

APPRAISAL REPORT
J.N. ADAM DEVELOPMENTAL
N.Y.S. ROUTE 39, HOOKER HILL ROAD & PECK HILL ROAD
TOWN OF PERRYSBURG, COUNTY OF CATTARAUGUS
STATE OF NEW YORK
S.B.L. NUMBERS: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15

DATE OF VALUATION:
JANUARY 1, 2017

PREPARED FOR:
MR. ROBERT VANDELOO
NEW YORK STATE OFFICE OF GENERAL SERVICES
BUREAU OF LAND MANAGEMENT
CORNING TOWER – 26TH FLOOR | EMPIRE STATE PLAZA
ALBANY, NEW YORK 12242

PREPARED BY:
HOWARD P. SCHULTZ & ASSOCIATES, LLC
4 CENTRE DRIVE
ORCHARD PARK, NEW YORK 14127



January 15, 2017

TO: Mr. Robert VanDeloo
New York State Office of General Services / Bureau of Land Management
Corning Tower – 26th Floor / Empire State Plaza
Albany, New York 12242

RE: *J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road*
Town of Perrysburg
County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15

Dear Mr. VanDeloo,

We have prepared the attached Appraisal Report for the purpose of estimating the Market Value of the Fee Simple Title in the subject property located within the J.N. Adam Developmental Complex - N.Y.S. Route 39 & Peck Hill Road, Town of Perrysburg, County of Cattaraugus, State of New York, “As-If” Vacant Land without Improvements and the “As-Is” Market Value as Improved, as of January 1, 2017.

The purpose of this Appraisal Report is to undertake the investigations and analyses required to reach supportable opinions of Market Value of the Fee Simple Title in the subject property. The intended use of the report is to provide information to Mr. Robert VanDeloo of the New York State Office of General Services to appropriately analyze the subject property for marketing decisions.

The intended user is Mr. Robert VanDeloo of the New York State Office of General Services, his affiliates, designates, and assignees, and no other person shall have any right to rely on any service provided by Howard P. Schultz & Associates, LLC.

The subject complex was formerly opened in 1912 as a Sanitarium for tuberculosis patients. In 1948 the complex was transferred to the State of New York and operated by the Office of Developmental Disabilities. The Office of Developmental Disabilities decommissioned and closed the facility in 1991 and since that time the complex has not been maintained and the improvements suffer from severe differed maintenance. Improvements are located on both the east and west sides of Peck Hill Road. The main site is located on the eastern side and will be referred to as “**Parcel No.1**”. Additional improvements located on the western side of Peck Hill Road will be referred to as “**Parcel No.2**”. Additionally, there is a non-contiguous 152.00± Acre parcel of vacant land which has frontage along N.Y.S. Route 39 which will be referred to as “**Parcel No.3**”.

January 15, 2017

TO: Mr. Robert VanDeloo
New York State Office of General Services / Bureau of Land Management
Corning Tower – 26th Floor / Empire State Plaza
Albany, New York 12242

RE: ***J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road***
Town of Perrysburg
County of Cattaraugus, State of New York
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Parcel No.1 includes the majority of the improvements within the J.N. Adam Developmental complex. The main facility consists of a four (4) story 173,200± Sq.Ft. hospital with large verandas and overhangs, which were associated with the method of treatment of tuberculosis patients at the time. The main four (4) story buildings were interconnected by three (3) story corridors. Connected to the hospital is a 32,234± Sq.Ft. dining hall and kitchen area. There is also a four (4) story 17,424± Sq.Ft. auditorium / gymnasium, two (2) 9,148± Sq.Ft. treatment / office buildings, a 22,216± Sq.Ft. boiler house and several small outbuildings. **Parcel No.1** includes 182± acres of land.

Parcel No.2 is located on the eastern side of Peck Hill Road. Improvements to this parcel consist of a 10,454± Sq.Ft. dormitory building, eight (8) 1,398± Sq.Ft. staff homes and a 1,742± Sq.Ft. office building. **Parcel No.2** includes 315± acres of land with frontages along N.Y.S. Route 39, Peck Hill Road & Hooker Hill Road.

Parcel No.3 is a 152.00± Acre parcel of vacant land which has frontage along N.Y.S. Route 39.

The analysis and conclusions within the attached Appraisal Report are based upon field research, interviews with market participants, and publicly available data collected by the appraiser. The appraisal was prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation, the Appraisal Institute Certification Standard and the New York State Office of General Services / Bureau of Land Management requirements.

It is our opinion the Market Value “As-If” Vacant Land without Improvements, of the Fee Simple Title is **ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$1,250,000)**. This has created a Hypothetical Condition.

January 15, 2017

TO: Mr. Robert VanDeloo
New York State Office of General Services / Bureau of Land Management
Corning Tower – 26th Floor / Empire State Plaza
Albany, New York 12242

RE: ***J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road***
Town of Perrysburg
County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15

The subject property known as the ***J.N. Adam Developmental, located on N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road, Town of Perrysburg, County of Cattaraugus, State of New York***, which is the subject of this Appraisal Report, was valued as of January 1, 2017 and it is our opinion the “As-Is” Market Value of the Fee Simple Title As Improved is ***EIGHT HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$855,000)***.

Based on the Market Values recited above, it is evident that the subject property As Improved has a much lower value than the land “As-If” vacant. It is therefore our opinion the only logical way to market the bulk of the property is for the owner to retain the 57.00± acres with improvements; leaving a net land area of 592.00± acres valued at \$1,900 per acre or ***ONE MILLION ONE HUNDRED TWENTY FOUR THOUSAND EIGHT HUNDRED DOLLARS (\$1,124,800)***. The estimated value of the Marketable Timber is ***NINE HUNDRED SEVENTY THOUSAND DOLLARS (\$970,000)***.

The Market Value estimates are based on conditions in the real estate market and general economic conditions existing as of January 1, 2017.

The estimated exposure time and marketing period is one year or more. See Limiting Conditions for ADA Disclaimer.

Very truly yours,



Howard P. Schultz, MAI
State Certified General Real Estate Appraiser
No. 46-4952



Peter L. Schultz
Real Estate Appraiser Assistant
PLS

NOTICE TO READER

This Appraisal Report sets forth factual data which is verifiable in the marketplace. Based upon investigation and analysis of this data, the appraisers have exercised judgment and developed conclusions of Highest and Best Use and Value. (The term Highest and Best Use, and the specified value are defined within the report.).

The conclusions contained within this Appraisal Report represent the **opinions of the appraisers**. They are not, and must not be construed as factual data. Further, they are **valid only as of a specified date of value**. All properties and markets are unique. There can be no assurance that the appraised value will remain stable, decline or appreciate, although judgments of the perceived probability of such is often necessary in the valuation process.

The opinions of Highest and Best Use and specified value, by necessity, are based upon certain Assumptions and Limiting Conditions which are set out within the Self-Contained Appraisal Report . It is essential that the user of this report read carefully and fully understand the Assumptions and Limiting Conditions upon which the conclusions of Highest and Best Use and Value are based.

The writers of this report, by virtue of specialized education and years of valuation experience, are qualified appraisers of real estate. The function of this report is to provide an **opinion of value** of the real property as herein defined. Under no circumstances should this report be considered as providing any service or recommendation commonly performed by a building inspector, structural engineer, architect, pest control inspector, or other qualified professional possessing specialized knowledge and experience. A valuation premise or assumption which may be utilized in this report, and which relates to the function of any such professional (such as that there are no toxic or hazardous materials or wastes within or adjacent to the appraised property), should in no circumstances be interpreted as a judgment by the undersigned.

The liability of the appraisers and any associates or employees who may have participated in the preparation of this report, are limited to the client to whom the value is certified and, except as occasioned by negligence, fraud or wrongful act, to the fee actually received. Further, there is no accountability, obligation, or liability to any third party fully aware of all assumptions and limiting conditions of the appraisal. The appraisers are in no way to be responsible for any costs incurred to discover or correct **any** deficiencies of **any** type present in the property; physically, financially, and/or legally. **Any use of this report constitutes acceptance of the foregoing.**

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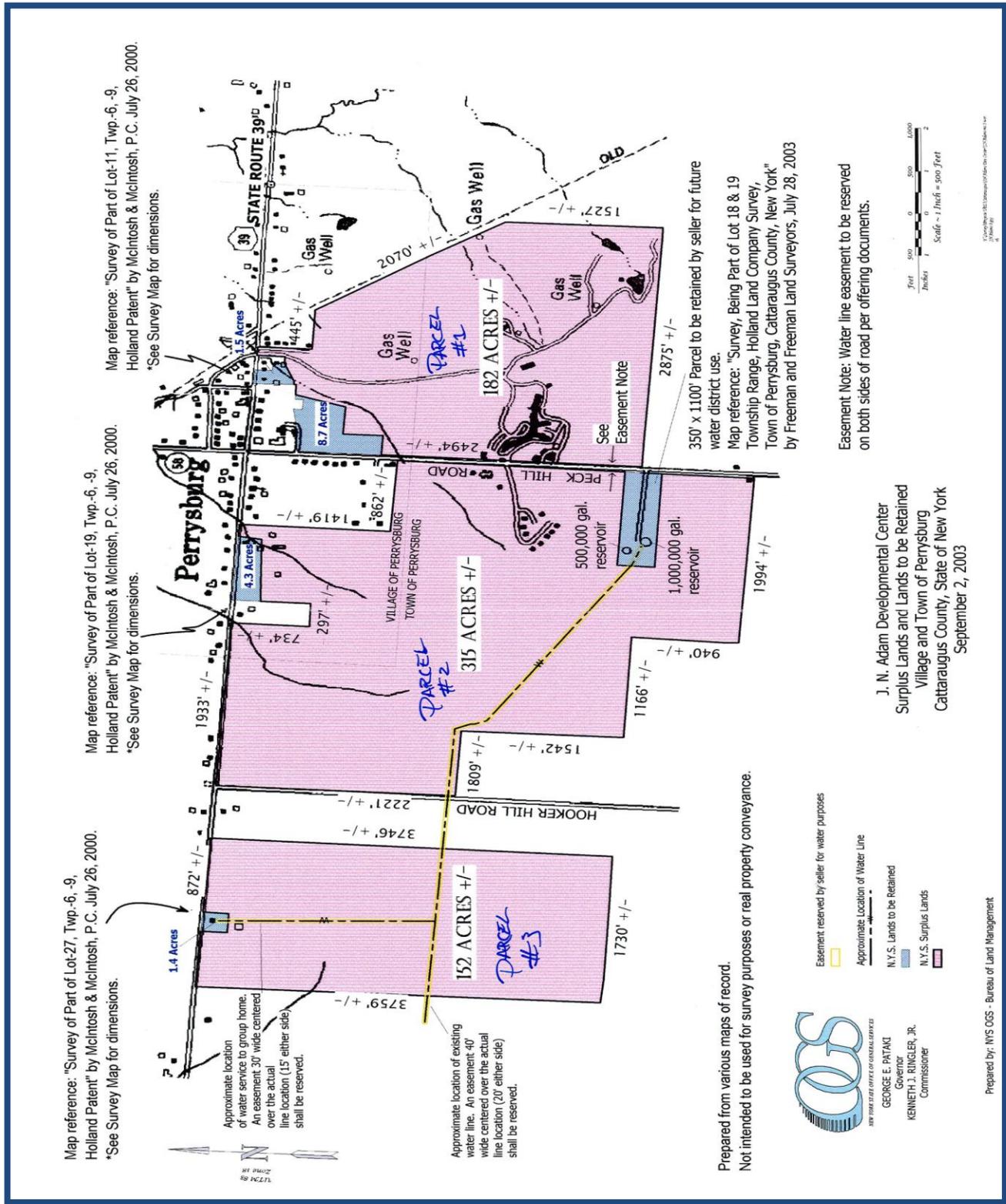
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• Peter L. Schultz92-93

ADDENDUM

Howard P. Schultz, MAI Appraisal License
Engagement Letter

Aerial Map of Parcel No1 | Parcel No.2 & Parcel No.3:



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Summary of Salient Facts & Conclusions – Parcel No.1:

Address of Property: *J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road* - Town of Perrysburg
County of Cattaraugus, State of New York

Owner of Record: State of New York

Intended User: The New York State Office of General Services

Purpose of Appraisal: To Estimate Market Value “As-If” Vacant Land without Improvements and the “As-Is” Market Value as Improved

Property Rights Appraised: Fee Simple Title

Type of Property: Decommissioned Hospital Center

Land Area: 2,494` x Irregular = 182± Acres

Building Area: 173,200± Sq.Ft. Main Hospital Complex
32,234± Sq.Ft. Dining Facility | 17,424± Sq.Ft. Auditorium
(2) 9,148± Sq.Ft. Treatment / Office Buildings
22,216± Sq.Ft. Boiler House | Additional Outbuildings

Zoning: A-R “Agricultural District” – 97.56± Acres
R “Residential District” – 47.44± Acres
I-C “Industrial Commercial” – 37.00± Acres

S.B.L. Number: 16.001-1-3.1 (part of) & 16.022-2-10

Real Estate Taxes (2016-2017): Tax Exempt

Valuation Date: January 1, 2017

Estimated Exposure & Marketing Period: One (1) Year or more

Hypothetical Conditions: *Yes*

NOTE: *The conclusions summarized above must only be considered in the context of the complete narrative Appraisal Report of which this page is a part.*

Appraised by:
Howard P. Schultz, MAI
State Certified General Real Estate Appraiser
No. 46-4952
&
Peter L. Schultz
Real Estate Appraiser Assistant

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.1: - Main Hospital Complex



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.1: - Main Hospital Complex



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.1: - Dining Facility



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.1: - Dining Facility



PROPERTY:

J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.1: - Auditorium



PROPERTY:

J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.1: - Treatment / Office Buildings



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.1: - Boiler House



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.1: - Outbuildings



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Summary of Salient Facts & Conclusions – Parcel No.2:

Address of Property: *J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road* - Town of Perrysburg
County of Cattaraugus, State of New York

Owner of Record: State of New York

Intended User: The New York State Office of General Services

Purpose of Appraisal: To Estimate Market Value “As-If” Vacant Land without Improvements and the “As-Is” Market Value as Improved

Property Rights Appraised: Fee Simple Title

Type of Property: Decommissioned Hospital Center

Land Area: 2,221` x Irregular = 315± Acres

Building Area: 10,454± Sq.Ft. Dormitory Building
Eight (8) 1,398± Sq.Ft. Staff Homes
1,742± Sq.Ft. Office Building

Zoning: A-R “Agricultural District” – 242.21± Acres
R “Residential District” – 52.79± Acres
I-C “Industrial Commercial” – 20.00± Acres

S.B.L. Number: 16.001-1-3.1 (part of)

Real Estate Taxes (2016-2017): Tax Exempt

Valuation Date: January 1, 2017

Estimated Exposure & Marketing Period: One (1) Year or more

Hypothetical Conditions: *Yes*

NOTE: *The conclusions summarized above must only be considered in the context of the complete narrative Appraisal Report of which this page is a part.*

Appraised by:
Howard P. Schultz, MAI
State Certified General Real Estate Appraiser
No. 46-4952
&
Peter L. Schultz
Real Estate Appraiser Assistant

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.2: - Dormitory



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.2: - Staff Housing



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.2: - Staff Housing



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.2: - Office Building



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Summary of Salient Facts & Conclusions – Parcel No.3:

Address of Property: *J.N. Adam Developmental - N.Y.S. Route 39*
Town of Perrysburg
County of Cattaraugus, State of New York

Owner of Record: State of New York

Intended User: The New York State Office of General Services

Purpose of Appraisal: To Estimate Market Value - “As-Is” Vacant Land

Property Rights Appraised: Fee Simple Title

Type of Property: Vacant Agricultural Land

Land Area: 3,746` x Irregular = 152± Acres

Zoning: A-R “Agricultural District”

S.B.L. Number: 15.002-1-15

Real Estate Taxes (2016-2017): Tax Exempt

Valuation Date: January 1, 2017

Estimated Exposure & Marketing Period: One (1) Year

Hypothetical Conditions: Yes

NOTE: The conclusions summarized above must only be considered in the context of the complete narrative Appraisal Report of which this page is a part.

Appraised by:
Howard P. Schultz, MAI
State Certified General Real Estate Appraiser
No. 46-4952
&
Peter L. Schultz
Real Estate Appraiser Assistant

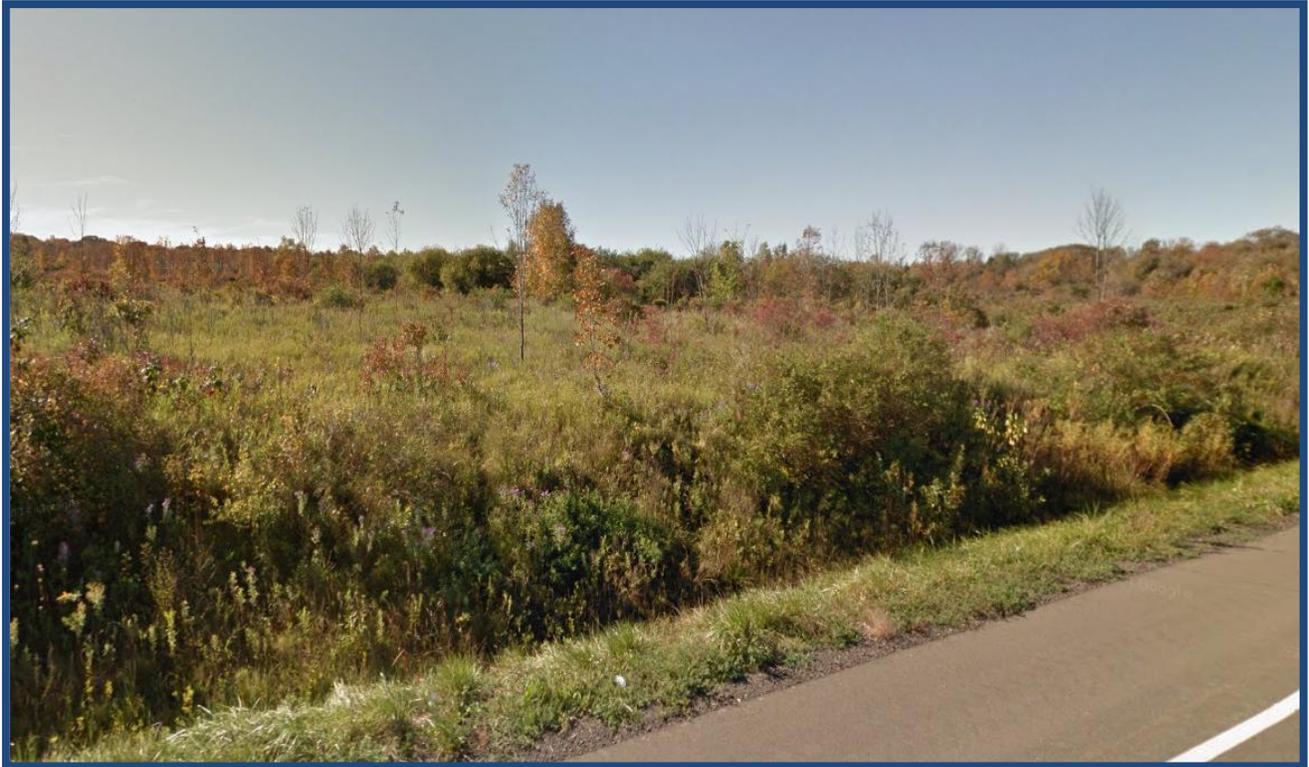
PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Subject Property Photographs – Parcel No.3: - Aerial View



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
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Subject Property Photographs – Parcel No.3:



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Identification of the Real Estate:

The subject property is located in the Town of Perrysburg, County of Cattaraugus and State of New York. It is addressed as J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road.

The subject property is specifically identified under the Town of Perrysburg, County of Cattaraugus Tax Map I.D. Nos. or Section, Block and Lot Nos. (S.B.L. Numbers) 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15

Sales History:

There have not been any arm's length sale transfers of the subject property in the past three (3) years. The property is not the subject of a pending sale and is not presently offered for sale.

Purpose, Intended Use & Intended User:

The purpose of this Appraisal Report is to undertake the investigations and analyses required to reach a supportable opinions of Market Value of the Fee Simple Title in the subject property. The intended use of the report is to provide information to Mr. Robert VanDeloo of the New York State Office of General Services to appropriately analyze the subject property for marketing decisions.

The intended user is Mr. Robert VanDeloo of the New York State Office of General Services, his affiliates, designates, and assignees, and no other person shall have any right to rely on any service provided by Howard P. Schultz & Associates, LLC.

Real Property Interest:

The property rights valued consist of the Fee Simple Title "As-If" Vacant Land without Improvements and the "As-Is" Market Value as Improved.

Effective Date of the Self-Contained Appraisal Report:

The effective date of this Appraisal Report is January 1, 2017. General Assumptions and Limiting Conditions applicable to this Appraisal Report are attached to this report. The appraisers made a detailed interior and exterior inspection of the subject property and viewed the general neighborhood accompanied by members of the New York State Office of General Services / Bureau of Land Management.

PROPERTY:

J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Legal Description:

PARCEL ONE

All that tract or parcel of land situate in the Town of Perrysburg, County of Cattaraugus and State of New York, being part of Lot 11, Township 6, Range 9, of the Holland Land Company's Survey, bounded and described as follows:

BEGINNING at a point in the northerly line of said Lot 11, seven hundred ninety-seven and thirty-six one-hundredths (797.36) feet easterly of the northwesterly corner of said Lot 11; thence running easterly along the said northerly line of said Lot 11 one hundred seventy-one and eighty-four one-hundredths (171.84) feet to a point in the westerly line of land conveyed to Rue M. Tousey by Clarence H. Campbell and others by deed, dated August 21, 1915, and recorded in Cattaraugus County Clerk's office in Liber 248 of Deeds at page 87; thence running southerly along the westerly line of said land so conveyed to said Rue M. Tousey one hundred fifty-four (154) feet to the southwesterly corner thereof; thence running easterly on a line parallel to said northerly line of Lot 11 and along the southerly line of lands so conveyed to said Rue M. Tousey and the southerly line of land conveyed by Frank Campbell and wife to Ernest L. Poyer by deed, dated April 20, 1910, and recorded in said Cattaraugus County Clerk's office in Liber 218 of Deeds at page 463, sixty (60) feet; thence running southerly on a line parallel to said westerly line of Lot 11, nine and sixty-eight one-hundredths (9.68) feet; thence running easterly on a line parallel to the said northerly line of said Lot 11, twenty-one (21) feet to a point in the westerly line of lands conveyed by Ellen J. Mitchell to Henry Warren by deed, dated March 29, 1897, and recorded in said Cattaraugus County Clerk's office in Liber 169 of Deeds at page 64; thence running

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
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Legal Description – (Continued):

southerly on said westerly line of lands so conveyed to said Henry Warren, one hundred eleven and fifty one-hundredths (111.50) feet; thence running easterly on a line parallel to said northerly line of Lot 11, eighty-eight and ninety-three one-hundredths (88.93) feet; thence running northerly on a line parallel to said westerly line of Lot 11, two hundred seventy-five and eighteen one-hundredths (275.18) feet to a point in the northerly line of Lot 11; thence running easterly along the northerly line of Lot 11, one hundred eighteen and ninety-three one-hundredths (118.93) feet to a point in the center of California Street as shown on a map made for Luther Southworth in 1853 by J. H. Ward, Surveyor, and filed in said Cattaraugus County Clerk's office; thence running southerly along the center line of said California Street, five hundred eleven and eighty-three one-hundredths (511.83) feet to a point opposite the southwest corner of Subdivision Lot 11 as shown on said map; thence running easterly to and along the said southerly line of Subdivision Lot 11, four hundred forty-four and fifty-one one-hundredths (444.51) feet to a point in the southwesterly line of Cooper's Lane, so-called, as shown on said map; thence running northwesterly along the southwesterly line of said Cooper's Lane to the northeasterly corner of Subdivision Lot 8 as shown on said map; thence running easterly on a line which is a prolongation of the northerly line of said Subdivision Lot 8, thirty-three and ninety-nine one-hundredths (33.99) feet, more or less, to a point in the southwesterly line of the Erie Railroad Company's right-of-way; thence running southeasterly along the southwesterly line of said Erie Railroad Company's right-of-way to the point of intersection thereof by the westerly line of the parcel of land conveyed by Ora D. Holte to The City of Buffalo by deed, dated December 1, 1922, and recorded in Cattaraugus County Clerk's office December 1, 1922, in Liber 207 of Deeds at page 143, and being the parcel firstly described in said deed; thence continuing southeasterly along the southwesterly line of the Erie Railroad Company's right-of-way two thousand

PROPERTY:

J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Legal Description – (Continued):

sixty-nine and seventy-six one-hundredths (2009.76) feet, more or less, to a point where the southwesterly line of said Erie Railroad Company's right-of-way is intersected by the easterly line of lands conveyed by Frank Campbell and wife to The City of Buffalo by deed, dated April 8, 1910, and recorded in said Cattaraugus County Clerk's office in Liber 218 of Deeds at page 420; thence running southerly along said easterly line of said lands so conveyed by said deed, and along the easterly line of the parcel of land conveyed by Clarence F. Miller and wife to The City of Buffalo by deed, dated March 12, 1921, and recorded in Cattaraugus County Clerk's office in Liber 273 of Deeds at page 541, fifteen hundred twenty-seven and ninety one-hundredths (1527.90) feet, more or less, to a point in the southerly line of said Lot 11; thence running westerly along the said southerly line of Lot 11, two thousand nine hundred two and sixty-eight one-hundredths (2902.63) feet, more or less, to the southwesterly corner of Lot 11; thence running northerly along the westerly line of Lot 11, three thousand three hundred forty-four and forty-two one-hundredths (3344.42) feet, more or less, to a point in the division line between the School Lot conveyed by Adeline C. White and Reuben White, her husband, to Jonathan W. Cook, as sole trustee of School District No. 4 in Ferrysburg, by deed, dated April 13, 1880, and recorded in Cattaraugus County Clerk's office in Liber 109 of Deeds at page 380, on the north, and the parcel of land conveyed by Cora W. Guthrie to The City of Buffalo by deed, dated September 25, 1922, and recorded in said Cattaraugus County Clerk's office in Liber 277 of Deeds at page 161, and being the parcel firstly described in said deed, on the south; thence running easterly along the northerly line of said parcel of land so conveyed to The City of Buffalo, seven hundred ninety-seven (797) feet, more or less, to a point in the westerly line of lands conveyed by Clarence H. Campbell and wife to The City of Buffalo by deed, dated December 1, 1922, and recorded in said Cattaraugus County Clerk's office in Liber 287 of Deeds at page 141; thence running northerly, parallel with the westerly line of Lot 11,

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Legal Description – (Continued):

three hundred ninety-six (396) feet to the northerly line of Lot 11 at the place of beginning, containing one hundred ninety-nine and thirty-eight one-hundredths (199.38) acres of land, more or less.

EXCEPTING AND RESERVING from the above described lands the cemetery lot having a dimension of seventy-five (75) feet from east to west and one hundred (100) feet from north to south as the same was excepted and reserved in said deed from said Cora W. Guthrie to The City of Buffalo, recorded in Liber 277 of Deeds at page 161, but hereby granting and conveying unto the parties of the second part all the right, title, interest and estate, whether present or future, vested or contingent and legal or equitable of the party of the first part in and to said cemetery lot.

Said above described Parcel One is conveyed SUBJECT to the right of access to said cemetery lot over a strip of land thirty-three (33) feet in width extending from said cemetery lot to the westerly line of said Lot 11, the southerly line of said cemetery lot extended westerly, being the southerly line of said right-of-way, as the same was reserved in said deed from Cora W. Guthrie to The City of Buffalo.

Said Parcel One above described being the same premises which were conveyed to The City of Buffalo by the following deeds, all recorded in Cattaraugus County Clerk's office as stated, to wit:

1. Deed from Lewis H. Warren and others, recorded in Liber 267 of Deeds, page 287.
2. Deed from Lewis H. Warren and others, recorded in Liber 267 of Deeds, page 289.
3. Deed from Clarence H. Campbell and wife, recorded in Liber 267 of Deeds, page 141.
4. Deed from Lewis H. Warren and Emma Warren Campbell, recorded in Liber 358 of Deeds, page 555.
5. Deed from Ora D. Holte, recorded in Liber 267 of Deeds, page 143.
6. Deed from Frank Campbell and wife, recorded in Liber 213 of Deeds, page 420.

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Legal Description – (Continued):

7. Deed from Arthur J. Campbell and Clarence H. Campbell, recorded in Liber 214 of Deeds, page 331.
8. Deed from Clarence F. Miller and wife, recorded in Liber 273 of Deeds, page 541.
9. Deed from Cora W. Guthrie, recorded in Liber 276 of Deeds, page 116.
10. Deed from Cora W. Guthrie, recorded in Liber 277 of Deeds, page 131.
11. Deed from Eatsy S. Smith, recorded in Liber 218 of Deeds, page 418.

EXCEPTING from the above described Parcel One all that portion thereof, containing 2.022² acres, which was appropriated by the State of New York for the Markham-Perrysburg State Highway and shown and described as Parcel No. 27 on Appropriation Map No. 20, a copy of which said map and description was filed in the Cattaraugus County Clerk's office on July 16, 1948.

PARCEL TWO

ALL that tract or parcel of land situate in the Town of Perrysburg, County of Cattaraugus and State of New York, being part of Lots 18 and 19, Township 6, Range 9, of the Holland Land Company's Survey, bounded and described as follows:

BEGINNING at a point in the northerly line of Lot 19, eight hundred sixty-one and ninety-six one-hundredths (861.96) feet westerly of the northeasterly corner of said Lot 19; thence running westerly along the said northerly line of Lot 19, eight hundred seventy-six and fifteen one-hundredths (876.15) feet to a point in the westerly line of lands conveyed by Merritt L. Irish and wife to The City of Buffalo by deed, dated April 8, 1910, and recorded in Cattaraugus County Clerk's office in Liber 218 of Deeds at page 417; thence running southerly along the westerly line of said lands so conveyed to The City of Buffalo, seven hundred thirty-three and ninety-two one-hundredths (733.92) feet, more or less, to the northerly line of lands conveyed to The City of Buffalo by Irvin M. Waite and wife by deed, dated March 11, 1921, and recorded in said Cattaraugus County Clerk's office in Liber 273 of Deeds at page 557; thence running westerly parallel with the north line of Lot 19, two hundred ninety-seven (297)

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Legal Description – (Continued):

feet; thence running northerly parallel with the west line of said Lot 19, seven hundred thirty-three and ninety-two one-hundredths (733.92) feet to a point in the north line of Lot 19; thence running westerly along the northerly line of Lot 19, eleven hundred twenty-four and sixty-four one-hundredths (1124.64) feet to a point in the easterly line of lands described in a conveyance from William H. Knowlton and wife to The City of Buffalo by deed, dated March 11, 1921, and recorded in said Cattaraugus County Clerk's office in Liber 273 of Deeds at page 553; thence running southerly along the easterly line of said lands so described in said conveyance to The City of Buffalo and parallel with the westerly line of Lot 19, one hundred thirty-two (132) feet; thence running westerly parallel with the north line of Lot 19, one hundred thirty-two (132) feet; thence running northerly parallel with the said west line of Lot 19, one hundred thirty-two (132) feet to a point in the north line of said Lot 19; thence running westerly along the north line of Lot 19, seven hundred one and fifty-eight one-hundredths (701.58) feet to the northwest corner of said Lot 19; thence running southerly along the west line of Lot 19, twenty-two hundred twenty and ninety one-hundredths (2220.90) feet to a point in the southerly line of lands conveyed by said William H. Knowlton and wife to The City of Buffalo by said last mentioned deed; thence running easterly along said south line of lands so conveyed by William H. Knowlton and wife and parallel with the north line of Lot 19, eight hundred thirty-three and fifty-eight one-hundredths (833.58) feet; thence running southerly parallel with the west line of Lot 19, fifteen hundred forty-one and seventy-six one-hundredths (1541.76) feet to a point in the south line of Lot 19; thence running easterly along the south line of Lot 19, eleven hundred sixty-six and twenty-two one-hundredths (1166.22) feet, more or less, to a point in the westerly line of lands in Lot 18, Township 6, Range 9, conveyed by Merritt L. Irish and wife to The City of Buffalo by deed, dated April 8, 1919, and recorded in said Cattaraugus County Clerk's office in Liber 213 of Deeds at page 417; thence

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Legal Description – (Continued):

running southerly parallel with the east line of said Lot 18, nine hundred thirty-nine and eighty-four one-hundredths (939.84) feet to a point in the southerly line of lands so conveyed by said Merritt L. Irish and wife to The City of Buffalo; thence running easterly parallel with the north line of Lot 18 and along the southerly line of lands so conveyed by said Irish and wife to The City of Buffalo, and the southerly line of land conveyed by Warren R. Hall and Mariette G. Hall to The City of Buffalo by deed, dated April 8, 1910, and recorded in Cattaraugus County Clerk's office in Liber 218 of Deeds at page 419, nineteen hundred ninety-three and eighty-six one-hundredths (1993.86) feet, more or less, to a point in the easterly line of said Lot 18; thence running northerly along the east line of Lots 18 and 19, thirty-two hundred seventy-four and ninety-two one-hundredths (3274.92) feet to a point in the northerly line of lands conveyed by said Warren R. Hall and Mariette G. Hall to The City of Buffalo by said deed recorded in said Cattaraugus County Clerk's office in Liber 218 of Deeds at page 419; thence running westerly along the northerly line of lands so conveyed to The City of Buffalo by said last mentioned deed, eight hundred sixty-two and twenty-nine one-hundredths (862.29) feet to the easterly line of lands conveyed by said Merritt L. Irish and wife to The City of Buffalo by said deed recorded in said Cattaraugus County Clerk's office in Liber 218 of Deeds at page 417; thence running northerly along the easterly line of lands so conveyed by said Irish and wife to The City of Buffalo, fourteen hundred nineteen (1419) feet to a point in the north line of said Lot 19 at the place of beginning, containing three hundred twenty-five (325) acres of land, more or less.

Said Parcel Two above described being the same premises which were conveyed to The City of Buffalo by the following deeds, all recorded in Cattaraugus County Clerk's office as stated, to wit:

1. Deed from Warren R. Hall and Mariette G. Hall, recorded in Liber 218 of Deeds, page 419.

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Legal Description – (Continued):

- 5
2. Deed from Merritt L. Irish and wife, recorded in Liber 218 of Deeds, page 417.
 3. Deed from Irvin M. Waite and wife, recorded in Liber 273 of Deeds, page 557.
 4. Deed from William H. Knowlton and wife, recorded in Liber 273 of Deeds, page 553.

EXCEPTING from said above described Parcel Two all that portion thereof containing 3.256± acres which was appropriated by the State of New York for the Markham-Perrysburg State Highway and shown and described as Parcel No. 26 on Appropriation Map No. 20, a copy of which said map and description was filed in the Cattaraugus County Clerk's office on July 16, 1946.

PARCEL THREE

All that tract or parcel of land situate in the Town of Perrysburg, County of Cattaraugus and State of New York, being part of Lot 27, Township 6 and Range 9, of the Holland Land Company's Survey, bounded and described as follows:

BEGINNING at a point in the north line of Lot 27, five hundred seventy-eight and sixteen one-hundredths (578.16) feet westerly of the northeast corner of said Lot 27; thence running westerly along the northerly line of said Lot 27, seventeen hundred twenty-nine and eighty-six one-hundredths (1729.86) feet; thence running southerly parallel with the east line of said Lot 27, thirty-seven hundred eighty-three and seventy-eight one-hundredths (3783.78) feet to a point in the southerly line of Lot 27; thence running easterly along the southerly line of Lot 27, seventeen hundred twenty-nine and eighty-six one-hundredths (1729.86) feet; thence running northerly parallel with the easterly line of Lot 27, thirty-seven hundred seventy and fifty-eight one-hundredths (3770.58) feet to a point in the north line of said Lot 27 at the place of beginning, containing one hundred fifty (150) acres of land, be the same more or less, and being the same premises conveyed by Maude E. Bessinger to The City of Buffalo by deed, dated December 2, 1926, and recorded in Cattaraugus County Clerk's office in Liber 306 of Deeds at page 318.

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Definition of Market Value:

MARKET VALUE is defined in Rules and Regulations, (Federal Register), Volume 55, Number 165, Page 34696 as:

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

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States 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.

FEE SIMPLE TITLE is the fullest type of private ownership possible, subject to all public limitations.

GROSS AREA is the total floor areas of a building, except those of unenclosed areas, measured from the exterior of the walls; super-structure floor area plus substructure or basement area.

VALUE "AS IS" is the value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

YES ~ HYPOTHETICAL CONDITION - that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

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

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Assessment and Real Estate Taxes:

Town of Perrysburg

S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15

The overall combined assessment for the Subject Complex for 2017 is \$3,101,800.

The Equalization rate for the Town of Perrysburg is 71% which results in a full value assessment of \$4,368,732.

Real Estate Taxes (2016-17):

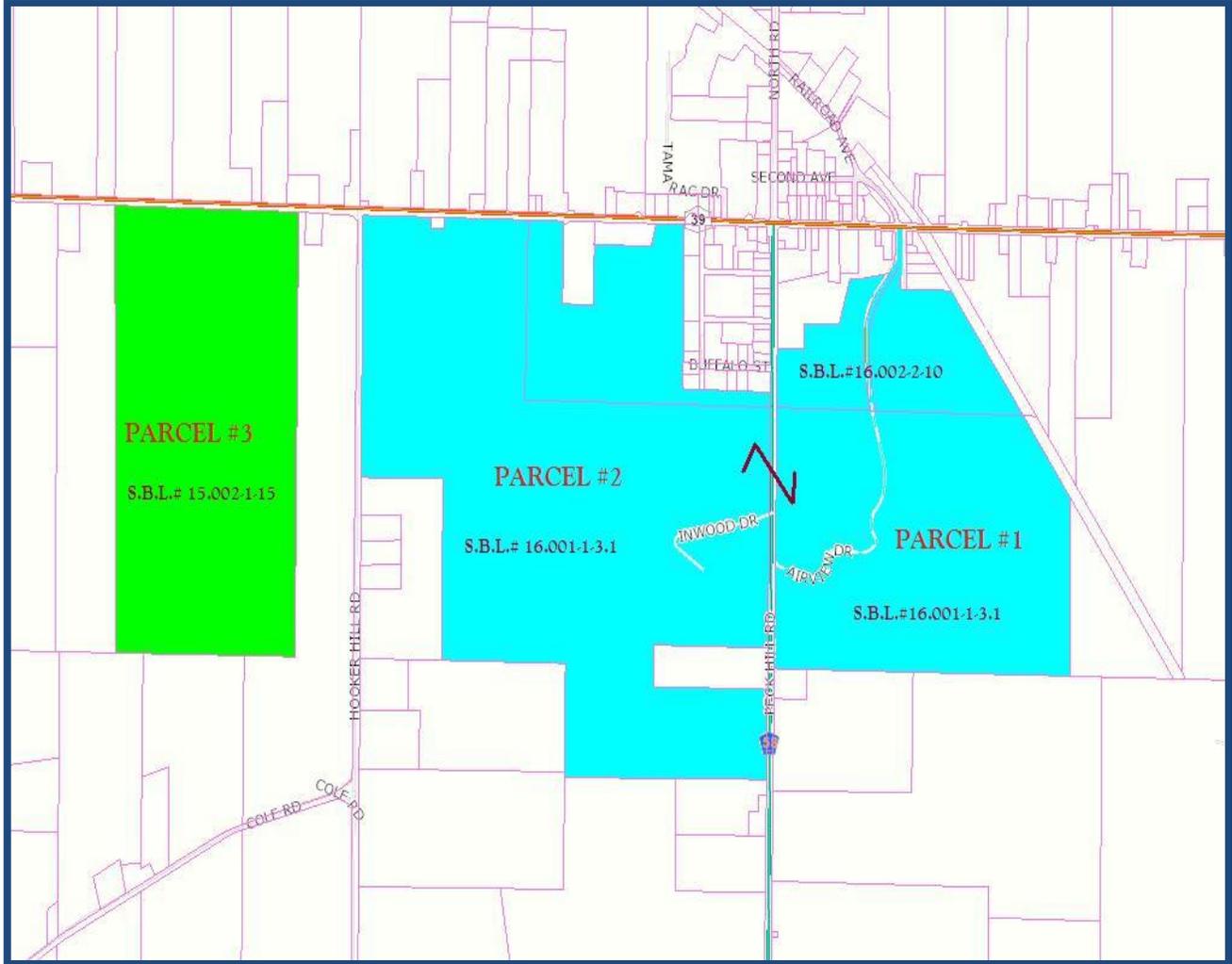
Under the ownership of the State of New York, the subject property is tax exempt. The potential real estate taxes without the exemption for the Town of Perrysburg, the County of Cattaraugus and the Gowanda Central School District are as follows:

Town & County:	\$109,681.69
School:	<u>\$111,811.19</u>
Total Tax:	\$221,492.88

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Parcel Map:



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Scope of Work:

The subject complex was formerly opened in 1912 as a sanitarium for tuberculosis patients. In 1948 the complex was transferred to the State of New York and operated by the Office of Developmental Disabilities. The Office of Developmental Disabilities decommissioned and closed the facility in 1991 and since that time the complex has not been maintained and the improvements suffer from severe deferred maintenance. Improvements are located on both the east and west sides of Peck Hill Road. The main site is located on the eastern side and will be referred to as **“Parcel No.1”**. Additional improvements located on the western side of Peck Hill Road will be referred to as **“Parcel No.2”**. Additionally, there is a non-contiguous 152.00± Acre parcel of vacant land which has frontage along N.Y.S. Route 39 which will be referred to as **“Parcel No.3”**.

Parcel No.1 includes the majority of the improvements within the J.N. Adam Developmental complex. The main facility consists of a four (4) story 173,200± Sq.Ft. hospital with large verandas and overhangs, which were associated with the method of treatment of tuberculosis patients at the time. The main four (4) story buildings were interconnected by three (3) story corridors. Connected to the hospital is a 32,234± Sq.Ft. dining hall and kitchen area. There is also a four (4) story 17,424± Sq.Ft. auditorium / gymnasium, two (2) 9,148± Sq.Ft. treatment / office buildings, a 22,216± Sq.Ft. boiler house and several small outbuildings. **Parcel No.1** includes 182± acres of land.

Parcel No.2 is located on the eastern side of Peck Hill Road. Improvements to the parcel consist of a 10,454± Sq.Ft. dormitory building, eight (8) 1,398± Sq.Ft. staff homes and a 1,742± Sq.Ft. office building. **Parcel No.2** includes 315± acres of land with frontage along N.Y.S. Route 39, Peck Hill Road & Hooker Hill Road.

Parcel No.3 is a 152.00± Acre parcel of vacant land which has frontage along N.Y.S. Route 39.

The “As-If” Vacant Land without Improvements and the “As-Is” Market Value as Improved of the Fee Simple Title are estimated in this valuation. We have engaged in the following:

- Inspections of the subject site, interior and exterior of the buildings on October 18, 2016 and January 1, 2017
- Research and collection of market data related to market conditions and market activity.
- An exterior inspection of the comparable sale data was made a part of this analysis.
- Due diligence to determine the existence of apparent adverse conditions.
- Development of a Sales Comparison Approach to Value. The subject improvements are not in rentable condition; therefore, Income Approach to Value was not developed. The Cost Approach was not developed due to the age and dilapidated condition of the buildings and the difficulty in estimating the accrued depreciation. This approach would render an unreliable estimate of value.
- Reviewed the real estate tax map, assessor’s records, timber cruise analysis and zoning ordinances.
- Reconcile the value indications and conclude final Market Value estimates for the subject property as of January 1, 2017.
- The use of the Sales Comparison Approach to Value for the land as improved has produced a credible Appraisal Report which can be relied upon by the client.

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Scope of Work (Continued):

Data utilized in this appraisal have been verified with principals to the transactions to the extent possible, or other informed parties such as real estate brokers, leasing agents, property managers or government officials. The sources of the verification are set out on the market data sheets.

The comparable data searched covered areas within a reasonable market area of the subject property.

The undersigned appraisers *are not* qualified to determine by visual inspection the existence of hazardous materials and/or conditions. The value concluded is premised upon the property being unaffected by hazardous materials and/or conditions.

No additional steps were required to comply with the competency rule of the USPAP since the appraiser has previously completed valuations of similar properties.

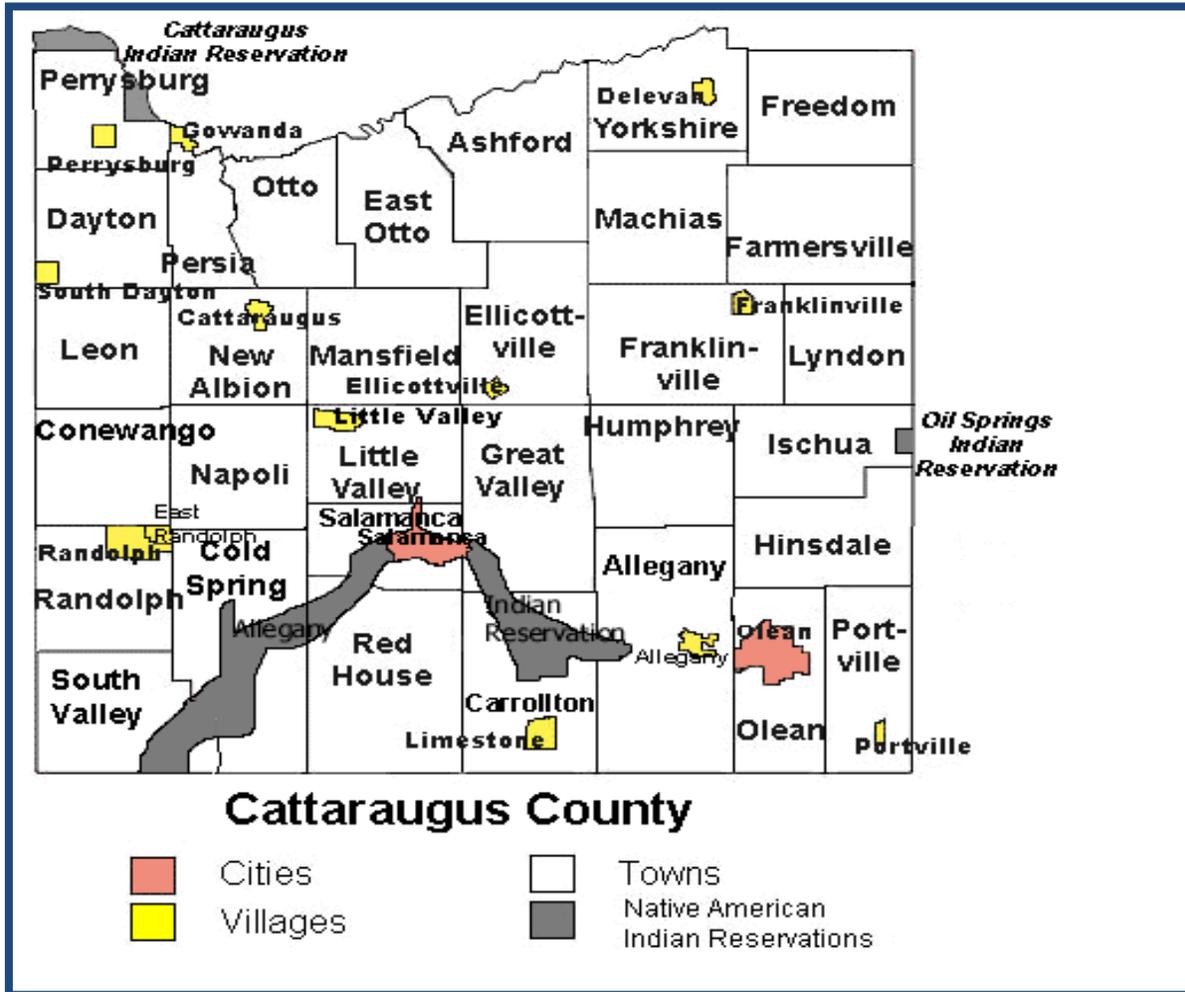
The scope of this appraisal *did not* include the following:

- my commissioning of any environmental studies to check for asbestos or other hazardous wastes; and underground fuel tanks;
- retaining the services of a soil engineer to determine soil properties;
- hiring a structural engineer to provide an analysis of the integrity of the buildings.

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Area Data - Cattaraugus County:

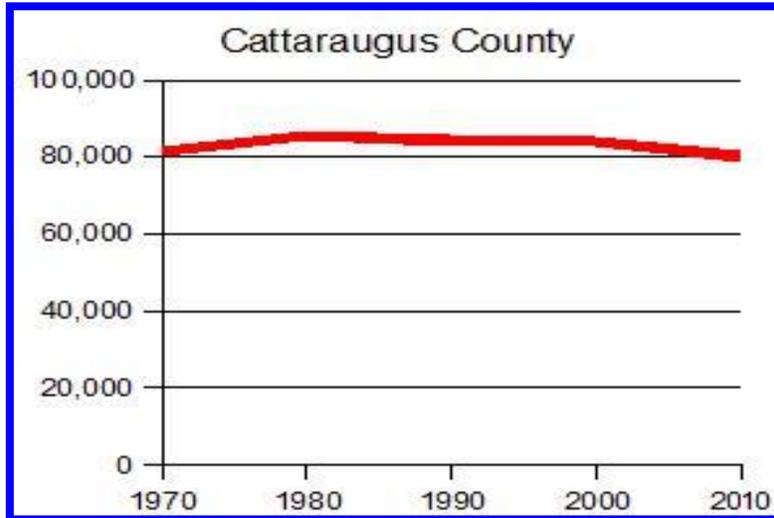
Cattaraugus County is situated between Erie County and the Pennsylvania State border and occupies approximately 1,310 square miles of land. Cattaraugus County has two incorporated Cities: Olean and Salamanca. Olean being the largest. See the map of the County below:



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Area Data - Cattaraugus County: (Continued)

The County has experienced moderate decline of -0.95% from 1990 to 2010. The chart below shows the population trend of the County from 1970 to 2010: As of the 2010 Census, the population of the County was 80,317. The 2012 population estimate is 79,458.



There were 32,440 total occupied households in the County in 2010 and 41,123 total housing units. The median household income in Cattaraugus County is \$42,754. The median housing value is approximately \$78,400.

Significant advantages for businesses and industries considering relocation or expansion into Cattaraugus County include an abundance of natural resources (including a large water supply from the Allegheny River Basin), energy supplies, man power, financing, telecommunications, Empire Zones, and tax incentives.

Developing opportunities for the future include:

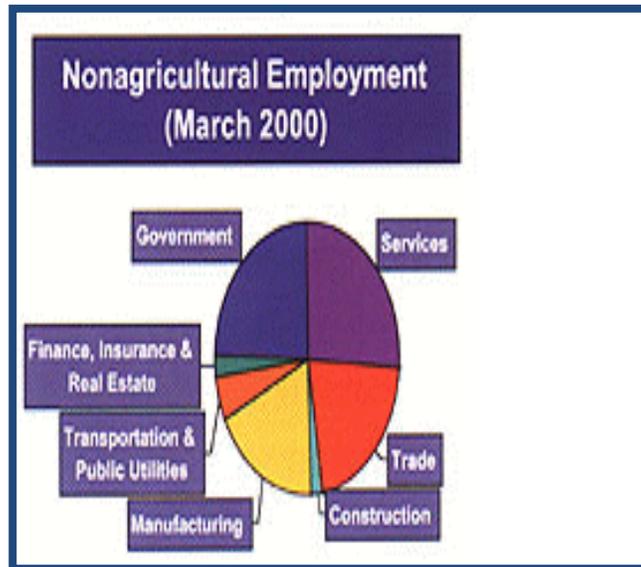
- Route 219 upgrade as part of an International Trade Corridor.
- Interstate-86 designation of east/west Route 17 Expressway.
- Ability to designate New York State Empire Zone status to any development site in the County.
- Special federal HUBZone designations on the Seneca Nation of Indians territory.
- Construction of a new resort Casino on Seneca territory.

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Area Data - Cattaraugus County: (Continued)

The major industries and employers in the area are Dresser Rand, C.B. Norton and Son, Inc., Fitzpatrick & Weller, Olean Advanced Products, Cooper Power Systems, Cutco/Alcas Corporation (employs 840), Luminite Products Corp, and West Valley Nuclear Services Company (employs 703).

Below is a graph of the employment distribution for the County:



Agriculture and tourism play a large role in the Cattaraugus County economy. Over 75% of the County is open forest, woodland and farm country. The major agricultural crops in this area include corn, oats, wheat, and soybeans. Tourism is also growing due to the many parks, natural attractions, and recreational activities in Cattaraugus County.

Also located in Cattaraugus County is West Valley Nuclear Services Company which has more than 20 years of success at the West Valley Demonstration Project. They are the first company in the nation to design, construct, operate, and complete a high-level radioactive waste verification program for the U.S. Department of Energy. The West Valley Demonstration Project is a unique operation within the Department of Energy. It came into being through the West Valley Demonstration Project Act of 1980. The Act requires that the Department is responsible for solidifying the high-level waste, disposing of waste created by the solidification, and decommissioning the facilities used in the process. This remains an ongoing project in this area which employs many and continues to bring and supply business to the area.

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Area Data - Cattaraugus County: (Continued)

Two important transportation corridors intersect in southern Cattaraugus County forming the Southern Cross Interstate 86 (east/west) and Route 219 (north/south). Interstate 86 runs east/west along the southern portion of New York State and continues on into New Jersey. US Highway 219 runs north to Buffalo and south to Washington, DC and Florida. They intersect at Interstate 86 Exit 21 and Route 23. Highway 16, which also runs north/south, intersects with Interstate 86 at Exit 26. Route 219 is currently being studied for upgrade to a four-lane in the near future. The County is undertaking corridor economic development and land use planning along Routes 219, 16, and 62. Olean Municipal Airport is 11.5 miles from Olean; it offers local private and commuter air service. Cattaraugus County is served by three railroads: Norfolk Southern runs east/west through the region, Buffalo & Pittsburgh runs north/south, and New York & Lake Erie Shoreline runs in the Gowanda/South Dayton area.

The County is well known for its recreational areas including Allegany State Park and Zoar Valley. Ellicottville is best known for its summer and winter recreation at Holiday Valley Resort, located just south of the Village on Route 219.

Neighborhood Description:

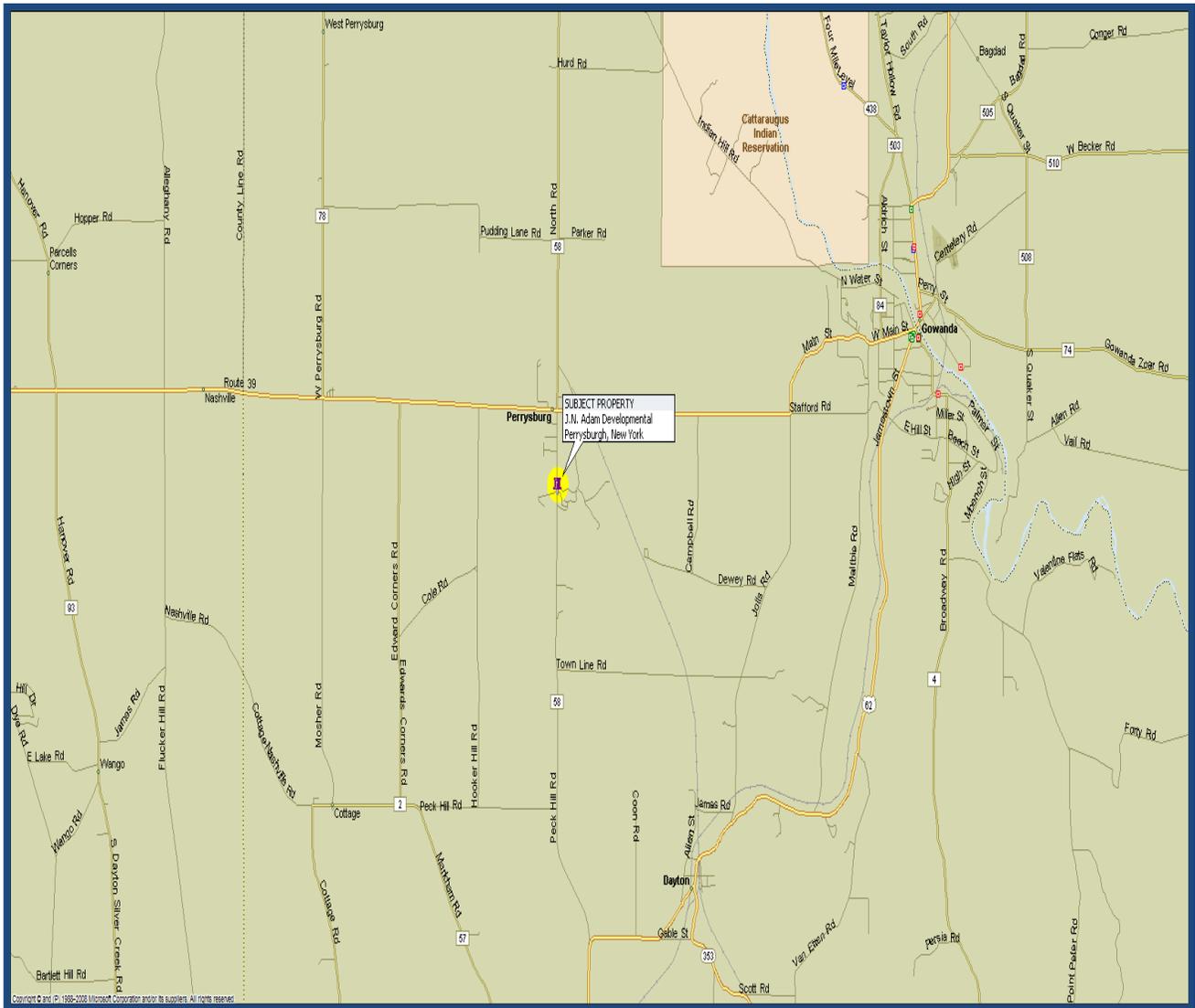
The subject property is all located on the southern side of N.Y.S. Route 39 in the northeast quadrant of the Town of Perrysburg, New York. The subject property lies in a predominately rural area with development mostly along the road frontages. The subject complex lies approximately 30 miles south of the Downtown Buffalo Business District. Located approximately 15 miles west of the subject is the New York State Thruway (NYS Rte.90). Just north of the subject is the Gowanda Correctional Facility and the Collins Correctional Facility. Each is a medium security facility housing approximately 4,000 inmates. The Cattaraugus Indian Reservation is also located approximately 1.7 miles north of the subject.

Located approximately 20± miles southeast of the subject property is the Village of Ellicottville and the Holiday Valley and Holimont Ski Resorts. The Village of Ellicottville which is located in the center of Cattaraugus County has become a major tourism destination to hundreds of thousands of visitors annually. The Village has become a full season resort town attracting tourists, athletes, and businesses. Holiday Valley Ski Resort is a major destination in Ellicottville. Holiday Valley offers 53 slopes and 12 lifts and a variety of other attractions. They also offer lodging, restaurants, bars, and shops. Recently, Holiday Valley added Tubing Company to their activities. The resort has also expanded to offer attractions outside of the winter months. They have a conference center to attract business, an 18 hole par 72 golf course, and mountain biking trails. Holimont is a private ski resort located in Ellicottville. The resort is open to the public during the week and open to members only on the weekends. Other attractions around Ellicottville include fishing, hiking, horseback riding, and sleigh rides.

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J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
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S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Location Map:



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Exposure Period & Marketing Time:

Exposure Period:

The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of real estate and under various market conditions. As noted above, exposure time is always presumed to precede the effective date of appraisal. It is the length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It is a retrospective opinion based on an analysis of recent past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time but adequate, sufficient and a reasonable marketing effort. Exposure time and conclusion of value are therefore interrelated.

Based on our review of the market, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately twelve (12) months or more. This assumes an active and professional marketing plan would have been employed by the current owner.

Marketing Time:

Marketing time is an opinion of the time that might be required to sell a real property interest at the appraised value. Marketing time is presumed to start on the effective date of the appraisal and take place subsequent to the effective date of the appraisal. The opinion of marketing time uses some of the same data analyzed in the process of estimating reasonable exposure time and it is not intended to be a prediction of a date of sale.

We believe, based on the assumptions employed in our analysis, that our value conclusion represents a price achievable within twelve (12) months or more.

Hazardous Substances:

We are not aware of any potentially hazardous materials (such as formaldehyde foam insulation, asbestos insulation, radon gas emitting materials, or other potentially hazardous materials) which may have been used in the construction of the improvements. However, we are not qualified to detect such materials and urge the client to employ an expert in the field to determine if such hazardous materials exist.

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 Town of Perrysburg, County of Cattaraugus, State of New York
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Site Data – Parcel No.1:

Parcel Size	2,494` x Irregular = 182± Acres Site includes frontage on N.Y.S. Route 39 and Peck Hill Road
Land Contour & Soil	The topography of the site is rolling, sloping uphill in a southerly direction from the northern property line along N.Y.S. Route 39. No soil reports were available for review. It is, therefore, a premise of this appraisal that there exist no adverse conditions which would prevent development of the site to its highest & best use utilizing standard construction materials and techniques.
Street Access	Adequate
Utilities	The subject complex was constructed to be fully self sufficient as it had its own boiler house to heat the main hospital building and all the outbuildings. Additionally, there is one (1) 500,000 gallon and one (1) 1,000,000 gallon water reservoir. The subject complex also had its own sewage treatment facility. The complex is however connected into the (now dissolved) Village of Perrysburg. Any future development of the site would have public water and public sewer access.
Easements	Upon inspection there are no apparent easements or encroachments other than typical public utility easements. Verification of this should be made.
Flood Zone	Zone X – Community Panel No: 360066-0019B / Dated: September 28, 2005
Detrimental Influences	None apparent
Zoning/Conformity	A-R “Agricultural District” – 97.56± Acres R “Residential District” – 47.44± Acres I-C “Industrial Commercial” – 37.00± Acres
Site Improvements	173,200± Sq.Ft. Main Hospital Complex 32,234± Sq.Ft. Dining Facility 17,424± Sq.Ft. Auditorium (2) 9,148± Sq.Ft. Treatment / Office Buildings 22,216± Sq.Ft. Boiler House Additional Outbuildings
On-Site Parking	A series of asphalt paved roadways & parking areas in poor condition overgrown with vegetation.

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
 Town of Perrysburg, County of Cattaraugus, State of New York
 S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Site Data – Parcel No.2:

Parcel Size	2,221` x Irregular = 315± Acres Site includes frontage on N.Y.S. Route 39, Hooker Hill Road and Peck Hill Road
Land Contour & Soil	The topography of the site is rolling, sloping uphill in a southerly direction from the northern property line along N.Y.S. Route 39. No soil reports were available for review. It is, therefore, a premise of this appraisal that there exist no adverse conditions which would prevent development of the site to its highest & best use utilizing standard construction materials and techniques.
Street Access	Adequate
Utilities	The subject complex was constructed to be fully self sufficient as it had its own boiler house to heat the main hospital building and all the outbuildings. Additionally, there is one (1) 500,000 gallon and one (1) 1,000,000 gallon water reservoir. The subject complex also had its own sewage treatment facility. The complex is however connected into the (now dissolved) Village of Perrysburg. Any future development of the site would have public water and public sewer access.
Easements	Upon inspection there are no apparent easements or encroachments other than typical public utility easements. Verification of this should be made.
Flood Zone	Zone X – Community Panel No: 360066-0019B / Dated: September 28, 2005
Detrimental Influences	None apparent
Zoning/Conformity	A-R “Agricultural District” – 242.21± Acres R “Residential District” – 52.79± Acres I-C “Industrial Commercial” – 20.00± Acres
Site Improvements	10,454± Sq.Ft. Dormitory Building Eight (8) 1,398± Sq.Ft. Staff Homes 1,742± Sq.Ft. Office Building
On-Site Parking	A series of asphalt paved roadways & parking areas in poor condition overgrown with vegetation.

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
 Town of Perrysburg, County of Cattaraugus, State of New York
 S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Site Data – Parcel No.3:

Parcel Size	3,746` x Irregular = 152± Acres Site includes frontage on N.Y.S. Route 39
Land Contour & Soil	The topography of the site is rolling, sloping uphill in a southerly direction from the northern property line along N.Y.S. Route 39. No soil reports were available for review. It is, therefore, a premise of this appraisal that there exist no adverse conditions which would prevent development of the site to its highest & best use utilizing standard construction materials and techniques.
Street Access	Adequate
Utilities	The subject property includes natural gas, water, overhead electric & telephone lines. No public sewer connection.
Easements	Upon inspection there are no apparent easements or encroachments other than typical public utility easements. Verification of this should be made.
Flood Zone	Zone X – Community Panel No: 360066-0019B / Dated: September 28, 2005
Detrimental Influences	None apparent
Zoning/Conformity	A-R “Agricultural District”
Site Improvements	None

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Highest and Best Use:

Highest and Best Use is defined as:

The reasonably probable legal use of vacant land or an improved property which 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 profitability.

- A. Legally Permissible - Determining if a potential use is permitted by zoning and/or deed restrictions on the subject site.
- B. Physical Possibility - Determining if a potential use is physically possible based on the physical nature of the subject site and acceptable land uses.
- C. Financial Feasibility - Determining if a potential use will produce a net income return to the owner of the site.
- D. Maximum Profitability - Determining that use, from those alternative uses which meet the above criteria, which is most profitable to the owner of the site in terms of highest net return.

We evaluated the site's Highest and Best Use as currently improved. The use must be (1) Physical Possible (2) Legally Permissible (3) Financially Feasible and (4) maximally productive. However, because the site is already improved with substantial improvements that are vacant and do not generate an economic return, the focus of our Highest and Best Use analysis is on the site as vacant.

"As-If Vacant":

Physical Factors: The subject parcel of land contains 649± acres and is large enough to accommodate a variety of recreational uses including campgrounds, game preserve, park and biking trails. The subject's hard surface, highway access enhances its appeal for a use that relies upon the ability of patrons to be afforded easy access. Overall, we view the subject land as being free of any physical limiting conditions that may restrict its use for recreational purposes and some residential development along the road frontages.

Legal Factors: The second constraint concerns permitted uses. Legal restrictions, as they apply to the subject are private restrictions of deed and the public restrictions of zoning. There does not appear to be any private restrictions that impact the site. There are no known wetlands that would have a major impact on the site. The current zoning districts impacting the site permit agricultural/residential and commercial/industrial uses. Due to the site's rural location and lack of development in the area, we believe that recreational/residential uses would be legally conforming and compatible to the surrounding uses for the site. There appears to be almost no demand in the area for industrial uses.

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
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Highest and Best Use: (Continued)

"As-If Vacant": (Continued)

Financial Feasibility & Maximum Profitability: After determining those uses that are physically possible and legally permissible, the recreational/residential uses must be analyzed in light of their financial feasibility. As indicated in the locational section of this report, the subject's area is characterized as rural with a limited population base to support any type of major residential development. We see no significant changes in the local demographics that would enhance the marketability of the site. The last test of Highest and Best Use is that of maximum profitability. The subject's site size, heavily wooded and rural location lead us to the conclusion that the Highest and Best Use for the subject property, as if vacant, would be for recreational uses and some residential development along the road frontages.

"As Improved":

Physical Factors: The first constraint imposed on the possible use of the site is dictated by the physical aspect of the parcel itself. As noted in our Property Description section of the report, the subject site is of significant size comprising of 649.00± acres of land that could be marketed as two (2) separate parcels considering that each parcel has road frontage. The topography of the site is rolling and generally covered with mature trees. The existing improvements are in considerable deteriorated to dilapidated condition and are not habitable. The public utilities available to the J.N. Adam Developmental site include; Public water, electric and natural gas. There is a sewer treatment plant that was built to service the improvements located on the east and west sides of Peck Hill Road. However, we cannot conclude that the sewer and water treatment plants are operational. The subject complex was constructed to be fully self sufficient as it had its own boiler house to heat the main hospital building and all the outbuildings. Additionally, there is one (1) 500,000 gallon and one (1) 1,000,000 gallon water reservoir. The subject complex also had its own sewage treatment facility. The complex is however, connected into the (now dissolved) Village of Perrysburg. Any future development of the site would have public water and sewer access to Parcels No.1 & No.2. Parcel No.3 would have access to only public water.

Legal Factors: Legal restrictions, as they apply to the subject property; are private restrictions and the public restrictions of zoning. There are no private restrictions that are known to adversely affect the utilization of the site. There are no Federal or State Wetlands on the sites. The property located in the Town of Perrysburg, New York is zoned Agricultural, the property located in the former Village of Perrysburg, New York is zoned Residential. The property located within the bounds of the fenced areas are zoned Commercial/Industrial. Furthermore, we are not aware of any environmental reports or controls that may impact the unimproved portion of the site. The improved portions of the site consists of two (2) fenced enclosed areas developed with older brick/stone and frame structures that were abandoned in 1993 and are in extremely deteriorated condition.

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
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Highest and Best Use: (Continued)

"As Improved": (Continued)

The main area located on the east side of Peck Hill Road is improved with a large multi-story complex constructed of brick and stone with mostly Spanish tile roofs. Given the period of time when this complex was built there is undoubtedly environmental contamination from the construction materials used during that period of time of construction along with the infestation of mold.

The second fence area is located on the west side of Peck Hill Road and is improved with eight (8) two-story frame single family residences built in the 1970's with attached one-car garages and a multi-story masonry dormitory building. These buildings also are abandoned and in dilapidated condition and have been exposed to the elements for a number of years. There is also a 2½-story frame office/residence located outside the fenced area. This building is also abandoned and boarded up. Considering the time period when these structures were built there maybe environmental contaminations from the construction materials and the infiltration of mold. Due to the subject property's rural location, we believe that recreational uses would be a legally conforming use and compatible use for the land located outside of the two (2) fenced area which is approximately 592± acres.

Research has indicated that the J.N. Adam Developmental improvements may be listed on the New York State Registry of Historical Places which would make any demolition subject to a potential legal challenge.

Financial Feasibility & Maximum Profitability: After analyzing the physically possible and legally permissible aspects of the property, the Highest and Best Use must be considered in light of financial feasibility and maximum productivity. For a potential use to be seriously considered, it must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment.

As discussed, the total land area is 649.00± acres of which approximately 57.00± acres are fenced enclosed and include substantial building improvements. The facility was closed in 1993 and the improvements abandoned. Over time, the improvements have become substantially deteriorated from lack of maintenance and exposure to the elements.

We are of the opinion that the improvements, based on the comparable sales data contained in this Appraisal Report would have no economic value for redevelopment.

The subject's size, rural location and limited potential for the area to expand, lead us to the conclusion that the Highest & Best Use for the subject property is to market the vacant 592.00± acres of land for recreational uses. We find that there is no economic value to the building improvements located within the fenced areas. The owner of the property would have to continue to own and maintain the 57.00± acres of the fenced improvements. The rehabilitation of the improvements would, in our opinion cost millions of dollars. Private funding for the project would in all likelihood not be available. To accomplish the rehabilitation of the improvements, government funding would be needed and it is highly speculative this would be available given the rural location of the complex and lack of demand for this type of property.

PROPERTY:

J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
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VALUATION SECTION
“As-If” Vacant

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value: “Site Valuation”

Methodology:

In the Sales Comparison Approach, the appraiser estimates the value of the property by comparing it with similar, recently sold properties in the surrounding or competing area. Inherent in this approach is the Principle of Substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm’s length transactions between willing and knowledgeable buyers and sellers, we can identify market value and price trends. The sold properties must be comparable to the subject in physical, locational and economic characteristics. The basic steps of this approach are:

- 1) Research recent, relevant property sales throughout the competitive market area;
- 2) Select and analyze properties that are similar to the subject, giving consideration to the date of sale, any changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional or locational factors;
- 3) Identify sales that include favorable financing and calculate the cash equivalent price;
- 4) Reduce the sales price to a common unit of comparison such as price per acre of land area;
- 5) Make appropriate adjustments to the prices of the comparable properties; and
- 6) Interpret the adjusted sales data and draw a logical value conclusion.

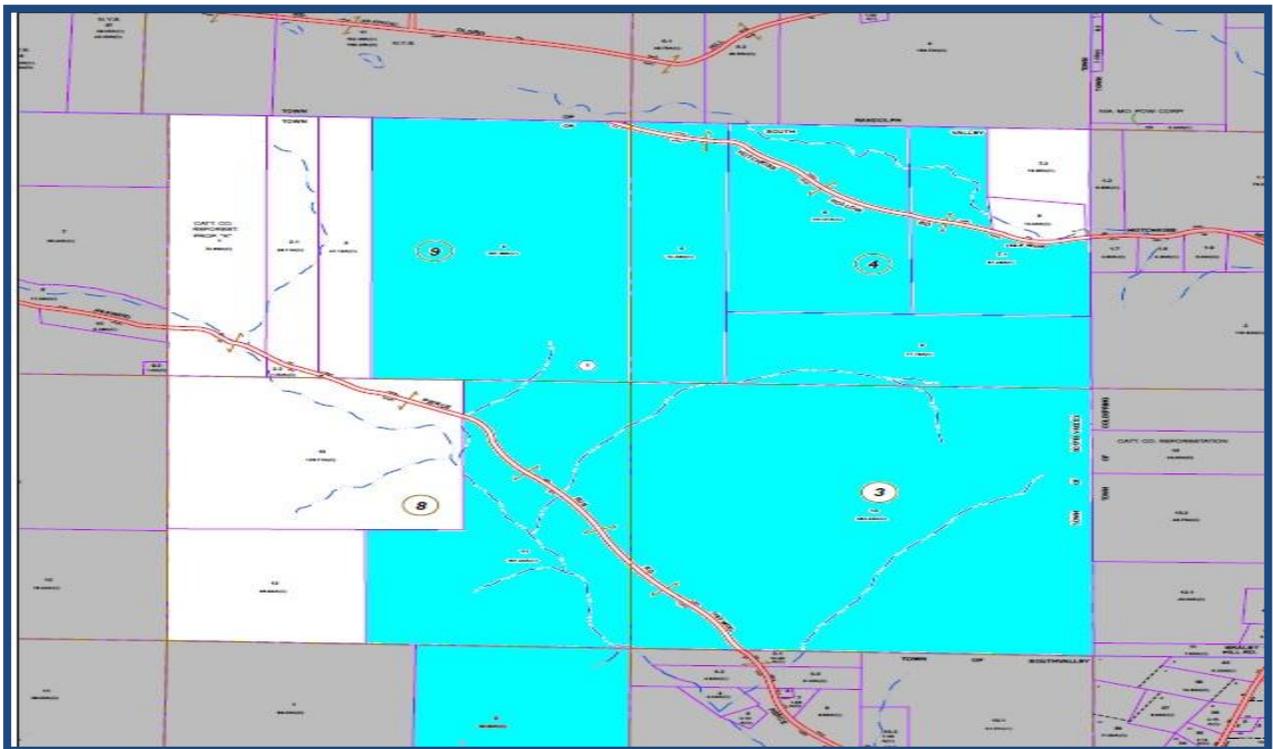
PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Sale No.1: Code: 323
Vacant Land – Pierce Run Road
Towns of South Valley & Cold Spring
County of Cattaraugus, State of New York
S.B.L. Numbers: 88.004-1-4 | 5 | 6 | 7.1 | 9 | 10 | 11
88.004-2-2 & 97.002-1-3.1 |11
New Growth, LLC
to
Cherry Springs, LLC
Liber/Page: 23454-9002
Date of Sale: March 12, 2015
Sale Price: \$3,996,589
Land Area: 2,250` x Irregular = 1,303± Acres
Utilities: Electric & Gas
Zoning: R-A “Recreational-Agricultural District”
Sale Price per Acre: \$3,067

Remarks: Sale represents the transfer of ten (10) parcels of vacant land purchased by a land management company to be forested. The property includes approximately 2,250± feet of frontage.

Verified PLS 1-2017 by: Grantee, Assessor’s Records & Deed



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

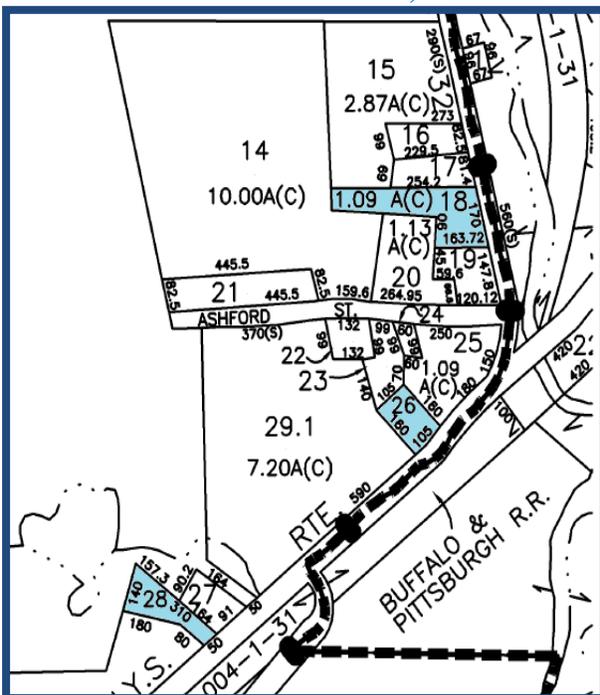
Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Sale No.2: Code: 105
Horn Hill Road, Town of Ellicottville
County of Cattaraugus, State of New York
S.B.L. Numbers 46.002-1-18, 26 and 28
S.B.L. Numbers 47.001-1-2.1, 58 and 60
B&B Buffalo Ranch
to
847 Main Street, Inc.
Liber/Page: 22994-7001
Date of Sale: January 9, 2015
Sale Price: \$1,100,000
Land Area: 587.25± Acres
Utilities: Overhead Electric
Zoning: Low Density – Residential District
Sale Price per Acre: \$1,873

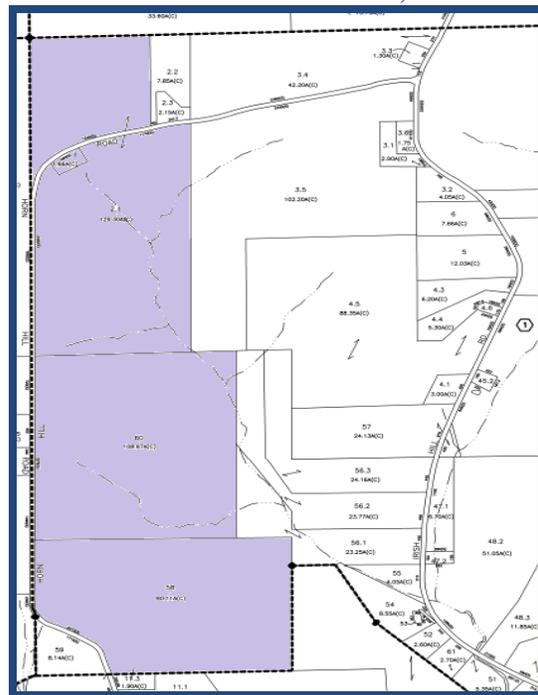
Remarks: Sale is vacant acreage with rolling topography. There is over 10,560± feet of road frontage. The property was completely fenced with high tensile electric fencing. There are six (6) ponds and two (2) streams that run through the property. The property is partially wooded.

Verified by: HPS 03/16 – Grantee

S.B.L. Numbers 46.002-1-18, 26 and 28



S.B.L. Numbers 47.001-1-2.1, 58 and 60



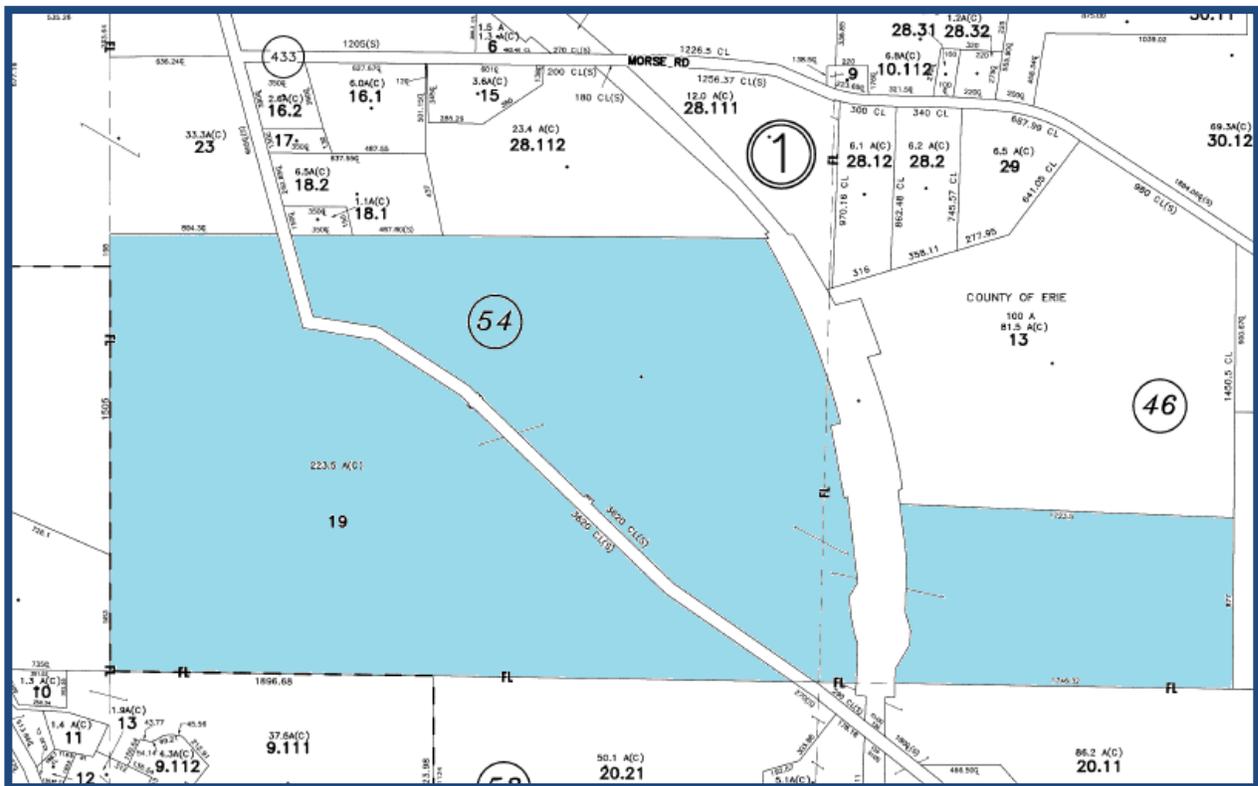
PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Sale No.3: Code: 321
Sharp Street, Town of Concord
County of Erie, State of New York
S.B.L. Number 291.06-1-19
Heidi L. Forman
to
County of Erie
Liber/Page: 11287-3673
Date of Sale: October 29, 2015
Sale Price: \$300,000
Land Area: 223.50± Acres
Utilities: Overhead Electric
Zoning: Agriculture
Sale Price per Acre: \$1,342

Remarks: Sale is vacant acreage with 3,620± feet of road frontage.

Verified by: HPS 03/16 – Deed & Assessor’s Records

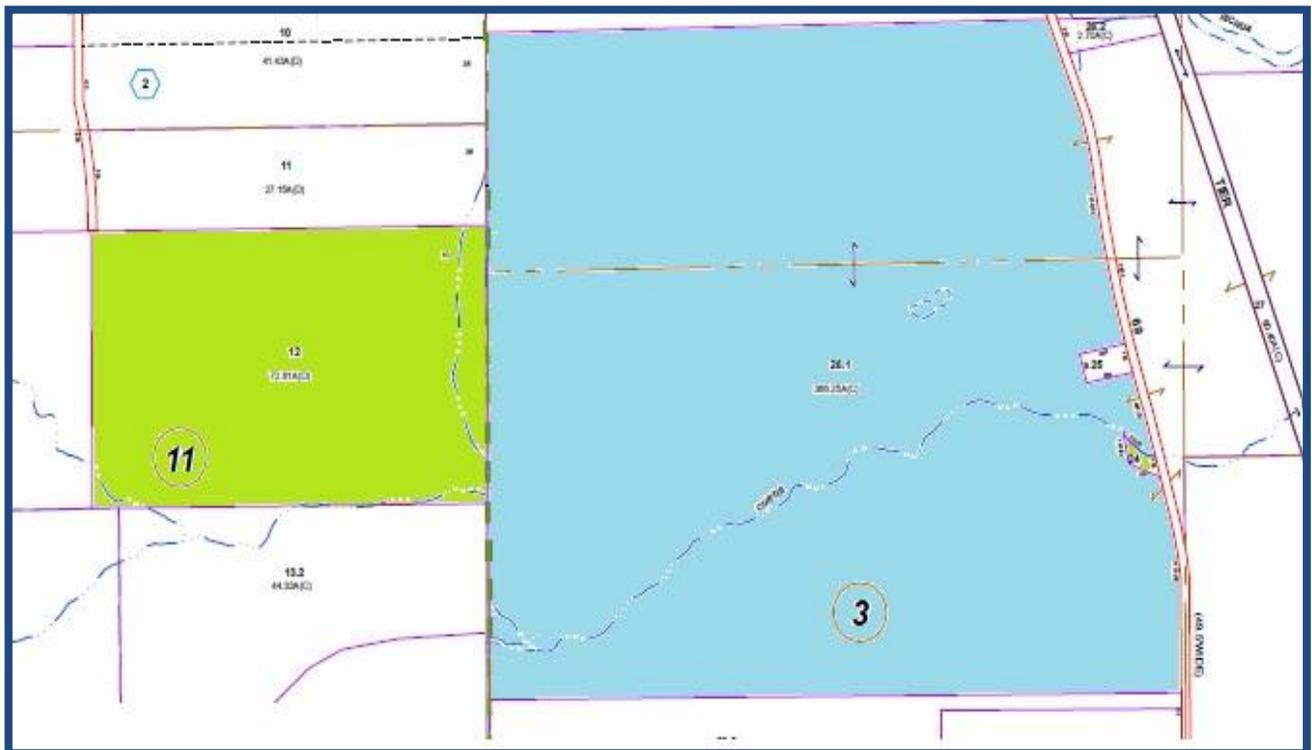


PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Sale No.4: Code: 105
Vacant Land – County Route 18
Town of Franklinville
County of Cattaraugus, State of New York
S.B.L. Numbers: 49.003-1-26.1 | 24 & 48.004-2-12
Ischua Valley Land Co.
to
Franklin Timberlands, LLC
Liber/Page: 24214-4003
Date of Sale: August 4, 2015
Sale Price: \$638,500
Land Area: 3,429` x Irregular = 439.50± Acres
Utilities: Electric Only
Zoning: Agricultural
Sale Price per Acre: \$1,453

Remarks: Sale represents the transfer of three (3) parcels of vacant land purchased by a land management company to be forested. The property includes approximately 3,429± feet of frontage along County Route 18. *Verified PLS 1-2017 by: Grantee, Assessor’s Records & Deed*



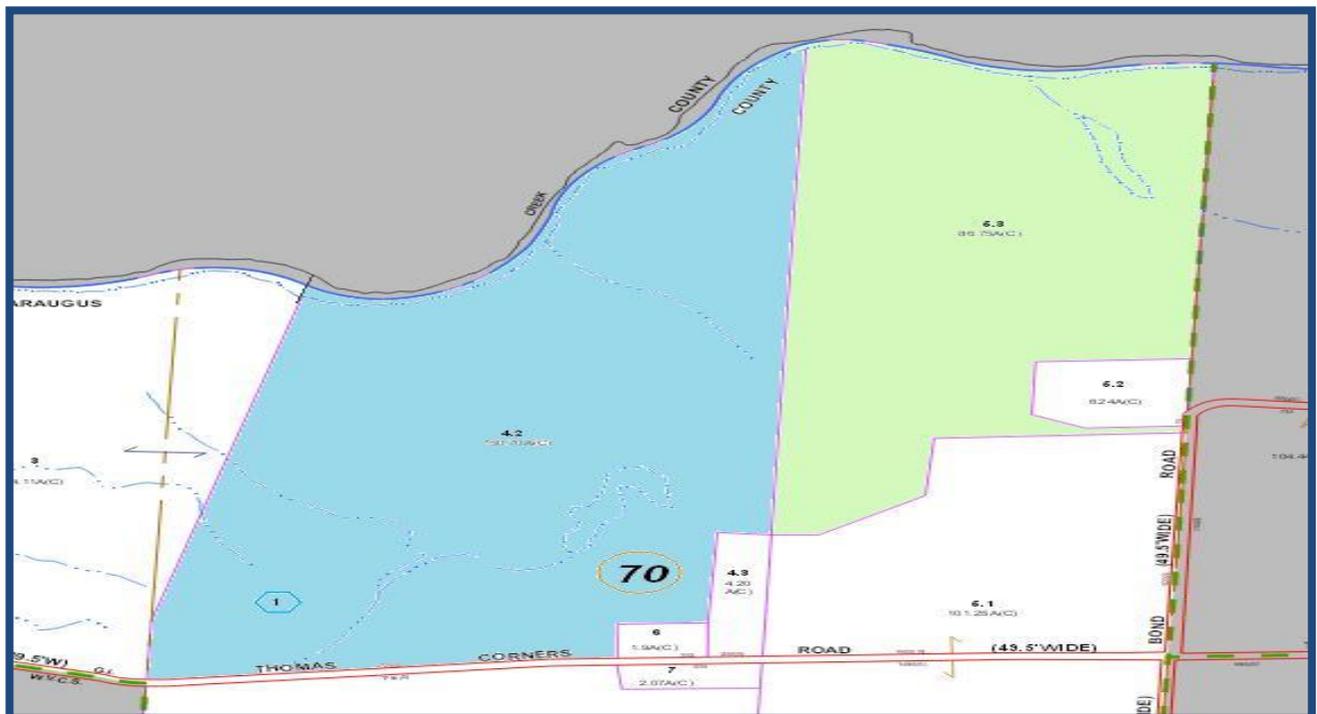
PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Sale No.5: Code: 105
Vacant Land – Thomas Corners Road
Town of Ashford
County of Cattaraugus, State of New York
S.B.L. Number: 10.002-1-4.2 & 10.002-1-5.3
McCormick Farms, Inc.
to
Scott & Bryan Wells
Liber/Page: 22158-7002
Date of Sale: August 6, 2014
Sale Price: \$500,000
Land Area: 1,720` x Irregular = 237.45± Acres
Utilities: Electric Only
Zoning: None
Sale Price per Acre: \$2,106

Remarks: Sale represents the transfer of two (2) vacant parcels of agricultural land which includes a total of 1,700± Feet of Frontage on Thomas Corners Road and Bond Road. There are no zoning districts within the Town of Ashford, New York.

Verified PLS 8-2015 by: Grantee, Assessor’s Records & Deed



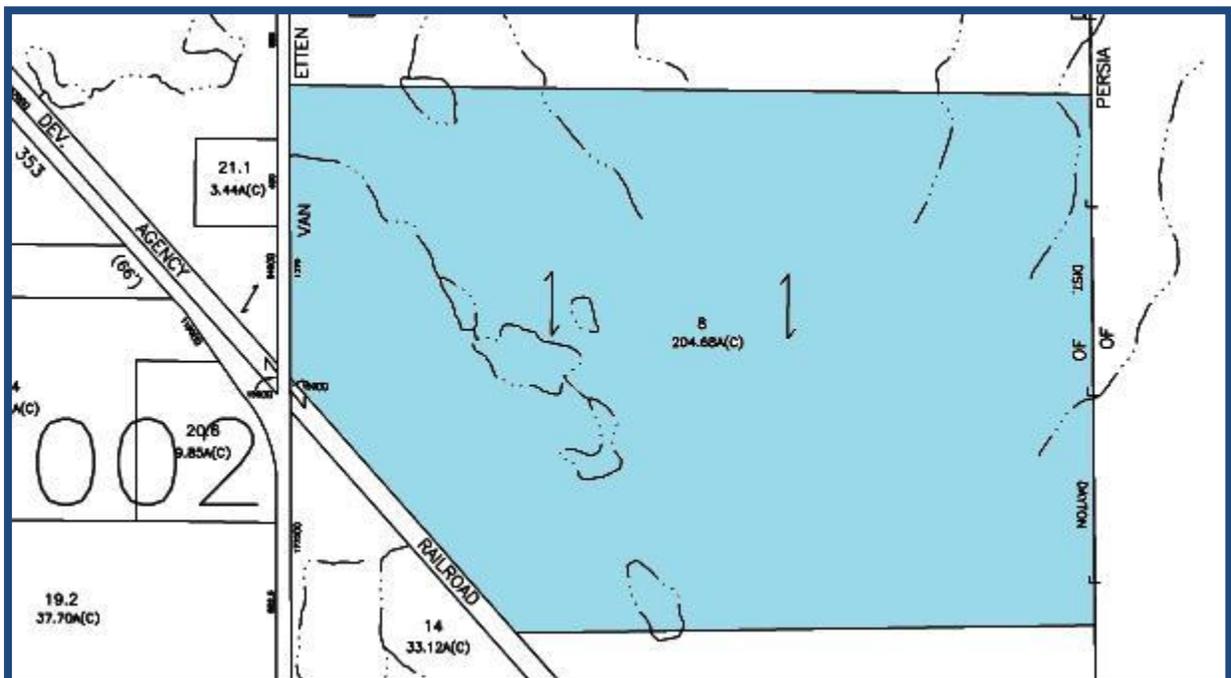
PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Sale No.6: Code: 120
9248 Van Etten Road
Town of Dayton
County of Cattaraugus, State of New York
S.B.L. Number: 25.002-1-8
Cherry Ridge Hardwoods, Inc.
to
Norman & Phyllis Kwaizer
Liber/Page: 22509-2003
Date of Sale: October 8, 2014
Sale Price: \$280,000
Land Area: 1,370` x Irregular = 204.68± Acres
Utilities: Electric Only
Zoning: Agricultural
Sale Price per Acre: \$1,368

Remarks: Sale represents the transfer of a vacant parcel of land. The property includes approximately 3,429± feet of frontage along County Route 18.

Verified PLS 1-2017 by: Grantee, Assessor’s Records & Deed



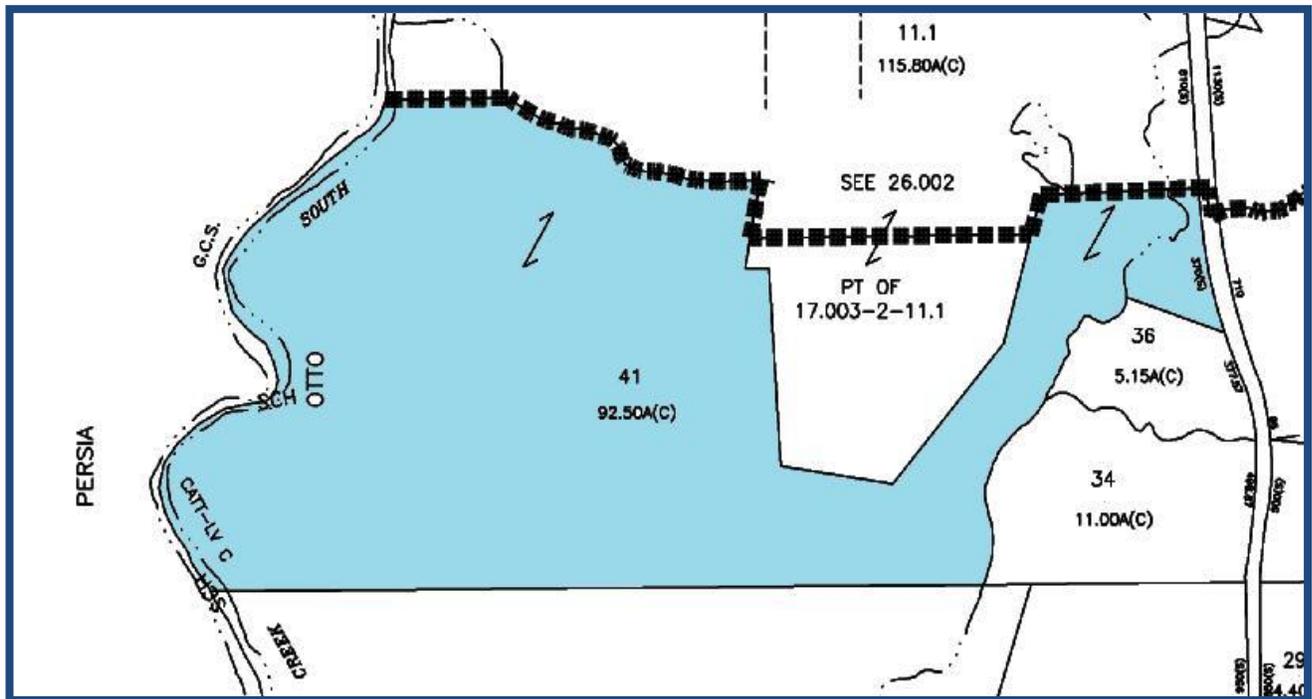
PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Sale No.7: Code: 105
9581 Marek Road
Town of Otto
County of Cattaraugus, State of New York
S.B.L. Number: 26.002-1-41
Stephen & Gretchen McCabe
to
Deborah Switala
Liber/Page: 24371-7002
Date of Sale: September 11, 2015
Sale Price: \$157,000
Land Area: 370.00` x Irregular = 92.50± Acres
Utilities: Electric & Gas
Zoning: A-R “Agricultural Rural Residential District”
Sale Price per Acre: \$1,697

Remarks: Sale represents the transfer of a vacant parcel of land. The property includes approximately 370± feet of frontage along Marek Road. The western property line is bordered by the Cattaraugus Creek.

Verified PLS 1-2017 by: Grantee, Assessor’s Records & Deed



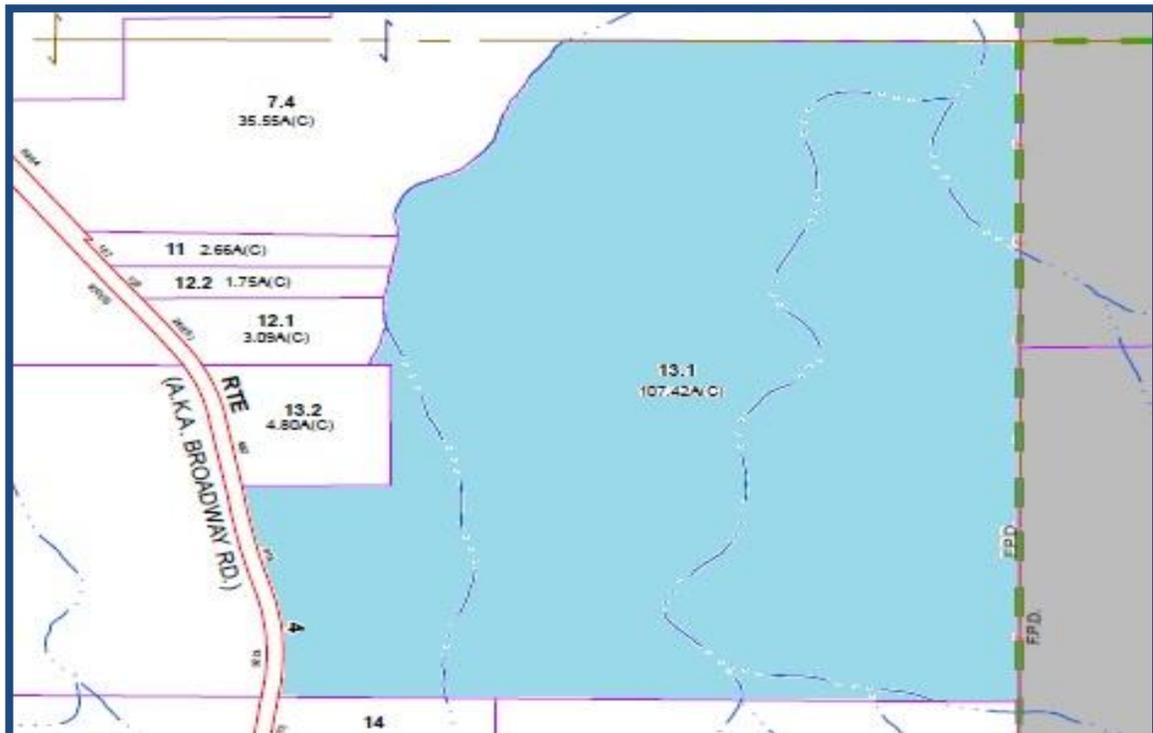
PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Sale No.7: Code: 322
9360 Broadway Road
Town of Persia
County of Cattaraugus, State of New York
S.B.L. Number: 25.002-2-13.1
207 Youngs Road Enterprises, Inc.
to
William J. Mahoney
Liber/Page: 24216-7002
Date of Sale: August 14, 2015
Sale Price: \$140,000
Land Area: 818.00` x Irregular = 107.42± Acres
Utilities: Electric Only
Zoning: A-R “Agricultural Residential District”
Sale Price per Acre: \$1,303

Remarks: Sale represents the transfer of a vacant parcel of land. The property includes approximately 818± feet of frontage along Broadway Road.

Verified PLS 1-2017 by: Grantee, Assessor’s Records & Deed

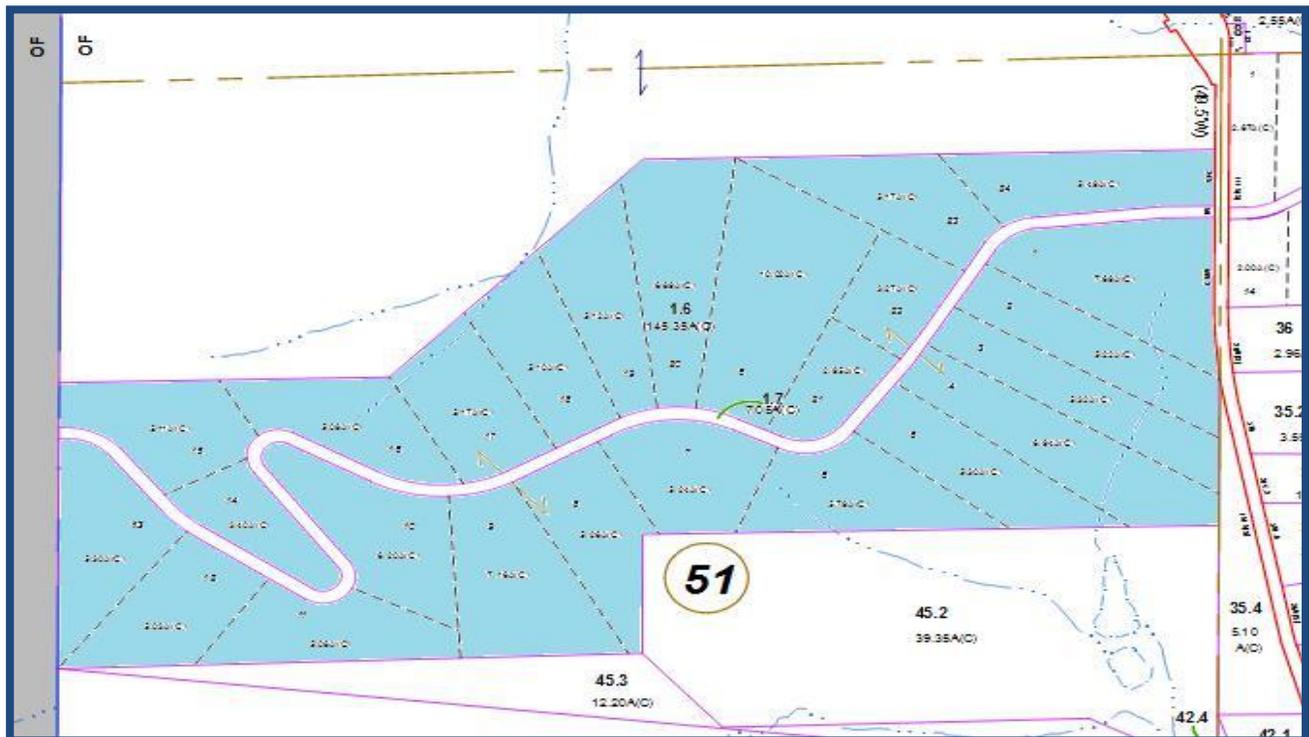


PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Sale No.8: Code: 322
Poverty Hill Road
Town of Ellicottville
County of Cattaraugus, State of New York
S.B.L. Number: 46.002-1-1.6
Dattner Family Associates, LP
to
42 Degrees North, LLC
Liber/Page: 23429-5002
Date of Sale: April 1, 2015
Sale Price: \$400,000
Land Area: 700.00` x Irregular = 145.35± Acres
Utilities: Electric & Gas
Zoning: Low Density – Residential District
Sale Price per Acre: \$2,752

Remarks: Sale represents the transfer of a vacant parcel of land. The property includes approximately 700± feet of frontage along Poverty Hill Road. The land was purchased for residential home development.
Verified PLS 1-2017 by: Grantee, Assessor’s Records & Deed



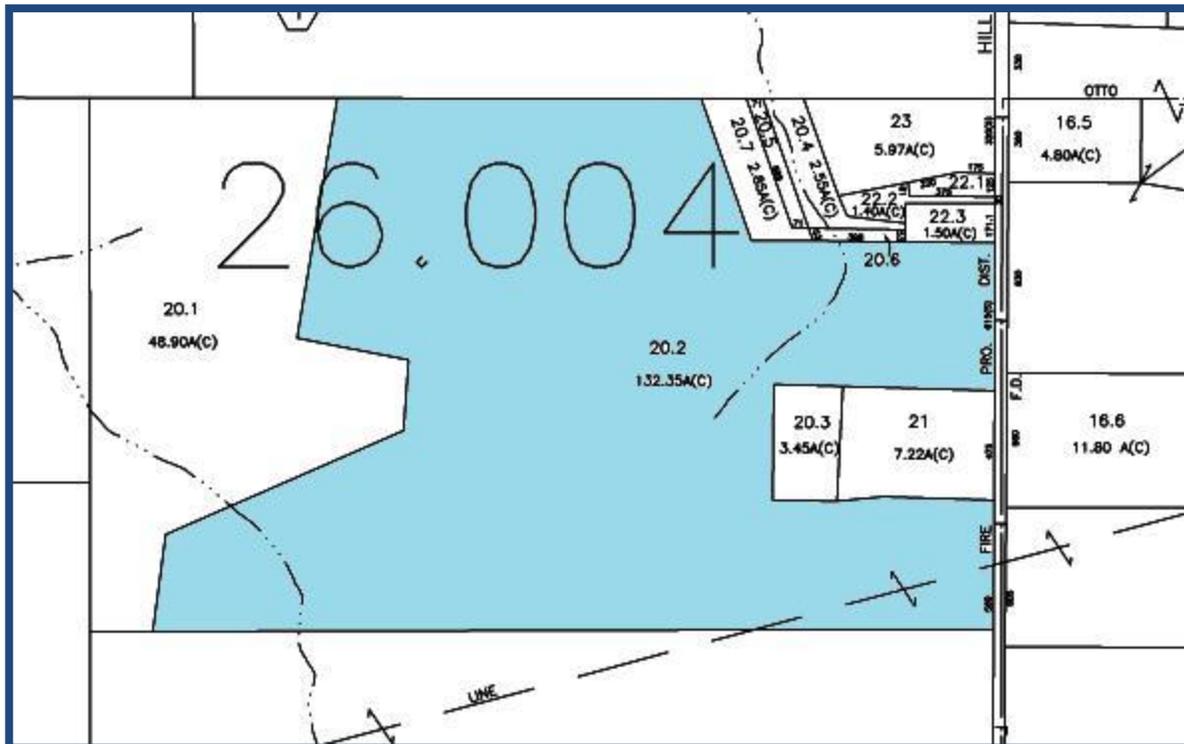
PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
 Town of Perrysburg, County of Cattaraugus, State of New York
 S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Sale No.9: Code: 105
 Dake Hill Road
 Town of Otto
 County of Cattaraugus, State of New York
 S.B.L. Number: 26.004-1-19.1
 Ronald Hebner
 to
 Ronald J. Solem
 Liber/Page: 25464-8002
 Date of Sale: April 7, 2016
 Sale Price: \$142,000
 Land Area: 1,250` x Irregular = 141.90± Acres
 Utilities: Electric & Gas
 Zoning: A-R “Agricultural Rural Residential District”
 Sale Price per Acre: \$1,000

Remarks: Sale represents the transfer of a vacant parcel of land. The property includes approximately 1,250± feet of frontage along Dake Hill Road.

Verified PLS 1-2017 by: Grantee, Assessor’s Records & Deed

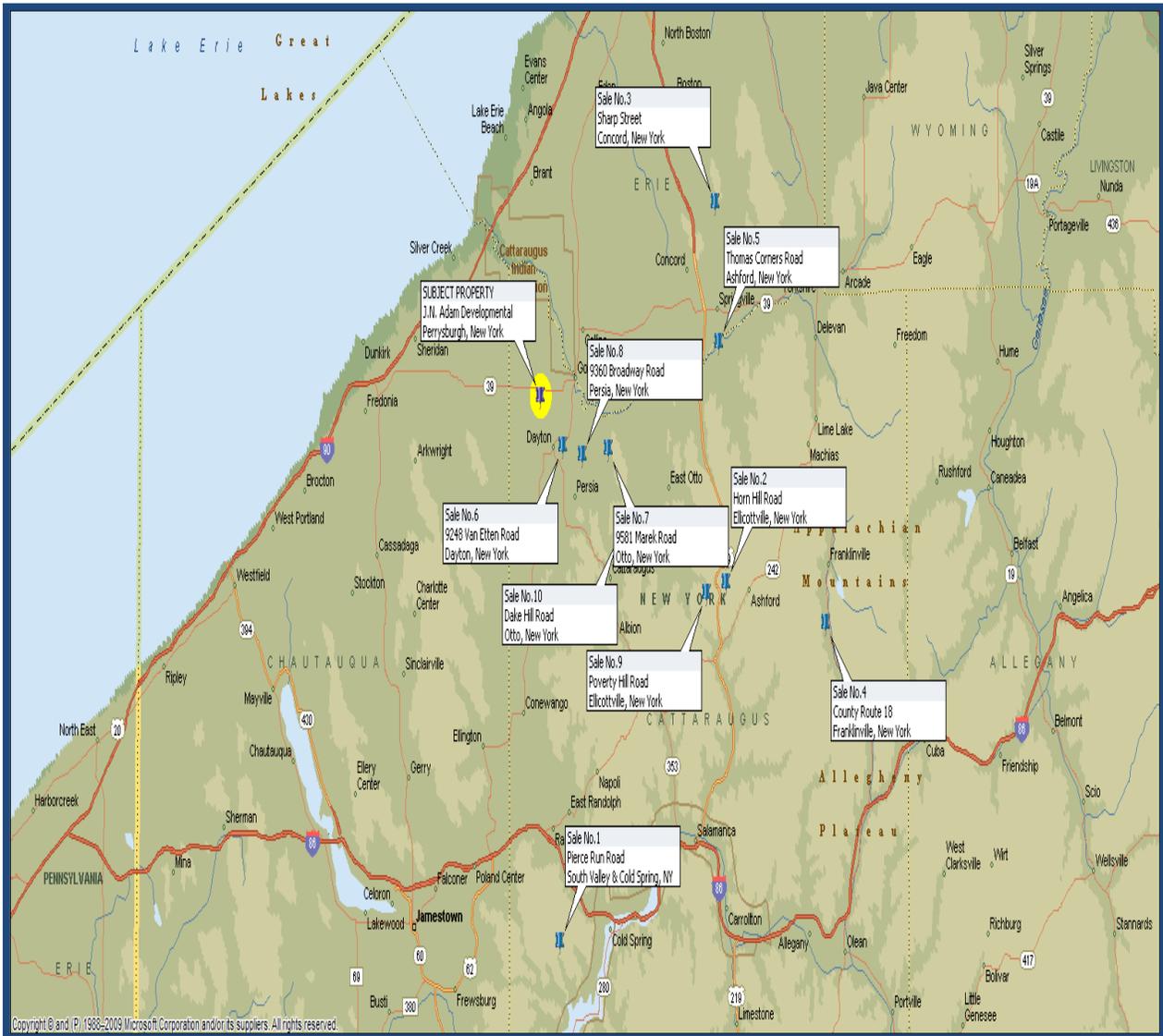


PROPERTY:

J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Location Map of Subject Property and Land Sales:



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
 Town of Perrysburg, County of Cattaraugus, State of New York
 S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Summary of Land Sales:

Sale Number	Sale Date	Sale Price	Land Area (Acres)	Zoning	Price per Acre
1	3-12-2015	\$3,996,589	1,303±	R-A	\$3,067
2	1-9-2015	\$1,100,000	587.25±	LD-R	\$1,873
3	10-29-2015	\$300,000	223.50±	A	\$1,342
4	8-4-2015	\$638,500	439.50±	A	\$1,435
5	8-6-2014	\$500,000	237.45±	None	\$2,106
6	10-8-2014	\$280,000	204.68±	A	\$1,368
7	9-11-2015	\$157,000	92.50±	A-R	\$1,697
8	8-14-2015	\$140,000	107.42±	A-R	\$1,303
9	4-1-2015	\$400,000	145.35±	LD-R	\$2,752
10	4-7-2016	\$142,000	141.90±	A-R	\$1,000
Subject Property	1-1-2017	-----	649.00±	A-R	-----

The estimated value of the Marketable Timber is ***NINE HUNDRED SEVENTY THOUSAND DOLLARS (\$970,000)***.

PROPERTY:

J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
 Town of Perrysburg, County of Cattaraugus, State of New York
 S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:Comparison Grid “As-If” Vacant:

Sale No.	1	2	3	4	5	Subject Property
Sale Date	3-12-2015	1-9-2015	10-29-2015	8-4-2015	8-6-2014	1-1-2017
Sale Price	\$3,996,589	\$1,100,000	\$300,000	\$638,500	\$500,000	-----
Sale Price Per Acre	\$3,067	\$1,873	\$1,342	\$1,435	\$2,106	-----
Property Rights Conveyed	Fee Simple					
Financing Terms	Market	Market	Market	Market	Market	-----
Conditions of Sale	Market	Market	Market	Market	Market	-----
ADJUSTMENT FACTORS						
Market Condition	3-12-2015	1-9-2015	10-29-2015	8-4-2015	8-6-2014	1-1-2017
Adjustment	Current	Current	Current	Current	Current	Current
Market Condition Adj. SP/Acre	\$3,067	\$1,873	\$1,342	\$1,435	\$2,106	-----
Location	Similar	Similar	Similar	Similar	Similar	Average
Adjustment	Equal	Equal	Equal	Equal	Equal	-----
Land Area (Acres)	1,303±	587.25±	223.50±	439.50±	237.45±	649.00±
Adjustment	Equal	Equal	-270.00	Equal	-420.00	-----
Marketable Timber	Similar	Limited	Similar	Similar	Limited	Yes
Adjustment	Equal	+250.00	Equal	Equal	+250.00	-----
Shape	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
Adjustment	Equal	Equal	Equal	Equal	Equal	-----
Zoning	R-A	LD-R	A	A	None	A-R I-C
Adjustment	Equal	Equal	Equal	Equal	Equal	-----
Utilities	Electric & Gas	Electric Only	Electric Only	Electric Only	Electric Only	Water, Gas, Electric & Sewer (592± Acres)
Adjustment	+305.00	+280.00	+200.00	+215.00	+315.00	----
Net Adjustment	+305.00	+530.00	-70.00	+215.00	+145.00	-----
Adj. Sales Price per Acre	\$3,372	\$2,403	\$1,272	\$1,650	\$2,251	-----

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Comparison Grid “As-If” Vacant:

Sale No.	6	7	8	9	10	Subject Property
Sale Date	10-8-2014	9-11-2015	8-14-2015	4-1-2015	4-7-2016	1-1-2017
Sale Price	\$280,000	\$157,000	\$140,000	\$400,000	\$142,000	-----
Sale Price Per Acre	\$1,368	\$1697	\$1,303	\$2,752	\$1,000	-----
Property Rights Conveyed	Fee Simple					
Financing Terms	Market	Market	Market	Market	Market	-----
Conditions of Sale	Market	Market	Market	Market	Market	-----
ADJUSTMENT FACTORS						
Market Condition	10-8-2014	9-11-2015	8-14-2015	4-1-2015	4-7-2016	1-1-2017
Adjustment	Current	Current	Current	Current	Current	Current
Market Condition Adj. SP/Acre	\$1,368	\$1697	\$1,303	\$2,752	\$1,000	-----
Location	Similar	Similar	Similar	Similar	Similar	Average
Adjustment	Equal	Equal	Equal	Equal	Equal	-----
Land Area (Acres)	204.68±	92.50±	107.42±	145.35±	141.90±	649.00±
Adjustment	-275.00	-340.00	-260.00	-550.00	-200.00	-----
Marketable Timber	Minimal	Similar	Similar	Similar	Minimal	Yes
Adjustment	+500.00	Equal	Equal	Equal	+500.00	-----
Shape	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
Adjustment	Equal	Equal	Equal	Equal	Equal	-----
Zoning	A	A-R	A-R	LD-R	A-R	A-R I-C
Adjustment	Equal	Equal	Equal	Equal	Equal	-----
Utilities	Electric Only	Electric & Gas	Electric Only	Electric & Gas	Electric & Gas	Water, Gas, Electric & Sewer (592± Acres)
Adjustment	+135.00	+170.00	+195.00	+275.00	+100.00	A-R I-C
Net Adjustment	+360.00	-170.00	-65.00	-275.00	+400.00	-----
Adj. Sales Price per Acre	\$1,728	\$1,527	\$1,238	\$2,447	\$1,400	-----

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Analysis of the Adjustments “As-If” Vacant:

In comparing the data to the subject property, adjustments are made on the basis of price per acre of land area. Primary adjustments reflect Property Rights Conveyed, Financing Terms and Conditions of Sale. The sales are arm’s length transactions, no adjustments were necessary.

Market Conditions: All of the sales occurred prior to the date of valuation. They are the most similar and recent comparables in the subject’s market area. The market conditions for larger parcels of residential / agricultural land have remained stable in recent years. No Market Condition adjustments were necessary.

Location: The subject property and Comparable Sales are located in similar rural locations within Erie & Cattaraugus Counties, New York. No adjustments were necessary.

Land Area (Sq.Ft.): The size of residential / agricultural land affects their marketability, which typically decreases with increasing size as the pool of potential buyers diminishes. All of the Comparable Sales, with the exception of Sales No.1, No.2 & No.4 are much smaller than the size of the subject property. These sales were adjusted downward.

Marketable Timber: The subject property and Comparable Sales No.1, No.3, No.4, No.7, No.8 & No.9 all include a majority of marketable timberland on their sites. No adjustments were necessary. Comparable Sales No.2, No.5, No.6 & No.10 include limited to minimal amounts of timber. These sales were adjusted upward.

Shape Adjustment: The subject property and Comparable Sales are all irregular in shape. No adjustments were necessary.

Zoning District: The subject property lies within the A-R “Agricultural-Residential” & I-C “Industrial Commercial” zoning districts. All of the Comparable Sales, with the exception of Sale No.5 lie within similar zoning districts offering a broad range of potential development possibilities. No adjustments were necessary. Sale No.5 lies within the Town of Ashford, New York, a municipality which has no zoning laws. No adjustment was necessary.

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – “As-If” Vacant Site Value:

Analysis of the Adjustments “As-If” Vacant:

Utilities: The subject property includes overhead electric & telephone, public water, public sewer to Parcels No.1 & No.2 and natural gas. Parcel No.3 does not include public sewer. The Comparable Sales only include overhead electric & telephone or overhead electric & telephone and natural gas. All of the Comparable Sales were adjusted upward.

The adjusted land sales have indicated a sale price per acre range from \$1,272to \$3,372. Based on the subject’s size, shape, multiple road frontages along N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road and location within the Town of Perrysburg, the appraisers will place equal weight on all of the Comparable Sales adopt a unit price of \$1,900 per acre of land area.

Indicated Value by Sales Comparison Approach – “As-If” Vacant without Improvements:

Land Area: 649.00± Acres @ \$1,900 per Acre =	\$1,233,100
Rounded To:	\$1,250,000

PROPERTY:

J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

VALUATION SECTION
“As-Is” w/ Improvements

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value: “Improved Sales”

Methodology:

In the Sales Comparison Approach, the appraiser estimates the value of the property by comparing it with similar, recently sold properties in the surrounding or competing area. Inherent in this approach is the Principle of Substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm’s length transactions between willing and knowledgeable buyers and sellers, we can identify market value and price trends. The sold properties must be comparable to the subject in physical, locational and economic characteristics. The basic steps of this approach are:

- 1) Research recent, relevant property sales and current offerings throughout the competitive area;
- 2) Select and analyze properties that are similar to the subject, giving consideration to the date of sale, any changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional or locational factors;
- 3) Identify sales that include favorable financing and calculate the cash equivalent price;
- 4) Reduce the sales price to a common unit of comparison such as price per square foot of building area;
- 5) Make appropriate adjustments to the prices of the comparable properties; and
- 6) Interpret the adjusted sales data and draw a logical value conclusion.

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – (Continued):

Sale No. 1: Code: 544

SHARON SPRINGS – 225 Main Street

Village of Sharon Springs

County of Schoharie, State of New York

S.B.L. Numbers: 5.14-2-4 | 5.14-2-2

Young Sook

to

Sharon Springs, Inc.

Liber/Page: 1007-160

Date of Sale: October 2, 2015

Sale Price: \$1,075,000

Building Area: 41,456± Sq.Ft.

Land Area: 14.90± Acres

Utilities: All Public – No Sewer

Zoning: R-1 “Residential District”

Sale Price Per Sq.Ft. of

Building Area, Including Land: \$25.93

Remarks: Sale represents the transfer of The Imperial Baths at Sharon Springs. The 14-acre complex will be restored and ready to open as the new Imperial Bath & Spa by the end of 2017. Renovation of the bathhouse alone is a \$10 million investment. The spa will include saunas, indoor and outdoor tubs, massage studios and a restaurant that will operate year-round. The baths were purchased by Sharon Springs, Inc., who’s CEO; Kyusung Cho is the owner of Dongbu Tour & Travel, which transports 40,000 visitors between New York City and Niagara Falls each year. Once the Imperial is ready for business, Dongbu customers, who take eight- and nine-day trips, will be rerouted to Sharon Springs to visit the spa on their way to the falls. Sharon Springs sits in the northeast corner of Schoharie County, which has a population of 31,000. The economy is driven largely by agriculture. One of the largest employers is SUNY Cobleskill, a public school with a curriculum focused heavily on farming. There are 198 faculty and 280 staff. Other big employers include the Wal-Mart distribution center in Sharon Springs, which employs close to 700, Kintz Plastics and Howes Cave.

Verified PLS 1-2017 by: Grantor, Assessor’s Records & Deed

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – (Continued):

Sale No. 1: Code: 544
SHARON SPRINGS – 225 Main Street
Village of Sharon Springs
County of Schoharie, State of New York
S.B.L. Numbers: 5.14-2-4 | 5.14-2-2



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – (Continued):

Sale No. 1: Code: 544
SHARON SPRINGS – 225 Main Street
Village of Sharon Springs
County of Schoharie, State of New York
S.B.L. Numbers: 5.14-2-4 | 5.14-2-2



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – (Continued):

Sale No.2: Code: 710

OUR LADY OF LOURDES MEDICAL CENTER

1600 Haddon Avenue

City of Camden

County of Camden, State of New Jersey

Parcel Number: 08-01301-0000-00001

Dominican Sisters of Perpetual Rosary
to

Our Lady of Lourdes Medical Center

Liber/Page: 10141-0264

Date of Sale: December 17, 2014

Sale Price: \$4,000,000

Building Area: 634,284± Sq.Ft.

Land Area: 15.90± Acres

Utilities: All Public

Zoning: G-C “General Commercial”

Sale Price Per Sq.Ft. of

Building Area, Including Land: \$6.31

Remarks: Sale represents the transfer of a large hospital building which had been in decline for the past several years. The re-development of the hospital complex will include the Haddon Avenue Transit Village, a \$100 million mixed-use development, will be built on 15 acres of land within the Our Lady of Lourdes Medical Center complex and the Ferry Avenue PATCO rail station, which transports riders to Philadelphia and southern New Jersey. The project will include retail, office space, several hundred housing units and a full-service grocery store. It is being spearheaded by Grapevine Development in partnership with the City of Camden, Camden County, Our Lady of Lourdes Medical Center, the Delaware River Port Authority (DRPA), and Cooper’s Ferry Partnership. Construction on phase I of the project began in October 2015 and will include 115 housing units and 40,000 square feet of office space. Housing units will be market rate, but Our Lady of Lourdes Hospital, the project’s primary tenant, is offering incentives for employees that live where they work. While phase II has yet to be scheduled, it should bring an added 400 housing units, additional office and retail development, and a transit plaza that connects the PATCO station to Haddon Avenue, a major Camden thoroughfare.

In a move that seizes upon the connection between land use and transportation, the development will include pedestrian- and cyclist-friendly improvements to Haddon Avenue itself including bike lanes, new traffic signals, crosswalks, ADA-accessible sidewalks and other traffic calming measures.

Verified PLS 1-2017 by: Grantor, Assessor’s Records & Deed

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – (Continued):

Sale No.2: Code: 710

OUR LADY OF LOURDES MEDICAL CENTER

1600 Haddon Avenue - City of Camden

County of Camden, State of New Jersey

Parcel Number: 08-01301-0000-00001



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – (Continued):

Sale No.3: Code: 681

BENNETT COLLEGE FOR GIRLS

Bennett Commons & Exmoore Lane

Village of Millbrook

County of Dutchess, State of New York

S.B.L. Numbers: 6.674-1-383.842 | 6.674-1-387.757 | 6.674-1-353.764 | 6.674-1-352.784
6.674-1-346.799 | 6.674-1-283.780 | 6.674-1-289.736

Bennett Acquisitions, LLC

to

Thorndale Farm, LLC & Millbrook Tribute Garden Foundation

Liber/Page: 22014-2928

Date of Sale: May 12, 2014

Sale Price: \$968,850

Building Area: 79,998± Sq.Ft.

Land Area: 25.16± Acres

Utilities: All Public

Zoning: R-1 “Residential District”

Sale Price Per Sq.Ft. of

Building Area, Including Land: \$12.11

Remarks: Sale represents the transfer of The Bennett College for Girls Campus. The college closed in 1978 and has suffered from extreme differed maintenance since that time. The campus was purchased to convert to recreational parkland and hopefully renovate a portion of the improvements. The park would be an extension of the Millbrook Tribute Garden's park located on Franklin Avenue in the village. The goals of the foundation are to study the property and to hire a firm to demolish Halcyon Hall in a safe manner, with the hopes of keeping the stonework intact and create a park-like atmosphere. The foundation, through various entities, bought seven lots east of Bennett Commons that border on the Millbrook Golf and Tennis Club and Thorndale Farm. These lots include the Kettering Science Center, the Mellon music and dance buildings, the Harkaway Theatre, Hale House, Hillside House and two vacant parcels. First, unsafe structures will be removed and environmental risks will be mitigated. The entire campus has its own zoning district called Bennett Campus District and was adopted in 2005 in an attempt to differentiate it from the rest of the village, which is mostly residential neighborhoods for about 1,400 people and a central business district.

Verified PLS 1-2017 by: Grantor, Assessor's Records & Deed

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value: - (Continued)

Sale No.3: Code: 681

BENNETT COLLEGE FOR GIRLS

Bennett Commons & Exmoore Lane

Village of Millbrook

County of Dutchess, State of New York

S.B.L. Numbers: 6.674-1-383.842 | 6.674-1-387.757 | 6.674-1-353.764 | 6.674-1-352.784
6.674-1-346.799 | 6.674-1-283.780 | 6.674-1-289.736



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value: - (Continued)

Sale No.3: Code: 681

BENNETT COLLEGE FOR GIRLS

Bennett Commons & Exmoore Lane

Village of Millbrook

County of Dutchess, State of New York

S.B.L. Numbers: 6.674-1-383.842 | 6.674-1-387.757 | 6.674-1-353.764 | 6.674-1-352.784
6.674-1-346.799 | 6.674-1-283.780 | 6.674-1-289.736



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value: (Continued)

Sale No.4: Code: 681

HUDSON RIVER STATE HOSPITAL

3532 North Road

Town of Poughkeepsie

County of Dutchess, State of New York

S.B.L. Numbers: 006.163-3-11.149

Hudson Heritage Development, LLC

to

EFG/DRA Heritage, LLC

Liber/Page: 22013-6200

Date of Sale: November 8, 2013

Sale Price: \$4,000,000

Building Area: 698,710± Sq.Ft.

Land Area: 156.19± Acres

Utilities: All Public

Zoning: HRDD "Historic Revitalization District"

Sale Price Per Sq.Ft. of

Building Area, Including Land: \$5.72

Remarks: Sale represents the transfer of the Hudson River State Hospital Campus. Re-development of the campus will be called Hudson Heritage; a \$250 million project which will transform the abandoned hospital into a mixed-use community, consisting of 750 residential units including multifamily apartments, townhomes, and detached single-family homes. The 156-acre property will also feature retail shops, dining and hotels. As well as over 2.6 miles of a multi-use trail system, linking to the Walkway over the Hudson, Quiet Cove Park and the Marist College Campus. Select structures from the Hudson River State Hospital will be preserved and reused in the new development. The former Administration building, which is listed on the National Register of Historic Places, will be rehabilitated to its original architectural state and repurposed into a hotel/spa/restaurant/catering facility. Additional buildings that will be preserved include the original library, theater, chapel and Director's residence. In 1871, The Hudson River State Hospital became New York State's second insane asylum. In the 1950s it housed over 6,000 patients and employed hundreds of doctors and nurses. A major component of moral treatment was the so-called Kirkbride building, named after Dr. Thomas Story Kirkbride, who developed a well-known treatise on the ideal asylum design. Dozens of massive structures, mainly characterized by their somewhat unique "bat-wing" floor plan and imposing architecture, were built around the country in the late 19th century. But the main administration building at Poughkeepsie is unique for a Kirkbride: one wing is shorter than the other.

Verified PLS 1-2017 by: Grantor, Assessor's Records & Deed

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value: (Continued)

Sale No.4: Code: 681

HUDSON RIVER STATE HOSPITAL

3532 North Road

Town of Poughkeepsie

County of Dutchess, State of New York

S.B.L. Numbers: 006.163-3-11.149



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value: (Continued)

Sale No.4: Code: 681

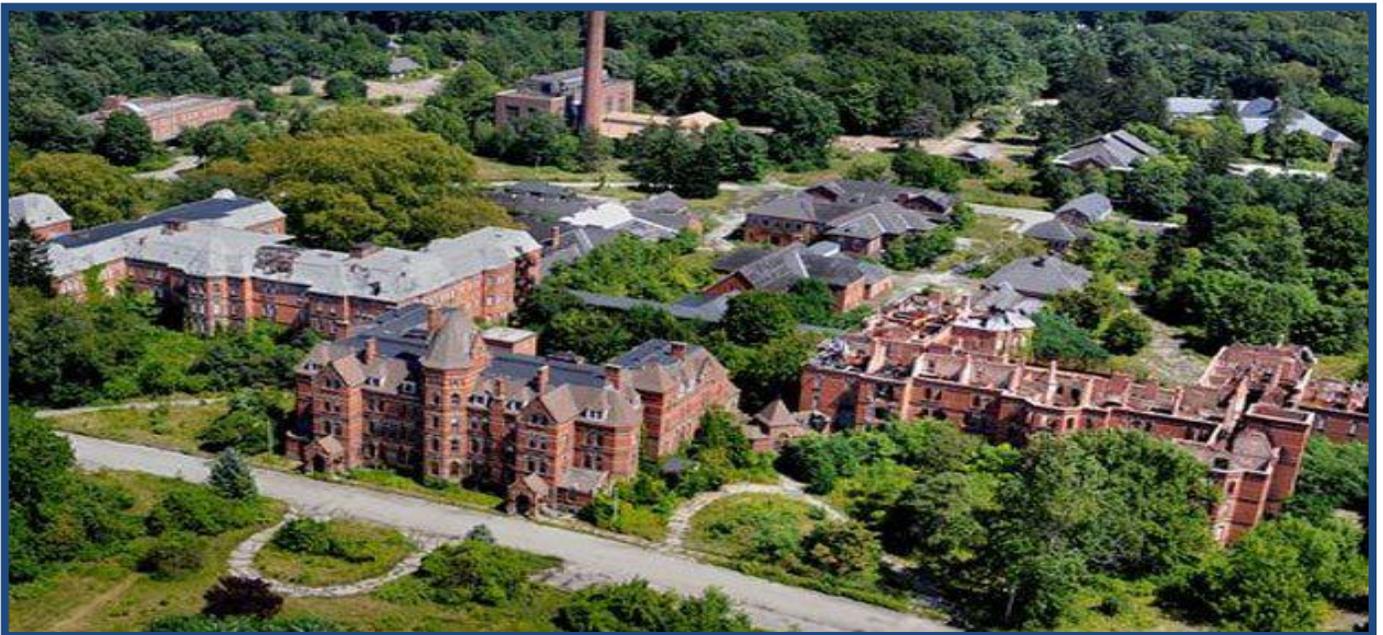
HUDSON RIVER STATE HOSPITAL

3532 North Road

Town of Poughkeepsie

County of Dutchess, State of New York

S.B.L. Numbers: 006.163-3-11.149



PROPERTY:

J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – (Continued):

Location Map of the Subject Property & Comparable Sales:



PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
 Town of Perrysburg, County of Cattaraugus, State of New York
 S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value: (Continued)

Summary of Improved Sales:

Sale Number	Sale Date	Sale Price	Land Area (Acres)	Bldg. Area (Sq.Ft.)	Price per Sq.Ft.
1	10-2-2015	\$1,075,000	14.90±	41,456±	\$25.93
2	12-7-2014	\$4,000,000	15.90±	634,284±	\$6.31
3	5-12-2014	\$968,850	25.16±	79,998±	\$12.11
4	11-8-2013	\$4,000,000	156.19±	698,710±	\$5.72
Subject	1-1-2017	-----	649.00±	285,008±	-----

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
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Sales Comparison Approach to Value – (Continued):

Comparison Grid:

Sale No.	1	2	3	4	Subject Property
Sale Date	10-2-2015	12-7-2014	5-12-2014	11-8-2013	1-1-2017
Sale Price	\$1,075,000	\$4,000,000	\$986,850	\$4,000,000	-----
Sale Price Per Sq.Ft.	\$25.93	\$6.31	\$12.11	\$5.72	-----
Land Area (Acres):	14.90±	15.90±	25.16±	156.19±	649.00±
Allocated Land Value:	\$372,500	\$2,941,500	\$503,200	\$3,120,800	\$1,250,000
Estimated Land Value / Sq.Ft. Building Area:	\$8.98	\$4.64	\$6.29	\$4.47	\$4.39
Bldg. Area (Sq.Ft.)	41,456±	634,284±	79,998±	698,710±	285,008±
Sale Price per Sq.Ft. of Building Area:	\$16.95	\$1.67	\$5.82	\$1.25	----
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Market	Market	Market	Market	-----
Conditions of Sale	Market	Market	Market	Market	-----
ADJUSTMENT FACTORS					
Market Condition	10-2-2015	12-7-2014	5-12-2014	11-8-2013	1-1-2017
Adjustment	Current	Current	Current	Current	Current
Market Condition Adj. SP/Sq.Ft.	\$16.95	\$1.67	\$5.82	\$1.25	-----
Location / Land Value	Superior	Superior	Superior	Superior	Average
Adjustment	-4.95	-0.25	-1.90	-0.08	-----
Bldg. Area (Sq.Ft.)	41,456±	634,284±	79,998±	698,710±	285,008±
Adjustment	-3.40	+0.15	-0.85	+0.15	-----
Building Construction	Masonry	Masonry	Masonry / Frame	Masonry	Masonry / Frame
Adjustment	Equal	Equal	Equal	Equal	-----
Building Condition	Superior	Superior	Similar	Superior	Dilapidated Condition
Adjustment	-2.55	-0.25	Equal	-0.20	-----
Utilities	All Public	All Public	All Public	All Public	All Public
Adjustment	Equal	Equal	Equal	Equal	----
Net Adjustment	-10.90	-0.35	-2.75	-0.13	-----
Adj. Sales Price per Sq.Ft.	\$6.05	\$1.32	\$3.07	\$1.12	-----

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
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S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – (Continued):

Analysis of the Adjustments:

In comparing the data to the subject property, adjustments are made on the basis of price per acre of land area. Primary adjustments reflect Property Rights Conveyed, Financing Terms and Conditions of Sale. The sales are arm's length transactions, no adjustments were necessary.

Market Conditions: All of the sales occurred prior to the date of valuation. They are the most recent comparables similar to the unique nature of the J.N. Adam Developmental Complex. No adjustments were necessary.

Location / Land Value: The subject site includes 649.00± acres, whereas the Comparable Sales range from 14.90± acres to 156.19± acres. The factors surrounding the land value at the various locations, varying amenities and differing land to building ratios can be adjusted for by comparing the allocated land values of each of the Comparable Sales on the basis of land value per Sq.Ft. of building area with the subject property's estimated land value per Sq.Ft. of building area. The subject's Market Value "As-If" Vacant without Improvements of \$1,250,000 has been used; an amount equivalent to \$4.39 per Sq.Ft. of building area. The differences between the land values per Sq.Ft. of building area of the Comparable Sales and that of the subject are set forth as the specific adjustment for each sale. These adjustments range from -\$0.08 to -\$4.95. These adjustments indicate the superior locations of all the Comparable Sales.

Building Area: The size of commercial buildings affects not only the relative prices per square foot due to economies in scale of construction costs but also their marketability, which typically decreases with increasing size as the pool of potential buyers diminishes. Comparable Sales No.1 & No.3 are much smaller than the subject property. These sales were adjusted downward. In contrast, Comparable Sales No.2 & No.4 are much larger than the subject property. These sales were adjusted upward.

Building Construction: The subject property and all of the Comparable Sales are a combination of masonry and frame structures. Considering the construction type of the subject and the Comparable Sales no adjustments were made. We also assume that environmental conditions exist in the Comparable Sales from the materials used in construction of the sites. Therefore, no environmental condition adjustments were made.

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
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S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Sales Comparison Approach to Value – (Continued):

Analysis of the Adjustments:

Building Condition: The subject improvements are in poor & dilapidated condition. These adjustments are necessarily subjective. They are based upon inspections of the subject property and the data, familiarity with the effects of age and condition on marketability, and the exercise of appraisal judgment. Comparing the data to the subject required downward adjustments for age and condition to Comparable Sales No.1, No.2 & No.4.

Utilities: The subject property includes overhead electric & telephone, public water & public sewer hook-up and natural gas. The Comparable Sales include all public utilities. No adjustments were made.

The adjusted sales have indicated a sale price per square foot range from \$1.12 to \$6.05. Based on the subject's size, overall poor to dilapidated condition, the availability of public utilities, and the location of the subject in the Town of Perrysburg, New York, the appraisers will place weight on all the sales and adopt a unit price of \$3.00 per square foot of building area including land.

Indicated Value via Sales Comparison Approach to Value:

Gross Building Area: 285,008± Sq.Ft. @ \$3.00 per Sq.Ft. = \$855,024

Rounded To: \$855,000

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
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Reconciliation and Conclusion:

The subject complex was formerly opened in 1912 as a Sanitarium for tuberculosis patients. In 1948 the complex was transferred to the State of New York and operated by the Office of Developmental Disabilities. The Office of Developmental Disabilities decommissioned and closed the facility in 1991 and since that time the complex has not been maintained and the improvements suffer from severe deferred maintenance. Improvements are located on both the east and west sides of Peck Hill Road. The main site is located on the eastern side and will be referred to as “**Parcel No.1**”. Additional improvements located on the western side of Peck Hill Road will be referred to as “**Parcel No.2**”. Additionally, there is a non-contiguous 152.00± Acre parcel of vacant land which has frontage along N.Y.S. Route 39 which will be referred to as “**Parcel No.3**”.

Parcel No.1 includes the majority of the improvements within the J.N. Adam Developmental complex. The main facility consists of a four (4) story 173,200± Sq.Ft. hospital with large verandas and overhangs, which were associated with the method of treatment of tuberculosis patients at the time. The main four (4) story buildings were interconnected by three (3) story corridors. Connected to the hospital is a 32,234± Sq.Ft. dining hall and kitchen area. There is also a four (4) story 17,424± Sq.Ft. auditorium / gymnasium, two (2) 9,148± Sq.Ft. treatment / office buildings, a 22,216± Sq.Ft. boiler house and several small outbuildings. **Parcel No.1** includes 182± acres of land.

Parcel No.2 is located on the eastern side of Peck Hill Road. Improvements to the parcel consist of a 10,454± Sq.Ft. dormitory building, eight (8) 1,398± Sq.Ft. staff homes and a 1,742± Sq.Ft. office building. **Parcel No.2** includes 315± acres of land with frontage along N.Y.S. Route 39, Peck Hill Road & Hooker Hill Road.

Parcel No.3 is a 152.00± Acre parcel of vacant land which has frontage along N.Y.S. Route 39.

Sales Comparison Approach to Value “As-If” Vacant w/o Improvements: \$1,250,000

Sales Comparison Approach to Value “As-Is” Improved: \$855,000

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (January 2017)

Reconciliation and Conclusion: (Continued)

It is our opinion the Market Value “As-If” Vacant Land without Improvements, of the Fee Simple Title is **ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$1,250,000)**. This has created a Hypothetical Condition.

The subject property known as the ***J.N. Adam Developmental, located on N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road, Town of Perrysburg, County of Cattaraugus, State of New York***, which is the subject of this Appraisal Report, was valued as of January 1, 2017 and it is our opinion the “As-Is” Market Value of the Fee Simple Title As Improved is **EIGHT HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$855,000)**.

Based on the Market Values recited above, it is evident that the subject property As Improved has a much lower value than the land “As-If” vacant. It is therefore our opinion the only logical way to market the bulk of the property is for the owner to retain the 57.00± acres with improvements; leaving a net land area of 592.00± acres valued at \$1,900 per acre or **ONE MILLION ONE HUNDRED TWENTY FOUR THOUSAND EIGHT HUNDRED DOLLARS (\$1,124,800)**. The estimated value of the Marketable Timber is **NINE HUNDRED SEVENTY THOUSAND DOLLARS (\$970,000)**.

The Market Value estimates are based on conditions in the real estate market and general economic conditions existing as of January 1, 2017.

The estimated exposure time and marketing period is one year or more.

EXTRAORDINARY ASSUMPTION

It assumes there are no hidden or unapparent conditions of the property or subsoil, which would render it more or less valuable. No responsibility is assumed for such conditions or for the engineering, which may be required to discover them.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the land outside of the 57.00± fenced acres, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials outside the fenced area. The appraisers however are not qualified to detect such substances. We assume there are environmental conditions that affect the improvements. The value of the land is predicated on the assumption that there is no such material on or in the land that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field if desired.

**THIS APPRAISAL IS MADE
SUBJECT TO THE FOLLOWING GENERAL ASSUMPTIONS AND
LIMITING CONDITIONS**

The Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute require that all assumptions and limiting conditions that affect the analysis to be clearly and accurately set forth. To assist the reader in interpreting this report, the primary assumptions and limiting conditions affecting the analysis of this subject property are set forth below:

1. That the date of value to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American dollar existing on that date.
2. That the appraiser(s) assumes (assume) no responsibility for economic or physical factors which may affect the opinion herein stated occurring at some date after the date of the letter transmitting this report.
3. That the appraiser(s) reserves (reserve) the right to make such adjustments to the valuation herein reported as may be required by consideration of additional data or more reliable data that may become available.
4. That no opinion as to title is rendered. Data related to ownership and legal description was obtained from public records, and is considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions, except those specially discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
5. Investigation of the property's history is confined to examination of recent transactions or changes in title or vesting, if any. It does not include a "use search" of historical property utilization.
6. That no engineering survey has been made by the appraiser(s). Except as specially stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.
7. That maps, plats, and exhibits included herein are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.
8. That no opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

(Continued)

9. The purpose of this report is to provide an opinion of value of the real estate property as herein defined. Under no circumstances should this report be considered as providing any service or recommendation commonly performed by a building inspector, structural engineer, architect, pest control inspector, etc.
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the Self-Contained Appraisal Report .
11. Full compliance with all applicable federal, state and local environmental regulations and laws is assumed unless noncompliance is stated, defined, and considered in the Self-Contained Appraisal Report .
12. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for the use upon which the value estimated contained in this report is based.
13. That no soil reports concerning subject property or information relating to geologic conditions and hazardous or toxic wastes were available. This valuation is based upon the premise that soil and underlying geologic conditions are adequate to support standard construction consistent with highest and best use and that there exists no hazardous or toxic wastes within or in meaningful proximity to the site.

Further, I(we) have no knowledge of any other circumstances, including hazardous or toxic wastes or residues that may exist within or adjacent to the subject property that would prevent or impair development to highest and best use or otherwise affect this valuation.

However, **the undersigned is not qualified by reason of training or experience to identify the presence of toxic or hazardous wastes or materials.** The valuation premise that there are no toxins or hazardous materials or wastes within or adjacent to the appraised property should in no circumstances be interpreted as a judgement by the undersigned.

14. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
15. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
16. 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.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

(Continued)

17. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser(s) has(have) not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines.

Discussions of the physical aspects of the subject improvements should in no way be construed as a judgement or recommendation with regard to compliance with the ADA. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value conclusion for the subject does not consider possible noncompliance.

18. 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 proper written qualification and only in its entirety.

Disclosure of the contents of this Appraisal Report is governed by the Bylaws and Regulations of the Appraisal Institute. 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 they are connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any public means or communication without the prior written consent and approval of the author.

19. The appraiser(s), by reason of this report is(are) not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
20. This report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

CERTIFICATION OF APPRAISER

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.

I have performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within a three-year period immediately preceding acceptance of this assignment.

- my 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.
 - my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
 - I have made a personal inspection of the property that is the subject of this report.
 - Peter L. Schultz, Real Estate Appraisal Assistant provided assistance in data collection in the generation of this report.
 - as of the date of this report, I, Howard P. Schultz, MAI, have not completed the voluntary requirements for the continuing education program of the Appraisal Institute. I have completed the mandatory requirements of the Department of State.
-
- It is our opinion the Market Value “As-If” Vacant Land without Improvements, of the Fee Simple Title is **ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$1,250,000)**. This has created a Hypothetical Condition.

The subject property known as the *J.N. Adam Developmental, located on N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road, Town of Perrysburg, County of Cattaraugus, State of New York*, which is the subject of this Appraisal Report, was valued as of January 1, 2017 and it is our opinion the “As-Is” Market Value of the Fee Simple Title As Improved is **EIGHT HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$855,000)**.

CERTIFICATION OF APPRAISER

Based on the Market Values recited above, it is evident that the subject property As Improved has a much lower value than the land "As-If" vacant. It is therefore our opinion the only logical way to market the bulk of the property is for the owner to retain the 57.00± acres with improvements; leaving a net land area of 592.00± acres valued at \$1,900 per acre or ***ONE MILLION ONE HUNDRED TWENTY FOUR THOUSAND EIGHT HUNDRED DOLLARS (\$1,124,800)***. The estimated value of the Marketable Timber is ***NINE HUNDRED SEVENTY THOUSAND DOLLARS (\$970,000)***.

The Market Value estimates are based on conditions in the real estate market and general economic conditions existing as of January 1, 2017.

The estimated exposure time and marketing period is one year or more.



Howard P. Schultz, MAI
State Certified General Real Estate Appraiser
No. 46-4952

CERTIFICATION OF APPRAISER ASSISTANT

I certify that, to the best of my knowledge and belief:

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

the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.

I 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.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

I have performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within a three-year period immediately preceding acceptance of this assignment.

my engagement in this assignment was not contingent upon developing or reporting predetermined results.

my 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.

my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

I have made a personal inspection of the property that is the subject of this report.

It is our opinion the Market Value “As-If” Vacant Land without Improvements, of the Fee Simple Title is **ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$1,250,000)**. This has created a Hypothetical Condition.

The subject property known as the **J.N. Adam Developmental, located on N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road, Town of Perrysburg, County of Cattaraugus, State of New York**, which is the subject of this Appraisal Report, was valued as of January 1, 2017 and it is our opinion the “As-Is” Market Value of the Fee Simple Title As Improved is **EIGHT HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$855,000)**.

CERTIFICATION OF APPRAISER ASSISTANT

Based on the Market Values recited above, it is evident that the subject property As Improved has a much lower value than the land “As-If” vacant. It is therefore our opinion the only logical way to market the bulk of the property is for the owner to retain the 57.00± acres with improvements; leaving a net land area of 592.00± acres valued at \$1,900 per acre or ***ONE MILLION ONE HUNDRED TWENTY FOUR THOUSAND EIGHT HUNDRED DOLLARS (\$1,124,800)***. The estimated value of the Marketable Timber is ***NINE HUNDRED SEVENTY THOUSAND DOLLARS (\$970,000)***.

The Market Value estimates are based on conditions in the real estate market and general economic conditions existing as of January 1, 2017.

The estimated exposure time and marketing period is one year or more.



Peter L. Schultz
Real Estate Appraiser Assistant

**APPRAISAL QUALIFICATIONS
OF
HOWARD P. SCHULTZ, MAI**

Appraisal Experience:

50 Years of appraising residential, commercial, industrial, farm and special purpose properties
Expert witness before the New York State Court of Claims and Supreme Court State of New York and Federal Bankruptcy Court and Court appointed commissions

Affiliated and Related Experience:

Real estate sales, land development and single-family home and commercial construction

Education:

Business Administration Course-Bryant & Stratton Business Institute-2 Years
Attended Canisius College - 2 Years Business Administration
Completed Courses I, II & VIII of the American Institute of Real Estate Appraisers
Completed Course VI Investment Analysis of the American Institute of Real Estate Appraisers
Completed Course 301 Special Application of Appraising Analysis at Michigan State University
Completed Course in Commercial Building and Material at Erie Community College
Completed Course in Discounted Cash Flow Analysis of the Appraisal Institute
Completed Course 550 Advanced Applications of the Appraisal Institute
Completed Course Standards of Professional Appraisal Parts A and B of the Appraisal Institute
Attended many appraisal seminars and conferences
Instructor in Real Estate Appraisal at State University of New York at Buffalo
Approved Instructor by New York State for the Continuing Education Course

Representative Clients:

AEGON USA Realty Advisors, Inc.
AIG Investment Corp.
AMCO Relocation
Arcata Graphics, Inc.
Argonaut Division of General Motors
Bank of America
Bank of Oklahoma
Benderson Development Company, Inc.
Chase Manhattan Bank, N.A.
Chemical Bank
Chrysler Realty Corp.

**APPRAISAL QUALIFICATIONS
OF
HOWARD P. SCHULTZ, MAI
(Continued)**

Representative Clients: (Continued)

Citibank New York State, N.A., Buffalo, New York
Citicorp Real Estate
City of Buffalo
Connecticut National Bank
Deutsche Bank
Dresser Industries
Eastman Kodak Co.
Equibank
Erie County Harbor Development Corp.
Erie County Industrial Development Agency (E.C.I.D.A.)
Exxon Mobil
Fidelity Solutions
First Monroe, Inc.
First Niagara Bank
FDIC - Federal Deposit Insurance Co.
Forest City Capital Corp.
General Mills Co.
Government Services Administration (GSA)
HSBC Bank, Buffalo, New York
ING Investment Management
International Imaging Materials, Inc.
ITT Corp.
Kaleida Health
Key Bank, N.A.
M & T Bank-Manufacturers & Traders Trust Co., Buffalo, New York
McDonald's Restaurants
Moog, Inc.
National Fuel Gas
National Grinding Wheel Corp.
Nestle' Holdings, Inc.
Niagara Asset Corp.
Niagara Frontier Transportation Authority (NFTA)
PPM Finance Inc.
Pyramid Development Companies
RTC - Resolution Trust Corp.
Security Pacific Realty Services
Security Trust Co.
Snap-On Tools Corp.
Speedy Muffler King
State University of New York at Buffalo
State of New York-Department of Transportation

**APPRAISAL QUALIFICATIONS
OF
HOWARD P. SCHULTZ, MAI
(Continued)**

Representative Clients: (Continued)

Sun Company, Inc.
Sun Life Assurance of Canada
Syracuse Supply Co., Inc.
The Bank of Castile
The Consolidated Capital Co.
Toyota Financial Services
UPS Capital Business Credit
US Bank
U.S. Department of Housing and Urban Development (H.U.D.)
U.S. Postal Service
Uniland Development Co.
Union Labor Life Insurance
Union Carbide Co.
UpJohn Co.
Upstate Milk Cooperatives
Wal-Mart Stores, Inc.
Yum! Brands
Attorneys and Individuals
Insurance Companies
Numerous Corporations

Membership:

Appraisal Institute of Real Estate Appraisers
Certificate #6037
Member of the Greater Buffalo Association of Realtors
State Certified General Real Estate Appraiser No. 46-4952
Effective Date November 19, 2015 to Expiration Date November 18, 2017

**APPRAISAL QUALIFICATIONS
OF
PETER L. SCHULTZ**

Education:

Canisius College
State University College of New York at Buffalo

Experience:

Howard P. Schultz and Associates, Buffalo, New York
January 2000 - Present

Appraisal Courses:

“Introduction to Real Estate Appraisal” Course R-1
January 2002; Cusack Real Estate & Sales Training Center, Cheektowaga, NY
“Valuation Principles & Procedures” Course R-2
February 2002; Cusack Real Estate & Sales Training Center, Cheektowaga, NY
“Ethics & Standards of Professional Practice”
March 2002; Cusack Real Estate & Sales Training Center, Cheektowaga, NY
“Fair Housing, Fair Lending & Environmental Issues”
April 2002; Cusack Real Estate & Sales Training Center, Cheektowaga, NY
“New York State Residential Construction” Course Code 2295-07
September 2003; Mckissock, Incorporated, Hilton Garden Inn, East Syracuse, NY
“Introduction to Income Property Valuation” Course G-1
June 2005; Cusack Real Estate & Sales Training Center, Cheektowaga, NY
“Principals of Income Property Valuation” Course G-2
August 2006; Cusack Real Estate & Sales Training Center, Cheektowaga, NY
“Applied Income Property Valuation” Course G-3
October 2006; Cusack Real Estate & Sales Training Center, Cheektowaga, NY

Representative Clients:

A.E. Mahoney & Company
ARGO Financial
Bank of America (formerly Fleet Boston Financial), Buffalo, New York
Benderson Development Company, Inc.
Berlow Real Estate
Buffalo Economic Renaissance Corporation (BERC)
Buffalo Urban Renewal Agency (BURA)
Buffalo, City of
Chase Manhattan Bank, N.A.
Erie County Industrial Development Agency (E.C.I.D.A.)

**APPRAISAL QUALIFICATIONS
OF
PETER L. SCHULTZ
(Continued)**

Representative Clients:

First Amherst Development Company
First National Bank of Rochester
Five Star Bank
GAB-Robins
Homesteps Assessment Services
HSBC Bank (formerly Marine Midland), Buffalo, New York
Kavinoky & Cook, LLP
KeyBank, N.A.
M&T Bank - Manufactures & Traders Trust Co., Buffalo, New York
Sorrento Cheese
State University of New York at Buffalo
U.S. Department of Housing and Urban Development (H.U.D.)
United Way of Buffalo/Erie County
Valley National Bank
Wells Fargo
YMCA of Western New York
Attorneys
Individuals
Insurance Companies
Realtors

ADDENDA

UNIQUE ID NUMBER
46000004952

State of New York
Department of State

DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 88244

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE
EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

EFFECTIVE DATE

MO.	DAY	YR.
11	19	15

SCHULTZ HOWARD P JR
C/O HOWARD P SCHULTZ AND ASSOC
4 CENTRE DRIVE
ORCHARD PARK, NY 14127

EXPIRATION DATE

MO.	DAY	YR.
11	18	17



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.

CESAR A. PERALES
SECRETARY OF STATE



**Office of
General Services**

ANDREW M. CUOMO
Governor

ROANN M. DESTITO
Commissioner

September 22, 2016

Howard P. Schulz & Associates LLC
Attn: Howard P. Schultz MAI
4 Centre Drive
Orchard Park, NY 14427

Dear Mr. Schultz:

**Re: J.N. Adams Developmental
Rural Rte. 353
Town of Perrysburg, Cattaraugus County
UPL01727**

Your fee proposal of \$15,000.00 for a narrative appraisal report for the above-referenced property has been accepted. The property is owned by The State of New York, and is located in the Town of Perrysburg on Rural Rte. 353. Although you are not required to begin work on this project until receipt of the purchase order, it would be appreciated if you did, your report is due 45 days after receipt of Purchase Order. Based on your \$15,000 quote, the fees are broken down as follows:

"as if" Vacant Appraisal	\$3,500
"as is" Improved	\$6,500
Timber Value	\$5,000

The contact person for this property is Mr. Robert M. VanDeloo who can be reached at (518) 474-2195.

Please send five copies of your report and a PDF, to my attention at the following address:

NYS Office of General Services
Division of Real Estate Development
Bureau of Land Management
Corning Tower – 26th Floor
Empire State Plaza
Albany, N.Y. 12242

The purpose of the appraisal is to estimate the fee simple fair market value of the subject both as improved and "as is" vacant. The appraisal findings will be used for decision making purposes, for the state is considering the future of this site and the public sale/reuse of the three parcels A, B, and C highlighted on the attached map. Enclosed please find a sketch map, tax map, aerial and our Scope of Services.

The appraisal will include a description of the subject market area, details of the site, comparable sales, adjustment grid and explanation of adjustments, photographs of all comparable sales, and a detailed Highest and Best Use Analysis. The report must be certified to the New York State. The appraiser of record must be a New York State Certified General Appraiser and a principal of the firm must sign the report.

Mr. Howard P. Schultz

-2-

September 22, 2016

Your report must be based upon the conditions outlined in our solicitation letter, and in conformance with the Uniform Standards of Professional Practice.

For your information, the purpose of the report is decision marking purposes.

You will be expected to consider all appropriate approaches to value. In addition to estimating the total value of the parcel, the appraisal must include an estimate of the unit value per square foot.

Your invoice should be as directed by the Purchase Order.

Enclosed are copies of our scope of services, and a sketch map. Please call me at (518) 474-2195 should you have any questions. I look forward to receiving your report.

Sincerely,



Robert M. Van Deloo, Jr.
Real Estate Specialist
Bureau of Land Management

Enclosures



March
Ninth
2017

Sent via Email: Robert.Vandeloo@ogs.ny.gov

Mr. Robert Vandeloo
New York State Office of General Services
Bureau of Land Management
Corning Tower, 26th Floor, Empire State Plaza
Albany, New York 12242

RE: J.N. Adam Developmental
New York State Route 39
Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus
State of New York
S.B.L. Numbers: 16.001-1-3.1, 16.002-2-10 & 15.002-1-15

Dear Mr. Vandeloo:

At your request we have developed costs to demolish the building improvements on the above referenced property.

According to our calculations there is approximately 285,008± square feet of building area. The buildings are a mix of mostly brick and some frame structures.

To estimate the cost of demolishing the structures we contacted The Krog Group located in Orchard Park, New York. The company has been involved in the demolition and remediation of commercial and industrial building sites in the Western New York area. Their estimate to demolish the structures to grade and remove the materials from the site is **\$4,500,000**.

According to Ontario Specialty Contracting demolition and dismantlement contractors located in Buffalo, New York, their estimate to demolish the structures with lead and asbestos abatement is **\$8,500,000**.

The cost estimate developed from Marshall Valuation Service to demolish the structures assuming full asbestos and lead abatement is \$37.50 per square feet or **\$10,687,800**. The costs developed from Marshall Valuation Service is based on national averages and is generally higher than local area costs.

March 9, 2017

TO: Mr. Robert Vandelloo
New York State Office of General Services
Bureau of Land Management

RE: J.N. Adam Developmental
New York State Route 39
Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus
State of New York
S.B.L. Numbers: 16.001-1-3.1, 16.002-2-10 & 15.002-1-15

The use of these sources have indicated demolition costs to grade from **\$4,500,000.** to **\$8,500,000.** The demolition cost estimates do not include the removal of the foundations which could increase the cost by a million dollars or more.

In addition, these costs do not include the dumping fees or any major environmental remediation costs. I would tend to rely on the Marshall Valuation cost and the cost supplied by Ontario Specialty Contracting.

If you need any additional information, please Email me.

Very truly yours,



Howard P. Schultz, MAI
State Certified General Real Estate Appraiser
No. 46-4952

HPS/dmh