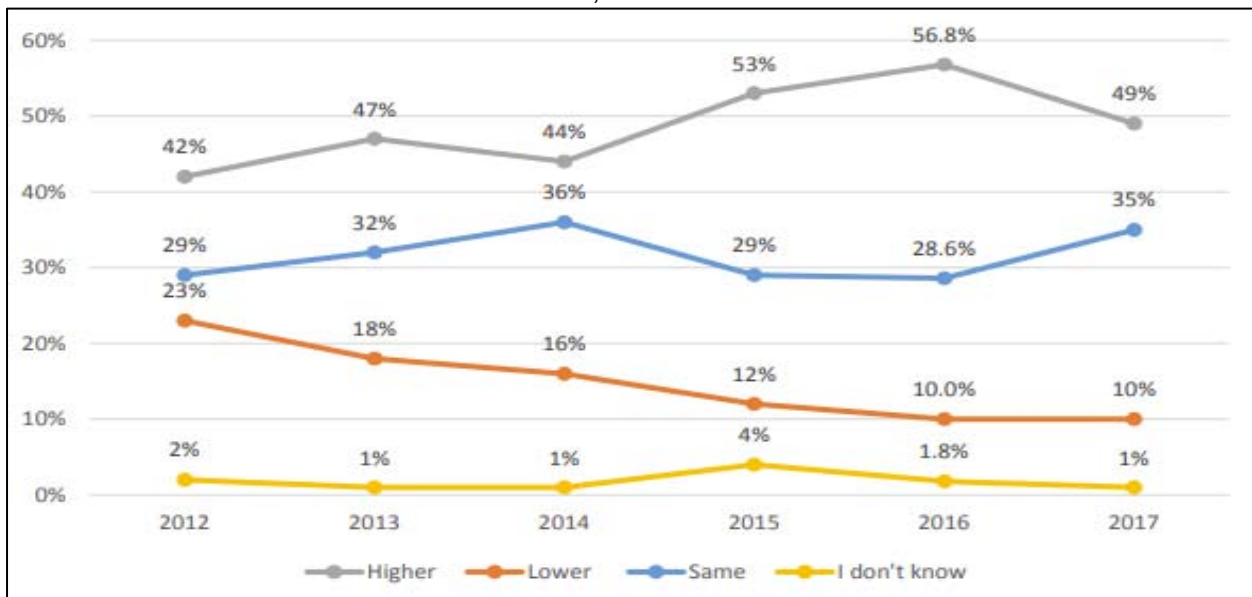
As a following table illustrates, marinas are consistently reporting greater occupancy rates compared to the prior year. The data indicates that most marinas are reaching occupancy capacity, and thus, supply of wet or dry slips is not meeting demand for these spaces.

2019 OCCUPANCY RATES



Source: Association of Marina Industries; 2020 Marina Industry Economic Outlook report

HISTORICAL OCCUPANCY RATES, COMPARED TO THE PREVIOUS YEAR

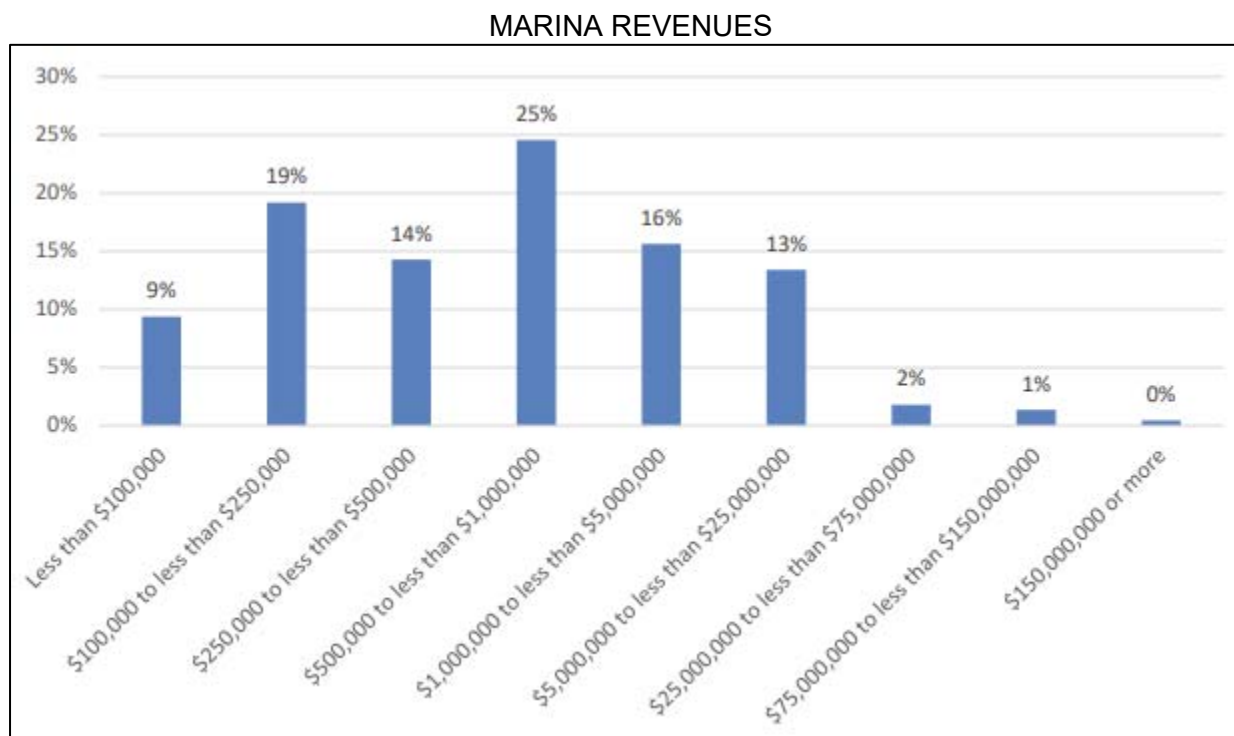


Source: Association of Marina Industries; Financial and Operational Benchmark Study



Marina Revenues

Marinas vary widely in regard to annual revenues. Most of the marinas surveyed reported less than \$25 million in annual revenues, 9% reported less than \$100,000 in revenue, while 25% reported \$500,000 to \$1,000,000 in revenue.



Source: Association of Marina Industries; 2020 Marina Industry Economic Outlook report

Number of Employees

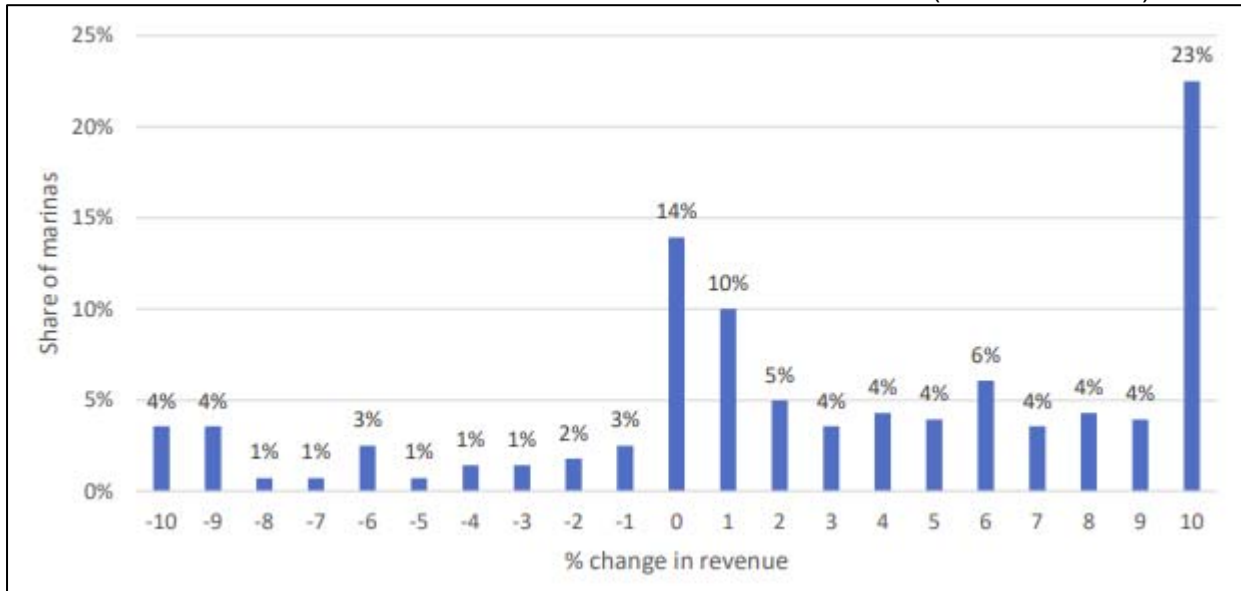
Most marinas are considered small family businesses, with the average marina having 10 full-time employees. Many marinas, especially those located in the north, hire seasonal employees during the boating season.

Economic Outlook

According to the 2020 Marina Industry Economic Outlook report (latest), overall, the industry reports a positive outlook. It is noted the data was collected in early 2020 before the full scale and impact of the COVID-19 pandemic was realized. The marinas surveyed reported a +3% change in revenue as compared to the previous year.



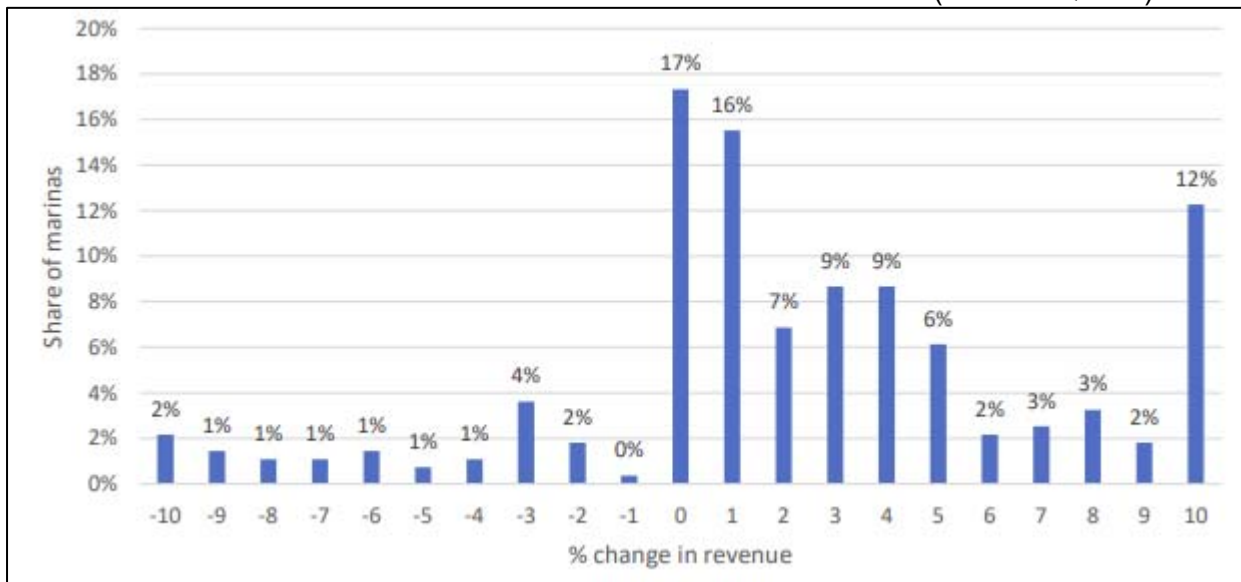
CHANGE IN REVENUE COMPARED TO 12-MONTHS PRIOR (AS OF 1Q2020)



Source: Association of Marina Industries; 2020 Marina Industry Economic Outlook report

When surveyed about the forecasted change in revenue for the next 12 months, respondents reported an expected +2% increase in revenue, on average, while over 85% reported an expected at least 1% increase.

FORECASTED CHANGE IN REVENUE IN NEXT 12-MONTHS (AS OF 1Q2020)



Source: Association of Marina Industries; 2020 Marina Industry Economic Outlook report



Conclusions

Leading up to 2020, the marina industry experienced high occupancy rates and increasing revenues. Sentiment amongst market participants was also favorable. The COVID-19 pandemic undoubtedly affected business operations, particularly those in the hardest hit regions. While data on the impacts of the COVID-19 pandemic on marina operations has not been fully tallied, it can be reasonably assumed that revenues and occupancy rates were negatively impacted. As the vaccine continues to be rolled out and social distancing and mask-wearing restrictions are lifted, the marina industry should respond positively as boat owners return to their recreational boating activities in earnest. Due to the strong market fundamentals preceding the COVID-19 pandemic, those marina operations that were able to weather the impacts of the health crisis should rebound quickly as the economy reopens.



HIGHEST AND BEST USE

Introduction

Highest and best use is the underlying premise upon which value is based. The concluded highest and best use will determine the valuation methodology and market comparables which will be employed.

Highest and best use is defined by the Appraisal Institute in *The Dictionary of Real Estate Appraisal*, 6th Ed., Appraisal Institute, Chicago, IL, 2015, as:

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

There are typically two highest and best use scenarios: The highest and best use of the property as improved and the highest and best use of the site as if vacant. In each case, the use must pass four "tests;" it must be physically possible, legally permissible, financially feasible and maximally productive.

Highest and Best Use as Though Vacant

The highest and best use of the site as though vacant is, among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of the property is based on the assumption that the land is vacant or can be made vacant by demolishing any improvements.

Legal Permissibility

This test addresses which uses are permitted by zoning and private restrictions on the site. As the *Zoning Analysis* section of this report discusses, the subject property is situated within the CR “commercial recreation” district. Permitted uses include marinas, commercial recreational establishments, public parks and playgrounds, and camps. An effort to re-zone the site may be feasible given the limited and restrictive legal uses, but any rezoning is considered highly speculative.

Physical Possibility

This test addresses the physical characteristics associated with the site that might affect its highest and best use. The subject site comprises 58.01 acres in size (including upland and underwater land) and situated on an irregular-shaped lot with significant frontage along the Hudson River. Only 14-acres are upland and the upland area reflects an irregular configuration that is bisected by a large protected harbor. Other than typical development challenges associated with waterfront development, including bulkhead



construction and flood mitigation, there are no physical or functional problems with the site which would hinder development.

Financial Feasibility

This test addresses the demand for uses that have passed the first two tests. As long as a potential use has value commensurate with its cost, and at the same time conforms to the first two tests, that use is financially feasible. The underlying zoning district prohibits most forms of development. Only certain specialty uses such as marinas and other commercial recreational establishments are permitted.

[REDACTED]

Maximum Productivity

This test is applied to the uses that have passed the first three tests. The maximally productive use is the selected land use that yields the highest value of the possible uses. Given that the underlying zoning district prohibits most commercial uses, marina or other waterfront commercial recreational development appears to be the maximally productive use.

Conclusion

[REDACTED]

***Highest and Best Use
as Improved***

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

The subject property is improved with a special purpose full-service marina. The marina features 777 wet slips for pleasure boats and several marina-related facilities: including a management and sales office, 3rd-party leased retail stores, a restaurant, a pool and cabana area, boat repair and maintenance facilities, and dry storage area. The facility is operated by Safe Harbor and was observed to be in overall average condition, typical of a marina use.

Physically Possible

The subject property's improvements are in overall average condition.

[REDACTED]





- Legally Permissible* The subject property's improvements are in conformance with current zoning. Continuance of the marina operation is legally permissible. There are a very limited number of alternative uses that are allowed as per the underlying zoning district.
- Financially Feasible* As the Income Capitalization Approach illustrates, a positive net operating income is forecast for the subject property. Given the limited zoning, there are few to no other alternative uses that would be considered financially feasible.
- Maximally Productive* The existing improvements conform to its market area and the current operation provides a fair return to the land. There are no other legally permissible uses that would justify the demolition and redevelopment of the subject site. As such, the maximally productive use of the subject property as improved is for the continuation of its current use as a full-service marina.
- Conclusion** Based on the preceding, the highest and best use of the subject property as improved is for continued use as full-service marina.
- Most Probable Buyer* An experienced and knowledgeable investor/operator of marinas.



THE APPRAISAL PROCESS

Introduction

There are three traditional approaches which can be employed in establishing the market value of commercial property. These approaches, generally referred to as the income capitalization approach, the sales comparison approach and the cost approach, which are summarized as follows.

Cost Approach

This method estimates the replacement or reproduction cost of the improvements, less the estimated depreciation (physical, functional, economic), plus the estimated market value of the land, in order to arrive at a value indication. This approach is based on the premise that an informed purchaser would pay no more for a property than the cost of constructing a building of similar utility and condition. However, the subjectivity of estimating the construction costs, amount of accrued depreciation and the selection of an appropriate level of entrepreneurial profit combine to make this method one that is infrequently relied upon for older properties.

Marinas represent special purpose properties. Like other forms of real estate, marinas comprise the normal components of real property, including the land and improvements. However, unlike the most other types of commercial investment properties, marina sales usually include a consideration for the going concern of the value of the operation. As such, this appraisal includes a cost approach for the purposes of determining the value of the intangible business component. The calculation of the intangible business value requires deducting the value of the land and improvements from the indicated value of the subject property.

Income Capitalization Approach

The income capitalization approach is 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 flows for the holding period and the reversion can be discounted at a specified yield rate.

Sales Comparison Approach

The sales comparison approach is a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of



comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant. It is the most common and preferred method of valuation of owner-user properties when an adequate supply of comparable sales are available. Obtaining data with a high degree of comparability is most important when this technique is utilized. The reliability of this technique is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability and extent of adjustment necessary for differences, and the absence of non-typical conditions affecting the individual sales price.

Reconciliation

A final step in the appraisal process is the reconciliation of the value indications. In the reconciliation or correlation, the appraiser considers the relative applicability of each of the three approaches, examines the range between the value indications, and places major emphasis on the approach that appears to produce the most reliable solution to the specific appraisal problem. The purpose of the appraisal, the type of property, the adequacy and reliability of the data are analyzed, and appropriate weight is given to each of the approaches to value.

In the valuation of the subject property, only the income capitalization and the sales comparison approaches to value are appropriate. However, to derive an intangible business value (derived value less value of the real estate), this report includes a cost approach. The value indicated by the cost approach only reflects the value of the real estate and does not consider the additional value associated with the business operations.



THE COST APPROACH

Introduction

In this section, the costs associated with producing the subject property's existing improvements are examined. This approach is based on the premise, as stated in the principle of substitution, that an informed buyer would pay no more for a property than it would cost to acquire a comparable site and build an improvement of similar quality and utility.

The cost approach consists of the following steps:

1. The subject property's land value, as though vacant and unencumbered, is estimated from an analysis of comparable land sales.
2. Typical "hard" and "soft" costs are estimated.
3. The total depreciation is debited from the replacement cost new, resulting in the depreciated value of the improvement.
4. The depreciated value of the improvements is added to the value of the underlying land to estimate a value for the subject property.

Marinas represent special purpose properties. Like other forms of real estate, marinas encompass the normal components of real property, including the land and improvements. However, unlike most other commercial real property, marina sales typically include a consideration for the going concern of the value of the operation. As such, to determine the value of the intangible business component, the value of the land and improvements is derived via the cost approach. The value indicated via the cost approach is deducted from the market value of the subject property's going concern (tangible and intangible business components) to determine the value of the intangible business component.

Land Valuation

The sales comparison approach is an estimate of value derived from a sales comparison with similar type properties. This method directly reflects the actions of buyers and sellers in the marketplace. Substitution is the underlying principle affecting the choice of buyers and sellers, and which implies that a prudent person will not pay more to buy a property than it would cost to buy a comparable substitute property. The price a typical purchaser pays is usually the result of a comparison process of various alternatives.

As vacant, the subject property represents a 58.0-acre (including upland and underwater land components) waterfront site accessed from Beach Road West in the town of Haverstraw, NY. As the *Zoning Analysis* section of this report discusses, the site is located in the "Commercial Recreation" district. Permitted uses include marinas, commercial recreational establishments, public parks and



playgrounds, and camps. Due to the limited upland area as well as the irregular configuration of the site, which is bisected by the underwater cove, as well as the limited uses permitted by the underlying zoning ordinance, marina use is determined to be the only feasible use of the site.

Comparable Sales Data

The market value of a site, as vacant, unencumbered and available to be put its highest and best use, is best indicated by an examination of land sales similar in quality and highest and best use to the subject site. During the past few years, there have been very few arms-length transfers of development sites exhibiting characteristics comparable to the subject property. No sales were identified in the northeast region that were either proposed or later developed into marinas. To estimate the value of the subject property, the appraisal analyzes 4 transactions of waterfront and other large commercial-zoned development sites in the influencing market area. The selected sales are considered the best available for comparison.

It is noted that the land residual and land extraction methods of valuing the underlying land component were considered, but not deemed instructive. The land residual method utilizes elements of the income capitalization approach that would render the analysis circular. The land extraction method also could not be performed with credibility given the comparable sales could not be inspected to a degree where accrued depreciation on the improvements could be estimated. Further, the approach would require proprietary data, including detailed financial data, to estimate contributory value of the business elements, which could not be obtained.

Comparative Process

The price per acre is the primary unit of comparison when analyzing the value of vacant commercial land in the influencing market area. In the valuation of the subject property's land component, the entire site acreage of 58.01-acres was utilized. Marinas derive a majority of revenue from wet-slip rentals, and thus, the portion of the land that is underwater is relevant for consideration.

The comparative process involves judgment as to the similarity between the subject property's site and the comparable property sales with regard to a variety of factors affecting value. The appraisal considers the following factors.

Expenditures after Purchase

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. For a land development site, these costs will typically include demolition and environmental remediation expenses, as well as costs associated with the buyout



of existing tenants. Site remediation or site preparation costs were not reported for any of the comparable sales, and as such, no adjustments are processed.

*Real Property
Rights Conveyed*

When real property rights are sold, they may be the sole subject of the contract or the contract may include other rights, less than all of the real property rights, or even rights to another property or properties. The comparables all reflect the transfer of the fee simple interest, requiring no adjustments.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financing arrangements. For example, the purchaser of a property may have assumed an existing mortgage at a favorable interest rate, in which case the buyer probably would pay a higher price for the property to obtain below-market financing. The comparables do not appear to have sold subject to atypical financing, requiring no adjustments.

Conditions of Sale

Market value requires “typical motivations of buyers and sellers” where there is no duress on either party to consummate the sale. An adjustment for conditions of sale usually reflects the motivation of either a buyer or a seller who is under duress to complete the transaction.

Comparable Sale No. 3 sold with approved permits for hospitality development, and a downward adjustment is applied. No adjustments are required for the remaining comparable sales.

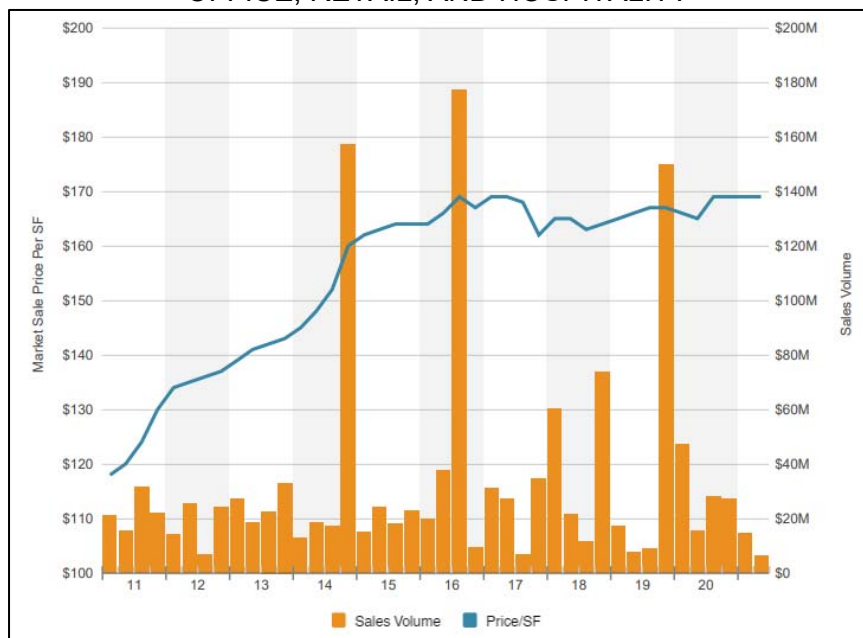
Market Conditions (Time)

Comparable sales that occurred under market conditions different from those applicable to the subject on the effective date of value require adjustments for any differences that affect their values. An adjustment for market conditions is made if general property values have increased or decreased since transaction dates.

By all accounts, nearly all commercial asset types have been negatively impacted by the COVID-19 pandemic; however, urban areas have fared worse than suburban and rural areas. In the local submarket in which the subject property operates, CoStar reports that sales volume and market sale prices for most commercial property types have remained fairly unchanged, while sales volume has noticeably decreased. The following chart summarizes sales volume and price per square foot for retail, office, and hospitality properties (utilized as a proxy for comparison).



AVERAGE SALE PRICE PER SQ.FT.: OFFICE, RETAIL, AND HOSPITALITY



Source: the CoStar Group

Based on the graphic, it is apparent that pricing for most commercial assets have remained relatively unchanged during the COVID-19 pandemic, while sales volume has declined. This follows several years of flat price growth and isolated periods of high sales volume. Though surveys for development sites and/or marinas don't exist, trends derived from an aggregation of commercial asset sales prices provide valuable insight into the state of the commercial market in the region.

The comparable development site sales utilized reflect sales dates from June 2019 through February 2021. As such, no adjustments have been applied.

Location

An adjustment for location within a market may be required when the location characteristics of a comparable property are different from those of the subject property. Adjustments are processed based on the potential sales prices due to location characteristics such as proximity to transportation options, employment centers, cultural offerings, retail services, and entertainment options, as well as the view potential offered by a site's specific location.

The subject property has a waterfront location bordered by an industrial enclave in the town of Haverstraw. Its specific location is amongst industrial properties, and over 1 mile from the main roadway (Route 202) that bisects West Haverstraw.



Comparable Sale No. 1 is located along a major roadway in Poughkeepsie, NY, nestled amongst a variety of commercial uses, and requires a large downward adjustment. Comparable Sale No. 4 is situated at the junction of Route 17 and Interstate 87 in the village of Harriman, NY, and is similarly nestled amongst a variety of commercial uses and requires a large downward adjustment. Comparable Sales No. 2 and 3 are situated further from commercial areas, and are similarly situated along the Hudson River, and do not require an adjustment.

Size

The appraisal compares the sales to the subject property on the basis of size. Sites with a greater development area may afford the opportunity to enhance the marketability of the proposed improvements by allowing for the economies of scale necessary to support enhanced building amenities and efficiencies during construction. However, the magnitude of the aggregate acquisition price and scope of construction tend to limit the potential pool of investors, which may impact the resultant price per acre.

Comparable Sale No. 1 is materially smaller than the subject property, and a downward adjustment is applied. Comparable Sale no. 4 is materially larger and requires an upward adjustment.

Utility

This adjustment accounts for the development constraints associated with the layout and location of a site. Development costs are also impacted by the width of and traffic along the surrounding streets. Narrower and/or busier thoroughfares hinder the passage of machinery and materials to and from a site. Sites located along heavily traveled thoroughfares are subject to higher costs associated with after hour deliveries and piecemeal development. Sites with larger footprints allow for greater flexibility in planning and design.

The subject property is a waterfront site that is situated within a sheltered cove along the Hudson River. [REDACTED]

[REDACTED] Comparable Sales No. 1 and 4 are landlocked sites, requiring large downward adjustments. No adjustments are necessary to Comparable Sales No. 2 and 3, which are both waterfront sites.

Sales Discussions

The following is a brief discussion of relevant fee sales in the influencing area.



Comparable Land Sale No. 1

Address 2301 South Road, Poughkeepsie, NY
Parcel ID 134689-6160-03-1000001
Sale Price \$2,500,000
Sale Date February 10, 2021
Grantor Elgen Associates, Inc.
Grantee Anthony Road Associates, LLC
Verification Public records, the CoStar Group, listing brokerage (Berkshire Hathaway)
Zoning BH (Highway Business) and MF (multi-family residential)
Site Size 10.8 acres

Unit Price \$231,481 per acre

Description This comparable sale is a 10.8-acre, irregular-shaped development site located along the westerly side of South Road (US-9), in Poughkeepsie, NY.

The site is split-zoned; with the front 6 acres located in the BH (highway business) zoning district and the rear 4 acres located in the MF (multifamily residential) zoning district. The zoning allows for a variety of uses, including retail, office, self-storage, hospitality, and residential. The intended use of the site was not reported.

Analysis As the comparable land sale adjustment grid illustrates, this comparable indicates a market value of \$92,593 per acre for the subject property.



COMPARABLE LAND SALE NO. 1



Comparable Land Sale No. 2

Address 54 Elm Avenue, Tomkins Cove, NY
Parcel ID 10.01-2, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19
Sale Price \$2,850,000
Sale Date December 2, 2020
Grantor Genon Lovett LLC
Grantee Tomkins Camf LLC
Verification Public records, the CoStar Group
Zoning PW
Site Size 56.89 acres

Unit Price \$50,097 per acre

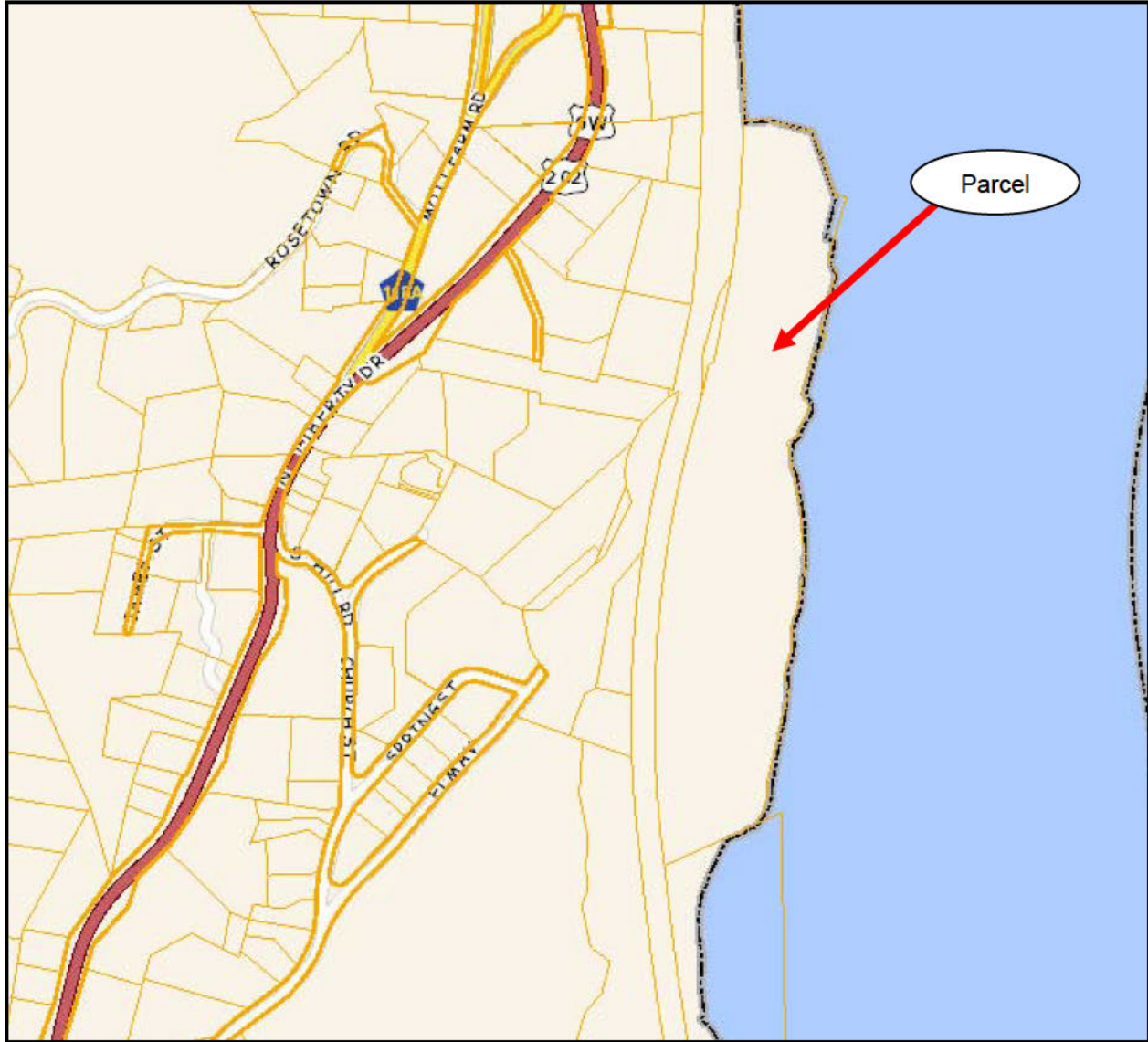
Description This comparable sale comprises 4 irregular-shaped parcels totaling 56.89-acres located at the terminus of Elm Avenue with frontage along the westerly side of the Hudson River in Tomkins Cove, NY.

The site is zoned for a variety of uses including maritime centers, waterfront parks, public recreational facilities requiring waterfront access, marinas, restaurants, municipal community centers, fuel storage and distribution, wireless communications facilities. The intended use of the site was not reported.

Analysis As the comparable land sale adjustment grid illustrates, this comparable indicates a market value of \$50,097 per acre for the subject property.



COMPARABLE LAND SALE NO. 2



Comparable Land Sale No. 3

Name Wyldwyck River Camp
Address Delaware Street, Saugerties, NY
Parcel ID 29.3-1-1.111; and 29.3-1-1.112
Sale Price \$2,700,000
Sale Date December 27, 2019
Grantor Wyldwyck LLC
Grantee HA Hudson Resort LLC
Verification Public records, the CoStar Group, listing brokerage (Cushman and Wakefield)
Zoning HDR (high density residential)
Site Size 82.3 acres

Unit Price \$32,807 per acre

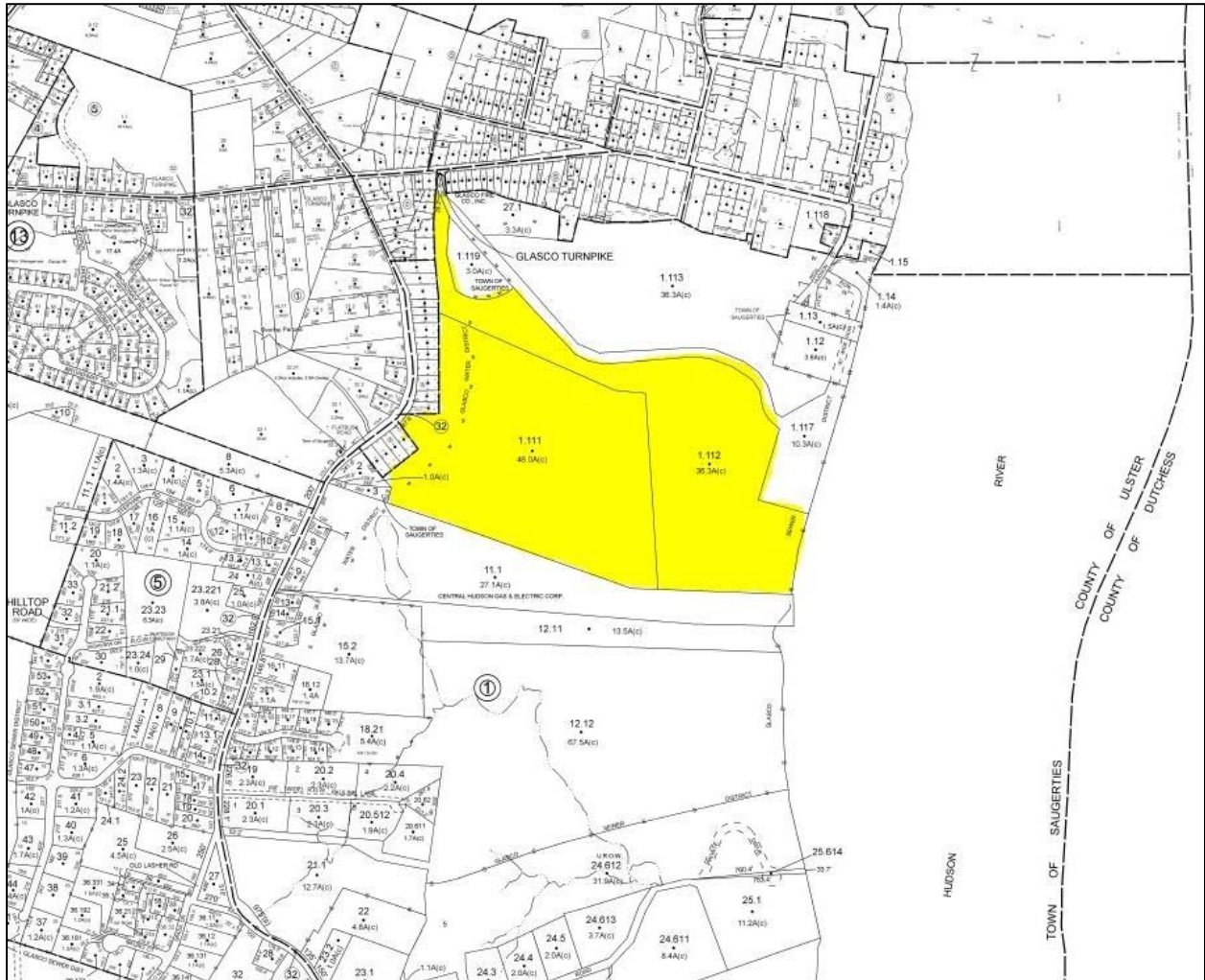
Description This comparable sale comprises 2 contiguous irregular-shaped parcels totaling 82.3-acres located along Delaware Street with frontage along the westerly side of the Hudson River in Saugerties, NY.

The site is zoned for high density residential use; however, the site sold fully entitled and approved for the construction of a four-season experiential, boutique hotel. Reportedly, the new development will cater to the growing health and wellness trend. Upon completion, the facility will feature hiking trails, ponds and orchards, event space, spa services, fitness offerings, and farm-to-table restaurants. The site features 1,400 feet of frontage along the Hudson River.

Analysis As the comparable land sale adjustment grid illustrates, this comparable indicates a market value of \$31,166 per acre for the subject property.



COMPARABLE LAND SALE NO. 3



Comparable Land Sale No. 4

Name Interchange Commerce Center
Address I-87 and Route 17, Harriman, NY
Parcel ID 335809-243-000-00001-013.000-00
Sale Price \$12,000,000
Sale Date June 20, 2019
Grantor Woodbury Real Estate Group LLC
Grantee Gardens at Harriman Station LLC
Verification Public records, the CoStar Group
Zoning PAD (planned area development)
Site Size 129.3 acres

Unit Price \$92,807 per acre

Description This comparable sale is an irregular-shaped, development site with primary frontage along Route 17 in the village of Harriman, town of Monroe, New York.

The site sold vacant and without approvals. The zoning permits a wide variety of commercial uses, including retail, office and hospitality.

Analysis As the comparable land sale adjustment grid illustrates, this comparable indicates a market value of \$51,044 per acre for the subject property.



COMPARABLE LAND SALE NO. 4



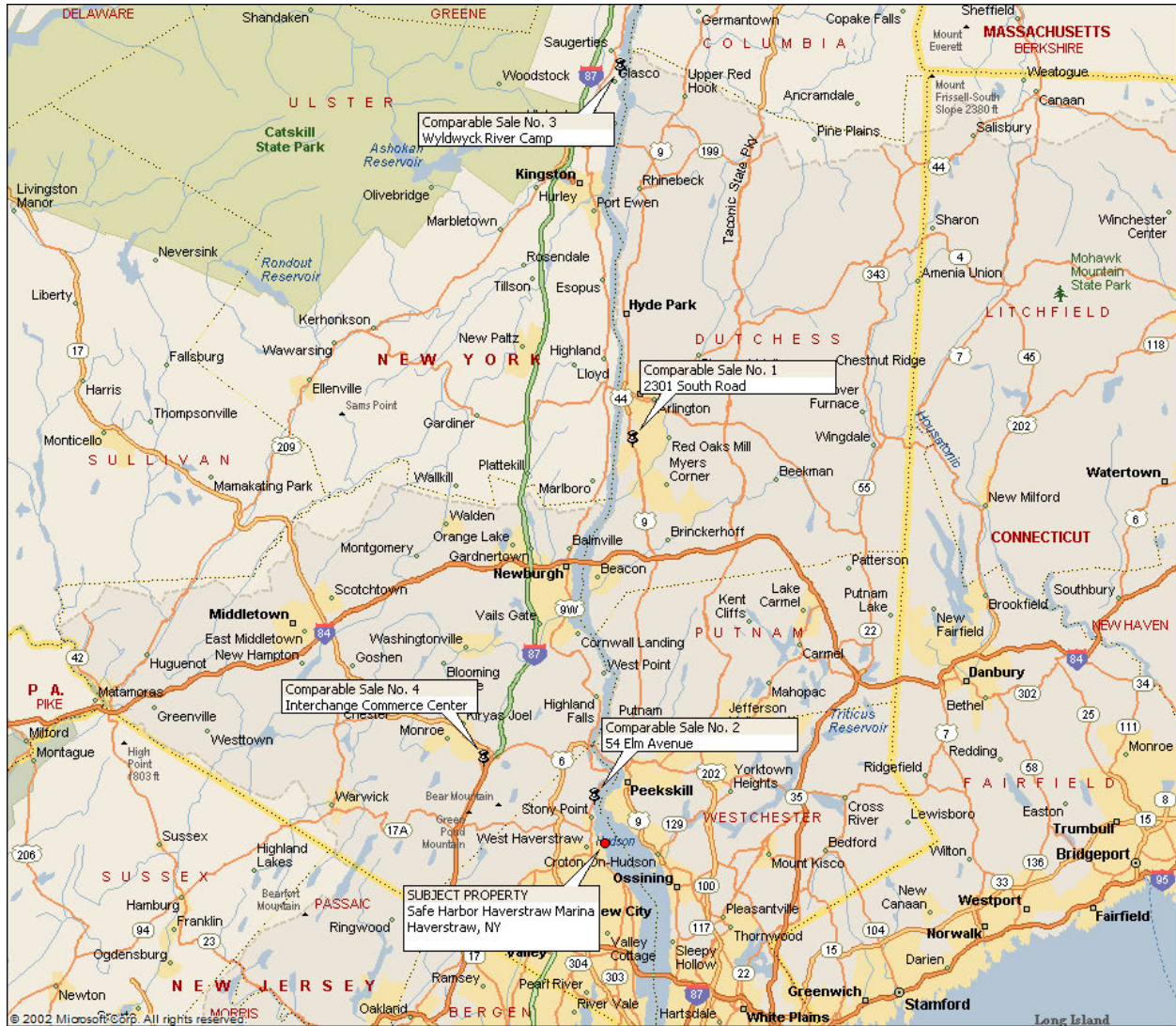
COMPARABLE LAND SALES ADJUSTMENT GRID

Sale No.		Sale 1	Sale 2	Sale 3	Sale 4
Address	Subject Property	2301 South Rd. Poughkeepsie, NY	54 Elm Ave. Tomkins Cove, NY	Wyldwyck River Camp Saugerties, NY	Interchange Commerce Cntr. Harriman, NY
Sale Date		Feb-21	Dec-20	Dec-19	Jun-19
Sale Price		\$2,500,000	\$2,850,000	\$2,700,000	\$12,000,000
Adjustment		0	0	0	0
Adjusted Sale Price		\$2,500,000	\$2,850,000	\$2,700,000	\$12,000,000
Zoning District	CR	BH & MF	PW	HDR	PAD
Site Area (AC)	58.0	10.8	56.9	82.3	129.3
Proposed Use		Commercial	Unknown	Hospitality	Commercial
Sale Price per AC		\$231,481	\$50,097	\$32,807	\$92,807
Property Rights Conveyed		0%	0%	0%	0%
Financing Terms		0%	0%	0%	0%
Conditions of Sale		<u>0%</u>	<u>0%</u>	<u>-5%</u>	<u>0%</u>
Subtotal		0%	0%	-5%	0%
Adjusted Price per AC		\$231,481	\$50,097	\$31,166	\$92,807
Market Conditions (Time)		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Time Adjusted Price per AC		\$231,481	\$50,097	\$31,166	\$92,807
Location		-25%	0%	0%	-25%
Size (Development Envelope)		-10%	0%	0%	5%
Utility		<u>-25%</u>	<u>0%</u>	<u>0%</u>	<u>-25%</u>
Total Post-Time Adjustments (%)		-60%	0%	0%	-45%
Adjusted Price per AC		\$92,593	\$50,097	\$31,166	\$51,044

Source: Market research; adjustments by MVS



MAP OF COMPARABLE LAND SALES



Analysis

The comparable land sales demonstrate an unadjusted sale price range from \$32,807 to \$231,481 per acre. After all appropriate adjustments, the comparable sales demonstrate a narrower range from \$31,166 to \$92,593 per acre. The comparables demonstrate an adjusted average and median sale price of \$57,952 and \$50,097 per acre, respectively.

Significant emphasis has been placed on Comparable Sale No. 2, which is a similar-sized Hudson River waterfront site just north of the subject property. This sale is the only identified sale in which the underlying zoning permits marina and other water-based recreational uses. Further, it is similarly located within an industrial area. While the proposed use was not reported and could not be



verified, it still offers the highest degree of comparability relative to the subject property.

Based on the preceding, a unit value of \$50,000 per acre is appropriate for the subject site. This indicates a site value, as if vacant, as follows:

$$58.01 \text{ acres} \times \$50,000 \text{ per acre} = \$2,900,387$$

“As Is” Value

Based on the preceding, the “as is” market value of the fee simple interest in the subject property’s underlying land as if vacant, as of April 16, 2021, is rounded to:

TWO MILLION NINE HUNDRED THOUSAND DOLLARS
(\$2,900,000)

Replacement Cost New

The replacement cost new estimates the value of the subject property’s improvements as if new and includes amounts for direct costs, indirect costs, and entrepreneurial incentive. Replacement cost is defined by the *Dictionary of Real Estate Appraisal* (6th ed., Chicago, IL, Appraisal Institute, 2015), as:

“The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.”

Calculator Cost Method

The calculator cost method provides an estimate of construction costs based on data compiled by *Marshall Valuation Service*, a nationally recognized cost service. The costs reflected include labor, materials, supervision, architects’ fees, contractors’ overhead and profit, sales taxes, permit fees and insurance during construction. Interest on interim construction financing is also included, but not financing costs, real estate taxes, and brokerage commissions. The cost does not include those expenses associated with buying and assembling the land or any improvement to the land.

The following pages include depreciation cost estimates for the subject property’s improvements. A discussion of the factors considered to derive appropriate depreciation estimates is included below.

Elements of Depreciation

The goal of the depreciation analysis is to identify and measure the loss in property value from any cause. All items that cause a loss in value must be deducted from cost. The three elements of depreciation are physical deterioration, functional obsolescence, and external obsolescence. The following paragraphs discuss the applicability to the subject property.



Physical Deterioration Physical deterioration accounts for the loss in value caused by wear, tear, age, and use. Consideration was given to the estimated effective age of the improvements as per our observations at the time of the inspection, as well as details reported in the provided Property Condition Evaluation Report (conducted by EMG, dated August 28, 2019). The “curable physical” depreciation represents straight line depreciation, i.e. the estimated effective age divided by the economic life of the improvement, as reported by Marshall Valuation Service.

Functional Obsolescence and Inutility Functional obsolescence and inutility are elements of depreciation resulting from deficiencies or super-adequacies in the property. Functional obsolescence and inutility estimates for each improvement is based upon our observations at the time of the inspection, as well as details reported in the provided Property Condition Evaluation Report (conducted by EMG, dated August 28, 2019).

External Obsolescence External obsolescence is a defect, usually incurable, caused by negative influences outside a site and generally incurable on the part of the owner, landlord, or tenant. The subject property is well located along the Hudson River in a protected cove of the Haverstraw Bay, the widest point along the Hudson River. The specific location of the subject property is amongst an industrial district. As such, some external obsolescence is present; however, this is somewhat tempered by the fact that users of the marina do not necessarily reside locally, and Rockland County as a whole is affluent in nature. Based on the preceding, a small adjustment for external obsolescence was included.

Depreciated Cost Estimates The following table summarizes the depreciated cost estimates of the improvements at the subject property, followed by our conclusions of the value via the cost approach.



CALCULATOR COST METHOD: MARINA OFFICE BUILDING

[REDACTED]		3,234	SqFt
		45	Years
	Built 1979	42	Years
		25	Years
Building - Above-grade			
Base Square Foot Cost			\$/SqFt
Average Class "D" Office (Section 15, Page 17, November 2019)		\$112.00	
Adjustment: Sprinklers (Section 15, Page 37, November 2019)		\$0.00	
Adjusted Cost		\$112.00	
Refinements			
Current Cost Multiplier (Section 99, Page 3, April 2021)		1.10	
Local Cost Multiplier (Section 99, Page 9, April 2021)		1.31	
Final Unit Cost (psf)		\$161.39	
[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]	1	[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]

Source: Marshall & Swift Cost Manual

CALCULATOR COST METHOD: [REDACTED]

[REDACTED]			
	Built 1998		
Building - Above-grade			
Base Square Foot Cost			\$/SqFt
Average Class "D" Retail Store (Section 13, Page 26, May 2020)		\$82.50	
Adjustment: Sprinklers (Section 13, Page 40, May 2020)		\$4.09	
Adjusted Cost		\$86.59	
Refinements			
Current Cost Multiplier (Section 99, Page 3, April 2021)		1.10	
Local Cost Multiplier (Section 99, Page 9, January 2021)		1.31	
Final Unit Cost (psf)		\$124.78	
[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]	1	[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]

Source: Marshall & Swift Cost Manual



		Built 2013	
<u>Building - Above-grade</u>			
Base Square Foot Cost			\$/SqFt
Good Class "C" Restaurant (Section 13, Page 14, May 2020)		\$172.00	
Adjustment: Sprinklers (Section 13, Page 40, May 2020)		\$4.25	
Adjusted Cost		\$176.25	
<u>Refinements</u>			
Current Cost Multiplier (Section 99, Page 3, April 2021)		1.09	
Local Cost Multiplier (Section 99, Page 9, January 2021)		1.31	
Final Unit Cost (psf)		\$251.67	
Depreciated Replacement Cost (rounded)		\$1,374,456	\$168.98
		\$1,370,000	\$168.43

Source: Marshall & Swift Cost Manual

		Built 1984	
<u>Building - Above-grade</u>			
Base Square Foot Cost			\$/SqFt
Average Class "C" Bath House (Section 12, Page 29, August 2020)		\$109.00	
<u>Refinements</u>			
Current Cost Multiplier (Section 99, Page 3, April 2021)		1.07	
Local Cost Multiplier (Section 99, Page 9, January 2021)		1.31	
Final Unit Cost (psf)		\$152.79	

Source: Marshall & Swift Cost Manual



[REDACTED]		Built 1984	[REDACTED]	
<u>Building - Above-grade</u>				
Base Square Foot Cost				\$/SqFt
Average Class "D" Clubhouse (Section 11, Page 30, November 2020)			\$109.00	
<u>Refinements</u>				
Current Cost Multiplier (Section 99, Page 3, April 2021)			1.07	
Local Cost Multiplier (Section 99, Page 9, January 2021)			1.31	
Final Unit Cost (psf)			\$152.79	
[REDACTED]			[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]			[REDACTED]	[REDACTED]

Source: Marshall & Swift Cost Manual

[REDACTED]		Built 1986	[REDACTED]	
<u>Building - Above-grade</u>				
Base Square Foot Cost				\$/SqFt
Average Class "D" Retail Store (Section 13, Page 26, May 2020)			\$82.50	
<u>Refinements</u>				
Current Cost Multiplier (Section 99, Page 3, April 2021)			1.10	
Local Cost Multiplier (Section 99, Page 9, January 2021)			1.31	
Final Unit Cost (psf)			\$118.88	
[REDACTED]			[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]			[REDACTED]	[REDACTED]

Source: Marshall & Swift Cost Manual



Built 1986	
<u>Building - Above-grade</u>	
Base Square Foot Cost	\$/SqFt
Average Class "C" Bath House (Section 12, Page 29, August 2020)	\$109.00
<u>Refinements</u>	
Current Cost Multiplier (Section 99, Page 3, April 2021)	1.07
Local Cost Multiplier (Section 99, Page 9, January 2021)	1.31
Final Unit Cost (psf)	\$152.79
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Source: Marshall & Swift Cost Manual

Built 1986	
<u>Building - Above-grade</u>	
Base Square Foot Cost	\$/SqFt
Good Class "C" Service (Repair) Garages (Section 14, Page 32, February 2020)	\$82.50
<u>Refinements</u>	
Current Cost Multiplier (Section 99, Page 3, April 2021)	1.09
Local Cost Multiplier (Section 99, Page 9, January 2021)	1.31
Final Unit Cost (psf)	\$117.80
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Source: Marshall & Swift Cost Manual



Built 1986	
<u>Building - Above-grade</u>	
Base Square Foot Cost	\$/SqFt
Good Class "C" Service (Repair) Garages (Section 14, Page 32, February 2020)	\$82.50
<u>Refinements</u>	
Current Cost Multiplier (Section 99, Page 3, April 2021)	1.09
Local Cost Multiplier (Section 99, Page 9, January 2021)	1.31
Final Unit Cost (psf)	\$117.80
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Source: Marshall & Swift Cost Manual

Site Improvements	Amount/Unit	Unit Cost	Estimated Cost
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: Marshall & Swift Cost Manual

Entrepreneurial Incentive

Entrepreneurial incentive reflects anticipated compensation associated with risk and the developer's contribution to the project. Specific data regarding entrepreneurial incentive within the influencing market is limited. However, discussions with local area professionals, institutional real estate owners and lenders active in the northeast region indicate desired equity profit levels in the current market of 15% to 30% to attract developers for a development similar to the subject property, with higher amounts in urban areas. We have applied an incentive of 25% as reasonable considering the challenges of developing waterfront land. Applying



allocation of the business value. The allocation of the business and intangibles from the real estate is therefore estimated to be

As such, the value of the intangible business component of the subject property, as of April 16, 2021, is:

**THREE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$3,500,000)**

To test the reasonableness of the allocation, the following table summarizes allocations between the real estate and the business elements of recent marina sales.

COMPARABLE ALLOCATIONS OF BUSINESS VALUE: MARINAS

Address	Date	Total Sale Price	Allocated to Real Estate	*Allocated Business Value	% Allocated to Business and Intangibles
664 Princeton Avenue Brick, NJ	Feb-21	\$1,400,000	\$1,100,000	\$300,000	21.4%
243 Lake Avenue Island Heights, NJ	Apr-20	\$4,825,000	\$4,650,000	\$175,000	3.6%
21144 Green Lane Rock Hall, MD	Dec-17	\$3,800,000	\$2,406,176	\$1,393,824	36.7%
7201 Waldman Avenue Sparrows Point, MD	Oct-17	\$1,550,000	\$1,384,500	\$165,500	10.7%

Source: market research by MVS
*as per public records



THE INCOME CAPITALIZATION APPROACH

Introduction

The income capitalization approach is based on the theory that value is the present worth of future benefits. The future benefits of ownership consist of the present worth of the net income that will accrue to the owner of the property, plus the present worth of the net proceeds resulting from the eventual disposition of the property. The two most commonly used techniques of converting net income into value in the income capitalization approach are direct capitalization and the discounted cash flow analysis.

In the valuation of the subject property, we have utilized the direct capitalization method which is the method most employed by investors and market participants for marinas when the operations are assumed to be stabilized.

Value By Direct Capitalization

Definition

According to *The Dictionary of Real Estate Appraisal*, Direct Capitalization is "A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor. A capitalization technique that employs capitalization rates and multipliers extracted from sales. Only the first year's income is considered. Yield and value change are implied, but not identified."

The basic steps in processing the Income Capitalization Approach by the Direct Capitalization method are as follows:

1. **Potential Gross Income** from all sources that a competent owner could legally generate is calculated.
2. **Vacancy and Credit Loss** factor is estimated and deducted to arrive at Effective Gross Income.
3. **Operating Expenses** are estimated and deducted to arrive at the stabilized Net Operating Income.
4. **Overall Capitalization Rate** is developed.
5. **Stabilized Valuation** is processed by dividing the Net Operating Income by the Overall Capitalization Rate.

In the Direct Capitalization Approach, the net operating income is converted into an estimate of value through the use of an Overall Rate (OAR).

Sources of Revenue

Summer Slip Revenue

The primary source of revenue for marinas in the northeast is rental income generated via summer season wet storage of marine vessels. The subject property is a 777-slip, deep water and full-



its widest point in Haverstraw Bay (between Westchester and Rockland counties).

The following table summarizes the competitive rate survey, which was verified via marketing materials and/or conversations with sales representatives at each marina office.

COMPETITIVE SLIP RENTAL RATE SURVEY

Name/Location	No. of Wet Slips	Slip Rental Fees	Amenities/ Facilities Fees	Amenities/Facilities Description
SUBJECT PROPERTY		20' - 46'+	\$320	Olympic-sized pool, picnic areas,
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cortlandt Yacht Club 238 Kings Ferry Rd. Montrose, NY	163	20' - 52' \$68.75 - \$94.00 per linear ft. (\$79.11 Avg)	\$600 Total (summer)	Pool, picnic areas, café, clubhouse
Westerly Marina 7 Westerly Rd Ossining, NY 10562	n/a	20' - 40' \$78.00 per linear ft.	no fees	Marine supply store, offices, boat repair
Half Moon Bay Marina 80 Half Moon Bay Dr Croton-On-Hudson, NY 10520	173	All boats \$100.00 per linear ft.	no fees	Extended season (3/1 - 11/15); no clubhouse or boat repair/ancillary services or facilities
Croton Yacht Club 6 Elliott Way Croton-On-Hudson, NY 10520	120	20' - 35' \$70.00 per linear ft.	\$10 (Daily access to clubhouse)	Clubhouse (full-service bar, clubroom, kitchen, bathrooms, outdoor deck); hauling, power washing services; very limited repair services.
PennyBridge Marine 21 Grassy Point Rd Stony Point, NY 10980	100	All boats \$72.00 per linear ft.	no fees	Marine supply store, full-service repair and hauling.
Patsy's Bay Marina 9 Hudson Dr Stony Point, NY 10980	300	All boats \$74.00 per linear ft.	\$100 (25' & under) \$250 (26' & over)	Restaurant, marine supply store, showers, pool; repair and winterization services.
USA Marina & Boat Club 36 Hudson Dr Stony Point, NY 10980	110	20' - 65' \$65.00 per linear ft.	no fees	Pool and gazebos, showers/laundry, grills, snack shop; repair services.
Tarrytown Marina 236 Green Street Tarrytown, NY 10591	190	20' - 65' \$75.00 per linear ft.	no fees	Marine supply store, showers/laundry; picnic area;

Source: market research by MVS



COMPETITIVE MARINA LOCATION MAP



Slip rental rates can vary depending on the level of services and amenities provided. The subject property is a full-service marina that contains an Olympic-sized pool, a tackle and bait shop, clubhouse, restaurant, and a wide variety of boat repair services. We note that there are few marinas along the Hudson that afford the same level of amenities and services. While the subject property charges additional fees for the use of some amenities (i.e. seasonal pool use, cabana with shower, etc.), marinas with ample amenities and services are still able to charge higher slip rates than marinas with less amenities and services.

The survey indicates rental rates from \$65.00 to \$100.00 per linear foot, averaging \$78.43 per linear foot. Factors affecting the rental rates include the level of amenities and services offered, as well as



accessibility/location, and average slip size (smaller slips rent for lower rates).

The Cortland Yacht Club and Patsy's Bay Marina are deemed most similar to the subject property based upon location and level of services provided. The slip rates for these facilities range from \$68.75 to \$94.00 per linear foot, averaging \$76.56 per linear foot.

As previously discussed, the subject property benefits from a higher level of amenities and services and is therefore well-positioned to capture top-of-the market prices. [REDACTED]

As analyzed previously, the implied occupancy rate has fallen in recent years from a high in 2016 of 81% to a low in 2020 of 69%. As additional support, and to confirm the accuracy of our calculations, we analyzed a recent rent roll reflecting season-end 2020 occupancy and noted a 71.4% occupancy rate (based on the 777 active slips reported at the time of our inspection). We note that due to the COVID-19 pandemic, it is likely that business operations experienced disruption, and revenues were impacted. In the 4 years analyzed preceding 2020, the implied occupancy rate ranged from 76% to 81%; however, it is our understanding that prior management of the facility may not have been acting prudently to achieve maximum occupancy and revenue. We note that while occupancy rates of competitive marinas in the local area along the Hudson River were not available, our impression based on conversations with sales representatives is that availability was low.

According to the National Marine Manufacturers Association, retail sales of new powerboats in the United States increased in 2020 by 12% as compared to 2019, surpassing pre-pandemic expectations of a 2% increase. Further, annual sales of boats, marine products, and services, are estimated to total \$47 billion in 2020, which is up 9% from 2019.

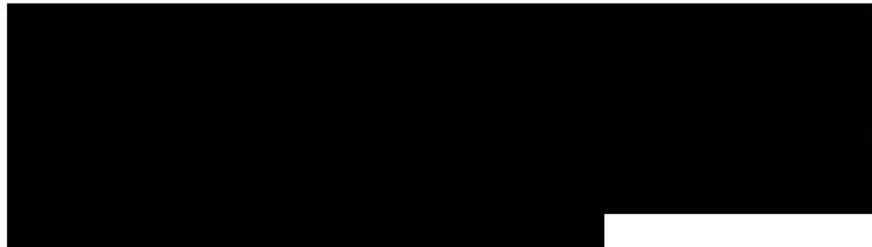
Assuming prudent management would capture a reasonable market share of new boaters in the region [REDACTED]



Winter Storage Revenue

Winter storage revenue consists of land and water boat storage during the off-season, which is between November 1 and April 30 at the subject property. Land storage includes towing, hauling, scraping of barnacles and a spring launch. Winter water storage includes circulators, which are positioned around docks and boats, and prevents ice damage by keeping the area free of ice.

Winter land storage at the subject property is located on the northerly and westerly areas of the site and is exposed to the elements. Boats are stored near the repair shop facilities, and within the gated surplus land along the westerly side of Beach Road. There is no rack or sheltered storage.



The following table summarizes the subject property's historical winter storage rental revenue. We note the 2020 figure may be artificially high given possible prolonged winter or all-season dry storage due to the COVID-19 pandemic, social distancing guidelines, and capacity restrictions of business operations.

Year	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: submitted financial statements; compiled by MVS
 *assumes an average of 30 linear feet. Average rate assumed to be \$32.50 per linear foot.

As a test of reasonability, we have considered winter storage rates in competitive marinas in the local market area. We note that not all marinas previously surveyed for the summer slip rates offer winter storage, as smaller boats are often removed and hauled by the owner to a separate location for winter storage.



COMPETITIVE WINTER STORAGE RATE SURVEY

Name/Location	No. of Wet Slips	Winter Storage Fees	Amenities/Facilities Fees	Amenities/Facilities Description
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Westerly Marina 7 Westerly Rd Ossining, NY 10562	n/a	20' - 39'+ \$32.00 - \$44.00 per linear ft. (\$37.33 Avg)	no fees	Marine supply store, offices, boat repair
Croton Yacht Club 6 Elliott Way Croton-On-Hudson, NY 10520	120	<20' - 35' \$37.00 per linear ft.	\$10 (Daily access to clubhouse)	Clubhouse (full-service bar, clubroom, kitchen, bathrooms, outdoor deck); hauling, power washing services; very limited repair services.

Source: market research by MVS

The advertised winter storage rates at the subject property are deemed market-oriented and competitive with other marinas in the area.

[REDACTED] The most recent year saw a significant increase in the winter storage revenue, likely attributed to the COVID-19 pandemic, and possible prolonged winter storage due to social distancing guidelines and capacity restrictions on businesses. We have estimated the implied number of winter-stored boats to have ranged from 307 to 362 between 2016 and 2019. As noted, the implied number of boats may be artificially higher in 2020.

[REDACTED] \$32.50 per linear foot × 350 boats × 30-foot average boat length).

Third-Party Rental Revenue This revenue line item accounts for revenue through third-party leases for the retail buildings, the restaurant, and the boat repair facilities located on-site. The leased improvements consist of the Samalot Marine retail building, the Hudson Water Club restaurant, the former Surfside 3 retail facility, the Hudson Boat Service repair building, and the ancillary repairs shop building. These facilities total 24,284 square feet in size, and can be separated into 3 categories; general retail, restaurant, and industrial. The following table summarizes the historical third-party revenue income at the subject property.



SUBJECT PROPERTY THIRD-PARTY LEASE HISTORICAL REVENUE

Year	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: submitted financial statements; compiled by MVS

Although requested, we were not provided with the in-place contract leases at the subject property. Therefore, we have conducted a survey of recent retail, restaurant, and industrial leases in the local market area in order to determine if the historical third-party lease revenue is reasonable and market-oriented for conventional commercial space, a reasonable proxy. The following table summarizes our survey of comparable leases.



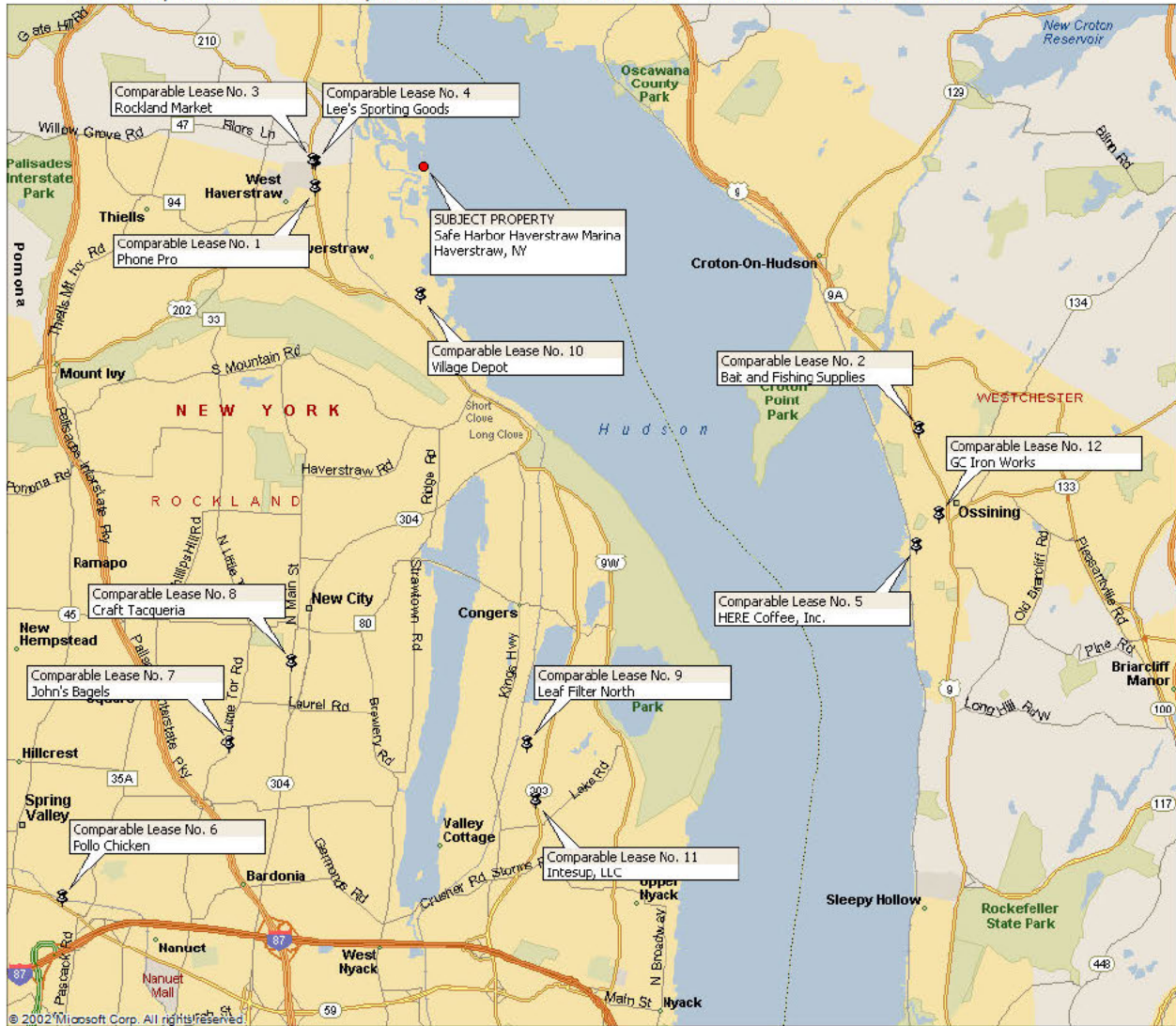
COMPARABLE LEASES: RETAIL, RESTAURANT, AND INDUSTRIAL

No.	Address	Tenant	Lease Date	Term (Years)	Size (Sq.Ft.)	Annualized Rent/ Sq. Ft	Steps	Terms
<u>General Retail Comparable Leases</u>								
1	15-31 US 9W West Haverstraw , NY	Phone Pro	Jan-21	7	1,560	\$24.00	Annual	Expenses: Modified Gross Free Rent: 2 months Worletter: N/Avail.
2	238 N. Highland Ave. Ossining, NY	Bait and Fishing Supplies	Aug-20	2	1,200	\$25.00	Annual	Expenses: Modified Gross Free Rent: N/Avail. Worletter: N/Avail.
3	91 US 9W West Haverstraw , NY	Rockland Market	Jul-20	10	5,000	\$15.00	Annual	Expenses: Triple-Net Free Rent: 3 months Worletter: N/Avail.
4	236-246 Route 9W West Haverstraw , NY	Lee's Sporting Goods	Dec-19	5	1,000	\$25.00	Annual	Expenses: Modified Gross Free Rent: 1 month Worletter: N/Avail.
<u>Restaurant Comparable Leases</u>								
5	20 Main Street Ossining, NY	HERE Coffee, Inc.	Jun-20	5	1,748	\$17.84	Annual	Expenses: Triple-Net Free Rent: 1 month Worletter: N/Avail.
6	80 E. Route 59 Spring Valley, NY	Pollo Chicken	Nov-19	10	3,348	\$22.00	Annual	Expenses: Triple-Net Free Rent: 1 month Worletter: N/Avail.
7	303 S. Little Tor Rd. New City, NY	John's Bagels	Aug-19	n/a	2,500	\$30.13	Annual	Expenses: Triple-Net Free Rent: None Worletter: N/Avail.
8	170-172 Main St. New City, NY	Craft Tacqueria	Jul-19	5	1,280	\$20.00	Annual	Expenses: Triple-Net Free Rent: N/Avail. Worletter: N/Avail.
<u>Industrial Comparable Leases</u>								
9	614 Corporate Way Valley Cottage, NY	Leaf Filter North	Mar-21	5	7,500	\$10.75	Annual	Expenses: Modified Gross Free Rent: None Worletter: N/Avail.
10	61 Maple Avenue Haverstraw , NY	Village Depot	Mar-21	3	3,205	\$13.10	Annual	Expenses: Modified Gross Free Rent: None Worletter: N/Avail.
11	153 Rt. 303 Valley Cottage, NY	Intesup, LLC	Jul-20	5	5,000	\$10.80	Annual	Expenses: Modified Gross Free Rent: 1 month Worletter: N/Avail.
12	3 Brandreth St. Ossining, NY	GC Iron Works	May-19	5	5,276	\$9.10	Annual	Expenses: Modified Gross Free Rent: None Worletter: N/Avail.

Source: market research by MVS



RETAIL, RESTAURANT, AND INDUSTRIAL COMPARABLE LEASE LOCATION MAP



The comparable general retail leases range from [REDACTED] per square foot, averaging [REDACTED]

Based on the preceding, we have assigned a market rent of [REDACTED] per square foot to the retail buildings, [REDACTED] square foot to the restaurant, and a market rent of \$10.00 per square foot to the industrial buildings. The following table summarizes the 3rd party lease revenue as if 100% leased at market rent.



THIRD PARTY LEASE REVENUE
(AS IF LEASED AT 100% MARKET RENT)

	Size (sq.ft.)	Market Rent (\$ per sq.ft.)	Annual Rent
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: market leasing assumptions and calculations by MVS

Based on the preceding, [REDACTED]
[REDACTED]
[REDACTED] This figure is well supported by recent trends at the subject property.

Service Revenue

This revenue line item accounts for ancillary services, including hauling, ramp fees, winterization, and yard fees. [REDACTED]
[REDACTED] Like most other revenue and expense line items, 2020 appears to be an outlier; however, the service revenue was indicated to have increased significantly in 2019 upon the recent takeover by the new operator. [REDACTED]
[REDACTED]

Fuel and Utilities
Sales Revenue

The subject property provides electrical utility hookups to the wet slips and has a fueling station along the north shore that is available for both monthly slip renters and transient customers. The following table summarizes the historical fuel and utilities sales income at the subject property.

Year	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: submitted financial statements; compiled by MVS
Note: implied occupancy rate derived in summer slip revenue section



[REDACTED]

Accordingly, and considering increases in utility and fuel costs over the past several years, and that this line-item is typically property-specific,

[REDACTED]

Other Revenue

This revenue category consists of pool and cabana rental fees; sales of concessions including soda and ice, clothing and hats, miscellaneous supplies and equipment; service charges; and commissions.

[REDACTED]

*Vacancy and
Collection Loss*

Considerations for vacancy and collection loss income have been already applied to each revenue category as deemed appropriate.

Potential Gross Income

The potential gross income (PGI) attributed to the subject property consists of the wet slip and winter storage rental rates collected pursuant to the previously analyzed market rental rate assumptions plus all ancillary revenues. A total income of \$4,239,121 is projected for the subject property as if stabilized as of a current date.

Operating Expenses

The subject property's historical income and expense statements were provided. We have analyzed the submitted statements and replicated the income and expense categories in the following table. A stabilized income and expense budget was requested but not provided. Comparable expense profiles were requested for other Safe Harbor-operated facilities but were not provided, as it is considered proprietary. Further, operational characteristics are highly specific to the operation and variable, thus rendering the subject property's historical operating history as the most instructive.



[REDACTED]

[REDACTED]

Real Estate Taxes

The subject property's real estate taxes were analyzed within the *Real Estate Assessment and Tax Analysis* section of this report.

[REDACTED]

Insurance

This category covers the cost of annual premiums for general liability for the marina improvements, accident insurance, and coverage for hazards.

[REDACTED]

Based on the preceding, and assuming a market-oriented expense that is not reflective of

[REDACTED]

Advertising

Advertising for marinas is typically seasonal, as most of the budget is typically allocated in the early spring. Modern day advertising expenses include website optimization, social media campaigns, pay-per-click advertising, and other promotions

[REDACTED]

Administrative

This expense category includes administrative and miscellaneous items such as accounting and other professional fees, marina office expenses (supplies and technology), and bank charges.

[REDACTED]



Maintenance and Repairs

Included in this category are all recurring general repairs and maintenance to the subject property, including general repairs to the docks and facilities, maintenance and service contracts, supplies, service contracts, exterminating, and snow and rubbish removal. This expense can vary significantly year-over-year given the level of repairs conducted to the facility.

[REDACTED]

Fuel and Utilities

As discussed, the subject property is a full-service marina that has provided utility hookups to each slip, as well as a fuel dock station. This expense category accounts for the purchase of utilities and gasoline.

[REDACTED] The historical trends generally indicate an downward trend, with the exception of the most recent year, which was notably less than 2019 given the likely impact of the COVID-19 pandemic on marina operations, including the likely loss of business. The following table summarizes the ratio of expense to sales income.

Year	2016	2017	2018	2019	2020
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: submitted financial statements; compiled by MVS

[REDACTED]

Typically, the fuel and utilities are re-sold to customers at a markup. While the utilities supplied to the wet slips typically account for the bulk of the utilities demand at the subject property, other utilities include costs to power the improvements and site lighting, and the pool and clubhouse. The third-party tenants are assumed to be directly metered for their utility consumption.

Based on the receding, and noting recent trends at the subject property,

[REDACTED]

Marina Operations and Service Costs

This expense category accounts for marina-specific operational costs including soda, ice, and concessions purchases; and marina-owned equipment purchases, maintenance, and repairs. This



expense can vary significantly year-over-year given the level of services provided and the variability in costs, which can sometimes be considered capital in nature.

[REDACTED]

Management Fee

This cost accounts for 3rd party management of marina operations. The subject property is currently managed by its operator (as is typical of most marinas), and as such, there has not been an allocated management fee expense in the prior 2 years. Between 2016 and 2018, the facility was managed by a 3rd party. Given the presumed operation of the facility by a reputable and experienced marina operator, no management fee is processed in this analysis.

Reserves

A reserve for replacement consists of an annual fund to account for the periodic replacement of short-lived improvements and structural items such as the dockage, bulkheads, site improvements, buildings and mechanical systems. Utilizing cost and economic life estimates presented within the Cost Approach section of this report, we have estimated an annual contribution to a reserves fund of

[REDACTED]

the net revenue estimate, a reasonable ratio for the preservation of a healthy reserves fund. The following table details the estimate.

Category	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: estimates by MVS; replacement cost and economic life estimates presented within the cost approach section of this report.

Ground Rent

The subject property is ground leased by the Town of Haverstraw to the current operator.

[REDACTED]

As the scope of this assignment is to provide an opinion of the fee simple interest in the subject property, no ground rent expense is included in our analysis.

Total Operating Expenses

[REDACTED]



KEY RATES OF RETURN

Benchmark Rates	Date	Yield
10-year Treasuries	4/16/2021	1.59%
20-year Treasuries	4/16/2021	2.15%
Prime Rate	4/16/2021	3.25%

Source: [federalreserve.gov/releases/H15/update](https://www.federalreserve.gov/releases/H15/update)

Investor Surveys

Investor surveys for capitalization rates of marinas are not published. Other asset types utilized as a proxy would not be instructive for comparison given the specialty nature of the marina operation.

Derivation from
Comparable Sales

Deriving capitalization rates from comparable sales is the preferred technique when sufficient data of similar, competitive properties are available. The indicated OAR is calculated by dividing the forecasted net operating income by the sale price.

We have considered capitalization rates from transactions of comparable investment sales of marina facilities. The following table illustrates the results of the survey.

MARKET-EXTRACTED OARS – MARINAS

Address	Body of Water	No. Slips		Sale Date	Sale Price	Price/Slip	OAR
		/Racks					
969 Route 507, Greentown, PA	Lake Wallenpaupack	241		Apr-21	\$5,100,000	\$21,162	12.1%
105 Rens Rd., Poquoson, VA	Chesapeake Bay	156		Mar-21	\$3,550,000	\$22,756	8.6%
185 Flat Hollow Dock Cir., Speedwell, TN	Powell River/Norris Lake	172		Mar-21	\$5,000,000	\$29,070	10.8%
2100 Sea Mountain Hwy., N. Myrtle Beach, SC	Intracoastal Waterway	98		Dec-20	\$2,177,000	\$22,214	8.5%
156 Launch Ln., La Follette, TN	Norris Lake	N/A		Sep-20	\$2,900,000	N/A	10.3%
6003 S. Westshore Blvd., Tampa, FL	Tampa Bay, Gulf of Mexico	149		Jun-20	\$3,369,330	\$22,613	8.1%
243 Lake Ave., Island Heights, NJ	Tom's River/Atlantic Ocean	200		May-20	\$5,000,000	\$25,000	8.6%
25860 Main St., Beaver Island, MI	Lake Michigan	72		Oct-19	\$2,250,000	\$31,250	11.2%
137 Neptune Lane, Deltaville, VA	Chesapeake Bay	N/A		Sep-19	\$1,250,000	N/A	10.0%
10367 N Cedar Dr., Grand Haven, MI	Lake Michigan	78		Sep-19	\$1,025,000	\$13,141	14.6%
1960 Bayberry Ave., Merrick, NY	Atlantic Ocean	83		Aug-19	\$4,800,000	\$57,831	9.8%
114 Carroll Island Rd., Middle River, MD	Chesapeake Bay	184		Jul-19	\$3,500,000	\$19,022	13.2%
3340 W. Shell Point Rd., Ruskin, FL	Tampa Bay, Gulf of Mexico	276		Sep-18	\$7,350,000	\$26,630	9.2%
5112-5238 W. Tyson Ave., Tampa, FL	Tampa Bay, Gulf of Mexico	640		Jul-18	\$21,500,000	\$33,594	6.9%
827 Gulf Rd., Freeport, TX	Gulf of Mexico	281		Jan-18	\$7,500,000	\$26,690	8.6%
7201 Waldman Ave., Sparrows Point, MD	Chesapeake Bay	100		Oct-17	\$1,550,000	\$15,500	9.3%
12807 San Jose Blvd., Jacksonville, FL	St. Johns River	90		Jun-17	\$3,150,000	\$35,000	11.0%
18691 General Fuller Hwy., Deltaville, VA	Chesapeake Bay	290		Apr-17	\$3,050,000	\$10,517	7.5%
385 Angler Dr., Goodland, FL	Gullivan Bay/Gulf of Mexico	504		Mar-17	\$15,250,000	\$30,258	7.8%
1930-1936 Harbortown Dr., Fort Pierce, FL	Atlantic Ocean	340		Sep-15	\$16,600,000	\$48,824	9.5%
2 Point Rd., Waretown, NJ	Atlantic Ocean	260		Listing	\$10,200,000	\$39,231	8.0%
					Min.	\$10,517	6.9%
					Max.	\$57,831	14.6%
					Avg.	\$27,911	9.7%
					Med.	\$25,815	9.4%

Source: Survey by MVS



The noted sales illustrate a range from 6.9% to 14.6%, averaging 9.7%. Similar large-scale and full-service marina operations (greater than 250 slips) indicate a range from 6.9% to 9.5%, averaging 8.2%. Considering the subject property's Hudson River location, affluence of Rockland County, condition and historical and projected operational history, an OAR toward the average of this range, or around 8.0% to 8.5%, appears appropriate.

Band of Investment

Band of Investment is defined by the *Dictionary of Real Estate Appraisal* (6th Edition, Chicago, IL, Appraisal Institute, 2015), as:

"A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment (i.e., debt and equity, land and improvements)."

Based upon our market research, conventional financing for the subject property is available with a 25- to 30-year amortization schedule and loan to value ratio of 60% to 75%. As of the date of value, 10-year Treasuries were yielding 1.59%, with mortgage rates around 3.0% to 4.0%.

We have assumed a loan-to-value ratio of 60%, an interest rate of 3.75% and a 25-year amortization schedule. Predicated upon these assumptions, the mortgage constant is 6.17%.

Applying an appropriate equity dividend rate to the mortgage equity technique is an integral part of the valuation process. The equity rate of return is sensitive to the risk associated with the property, whether it be location, income flows, functional or physical obsolescence and most important of all, the economic climate. Given the lack of disclosure, we were unable to derive equity dividend rates from the comparable sales considered. The success of a marina is dependent on experienced and prudent management with specialized knowledge. For this reason, a marina is considered a risky investment requiring specialized knowledge and experience.

Based upon the preceding discussion and considering the subject property's location, age, and presumed operating characteristics, an equity dividend rate of 10.0% is considered appropriate for the equity component in our calculation. For support in the selection of the equity dividend rate, the following table summarizes extracted equity dividend rates from the sales utilized within the Income Capitalization Approach section of this report. We note that we have assumed conventional financing terms (60% LTV, 25-year term; 3.75% interest rate).



MARKET-EXTRACTED IMPLIED EQUITY DIVIDENT RATES

Sales Comparison Approach	OAR	Implied Equity Dividend Rate
Comp 1	8.0%	4.3%
Comp 2	12.1%	8.4%
Comp 3	8.6%	4.9%
Comp 4	13.5%	9.8%
Comp 5	27.0%	23.3%
Comp 6	13.2%	9.5%
Comp 7	N/A	N/A

Source: calculations and assumptions by MVS (assumes conventional financing terms; 60% LTV, 25-year term; 3.75% interest rate)

Processing the noted assumptions produces the following overall capitalization rate:

BAND OF INVESTMENT

Loan to Value Ratio	60%				
Interest Rate	3.75%				
Amortization (Years)	25				
Mortgage Constant	6.17%				
Equity Ratio	40%				
Equity Dividend	10.0%				
<u>WEIGHTED AVERAGE OF MORTGAGE AND EQUITY REQUIREMENTS</u>					
Mortgage Requirement	60%	×	6.17%	=	3.70%
Equity Requirement	40%	×	10.00%	=	4.00%
Indicated Capitalization Rate					7.70%

An overall rate indication of 7.7% is produced utilizing the Band of Investment methodology.

Conclusions

The consensus of those actively engaged in the marketplace for commercial properties is that equity rates of return (based upon forecasting techniques and assumptions similar to those utilized herein) fall within a broad range, depending on numerous risk factors, including, among others:

Location: The better the location the lower the rate of return. The subject property has a good location along the Hudson River at Haverstraw Bay, the widest point along the Hudson River. The marina is proximate to affluent residential population centers and is within a 1-hour drive of New York City. The specific area is amongst an industrial district and the town of Haverstraw is predominantly lower- to middle-income. This is considered a form of external obsolescence but is mitigated by its relative proximity to a more affluent population base throughout Rockland and Westchester Counties.



Physical Characteristics of the Subject Property: The newer the property, the higher the quality of construction and finishes, and the better the design and layout of the physical plant, the lower the rate of return. The subject property is in overall average condition, but repairs are needed, specifically to the bulkhead. Separate consideration will be given to the capital improvements required, and the subject property is therefore assumed to reflect overall average condition.

Degree of Growth Forecasted for Income and Expenses: The more aggressive and value enhancing the valuation assumptions, the higher the rate of return. Stabilized occupancy is projected, which has hovered around 75% to 80% in recent years (estimated based on provided financial statements). There is upside evident should the facility attract a larger customer base, which could improve occupancy rates.

Amount of Equity Investment Required: The greater the required equity investment (that portion of the total acquisition cost not typically funded by conventional financing), the higher the rate of return; the subject property requires no special or atypical equity investment.

Type of Investment: The riskier the perceived returns on investment for a particular type of real estate, the higher the rate of return. Marinas are specialty assets with a small pool of qualified operators.

Summary

The preceding analyses indicate OARs as follows:

Investor Surveys	Not Instructive
Comparable Sales	8.0% to 8.5%
Band of Investment	7.7%

OAR Selection

With consideration of the preceding rate analyses, an overall capitalization rate of 8.0% was selected for the purpose of valuing the subject property.

[REDACTED]

[REDACTED]

Adjustment to Value

[REDACTED]



[REDACTED] We have employed the extraordinary assumption that the cost estimates are accurate and are reflective of current costs to cure the noted deferred maintenance at the subject property. This cost has been deducted from the stabilized value indication.

[REDACTED]

***“As Is” Market Value
of the Going Concern***

Based on the preceding, the “as is” market value of the fee simple interest in the subject property’s going concern, as indicated by the income capitalization approach, as of April 16, 2021, is:

**SEVENTEEN MILLION SIX HUNDRED THOUSAND DOLLARS
(\$17,600,000)**

Test of Reasonability

The concluded market value of the going concern equates to \$24,600, prior to adjustments for capital repairs. The comparable sales considered within the Sales Comparison Approach section of this report reflect sale prices ranging from \$16,556 to \$40,785 per slip, with an average and median of \$25,582 and \$24,230 per slip. The market value conclusion is within this range and is therefore considered reasonable.

Business Value

As analyzed within the Cost Approach section of this report, marinas represent special purpose properties. Like other forms of real estate, marinas encompass the normal components of real property, including the land and improvements. However, unlike most other types of commercial real estate, marinas usually include a consideration of the going concern of the value of the operator.

The value allocation to the subject property’s intangible business component was determined to be \$3,500,000. This amount is deducted from the “as is” market value of the fee simple interest in the subject property’s going concern to arrive at the “as is” market value of the subject property as an unoccupied marina complex in its current condition.

"As Is" Market Value of Going Concern	\$17,600,000
Less: Business Value	(3,500,000)
Allocated to Real Estate	\$14,100,000

***“As Is” Market Value
As if Unoccupied***

Based on the preceding, the “as is” market value of the fee simple interest in the subject property as an unoccupied marina complex



in its current condition, as indicated by the income capitalization approach, as of April 16, 2021, is:

**FOURTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
(\$14,100,000)**



THE SALES COMPARISON APPROACH

Introduction

In the sales comparison approach, the appraiser develops an opinion of value by analyzing similar properties and comparing these properties with the subject property. The steps involved in the sales comparison approach are summarized as follows:

- Comparable sales data in the influencing market is obtained and verified, whenever possible;
- Market-oriented unit(s) of comparison is determined and applied to each of the comparable sales;
- The elements of comparison that affect the value of the property being appraised are identified and applied to each comparable sale;
- A net adjustment is applied to each comparable unit sale price to arrive at a range of adjusted sale or unit prices for the subject property;
- The adjusted prices are reconciled to an indication of an appropriate value of the subject property.

Comparable Sales Data

Seven recent sales of marinas in the Mid-Atlantic and Northeast region of the United States have been identified and selected for analysis in the valuation of the subject property. The most widely used unit of comparison in this market is the sale price per slip. Intrinsic in this value is the going concern of the business operation.

The comparative process first identifies which elements of comparison affect property values in the subject property. Each of the basic elements of comparison is analyzed to determine whether or not an adjustment is required. Adjustments for differences are made to the price of each comparable property to make that property equivalent to the subject property in market appeal on the effective date of the opinion of value.

Transactional Adjustment Variables

Real Property Rights Conveyed

When real property rights are sold, they may be the sole subject of the contract or the contract may include other rights, less than all of the real property rights, or even rights to another property or properties.

All of the sales represent the sale of the fee simple interest, requiring no adjustments.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financing arrangements. For example, the purchaser of a property may have assumed an existing mortgage at a favorable interest rate, in which case the



buyer probably would pay a higher price for the property to obtain below-market financing. The comparables were not sold subject to atypical financing, requiring no adjustments.

Conditions of Sale

Market value requires “typical motivations of buyers and sellers” where there is no duress on either party to consummate the sale. An adjustment for conditions of sale usually reflects the motivation of either a buyer or a seller who is under duress to complete the transaction. These atypically motivated sales are not considered arm’s-length transactions. The comparables are all arm’s length transactions, requiring no adjustments.

Expenditures after Purchase

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. For a marina, these costs will typically include capital expenditures. No adjustments were necessary for this variable.

Market Conditions

This adjustment addresses changes in market conditions between the date of sale and the date of appraisal. An adjustment for market conditions is made if property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors’ perceptions of the market over time. For example, increasing vacancy rates and declining slip rental rates in a market during the past year might suggest a downward adjustment for this category.

The comparable marina sales transacted between February 2017 and April 2021.

As analyzed within the *Marina Industry Overview* section of this report, leading up to 2020, the marina industry experienced high occupancy rates and increasing revenues, and sentiment amongst market participants was also favorable. While the COVID-19 pandemic undoubtedly affected business operations, particularly those in the hardest hit regions, it can be reasonably assumed that revenues and occupancy rates were negatively impacted. As the vaccine continues to be rolled out and social distancing and mask-wearing restrictions are lifted, the marina industry should respond positively as boat owners return to their recreational boating activities in earnest. Due to the strong market fundamentals preceding the COVID-19 pandemic, and assumed quick rebound as the economy reopens, no market conditions adjustments are applied to the comparable sales.



A downward adjustment is applied to Comparable Sale No. 1, which is a current listing, to account for potential negotiation on the asking price.

Property Adjustment Variables

Location

An adjustment for location within a market may be required when the locational characteristics of a comparable property are different from those of the subject property. A marina's locational desirability is a function of its proximity to major waterways, its protection status (protected cove versus open water), and connectivity to an affluent population base.

The subject property has a good location in a protected cove along the Hudson River in Haverstraw Bay, the widest section of the Hudson River, and within boating distance of New York City. The site has good access to the regional highway system and is within reasonable driving distance of affluent population centers.

Comparable Sale No. 1 is situated within a protected area of Barnegat Bay, with quick and easy access to the Atlantic Ocean, and a small downward adjustment is applied. Comparable Sale No. 3 is situated within a protected cove at the mouth of the Toms River, adjacent to Barnegat Bay, in New Jersey, but is much further from access to the Atlantic Ocean. A small upward adjustment is applied.

Comparable Sale No. 2 is located on Lake Wallenpaupack in the Poconos, a popular area for summer tourism. Lakes are less desirable than larger bodies of water, such as the Hudson River or the Chesapeake Bay, and a large upward adjustment is processed.

Comparable Sale No. 7 is located in Patchogue Bay, across from Fire Island on Long Island, and a moderate downward adjustment is processed.

Comparable Sales No. 4 and 5 are situated in protected coves on the Chesapeake Bay, a comparable body of water to the Hudson River, requiring no adjustment. Comparable Sale No. 6 is situated on the Boston Harbor, with quick access to the Atlantic Ocean, requiring no adjustment.

Age/Physical Condition

Adjustments are considered to reflect variations in the marina building condition and features of the comparable sales relative to the subject property. Physical differences may include differences in building size, quality of construction, architectural style, building materials, age, condition, functional utility, site size, and attractiveness.



The subject property's buildings are considered to be in overall average condition and were mostly constructed between 1979 and 1999. The restaurant was constructed in 2013.

Comparable Sales No. 1 and 7 were noted to be in overall superior condition having undergone more recent renovations. A larger downward adjustment was applied to Comparable Sale No. 7, which underwent \$3.0 million in capital improvements prior to the sale.

Amenities

Amenities can vary widely by marina and location. Typical amenities of full-service marinas include repair and maintenance services, dock utility hookups, on-site restaurant, bait and tackle shops, restrooms, cabanas, pools, tennis courts, and/or other recreational facilities. The subject property is a full-service marina with a management and sales office, 3rd-party leased retail stores, a restaurant, a pool and cabana area, boat repair and maintenance facilities, and dry storage area.

Comparable Sales No. 2 and 5 offer less amenities and services, requiring upward adjustments. A downward adjustment is processed to Comparable Sale No. 4, which offers more extensive amenities, including a small on-site boutique hotel, a 6-hole golf course, and a beach.

Dry Storage Facilities

This adjustment reflects the dry storage capability of a given marina. The subject property can accommodate winter storage on site, but does not contain racking or covered storage.

Comparable Sales No. 1, 2, 6, and 7 contain covered and racking dry storage facilities, requiring downward adjustments. A larger downward adjustment is processed to Comparable Sale No. 2, which can accommodate up to 400 boats, which greatly exceeds its summer slip capacity. No adjustments are necessary for the remaining comparable sales.

Economic

The main source of revenue for marinas is slip rental revenue, and dry storage revenue. Other sources of income include boat repair services, utility and gasoline sales, amenities fees, boat rental and sales, among others. These other sources of revenue are often synergistic with the marina operation. The subject property generates revenue through third-party leases (restaurant, retail, and boat servicing), fuel and utility sales, and other basic marina operations and services.

Comparable Sale No. 2 has an established boat rental and sales business, requiring a downward adjustment. No adjustments are necessary for the remaining comparable sales, which have similar business operations relative to the subject property.



Size of Marina

Adjustments for size recognize that smaller marinas generally sell for a higher price per slip than otherwise comparable larger marinas, and vice versa. Larger marinas typically offer a higher level of amenities and services and require higher staffing and payroll.

The subject property contains 777 slips. The comparable sales range in size from 161 to 900 slips. A downward adjustment is processed for Comparable Sales No. 1, 2, 3, 5, 6, and 7 which are materially smaller in size. An upward adjustment is processed to Comparable Sale No. 4, which contains 900 slips, but represents a portfolio sale of 2 separate marinas on the same body of water. The price paid reflects the portfolio price, which typically transacts at a discount relative to individual properties.

Comparable Sales

The following pages contain a brief description of each comparable sale, followed by an adjustment table, location map, and our conclusions via the sales comparison approach.



Comparable Sale No. 1

<i>Name</i>	Key Harbor Marina
<i>Address</i>	2 Point Road, Waretown, NJ
<i>Sale Date</i>	For Sale
<i>Grantor</i>	Key Harbor Marina LLC
<i>Grantee</i>	N/A
<i>Sale Price</i>	\$10,200,000 (asking)
<i>Gross Building Areas</i>	28,852 (total)
<i>Year Built</i>	1986
<i>No. of Wet Slips</i>	269
<i>Occupancy Rate</i>	N/Avail.
<i>Dry Storage Capacity</i>	N/Avail.
<i>Site Size</i>	23.70 acres
<i>Waterway</i>	Barnegat Bay
<i>Basin Depth</i>	Deep water sufficient for most pleasure craft up to 66 feet
<i>OAR</i>	8.0%
<i>NOI/Slip</i>	\$3,033
<i>Verification</i>	Public records, the CoStar Group, Listing brokerage (KW Commercial – Rick Roughen)

Unit Price \$37,918 per slip

Description This is the current listing of a full-service marina located on a protected basin in Barnegat Bay in New Jersey. The Marina contains 269 wet slips and covered rack storage. The facility features 3 large bathhouses, a waterfront restaurant and outdoor eatery, a tennis court, pool, a ships' store, indoor sales showroom, and a 55-ton Travellift.

Analysis As the sales comparison adjustment grid illustrates, this comparable indicates a unit value for the subject property of \$28,818 per slip.



COMPARABLE SALE NO. 1



Comparable Sale No. 2

<i>Name</i>	Lighthouse Harbor Marina
<i>Address</i>	969 Route 507, Greentown, PA
<i>Sale Date</i>	April 28, 2021
<i>Grantor</i>	Erik Sonstebly & Anthony Blumka
<i>Grantee</i>	Vioa Family Holdings LLC
<i>Sale Price</i>	\$5,100,000
<i>Gross Building Areas</i>	14,400 (total)
<i>Year Built</i>	2019
<i>No. of Wet Slips</i>	241
<i>Occupancy Rate</i>	Near 100% with waiting list
<i>Dry Storage Capacity</i>	400+ boats
<i>Site Size</i>	4.23 acres
<i>Waterway</i>	Lake Wallenpaupack (Pocono Mountains)
<i>Basin Depth</i>	Deep water sufficient for most pleasure craft
<i>OAR</i>	12.1%
<i>NOI/Slip</i>	\$2,552
<i>Verification</i>	Public records, the CoStar Group, Listing brokerage (Colliers)

Unit Price \$21,162 per slip

Description This is the sale of a full-service marina located on Lake Wallenpaupack in the Pocono Mountains in Eastern Pennsylvania. The Marina contains 241 wet slips and has room to dry-store approximately 400 boats in a racking system and on land. The marina is a certified boat dealer and has an on-site sales and rental office. Dock slips are available to rent by the general public and the marina features a gas dock, sales showroom, water sports store, and a picnic area, as well as winterization and storage services.

Analysis As the sales comparison adjustment grid illustrates, this comparable indicates a unit value for the subject property of \$23,278 per slip.



COMPARABLE SALE NO. 2



Comparable Sale No. 3

<i>Name</i>	Dillon's Creek Marina
<i>Address</i>	243 Lake Avenue, Island Heights, NJ
<i>Parcel ID</i>	Block 38.02; Lots 17, 18, 19, 20, 20.01 (Island Heights) Block 839, 833, 839.01; Lots 10.04, 26.05, 20, 32, 26.02 (Toms River)
<i>Sale Date</i>	April 21, 2020
<i>Grantor</i>	FLM Marine LLC (real estate); Dillons Creek Marina, Inc. (business)
<i>Grantee</i>	Jersey Yachting Centers LLC (real estate); DCM Marina LLC (business)
<i>Sale Price – Real Estate</i>	\$4,825,000
<i>Sale Price – Business</i>	<u>175,000</u> (allocated)
<i>Sale Price – Total</i>	\$5,000,000
<i>Gross Building Areas</i>	5,000
<i>Year Built/Renovated</i>	1989/2017
<i>No. of Wet Slips</i>	200
<i>Occupancy Rate</i>	N/Avail.
<i>Dry Storage Capacity</i>	N/Avail.
<i>Site Size</i>	8.56 acres
<i>Waterway</i>	Toms River/Barnegat Bay
<i>Basin Depth</i>	Sufficient for most pleasure craft up to 45 feet
<i>OAR</i>	8.6%
<i>NOI/Slip</i>	\$2,150
<i>Verification</i>	Public records, the CoStar Group, Listing brokerage (KW Commercial – Rick Roughen)
 <i>Unit Price</i>	 \$25,000 per slip

Description This is the sale of a full-service marina located in Dillon's Creek, at the mouth of the Toms River where it exits into Barnegat Bay, in Island Heights, central New Jersey. The Marina contains 200 wet slips and has room to dry-store an unspecified number of boats upland. Dock slips are available to rent by the general public and the marina features a gas dock; a heated saltwater pool; clubhouse with restrooms, showers, and laundry; picnic areas; a store; as well as winterization and storage services. The marina sold with modern equipment including a 25-ton open-end Travelift and Tammi Lift, and Omega crane with 20 tons lifting capacity and 72 feet reach, and 2 hydraulic boat trailers. Boat service capabilities include general repairs, fiberglass work, repowering, power and sail, and winterization.

The reported OAR on the total \$5,000,000 purchase price was 8.6%, indicating an NOI equivalent to \$2,150 per slip. An allocation of \$175,000, or 3.5% of the total purchase price, was attributed to the business and intangible elements.



Analysis

As the sales comparison adjustment grid illustrates, this comparable indicates a unit value for the subject property of \$25,000 per slip.

COMPARABLE SALE NO. 3



Comparable Sale No. 4

<i>Name</i>	Great Oak Landing and Mears Point Marina (portfolio sale)
<i>Addresses</i>	22170 Great Oaks Landing, Chestertown, MD (Great Oaks) 420 Ken Narrow Way North, Gransonville, MD (Mears Point)
<i>Parcel IDs</i>	06-013007 and 06-006973 (Great Oak Landing); and 05-014972 and 05-044189 (Mears Point Marina)
<i>Sale Date</i>	January 28, 2020
<i>Grantors</i>	Great Oak Landing LP (Great Oak Landing); and Mears Point Associates, LP (Mears Point Marina)
<i>Grantees</i>	SMH Great Oak Landing LLC (Great Oak Landing); and SMH Narrows Point LLC (Mears Point Marina)
<i>Sale Price</i>	\$14,900,000
<i>Excess Land Component</i>	<u>(1,200,000)</u>
<i>Sale Price – Total</i>	\$13,700,000
<i>Gross Building Area</i>	79,573 (total)
<i>Year Built/Renovated</i>	1950-1962
<i>No. of Wet Slips</i>	900 (total)
<i>Occupancy Rate</i>	N/Avail.
<i>Dry Storage Capacity</i>	N/Avail.
<i>Site Size</i>	116 acres (total)
<i>Waterway</i>	Chesapeake Bay
<i>Basin Depth</i>	Sufficient for most pleasure craft up to 80-90 feet
<i>OAR</i>	14.7%
<i>NOI/Slip</i>	\$1,111
<i>Verification</i>	Public records, the CoStar Group, Listing brokerage (Colliers)
<i>Unit Price</i>	\$15,222 per slip

Description This is the portfolio sale of 2 full-service marina located on the Chesapeake Bay, in Chestertown and Gransonville, Maryland.

Great Oak Landing, located at 22170 Great Oaks Landing in Chestertown, Maryland, contains 360 wet slips and an extensive amenity package including a 300-foot private beach, swimming pool, restaurant, dockside bar, banquet area, and a small hotel lodge (28 keys). The facility also includes a 60-acre, 6-hole golf course. The in-place NOI was reportedly approximately \$1,000,000, or \$2,778 per slip.

Mears Point Marina, located at 420 Ken Way North in Gransonville, Maryland, contains 540 wet slips and 2 restaurants, which were both leased to 3rd party operators. The property also includes a fitness center and service yard facilities, a pool, and a 50-ton travel lift. We note the land was entitled with approvals and utilities in place to develop 211 multifamily residential units and a commercial building; however, the facility was purchased for continued use as



a marina. The reported NOI at the time of sale was \$1,015,000, or \$1,880 per slip.

The marinas were both owned by a local marina operator. The purchaser was identified as Safe Harbor, the nation's largest marina operator, who owns and operates 7 other marinas on the Chesapeake Bay. In total, the NOI was reported to be \$2,015,000, or \$2,239 per slip (based on the total slip count of 900), indicating an OAR of 13.5%.

Analysis

As the sales comparison adjustment grid illustrates, this comparable indicates a unit value for the subject property of \$17,383 per slip.



COMPARABLE SALE NO. 4



Great Oaks Landing (top) and Mears Point Marina (bottom)



Comparable Sale No. 5

<i>Name</i>	Sunset Bay Marina
<i>Address</i>	2 A Street, Hull, MA
<i>Parcel ID</i>	18/88 and 18/150
<i>Sale Date</i>	December 12, 2019
<i>Grantor</i>	Sunset Bay Marina LLC
<i>Grantee</i>	SMH Sunset Bay LLC
<i>Sale Price – Real Estate</i>	\$3,000,000
<i>Gross Building Areas</i>	21,756
<i>Year Built/Renovated</i>	1978
<i>No. of Wet Slips</i>	161
<i>Occupancy Rate</i>	N/Avail. (reported to be “high occupancy”)
<i>Dry Storage Capacity</i>	N/Avail.
<i>Site Size</i>	2.0 acres
<i>Waterway</i>	Boston Harbor
<i>Basin Depth</i>	Sufficient for most pleasure craft up to 55 feet
<i>OAR</i>	27.0%
<i>NOI/Slip</i>	\$5,025
<i>Verification</i>	Public records, the CoStar Group, Listing brokerage (Colliers)
 <i>Unit Price</i>	 \$18,634 per slip

Description This is the sale of a full-service marina located on the Boston Harbor in Hull, Massachusetts. The marina is a 10-minute boat ride from downtown Boston. The Marina contains 161 wet slips, 1,039 linear feet of face dock, and 40 permitted moorings. The facility includes an on-site restaurant, a service and repair shop, and fueling dock.

The reported in-place NOI at the time of sale was \$809,000, or \$5,025 per slip. The OAR is therefore calculated to be 27.0%. The marina was purchased by Safe Harbor, the nation’s largest marina operator.

Analysis As the sales comparison adjustment grid illustrates, this comparable indicates a unit value for the subject property of \$20,497 per slip.



COMPARABLE SALE NO. 5



Comparable Sale No. 6

<i>Name</i>	Chesapeake Yachting Center
<i>Address</i>	114 Carroll Island Road, Middle River, MD
<i>Parcel ID</i>	21-00-008540
<i>Sale Date</i>	July 8, 2019
<i>Grantor</i>	Chesapeake Yachting Center, Inc.
<i>Grantee</i>	SMH Carroll Island LLC
<i>Sale Price – Real Estate</i>	\$3,500,000
<i>Gross Building Areas</i>	15,104
<i>Year Built/Renovated</i>	1991
<i>No. of Wet Slips</i>	184
<i>Occupancy Rate</i>	N/Avail.
<i>Dry Storage Capacity</i>	N/Avail.
<i>Site Size</i>	19.81 acres
<i>Waterway</i>	Chesapeake Bay
<i>Basin Depth</i>	Deep water sufficient for most pleasure craft
<i>OAR</i>	13.2%
<i>NOI/Slip</i>	\$19,022
<i>Verification</i>	Public records, the CoStar Group, Listing brokerage (Colliers)
 <i>Unit Price</i>	 \$18,634 per slip

Description This is the sale of a full-service marina located on the Chesapeake Bay in Middle River, Maryland. The Marina contains 184 wet slips, covered dry rack storage with 186 dry racks, a boat service and repair building and bays, a swimming pool and spa, and an office with an apartment for the manager.

The reported in-place NOI at the time of sale was \$460,350, or \$2,502 per slip. The OAR is therefore calculated to be 13.2%. The marina was purchased by Safe Harbor, the nation's largest marina operator.

Analysis As the sales comparison adjustment grid illustrates, this comparable indicates a unit value for the subject property of \$17,120 per slip.



COMPARABLE SALE NO. 6



Comparable Sale No. 7

<i>Name</i>	Aquamarina Sunset Harbor
<i>Address</i>	90 Colonial Drive, East Patchogue, NY
<i>Parcel ID</i>	District 200, Section 982.70, Block 1, Lot 2
<i>Sale Date</i>	February 17, 2017
<i>Grantor</i>	EV/L-A D500 LLC
<i>Grantee</i>	AMP IX Sunset Harbour LLC
<i>Sale Price</i>	\$13,500,000
<i>Gross Building Areas</i>	51,000
<i>Year Built/Renovated</i>	1958/1987
<i>No. of Wet Slips</i>	331
<i>Occupancy Rate</i>	N/Avail. (reported to be high occupancy)
<i>Dry Storage Capacity</i>	N/Avail.
<i>Site Size</i>	25.80 acres
<i>Waterway</i>	Patchogue Bay
<i>Basin Depth</i>	Deep water sufficient for most pleasure craft up to 65 feet
<i>OAR</i>	N/Avail.
<i>NOI/Slip</i>	N/Avail.
<i>Verification</i>	Public records, the CoStar Group, Listing brokerage (Avison Young)
<i>Unit Price</i>	\$40,785 per slip

Description This is the sale of a full-service marina located on the Patchogue Bay in along the South Shore of Long Island in East Patchogue, New York, proximate to Fire Island. The Marina contains 331 wet slips, winter storage facilities including indoor and rack storage, repair services (leased), a pool, tiki bar, playground, catering hall (leased), and a customer/captain lounge with showers and laundry facilities.

The facility reportedly received \$3 million in capital improvements over the previous 5 years and had long-term in-place leases for the catering hall and repair facilities. Other on-site and 3rd party marina services include a detailing shop, a sales dealer, and a fiberglass shop.

Analysis As the sales comparison adjustment grid illustrates, this comparable indicates a unit value for the subject property of \$26,511 per slip.



COMPARABLE SALE NO. 7



COMPARABLE SALES ADJUSTMENT GRID

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Subject Property	2	969	243	Mears/Great Oaks	2	114	90
Address	Point Rd. Waretown, NJ	Route 507 Greentown, PA	Lake Ave. Island Heights, NJ	Landing Marina Portfolio Maryland	A Street. Hull, MA	Carroll Island Rd. Middle River, MD	Colonial Dr. East Patchogue, NY
Marina Name	Key Harbor Marina	Ligh house Harbor Marina	Dillon's Creek Marina	Mears Point/Great Oak Landing	Sunset Bay Marina	Chesapeake Yach ing Center	Aquamarina Sunset Harbor
Date of Sale	For Sale	Apr-21	Apr-20	Jan-20	Dec-19	Jul-19	Feb-17
Sale Price	\$10,200,000	\$5,100,000	\$5,000,000	\$14,900,000	\$3,000,000	\$3,500,000	\$13,500,000
Year Built/Renovated	1986	1974	1989/2017	1950-1962	1978	1991	1958/1987
Building Area (Sq.Ft)	28,852	14,400	5,000	79,573	21,756	15,104	51,000
No. of Slips	269	241	200	900	161	184	331
Waterway	Barnegat Bay	Lake Wallenpaupack	Toms River/Barnegat Bay	Chesapeake Bay	Boston Harbor	Chesapeake Bay	Patchogue Bay
Occupancy	Owner-User	Owner-User	Owner-User	Owner-User	Owner-User	Owner-User	Owner-User
NOI	\$816,000	\$615,000	\$430,000	\$2,015,000	\$809,000	\$460,350	N/A
NOI per Slip	\$3,033	\$2,552	\$2,150	\$2,239	\$5,025	\$2,502	N/A
OAR	8.0%	12.1%	8.6%	13.5%	27.0%	13.2%	N/A
Price per Slip	\$37,918	\$21,162	\$25,000	\$16,556	\$18,634	\$19,022	\$40,785
<u>Adjustments</u>							
Real Property Rights Conveyed	0%	0%	0%	0%	0%	0%	0%
Financing Terms	0%	0%	0%	0%	0%	0%	0%
Conditions of Sales	0%	0%	0%	0%	0%	0%	0%
Expenditures after Purchase	0%	0%	0%	0%	0%	0%	0%
Subtotals	0%	0%	0%	0%	0%	0%	0%
Adjusted Price per Sq.Ft.	\$37,918	\$21,162	\$25,000	\$16,556	\$18,634	\$19,022	\$40,785
Market Conditions (Time)	-5%	0%	0%	0%	0%	0%	0%
Time Adjusted Price per Sq.Ft.	\$36,022	\$21,162	\$25,000	\$16,556	\$18,634	\$19,022	\$40,785
Location	-5%	25%	5%	0%	0%	0%	-15%
Age/Physical Condition	-5%	0%	0%	0%	0%	0%	-10%
Amenities	0%	10%	0%	-5%	15%	0%	0%
Dry Storage Facilities	-5%	-10%	0%	0%	0%	-5%	-5%
Economic	0%	-10%	0%	0%	0%	0%	0%
Size of Marina	-5%	-5%	-5%	10%	-5%	-5%	-5%
Total Post-Time Adjustments (%)	-20%	10%	0%	5%	10%	-10%	-35%
Adjusted Price per Sq.Ft.	\$28,818	\$23,278	\$25,000	\$17,383	\$20,497	\$17,120	\$26,511

Source: adjustments by MVS



MAP OF COMPARABLE SALES



Value Conclusion

After adjustments, the selected comparables demonstrate a range from \$17,120 to \$28,818 per slip, with an average and median of \$22,658 and \$23,278 per slip, respectively. We have placed emphasis on Comparable Sales No. 3 which is deemed most similar to the subject property based upon location, services and amenities. Further, this comparable sale required a net zero adjustment.

Based upon the preceding, we have concluded to a market value of \$25,000 per slip. Market value is calculated as follows:

$$777 \text{ slips} \times \$25,000 \text{ per slip} = \$19,425,000$$



Adjustments to Value



We have employed the extraordinary assumption that the cost estimates are accurate and are reflective of current costs to cure the noted deferred maintenance at the subject property. This cost has been deducted from the stabilized value indication.

Value via Sales Comparison	\$19,425,000
Less: Capital Repairs	<u>(1,490,915)</u>
Adjusted Capitalized Value	\$17,934,085

“As Is” Market Value

Based on the preceding, the “as is” market value of the fee simple interest in the subject property’s going concern, as indicated by the sales comparison approach, as of April 16, 2021, is:

**SEVENTEEN MILLION NINE HUNDRED THOUSAND DOLLARS
(\$17,900,000)**

Business Value

As analyzed within the Cost Approach section of this report, marinas represent special purpose properties. Like other forms of real estate, marinas encompass the normal components of real property, including the land and improvements. However, unlike most other types of commercial real estate, marinas usually include a consideration of the going concern of the value of the operator.

The value allocation to the subject property’s intangible business component was determined to be \$3,500,000. This amount is deducted from the “as is” market value of the fee simple interest in the subject property’s going concern to arrive at the “as is” market value of the subject property as an unoccupied marina complex in its current condition.

“As Is” Market Value of Going Concern	\$17,900,000
Less: Business Value	<u>(3,500,000)</u>
Allocated to Real Estate	\$14,400,000

***“As Is” Market Value
As if Unoccupied***

Based on the preceding, the “as is” market value of the fee simple interest in the subject property as an unoccupied marina complex in its current condition, as indicated by the sales comparison approach, as of April 16, 2021, is:

**FOURTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS
(\$14,400,000)**



RECONCILIATION AND FINAL ESTIMATE OF VALUE

Introduction

The purpose of the appraisal is to provide our opinion of; i) the “as is” market value of the fee simple interest in the subject property’s going concern, as of April 16, 2021, the date the subject property was inspected by the staff of Metropolitan Valuation Services, Inc.; and ii) the “as is” market value of the fee simple interest in the subject property as an unoccupied marina complex in its current condition and under current zoning.

The indicated market value opinions for the subject property are as follows:

MARKET VALUE OPINIONS

Value Scenario	Date of Value	Cost Approach	Income Capitalization Approach	Sales Comparison Approach
Going Concern	April 16, 2021	Not Applicable	\$17,600,000	\$17,900,000
As Unoccupied	April 16, 2021	\$14,100,000	\$14,100,000	\$14,400,000

Market value estimates by MVS

The Cost Approach

This approach to value is typically employed when the lack of market activity limits the usefulness of the sales comparison approach and when the properties being appraised are not amenable to valuation by the income capitalization approach. Because cost and market value are usually more closely related when properties are new, the cost approach is important in estimating the market value of new or relatively new construction. Most investors give this approach little or no importance, as estimating total depreciation and the appropriate level of entrepreneurial profit is highly subjective, and presumes that the property is fully functional at its highest and best use. Further, given the age of the subject property improvements, the subjectivity in estimating construction costs, qualifying economic obsolescence present in the market and determining an appropriate entrepreneurial profit combine to make the cost approach a method that is infrequently relied upon for this type of property. Given the value associated with the intangible business component of the subject property, the cost approach does not provide an accurate estimate of value. However, the appraisal includes the cost approach to derive the intangible business value, which is the indicated value less the value of the real estate, as estimated by the cost approach.

The Income Capitalization Approach

Any property that generates income can be valued using this approach. Often, when more than one approach to value is used to develop an opinion of value for an income-producing property, the value indication produced by the income capitalization



approach is given most consideration in the selection of the final value. This approach is favored by investors because it simulates investor motivations.

The income capitalization approach presented herein is well documented by actual market data. This approach is the most important value indicator since the subject property is an income-producing asset. Most market participants would agree that the subject property would most likely be bought and sold based on its ability to produce annual net income. Typical investors judge the value of a property based upon the quality and quantity of the income generated, as well as the likely impact of market conditions on future income generation. Recognizing that the income capitalization approach incorporates the economic factors involved in real estate investment, we are of the opinion that the conclusion reached by this approach best reflects present market conditions and the subject property's market value.

The Sales Comparison Approach

The sales comparison approach typically provides an estimate of value based upon the recent activity of buyers and sellers in the marketplace. However, for marinas there are numerous issues to be considered including the going concern of the value of the operation, various synergistic enterprises and alternative sources of revenue, and the monthly slip rental rates, all of which cloud sale prices. Adjustments are therefore difficult to quantify accurately. While this approach provides some measure of comparison, it does exhibit a significant degree of diminished utility. As such, the value conclusion so derived is considered solely to support the value indicated by the income capitalization approach, the primary valuation indicator.

“As Is” Market Value of the Going Concern

Based upon our analysis of all assembled data, with primary emphasis on the value derived via the income capitalization approach, the as is market value of the fee simple interest in the subject property's going concern, as of April 16, 2021, is:

**SEVENTEEN MILLION SIX HUNDRED THOUSAND DOLLARS
(\$17,600,000)**

“As Is” Market Value as if Unoccupied

Furthermore, with primary emphasis on the value derived via the income capitalization approach, the “as is” market value of the fee simple interest in the subject property as an unoccupied marina complex in its current condition, as of April 16, 2021, is:

**FOURTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
(\$14,100,000)**



*Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda*

ADDENDA



METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

*Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda*

PHOTOGRAPHS OF THE SUBJECT PROPERTY



METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

*Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda*



Wet slips



Wet slips



Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda



Wet slips

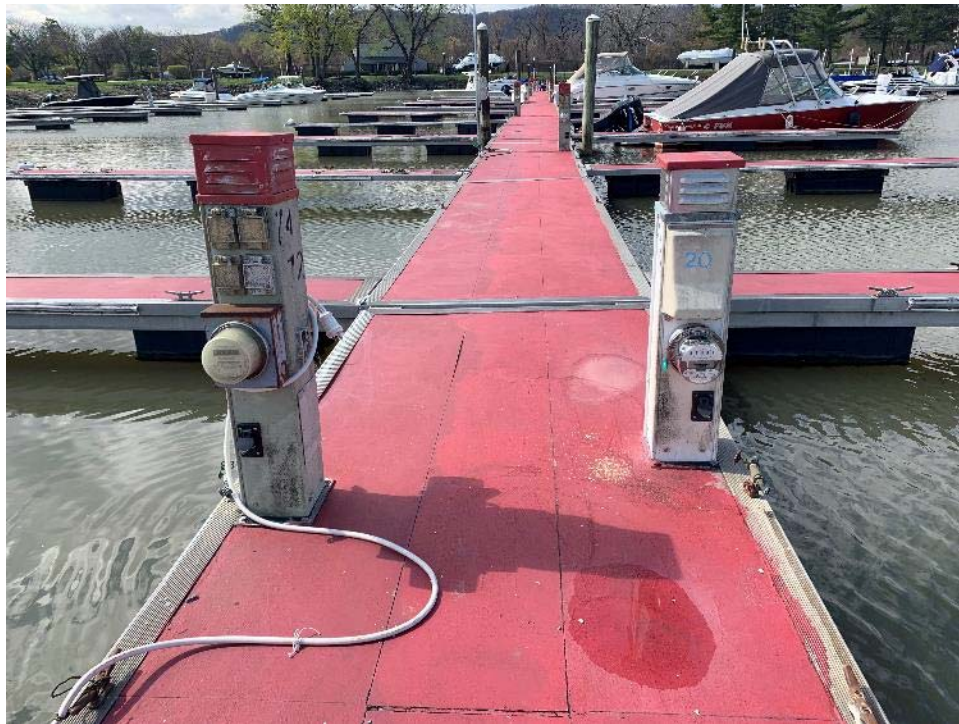


Wet slips



METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda



Slip electrical hookups



Marina office and retail building



METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda



Retail building



Dockside building



Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda



Interior – marina store

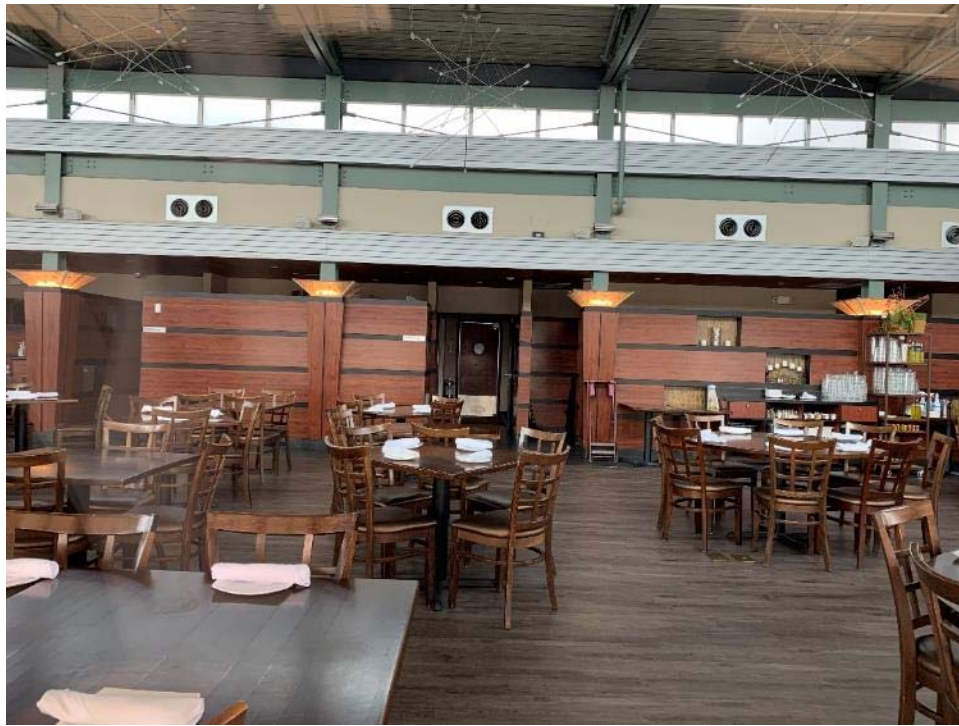


Restaurant



METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

*Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda*



Restaurant interior



Restaurant dock and outdoor dining



*Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda*



Pool and cabana



Clubhouse



Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda



Retail building



Retail building interior



METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda



Boat repair facilities



Fueling station



METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda



Travelift



Boat launch



METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda



Bulkhead buckling



Bulkhead damage



Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda



Dry storage area



Dry storage area



*Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
Addenda*

ENGAGEMENT LETTER



METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

February 3, 2021

Town of Haverstraw
c/o Stein & Stein, LLP
1 Railroad Square
Haverstraw, NY 10927
Phone: (845) 429-3900
FAX: (845) 429-4392
Attn: William M. Stein

(the Client)

via email: bill@steinandsteinlaw.com

SHM Haverstraw, LLC

(Party Responsible for Payment) - if different than Client

14785 Preston Rd, #975

via email:

Dallas, TX 75254

HAVERSTRAW MARINA (aka SAFE HARBOR HAVERSTRAW)
600 Beach Road West
Haverstraw, NY 10993 (the "subject property")

Greetings:

Metropolitan Valuation Services, Inc. ("MVS") is pleased to submit this bid to perform the appraisal assignment noted. The purpose and function of the appraisal is to provide two opinions of the market value of the fee simple interest of the subject property, as follows: **(1) assuming an unoccupied marina complex in its current condition and under current zoning; and, (2) the market value of the 'going concern' of the existing marina complex assuming prudent management**, all as of a current date to assist you in asset disposition discussions for you as the client and intended user. It is agreed that Safe Harbor Marinas is an additional intended user of the appraisal and report.

The report will contain all the recognized appraisal methods and techniques that materially contribute to a proper valuation of the real estate problem under consideration. Where appropriate and to the degree reasonably available, units of comparison will consider the size (land and area), waterfront linear feet, type of waterway, depth of water at low tide, basin and sediment conditions and surrounding land use, number of wet and dry slips, dockage and linear feet, overall occupancy/vacancy level, average rates, as well as general reported condition of bulkheads and protection system(s). Additionally, factors pertaining to operational characteristics and market drivers (restaurants, storage type/capacity, repair, fuel service(s), hospitality/guest/staff lodging, amenities, etc.) will be considered.

We understand that the ownership accountant(s) and/or designee(s) will provide the asset and/or property-specific data and financial reporting details necessary for us to complete the assignment. **Additionally, we will need to interview property management team members to ascertain the impact of any atypical operating expenses and CDC-mandated procedures deemed to affect interim and on-going property operation.**

METROPOLITAN VALUATION SERVICES, INC.
44 East 32nd Street – 11th Floor
New York, NY 10016
Phone (212) 213-8650 Fax (212) 213-8621
www.MVSappraisal.com

The appraisal report will be prepared in conformity with and subject to the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP).

The total fee for MVS to produce the market value appraisal report of the fee simple interest in the subject property is **\$30,000 (aggregate) with delivery of the DRAFT report for your review of factual items within 6 weeks of engagement** assuming that we are provided the following property information, as applicable, in a timely manner:

- 1) Identification of ownership and property legal description with site map and tax lot information
- 2) Description of easements, deed restrictions and circumstances affecting marketability
- 3) Any zoning study and/or redevelopment plan(s)
- 4) Narrative description of the property with summary of the mechanical systems, amenities and all buildings including improvement date(s) of construction, building areas (square footage), back-of-house areas/uses, floor plans, fuel and fuel storage systems, and dock systems.
- 5) List of past 2 years' capital improvements with cost(s) and upcoming scheduled items with estimated cost(s)
- 6) Fee/rental schedule for the current Safe Harbor operation
- 7) Copy of in-place operating agreement
- 8) Complete copy of recently ordered engineering and/or environmental reports
- 9) Any other information deemed appropriate to the assignment
- 10) Contact name with telephone number and email for on-site property inspection (representative selection of marina-related and commercial space(s), mechanical systems and common areas) and to provide subsequent materials
- 11) Name and email address for delivery of the report if different than noted above for The Town of Haverstraw and Safe Harbor Marinas

Review of submitted material may result in additional questions and/or requests for further information. It is agreed that we may look to both the Client and Safe Harbor Marinas for information on the subject property and information pertaining to relevant marina purchases/operations by Safe Harbor Marinas in support of our analyses.

Please indicate your acceptance of this scope of work by signing this proposal and returning it to us along with a retainer in the amount of **(\$20,000)**. We will not commence work on the assignment without our receipt of a duly executed copy of the acceptance of this proposal and requested retainer. The invoice delivered with the DRAFT report will show the retainer as a credit against the total fee. Wiring instructions follow if more convenient than writing and mailing the retainer funds.

Name of Our Bank: Signature Bank (Private Client Group)
722, 1C Quaker Ridge Road
New Rochelle, NY 10804

Account Name **Metropolitan Valuation Services**

ABA (routing #) 026013576

Account # 1500503323

Reference # Haverstraw Marina

METROPOLITAN VALUATION SERVICES, INC.

44 East 32nd Street – 11th Floor

New York, NY 10016

Phone (212) 213-8650 Fax (212) 213-8621

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As of March 11, 2020, the global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). In an effort to provide guidance on this fluid situation as of the effective date of value, MVS is monitoring the published reactions of national, regional, and local economists, as well as commercial real estate industry market participants (including leasing and mortgage brokers, owners/investors and lenders). We are also actively interviewing market participants across this same spectrum with regard to the extent this impacts various investment-grade real estate that we regularly appraise. Although our team is fully connected to our office and its resources, delivery would be within the promised timing from engagement assuming no restriction/interference from COVID-19 freedom of travel. Interior inspections may be limited by property management protocols, prevailing conditions and/or occupant concerns for allowing access. We will do our best to fully describe the improvement condition and may ask building management to provide current photographs of selected areas to supplement our visual impressions.

We appreciate your interest in our real estate consulting and valuation services and look forward to being of assistance to you.

Very truly yours,
METROPOLITAN VALUATION SERVICES, INC.

By: Steven J. Schleider, MAI, FRICS
President

~~Client~~

Approved and Accepted: _____
(print) Name Date

Party Responsible for Payment

Approved and Accepted: _____
(print) Name Jason Hogg Date February 3, 2021

DocuSigned by:

Jason Hogg

3678ECACB1E74C3

HAVERSTRAW MARINA (aka SAFE HARBOR HAVERSTRAW)
600 Beach Road West
Haverstraw, NY 10993 (the "subject property")

Fee: \$30,000 (\$20,000 retainer due upon signing)

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ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal and report have been prepared under the following general assumptions and limiting conditions:

1. No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters which are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser.
2. Title to the property is assumed to be good and marketable and the property is assumed to be free and clear of all liens unless otherwise stated. All mortgages, liens and encumbrances have been disregarded unless so specified within this report.
3. The appraiser has made no legal survey nor have we commissioned one to be prepared. Therefore, reference to a sketch, plat, diagram or previous survey appearing in the report is only for the purpose of assisting the reader to visualize the property.
4. The subject property is analyzed as though under responsible ownership and competent management with adequate financial resources to operate the property within market parameters.
5. It is assumed in this analysis that there were no hidden or unapparent conditions of the property, subsoil, or structures, including hazardous waste conditions, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
6. Information furnished by others is believed to be reliable. However, no warranty is given for its accuracy. Some information contained within this report may have been provided by the owner of the property, or by persons in the employ of the owner. Neither the appraiser nor Metropolitan Valuation Services, Inc. ("MVS") shall be responsible for the accuracy or completeness of such information. Should there be any material error in the information provided to or obtained by the appraiser; the results of this report are subject to review and revision.
7. The appraiser assumes that no hazardous wastes exist on or in the subject property unless otherwise stated in this report. The existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the subject property. The appraiser however, is not qualified to detect such substances or detrimental environmental conditions. The appraisers have inspected the subject property with the due diligence expected of a professional real estate appraiser. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The value estimate rendered in this report is predicated upon the assumption that there is no such material on or affecting the property which would cause a diminution in value. No responsibility is assumed by the appraiser for any such conditions, or for any expertise or environmental engineering knowledge required to discover same. The client is urged to retain an expert in this field if so desired.
8. The appraisers have inspected the subject property with the due diligence expected of a professional real estate appraiser. The physical condition of the improvements is based upon a visual inspection of the premises; MVS assumes no responsibility for the soundness the property's structural or mechanical systems and components. We accept no responsibility for considerations requiring expertise in other professional fields. Such considerations include, but are not limited to, soils and seismic stability, civil, mechanical, electrical, structural and other engineering and environmental matters.
9. It is assumed that there is full compliance with all applicable federal, state, and local land use laws and environmental regulations and unless non-compliance is noted, described, and considered herein.
10. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and/or analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more elements of the ADA. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible noncompliance with the requirements of the ADA in estimating the value of the subject property.
11. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
12. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the

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appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraisers.

13. Unless prior arrangements have been made, the appraiser, by reason of this report, is not required to give further consultation or testimony, or to be in attendance in court with reference to the property that is the subject of this report.
14. Unless otherwise noted, this appraisal has not given any specific consideration to the contributory or separate value of any mineral and/or timber rights associated with the subject real estate.
15. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the Appraisal Institute.
16. This appraisal has been made subject to current market terms of financing. The opinion of value is valid only as of the date of appraisal. Any changes that take place either within the property or the market subsequent to that date of value can have a significant impact on value.
17. Forecasted income and expenses that may be contained within this report may be based upon lease summaries and operating expense statements provided by the owner or third parties. MVS assumes no responsibility for the authenticity or completeness of such data.
18. This report is intended to be used in its entirety; if not presented in its entirety, the conclusions presented herein may be misleading. No part of this report may be used in conjunction with any other appraisal.
19. This appraisal report has been prepared for the exclusive benefit of the addressee (the client), its successors and/or assigns. It may not be used or relied upon by any other party. Any other parties who use or rely upon any information in this report without our written consent do so at their own risk. Any person or entity not authorized by MVS in writing to use or rely this report, agrees to indemnify and hold MVS and its respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorney(s) fees, incurred in conjunction with defending any claim arising from or in any way connected to the use of, or reliance upon, the report by any such unauthorized person or entity.

Extraordinary Assumptions

An extraordinary assumption is defined as an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis.

This appraisal employs no extraordinary assumptions other than stated above.

Hypothetical Conditions

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

This appraisal employs no hypothetical conditions other than stated above.

*Safe Harbor Haverstraw Marina
Haverstraw, NY
June 25, 2021
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QUALIFICATIONS OF THE APPRAISERS



METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

Safe Harbor Haverstraw Marina
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STEVEN J. SCHLEIDER, MAI, FRICS, LEED AP BD+C
PRESIDENT – METROPOLITAN VALUATION SERVICES

STEVEN J. SCHLEIDER Co-founded Metropolitan Valuation Services, Inc. to serve a broad-base of clients developed over his career in real estate.

As director for a national valuation and due diligence firm, the vast majority of appraisal assignments relating to the post-recession wave of major residential construction, development and re-adaptive use projects in the New York area were conducted under his supervision. Additionally, the significant large-scale multi-family complexes in the region for FannieMae and FreddieMac loan portfolios were appraised by his team.

Mr. Schleider's experience in real estate is broad and his assignments have included development strategies, valuation and/or feasibility studies for market-rate and subsidized rental facilities, nursing home, age-restricted and assisted-living residences, cooperative and condominium apartment buildings, development projects in various stages of approval; and, valuation modeling and consulting for various lower- and moderate-income housing programs involving LIHTCs and low floater rate tax exempt revenue bond financing. Mr. Schleider's experience with HUD-based programs includes numerous section 8 facilities, MAP, and rent comparability surveys. These activities have been conducted on behalf of investment firms, international and domestic pension funds, major industrial corporations, leading foreign and domestic financial institutions, individual investors and leading law firms. Additionally, Mr. Schleider has developed and conducted seminars relating to multi-family valuation issues for the New York City Housing Development Corporation and the New York State Housing Finance Agency.

Mr. Schleider is a designated member of the Appraisal Institute (MAI), a fellow of the Royal Institute of Chartered Surveyors (FRICS) and is certified by the State of New York and State of New Jersey as a real estate General Appraiser. Mr. Schleider is also a LEED Accredited Professional with specialty in building design and construction (Leadership in Energy and Environmental Design) of the United States Green Building Council (USGBC). Mr. Schleider received his Bachelor of Arts degree from Berklee College and has completed numerous graduate courses in finance and economics at the Bernard M. Baruch School of Business, City University of New York. Mr. Schleider served as the 2011 President of the Metropolitan New York Chapter of the Appraisal Institute. He had previously served as President of the Associate and Affiliate Members Organization of the Metropolitan New York Chapter of the Appraisal Institute, and has chaired both the Admissions and Education Committees of the chapter. Starting in 2003, Mayor Michael Bloomberg appointed and re-appointed Mr. Schleider 3 times to the New York City Rent Guidelines Board: where he served for 11 years. Mr. Schleider is a member of the Real Estate Board of New York and currently serves on its Housing Committee and has chaired its Appraisal Committee.

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METROPOLITAN VALUATION SERVICES
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DAVID C. LYON
EXECUTIVE VICE PRESIDENT - METROPOLITAN VALUATION SERVICES

DAVID C. LYON is an Executive Vice President with Metropolitan Valuation Services, Inc., with over 22 years of experience in the valuation industry. Mr. Lyon's appraisal experience has included a variety of income-producing properties within the Metropolitan New York and Northeast regions, as well as assignments completed on a nationwide basis and the Caribbean. Mr. Lyon is primarily responsible for the valuation of the firm's most complex commercial assignments, staff management, and new business development. Additionally, Mr. Lyon is an approved Supervisory Appraiser in the State of New York, working closely with the company's junior appraisers and associates.

Areas of particular expertise and specialization include large-scale office buildings; regional and community retail shopping centers, office condominiums, and special-purpose facilities including marinas, air-side cargo facilities, and horse farms. In addition to his expertise in the office and retail industry, Mr. Lyon has extensive experience in the appraisal of major multi-family rental; cooperative, and condominium facilities; proposed sub-divisions; vacant residential and commercial land; scheduled development sites; industrial properties, and feasibility and market studies. Mr. Lyon also implemented and directs the company's Litigation Support Division providing valuation and consulting services for tax certiorari and commercial arbitration cases, as well estate and trust valuation. Clients include prominent law firms and property owners, as well as major municipalities, including the City of New York Law Department.

Mr. Lyon earned his Bachelor's degree from LeMoyne College, Syracuse, New York, and has also been awarded a Certificate in the Appraisal of Investment Properties from New York University. Mr. Lyon is certified by the States of New York and Illinois as a Real Estate General Appraiser (NY Certification #46000043655 and IL Certification #553.002394), and is a Candidate for Designation with the Appraisal Institute. Mr. Lyon has successfully completed all educational and experience requirements for the MAI designation. Mr. Lyon was an inaugural recipient of a merit-based scholarship awarded by the Scholarship Committee of the New York Metropolitan Chapter of the Appraisal Institute.

Mr. Lyon is active in local and national charitable and volunteer endeavors, including Team Red White and Blue ("Team RWB"), advocating veteran awareness through community activity, Tuesday's Children, and the March of Dimes. Mr. Lyon is a 2-time Ironman Triathlon finisher and is a 2-time finisher of the prestigious Escape From Alcatraz. A native of Saratoga Springs (NY), Mr. Lyon is a lifelong and avid horseman, and is a partner in several successful thoroughbred racehorses. He is the founder and managing partner of Blue Lion Thoroughbreds, LLC, a boutique racehorse partnership syndicate.



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WILLIAM S. BROWN
VICE PRESIDENT - METROPOLITAN VALUATION SERVICES

WILLIAM S. BROWN is a Vice President with Metropolitan Valuation Services, Inc. (MVS). While at MVS, he has appraised a wide variety of income-producing properties in the metropolitan New York City area and on a national basis, with a concentration on commercial properties. Assignments have included small- to large-scale office, retail, industrial, multifamily, community facility, mixed-use, and special use properties, inclusive of new construction and substantial rehabilitations, development sites, and multi-property portfolios. Mr. Brown holds a license as a certified general real estate appraiser in the states of New York, New Jersey, Connecticut, Rhode Island, Pennsylvania, North Carolina, and Colorado.

Prior to joining MVS, Mr. Brown worked as a Development Analyst and Assistant Project Manager for a real estate investment, development and management firm that operated a diverse portfolio in the metro New York and Philadelphia regions.

Mr. Brown earned Bachelor of Science degrees in Environmental Design, and Building and Construction Technology, a minor in Economics, and graduated with honors from the University of Massachusetts - Amherst



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STATE CERTIFICATIONS



METROPOLITAN VALUATION SERVICES
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UNIQUE ID NUMBER 46000016498	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 117905
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 12 13 20
SCHLEIDER STEVEN J C/O METROPOLITAN VALUATION SER 44 E 32ND ST 11TH FL NEW YORK, NY 10016		EXPIRATION DATE MO. DAY YR. 12 12 22
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed. ROSSANA ROSADO SECRETARY OF STATE
DOS-1098 (Rev. 3/01)		

UNIQUE ID NUMBER 46000043655	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 117983
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 11 19 20
LYON DAVID C C/O METROPOLITAN VALUATION SER 44 E 32ND ST NEW YORK, NY 10016		EXPIRATION DATE MO. DAY YR. 11 18 22
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed. ROSSANA ROSADO SECRETARY OF STATE
DOS-1098 (Rev. 3/01)		



METROPOLITAN VALUATION SERVICES
REAL ESTATE CONSULTING AND APPRAISAL

Safe Harbor Haverstraw Marina
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UNIQUE ID NUMBER 46000052635	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 116889
PURSUANT TO THE PROVISIONS OF ARTICLE 66 OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO DAY YR 07 18 19
BROWN WILLIAM S C/O METROPOLITAN VALUATION SER 44 E 32ND ST 11TH FL NEW YORK, NY 10016		EXPIRATION DATE MO DAY YR 07 17 21
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		
In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed ROSSANA ROSADO SECRETARY OF STATE		
DCS-1008 (Rev. 2011)		

