LPO24211057822

Small Residential Income Property Appraisal Report

File No. L21776

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT

Property Address 715 Pennsylvania Ave | City Lyndhurst | State NJ | Zip Code 07071

Borrower Fred Giordano | Owner of Public Record Angela & Fred Giordano & Santa Ri | County Bergen

Legal Description Block - 104, Lot - 18

Assessor's Parcel # 023200104 00018-Tax ID | Tax Year 2021 | R.E. Taxes $ 8,815.00

Neighborhood Name north/east section | Map Reference 35614 | Census Tract 0311.00

Occupant [X] Owner [ ] Tenant [ ] Vacant | Special Assessments $ 0.00 [ ] PUD HOA $ [ ] per year [ ] per month

Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)

Assignment Type [ ] Purchase Transaction [X] Refinance Transaction [ ] Other (describe)

Lender/Client Valley National Bank | Address 1720 Route 23 North, Wayne, NJ 07470

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? [ ] Yes [X] No

Report data source(s) used, offering price(s), and date(s). NJMLS

CONTRACT

I [ ] did [ ] did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price $ | Date of Contract | Is the property seller the owner of public record? [ ] Yes [ ] No | Data Source(s)

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? [ ] Yes [ ] No

If Yes, report the total dollar amount and describe the items to be paid.

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				2-4 Unit Housing Trends				2-4 Unit Housing		Present Land Use %	
Location	[ ] Urban	[X] Suburban	[ ] Rural	Property Values	[ ] Increasing	[X] Stable	[ ] Declining	PRICE	AGE	One-Unit	85 %
Built-Up	[X] Over 75%	[ ] 25-75%	[ ] Under 25%	Demand/Supply	[X] Shortage	[ ] In Balance	[ ] Over Supply	$(000)	(yrs)	2-4 Unit	5 %
Growth	[ ] Rapid	[X] Stable	[ ] Slow	Marketing Time	[X] Under 3 mths	[ ] 3-6 mths	[ ] Over 6 mths	350 Low	0	Multi-Family	%
Neighborhood Boundaries	The neighborhood boundaries are :North - Route 3,							940 High	150	Commercial	5 %
South - Jauncey Avenue, East - Route 17, West - Riverside Avenue								570 Pred.	75	Other Other	5 %

Neighborhood Description The subject property is located towards the north/east section of town which is predominantly a residential neighborhood which is comprised of mostly single family homes, some 2-4 family homes, mult-family homes, retail and commercial entities and some other non-residential properties all of which have no effect on the value or marketability. The 5% other land use represents condos, schools, parks, places of worship and other non residential land which have no effect on the value or marketability.

Market Conditions (including support for the above conclusions) There appears to be a Shortage of listings of 2-4 family homes in the subject's town with values that appear to be stable to slightly appreciating over the past 12 months. Properties that are properly priced for the neighborhood have a market time of between 0-3 months. Conventional financing is prevalent in this market. The predominant value above was obtained from an analysis of the median sale price of 2 family sales in Lyndhurst year to date.

SITE

Dimensions 28.1 x 140 | Area 3,934 sf | Shape Rectangular | View N;Res;

Specific Zoning Classification R-B | Zoning Description 1 family and 2 family Res. / 5,500 sf min lot size for 2 family homes

Zoning Compliance [ ] Legal [X] Legal Nonconforming (Grandfathered Use) [ ] No Zoning [ ] Illegal (describe) See zoning comments in the text addendum.

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [ ] No If No, describe.

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements? Type	Public	Private
Electricity	[X]	[ ]	Water	[X]	[ ]	Street Macadam	[X]	[ ]
Gas	[X]	[ ]	Sanitary Sewer	[X]	[ ]	Alley None	[ ]	[ ]

FEMA Special Flood Hazard Area [ ] Yes [X] No | FEMA Flood Zone X | FEMA Map # 34003C0261H | FEMA Map Date 08/28/2019

Are the utilities and off-site improvements typical for the market area? [X] Yes [ ] No If No, describe.

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? [ ] Yes [X] No If Yes, describe. There appears to be no apparent encroachments or environmental issues known. Although the subject is located across the street from Railroad Tracks, the railroad tracks are behind a tree line buffer and do not appear to impact the value, rentability and marketability of

IMPROVEMENTS

GENERAL DESCRIPTION	FOUNDATION	EXTERIOR DESCRIPTION materials/condition	INTERIOR materials/condition
Units [X] Two [ ] Three [ ] Four	[ ] Concrete Slab [ ] Crawl Space	Foundation Walls Masonry-Average	Floors Wood/Cpt/Tl-Ave
[ ] Accessory Unit (describe below)	[X] Full Basement [ ] Partial Basement	Exterior Walls Shakes-Average	Walls Dry/Plaster-Aver
# of Stories 2 # of bldgs. 1	Basement Area 1,107 sq. ft.	Roof Surface Composition-New	Trim/Finish Wood-Average
Type [X] Det. [ ] Att. [ ] S-Det./End Unit	Basement Finish 80 %	Gutters & Downspouts Aluminum-Averag	Bath Floor Tile/Lam-Averag
[X] Existing [ ] Proposed [ ] Under Const.	[ ] Outside Entry/Exit [ ] Sump Pump	Window Type Casement-Averag	Bath Wainscot Tile-Average
Design (Style) Up/Down	Evidence of [ ] Infestation	Storm Sash/Insulated Aluminum-Averag	Car Storage
Year Built 1910	[ ] Dampness [ ] Settlement	Screens Aluminum-Averag	[X] None
Effective Age (Yrs) 30 est.	Heating/Cooling	Amenities	[ ] Driveway # of Cars
Attic [ ] None	[ ] FWA [X] HWBB [ ] Radiant	[ ] Fireplace(s) # [ ] WoodStove(s) #	Driveway Surface
[X] Drop Stair [ ] Stairs	[ ] Other Fuel Gas	[X] Patio/Deck Patio [X] Fence Vinyl,Alu	[ ] Garage # of Cars 0
[ ] Floor [ ] Scuttle	[ ] Central Air Conditioning	[ ] Pool [ ] Porch	[ ] Carport # of Cars 0
[ ] Finished [ ] Heated	[X] Individual [X] Other Window	[X] Other Balcony	[ ] Att. [ ] Det. [ ] Built-in

# of Appliances	Refrigerator 2	Range/Oven 2	Dishwasher 2	Disposal	Microwave	Washer/Dryer 1	Other (describe) 2 fan hoods

Unit # 1 contains:	5 Rooms	2 Bedroom(s)	1 Bath(s)	1,107	Square feet of Gross Living Area
Unit # 2 contains:	5 Rooms	2 Bedroom(s)	1 Bath(s)	1,017	Square feet of Gross Living Area
Unit # 3 contains:	Rooms	Bedroom(s)	Bath(s)		Square feet of Gross Living Area
Unit # 4 contains:	Rooms	Bedroom(s)	Bath(s)		Square feet of Gross Living Area

Additional features (special energy efficient items, etc.). Please see the addendum for comments.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). Please see the text addendum for a more detailed description of the subject's updates/features.

Small Residential Income Property Appraisal Report

File No. L21776

IMPROVEMENTS

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe It is noted that the appraiser is not a builder, contractor or engineer and it is strongly recommended that a home inspection be performed by a qualified home inspector to determine the livability, soundness and structural integrity of the property. The appraiser has performed a visual observation of easily accessible areas only, this appraisal cannot be relied upon to disclose adverse conditions or the structural integrity

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe N/A

Is the property subject to rent control? ☐ Yes ☒ No If Yes, describe

COMPARABLE RENTAL DATA

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL NO. 1	COMPARABLE RENTAL NO. 2	COMPARABLE RENTAL NO. 3
Address	715 Pennsylvania Ave Lyndhurst, NJ 07071	834 Pennsylvania Ave Lyndhurst, NJ 07071	754 New York Ave Lyndhurst, NJ 07071	542 Prospect Pl Lyndhurst, NJ 07071
Proximity to Subject		0.25 miles SE	0.13 miles NE	0.91 miles W
Current Monthly Rent	$ 3,500	$ 3,500	$ 3,300	$ 3,563
Rent/Gross Bldg. Area	$ 1.65 sq. ft.	$ 2.34 sq. ft.	$ 2.09 sq. ft.	$ 2.38 sq. ft.
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☒ No
Data Source(s)	Observ, Tax Data.	MLS#21027893 / SR-1A	MLS#21016671 / SR-1A	MLS#21018355 / SR-1A
Date of Lease(s)	Month - Month	Month - Month	Month - Month	Month - Month
Location	Average-Res	Similar	Similar	Similar
Actual Age	~111	~66	~115	~71
Condition	Average/Good	Superior	Similar	Similar
Gross Building Area	2,124	1,497	1,576	1,497

Unit Breakdown	SUBJECT Rm Count Tot	Br	Ba	Size Sq. Ft.	COMP 1 Rm Count Tot	Br	Ba	Size Sq. Ft.	Monthly Rent	COMP 2 Rm Count Tot	Br	Ba	Size Sq. Ft.	Monthly Rent	COMP 3 Rm Count Tot	Br	Ba	Size Sq. Ft.	Monthly Rent
Unit # 1	5	2	1	1,107	4	2	1	750	$ 1,800	5	2	1	850	$ 1,700	4	2	1	800	$ 2,018
Unit # 2	5	2	1	1,017	4	2	1	747	$ 1,700	5	2	1	726	$ 1,600	4	2	1	697	$ 1,545
Unit # 3									$					$					$
Unit # 4									$					$					$
Utilities Included	Hot water included				Separate Utilities + Central AC					Separate Utilities					Separate Utilities				
	No Garage				No Garage					No Garage					1 Garage				
	Finished + Bath				Finished - No Bath					Unfinished - No Bath					Finished				

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.)

Market rent data was acquired from active listings, sales & pending sales of comparable 2 family homes that are listed in the MLS. The subject is currently tenant occupied in the lower unit & the upper unit is occupied by family. The lower unit is currently rented for $1,800 per month. The current rent was utilized for the lower unit. The market rent was utilized for the upper unit. The subject also features a finished basement with a full bath & summer kitchen. Note, when necessary the market rents were also substituted for owner occupied

SUBJECT RENT SCHEDULE

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Leases			Actual Rents			Opinion Of Market Rent		
	Lease Date		Per Unit		Total	Per Unit		Total
Unit #	Begin Date	End Date	Unfurnished	Furnished	Rents	Unfurnished	Furnished	Rents
1	Month	Month	$ 1,800	$	$ 1,800	$ 1,800	$	$ 1,800
2	Owner	Owner	0		0	1,700		1,700
3								
4								

Comment on lease data: Market rents were abstracted from comparable units for the owner occupied upper unit.

Total Actual Monthly Rent	$ 1,800	Total Gross Monthly Rent	$ 3,500
Other Monthly Income (itemize)	$ 0	Other Monthly Income (itemize)	$ 0
Total Actual Monthly Income	$ 1,800	Total Estimated Monthly Income	$ 3,500

Utilities included in estimated rents ☐ Electric ☒ Water ☒ Sewer ☐ Gas ☒ Oil ☐ Cable ☒ Trash collection ☐ Other (describe)

Comments on actual or estimated rents and other monthly income (including personal property) The subject's is currently tenant occupied in the lower unit and the upper unit is occupied by family members of the owners per the the owner. The actual rent of $1,800 was utilized for the lower unit.

The rental data was supplied by the owner verbally as the lender did not provide the data. The market rent was substituted for the upper unit

PRIOR SALE HISTORY

I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) NJMLS, SR-1A and owner.

My research ☐ did ☒ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) NJMLS, SR-1A.

Report the results of the research and analysis of the prior sale history of the subject property and comparable sales (report additional prior sales on page 4).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	No prior sale within	02/18/2021	No prior sale within 1 year	No prior sale within 1 year
Price of Prior Sale/Transfer	the past 36 months	$380,000	the sale date above	the sale date above
Data Source(s)	MLS/Tax Records/SR-1A	MLS/Tax Records/SR-1A	MLS/Tax Records/SR-1A	MLS/Tax Records/SR-1A
Effective Date of Data Source(s)	11/01/2021	11/01/2021	11/01/2021	11/01/2021

Analysis of prior sale history for the subject property and comparable sales The subject revealed no prior sales over the past 3 years from the effective date of this report. Comparable #1 sold for $380,000 on 02/18/2021. This sale was between family which helps explain the significant increase in the most recent sale price of comparable #1. Comparable sales #2 and #3 revealed no prior sale over the past 12 months from the sale dates listed in the sales comparison grid.

LPO24211057822

Small Residential Income Property Appraisal Report

File No. L21776

There are 2 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 540,000 to $ 549,000 .

There are 22 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 469,000 to $ 650,000 .

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address	715 Pennsylvania Ave Lyndhurst, NJ 07071	754 New York Ave Lyndhurst, NJ 07071		613 3rd Ave Lyndhurst, NJ 07071		622 3rd Ave Lyndhurst, NJ 07071	
Proximity to Subject		0.13 miles NE		0.29 miles N		0.25 miles N	
Sale Price	$		$ 469,000		$ 573,000		$ 585,000
Sale Price/Gross Bldg. Area	$ sq. ft	$ 297.59 sq. ft		$ 351.10 sq. ft		$ 253.91 sq. ft	
Gross Monthly Rent	$ 3,500	$ 3,400		$ 3,500		$ 3,500	
Gross Rent Multiplier		137.94		163.71		167.14	
Price Per Unit	$	$ 234,500		$ 286,500		$ 292,500	
Price Per Room	$	$ 46,900		$ 71,625		$ 58,500	
Price Per Bedroom	$	$ 117,250		$ 143,250		$ 195,000	
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No		☐ Yes ☒ No		☐ Yes ☒ No	
Data Source(s)		MLS#21016671 / SR-1A;DOM		MLS#20040977 / SR-1A;DOM		MLS#21010384 / SR-1A;DOM	
Verification Source(s)		Ext Observation /Tax Data/SR-		Ext Observation /Tax Data/SR-		Ext Observation /Tax Data/SR-	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment
Sale or Financing Concessions		ArmLth FHA;0		ArmLth Conv.;0		ArmLth Conv.;0	
Date of Sale/Time		s08/21;c07/21		s01/21;c10/20		s07/21;c05/21	
Location	Average-Res	Similar-Res		Similar-Res		Similar-Res	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	3,934 sf	6,150 sf	-4,432	4,365 sf		5,950 sf	-4,032
View	N;Res;	Similar-Res.		Similar-Res.		Similar-Res.	
Design (Style)	Up/Down	Up/Down		Up/Down		Up/Down	
Quality of Construction	Average	Similar		Similar		Similar	
Actual Age	~111	~115		~100		~110	
Condition	Average/Good	Similar		Similar		Similar	
Gross Building Area	2,124	1,576	+32,880	1,632	+29,520	2,304	-10,800
Unit Breakdown	Total / Bdrms. / Baths	Total / Bdrms. / Baths		Total / Bdrms. / Baths		Total / Bdrms. / Baths	
Unit # 1	5 / 2 / 1	5 / 2 / 1		4 / 2 / 1		4 / 1 / 1	
Unit # 2	5 / 2 / 1	5 / 2 / 1		4 / 2 / 1		6 / 2 / 1	
Unit # 3							
Unit # 4							
Basement Description	Basement	Basement		Basement		Basement	
Basement Finished Rooms	Finished+Bath	Unfinished	+20,000	Finished + Bath		Finished + Bath	
Functional Utility	4 Bedrooms	4 Bedrooms		4 Bedrooms		3 Bedrooms	+10,000
Heating/Cooling	(1) HWBB/ no ca	(2) HWBB / no c	-5,000	2 HWBB/ 2 cac	-15,000	(2) HWBB / no c	-5,000
Energy Efficient Items	Typical	Typical		Typical		Typical	
Parking On/Off Site	No Garage	No Garage		2 Garage	-15,000	No Garage	
Porch/Patio/Deck	Patio, Balcony	Similar		Similar		Similar	
FIREPLACE	No Fireplace	No Fireplace		No Fireplace		No Fireplace	
Net Adjustment (Total)		☒ + ☐ -	$ 43,448	☐ + ☒ -	$ -480	☐ + ☒ -	$ -9,832
Adjusted Sale Price of Comparables		Net Adj. 9.3 % Gross Adj. 13.3 %	$ 512,448	Net Adj. 0.1 % Gross Adj. 10.4 %	$ 572,520	Net Adj. 1.7 % Gross Adj. 5.1 %	$ 575,168
Adj. Price Per Unit (Adj. SP Comp / # of Comp Units)		$ 256,224		$ 286,260		$ 287,584	
Adj. Price Per Room ((Adj. SP Comp / # of Comp Rooms)		$ 51,245		$ 71,565		$ 57,517	
Adj. Price Per Bdrm. (Adj. SP Comp / # of Comp Bedrooms)		$ 128,112		$ 143,130		$ 191,723	

Value Per Unit $ 270,000 X 2 Units = $ 540,000 | Value Per GBA $ 260.00 X 2,124 GBA = $ 552,240

Value Per Rm. $ 55,000 X 10 Rooms = $ 550,000 | Value Per Bdrms. $ 140,000 X 4 Bdrms. = $ 560,000

Summary of Sales Comparison Approach including reconciliation of the above indicators of value. All the comps utilized are considered to be among the best available indicators of the subject's estimated market value. The number of individual adjustments, as well as net and gross adjustments were considered reasonable and market supported.

Indicated Value by Sales Comparison Approach $ 570,000

INCOME

Total gross monthly rent $ 3,500 X gross rent multiplier (GRM) 163.00 = $ 570,500 Indicated value by the Income Approach

Comments on income approach including reconciliation of the GRM The GRM is based on the GRM's of the comparables to account for typical market tenancies. The GRM is within the range of the above comparable sales gross rent multipliers.

RECONCILIATION

Indicated Value by: Sales Comparison Analysis $ 570,000 Income Approach $ 570,500 Cost Approach (if developed) $ 571,872

All weight is given to the Sales Comparison Approach as it best reflects the actual activities of buyers and sellers in the market. The Sales Comparison Approach is considered the least subjective and most reliable indicator of value for existing condominium.

This appraisal is made ☒ "as is," ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: _____

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is $ 570,000 as of 11/01/2021 , which is the date of inspection and the effective date of this appraisal.

ADDITIONAL COMMENTS

BASEMENT
($10,000) adjustment was applied for a full bath in the basement compared with no bath in the basement.
($10,000) adjustment was applied for a finished basement with 3 finished rooms compared with an unfinished basement.

PREDOMINANT VALUE
The subject's estimated value is slightly below the predominant value of 2 family homes in Lyndhurst year to date but is within the range of values. The subject is not an under improvement and the value has no effect on marketability.

FINAL RECONCILIATION COMMENTS
All of the comparables were considered in the estimate of market value, each providing a similar or bracketing a significant characteristic of the subject. However, more weight was given to comparable #2 based on having the the most similar lot size for having 2 units that both feature 2 bedrooms and 1 bath like the subject. Comparable #2 was also given more weight based on having a finished basement with a full bath and a summer kitchen like the subject. Finally, comparable #2 has the lowest net adjustment percentage.

3 CLOSED COMPARABLE SALE SELECTION
The 3 closed comparable sales were selected based on being up/down style 2 family homes like the subject that are located in the same micro neighborhood as the subject and are located less than a 1/3 of a mile away from the subject. Comparable sales #1 and #2 were also selected for featuring 2 units that feature 2 bedrooms and 1 bath per unit like the subject. Comparable #2 and #3 were also chosen for featuring finished basements with full baths and summer kitchens like the subject. Comparables #1 and #3 lack garages like the subject. All 3 closed sales were also chosen for being built in the same era as the subject and for featuring similar updates to the subject's updates. Although 2 family home sold on the subject's street (834 Pennsylvania) but this home was built over a 100 years ago like the subject and is also removed further from the railroad tracks and is also located on a more sought after section of this street. This home also has superior exterior appeal with a part brick front exterior and is updated in the 1st and 2nd floors and the basement where as the subject is only updated in the first floor unit. This home also features central air conditioning, 2 furnaces and has sought after views on NYC all of which the subject lacks.
Based on the vast differences as described, this sale (834 Pennsylvania) (MLS#21027893) was not utilized in this report.

SUBJECT LOCATION
Although the subject is located within proximity to the railroad tracks, the subject is on the other side of the street from the railroad tracks and there is a tree line buffer blocking some of the view of the tracks. In addition, buyers and investors of 2 family homes typically place on premium on the rental potential and not so much on the location. Also, although the subject is located within proximity to the railroad tracks, the subject's street is a quieter and less travelled street compared with the comparables. This is mentioned for informational and completeness purposes only.

SUMMER KITCHEN
The subject has a summer kitchen with a stove in the basement. According to the owner, the summer kitchen was installed prior to the purchase of the subject and the owner stated that the town is aware of the summer kitchen.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The allocation method was utilized to estimate land value. In addition, the appraiser did consider "knock down" activity in the area. The Cost Approach is not considered reliable indicator of value for older homes where the effective age and estimated remaining life are arbitrary figures and there is no accurate way to estimate depreciation. Additionally, in areas where most of the land is developed, there are few land sales from which to derive an

ESTIMATED ☐ REPRODUCTION OR ☒ REPLACEMENT COST NEW	OPINION OF SITE VALUE			= $	300,000
Source of cost data Local Builders	Dwelling 2,124 Sq. Ft. @ $	125.00		= $	265,500
Quality rating from cost service Average Effective date of cost data June, 2021	BASEMENT 1107 Sq. Ft. @ $	65.00		= $	71,955
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Additional features				25,000
The Cost Approach was included as additional support of value.	Garage/Carport Sq. Ft. @ $			= $	
However, The Sales Comparison approach is considered the most	Total Estimate of Cost-New			= $	362,455
reliable technique for existing 2 family homes and the Income	Less Physical	Functional	External		
Approach is utilized as support. The Cost Approach was therefore	Depreciation $105,58			= $ (	105,583)
given no weight and should not be relied on for insurance	Depreciated Cost of Improvements			= $	256,872
purposes and or any other purpose.	"As-is" Value of Site Improvements			= $	15,000
Estimated Remaining Economic Life (HUD and VA only) 50 Years	INDICATED VALUE BY COST APPROACH			= $	571,872

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases | Total number of units | Total number of units sold

Total number of units rented | Total number of units for sale | Data source(s)

Was the project created by the conversion of an existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s)

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.

2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.

3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.

5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.

6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.

2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.

3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.

5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.

6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.

7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.

8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.

9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.

10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.

11. I have knowledge and experience in appraising this type of property in this market area.

12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.

13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.

14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.

15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.

16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.

17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.

18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).

19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.

20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.

4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature _____
Name Kenneth Bronstein
Company Name Loeb Appraisal Services, Inc.
Company Address 18-06 Hunter Place
Fair Lawn, NJ 07410
Telephone Number 201-475-8006
Email Address Peter@LoebAppraisals.com
Date of Signature and Report 01/12/2022
Effective Date of Appraisal 11/01/2021
State Certification # 42RC00216200
or State License # _____
or Other (describe) _____ State # _____
State NJ
Expiration Date of Certification or License 12/31/2021

ADDRESS OF PROPERTY APPRAISED
715 Pennsylvania Ave
Lyndhurst, NJ, 07071

APPRAISED VALUE OF SUBJECT PROPERTY $ 570,000

LENDER/CLIENT
Name CSS(AMC#42AC00003400)
Company Name Valley National Bank
Company Address 1720 Route 23 North
Wayne, NJ 07470
Email Address CSS

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name Peter F. Loeb
Company Name Loeb Appraisal Services, Inc.
Company Address 18-06 Hunter Place
Fair Lawn, NJ 07410
Telephone Number 201-475-8006
Email Address Peter@LoebAppraisals.com
Date of Signature 01/12/2022
State Certification # 42RC00144600
or State License # _____
State NJ
Expiration Date of Certification or License 12/31/2021

SUBJECT PROPERTY
[X] Did not inspect subject property
[ ] Did inspect exterior of subject property from street
Date of Inspection _____
[ ] Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES
[X] Did not inspect exterior of comparable sales from street
[ ] Did inspect exterior of comparable sales from street
Date of Inspection _____

Market Conditions Addendum to the Appraisal Report

LPO24211057822
File No. L21776

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address 715 Pennsylvania Ave City Lyndhurst State NJ Zip Code 07071

Borrower Fred Giordano

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

MARKET RESEARCH & ANALYSIS

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	16	9	6	☐ Increasing	☐ Stable	☒ Declining
Absorption Rate (Total Sales/Months)	2.67	3.00	2.00	☐ Increasing	☐ Stable	☒ Declining
Total # of Comparable Active Listings	1	2	3	☐ Declining	☐ Stable	☒ Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	0.40	0.70	1.50	☐ Declining	☐ Stable	☒ Increasing
Median Sale & List Price, DOM, Sale/List %	**Prior 7-12 Months**	**Prior 4-6 Months**	**Current - 3 Months**	**Overall Trend**		
Median Comparable Sale Price	574,000	535,000	585,000	☐ Increasing	☒ Stable	☐ Declining
Median Comparable Sales Days on Market	23	30	37	☐ Declining	☐ Stable	☒ Increasing
Median Comparable List Price	534,999	574,500	559,000	☐ Increasing	☐ Stable	☒ Declining
Median Comparable Listings Days on Market	160	22	63	☐ Declining	☐ Stable	☒ Increasing
Median Sale Price as % of List Price	105.42%	100.19%	102.85%	☒ Increasing	☐ Stable	☐ Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent? ☐ Yes ☒ No				☐ Declining	☒ Stable	☐ Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).

Concession trends are occasionally used by motivated sellers and are becoming more typical.

Are foreclosure sales (REO sales) a factor in the market? ☐ Yes ☒ No If yes, explain (including the trends in listings and sales of foreclosed properties).

Foreclosure/short sales sales are not considered a factor in this direct market area at the current time.

Cite data sources for above information. New Jersey Multiple Listing Service, Public Records, multiple news reports from experts and online sources.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

Due to the limitations for selecting comparables based on the instructions which are described above for this market analysis, the information above provides an insufficient sales/listing data set to determine an overall judgement as to whether values are increasing or decreasing in the subject's neighborhood when using only the criteria as defined in the above grid. The above chart has been filled out by using MLS 1004MC data form, however, some of the figures appear to be skewed and or misleading and not typical to the overall residential housing market in the area. Consequently, this addendum is given no weight and is not utilized in the body of this report. According to sales data and various real estate reports, values of 2 family homes appear to be stable to slightly appreciating over the past 12 months.

CONDO / CO-OP PROJECTS

If the subject is a unit in a condominium or cooperative project , complete the following: Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				☐ Increasing	☐ Stable	☐ Declining
Absorption Rate (Total Sales/Months)				☐ Increasing	☐ Stable	☐ Declining
Total # of Active Comparable Listings				☐ Declining	☐ Stable	☐ Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				☐ Declining	☐ Stable	☐ Increasing

Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☐ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

APPRAISER

APPRAISER

Signature
Name Kenneth Bronstein
Company Name Loeb Appraisal Services, Inc.
Company Address 18-06 Hunter Place
Fair Lawn, NJ 07410
State License/Certification # 42RC00216200 State NJ
Email Address Peter@LoebAppraisals.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature
Name Peter F. Loeb
Company Name Loeb Appraisal Services, Inc.
Company Address 18-06 Hunter Place
Fair Lawn, NJ 07410
State License/Certification # 42RC00144600 State NJ
Email Address Peter@LoebAppraisals.com