



***Goodman-Marks Associates, Inc.***

**REAL ESTATE APPRAISERS AND CONSULTANTS**

**APPRAISAL REPORT**

**94 Dune Road  
East Quogue, Suffolk County, New York**

***PREPARED FOR:***

**Mr. James Bozart  
348 West 11<sup>th</sup> Street  
New York, NY 10014**

**Larry Hoffman  
34 Box Tree Road, Box 1654  
Quogue, NY 11959**

## TABLE OF CONTENTS

	<u>PAGE</u>
Certificate of Appraisal.....	4
Summary of Salient Facts and Conclusions.....	5
Underlying Assumptions and Limiting & Qualifying Conditions.....	6
Appraisal Definitions.....	8
Valuation Date/Purpose, Intended Use & Users of the Appraisal/Subject Property	
Identification and Ownership History.....	10
Marketing Period and Exposure Time .....	12
Aerial Photograph of Subject Property .....	13
Photographs of the Subject Property.....	14
Scope of the Appraisal and Methods of Valuation .....	24
Area Map .....	26
Local Area Map .....	27
Local Area Description .....	28
Property Survey .....	35
Property Description .....	36
Interior Photographs.....	40
Tax Map .....	45
Assessment and Real Estate Tax Data .....	46
Zoning Map.....	47
Zoning Excerpt.....	48
Highest and Best Use .....	50
Sales Comparison Approach.....	53
Sales Comparison Approach Methodology .....	54
Analysis of Comparable Land Sales .....	55
Comparable Land Sales Location Map.....	61
List of Comparable Vacant Land Sales .....	62
Correlation and Value Choice.....	80
Qualifications .....	82
Addenda	
Insurable Value	
Appraisers' License	



***Goodman-Marks Associates, Inc.***  
**REAL ESTATE APPRAISERS AND CONSULTANTS**

**CORPORATE HEADQUARTERS / ACCOUNTING DEPARTMENT**  
170 OLD COUNTRY ROAD, SUITE 501, MINEOLA, NEW YORK 11501  
PHONE: (516) 248-9777 FAX: (516) 248-9628

**NEW YORK CITY OFFICE**  
420 LEXINGTON AVENUE, SUITE 2154, NEW YORK, NEW YORK 10170  
PHONE: (212) 324-2860 FAX: (516) 248-9628

**NEW JERSEY OFFICE**  
55 MADISON AVENUE, SUITE 400, MORRISTOWN, NEW JERSEY 07960  
PHONE: (973) 285-3195  
[www.goodmanmarks.com](http://www.goodmanmarks.com)

January 31, 2023

Mr. James Bozart  
348 West 11<sup>th</sup> Street  
New York, NY 10014

Mr. Larry Hoffman  
34 Box Tree Road, Box 1654  
Quogue, NY 11959

Re: 94 Dune Road  
East Quogue, Suffolk County, New York  
Our File No. 22-1724

Dear Sirs:

At your request, we have inspected and appraised the above-captioned property, which is located on the north side of Dune Road in the community of East Quogue, within the Township of Southampton, Suffolk County, New York. The property is identified on the tax map of Suffolk County as District 900, Section 385, Block 1, Lot 37.3.

The subject site consists of an irregular-shaped lot containing a total of 9.19± acres (400,252± sq. ft.), according to the provided property survey, of which 7.34± acres (319,750± sq. ft.) is land, and 1.85± acres (80,502± sq. ft.) is a man-made channel. It should be noted that the channel bisects the land portions of the property. The land fronting Dune Road, consisting of 4.66± acres (202,941± sq. ft.), is improved with a restaurant and could be redeveloped. However, the land on the other side of the channel, accessible via boat, consisting of marshlands is not considered developable. The water channel was dredged circa 1967, after approvals were obtained from the Town of Southampton. The channel provides access to Shinnecock Bay.

The subject site is improved with a one- and part two-story restaurant building containing a total of 3,440± square feet of gross building area, constructed circa 1960, in average overall condition, according to the Town of Southampton assessor's office. Additionally, the

GOODMAN-MARKS ASSOCIATES, INC.  
REAL ESTATE APPRAISERS AND CONSULTANTS

Page 2  
January 31, 2023

property is utilized as a limited service marina with 16 slips on floating docks in the man-made channel. The restaurant operation is seasonal in nature. Although it has long been in place with a variety of designs, we consider the restaurant to be an interim use and the “as is” condition of the property to be its value as a redevelopment site.

It should be noted that we were provided with a lease for the subject property, dated November 1, 2013, between 94 Dune Road Holding Corp., as lessor/owner, and Sedge Island Corp., as lessee, for a period of ten years and structured on a triple net basis. However, we have disregarded this lease for the following reasons. Principals in the lessee corporation are also principals in the lessor/owner corporation and, as such, the lease may not be considered arm’s length. Moreover, and more importantly, Paragraph 15 of the lease titled “Sale of Premises” states in part “[i]n the event of the sale by the Landlord of the demised premises ... the Landlord or the purchaser may terminate this lease on the thirtieth day of April in any year upon giving the Tenant notice ... prior to the first day of January in the same year.” This provision benefits the landlord and the prospective purchaser as it allows the purchaser the ability to collect rent on a net basis, thus, making holding costs nominal, while approvals for redevelopment of the site to its highest and best use are obtained. Therefore, we have not deducted demolition costs from our indicated land value of the subject property.

Based on the subject’s location in a residential zone, as well as the current development in the area surrounding the subject property, we are of the opinion that the current improvement does not represent the highest and best use of the property. Therefore, we have valued the subject land based on its highest and best use which is residential development.

The purpose of this appraisal report is to estimate the market value of the fee simple estate of the subject property. The intended use of this appraisal is to assist the intended users in understanding the value of the underlying asset, subject to the assumptions contained within the report. The intended users of this appraisal are Mr. James Bozart and Mr. Larry Hoffman.

This appraisal report was prepared in compliance with and conformance to the current Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

In arriving at the appraised value, consideration has been given to all items influencing value, including the property location, existing and projected competition, continued demand, current and anticipated market conditions, current mortgage rates, actual income, expenses and lease terms, government rules and regulations, income rates for similar properties and the rates of return of competitive properties and investments.

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Page 3  
January 31, 2023

The global outbreak of the “novel coronavirus,” referred to as COVID-19, was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. We note that this appraisal is effective as of the stated date of valuation.

We are of the opinion that, as of November 1, 2022, the market value of the fee simple estate of the subject property is:

**FIFTEEN MILLION TWO HUNDRED THOUSAND DOLLARS**  
**(\$15,200,000.00)**

A report of 85 pages, plus Addenda, is attached hereto and made part hereof, and the valuation is expressly made subject to the conditions and comments appearing herein.

Very truly yours,

**GOODMAN-MARKS ASSOCIATES, INC.**



Matthew J. Guzowski, MAI, MRICS  
President  
Goodman-Marks Associates, Inc.  
Certified General Real Estate Appraiser  
New York Certificate #468986



Edward Knoedler, MAI  
Senior Appraiser  
Goodman-Marks Associates, Inc.  
Certified General Real Estate Appraiser  
New York Certificate #4649399

**CERTIFICATE OF APPRAISAL**

Premises: 94 Dune Road  
East Quogue, Suffolk County, New York

We, Matthew J. Guzowski and Edward Knoedler, certify to the best of our knowledge and belief:

THAT, the statements of fact contained in this report are true and correct.

THAT, 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;

THAT, 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;

THAT, we have not performed services, as an appraiser(s) or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;

THAT, we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;

THAT, our engagement in this assignment was not contingent upon developing or reporting predetermined results;

THAT, 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;

THAT, our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice (USPAP)*;

THAT, we have each made a personal inspection of the property that is the subject of this report;

THAT, no one provided significant real property appraisal assistance to the person(s) signing this certification.

THAT, 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.

THAT, the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;

THAT, as of the date of this report, Edward Knoedler has completed the continuing education program for Designated Members of the Appraisal Institute and Matthew J. Guzowski has completed the continuing education program for Designated Members of the Appraisal Institute and the Royal Institution of Chartered Surveyors.

DATE: January 31, 2023



Matthew J. Guzowski, MAI, MRICS  
President  
Goodman-Marks Associates, Inc.  
Certified General Real Estate Appraiser  
New York Certificate #468986



Edward Knoedler  
Senior Appraiser  
Goodman-Marks Associates, Inc.  
Certified General Real Estate Appraiser  
New York Certificate #4649399

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Location:	94 Dune Road East Quogue, Town of Southampton Suffolk County, New York
Census Tract:	1906.01/2
Tax Map Identification:	District 900, Section 385, Block 1, Lot 37.3
Owner:	94 Dune Road Holding Corp.
Property Rights Appraised:	Fee simple estate
Description:	A bayfront parcel containing 9.19± acres (400,252± sq. ft.) of land improved with a one- and part-two story restaurant building, constructed circa 1960, containing a gross building area of 3,440± sq. ft. Additionally, the property is operated as a limited service marina, with 16 slips on floating docks in the man-made channel. The subject parcel is bisected by the channel with marshland, accessible only via boat, on the north side of the channel and the improved land fronting Dune Road on the south side of the channel.
Land Area:	Main Area (land)*: 4.66± acres (202,941± sq. ft.) Island Area (marshland)*: 1.81± acres (78,872± sq. ft.) North Area (marshland)*: <u>0.87± acres (37,937± sq. ft.)</u> <b>Total Land Area*: 7.34± acres (319,750± sq. ft.)</b> <b>Water Area*: 1.85± acres (80,502± sq. ft.)</b>
Zoning:	R80 (Residential) – Town of Southampton
Highest and Best Use:	<i>As Vacant</i> – Residential development  <i>As Improved</i> – Razing the current improvements to make way for new development
Date of Value:	November 1, 2022
<b>Insurable Value:</b>	<b>\$2,000,000.00</b>
<b><u>Value Conclusions</u></b>	
Cost Approach:	N/A
Income Capitalization Approach:	N/A
Sales Comparison Approach:	\$15,200,000.00
<b>Final Estimate of Market Value:</b>	<b>\$15,200,000.00</b>

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\* As per supplied survey.

## **UNDERLYING ASSUMPTIONS AND LIMITING & QUALIFYING CONDITIONS**

1. This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. We are not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless stated otherwise in this report.
3. The property was appraised free and clear of any or all liens and encumbrances unless stated otherwise in this report.
4. Responsible ownership and competent property management are assumed unless stated otherwise in this report.
5. The information furnished by others for the appraised property is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless stated otherwise in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in this report.
10. It is assumed that all required licenses, Certificates of Occupancy or other legislative or administrative authority from any local, state or national government or private entity have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless stated otherwise in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there is no encroachment or trespass unless stated otherwise in this report.
13. We are unaware of any easements or encumbrances that substantially impact the subject property. However, we have not been provided with a title report and if in the event such report detailed the existence of an otherwise unknown easement or encumbrance, the value conclusion contained herein may be subject to change.
14. We are not qualified to detect hazardous waste and/or toxic materials. Any comment by us 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 presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. Our value estimate(s) is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless stated otherwise in this report. No responsibility is assumed for any environmental conditions or any expertise or engineering knowledge required to discover them. Our descriptions and comments are the result of our routine observations made during the appraisal process.

15. Unless stated otherwise in this report, the subject property was appraised without a specific compliance survey having been conducted to determine whether the property is or is not in conformance with the requirements of the Americans with Disabilities Act (ADA). The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability or utility.
16. Any proposed improvements are assumed to be completed in a good and workmanlike manner in accordance with the submitted plans and specifications, and conforming to all municipal, building and health codes.
17. Our value conclusions were based on the assumption that the subject property will continue to be adequately maintained and professionally managed to sustain its competitiveness in the marketplace.
18. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
19. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser(s), and in any event, only with properly written qualification and only in its entirety.
20. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser(s) or the firm with which the appraiser(s) is/are connected) shall be disseminated to the public through advertising, public relations, news sales or other media without the prior written consent and approval of the appraiser(s).

## **APPRAISAL DEFINITIONS**

### **Market Value**<sup>1</sup>

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

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

### **Fee Simple Estate**<sup>2</sup>

“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.”

### **Intended Use**<sup>3</sup>

“The use(s) of an appraiser’s reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.”

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<sup>1</sup> *The Dictionary of Real Estate Appraisal – Sixth Edition*, Appraisal Institute, Chicago, IL, 2015, p. 142.

<sup>2</sup> *Ibid*, p. 90.

<sup>3</sup> *Uniform Standards of Professional Appraisal Practice (USPAP) 2020-2021 Edition*, The Appraisal Foundation, Washington, DC, 2020, p. U-4.

**Intended User**<sup>4</sup>

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

**Client**<sup>5</sup>

“The party or parties (i.e., individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.”

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<sup>4</sup> *Uniform Standards of Professional Appraisal Practice (USPAP) 2020-2021 Edition*, The Appraisal Foundation, Washington, DC, 2020, p. U-4.

<sup>5</sup> *Ibid*, p. U-4

### **VALUATION DATE**

The date of valuation is November 1, 2022; the date of our latest inspection of the subject property.

### **PURPOSE OF THE APPRAISAL**

This appraisal report was performed to estimate the market value of the fee simple estate of the subject property, as of the stated valuation date, to assist our clients, James Bozart and Larry Hoffman, in asset valuation.

### **INTENDED USE AND USERS OF THE APPRAISAL**

The intended use of this appraisal is to assist the intended users in understanding the value of the underlying asset, subject to the assumptions contained within the report. The intended users of this appraisal are Mr. James Bozart and Mr. Larry Hoffman.

### **IDENTIFICATION OF THE SUBJECT PROPERTY**

The subject property is an irregular-shaped, waterfront parcel of land located at 94 Dune Road, in the unincorporated area of East Quogue, Town of Southampton, Suffolk County, New York. The tax assessment identification is District 900, Section 385, Block 1, Lot 37.3.

### **SUBJECT PROPERTY OWNERSHIP HISTORY**

The subject property is currently owned by 94 Dune Road Holding Corp. Public records indicate that no transfers of the subject property have occurred within the last five years.

It should be noted that we were provided with a lease for the subject property, dated November 1, 2013, between 94 Dune Road Holding Corp., as lessor/owner, and Sedge Island Corp., as lessee, for a period of ten years and structured on a triple net basis. However, we have disregarded this lease for a couple of reasons. One, principals in the lessee corporation are also principals in the lessor/owner corporation and, as such, the lease may not be arm's

length. Moreover, and more importantly, Paragraph 15 of the lease titled “Sale of Premises” states in part “[i]n the event of the sale by the Landlord of the demised premises the Landlord or the purchaser may terminate this lease on the thirtieth day of April in any year upon giving the Tenant notice prior to the first day of January in the same year.” Therefore, this lease is effectively, at most, an annual lease. Furthermore, this is a benefit to the landlord/owner and a prospective purchaser as this allows a future purchaser to collect rent while waiting for approvals for redevelopment of the subject to its highest and best use to be granted.

## MARKETING PERIOD AND EXPOSURE TIME

A *marketing period* is generally defined as “An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, “Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions” address the determination of reasonable exposure and marketing time.)”<sup>6</sup>

The subject property is a parcel of residential-zoned waterfront land located in the desirable “Hamptons” section of Suffolk County. Were it available for sale, we estimate that the marketing period would be less than one year.

*Exposure time* is generally defined as “1) the time a property remains on the market and 2) the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.”<sup>7</sup>

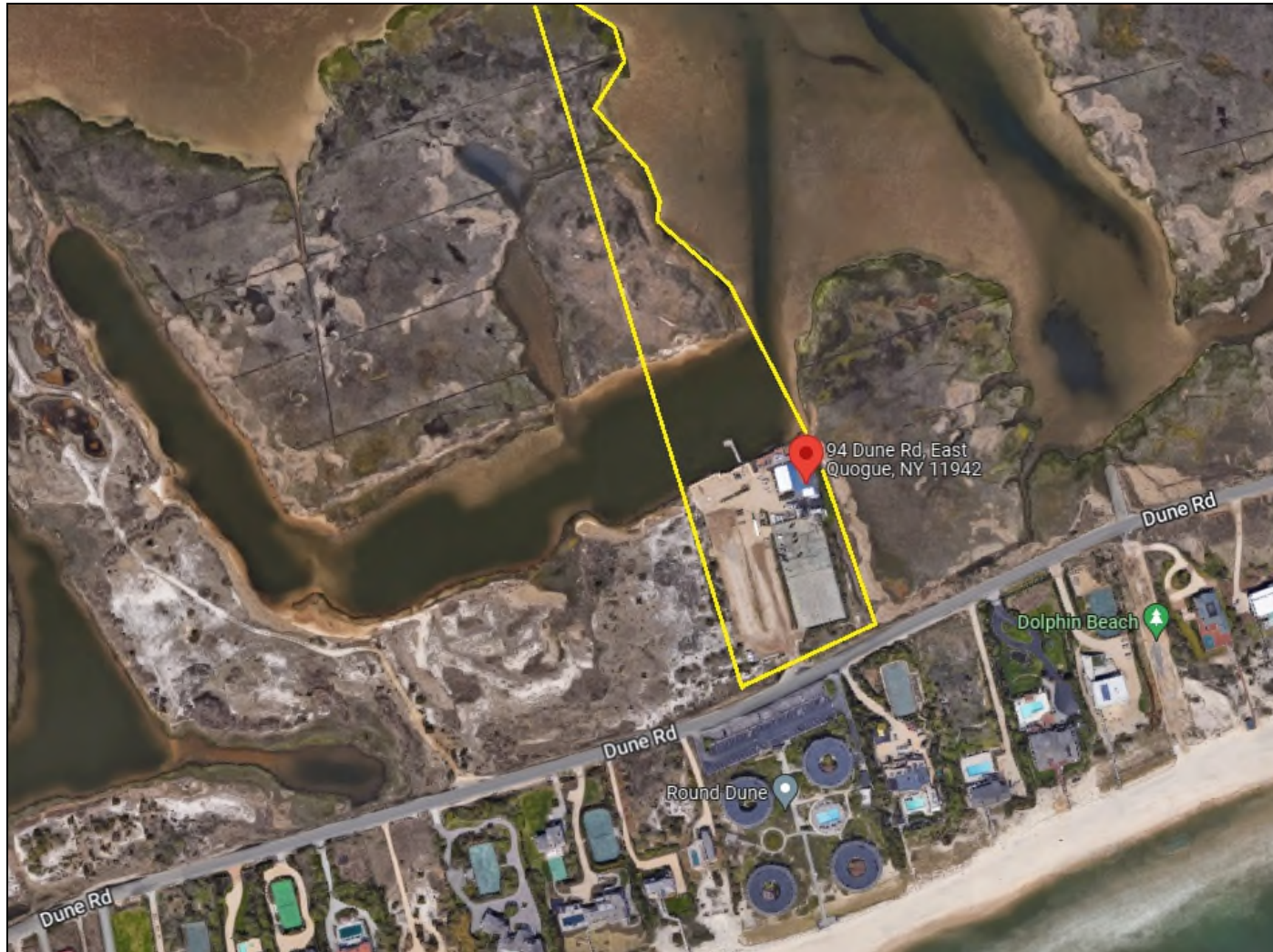
We estimate that the exposure time for the subject property would have been less than one year.

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<sup>6</sup> *The Dictionary of Real Estate Appraisal - Fifth Edition*, Appraisal Institute, Chicago, IL, 2010, p 121.

<sup>7</sup> *Ibid.*, p 73.

**AERIAL PHOTOGRAPH OF SUBJECT PROPERTY**



**PHOTOGRAPHS OF THE SUBJECT PROPERTY**



**Views of Subject Property**



**PHOTOGRAPHS OF THE SUBJECT PROPERTY**  
*(Continued)*



**Views of Subject Property**



**PHOTOGRAPHS OF THE SUBJECT PROPERTY**  
*(Continued)*



**Views of Subject Property**



**PHOTOGRAPHS OF THE SUBJECT PROPERTY**  
*(Continued)*



**Views of Subject Property**



**PHOTOGRAPHS OF THE SUBJECT PROPERTY**  
*(Continued)*



**Views of Subject Property**



**PHOTOGRAPHS OF THE SUBJECT PROPERTY**  
*(Continued)*



**Views of Subject Property**



**PHOTOGRAPHS OF THE SUBJECT PROPERTY**  
*(Continued)*



**Views of Subject Property**



**PHOTOGRAPHS OF THE SUBJECT PROPERTY**  
*(Continued)*



**Views of Channel**



**PHOTOGRAPHS OF THE SUBJECT PROPERTY**  
*(Continued)*



**Views of Marshland**



**PHOTOGRAPHS OF THE SUBJECT PROPERTY**  
*(Continued)*



**Street Scene Looking East along Dune Road**



**Street Scene Looking West along Dune Road**

## **SCOPE OF THE APPRAISAL AND METHODS OF VALUATION**

We have been requested to appraise the market value of the fee simple estate of the subject property as of the stated valuation date. We have inspected the subject property and reviewed the property survey, and have collected and analyzed relevant government data and market land sales. We consulted market participants and other real estate professionals and reviewed various real estate publications in the course of preparing this report. A conclusion was determined from the analysis.

There are three generally accepted approaches to the valuation of real estate: the cost approach, the income capitalization approach and the sales comparison approach. In these valuation methods, various local market data is used, including sales and offerings of similar properties and tracts of vacant land, construction costs, property rentals, operating expenses, current investment rates and mortgage financing terms.

### **Cost Approach**

This approach assumes that an informed purchaser would pay no more for a property than the cost of producing a similar investment. In the cost approach, an indication of value is typically obtained by adding an estimate of land value to an estimate of the depreciated value of the improvements. The cost analysis is most reliable when the improvements are new and there are enough land sales from which to derive a land value. Since the existing subject improvements do not represent the highest and best use of the land, the cost approach is not an applicable method of valuation for this appraisal assignment.

### **Income Capitalization Approach**

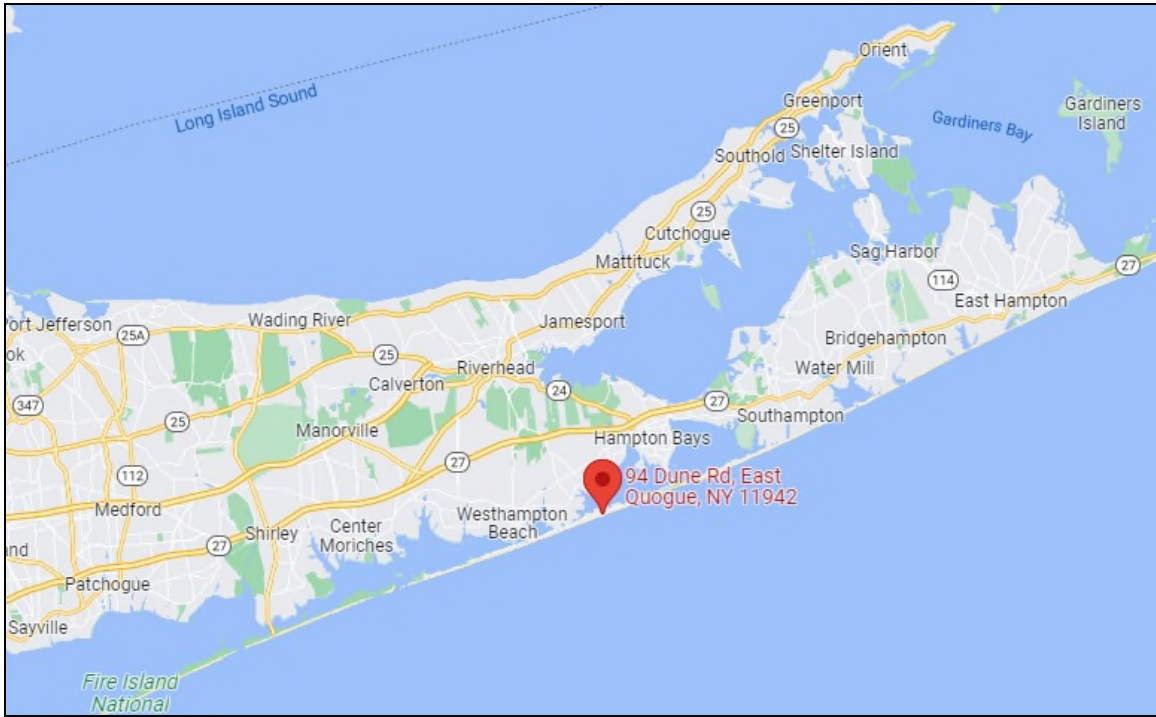
The income capitalization approach values the future benefits (in the form of steady income) from an income-producing property by measuring the potential net income received. This approach is significant in determining the market value of a property where investors purchase the income-producing real estate for its earning power. However, since the highest

and best use of the subject property is not its current use, we have not utilized the income capitalization approach.

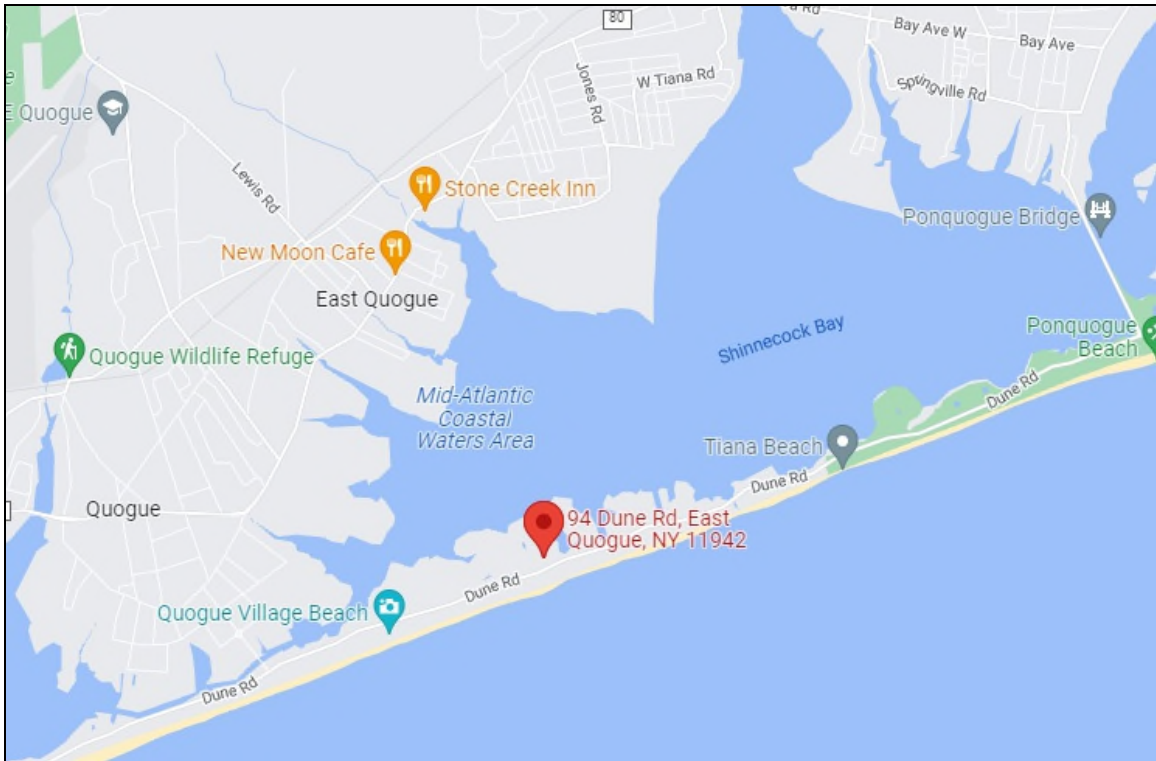
#### Sales Comparison Approach

The major premise of the sales comparison approach is the principle of substitution, which states that an informed and knowledgeable purchaser would pay no more for a property than the cost of acquiring an existing property of similar investment features. We have valued the property at its highest and best use, which required us to estimate the land value of the subject parcel. We analyzed the sales of comparable sites in the subject area and compared them to the subject property as though it were vacant land. We analyzed each sale and compared the market-sensitive elements of each sale to the subject. We then adjusted each sale for essential differences between the sale and the subject and, based on the adjusted sales, selected a unit of land value to be applied to the subject property.

**AREA MAP**



## LOCAL AREA MAP



## **LOCAL AREA DESCRIPTION**

The subject property is located in the community of East Quogue within the Town of Southampton, Suffolk County, New York. This hamlet is situated on the eastern end of Long Island and is bounded by Oakville on the north, the Village of Quogue on the west, West Tiana and Hampton Bays on the east and the Atlantic Ocean on the south.

The hamlet lies beyond the terminus of the Long Island Expressway (Riverhead), which is the primary east/west artery connecting Long Island with New York City. Major east/west thoroughfares include Sunrise Highway (Route 27), Montauk Highway (Route 27A), and Dune Road (Route 89). Quogue-Riverhead Road and Lewis Road provide north/south access. East Quogue is bisected by Shinnecock Bay, and includes the beaches traversed by Dune Road which abut the Atlantic Ocean.

East Quogue is primarily a middle-class residential area of single-family homes, with commercial activity concentrated along Montauk Highway. Retailers are locally oriented. The population of East Quogue was estimated by the 2010 Census at 4,757 persons. Area beaches and recreational facilities are highly regarded and the south fork is the heart of Long Island's tourism district.

The area is served by the Montauk branch of the Long Island Rail Road and local bus service and commuter bus service (Hampton Jitney) to New York City. There are various houses of worship throughout the community. With respect to recreation, there are commercial fishing charters, beach-related businesses and a well-developed local lodging industry.

### **Local Residential Market Overview**

The subject property is located in East Quogue in the Town of Southampton, Suffolk County, New York. Moreover, the subject is in area where new residential construction is consistent with typical new construction housing stock for the area. The 2<sup>nd</sup> Quarter 2022 (latest available as of the date of valuation) Prudential Elliman reports for Long Island and Hamptons residential sales depict a healthy and stable market with adequate demand. The reports are as follows:

**PRUDENTIAL DOUGLAS ELLIMAN – 2Q 2022 LONG ISLAND SALES REPORT**

# Elliman Report

## Q2-2022 Long Island, NY Sales

### Condo & Single Family Dashboard

YEAR-OVER-YEAR

**+ 9.0%**  
Prices  
Median Sales Price

**+ 0.3 mos**  
Pace  
Months of Supply

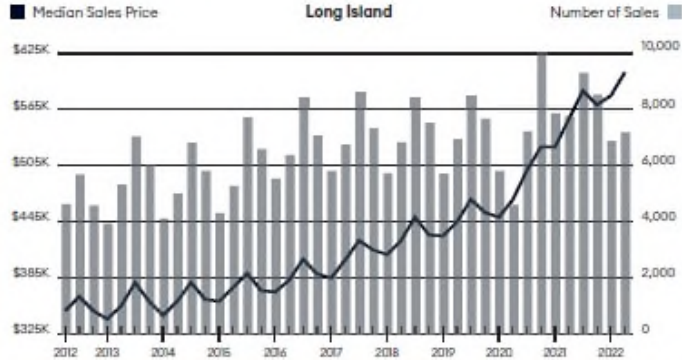
**- 7.4%**  
Sales  
Closed Sales

**+ 2.4%**  
Inventory  
Total Inventory

**- 12 days**  
Marketing Time  
Days on Market

**- 2.3%**  
Negotiability  
Listing Discount

- Median sales price has reached both record and near-record levels for thirteen consecutive quarters
- Bidding wars rose to a new high and accounted for six of ten sales during the quarter
- Listing inventory rose sharply quarter over quarter but was half the pre-pandemic level



Long Island Matrix	Q2-2022	%Δ (qm)	Q1-2022	%Δ (qm)	Q2-2021
Average Sales Price	\$702,522	6.7%	\$658,152	8.7%	\$646,582
Median Sales Price	\$605,000	4.3%	\$580,000	9.0%	\$555,000
Number of Sales (Closed)	7,127	4.5%	6,820	-7.4%	7,693
Days on Market (From Last List Date)	48	-15.8%	57	-20.0%	60
Listing Discount (From Last List Price)	-1.0%		0.6%		1.3%
Listing Inventory	6,919	74.2%	3,972	2.4%	6,754
Months of Supply	2.9	70.6%	1.7	11.5%	2.6

Year-to-Date	Q2-2022	%Δ (qm)	Q1-2022	%Δ (qm)	Q2-2021
Average Sales Price (YTD)	\$680,825	N/A	N/A	8.4%	\$627,951
Median Sales Price (YTD)	\$590,000	N/A	N/A	9.3%	\$540,000
Number of Sales (YTD)	13,947	N/A	N/A	-9.9%	15,482

Excludes the Hempstead and North Fork markets.

The reaching of record prices characterized the market with the prominent addition of more listing inventory and falling sales as the market began to pivot from the spike in mortgage rates. The median sales price rose 9% to a record \$605,000, the thirteenth consecutive quarter achieving a record or near-record price. The median sales price was 29% higher than pre-pandemic levels. Average sales price followed the same pattern, rising 8.7% yearly to \$702,522, 29.9% higher than pre-pandemic levels. At the same time, the number of sales declined annually for the third straight quarter. Initially, the slowdown was due to the record low supply that constrained sales. But the spike in mortgage rates that occurred at the beginning of the spring market became the primary driver of reduced activity. There were 7,127 sales in the quarter,

down 7.4% year over year and 15.3% below pre-pandemic levels. The lower sales levels were also due to the significant activity in late 2020 and 2021, which essentially "poached" from future demand. The 74.2% quarter over quarter increase in listing inventory to 6,919 was reflective of lower sales volume, but supply was still 47.8% below pre-pandemic levels even with the rise. With the decline in sales and increase in listing inventory, months of supply, the number of months to sell all listing inventory at the current sales rate, was 2.9 months, a brisk market pace, and 38.3% faster than pre-pandemic levels. The market share of bidding wars reached a new high of 59.2%, meaning that roughly six out of ten sales that closed in the second quarter sold above the last asking price.



Prepared by Miller Samuel Real Estate Appraisers & Consultants

# PRUDENTIAL DOUGLAS ELLIMAN – 2Q 2022 LONG ISLAND SALES REPORT

(Continued)

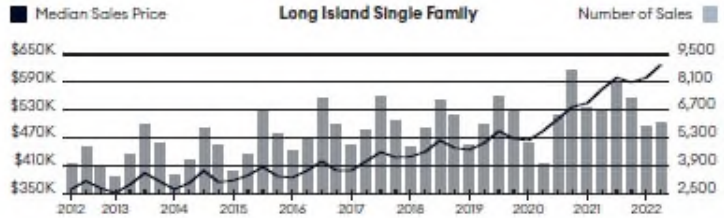
Q2-2022 The Elliman Report + Quarterly Survey of Long Island, NY Residential Sales

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## Single Family

- Median sales price has reached both record and near-record levels for nineteen consecutive quarters
- Bidding wars rose to a new high and accounted for six of ten sales during the quarter
- Listing inventory rose sharply quarter over quarter but was half the pre-pandemic level

Single Family Quintiles	Median Sales Price	% Change Year-Over-Year
5/5	\$1,150,000	12.9%
4/5	\$750,000	8.7%
3/5	\$628,000	9.2%
2/5	\$540,000	11.3%
1/5	\$428,800	12.8%

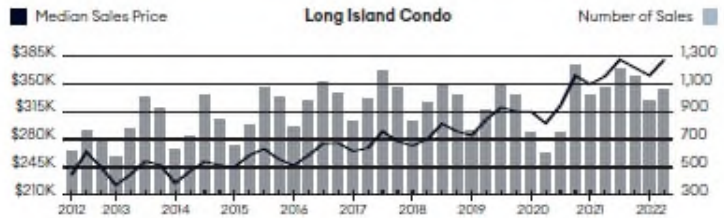


Single Family Matrix	Q2-2022	%Δ (qm)	Q1-2022	%Δ (ym)	Q2-2021
Average Sales Price	\$741,279	6.3%	\$697,050	8.7%	\$682,015
Median Sales Price	\$628,000	4.7%	\$600,000	9.2%	\$575,000
Number of Sales (Closed)	6,070	3.9%	5,840	-8.3%	6,622
Days on Market (From Last List Date)	47	-16.1%	56	-20.3%	59
Listing Discount (From Last List Price)	-1.2%		0.5%		1.3%
Listing Inventory	5,980	83.7%	3,256	-4.4%	6,254
Months of Supply	3.0	76.5%	1.7	7.1%	2.8

## Condo

- Median sales price has reached both record and near-record levels for both of the last eight quarters
- Bidding wars rose to a new high and accounted for four of ten sales during the quarter
- Listing inventory rose sharply quarter over quarter but was nearly half the pre-pandemic level

Condo Quintiles	Median Sales Price	% Change Year-Over-Year
5/5	\$782,000	7.1%
4/5	\$515,000	4.9%
3/5	\$380,000	5.8%
2/5	\$295,000	9.3%
1/5	\$193,800	7.7%



Condo Matrix	Q2-2022	%Δ (qm)	Q1-2022	%Δ (ym)	Q2-2021
Average Sales Price	\$479,956	12.6%	\$426,354	12.3%	\$427,504
Median Sales Price	\$380,000	5.6%	\$360,000	5.8%	\$359,000
Number of Sales (Closed)	1,057	7.9%	980	-1.3%	1,071
Days on Market (From Last List Date)	58	-10.8%	65	-9.4%	64
Listing Discount (From Last List Price)	0.6%		1.2%		1.5%
Listing Inventory	939	31.1%	716	-14.4%	1,097
Months of Supply	2.7	22.7%	2.2	-12.9%	3.1

## Luxury

- Median and average sales prices reached new highs and remain well-above pre-pandemic levels
- Listing inventory fell year over year for the tenth straight quarter to the fourth lowest level on record
- Bidding wars rose to a new high for the eighth time in ten quarters

Luxury Matrix (Top 10% of Sales)	Q2-2022	%Δ (qm)	Q1-2022	%Δ (ym)	Q2-2021
Average Sales Price	\$1,722,553	10.1%	\$1,563,984	7.7%	\$1,599,620
Median Sales Price	\$1,440,000	10.8%	\$1,300,000	10.8%	\$1,300,000
Number of Sales (Closed)	729	6.7%	683	-6.4%	779
Days on Market (From Last List Date)	76	-11.6%	86	-20.8%	96
Listing Discount (From Last List Price)	2.4%		4.1%		5.8%
Listing Inventory	1,823	22.5%	1,488	-12.2%	2,076
Months of Supply	7.5	15.4%	6.5	-6.3%	8.0
Entry Price Threshold	\$1,100,000	11.4%	\$987,000	12.2%	\$980,000

**PRUDENTIAL DOUGLAS ELLIMAN – 2Q 2022 LONG ISLAND SALES REPORT**  
(Continued)

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**Luxury (continued)**

Luxury Quintiles	Median Sales Price	% Change Year-Over-Year
5/5	\$2,600,000	8.7%
4/5	\$1,750,000	9.4%
3/5	\$1,440,000	10.8%
2/5	\$1,250,000	8.7%
1/5	\$1,150,000	15.0%

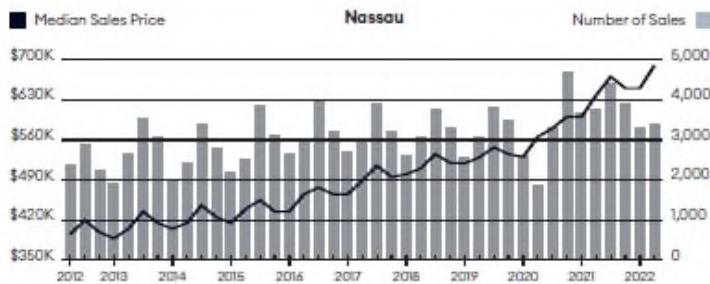
This sub-category is the analysis of the top ten percent of all sales. The data is also contained within the other markets presented.



**Nassau**

- Median sales price has reached both record and near-record levels for nine consecutive quarters
- Bidding wars rose to a new high and accounted for more than half of all sales during the quarter
- Listing inventory rose sharply quarter over quarter but was half the pre-pandemic level

Nassau Quintiles	Median Sales Price	% Change Year-Over-Year
5/5	\$1,348,100	12.3%
4/5	\$835,300	8.5%
3/5	\$690,000	8.2%
2/5	\$600,000	9.1%
1/5	\$430,000	2.4%



Nassau Matrix	Q2-2022	%Δ (qm)	Q1-2022	%Δ (ym)	Q2-2021
Average Sales Price	\$837,978	8.1%	\$775,192	9.7%	\$764,077
Median Sales Price	\$690,000	6.2%	\$650,000	8.2%	\$637,500
Number of Sales (Closed)	3,394	2.4%	3,314	-9.7%	3,758
Days on Market (From Last List Date)	54	-15.6%	64	-19.4%	67
Listing Discount (From Last List Price)	0.3%		1.6%		2.6%
Listing Inventory	3,243	38.4%	2,344	-14.7%	3,802
Months of Supply	2.9	38.1%	2.1	-3.3%	3.0

**Nassau North Shore**

- Median sales price increased annually eight times over the past nine quarters
- Listing inventory declined year over year for ten consecutive quarters

Nassau North Shore Matrix	Q2-2022	%Δ (qm)	Q1-2022	%Δ (ym)	Q2-2021
Average Sales Price	\$1,301,557	10.4%	\$1,179,169	6.9%	\$1,218,007
Median Sales Price	\$995,000	5.1%	\$946,500	4.2%	\$955,000
Number of Sales (Closed)	697	5.2%	644	-7.7%	755
Days on Market (From Last List Date)	79	-3.7%	82	-7.1%	85
Listing Discount (From Last List Price)	2.6%		3.9%		6.0%
Listing Inventory	929	30.5%	712	-24.0%	1,222
Months of Supply	4.0	21.2%	3.3	-18.4%	4.9

**Nassau South Shore**

- Median sales price reached records and near-records for nine straight quarters
- Listing inventory declined year over year for eleven consecutive quarters

Nassau South Shore Matrix	Q2-2022	%Δ (qm)	Q1-2022	%Δ (ym)	Q2-2021
Average Sales Price	\$703,181	4.7%	\$671,880	10.2%	\$637,969
Median Sales Price	\$650,000	4.0%	\$625,000	8.3%	\$600,000
Number of Sales (Closed)	1,143	3.3%	1,106	-11.1%	1,285
Days on Market (From Last List Date)	51	-19.0%	63	-19.0%	63
Listing Discount (From Last List Price)	-0.4%		0.7%		1.0%
Listing Inventory	880	29.6%	679	-18.0%	1,073
Months of Supply	2.3	27.8%	1.8	-8.0%	2.5

## PRUDENTIAL DOUGLAS ELLIMAN – 2Q 2022 LONG ISLAND SALES REPORT (Continued)

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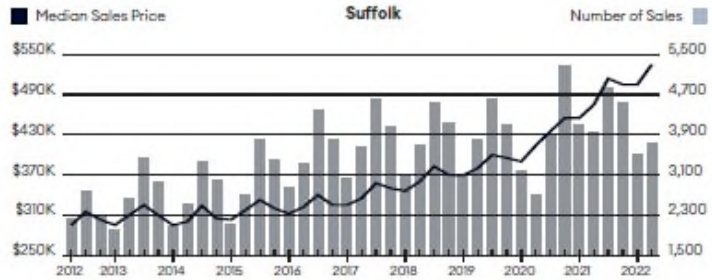
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### Suffolk

- Median sales price has reached both record and near-record levels for nine consecutive quarters
- Bidding wars rose to a new high and accounted for two-thirds of all sales during the quarter
- Listing Inventory rose sharply quarter over quarter but was half the pre-pandemic level

Suffolk Quintiles	Median Sales Price	% Change Year-Over-Year
5/5	\$840,000	5.0%
4/5	\$620,000	9.4%
3/5	\$535,000	12.6%
2/5	\$460,000	12.2%
1/5	\$330,000	13.3%

Sales for the county do not include Hampton and North Fork data that are analyzed in a separate report.



Suffolk Matrix	Q2-2022	%Δ (cm)	Q1-2022	%Δ (m)	Q2-2021
Average Sales Price	\$579,367	5.8%	\$547,522	8.4%	\$534,372
Median Sales Price	\$535,000	5.9%	\$505,000	12.6%	\$475,000
Number of Sales (Closed)	3,733	6.5%	3,506	-5.1%	3,935
Days on Market (From Last List Date)	43	-15.7%	51	-18.9%	53
Listing Discount (From Last List Price)	-2.8%		-0.9%		-0.5%
Listing Inventory	3,164	56.4%	1,997	7.2%	2,952
Months of Supply	2.5	47.1%	1.7	8.7%	2.3

### Suffolk North Shore

- Median sales price increased annually over the past ten quarters
- Listing Inventory rose sharply quarter over quarter but was half the pre-pandemic level

Suffolk North Shore Matrix	Q2-2022	%Δ (cm)	Q1-2022	%Δ (m)	Q2-2021
Average Sales Price	\$688,556	9.0%	\$631,992	3.5%	\$665,216
Median Sales Price	\$615,000	9.8%	\$560,000	9.8%	\$560,000
Number of Sales (Closed)	690	8.0%	639	-9.4%	762
Days on Market (From Last List Date)	39	-20.4%	49	-35.0%	60
Listing Discount (From Last List Price)	-2.8%		-0.3%		0.1%
Listing Inventory	300	70.5%	176	-15.5%	355
Months of Supply	1.3	62.5%	0.8	-7.1%	1.4

### Suffolk South Shore

- Median sales price has reached both record levels for nine consecutive quarters
- Listing Inventory rose sharply quarter over quarter but was half the pre-pandemic level

Suffolk South Shore Matrix	Q2-2022	%Δ (cm)	Q1-2022	%Δ (m)	Q2-2021
Average Sales Price	\$529,686	3.8%	\$510,419	10.9%	\$477,538
Median Sales Price	\$505,000	6.3%	\$475,000	13.5%	\$445,000
Number of Sales (Closed)	1,262	3.4%	1,220	-6.3%	1,347
Days on Market (From Last List Date)	48	-11.1%	54	-7.7%	52
Listing Discount (From Last List Price)	-2.5%		-0.8%		-1.0%
Listing Inventory	866	27.5%	679	-12.3%	988
Months of Supply	2.1	23.5%	1.7	-4.5%	2.2

**PRUDENTIAL DOUGLAS ELLIMAN – 2Q 2022 HAMPTONS SALES REPORT**

# Elliman Report

## Q2-2022 Hampton, NY Sales

### Condo & Single Family Dashboard

YEAR-OVER-YEAR

**+ 13.9%**  
Prices  
Median Sales Price

**+ 1.3 mos**  
Pace  
Months of Supply

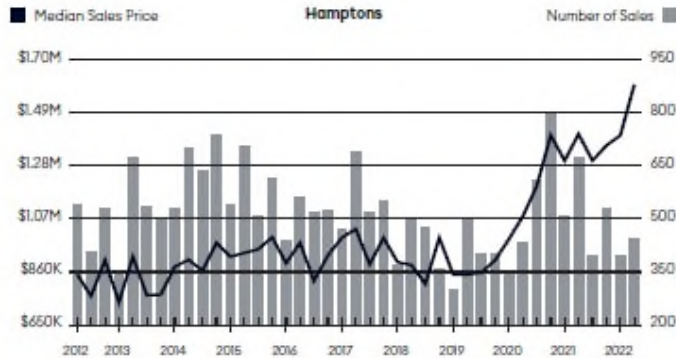
**- 34.7%**  
Sales  
Closed Sales

**- 17.1%**  
Inventory  
Total Inventory

**- 3 days**  
Marketing Time  
Days on Market

**- 1.8%**  
Negotiability  
Listing Discount

- Median sales price has reached both record and near-record levels for nine consecutive quarters
- Bidding wars accounted for one out of three sales during the quarter
- Listing inventory rose quarter over quarter from a new low to the third lowest on record
- The number of sales fell sharply year over year, restrained by a combination of low supply and rising mortgage rates



Hamptons Matrix	Q2-2022	%Δ (qoq)	Q1-2022	%Δ (yo)	Q2-2021
Average Sales Price	\$2,906,209	10.8%	\$2,620,899	20.2%	\$2,416,521
Median Sales Price	\$1,600,000	14.3%	\$1,400,001	13.9%	\$1,405,000
Number of Sales (Closed)	441	11.6%	395	-34.7%	675
Days on Market (From Last List Date)	106	17.8%	90	-2.8%	109
Listing Discount (From Last List Price)	4.5%		6.0%		6.3%
Listing Inventory	896	33.5%	671	-17.1%	1,081
Months of Supply	6.1	19.6%	5.1	27.1%	4.8

Year-to-Date	Q2-2022	%Δ (qoq)	Q1-2022	%Δ (yo)	Q2-2021
Average Sales Price (YTD)	\$2,770,876	N/A	N/A	21.5%	\$2,281,445
Median Sales Price (YTD)	\$1,525,000	N/A	N/A	12.1%	\$1,360,009
Number of Sales (YTD)	836	N/A	N/A	-29.4%	1,184

**Price trend indicators continued to press higher as sales slowed.**

Single family median sales price rose 10.4% annually to \$1,650,000, a new record and the seventh of nine quarters with record and near-record results. The median sales price was 87.5% above pre-pandemic levels. Single family sales fell 37.8% from the prior-year quarter to 406 as listing inventory surged 33.1% quarter over quarter to 877, still the third lowest level on record. Despite the increase in supply, listing inventory was 64% below pre-pandemic levels and was roughly half the second quarter decade average of 1,490. With the decline in sales and increase

in listing inventory, months of supply, the number of months to sell all single family listing inventory at the current sales rate was 6.5 months, a brisk market pace and 21.7% faster than the decade average of 8.3 for the second quarter. The market share of bidding wars rose to a record 36.7%. Condo's median sales price more than doubled year over year to \$908,000 and was 40.2% above pre-pandemic levels. Condo sales surged by 59.1% from the prior-year quarter to 35 as condo listing inventory dropped 54.8% to 19 and 83.9% below pre-pandemic levels.



Prepared by Miller Samuel Real Estate Appraisers & Consultants

# PRUDENTIAL DOUGLAS ELLIMAN – 2Q 2022 HAMPTONS SALES REPORT

(Continued)

Q2-2022 The Elliman Report • Quarterly Survey of Hamptons, NY Residential Sales
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### Single Family

■ Median Sales Price ■ Hamptons single family ■ Number of Sales

### Condo

■ Median Sales Price ■ Hamptons condo ■ Number of Sales

### Luxury

■ Median Sales Price ■ Hamptons luxury ■ Number of Sales

### Share of East End Region

East End By Units: Hampton 73.7%, Northfork 26.3%

East End By Dollars: Hampton 87.5%, Northfork 12.5%

### Hamptons Luxury

■ Median Sales Price ■ Hamptons Luxury ■ Number of Sales

Hamptons Single Family Matrix	Q2-2022	%Δ (qm)	Q1-2022	%Δ (qm)	Q2-2021
Average Sales Price	\$3,029,585	13.7%	\$2,664,628	22.2%	\$2,478,338
Median Sales Price	\$1,650,000	13.8%	\$1,450,000	10.4%	\$1,495,000
Number of Sales (Closed)	406	5.5%	385	-37.8%	653
Days on Market (From Last List Date)	103	17.0%	88	-8.0%	112
Listing Discount (From Last List Price)	4.5%		6.0%		6.3%
Listing Inventory	877	33.1%	659	-15.6%	1,039
Months of Supply	6.5	27.5%	5.1	35.4%	4.8

Hamptons Condo Matrix	Q2-2022	%Δ (qm)	Q1-2022	%Δ (qm)	Q2-2021
Average Sales Price	\$1,462,437	56.0%	\$937,350	151.4%	\$581,682
Median Sales Price	\$908,000	-3.7%	\$942,500	107.0%	\$438,750
Number of Sales (Closed)	35	250.0%	10	59.1%	22
Days on Market (From Last List Date)	146	-2.7%	150	124.6%	65
Listing Discount (From Last List Price)	6.1%		6.2%		4.6%
Listing Inventory	19	58.3%	12	-54.8%	42
Months of Supply	1.6	-55.6%	3.6	-71.9%	5.7

Luxury Matrix (Top 10% of Sales)	Q2-2022	%Δ (qm)	Q1-2022	%Δ (qm)	Q2-2021
Average Sales Price	\$12,093,041	-0.1%	\$12,102,413	16.8%	\$10,352,899
Median Sales Price	\$8,500,000	10.2%	\$7,711,250	30.8%	\$6,500,000
Number of Sales (Closed)	45	12.5%	40	-33.8%	68
Days on Market (From Last List Date)	234	101.7%	116	49.0%	157
Listing Discount (From Last List Price)	5.9%		6.6%		6.4%
Listing Inventory	333	-5.9%	354	-27.6%	460
Months of Supply	22.2	-16.5%	26.6	9.4%	20.3
Entry Price Threshold	\$5,775,000	20.3%	\$4,800,000	31.2%	\$4,400,000

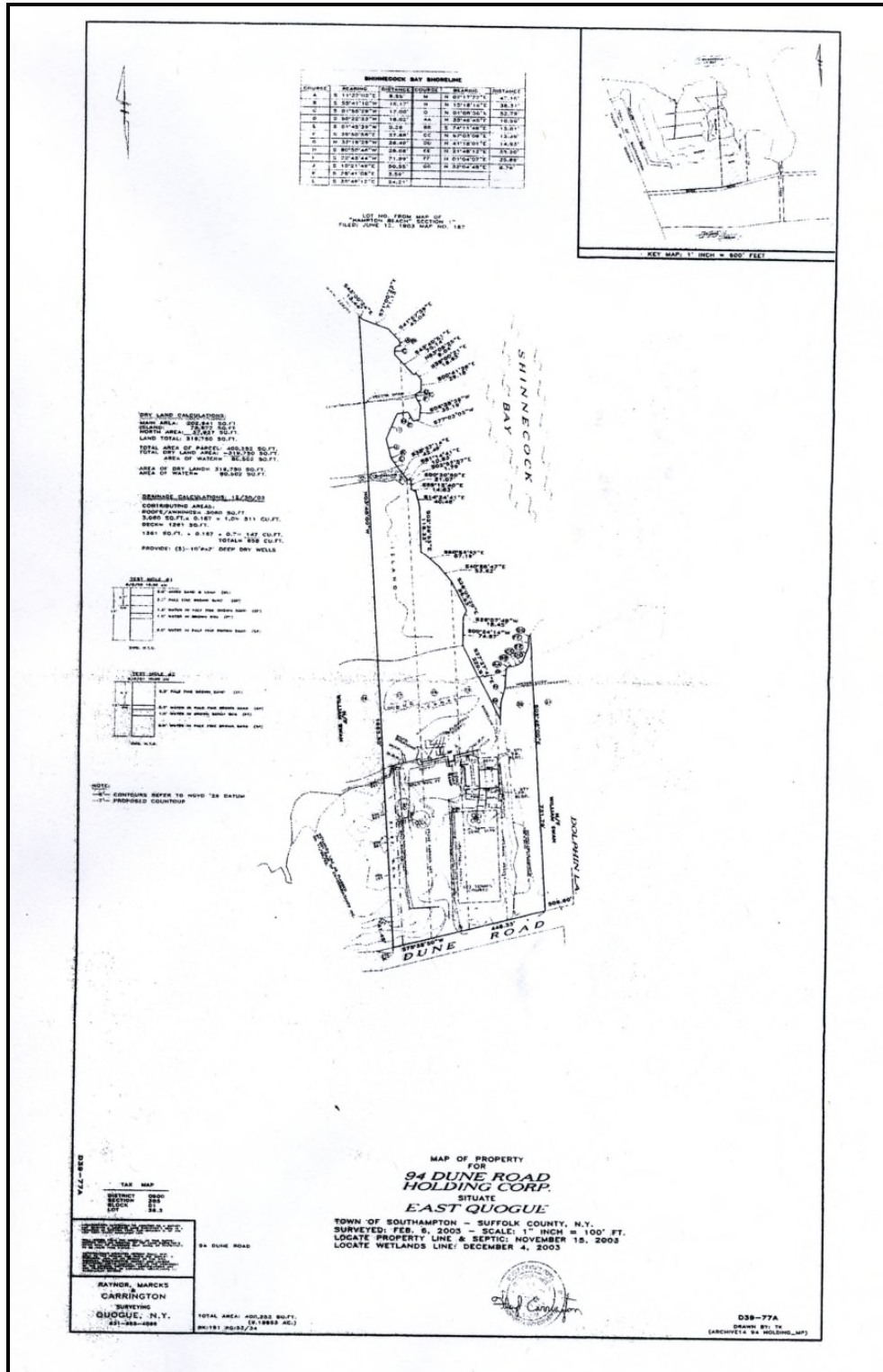
### By Sales Share Hamptons

Type	Current Quarter	Prior Year Quarter
Single Family Units	92.1%	96.7%
Condo Units	7.9%	3.3%
Single Family Dollars	96.0%	99.2%
Condo Dollars	4.0%	0.8%

Price	Current Quarter	Prior Year Quarter	Over/Under Last List	Current Quarter	Prior Year Quarter
Over \$5M	12.7%	7.9%	Over	31.9%	21.3%
\$1M - \$5M	43.5%	47.1%	At	15.5%	15.6%
Under \$1M	43.8%	45.0%	Under	50.6%	63.2%

# PROPERTY SURVEY



## **PROPERTY DESCRIPTION**

### **SITE DESCRIPTION**

The subject site is an irregular-shaped parcel of land located on the north side of Dune Road (bay side) containing a total of 9.19± acres (400,252± sq. ft.) according to the provided property survey, of which 7.34± acres (319,750± sq. ft.) is land, and 1.85± acres (80,502± sq. ft.) is a man-made channel. It should be noted that the channel bisects the land portions of the property. The land fronting Dune Road, consisting of 4.66± acres (202,941± sq. ft.), is improved with a restaurant and could be redeveloped. However, the land on the other side of the channel consists of marshlands and is not developable. The water channel was dredged circa 1967, after approvals were obtained from the Town of Southampton. The channel provides access to Shinnecock Bay.

The subject site is identified on the Suffolk County tax map as District 900, Section 385, Block 1, Lot 37.3. The main land area fronting Dune Road is generally level and at street grade. Public gas, electricity, telephone, water and sewer service are available and connected to the site's improvements. The surrounding area on Dune Road contains mainly vacant land and residential properties, with new development consisting of mainly residential construction.

According to Flood Insurance Rate Map Community-Panel Number 36103-C0779H, dated September 25, 2009, the subject property is located in Zone AE, a special flood hazard area inundated by 100-year floods as follows:



All necessary utilities are available and connected to the subject site, including natural gas, electricity, cable and telephone service. Public improvements consist of paved streets and storm and sanitary sewers. Adjacent uses include vacant land, preserved land and residential uses.

Our physical inspection did not include an analysis of hazardous soils or contamination problems, and we do not have reason to believe such would exist. However, it is recommended that an environmental engineer be retained to determine the exact status of the subject soils. If in the event contamination is detected, our valuation contained herein may be subject to change.

We are unaware of any easements or encumbrances that would substantially impact the subject property. However, we have not been provided with a title report and if in the event such report detailed the existence of an otherwise unknown easement or encumbrance, the value conclusion contained herein may be subject to change.

### **Description of the Improvements**

The subject site is improved with a one- and part two-story restaurant building, constructed circa 1960, and currently leased to an owner related entity. The first floor of the building is utilized as a restaurant, and contains a bar, a dining area, a kitchen and two bathrooms. The second floor of the building contains offices.

Additionally, the property is utilized as a limited service marina. There is a concrete bulkhead and a floating wood dock with 16 slips.

The following physical description of the one-story commercial building is based on a personal inspection of the subject property and information provided by property management:

#### **EXTERIOR**

Foundation:	Poured concrete
Framing:	Wood
Walls:	Aluminum siding
Doors:	Wood frame entrance doors with plate glass
Fenestration:	Plate glass windows in wood and metal frame
HVAC:	The building is heated by two gas-fired boilers; the building is cooled via Central AC, ducted throughout
Electric:	Adequate
Roof:	Pitched, with shingles
Parking:	Ample parking area; gravel lot

#### **INTERIOR**

Floors:	Ceramic tile floors; hardwood floors
Walls:	Painted sheetrock and paneling
Ceilings:	Painted sheetrock and paneling
Lighting:	Incandescent lights, track lighting and ceiling-mounted fluorescent lighting
Lavatories:	Tank toilets, ceramic sinks, ceramic tile floors, sheetrock painted and ceramic tile walls, painted sheetrock ceilings and incandescent lighting.
Life Safety:	Emergency exit lighting

Condition and Functional Utility of the Improvements

Upon inspection of the subject property, the improvements appeared to be in average condition. Furthermore, the subject “as a restaurant and marina” is functional by today’s standards, as exhibited by its layout and design, and does not suffer from functional inadequacy. However, the current improvements are an underutilization of the subject site. Moreover, the current use is not the highest and best use of the site “as is”. Based on these factors, the subject property should be razed to make way for new construction.

**INTERIOR PHOTOGRAPHS**



**Views of Restaurant**



**INTERIOR PHOTOGRAPHS**  
*(Continued)*



**Views of Restaurant**



**INTERIOR PHOTOGRAPHS**  
*(Continued)*



**Views of Restaurant**



**INTERIOR PHOTOGRAPHS**  
*(Continued)*



**Views of Restaurant**



**INTERIOR PHOTOGRAPHS**  
*(Continued)*

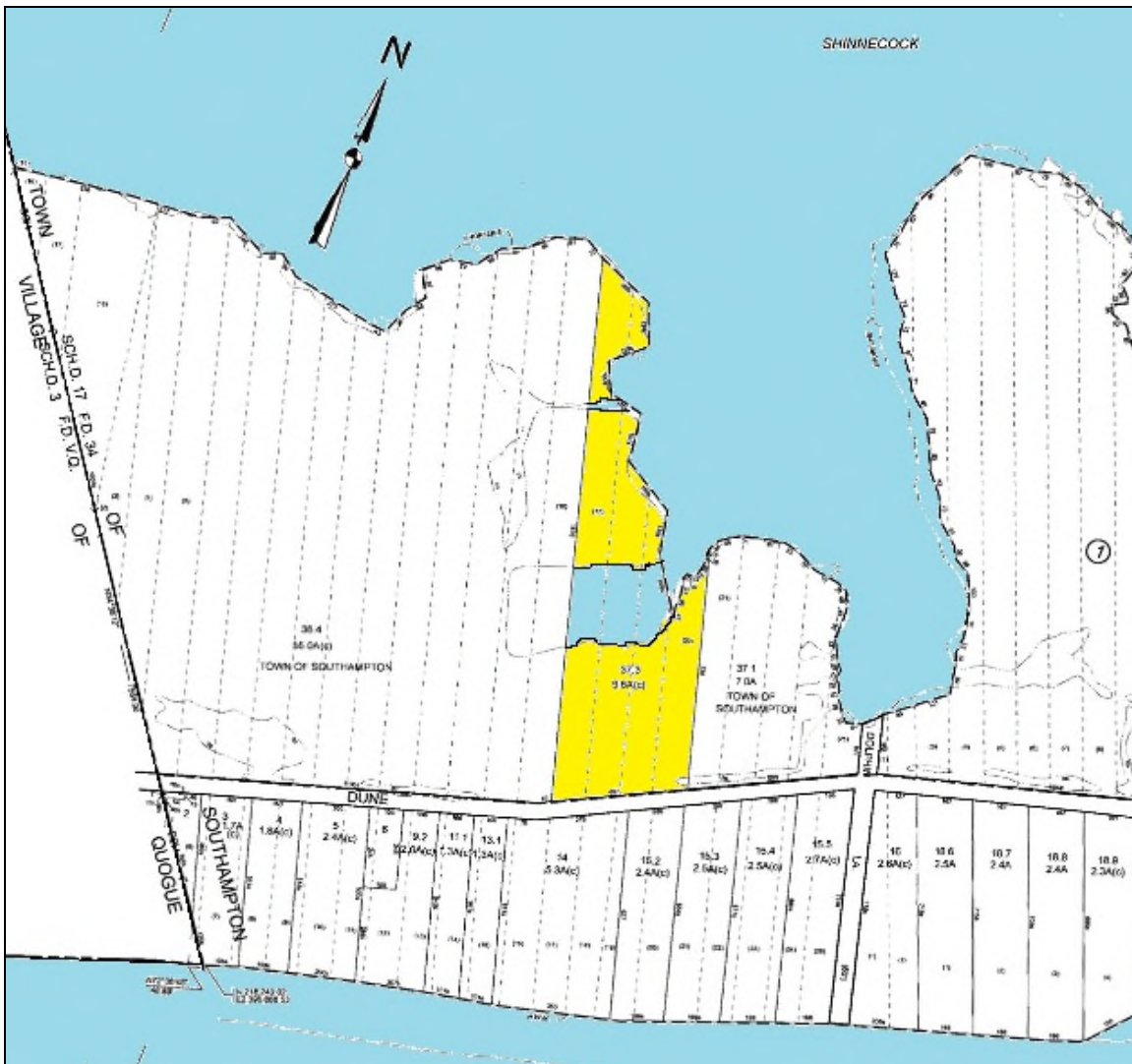


**Views of Restaurant**



# TAX MAP

District 900, Section 385, Block 1, Lot 37.3



**ASSESSMENT AND REAL ESTATE TAX DATA**

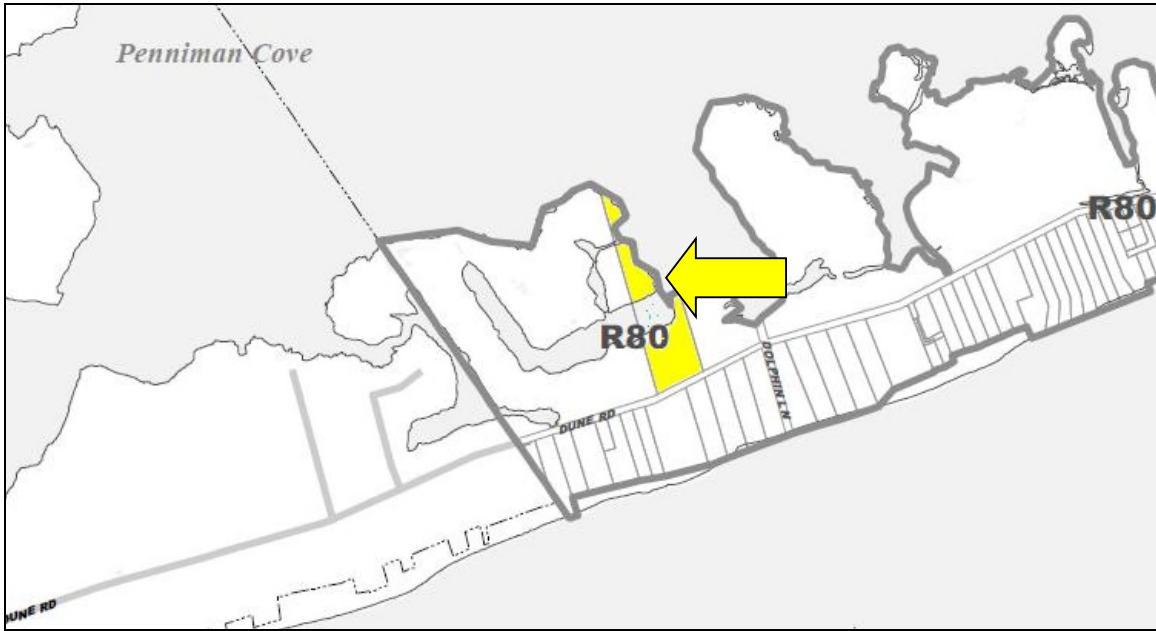
The subject property is identified on the Suffolk County tax rolls as District 900 Section 385, Block 1, Lot 37.3. As of the effective date of this appraisal report, the subject taxes were based on the 2021/22 general and school real estate taxes (fiscal year from December through November). The property is assessed and taxed by the Town of Southampton and Suffolk County as follows:

**2021/22 Assessment & Real Estate Taxes**

	<u>2021/22</u>
Land Assessed Value	\$ 500,800.00
Improvement Assessed Value	<u>\$1,167,100.00</u>
Total Assessed Value	\$1,667,900.00
Real Estate Tax Rate	x <u>0.0131411</u>
<b>Total Real Estate Taxes</b>	<b>\$ 21,918.02</b>
<b>Assessor Market Value</b>	<b>\$1,667,900.00</b>

As seen above, the subject property's assessment is based on a market value of \$1,667,900.00 which is well below our indicated value herein. Therefore, a tax certiorari proceeding does not need to be considered.

**ZONING MAP**



**ZONING EXCERPT**

The subject property is located in the R80 (residential) zoning district, as set forth by the Township of Southampton. Excerpts from the zoning code for the R80 district are presented as follows:

<b>Permitted Uses:</b>	One-family dwelling, planned residential development, park, fire station, school, agriculture, plant nursery.
<b>Accessory Uses:</b>	Home professional office, private garage, private mooring or dock, private swimming pool, private greenhouse.
<b>Minimum Lot Area:</b>	80,000 square feet
<b>Minimum Lot Width:</b>	175 feet
<b>Minimum Lot Depth:</b>	500 feet
<b>Minimum Front Yard:</b>	80 feet
<b>Minimum Side Yard:</b>	30 feet (minimum for one) 75 feet (total for both on interior lot)
<b>Minimum Rear Yard:</b>	100 feet
<b>Maximum Building Height:</b>	32 feet; 2 stories
<b>Maximum Lot Coverage:</b>	10% of lot
<b>Parking Requirements:</b>	One-family dwelling – 2 per dwelling unit, plus 1 additional for each bedroom in excess of 3 bedrooms

The subject property is a 9.19±-acre parcel of land improved with a 3,440±-square-foot restaurant building. The subject building was originally constructed circa 1960, predating the current zoning requirements. As such, the subject property is a legal pre-existing, non-conforming use of the land.

As noted, the subject property does not represent the highest and best use of the land, as vacant. The site contains 9.19±-acres, of which 7.34±-acres are land, and 1.85±-acres are water, resulting from the construction of a man-made channel at the site. According to prior conversations with an analyst from the Department of Conservation and Land Planning at the Town of Southampton, it appears that the land under water is not useable land, and cannot be used in the calculation of minimum lot area and maximum lot coverage. Therefore, if the property were to be developed to its highest and best use, only 7.34±-acres

would be considered for lot yield. Furthermore, it is our opinion that the land fronting Dune Road, consisting of 4.66± acres (202,941± sq. ft.) and improved with a restaurant, could be redeveloped. However, the land on the other side of the channel, accessible via boat, consisting of marshlands could not be developed.

We recognize that issues involving zoning compliance are complex and require the special skills, knowledge and training of professionals familiar with the appropriate regulations. Therefore, any determination and degree of zoning compliance can be determined only by an architect or engineer.

## **HIGHEST AND BEST USE**

### **Highest and Best Use**<sup>8</sup>

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

In order to determine the highest and best use of the subject site, we have considered the physically possible, legally permitted, economically feasible and maximally productive uses of the property both as vacant and as improved.

### **Highest and Best Use of Land or a Site as Though Vacant**<sup>9</sup>

“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 a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”

The physically possible uses are determined by the size and configuration of the subject site. The subject parcel is irregular in shape and contains a total site area of 9.19± acres, consisting of 7.34±-acres of land and 1.85±-acres of under water land. The land (main land area) fronting Dune Road, consisting of 4.66± acres (202,941± sq. ft.), is improved with a restaurant and could be redeveloped. However, the land on the other side of the channel, accessible via boat, consisting of marshlands is not considered developable. The underwater land is the result of the construction of a man-made channel in 1967, which connects to Shinnecock Bay. The main land area has a generally level topography, and all utilities are

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<sup>8</sup> *The Dictionary of Real Estate Appraisal – Fifth Edition*, Appraisal Institute, Chicago, IL, 2010, p. 93.

<sup>9</sup> *Ibid.*, p. 93.

available and connected to the site. As vacant land, the site would be ready for development.

The legally permitted uses are determined by the subject property's zoning. The site is located in an R80 (residential) zone, which permits certain previously described residential uses.

The next step is to determine the uses which are economically feasible. The most economically feasible use is that use which provides the greatest return to the land and is the most reasonably probable use in the subject market. The subject is located in a desirable area of Southampton, is a waterfront property, and has access to a man-made channel which connects to Shinnecock Bay. New development in the area surrounding the subject is primarily residential. From the permitted uses outlined by the zoning code, as well as the specific property characteristics of the subject site, it appears that residential construction would be the most economically feasible use the land.

The final step is to determine from the economically feasible uses the use that is maximally productive. The maximally productive use of the site is for residential development. We have concluded that the highest and best use of the subject site, as vacant, is for residential development, with approval from the Town of Southampton.

**Highest and Best Use of Property as Improved**<sup>10</sup>

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

We have concluded that the highest and best use of the subject site as vacant is for residential development. The existing improvement is a restaurant, constructed circa 1960, containing 3,440± square feet of GBA in average overall condition which represents a legal, pre-existing, non-conforming use of the land. However, the existing building does not

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<sup>10</sup> *The Dictionary of Real Estate Appraisal – Fifth Edition*, Appraisal Institute, Chicago, IL, 2010, p. 94.

represent the highest and best use of the site, as vacant, and is considered to be an interim use of the site, as improved. Furthermore, the current improvements are a major underutilization of the subject land. As a result, the current improvements should be razed to make way for new residential development. Therefore, the highest and best use of the subject as improved is razing the current improvements to make way for new residential development.

**SALES COMPARISON APPROACH**

## **SALES COMPARISON APPROACH METHODOLOGY**

The sales comparison approach involved a comparison of the subject property to similar properties that have sold in the same or in a similar market. The following steps were implemented in arriving at an estimate of value by the sales comparison approach:

- 1) We researched pertinent sales, listings and offerings, where available, for similar properties;
- 2) We confirmed and qualified the prices as to the terms, motivating forces and bona fide nature of each transaction;
- 3) We compared the important attributes of each comparable property to the corresponding ones of the subject property under the general categories of conditions of sale, market conditions, location and physical characteristics;
- 4) We considered all dissimilarities and their probable effect on the price of each comparable property to derive individual market value indications for the subject;
- 5) We formulated an opinion of market value for the subject property from the analyzed comparable data.

## ANALYSIS OF COMPARABLE LAND SALES

The subject property is comprised of a 9.19±-acre site, which consists of 7.34±-acres of dry land, and 1.85±-acres of land under water. The site is currently improved with a one- and part two-story restaurant containing a gross building area of 3,440± square feet. As explained in the Highest and Best Use section of this report, the current improvement does not represent the highest and best use of the land, as vacant. Therefore, we have valued the property based on its land value, at its highest and best use as residential development.

As explained herein, while the subject parcel contains a total of 9.19± acres of land, only the 4.66±-acre (202,941± square foot) portion with frontage on Dune Road is considered usable/developable land. Therefore, our choice of land value is based upon this amount of dry land which can be factored into a proposed residential development.

In estimating the value of the subject property, we uncovered a number of comparable waterfront land sales within the Town of Southampton and the surrounding areas that were purchased for development or redevelopment. We utilized several sales of sites with a similar location or zoning/use characteristics, the most comparable of which have been excerpted and analyzed on the following pages of this report. All of the properties are located in areas where land was available and new construction projects were likely to be profitable ventures that could obtain financing. The unit of comparison used herein is the sale price per square foot of land area.

The following table presents a summary of the comparable land sales:

**SUMMARY OF COMPARABLE LAND SALES**

<b><u>Sale No.</u></b>	<b><u>Location</u></b>	<b><u>Sale Date</u></b>	<b><u>Sale Price</u></b>	<b><u>Land Area (Sq. Ft. ±)</u></b>	<b><u>Frontage</u></b>	<b><u>Sale Price/ Sq. Ft. of Land Area</u></b>
1	85 Dune Road, Westhampton Beach	Offering	\$9,950,000	85,531	Oceanfront	\$116.33
2	686 Dune Road, Westhampton Dunes	1/26/22	\$1,705,000	12,197	Bayfront	\$139.79
3	98 Dune Road, Quogue	5/28/21	\$4,325,000	35,284	Oceanfront	\$122.58
4	153 Dune Road, Westhampton Beach	11/16/20	\$5,950,000	58,370	Oceanfront	\$101.94
5	314 Dune Road, Westhampton Beach	6/29/20	\$1,600,000	16,000	Bayfront	\$100.00
6	496 Dune Road, Westhampton Beach	4/23/20	\$3,100,000	35,541	Bayfront	\$ 92.42

The comparable sales occurred between April 2020 and January 2022 plus one current offering. The sites ranged in size from 12,197± to 85,531± square feet of gross land area. The unadjusted sale prices ranged from \$92.42 to \$139.79 per square foot of land area with a mean of \$112.18 per square foot of land.

**DISCUSSION OF LAND SALES ADJUSTMENTS**

Prior to estimating the subject's land value, we considered the presented land sales and the difference between the comparables as they relate to the subject. On this basis, we applied quantitative adjustments to each of the prices per square foot of land area to reflect these differences and refine the indicated range. An upward adjustment indicates that the comparable is inferior to the subject, while a downward adjustment indicates the comparable to be superior.

Since each of the comparable land sales was transferred for cash or its equivalent, financing adjustments were not necessary.

### Market Conditions (Time/Negotiability)

We first considered an adjustment for market conditions. The sale dates ranged from April 2020 to January 2022 plus one current offering. Based on available market data, we have considered that market conditions for vacant land properties have remained stable since 2<sup>nd</sup> quarter 2020. Therefore, Sales #2 through #6 occurred under similar market conditions as the present and did not warrant adjustments. Sale #1 is a current offering and, as such, warranted a downward adjustment to reflect the negotiation process between market participants.

### Location

The subject property is located on Dune Road in East Quogue. All of the sales are located on Dune Road. Sales #1, #2, #4, #5 and #6 are located in areas on Dune Road deemed superior to the subject and warranted downward adjustments. Sale #3 is located in an area on Dune Road deemed similar to the subject and did not warrant an adjustment.

### Size

The subject property consists of a total of 400,252± square feet (9.19± acres) of gross land area which includes undevelopable underwater area and marshland areas. Therefore, as estimated via the provided survey, the subject contains approximately 202,941± square feet (4.66± acres) of main (dry) land that is usable and developable which we have utilized for valuation purposes. Based on the economy of scale, buyers of larger sites attain lower prices per square foot of land area as a result of their “bulk” purchase. This is attributed to the increased number of market participants able to afford smaller properties, thereby raising the demand for and price of smaller properties on a price per square foot of land area basis. The comparable sales range in size from 12,197± to 85,531± square feet of land area. Sales #1, #2, #3, #4, #5 and #6 are smaller than the subject and warranted downward adjustments.

### Frontage

This adjustment takes into account whether the property has bay frontage or ocean frontage, with the latter being more desirable. The subject property contains bay frontage. Similarly, Sales #2, #5 and #6 contain frontage on the bay side and did not warrant adjustments. Sales #1, #3 and #4 contain frontage on the ocean side, a superior attribute, and warranted downward adjustments.

### Site Utility

An additional adjustment considered was for utility, which evaluates the usefulness of each site in terms of street frontage, site configuration, access and suitability for development as compared to the subject. The subject's mainland component consists of a mostly regular-shaped parcel of land. This portion of the subject site is level, at street grade and mostly cleared. Sales #1 through #6 are similar to the subject in terms of overall utility and did not warrant adjustments.

Within this category, we also considered the existence of the bulkhead as well as approvals for dock slips. This is an attractive attribute. None of the sales had approvals for boat slips and, as such, warranted upward adjustments.

### Zoning

The subject property is currently located in the R80 – Residential zoning district, as designated by the Town of Southampton, which allows residential uses. Sales #1 through #6 are located in similar zoning districts as compared to the subject and did not warrant adjustments.

The table on the following page summarizes the aforementioned adjustments made to the comparable land sales:

**ADJUSTMENTS TO THE COMPARABLE LAND SALES**

Sale No.	Location	Sale Date	Land Area (Sq. Ft. ±)	Sale Price/ Sq. Ft. of Land Area	Time Adj.	=	Time-Adjusted Sale Price/ Sq. Ft.	x	Adjustments					=	Total Adjustment	=	Adjusted Sale Price/ Sq. Ft. of Land Area				
									Location	Size	Frontage	Utility	Zoning								
1	85 Dune Road, Westhampton Beach	Offering	85,531	\$116.33	0.90	=	\$104.70	x	0.95	x	0.90	x	0.80	x	1.05	x	1.00	=	0.72	=	\$ 75.38
2	686 Dune Road, Westhampton Dunes	1/26/22	12,197	\$139.79	1.00	=	\$139.79	x	0.95	x	0.75	x	1.00	x	1.05	x	1.00	=	0.75	=	\$104.84
3	98 Dune Road, Quogue	5/28/21	35,284	\$122.58	1.00	=	\$122.58	x	1.00	x	0.80	x	0.80	x	1.05	x	1.00	=	0.67	=	\$ 82.13
4	153 Dune Road, Westhampton Beach	11/16/20	58,370	\$101.94	1.00	=	\$101.94	x	0.95	x	0.85	x	0.80	x	1.05	x	1.00	=	0.68	=	\$ 69.32
5	314 Dune Road, Westhampton Beach	6/29/20	16,000	\$100.00	1.00	=	\$100.00	x	0.95	x	0.75	x	1.00	x	1.05	x	1.00	=	0.75	=	\$ 75.00
6	496 Dune Road, Westhampton Beach	4/23/20	35,541	\$ 92.42	1.00	=	\$ 92.42	x	0.95	x	0.80	x	1.00	x	1.05	x	1.00	=	0.80	=	\$ 73.94

**LAND SALES VALUE CONCLUSION**

Prior to adjustments, the presented land sales ranged from \$92.42 to \$139.79 per square foot of land area with a mean of \$112.18 per square foot of land. After adjustments, this evolved to a range of \$69.32 to \$104.84 per square foot of land area, with a mean of \$80.10 per square foot and a median of \$75.19 per square foot of land. Further, eliminating the high and low indicators creates a tighter range of \$73.94 to \$82.13 per square foot of land area with a mean of \$76.61 and a median of \$75.19 per square foot of land area.

We have taken into consideration the subject’s location on Dune Road in East Quogue, its abundance of frontage on the bay side, utility, bulkhead and approvals for dockage spaces. Based on this analysis, we have selected a fee simple land value of \$75.00 per square foot of gross mainland area, which approximates the adjusted mean and median of the comparable range, to be reasonable for the subject property. Therefore, the following overall fee simple land value estimate via the sales comparison approach is as follows:

<b><u>Main (Dry)</u></b>				
<b><u>Land Area (Sq. Ft. ±)</u></b>		<b><u>Price/Sq. Ft. of Land</u></b>		<b><u>Fee Simple Land Value</u></b>
202,941	x	\$75.00	=	\$15,220,575.00
			<b>(Rounded)</b>	<b>\$15,200,000.00</b>

**COMPARABLE LAND SALES LOCATION MAP**



<b>1</b>	<b>85 Dune Road, Westhampton Beach</b>
<b>2</b>	<b>686 Dune Road, Westhampton Dunes</b>
<b>3</b>	<b>98 Dune Road, Quogue</b>
<b>4</b>	<b>153 Dune Road, Westhampton Beach</b>
<b>5</b>	<b>314 Dune Road, Westhampton Beach</b>
<b>6</b>	<b>496 Dune Road, Westhampton Beach</b>

**LIST OF COMPARABLE VACANT LAND SALES**

<b>Land Sale #1</b>	<b>85 Dune Road</b>
<b>District 905, Section 21, Block 4 Lot 5.6</b>	<b>Westhampton Beach, Suffolk County, New York</b>

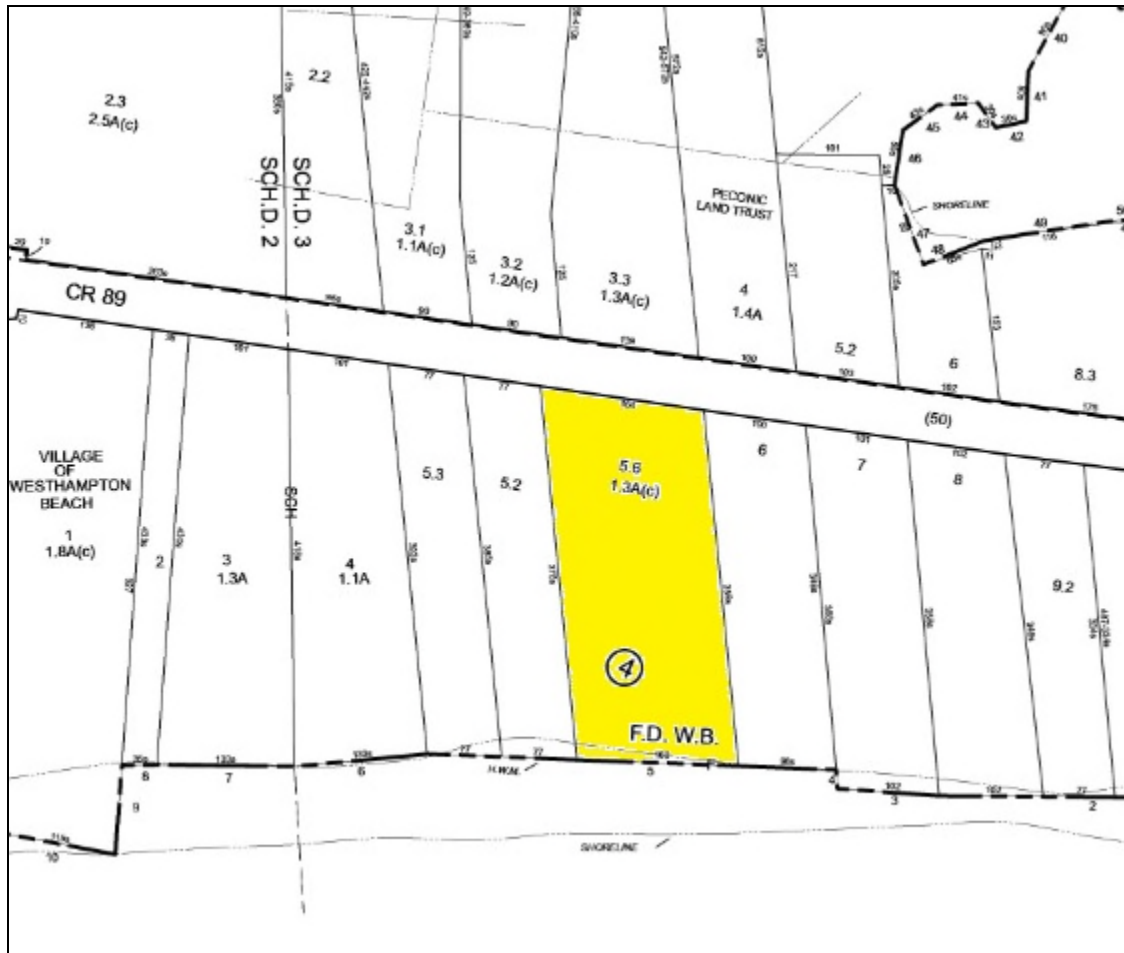


<b>Grantor</b>	Tranquillo Associates LLC
<b>Date of Sale (Recorded)</b>	Offering
<b>Liber/Page</b>	N/A
<b>Description</b>	A regular shaped oceanfront parcel located on the south side of Dune Road in Westhampton Beach. At the time of sale, the property was improved with a small seasonal cottage which will be razed to make way for new construction.
<b>Water Frontage</b>	160± feet of oceanfront
<b>Zoning</b>	R-3 Residential – Village of Westhampton
<b>Land Area</b>	85,531± sq. ft. (1.96± acres)
<b>Asking Price</b>	\$9,950,000.00
<b>Asking Price/Sq. Ft.</b>	\$116.33

**SALE #1 – AERIAL MAP**



**SALE #1 – TAX MAP**



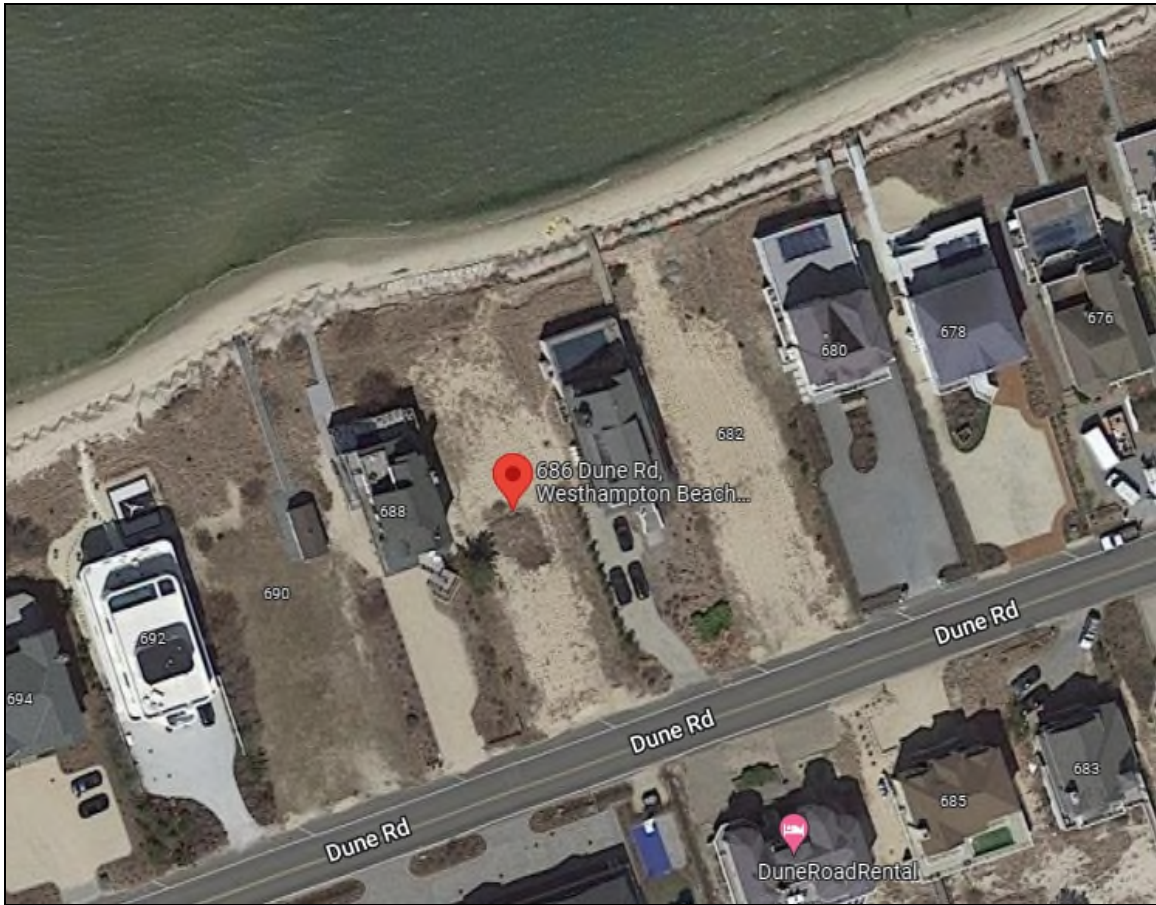
**Land Sale #2**  
**District 907, Section 4, Block 1, Lot 1**

**686 Dune Road**  
**Westhampton Dunes, Suffolk County, New York**

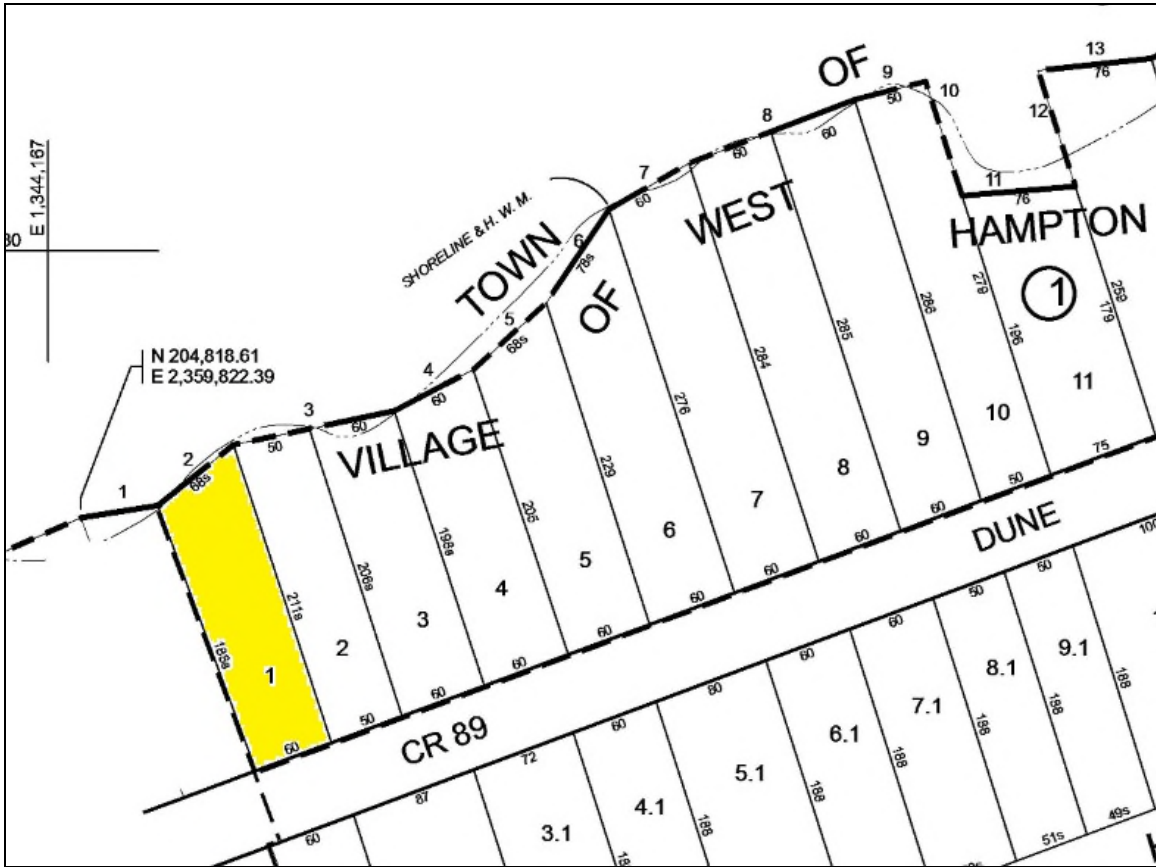


<b>Grantor/Grantee</b>	David & Kieth Glanz/Tina & Shari Lieberman
<b>Date of Sale (Recorded)</b>	1/26/22 (11/22/21)
<b>Liber/Page</b>	13139/943
<b>Description</b>	A mostly regular shaped bayfront parcel located on the north side of Dune Road. At the time of sale, the property was slightly vegetated, vacant and mostly level.
<b>Water Frontage</b>	68± feet of bayfront
<b>Zoning</b>	R-40 Residential – Village of Westhampton Dunes
<b>Land Area</b>	12,197± sq. ft. (0.28± acres)
<b>Sales Price</b>	\$1,705,000.00
<b>Sales Price/Sq. Ft.</b>	\$139.79

**SALE #2 – AERIAL MAP**



**SALE #2 – TAX MAP**



**Land Sale #3**  
 District 902, Section 15, Block 2, Lots 4  
 & 5

**98 Dune Road**  
 Quogue, Suffolk County, New York



<b>Grantor/Grantee</b>	Edward & William Greason/Dune Part 3 LLC
<b>Date of Sale (Recorded)</b>	5/28/21 (11/04/21)
<b>Liber/Page</b>	13127/853
<b>Description</b>	A regular shaped oceanfront parcel located on the south side of Dune Road in Quogue. At the time of sale, the property was improved with a cottage (1,985± sq. ft.) which will be razed to make way for new construction.
<b>Water Frontage</b>	100± feet of oceanfront
<b>Zoning</b>	A1 Residential – Village of Quogue
<b>Land Area</b>	35,284± sq. ft. (0.81± acres)
<b>Sales Price</b>	\$4,325,000.00
<b>Sales Price/Sq. Ft.</b>	\$122.58

**SALE #3 – AERIAL MAP**



**SALE #3 – TAX MAP**

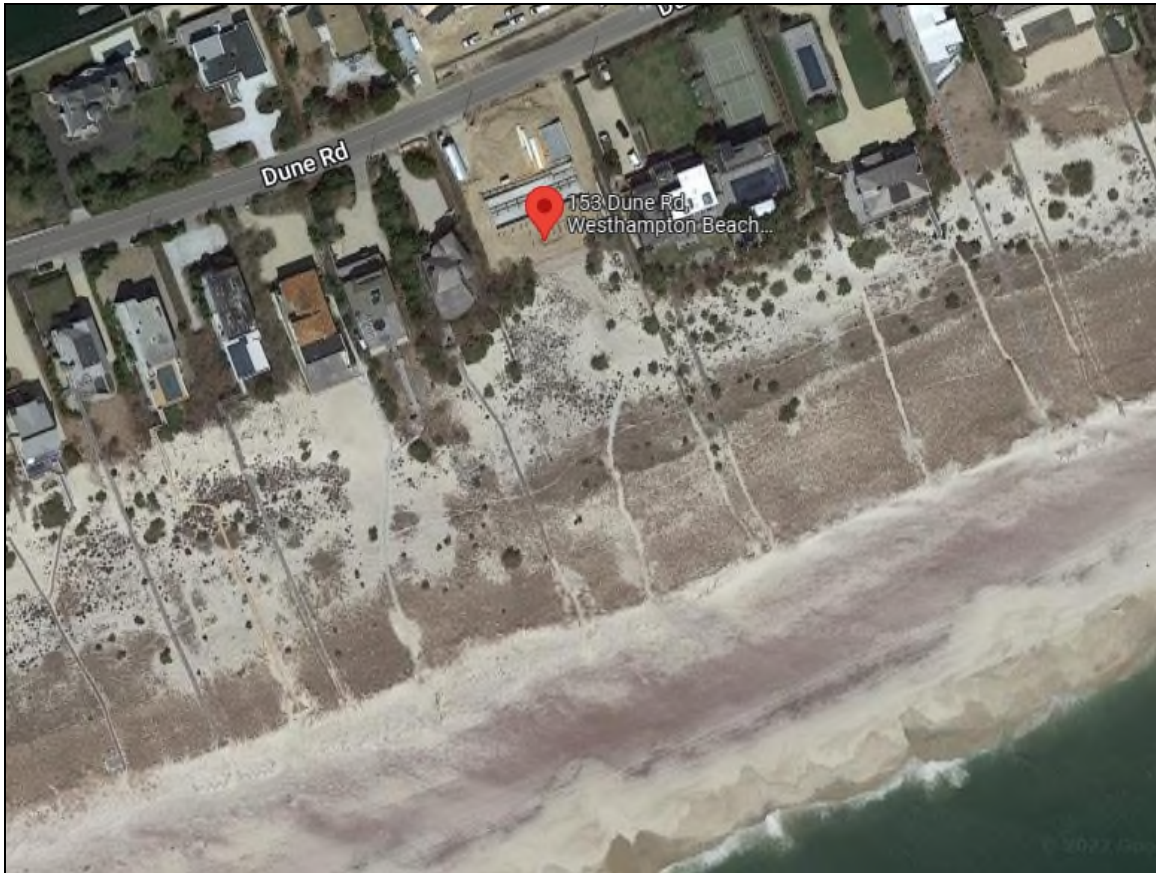


<b>Land Sale #4</b> <i>District 905, Section 20, Block 2, Lot 28</i>	<b>153 Dune Road</b> <b>Westhampton Beach, Suffolk County, New York</b>
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<b>Grantor/Grantee</b>	Richard & Marilyn Berger/Dune Star Realty LLC
<b>Date of Sale (Recorded)</b>	11/16/20 (2/17/21)
<b>Liber/Page</b>	13091/332
<b>Description</b>	A mostly regular shaped oceanfront parcel located on the south side of Dune Road in Westhampton Beach. At the time of sale, the property was improved with a small single family residence which will be razed to make way for new construction.
<b>Water Frontage</b>	149± feet of oceanfront
<b>Zoning</b>	R-3 Residential – Village of Westhampton Beach
<b>Land Area</b>	58,370± sq. ft. (1.34± acres)
<b>Sales Price</b>	\$5,950,000.00
<b>Sales Price/Sq. Ft.</b>	\$101.94

**SALE #4 – AERIAL MAP**



**SALE #4 – TAX MAP**



<b>Land Sale #5</b> District 905, Section 18, Block 1, Lot 24.1	<b>314 Dune Road</b> Westhampton Beach, Suffolk County, New York
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<b>Grantor/Grantee</b>	Jay Rosenbaum/PAB Realty Holdings LLC
<b>Date of Sale (Recorded)</b>	6/29/20 (7/16/20)
<b>Liber/Page</b>	13064/340
<b>Description</b>	A regular shaped bayfront parcel located on the south side of Dune Road in Westhampton Beach. At the time of sale, the property was vacant, level and had bulkheading.
<b>Water Frontage</b>	82± feet of bayfront
<b>Zoning</b>	R3 Residential – Village of Westhampton Beach
<b>Land Area</b>	16,000± sq. ft. (0.37± acres)
<b>Sales Price</b>	\$1,600,000.00
<b>Sales Price/Sq. Ft.</b>	\$100.00

**SALE #5 – AERIAL MAP**



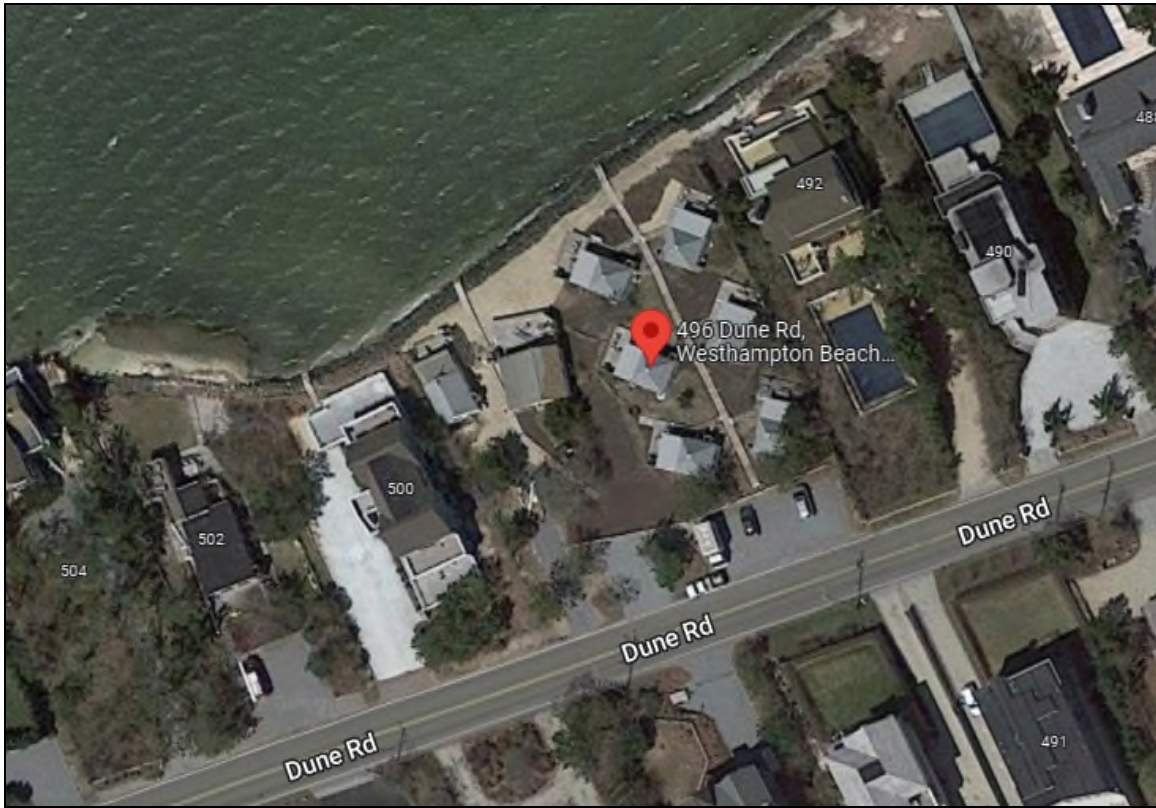
**SALE #5 – TAX MAP**



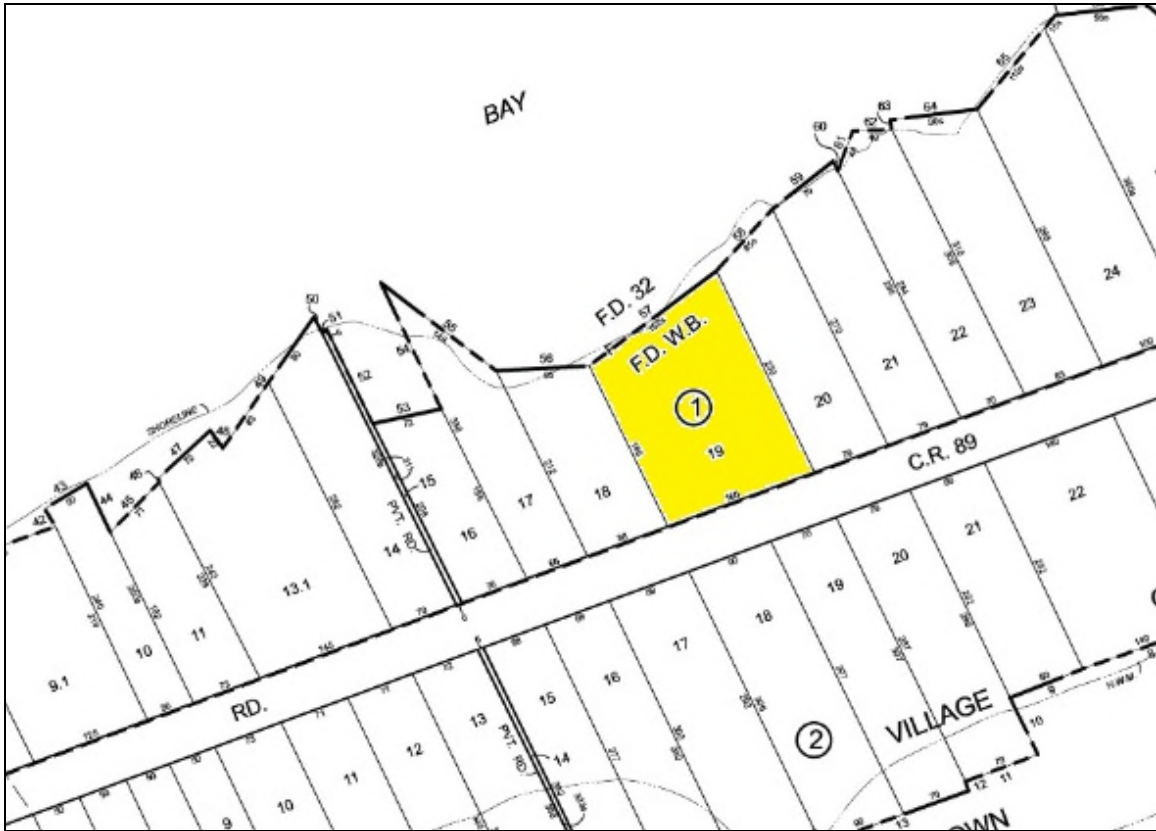
**Land Sale #6****District 905, Section 16, Block 1, Lot 19****496 Dune Road****Westhampton Beach, Suffolk County, New York**

<b>Grantor/Grantee</b>	496 Dune Road Associates LLC/First Dunes Development
<b>Date of Sale (Recorded)</b>	4/23/20 (6/29/20)
<b>Liber/Page</b>	13062/598
<b>Description</b>	A slightly irregular shaped bayfront parcel located on the north side of Dune Road in Westhampton Beach. At the time of sale, the property was improved with multiple cottages which will have to be razed to make way for new construction.
<b>Water Frontage</b>	162± feet of bayfront
<b>Zoning</b>	R-3 Residential – Village of Westhampton Beach
<b>Land Area</b>	33,541± sq. ft. (0.77± acres)
<b>Sales Price</b>	\$3,100,000.00
<b>Sales Price/Sq. Ft.</b>	\$92.42

**SALE #6 – AERIAL MAP**



**SALE #6 – TAX MAP**



## CORRELATION AND VALUE CHOICE

We have been requested to appraise the market value of the fee simple estate of the subject property as of the stated valuation date. We have inspected the subject property and reviewed the property survey, and have collected and analyzed relevant government data and market land sales. We consulted market participants and other real estate professionals and reviewed various real estate publications in the course of preparing this report. A conclusion was determined from the analysis.

There are three generally accepted approaches to the valuation of real estate: the cost approach, the income capitalization approach and the sales comparison approach. In these valuation methods, various local market data is used, including sales and offerings of similar properties and tracts of vacant land, construction costs, property rentals, operating expenses, current investment rates and mortgage financing terms.

### Cost Approach

This approach assumes that an informed purchaser would pay no more for a property than the cost of producing a similar investment. In the cost approach, an indication of value is typically obtained by adding an estimate of land value to an estimate of the depreciated value of the improvements. The cost analysis is most reliable when the improvements are new and there are enough land sales from which to derive a land value. Since the existing subject improvements do not represent the highest and best use of the land, the cost approach is not an applicable method of valuation for this appraisal assignment.

### Income Capitalization Approach

The income capitalization approach values the future benefits (in the form of steady income) from an income-producing property by measuring the potential net income received. This approach is significant in determining the market value of a property where investors purchase the income-producing real estate for its earning power. However, since the highest

and best use of the subject property is not its current use, we have not utilized the income capitalization approach.

### Sales Comparison Approach

The major premise of the sales comparison approach is the principle of substitution, which states that an informed and knowledgeable purchaser would pay no more for a property than the cost of acquiring an existing property of similar investment features. We have valued the property at its highest and best use, which required us to estimate the land value of the subject parcel. We analyzed the sales of comparable sites in the subject area and compared them to the subject property as though it were vacant land. We analyzed each sale and compared the market-sensitive elements of each sale to the subject. We then adjusted each sale for essential differences between the sale and the subject and, based on the adjusted sales, selected a unit of land value to be applied to the subject property.

We have estimated the value of the fee simple estate of the subject property at:

\$15,200,000.00

### RECONCILIATION AND FINAL VALUE CHOICE

We are of the opinion that the market value of the fee simple estate of the subject property, as of November 1, 2022, *subject to the underlying assumptions and limiting conditions as defined within the body of this report*, is:

**FIFTEEN MILLION TWO HUNDRED THOUSAND DOLLARS**

**(\$15,200,000.00)**

## **QUALIFICATIONS**

The firm of Goodman-Marks Associates, Inc., with offices located at 170 Old Country Road, Mineola, New York, 420 Lexington Avenue, New York, New York, 55 Madison Avenue, Morristown, New Jersey is a licensed real estate broker in the State of New York. Members of the firm are licensed real estate appraisers in the States of New York and New Jersey.

The types of assignments that we typically handle encompass all facets of the real estate appraisal/consultation spectrum. These have included office buildings (both urban and suburban), shopping centers (strip, neighborhood and regional mall), freestanding department stores, fast-food buildings, gas stations, apartment houses (both urban and suburban; high-rise and garden type), cooperative and condominium residential housing (to be developed as well as to be converted), mixed-use development, hotels and motels, industrial and warehouse facilities and vacant land. Special types have included banks, auto showrooms, theaters, schools, bowling alleys, golf courses, nursing homes, etc.

Members of the firm have testified as to the value of land and buildings before the Supreme Court of the State of New York, the Court of Claims of New York State and the United States Federal Court.

The above history, the additional personal experience, affiliations, numerous similar properties appraised and education of the appraisers, as outlined on this and the following pages, qualify them as competent to complete this assignment.

***MATTHEW J. GUZOWSKI, MAI, MRICS, PRESIDENT  
GOODMAN-MARKS ASSOCIATES, INC.***

**GENERAL EXPERIENCE**

Over 37 years as a commercial real estate appraiser and consultant

Testified as an expert witness – New York State Supreme Court, New York County  
New York State Supreme Court, Queens County  
New York State Supreme Court, Kings County  
New York State Supreme Court, Nassau County  
New York State Supreme Court, Suffolk County  
U.S. District Court, Eastern District of New York  
U. S. Bankruptcy Court, Kings County  
Civil Court of the City of New York, Kings County  
District Court, Landlord & Tenant Court, Suffolk County  
Zoning and Arbitration Testimony, Nassau County

**EMPLOYMENT**

4/91 to Date: *Goodman-Marks Associates, Inc.*

President preparing narrative appraisal reports of income-producing and other properties to determine market valuations. These reports are used for mortgage purposes, settlement of estates, real estate tax certiorari actions and condemnation cases.

1/83 to 4/91: *New York City Economic Development Corporation*  
161 William Street  
New York, New York

Vice President of appraisal services preparing narrative appraisal reports and reviewing fee appraisals to determine the market value of real estate for disposition, development and lease.

**EDUCATION**

**College:** St. John's University  
Degree: MBA – Finance  
December, 1989

Queens College, C.U.N.Y.  
Degree: BA – English  
January, 1981

**Professional:**

Appraisal Institute  
Courses successfully completed:  
1A1 - Real Estate Appraisal Principles  
1A2 - Basic Valuation Procedures  
SPP - Standards of Professional Practice  
1BA - Capitalization Theory & Techniques - Part A  
1BB - Capitalization Theory & Techniques - Part B  
2-1 Case Studies in Real Estate Valuation  
2-2 Report Writing and Valuation Analysis  
Seminars attended:  
Arbitration in Real Estate  
Real Estate Financial Statement Analysis

***MATTHEW J. GUZOWSKI, MAI, MRICS, PRESIDENT***  
**GOODMAN-MARKS ASSOCIATES, INC. (continued)**

**PROFESSIONAL MEMBERSHIP**

Appraisal Institute - MAI Designation #10114  
Long Island, New York Chapter  
Chairman – Admissions Committee, Long Island Chapter, 2000-2006  
Chairman – Budget & Finance Committee, Long Island Chapter, 2007  
Treasurer – Long Island Chapter, 2007  
Secretary – Long Island Chapter, 2008  
Vice President – Long Island Chapter, 2009  
Senior Vice President – Long Island Chapter, 2010  
President – Long Island Chapter, 2011

The Royal Institution of Chartered Surveyors I.D. #6404964

REBNY – Membership I.D. #49202

Community Bankers Mortgage Forum

International Right of Way Association I.D.#7902612

**GUEST LECTURER** New York University – Real Estate Institute

**LICENSES**  
Certified General Real Estate Appraiser  
State of New York Certificate #468986  
State of New Jersey Certificate #42RG00146100  
State of Connecticut Certificate #RCG0001210  
New York State Salesperson License #10401205644

**ED KNOEDLER, MAI, SENIOR APPRAISER**  
**GOODMAN-MARKS ASSOCIATES, INC.**

**EMPLOYMENT**

8/06 to Date: *Goodman-Marks Associates, Inc.*

Senior appraiser preparing narrative appraisal reports of income-producing and other properties to determine market valuations. These reports are used for mortgage purposes, settlement of estates, litigation, real estate tax certiorari actions and condemnation cases.

**EDUCATION**

**Professional:**

*Merrell Institute, Bohemia, NY*

Courses successfully completed:

R-1: Introduction to Real Estate Appraisal

R-2: Valuation Principles and Procedures

AQ-1: Fair Housing, Fair Lending and Environmental Issues

National USPAP

*Appraisal Institute*

Courses successfully completed:

Course 320 – General Applications

Course 510 – Advanced Income Capitalization

Course 550 – Advanced Applications

**College:**

*St. Lawrence University, Canton, New York*

Bachelor of Science Degree

Major: Math

Minor: Pre-Management

**Law School:**

*Touro College Jacob D. Fuchsberg Law Center, Central Islip, New York*

Juris Doctor, May 2012

**Computer:**

Argus Financial Software, MS Word, Excel, Lotus, Access, PowerPoint,

**LICENSE**

Certified General Real Estate Appraiser

New York State License #4649399

**ADDENDA**

## INSURABLE VALUE

The replacement cost of the building components and the overall cost of the subject building are as follows:

<b>Marshall Valuation Service:</b>	<b>Restaurant</b>	
<b>Section/Page:</b>	<b>13/14</b>	
<b>Type/Class:</b>	<b>Very Good/D</b>	
<b>Date:</b>	<b>May 2022</b>	
Base Cost/Sq. Ft.:	\$269.00	
Adjustments:	<u>\$ 0.00</u>	
Total Base Cost/Sq. Ft.:		\$269.00
<u>Adjustments</u>		
Current Cost Multiplier:	1.0800	
Local Cost Multiplier:	1.3800	
Height Multiplier:	1.0000	
Perimeter Multiplier:	<u>1.0420</u>	
Composite:	x	<u>1.5530</u>
Adjusted Base Cost/Sq. Ft.:		\$417.76
	<b>Rd:</b>	<b>\$418.00</b>

The replacement cost of the subject building improvements is calculated as follows:

	<b>Building Area (Sq. Ft. ±)</b>		<b>Cost/ Sq. Ft.</b>		<b>Building Replacement Cost</b>
Restaurant	3,440	x	\$418.00	=	\$1,437,920
Decking	3,800	x	\$ 91.26	=	\$ 346,788
Plus: Additional Soft Costs not Covered			(@ 10%)		<u>\$ 178,471</u>
Subtotal Replacement Costs					\$1,963,179
<b>Total Insurable Value (Rounded)</b>					<b>\$2,000,000</b>

**APPRAISERS' LICENSES**

UNIQUE ID NUMBER 46000008986	State of New York Department of State DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 1548539
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 03 24 22
GUZOWSKI MATTHEW J C/O GOODMAN MARKS ASSOCIATES 170 OLD COUNTRY RD STE 501 MINEOLA, NY 11501-4285		EXPIRATION DATE MO. DAY YR. 03 23 24
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. ROBERT J. RODRIGUEZ ACTING SECRETARY OF STATE		
DOS-1098 (Rev. 3/01)		

UNIQUE ID NUMBER 46000049399	State of New York Department of State DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 1542168
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 04 20 21
KNOEDLER EDWARD M C/O KNOEDLER EDWARD M 1575 LAUREL TRAIL LAUREL, NY 11948		EXPIRATION DATE MO. DAY YR. 04 19 23
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)		