

MARKET STUDY
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:
FEBRUARY 20, 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



March 22, 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: Market Study
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 Market Study for the purpose of developing a comprehensive marketing plan for 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 of February 20, 2017.

The purpose of this Market Study is to undertake the investigations and analyses required to reach supportable opinions of repurpose and reuse of the complex taking into consideration Hypothetical Conditions where local, State, Federal & Private Sector funding is a possibility. The intended use of this Market Study is to provide information to Mr. Robert VanDeloo of the New York State Office of General Services to appropriately analyze the subject property to formulate the most beneficial plan for possible sale and/or reuse of the complex.

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 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”**.

March 22, 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: Market Study
J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg
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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 western 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 Market Study are based upon field research, interviews with market participants, and publicly available data collected by the appraiser. The Market Study 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.

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Howard P. Schultz, MAI Appraisal License

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 (March 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 Market Study: The purpose of this Market Study is to undertake the investigations and analyses required to reach supportable opinions of repurpose and reuse of the complex taking into consideration Hypothetical Conditions where local, State & Federal funding is a possibility.

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

Market Study Date: February 20, 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 Market Study of which this page is a part.

Market Study Prepared 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 (March 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 (March 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 (March 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 (March 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 (March 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 (March 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
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S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (March 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 (March 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 (March 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 Market Study: The purpose of this Market Study is to undertake the investigations and analyses required to reach supportable opinions of repurpose and reuse of the complex taking into consideration Hypothetical Conditions where local, State & Federal funding is a possibility.

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

Market Study Date: February 20, 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 Market Study of which this page is a part.*

Market Study Prepared 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 (March 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 (March 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 (March 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 (March 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 (March 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 Market Study: The purpose of this Market Study is to undertake the investigations and analyses required to reach supportable opinions of repurpose and reuse of the complex taking into consideration Hypothetical Conditions where local, State & Federal funding is a possibility.

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

Market Study Date: February 20, 2017

Estimated Exposure & Marketing Period: One (1) Year

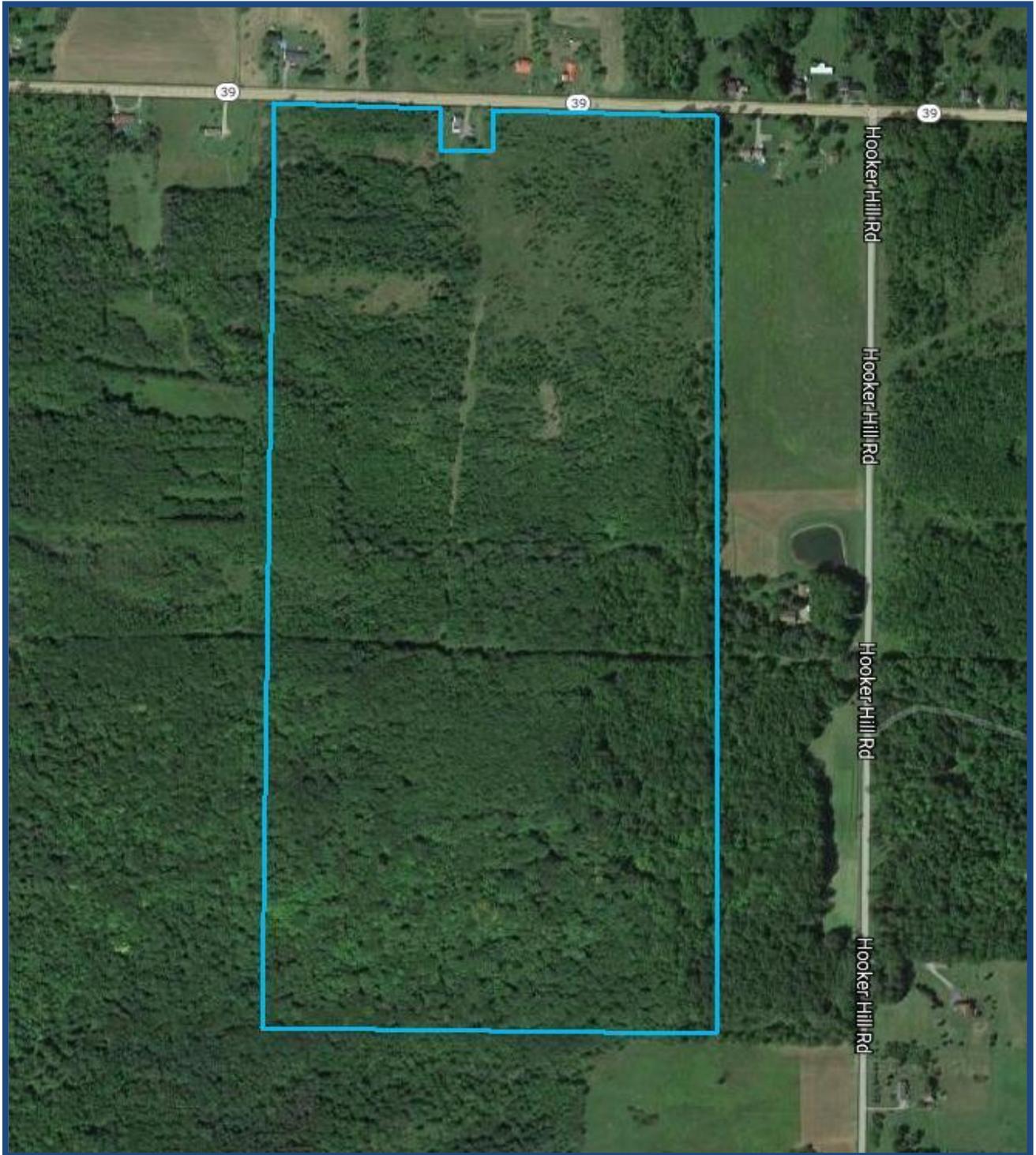
Hypothetical Conditions: Yes

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

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

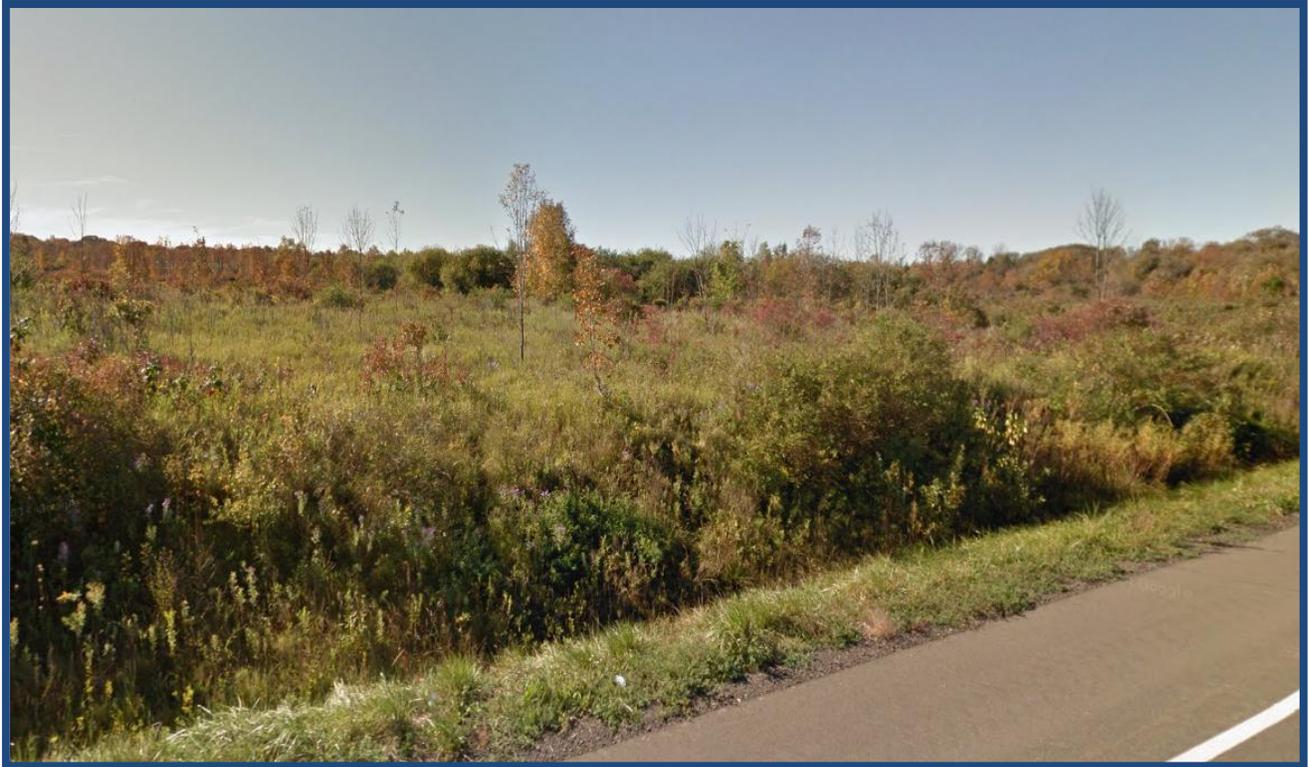
PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
Town of Perrysburg, County of Cattaraugus, State of New York
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (March 2017)

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
S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (March 2017)

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 (March 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 Market Study is to undertake the investigations and analyses required to reach supportable opinions of repurpose and reuse of the complex taking into consideration Hypothetical Conditions where local, State, Federal & Private Sector funding is a possibility. The intended use of this Market Study is to provide information to Mr. Robert VanDeloo of the New York State Office of General Services to appropriately analyze the subject property to formulate the most beneficial plan for possible sale and/or reuse of the complex.

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.

Effective Date of the Market Study:

The effective date of this Market Study is February 20, 2017. General Assumptions and Limiting Conditions applicable to this Market Study 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
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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 1863 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 southwesterly 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
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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 Perrysburg, 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,

PROPERTY:

J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
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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 287 of Deeds, page 287.
2. Deed from Lewis H. Warren and others, recorded in Liber 287 of Deeds, page 289.
3. Deed from Clarence H. Campbell and wife, recorded in Liber 287 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 287 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 M. 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 Etscoy 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)

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

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, 1948.

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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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):

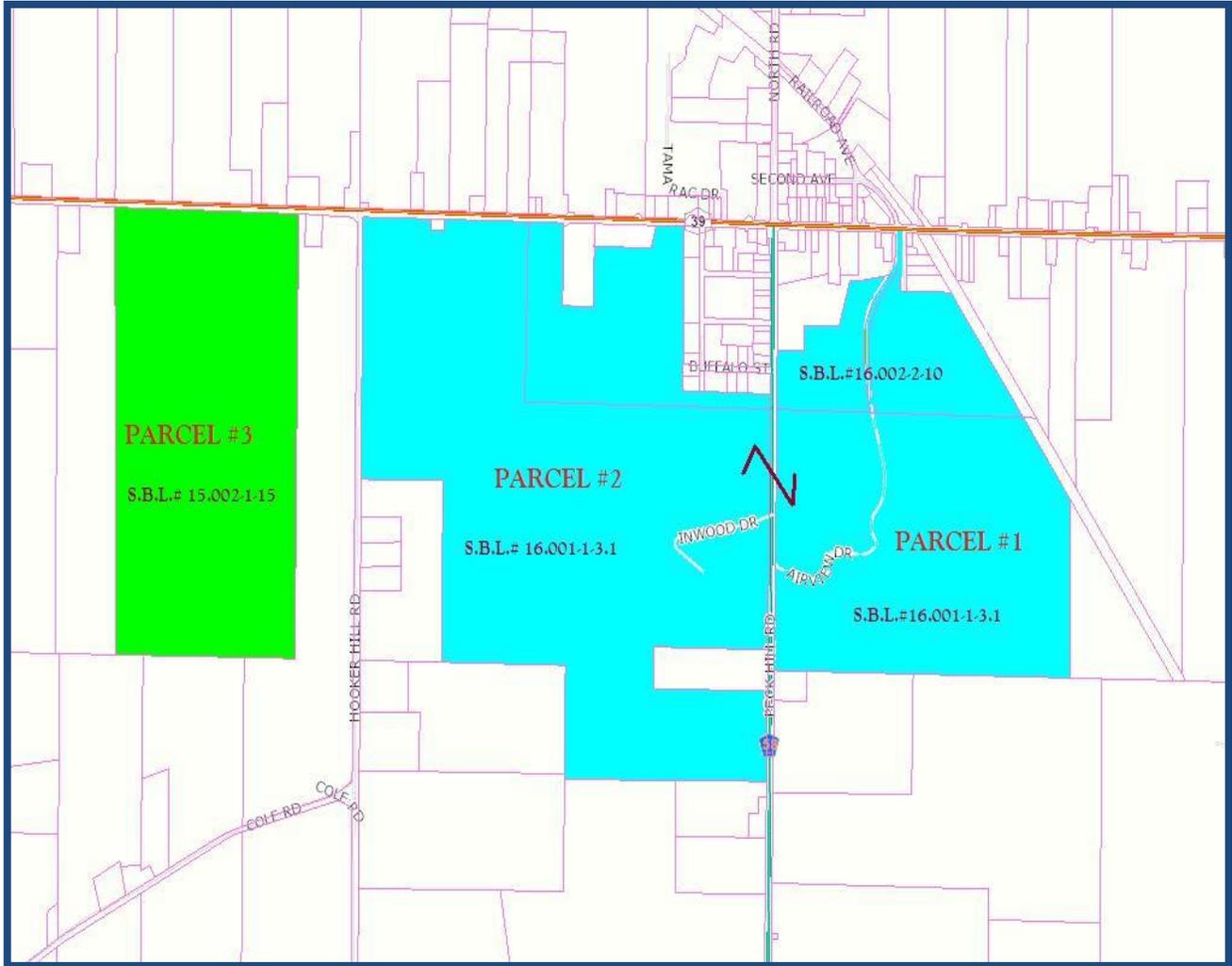
Under the ownership of the State of New York, the subject property is tax exempt. The potential real estate taxes without the exemption for the Town of Perrysburg, the County of Cattaraugus and the Gowanda Central School District are as follows:

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 western 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 purpose of this Market Study is to undertake the investigations and analyses required to reach supportable opinions of repurpose and reuse of the complex taking into consideration Hypothetical Conditions where local, State, Federal & Private Sector funding is a possibility. We have engaged in the following:

- Inspections of the subject site, interior and exterior of the buildings on October 18, 2016 and February 20, 2017
- Research and collection of market data.
- Due diligence to determine the existence of apparent adverse conditions.
- Reviewed four (4) specific repurpose / reuse developments including the Imperial Baths at Sharon Springs, the Haddon Avenue Transit Village within the Our Lady of Lourdes Medical Center, the Bennett College for Girls Campus restoration and Hudson Heritage within the Hudson River State Hospital site.
- Researched “green-lighted” projects and the costs to redevelop within the Western New York region including the AP Lofts at Larkinville, National Comedy Center, Am&A’s Department Store, Buffalo Christian Center, Central Terminal, Queens Light and the Trico Building.

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Scope of Work (Continued):

- Research of the New York State Casino market; both the newly opened privately owned casinos and the casino operated by the Seneca Nation of Indians and other Indian Tribes throughout New York State.
- Research of the Chautauqua Institution from its origins in the late 1800's to what it has become today.

Data utilized in this Market Study have been verified with principals to the developments to the extent possible, or other informed parties such as real estate brokers, leasing agents, property managers or government officials.

The undersigned appraisers *are not* qualified to determine by visual inspection the existence of hazardous materials and/or conditions. The concluded Market Study is premised upon the property being unaffected by hazardous materials and/or conditions other than asbestos and lead paint, which was viewed by the appraisers on the dates of inspection.

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

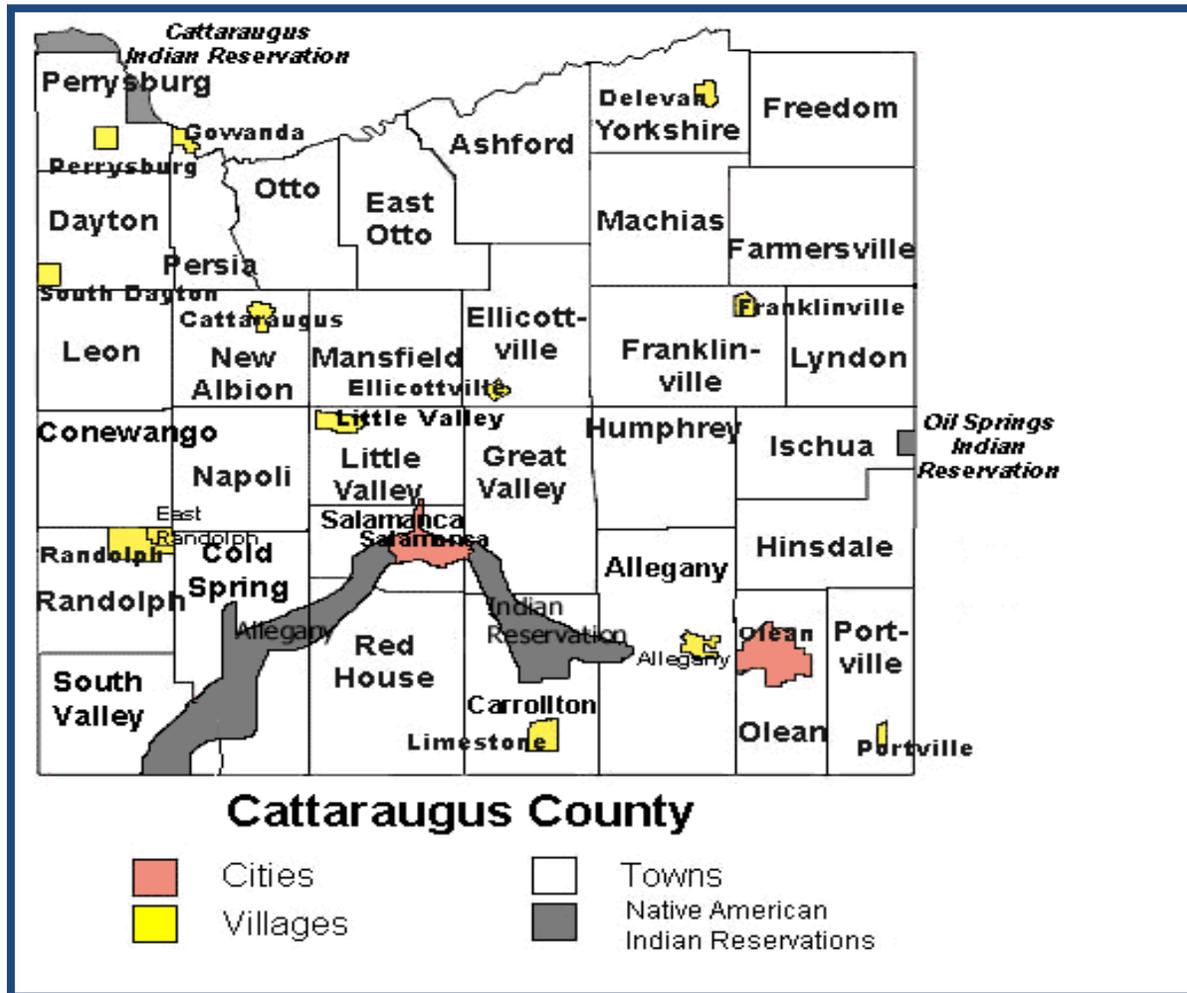
The scope of this appraisal *did not* include the following:

- my commissioning of any environmental studies;
- 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:

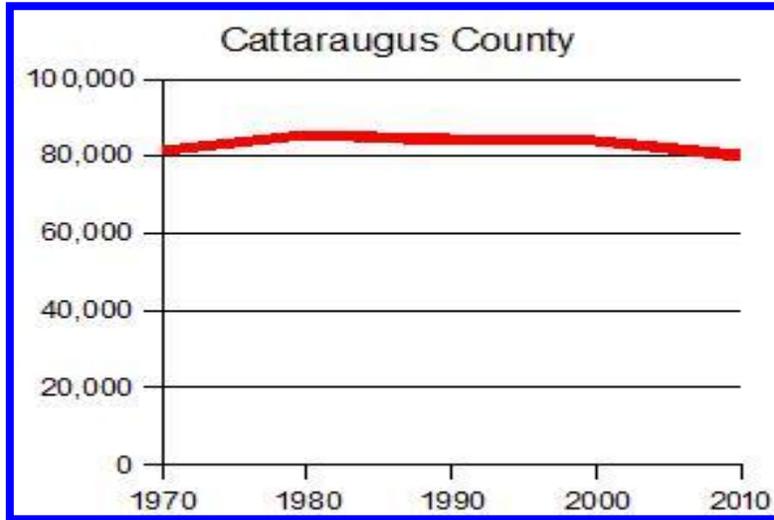
Cattaraugus County is situated between Erie County and the Pennsylvania State border and occupies approximately 1,310 square miles of land. Cattaraugus County has two incorporated Cities: Olean and Salamanca. Olean being the largest. See the map of the County below:



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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:

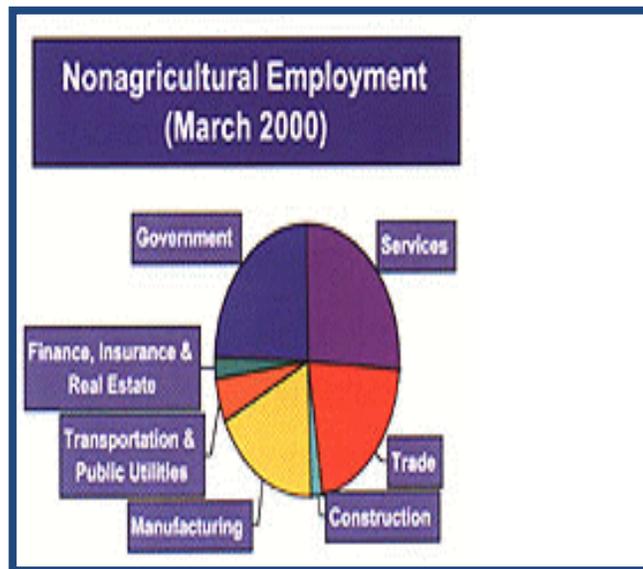
- Route 219 upgrade as part of an International Trade Corridor.
- Interstate-86 designation of east/west Route 17 Expressway.
- Ability to designate New York State Empire Zone status to any development site in the County.
- Special federal HUBZone designations on the Seneca Nation of Indians territory.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

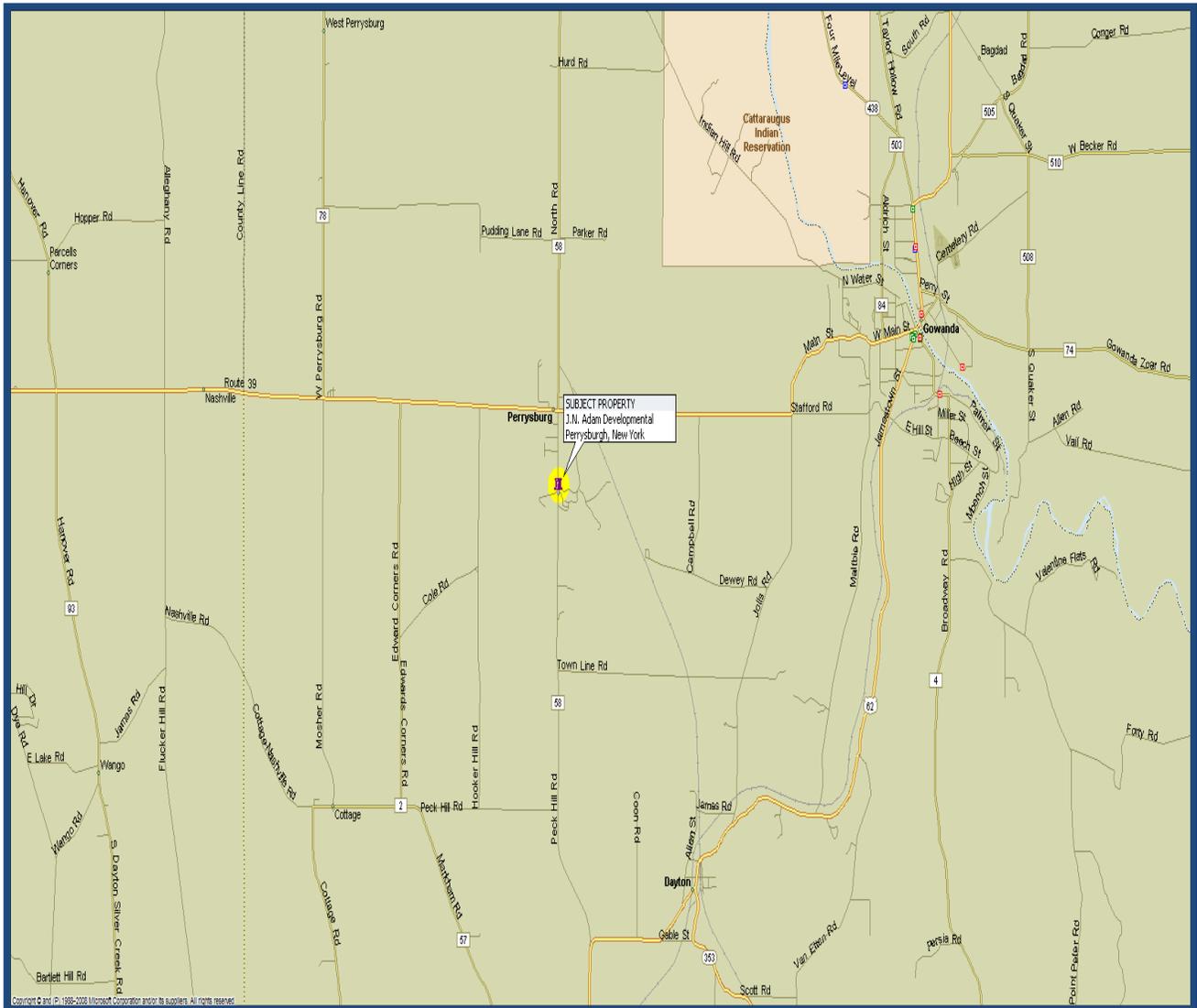
The subject property is located on the southern side of N.Y.S. Route 39 in the northeast quadrant of the Town of Perrysburg, New York. The subject property lies in a predominately rural area with development mostly along the road frontages. The subject complex lies approximately 30 miles south of the 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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Location Map:



PROPERTY:

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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:

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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:

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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:

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MARKET ANALYSIS

PROPERTY: J.N. Adam Developmental - N.Y.S. Route 39, Hooker Hill Road & Peck Hill Road
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Market Analysis – (Continued):

As previously explained, 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.

Underutilized and severely differed complexes are defined in many ways, depending on different entities perspectives. Real Estate Professionals and developers typically define a property such as the J.N. Adam Complex in economic terms, that is has not achieved its Highest & Best Use or its maximum profit-making capacity. Local & State government leaders generally have a broader perspective of a property such as the J.N. Adam Complex, taking into consideration the impact of the property on the community's stability, economic vitality and overall property values.

In the following section, this Market Study will look at both scenarios. The first will be to look at the Highest & Best Use of the property from a Real Estate prospective. The second, from the Hypothetical Condition where local, State, Federal & Private Sector funding is a possibility. The second is a Local Community-specific evaluation, focusing on the short term / long term plans for the complex, economic environment, demographics, cultural influence and of most importance, the location of the 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 (March 2017)

Market Analysis - 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, State park and/or 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.

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Market Analysis - 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.

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Market Analysis - 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.

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Market Analysis - Highest and Best Use: (Continued)

"As Improved": (Continued)

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 upwards of 100 Million dollars.

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 are based on national averages and is generally higher than local area costs. The use of these sources has indicated demolition costs to grade from **\$4,500,000** to **\$8,500,000**.

Additionally, 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.

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.

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Market Analysis – (Continued):

The analysis of the Hypothetical Condition where local, State, Federal & Private Sector funding is a possibility takes into consideration the following factors:

Does the J.N. Adam Developmental Complex have historic and/or architectural significance?

This can be a positive marketing and economic planning tool as for example, research has indicated that the J.N. Adam Developmental Complex improvements may be listed on the New York State Registry of Historical Places which would make any demolition subject to a potential legal challenge. Further, the process of placing the complex on the National Register of Historic Places (NRHP) is a three (3) step process which would make restoration of the complex eligible for both State and Federal rehabilitation tax credits. The Federal rehabilitation tax credits amount to 20% of the qualified rehabilitation costs performed and are then received back in the form of Federal income tax credits. The purpose of the tax credits are to help offset the cost of the potential redevelopment of the J.N. Adam Developmental Complex. The potential work would comply with the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings. As for the short term plan of the complex, "mothballing" of the improvements needs to be considered. As immediate funding for redevelopment is not available to put the improvements into usable condition, and, as a master rehabilitation plan is being formed; "mothballing" is a necessary means to protect the improvements from further deterioration from the weather and vandalism.

Economic Environment – Is funding available for the repurpose of the J.N. Adam Developmental Complex?

In researching this portion of the Market Study, we have spoken with representatives of the Cattaraugus County Industrial Development Agency, the Southerntier West Regional Planning and Development Board and the Empire State Development Corporation. All of these organizations have stated that some levels of funding could be available. Combining potential funding from these organizations, historic tax credits, State & Federal, Nonprofit Corporations and private sector funding could economically assist in the repurposing of the J.N. Adam Developmental Complex.

Is the J.N. Adam Developmental Complex Marketable?

Similar Complexes with superior locations & marketing appeal will have multiple development options and will typically sell and/or be developed faster. The subject property is 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. 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. The largest two (2) population centers are the City of Buffalo, New York (30 miles northwest) and the City of Jamestown, New York (27 miles southwest). The rural location of the J.N. Adam Developmental Complex is unfortunately the biggest deterrent to repurpose / reuse as currently there is no ancillary attraction which would draw the larger regional population to it. This could also be a deterrent to potential developers and investors as they are basically starting with severely deteriorated improvements in a location which is not easily accessible to the regional population.

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Market Analysis – (Continued):

What are possible plans for the long term use of the J.N. Adam Developmental Complex?

The following projects stem from situations similar to the J.N. Adam Developmental Complex. They were all deteriorated sites which have been or are currently being repurposed and restored. These projects have been created through a combination of State, Federal and Private Sector investments. Unlike these projects, the J.N. Adam Developmental Complex is located in a rural location which acts as a potential deterrent to developers / investors.

The first project is the Imperial Baths at Sharon Springs, located in Sharon Springs, New York. This project is located seven miles south of the New York State Thruway (NYS Rte.90), 36 miles east of the City of Utica, New York which has a population of 61,628 (2015) and 44 miles west of the “Capital District” which has a population of 1,170,483 (2015).

The second project is the Our Lady of Lourdes Medical Center, located in the City of Camden, New Jersey. The City of Camden has a population base of 76,904 (2015). The City of Philadelphia, Pennsylvania is located just across the Delaware River and has a population of 1,555,072 (2105).

The third project is the Bennett College for Girls Campus, located in the Village of Millbrook, New York. This project is located 3.8 miles east of the Taconic Parkway (NYS Rte.987) and 13 miles northeast of the City of Poughkeepsie, New York which has a population of 75,421 (2015).

The fourth project is the Hudson River State Hospital Campus, located in the City of Poughkeepsie, New York, which has a population of 75,421 (2015). Marist College and Vassar College are located just to the south of the campus.

As repurpose / reuse have been implemented for each of these projects, it can be seen that a strong population base was a vital role in the redevelopment plans.

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Market Analysis – (Continued):

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
Cost to Repurpose (Per Sq.Ft.):	\$241.21

Remarks: This 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

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S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (March 2017)

Market Analysis – (Continued):

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 (March 2017)

Market Analysis – (Continued):

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
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Market Analysis – (Continued):

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
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Market Analysis – (Continued):

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

Cost to Repurpose (Per Sq.Ft.): \$157.65

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.

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Market Analysis – (Continued):

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 (March 2017)

Market Analysis – (Continued):

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

Cost to Repurpose (Per Sq.Ft.): \$250.00

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. Preliminary investments are somewhere in the \$20 Million dollar range. 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.

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Market Analysis – (Continued):

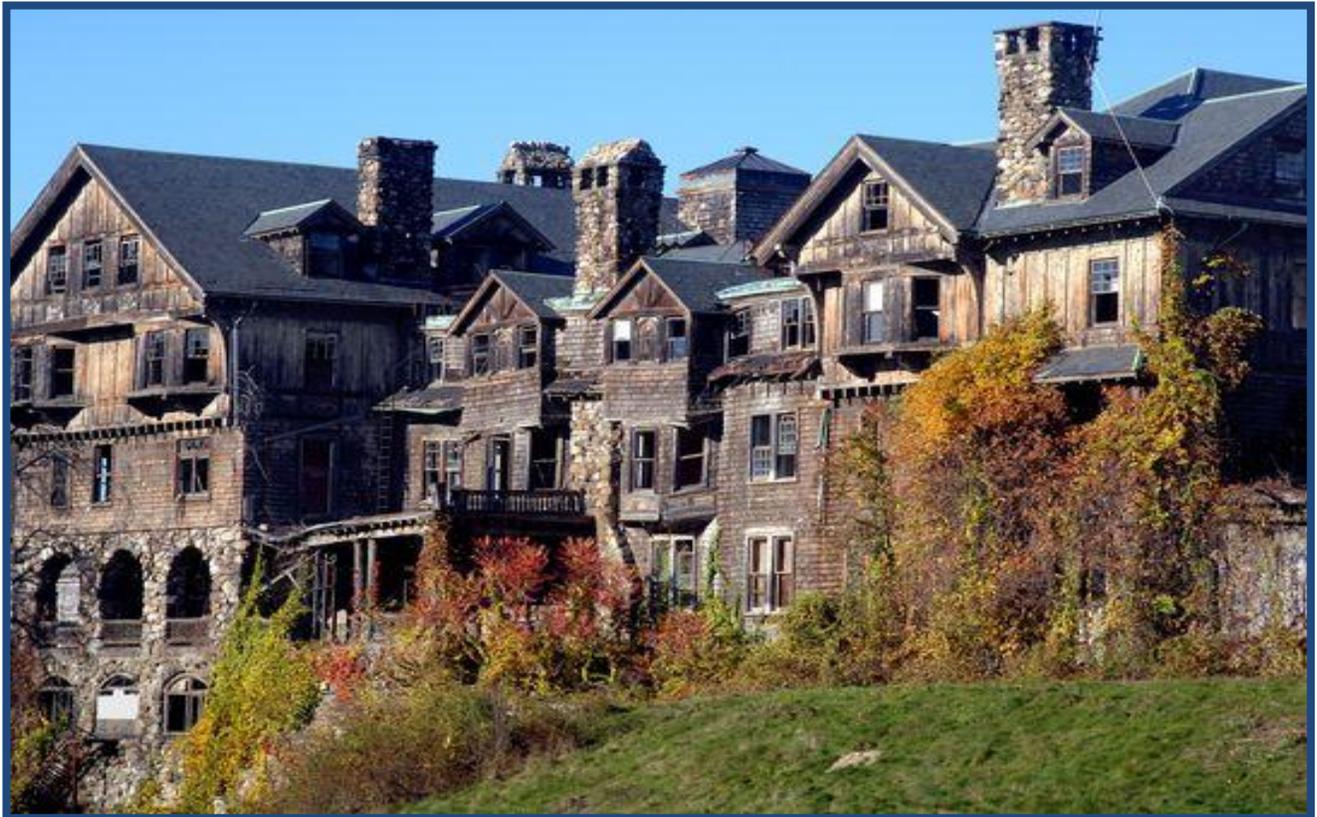
BENNETT COLLEGE FOR GIRLS

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
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Market Analysis – (Continued):

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
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S.B.L. Numbers: 16.001-1-3.1 | 16.002-2-10 | 15.002-1-15 (March 2017)

Market Analysis – (Continued):

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

Cost to Repurpose (Per Sq.Ft.): \$357.80

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

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Market Analysis – (Continued):

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
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Market Analysis – (Continued):

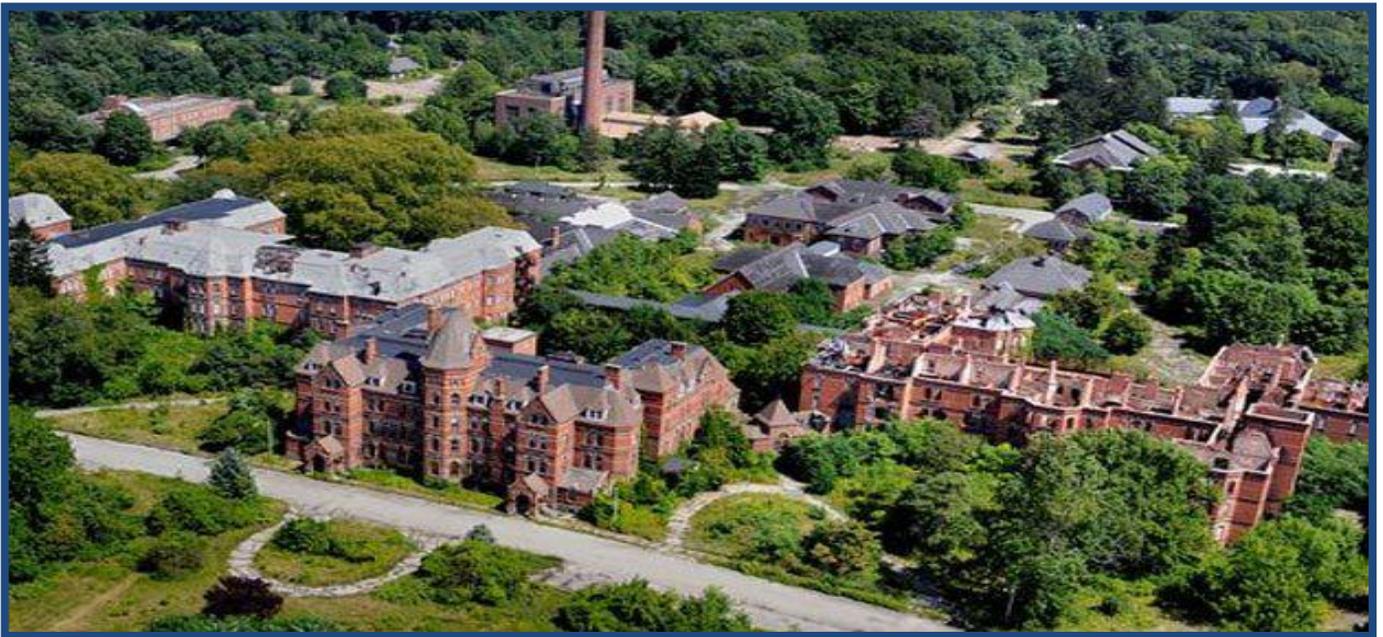
HUDSON RIVER STATE HOSPITAL

3532 North Road

Town of Poughkeepsie

County of Dutchess, State of New York

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



PROPERTY:

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Market Analysis – (Continued):

Location Map of the Subject Property & Comparable Projects:



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 (March 2017)

Market Analysis – (Continued):

The following additional projects are all located in Western New York and have been “green lighted” for development. These projects have been researched to determine the potential cost of redevelopment of the subject property.

Project	Address	Estimated Cost	Type of Project	Cost/Sq.Ft.
AP Lofts at Larkinville	545 Swan Street Buffalo, NY	\$39 Million	Former 8-story A&P warehouse containing 234,000± Sq.Ft., Reuse 146 Apartments	\$166.67
National Comedy Center	211 W. Second St. Jamestown, NY	\$45 Million	48,000± Sq.Ft. center to celebrate history of comedy.	\$937.50
Former AM & A's Department Store	377 Main Street Buffalo, NY	\$70 Million	Repurpose 400,000± Sq.Ft. into 350-room hotel.	\$175.00
Buffalo Christian Center	512 Pearl Street Buffalo, NY	\$75 Million	Repurpose building and construct a new 12-story Building. The total building area will be 366,000± Sq.Ft.	\$204.92
Central Terminal	485 Paderewski Dr. Buffalo, NY	\$200 Million	17-Story, Renovate 523,000± Sq.Ft. Rail Terminal.	\$381.41
Queens Light	219 Bryant Street Buffalo, NY	\$122 Million	2 & 6-Story, Reuse Women's Children's Hospital of Buffalo, 429,738± Sq.Ft.	\$283.89
Trico Building	791 Washington St. Buffalo, NY	\$90 Million	Reuse of a 6-story, 591,600± Sq.Ft. industrial building into hotel, office and apartments.	\$152.13

These projects are projected to occur in 2017 and 2018.

The cost analysis of reuse projects indicates a range in cost per square foot from \$152.13 per square foot to \$937.50 per square foot. Considering these reuse projects in general did not have as dilapidated structures as the subject property, it is reasonable to project the reuse cost for the subject's 285,008± square feet in the range of \$300 to \$350 per square foot or \$85 million to over \$100 million.

The extremely high cost of redeveloping the subject property further increases the difficulty and uncertainty in obtaining private and public sector funding as this project could balloon to well over \$115 Million.

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Market Analysis – (Continued):

Casino Development:

The J.N. Adam Developmental Complex as a possible repurpose / reuse as a Casino will be examined in this section. Formulating this possible repurpose / reuse would start with a master rehabilitation plan which would serve as a comprehensive guide for the complete rehabilitation of the “Historic” structures within the complex and options for those that may need to be demolished to make way for new improvements. A casino development could be achieved on the subject property given its layout. The existing main portion of the J.N. Adam Developmental Complex (on the east side of Peck Hill Road), as well as newly constructed improvements would serve as the main casino site. This area would house the actual casino, restaurants, hotel area and event center; with the eight (8) single family dwellings used to provide housing for casino administration and/or private accommodations for guests with extended stays. The large land area would provide ample space for the additional improvements which would need to be constructed and an expanded parking area and/or parking ramp. The balance of the land would need to be transformed into a park-like setting to provide the needed aesthetics to complete this transformation.

The major problem facing this transformation again falls into the rural location of the J.N. Adam Developmental Complex. The casino market in recent years has seen tremendous growth. The primary competition for the potential development as a casino would be the **Seneca Buffalo Creek Casino** and the **Seneca Allegany Casino**.

The **Seneca Buffalo Creek Casino** is a casino in the City of Buffalo, New York located approximately 30± miles northwest of the subject property. It is owned by the Seneca Nation of New York, and operated through the Seneca Gaming Corporation. It opened as a temporary structure in 2007 and a permanent casino building opened in August 2013 consisting of 67,000± Sq.Ft. of gaming space. In the spring of 2017 a \$40 Million dollar, 57,000± Sq.Ft. addition was added. With this completed, the casino has more than 1,100 slot machines and about 30 table games. Additional improvements for the first floor include a high-limit room, an expanded non-smoking area, a performance stage for live entertainment at the Stixx Sports Bar and a small amount of additional retail space for a gift shop and coffee shop. The Buffalo Savors Grill will also be expanded. The second floor includes a new restaurant known as the Western Door Bar & Grille. The casino attracts about 3 million visitors annually.

Seneca Allegany Casino is a resort, hotel, and casino in the City of Salamanca, New York located approximately 25± miles southeast of the subject property. It is owned by the Seneca Nation of New York. The complex consists of 68,300± Sq.Ft. of gaming space, a spa, six restaurants, and has 413 hotel rooms. In 2012 a \$53 Million dollar, second hotel tower was completed providing an additional 201 hotel rooms within the complex. The casino’s presence in the community has been beneficial in two main areas: employment for more than 800 full-time employees, as part of the roughly 1,100 total workers there and the 3 million visitors it brings to the region annually. The Seneca Allegany Events Center, a multi-purpose facility that can host up to 2,400 guests is also located on the property.

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Market Analysis – (Continued):

Casino Development:



View of the Seneca Buffalo Creek Casino

The opening of the Rivers Casino in Schenectady also brought the state closer to the saturation of the upstate gaming market, raising questions about how they will all co-exist. There are now 16 casinos or racetracks with Video Lottery Terminals in New York north of New York City. One more, the \$1 billion Montreign Casino in the Catskills, is set to open next year. All of these facilities are expected to succeed, but the battle for the gambling dollar between Syracuse and Rochester is increasingly competitive with the opening of the \$425 million del Lago Casino in the Finger Lakes Region in the Town of Waterloo, New York. Currently in this region, there are now six (6) casinos or Racinos, (which are Racetracks with the slot-machine-like Video Lottery Terminals) between Batavia Downs in western New York and the Turning Stone Casino owned by the Oneidas in central New York. The del Lago Casino is hoping to become a tourist destination in the Finger Lakes, while Montreign in March 2018 hopes to lure people from New York City, and revive the once popular tourism area of the Catskills. Many of these casinos are hoping they can simply tap into the market within a 50-mile radius, each becoming the regional hub for gambling. Tioga Downs, for example, has seen an uptick in revenue since it switched from a Racino to a full casino with table games after getting a state license. This Casino also plans to open a new hotel to draw in new customers. In the Albany area, Rivers and Saratoga are aiming to attract gamblers during the area's busy summer months, aided by the Saratoga Race Track season in July and August.

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Market Analysis – (Continued):

Casino Development:

A portion of the revenue from the new casinos, about \$3.3 million a year, goes to problem gambling, while the state and municipalities get a piece of the profits. When all four of the private casinos are operational, the state estimates \$325 million in annual revenue: \$65 million to localities and \$260 million for public education.



View of the Artist's Rendering of the Montreign Casino

All of the new Casinos and Racinos are operating under the state rules and limits on where the casinos could be built. In 2013, voters approved a change to the New York constitution that allowed for the construction of privately owned casinos. Previously, the nine horse-racing tracks, under a 2001 law, were able to have Video Lottery Terminals; there are also six Native American casinos, three owned by the Seneca in western New York; two run by the Oneidas in central New York and the Akwesasne Mohawk Casino near the Canadian border in northern New York State. To help drive business to upstate, Gov. Andrew Cuomo and the Legislature passed a separate law to require the first four private casinos to be built upstate and gave them exclusivity for the next five years.

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Market Analysis – (Continued):

Casino Development:

In conclusion, while the repurpose / reuse of the J.N. Adam Developmental Complex as a casino is possible, it is extremely difficult to see this as being viable option. Given the exclusivity of the new private casinos over the next five years, development would not be possible until 2022 at the earliest. This would only be achieved if the State of New York could entice private development to take possession of the J.N. Adam Developmental Complex. This coupled with the subject's rural location in Perrysburg, New York and the increased competition & saturation of the casino market lead us to believe this would typically not come to fruition.

We are further of the opinion that the only possible development option as a casino would be to work with the Seneca Nation of Indians. The Cattaraugus Indian Reservation is located approximately 1.7 miles north of the subject. The Seneca Nation currently operates three (3) additional casinos within a 50 mile radius of the J.N. Adam Developmental Complex. In our opinion, a alternative way to entice the development of the complex is to give the 649.00± acres and the improvements as reservation land and the benefits that would come to the Seneca Nation. At this point the Seneca Nation could possibly redevelop the site in the future to include the casino, a golf course, conference center, additional improvements and recreational uses.

Even in this hypothetical situation, it is highly speculative that the Seneca Nation would want to repurpose / reuse the J.N. Adam Developmental Complex as a casino as they would be over saturating their own market given the proximity of the Seneca Buffalo Creek Casino and the Seneca Allegany Casino.

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Market Analysis – (Continued):

Chautauqua Institution:

The Chautauqua Institution, originally known as the Chautauqua Lake Sunday School Assembly, was founded in 1874 as an educational experiment boasting “vacation learning” during a nine-week season which officially runs from mid June to mid August. It was successful and broadened almost immediately beyond courses for Sunday school teachers to include academic subjects, music, art and physical education.

The Institution has operated each summer since then, gradually expanding its season length and program offerings in the arts, education, religion and music. It offers educational activities to the general public during the season, with public events including concerts, theater, symphony, ballet, opera and visual arts exhibitions. The institution also offers a variety of recreational activities, including schools of Special Studies along with, a residential music program of intensive study offered to students aiming for professional careers who audition for admittance into Chautauqua's schools of fine and performing arts.

The Chautauqua Institution is a not-for-profit, 750± acre educational centre located on the banks of Chautauqua Lake in south-western New York State, where approximately 7,500± people are in residence on any day during a nine-week season, and a total of over 100,000± people attend scheduled public events. Over 8,000± students enrol annually in the Chautauqua Summer Schools which offer courses in art, music, dance, theatre, writing skills and a wide variety of special interests.



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Market Analysis – (Continued):

Chautauqua Institution:

The Chautauqua Literary and Scientific Circle (CLSC) was started in 1878 to provide those who could not afford the time or money to attend college the opportunity of acquiring the skills and essential knowledge of a College education. The four-year, correspondence course was one of the first attempts at distance learning. Besides broadening access to education, the CLSC program was intended to show people how best to use their leisure time and avoid the growing availability of idle pastimes, such as drinking, gambling, dancing and theatre-going, that posed a threat both to good morals and to good health. To share the cost of purchasing the publications and to take encouragement from others in the course, students were encouraged to form local CLSC reading circles. Soon these were established throughout the country and, in time, around the world. Among those who benefited most from the CLSC program were women, teachers, and those living in remote rural areas. At the end of their four years of study, students were invited to come to Chautauqua to receive their certificates in a ceremony, which is still held today during the first week in August.

The Chautauqua Institution is governed by a 24-member board of trustees, four of whom are elected by property owners. The board establishes the policies and direction of the Institution, electing the officers who are responsible for the operation of the Institution. Smith Memorial Library and the Chautauqua Institution Archives are open year round. Between-season conferences are held at Belling Hall, the Athenaeum Hotel and other facilities on the grounds.



View of the Lutheran House on the Chautauqua Institution Grounds

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Market Analysis – (Continued):

Chautauqua Institution:

The Institution's grounds, located between New York State Route 394 and Chautauqua Lake, include public buildings, administrative offices, a library, Movie Theater, bookstore, hotel, condominiums, inns, rooming houses, and many private cottages available for rent during the season. There are about 400 year-round residents, but in the summer the population can increase up to 7,500 guests per day during the summer season. The Institution is largely a pedestrian community with bikes and scooters widely used along with a 12-mph speed limit for cars when authorized to be on the grounds. There are several parking lots located on the periphery of the grounds for which visitors utilize and then walk or bike into the Institution.

The **Athenaeum Hotel** located on the grounds is the only hotel actually owned and operated by the Institution. The 156-room hotel, said to be the largest wooden building in the eastern United States, was built in the Second Empire style in 1881. It has a two-story porch supported by narrow columns, with a central, mansard-covered tower. Although the number of hotel rooms has steadily declined on the grounds in the past thirty years, there has been a corresponding growth in condominiums.

Palestine Park is a walk-around, landscaped, geographically scaled map of Palestine showing the general contour of the area, including mountains, valleys, bodies of water and the cities that existed in the correct geographical locations during the New Testament of the Bible Throughout the week, multiple tours are offered to discuss the historical and religious significance of this world-famous area.



View of the Athenaeum Hotel

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Market Analysis – (Continued):

Chautauqua Institution:



Artist's Rendering of the Newly Completed Amphitheater

Built in 1893, the Chautauqua Amphitheater was known as the "beating heart" of the National Historic Landmark District located 70 miles southwest of Buffalo, NY.

Internationally recognized, the 4,000-seat, open-air structure hosted a wide range of leaders, activists, and artists over its 122-year history. Despite the history, the Chautauqua Institution announced in fall 2014 its intent to demolish the historic Amphitheater to make way for a replica with updated amenities. Led by the National Trust, a coalition of preservation organizations, architects, and community stakeholders fought plans to demolish this iconic place where over a century of American history happened, arguing that authenticity can never be replaced and that the existing Amphitheater – like many historic performance venues across the country – could be thoughtfully renovated to meet modern needs.

In December 2015, the Chautauqua Institution's Board of Trustees voted to accept a \$41.5 million bid to demolish the Amphitheater. By September 2016, the demolition was complete. Construction has since begun on a new Amphitheater slated to open in the summer of 2017.

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Reconciliation and Conclusion:

In conclusion, multiple options for the repurpose / reuse of the J. N. Adam Developmental Complex have been analyzed. The Imperial Baths at Sharon Springs, the Haddon Avenue Transit Village within the Our Lady of Lourdes Medical Center, the Bennett College for Girls Campus restoration and Hudson Heritage within the Hudson River State Hospital site have all been researched. While each of these projects has unique and multi-faceted redevelopment aspects, the location of each of these close to a strong population base plays a vital role in each plan. As previously stated the rural location of the J.N. Adam Developmental Complex is a major deterrent to developers / investors.

Casino development has also been analyzed. Due to the opening of four (4) new, privately owned casinos and their exclusivity to operate without further competition until 2022 makes this repurpose / reuse of the J.N. Adam Developmental Complex highly unlikely. Again, there is a possibility of the State of New York working with the Seneca Nation of Indians; however the current market saturation added with the fact that the Nation operates the Seneca Buffalo Creek Casino & Seneca Allegany Casino makes this highly speculative.

It is in our opinion, the early beginnings of the Chautauqua Institution; from a small Sunday school originally started in 1874 to what the campus has grown to become today represent the most viable repurpose / reuse of the J.N. Adam Developmental Complex based on the Hypothetical Condition where local, State, Federal & Private Sector funding is a possibility.

A portion of the main improvements would be utilized on the newly formed “Campus” for continuing educational courses, artists in residency, musicians and educational activities to the general public; with public events including concerts, theater, symphony, ballet, opera and visual arts exhibitions. The redevelopment of the eight (8) single family residences along with the dormitory building on the west side of Peck Hill Road would be the first of the “Cottages”; eight (8) individually remodeled cottages available for rent to the public. The dormitory building could also be redeveloped for class room space. The balance of the 492± acres of land would then need to be transformed into a sophisticated park-like setting, complete with hiking / biking trails, pavilions, development around the existing pond, playground(s), camping sites, possible Recreational Vehicle sites w/ hookups and various bathroom facilities throughout the “Campus”.

As previously stated, the *short-term plan* of the complex should be the “mothballing” of the improvements, as immediate funding for redevelopment is not readily available to put the improvements into usable condition, and as a master rehabilitation plan is being formed; “mothballing” is a necessary means to protect the improvements from further deterioration from the weather and vandalism.

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Reconciliation and Conclusion:

At this point, the State of New York will need to market J.N. Adam Developmental Complex as somewhat of a “Sister” site to the Chautauqua Institution. As the current improvements are in poor condition, this will be a very difficult property to market. We feel the State of New York will first need to create a task force comprised of local community leaders who are abreast of the local business climate throughout Western New York as well as local Real Estate Developers who have experience with similar rehabilitation situations.

As demonstrated prior in this Market Study, the cost analysis of reuse projects indicated a range in cost per square foot from \$152.13 per square foot to \$937.50 per square foot. Considering these reuse projects in general did not have as dilapidated structures as the subject property, it is reasonable to project the reuse cost for the subject's 285,008± square feet in the range of \$300 to \$350 per square foot or **\$85 million** to over **\$100 million** dollars.

Again, this would be a very long repurpose / reuse project which would need to be very transparent to the community in terms of drawing those interested in seeing it move forward. At an initial cost for redevelopment hovering around \$100 Million dollars, it is difficult to see a private sector investor or investors financing the redevelopment on their own, even if the subject qualifies for State and Federal rehabilitation tax credits. As the likelihood of Federal & State funding for a project of this magnitude is speculative, we feel that the State of New York would further need to market the site as a Government-Nonprofit Partnership.

Typically these partnerships are most effective with the government entity owning the improvements and the Nonprofit entering into an initial long-term lease for a very nominal fee. Local Nonprofit organizations such as the Margaret L. Wendt Foundation & the John R. Oishei Foundation; both of which are large supporters of the advancement of the Arts, Culture & Education in Western New York through Grant Making, Alternative Funding Solutions and Philanthropic Funding. These are two (2) examples of Nonprofit organizations that have been active for decades in Western New York. As the State of New York would not generate Tax Revenue from the lease, they are relieved of some liability as the Nonprofit pays the lease fee, is responsible for any utilities and begins the process of on-going maintenance and the further redevelopment of the J. N. Adam Developmental Complex. It also may be beneficial to the Nonprofit, gaining community support and recognition for the redevelopment, as the J. N. Adam Developmental Complex is somewhat of a local landmark.

In the event the combination of State, Federal, Nonprofit & private funding is not available for redevelopment of the subject property, to only alternative for the State of New York to demolish the improvements and market the vacant land for recreational purposed. This would relieve the burden of securing the subject properly on the local governments.

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Reconciliation and Conclusion:

The Market Study opinions are based on conditions in the Real Estate Market and general economic conditions as of February 20, 2017.

Very truly yours,



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



Peter L. Schultz
Real Estate Appraiser Assistant

**THIS MARKET STUDY 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. 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 opinions 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 Market Study is to provide an opinion of the repurpose / redevelopment of the J.N. Adam Development Complex. Under no circumstances should this Market Study 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 this Market Study.
11. Full compliance with all applicable federal, state and local environmental regulations and laws is assumed unless noncompliance is stated, defined, and considered in this Market Study.
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. These opinions are 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 known hazardous or toxic wastes within or in meaningful proximity to the site.

Further, 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 opinions are provided under the 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 opinions in this Market Study 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 Market Study 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 Market Study, 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.

Disclosures of the contents of this Market Study are 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 Market Study 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 Market Study 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 Market Study 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 Market Study 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 Market Study 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 Market Study 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 attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this Market Study.
- my analyses, opinions and conclusions were developed, and this Market Study 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 Market Study.
- Peter L. Schultz, Real Estate Appraisal Assistant provided assistance in data collection in the generation of this Market Study.
- 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.

- The Market Study opinions are based on conditions in the Real Estate Market and general economic conditions as of February 20, 2017.



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 Market Study 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 Market Study 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 Market Study 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 attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this Market Study.

my analyses, opinions and conclusions were developed, and this Market Study 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 Market Study.

The Market Study opinions are based on conditions in the Real Estate Market and general economic conditions as of February 20, 2017.



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

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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