

INTRODUCTION

The zoning report (the "Report") documents the methods and findings of the Report for the property(ies) (as more specifically described in the Quote/Authorization to Proceed) performed in general conformance with industry accepted practices as well as the scope and limitations outlined below.

SCOPE OF WORK

The purpose of the Report is to assist the client in identifying potential liabilities associated with each property's status as related to its current use and the requirements set forth within the local municipality's zoning ordinance for the property(ies). In particular, the Report is designed to provide the following information on the property(ies), to the extent such information is available from the municipality and/or applicable to the property(ies):

- A. Identify the specific zoning classification as established by the current zoning map;
- B. Identify the allowable uses as permitted under the zoning classification, per the current zoning ordinance;
- C. Identify lot size, bulk density (e.g., building coverage, building size, floor area ratio and allowable number of dwelling units per acre), building height, and setback regulations. Off-street parking requirements (if any) will also be analyzed;
- D. Identify whether any certificates of occupancy, variances, special permits, conditions, resolutions or site plan approvals were required for the development of the property(ies);
- E. Obtain copies of documents identified above, to the extent the municipality has copies of same;
- F. Determine whether the property(ies) can be re-built in the event of a catastrophic loss or determine what loss percentage is permissible in the event of the property(ies) being non-conforming;
- G. Determine whether there are known or outstanding building code, fire code or zoning violations on file with the governing municipal entities; and
- H. Identify the property(ies)'s conformance with the current zoning classification as legally conforming, legally non-conforming or non-conforming.

As part of this investigation, NDDS conducts research via the internet and communicates with municipal employees in order to obtain local zoning ordinances and zoning maps. NDDS also delivers Freedom of Information Act ("FOIA") correspondence to local municipal agencies in order to determine the property(ies)'s conformance with respect to the local municipal zoning code, and whether or not any zoning code violations exist. NDDS also requests that the municipality provide a Zoning Compliance Letter/Zoning Verification Letter to confirm the property(ies)'s zoning classification. FOIA requests are also submitted to the government agencies responsible for oversight of building or fire code violations. In the event that written responses are not received, NDDS also attempts to interview knowledgeable municipal employees to obtain this information. The final part of this investigation includes reviewing an ALTA survey of the property(ies). ALTA surveys provide valuable property(ies) information such as building footprint, lot specifications, setback distances, impervious surfaces, building height, parking spaces, and other pertinent information. From this research and ALTA survey review, NDDS is able to opine on the property(ies)'s conformance with local zoning ordinance.

SIGNIFICANT ASSUMPTIONS

The following assumptions are made by NDDS in the preparation of the Report. NDDS relies on information derived from secondary sources such as governmental agencies, the client, designated representatives of the client, property(ies) contacts, property owner, property owner representatives, surveyors, computer databases, and personal interviews. While NDDS reviews and evaluates the information derived from such secondary sources NDDS cannot guarantee the thoroughness or reliability of such information.

LIMITATIONS

Zoning ordinances and districts can change over time. Therefore, the conclusions presented in the Report apply strictly to the zoning code that existed as of the date of the Report, and which were made available by the governing municipal entity. Available information has been analyzed using currently accepted assessment techniques and it is believed that the inferences made are reasonably representative of the property(ies). NDDS makes no warranty, expressed or implied and hereby disclaims to the fullest extent permitted by law any and all warranties and conditions with respect to the Report, except that the Report has been prepared in accordance with generally accepted zoning analysis practices applicable at the time and location of the Report. Responses received from local government agencies or other secondary sources of information after the issuance of the Report may change certain facts, findings, conclusions, or circumstances contained in the Report. A change in any fact, circumstance, or industry-accepted procedure upon which the Report was based may adversely affect the findings, conclusions, and recommendations expressed in the Report.

LIMITING CONDITIONS

The performance of the Report is limited by the following condition(s):

- I. This assessment does not include a physical inspection of the property(ies). Accordingly, NDDS cannot confirm any information provided by third parties and/or government agencies which can only otherwise be confirmed by conducting a physical inspection of the property(ies);
- II. Any items not specifically included in the Report are beyond the scope of the zoning assessment contained in the Report, including, but not limited to: signs and signage requirements; bicycle parking requirements; dimensional standards related to parking spaces/aisles; loading spaces; parking setbacks; requirements arising from or related to the Americans with Disabilities Act of 1990, as amended; usable open space; impervious surface ratio; landscaping requirements; riparian rights; topographic features (e.g. bluff lines, dune crests, high water marks and vegetation lines); transparency/façade and other architectural elements; screening/buffer/fencing requirements; building materials; easements; conservation areas/wetlands; subsurface elements (e.g. utilities and drainage systems); water features/sculptures/artwork; floor heights; and recreational elements. Additionally, the review of any information not provided on the ALTA Survey or by the client is beyond the scope of the assessment contained in the Report;
- III. The Report includes requests to municipal departments for a list of any outstanding/open building, zoning and fire code violations that may be on file for the property(ies). Information regarding costs and remedies for violations is beyond the scope of the Report;
- IV. NDDS may require client to provide certain information regarding uses contained on the property(ies) in order to complete the Report (e.g., current tenant uses on each property, total number of employees currently working for each tenant on each property and gross square footage of buildings on each property). Client's failure to timely provide such information may lead to the Report being delayed or prevent NDDS from completing such Report; and
- V. In response to the outbreak of the Coronavirus and the declared state of emergency at the national, state and local levels, governmental offices have been closed or have had significantly limited access. As a result, obtaining responses and documents from certain municipalities has been, and will be, impacted and accordingly, delivery of a final Report may be delayed.

RELIANCE

Unless otherwise noted on the Report, the Report is for the benefit of the client only. The Report has no other purpose and may not be relied upon by any other person or entity without the written consent of NDDS. Either verbally or in writing, third parties may come into possession of the Report or all or part of the information generated as a result of this work. In the absence of a written agreement with NDDS granting such rights, no third parties shall have rights of recourse or recovery whatsoever under any course of action against NDDS, its officers, employees, vendors, successors or assigns.