

Real Estate Appraisal of
3 Massachusetts Avenue
City of Buffalo, Erie County, New York

Property Type
Commercial Vacant Land with Improvement

Property Owner
Episcopal Church Home of Western New York

PIN # 5PBO.00.201

Map 5, Parcel 5

Prepared For
Mr. Timothy R. Woodbury, PE, LS
GPI/Greenman-Pedersen, Inc.
4950 Genesee Street
Buffalo, NY 14225

Effective Date of Valuation:
June 7, 2012

Prepared By
Klauck, Lloyd & Wilhelm Inc.
247 Cayuga Road
Buffalo, New York 14225
KLW File:7877-Map 5



Klauk, Lloyd & Wilhelm, Inc.

Real Estate Appraisers and Consultants

July 18, 2012

Mr. Timothy R. Woodbury, PE, LS
GPI/Greenman-Pedersen, Inc.
4950 Genesee Street
Buffalo, NY 14225

*Re: Real Estate Appraisal of
3 Massachusetts Avenue
City of Buffalo, Erie County, New York
PIN # 5PB0.00.201
Map 5, Parcel 5*

Dear Mr. Woodbury:

As requested I have undertaken the real estate appraisal assignment of the above captioned property. This is a *self contained* appraisal report as defined by the Appraisal Foundation in the Uniform Standards of Professional Appraisal Practice (USPAP). Investigations and analysis of the subject and market area occurred from May 29, 2012 through July 18, 2012.

The property appraised consists of a commercially zoned parcel of land currently serving as a surface parking lot. The property is located at the south side of Massachusetts Avenue. The site has 32 feet of frontage on Massachusetts Avenue. In total, the site contains approximately 2,124 SF.

The purpose of the appraisal is to estimate market value of the property in fee simple estate in accord with the scope of services set forth in this report and the laws of the State of New York.

The intended use of the appraisal is to aid in determining the just compensation for the acquisition of the property in it's as is condition.

The effective date of valuation is the date of inspection.

Based on the results of my investigations and analysis, I have estimated the "as is" market value of the property in fee simple estate as of June 7, 2012, to be:

TWELVE THOUSAND SEVEN HUNDRED FIFTY DOLLARS

\$12,750

The value is intended to reflect real estate only; fixtures, machinery or equipment are not included except as is customary in the local market area.

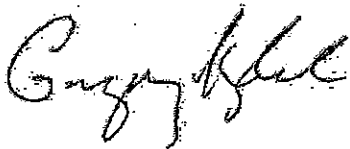
The market value estimate is subject to the general and extraordinary assumptions, contingent and limiting conditions which follow and are made part of this letter.

The value estimate and opinions expressed reflect market conditions in the local market area as of the valuation date.

The following report sets forth, in more detail the scope of our investigation and the conclusions drawn from our analyses.

Respectfully submitted,

Klauck, Lloyd & Wilhelm Inc.



Gregory C. Klauck
Principal Appraiser
New York State Certified General
Real Estate Appraiser
Certificate #46-0250

GENERAL CONTINGENT AND LIMITING CONDITIONS:

1. That the date of value to which the opinions expressed in this report apply is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.
2. That no opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
3. That no opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable; free and clear of all liens, encumbrances, easements and restrictions except those specifically 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.
4. That no engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
5. The 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.
6. That the projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
7. That testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made a reasonable time in advance.
8. That since a title report was not made available no responsibility is assumed for such items of record not disclosed by his normal investigation.
9. That no consideration has been given in this appraisal to personal property located on the premises.
10. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated.

GENERAL CONTINGENT AND LIMITING CONDITIONS: (Cont'd.)

11. Furthermore, the appraiser is not qualified to test for such substances or conditions. The presence of such substances (e.g. asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions) may affect the marketability and/or value of the property. The opinions rendered in this report are predicated on the assumption that there are no such conditions on or in the property or in such proximity thereto that would cause a loss in marketability and/or value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
12. Regarding improved property, the Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we do not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.
13. The information within this report is presented with the understanding that appraisals and reporting formats vary greatly, depending upon the client's individual needs, time constraints, the size and complexity of the property, and the intended use of the data. It should be clearly understood this appraisal has been prepared subject to certain limitations as detailed in the scope of work detailed in the report.
14. The possession of this report does not carry with it the right of publication or copying in whole or in part, and there is no accountability or obligation expressed or implied to anyone other than the "intended user(s)". If this report is placed in the hands of anyone other than the intended user, it is at your risk and obligation to make such party aware of all of the limiting conditions and assumptions of this assignment, and any of the related discussions. Furthermore, this appraisal report is to be used only in its entirety and may not be used for any purpose other than its intended use.
15. The reader should note that if you are contemplating obtaining mortgage financing from a federally regulated institution and using this property as collateral, the lender or its agent is required to directly engage the appraiser.

Property Specific and Extraordinary Contingent, Limiting Conditions & Assumptions

- This appraisal has been made without the benefit of a title report.
- The property acquired is based on a New York State Department of Transportation Acquisition Map provided.
- The property is to be acquired in it's entirety as is.

Hypothetical Conditions:

None

Jurisdictional Exceptions:

- This report is prepared for the purpose of estimating damages to the subject property resulting from a federally funded Project. As such, there are certain jurisdictional exceptions from the Uniform Standards of Professional Appraisal Practice as follows.
 1. Marketing and exposure time are not addressed in accord with Uniform Appraisal Standards for Federal Land Acquisitions.
 2. The Uniform Appraisal Standards for Federal Land Acquisition also require that the appraiser disregard any changes in the appraised property's neighborhood (market area) brought about by the Government's project.

TABLE OF CONTENTS

Certification of Appraiser	1
Summary of Important Facts & Conclusions	2
Identification of the Subject Property	3
Property Rights Appraised	3
Purpose and Intended Use of the Appraisal	3
Intended Users	4
Effective Date of Valuation	4
Scope of the Assignment	4
 Erie County & Regional Economic Data	 5-16
City of Buffalo Area Data	17-29
Market Area Analysis & Photographs	30-36
 <i>Subject Data</i>	
Ownership & Occupancy	37
Sales History	37
Tax and Assessment Analysis	37
<i>Description of Real Estate</i>	
Site	38-42
Site Plan - Before the Taking	41
Zoning	39
Environmental	42
Site Summary	42
Subject Photographs	43
 Highest & Best Use	 44-45
 Appraisal Process	 46-47
 Direct Sales Comparison Approach	 48-64
 Reconciliation & Conclusion of Value	 65
 Addenda	 66

CERTIFICATE OF APPRAISER

Project	Peace Bridge	P.I.N.	SPB0.00.201
Map(s)	5	SH	NA
Parcel(s)	5	Fed. Proj. No.	Not available

I hereby certify:

That I have personally inspected the property herein appraised (both the exterior and interior of all affected improvements). I have also made a personal field inspection of the comparable sales relied upon, and all adjustments made to such comparables were based upon an observed comparison to the property herein appraised. I have afforded the property owner and any tenant who claims ownership of fixtures the opportunity to accompany me at the time of inspection. The subject and the comparable sales relied upon in making said appraisal were as represented by the photographs contained in said appraisal.

That to the best of my knowledge and belief the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based are correct; subject to the limiting conditions therein set forth.

That I understand that such appraisal may be used in connection with the acquisition of property for Peace Bridge Plaza expansion to be constructed with assistance of federal-aid highway funds, or other federal funds.

That such appraisal has been made in conformity with the contract, appropriate State laws, regulations and policies and procedures applicable to appraisal of right-of-way for such purposes; and that to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under the established law of said State.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

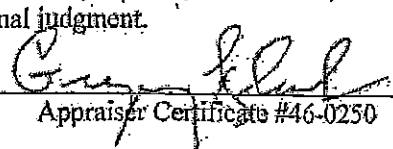
That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of GPI/Greenman-Pedersen, Inc., The Peace Bridge Authority or officials of the Federal Highway Administration and I will not do so until authorized by State officials, or until I am required by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That my opinion of the market value of the acquisition as of the 7th day of June, 2012 is \$12,750.00 based upon my independent appraisal and the exercise of my professional judgment.

July 25, 2012

Date


Appraiser Certificate #46-0250

Acknowledgement

The participation of Christopher Parker is hereby acknowledged in the preparation of this appraisal report. Christopher Parker aided in the inspection of the property, gathering of market data and the initial drafting of segments of the report.

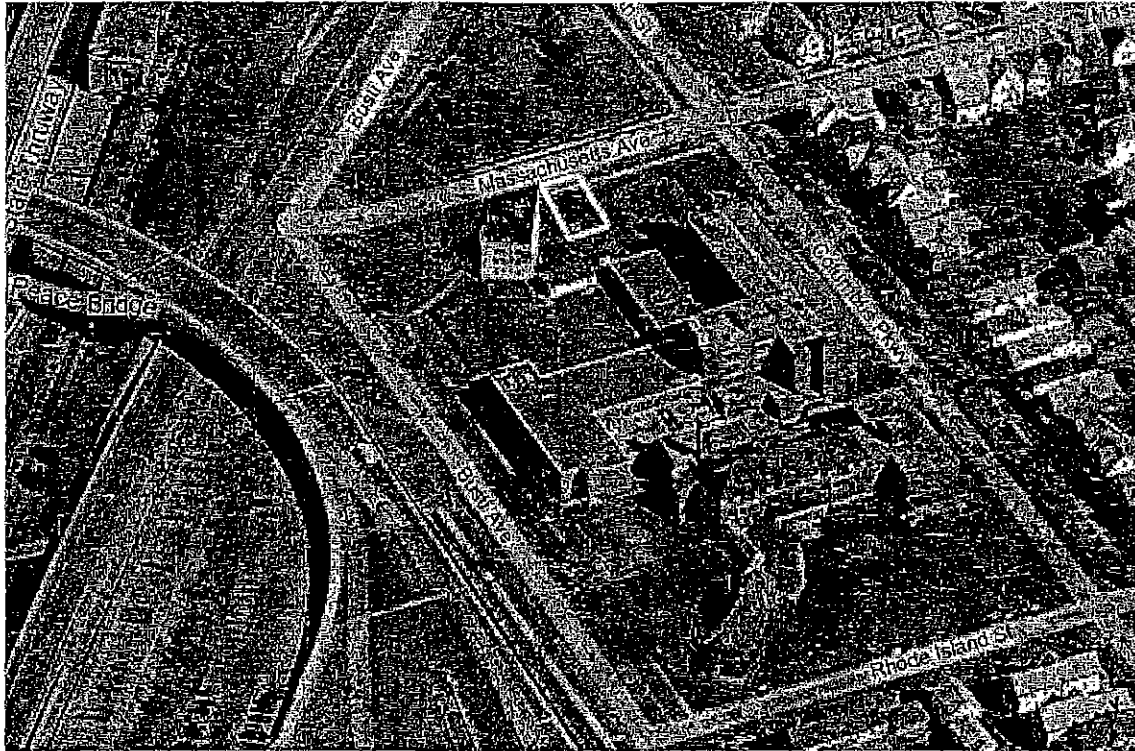
Property: Peace Bridge Project, Buffalo, Erie County, New York

Summary of Important Facts and Conclusions:

Property Location:	3 Massachusetts Avenue, City of Buffalo, Erie County, New York
Parcel ID (SBL) #:	99.65-2-3
Owner of Record:	Episcopal Church Home of Western New York
Property Rights Appraised:	Fee Simple
Date of Inspection:	06/07/2012
Type of Property:	Commercial Vacant Land With Improvement
Land Area:	2,124 SF (.05± Acres) (NYS DOT Acquisition Map)
Zoning:	PB, Porter-Busti District
Flood Hazard Data:	Community / Panel #360230 /15C; Zone X (8/23/99)
Utilities:	All Public Services Available
Building Data:	Surface parking lot
Year Built:	N/A
Gross Building Area	N/A
Net Rentable Area	N/A
Effective Age:	N/A
Remaining Useful Life:	N/A
Highest & Best Use:	Assemblage
Value Indicators:	
Sales Comparison Approach:	\$12,750*
Income Capitalization Approach:	NA
Cost Approach	NA
Final Value Estimate:	\$12,750*
Effective Date of Valuation:	June 7, 2012
Estimated Exposure Period:	NA

* includes \$2,000 enhancement for blacktop paving.

Subject Property



Aerial View

Identification of the Subject Property:

The property appraised is located on the south side of Massachusetts Avenue in the City of Buffalo, Erie County, New York. The property is further referred to as follows.

Section, Block & Lot	Location	Area
99.65-2-3	3 Massachusetts Avenue	2,124± SF

Property Rights Appraised:

The rights appraised are those inherent in the fee simple estate, subject to police powers, taxation, eminent domain, escheat and existing easements and/or encroachments. Non realty rights and values such as special tax benefits, unique financing terms, personal property not permanently attached to the real estate or business value were not considered.

Intended Use of the Appraisal:

The intended use of this appraisal report is to aid in the determination of compensable damages to the real property arising from a prospective taking related to a state and/or federally funded bridge project.

Market value and damages are estimated in accord with the laws of the State of New York.

Property: Peace Bridge Project, Buffalo, Erie County, New York

Intended Users:

Use of this report is restricted to our client, GPI/Greenman-Pedersen, Inc., the Peace Bridge Authority, New York State Dept. of Transportation Real Estate Division, and the Federal Highway Administration.

Effective Date of Valuation:

The effective date of valuation is the date of the most recent property inspection. Market conditions analyzed are those in effect as of that date. The market value estimate may not be valid for any future date due to the changing nature of the determinants of value. Unforeseen changes in the future economic conditions (rise or decline) or dynamic changes in any of the financial markets of US could have a material effect on the estimated value of property. Additionally, new legislation (state or federal) or modifications to existing laws that may occur after the effective date, could also impact on the estimated value of the property. No responsibility is assumed for changes in market conditions.

Scope of the Assignment:

The scope of the appraisal assignment is intended to encompass the investigations, research and analysis necessary to prepare the report in accord with 1) the stated purpose and intended use of the report; 2) the Standards of Professional Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and 3) the Uniform Appraisal Standards for Federal Land Acquisition. In regard to this assignment it involved the following:

- Research and collection of market data related to market conditions and market activity.
- An inspection of the subject property.
- Detailed review of the zoning ordinance which governs the subject property.
- Review of available environmental and other survey reports.
- An exhaustive and detailed investigation of additional comparable data sources.
- In-depth market and highest and best use analysis.
- Exterior inspection of comparable and competitive properties.
- Consideration and application of the appropriate valuation methods.
- Reconciliation and conclusion of final estimate of Market Value and compensable damages.
- In the course of collecting and confirming market data, no important information has been knowingly withheld.

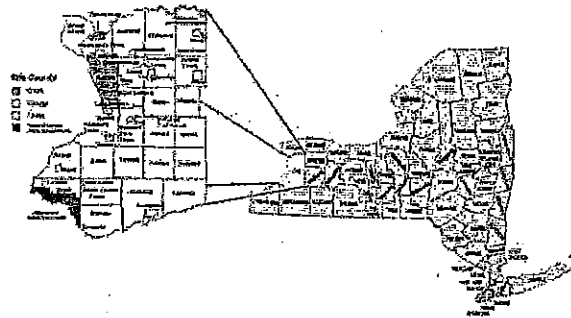
Exposure Period and Marketing Time:

Uniform Appraisal Standards for Federal Land Acquisition dispense with these USPAP requirements as a jurisdictional exception.

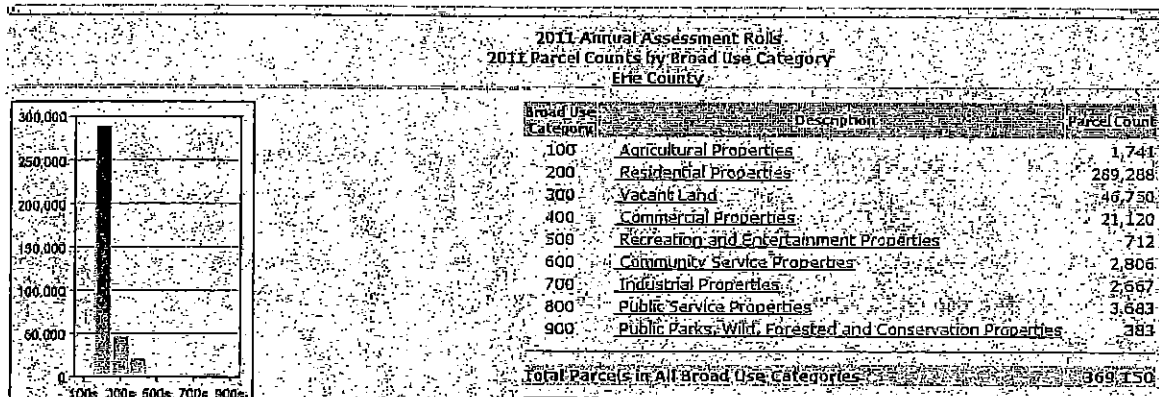
Area Data – Erie County:

Location:

Erie County is located in the western sector of New York State in an area commonly referred to as Western New York and the Niagara Frontier. The county has a land area of 1,044.21 square miles and as of 2011 contained 369,150 parcels in all broad use categories.



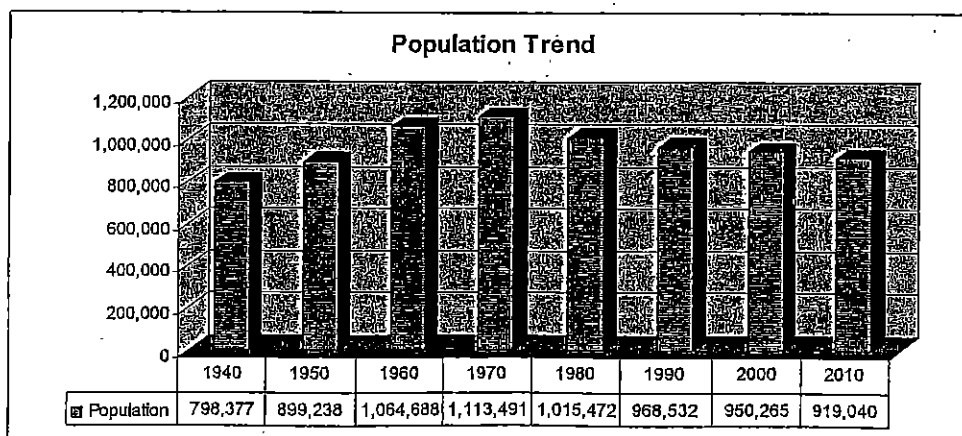
Erie County is bordered by the counties of Niagara to the north, Genesee and Wyoming to the east, Cattaraugus and Chautauqua to the south, and the Niagara River/Lake Erie/Canada to the west. The county includes three cities, 25 towns, and 16 villages. The area's geographic position (adjacent to Lake Erie, Lake Ontario, the Niagara River, and the Province of Ontario, Canada) allows for ready access to markets in the populous Northeast and Canada.



Source: New York State Office of Real Property Tax Services

Population:

According to the 2010 Census, the population of Erie County was 919,040. It has been steadily declining since 1970. The following graph shows the population trend of the county since 1940.

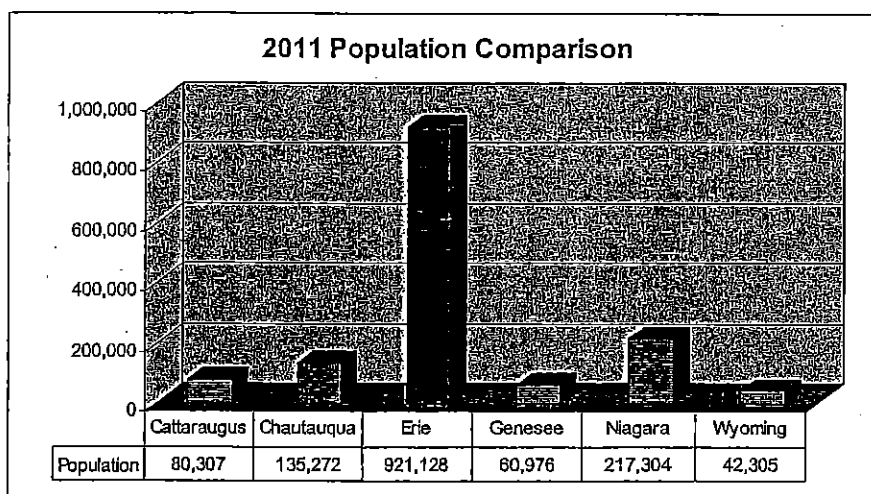


Source: US Census Bureau

Area Data – Erie County: (Cont'd.)

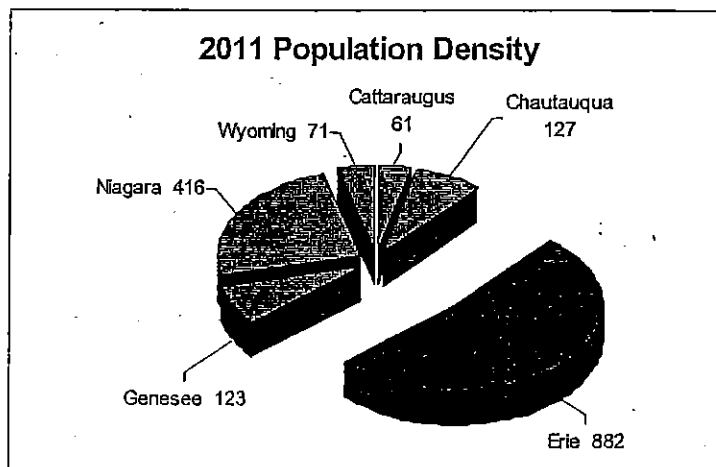
The decline from 1970 to 2010 is tied directly to the area's economic conditions and the difficult and slow transition away from heavy manufacturing. As local plants closed or scaled down operations (especially those related to steel and auto), skilled labor was forced to relocate. In addition, highly educated youths and young professionals have been leaving the area in search of more diversified opportunities. As the local economy continues to diversify, the population should begin to stabilize.

Erie County remains by far, the most populated county in the region. The following graph shows the 2011 estimated populations for Erie County and surrounding counties.



Source: DemographicsNow

Erie County had a 2011 population density of 882 persons per square mile. Similar to population, it has by far, the highest population density in the area. Niagara County has second highest at 416 and Cattaraugus the lowest at 61. The graph below compares the 2011 population densities for Erie County and the surrounding counties.



Source: DemographicsNow

Area Data – Erie County: (Cont'd.)

Economy/Employment:

During the early 1980's the Western New York market experienced significant declines in employment, primarily in manufacturing due to plant closings. Although employment figures improved in the late 80's, the area economy experienced a continual decline in employment from 1990 to 1992. This decline was attributable to two factors: 1) a national recession commenced during the same time period which severely affected portions of New York State and 2) the area was continuing to make the transition from a heavily dependent manufacturing economic base to a more diverse economic base. This conversion has been slow but appears to be nearing completion.

While manufacturing has declined, arts and recreation, finance and insurance, and education and health care have been growing industries in the area. The following table shows Erie County data from the 1990 and 2000 Censuses as well as 2010 Census estimates. It should be noted that the 1990 Census did not use the same industry categories in their counts, so not all the numbers can be compared directly.

Industry	Erie County							
	1990*			2000			2010	
	Number	%		Number	%		Number	%
Agriculture, forestry, fishing, hunting, & mining	4,207	1.0		1,499	0.3		1,544	0.4
Construction	20,773	4.7		19,178	4.4		19,284	4.5
Manufacturing	76,375	17.3		62,253	14.4		48,615	11.2
Wholesale trade	20,002	4.5		18,677	4.3		13,367	3.1
Retail trade	82,163	18.6		50,932	11.8		50,250	11.6
Transportation, warehousing, and utilities	19,849	4.5		22,211	5.2		21,380	4.9
Information	10,299	2.3		10,234	2.4		8,573	2.0
Finance, insurance, real estate, rental, & leasing	31,241	7.1		28,687	6.7		33,361	7.7
Prof, scientific, mgmt, administrative, & waste mgmt services	31,303	7.1		34,656	8.0		41,841	9.3
Educational, health and social services	92,386	20.9		110,315	25.6		117,578	27.2
Arts, entertainment, recreation, accommodation & food services	15,780	3.6		32,343	7.5		38,128	8.8
Other services (except public administration)	18,295	4.1		19,547	4.5		19,727	4.6
Public administration	19,453	4.4		20,642	4.8		19,080	4.4
Total	442,126	100.0		431,174	100.0		432,738	100.0

Source: US Census Bureau

*the 1990 Census did not use the same industry categories

Even though certain industries were not defined the same way in the 1990 Census, the trend away from the manufacturing industry is evident.

Area Data – Erie County: (Cont'd.)

The following table shows the largest employers in the western New York area (Erie, Niagara, Orleans, Genesee, Wyoming, Allegany, Cattaraugus, and Chautauqua Counties), reported by the Business First *Book of Lists*.

Company	2007	2008	2009	2010
State of New York	16,608	16,755	16,755	27,995
University at Buffalo *	10,035	10,066	10,010	10,898
Federal Executive Board	†	†	†	10,000
Kaleida Health	10,000	10,000	10,000	10,000
United States of America	9,500	10,000	10,000	†
Catholic Health System	4,949	5,191	5,191	6,230
Employer Services Corp.	4,880	5,033	5,380	6,089
Buffalo School District	5,389	5,389	5,389	5,200
Tops Markets	4,673	4,600	4,600	5,103
HSBC Bank USA	5,848	5,848	5,848	5,000
M&T Bank	4,820	4,431	4,640	4,611
Erie County	6,383	4,775	4,775	4,294
Catholic Diocese of Buffalo	3,700	3,500	3,500	3,500
Erie County Medical Center	2,273	2,673	2,919	3,072
City of Buffalo	3,237	3,073	3,000	3,015
Wegmans Food Markets	3,288	3,009	3,009	3,011
Roswell Park Cancer Institute	2,699	3,000	2,563	2,875
US Postal Service	3,733	3,579	3,045	2,824

Source: Business First "Book of Lists"

* Employees are included in the total of State of New York

† was not on list

The University of Buffalo, the area's second largest employer, has unveiled its plan for future growth. It has set a goal to become one of the top public research institutions in the country. While UB is currently the largest school in the State University of New York system with 25,000 full time students and 1,900 full/part time faculty members, plans call for the addition of 10,000 students and 750 new faculty members over the next fifteen years.

The economic and employment trend into the millennium is expected to continue a slow and steady transition away from a heavy manufacturing base. The continued growth and emergence of smaller service and technology related firms will further increase the diversity within the economic base of the Western New York Region.

The county also benefits from its proximity to Canada. Canada is this county's largest trading partner with nearly \$634 billion in bilateral trade in 2007. Whether it's Canadian companies investing in and exporting to New York or New York companies sending goods and services north of the border, trade between Canada and New York State (including spending by travelers) makes important contributions to Erie County's economy and helps to support jobs.

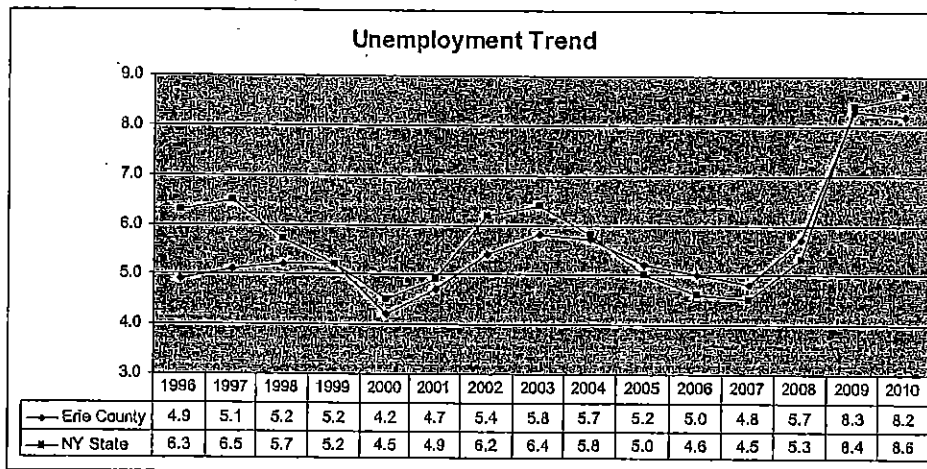
Area Data – Erie County: (Cont'd.)

The following table indicates the Western New York economic climate has experienced a relatively stable employment market over the past decade. Looking closer at particularly the population 16 and older in the labor force and the employed population, the numbers have started to stabilize from 2000 to 2010 after a much larger decrease from 1990 to 2000.

Employment Status	Erie County							
	1990		2000		2010			
	Number	%	Number	%	Number	%		
Population 16 yrs and over	766,698		745,814		746,427			
In labor force	476,256	62.1%	465,413	62.4%	475,502	63.7%		
Civilian labor force	475,366	62.0%	464,949	62.3%	475,294	63.7%		
Employed	442,126	57.7%	431,174	57.8%	427,523	57.3%		
Unemployed	33,240	4.3%	33,775	4.5%	47,771	6.4%		
Armed forces	890	0.1%	464	0.1%	208	0.0%		
Not in labor force	290,442	37.9%	280,401	37.6%	270,925	36.3%		

Source: US Census Bureau

The unemployment rate has remained at a level that has been close to the state average; very close since 2004. Between 1996 and 2004, Erie County was lower; from 2005 to 2008 the county was slightly higher before dropping below the state average again in 2009 and 2010. The next graph compares the unemployment rates for Erie County and New York State.



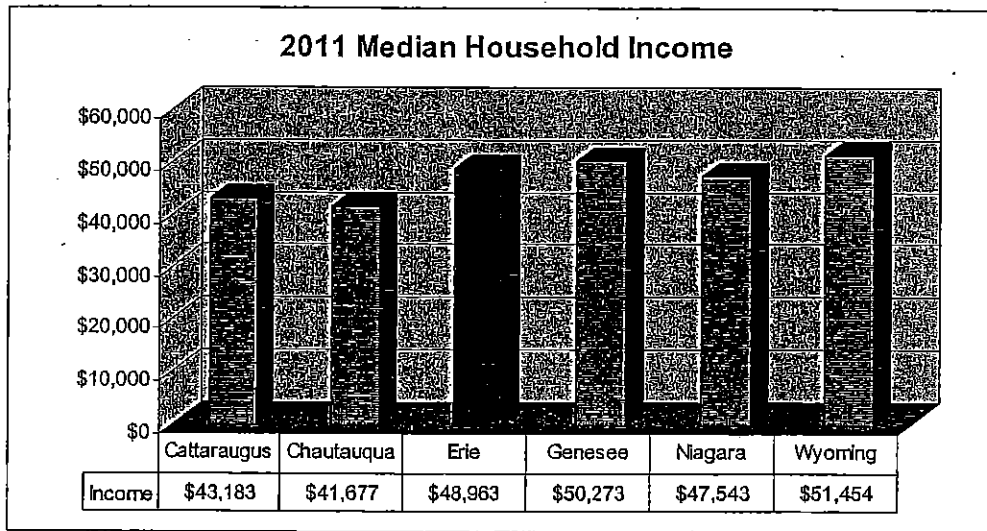
Source: US Department of Labor

Job growth has continued, further lowering unemployment. In the past year (Aug 10 - Aug 11) there have been 5,300 new jobs created in the private sector in WNY and the Erie County unemployment rate was 7.2 in Aug 11 (down from 7.8 in Aug 10) compared to 7.7 for NYS and 9.1 for the US. The WNY region's unemployment rate was 7.3 in Aug 11 compared to 8.0 in Aug 10; marking the 16th consecutive month that the rate has been lower than the corresponding month from the previous year.

Area Data – Erie County: (Cont'd.)

Buying Power:

The estimated median household income for 2011 in Erie County was \$48,963, third when compared to the surrounding counties. With the exception of Cattaraugus and Chautauqua Counties, the counties in the area are very comparable with a range of \$47,543 to \$51,454. The following graph shows the Demographics Now 2011 median household incomes for Erie County and its bordering counties.



Source: Demographicsnow.com

Residential:

Although the population is decreasing, the number of housing units has been increasing since 1990. The following shows information from the US Census Bureau with increases in both vacant and occupied units.

	Erie County					
	1990		2000		2010	
Total housing units	402,131		415,868		419,974	
Vacant units	25,137	6.3%	34,995	9.0%	36,810	8.8%
Occupied units	376,994	93.7%	380,873	91.6%	383,164	91.2%
Owner occupied	240,179	63.7%	248,767	65.3%	248,299	64.8%
Renter occupied	136,815	36.3%	132,106	34.7%	134,865	35.2%

Source: US Census Bureau

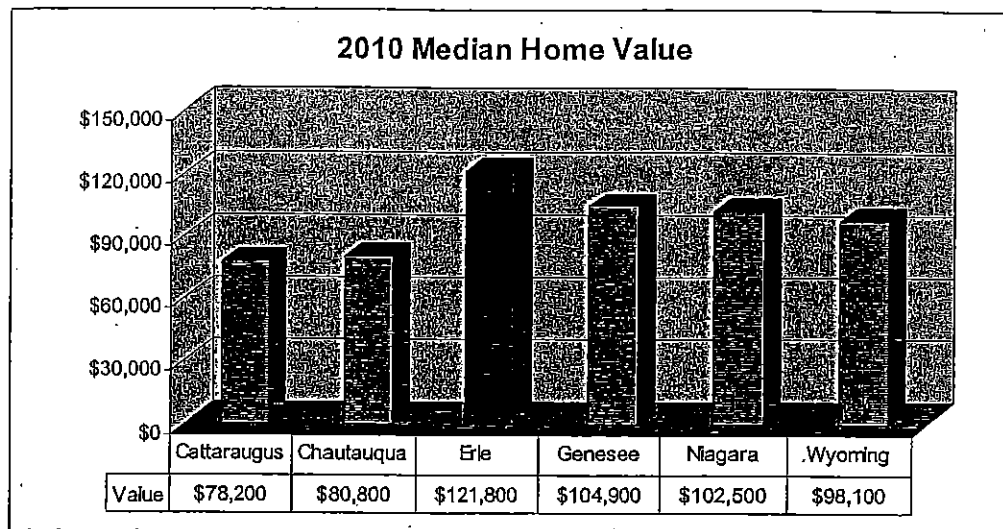
The next table shows single family sales information from the Greater Buffalo Niagara MLS.

Year	2004	2005	2006	2007	2008	2009	2010	2011
# Sales	7,471	7,430	7,186	7,332	6,666	6,797	6,052	5,763
Average Price	\$124,811	\$128,284	\$131,331	\$136,526	\$138,630	\$136,765	\$147,079	\$146,321
Median Price	\$100,200	\$105,000	\$110,000	\$113,000	\$115,000	\$118,000	\$125,000	\$125,000

Source: Greater Buffalo Niagara MLS

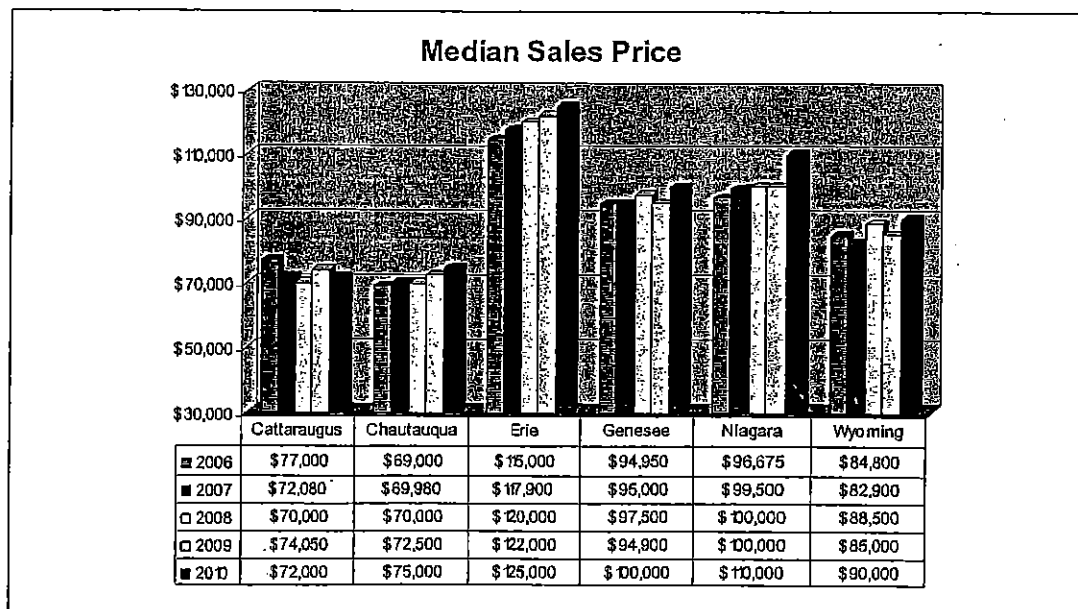
Area Data – Erie County: (Cont'd.)

According to 2010 Census estimates, the median home value in Erie County was \$121,800, highest in the area. Cattaraugus had the lowest value at \$78,200. The graph below compares the 2010 estimated median home values for the area.



Source: US Census Bureau

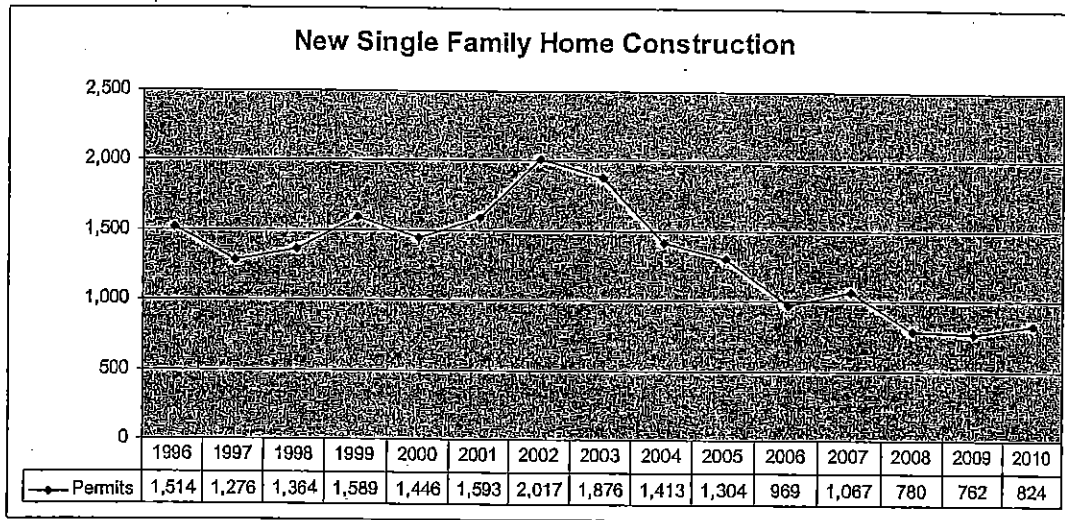
In 2010, there were 6,894 residential sales in Erie County with a median sales price of \$125,000. The median sales price has been increasing since 2006. The following graph shows the annual median residential sales price for Erie County and surrounding counties from 2006 to 2010.



Source: New York State Office of Real Property Tax Services

Area Data – Erie County: (Cont'd.)

The residential construction market in Erie County has been declining since its peak in 2002. This is due to the recent economic downturn and the decreasing population. The following graph shows the annual number of permits issued for new construction of single-family homes in Erie County since 1996.



Source: US Census Bureau

Area Activity:

The majority of the activity that has been occurring in Erie County is outside the city of Buffalo within the towns of Amherst, Clarence, Cheektowaga, and Lancaster and to a lesser degree in the communities of Hamburg, Orchard Park, Aurora and West Seneca. However, there has also been significant recent new development and redevelopment in and around the Central Business District within the city of Buffalo. The continued migration out to the suburbs is expected to slow, and expanding suburban communities such as Amherst, Lancaster, Clarence and the other communities should stabilize. Recent surveys indicate significant demand for residential relocations into the CBD area of the city.

With respect to the city, there are some positive signs of renewed interest. In the residential sector, there have been several successful conversions of various older commercial properties to residential dwelling units. Some of the recent conversions include the Lofts at Elk Terminal, Ellicott Lofts, Sidway Building, Belasario, and Holling Place. The Elk Street terminal at 250 Perry Street, a former food terminal, was converted into high-end apartments at a cost of \$9 million. The project is now in its third phase. A former pipe warehouse at 489 Ellicott Street was converted to high-end lofts, at a cost of \$4.5 million, known as the Ellicott Lofts.

The former federal building at 200 Delaware Avenue, now known as the Avant building, was converted into a multi-use property including a 150-room hotel, 26 luxury condos and five floors of Class-A office space. It opened in 2009 at a cost of \$85 million.

Area Data – Erie County: (Cont'd.)

The recent conversions have primarily focused on middle and upper income conversions and have been absorbed as rapidly as they have been completed. This is occurring in the core area of the city which is an encouraging sign for increased population in the core area of the city. Traditionally this should be followed by renewed commercial retail interest as demand warrants.

There is a medical corridor centered around Buffalo General Hospital and the Roswell Park Institute in the vicinity of Main and High Streets that has seen extensive development over the past 10 years; including the recently completed state-of-the-art bio-informatics complex.

With respect to the commercial office sector of downtown, the Federal Government has closed the federal building at Main & Huron. This displaced a very large segment of government agencies into the market for office space which, for the most part, was retained in the downtown area. Additionally, the government has announced plans for a new federal court building which is currently under construction. This project has already displaced additional tenancies seeking space in the downtown area. The following is a list of recent office development within the city of Buffalo. (*Source: Buffalo News*)

- The Niagara Center at 130 South Elmwood, a \$40 million office building geared to government tenants replacing the Dulski Federal Building.
- CityView Properties purchased the former Larkin warehouse at the corner of Van Rensselaer and Exchange Streets in 2002. Over the next two years, over \$12 million was spent transforming the 10-story, 600,000 sq.ft. building into a multi-tenant office facility now known as the Larkin at Exchange building.
- The new owners of the Electric Building, formerly home to Niagara Mohawk Power Company, recently completed renovating the office space at a cost of \$11.3 million.
- A vacant property at 655 Main Street, formerly a McDonalds Restaurant, was redeveloped with office space in 2002 at a cost of \$8.2 million.
- The \$14 million renovation and conversion of the former M. Wile building and Trico Plant into office space at the corner of Goodell and Washington Streets is partially completed. The M. Wile building is completed. The University of Buffalo recently acquired both properties as the owner of the buildings passed away in the middle of the renovation project. UB plans to renovate the remaining portion of the Trico building into a mix of labs, offices and warehouse space.
- The Stokes Seed Building at 737 Main Street was converted from a nightclub to office space in 2004 at a cost of \$1.5 million.
- Former bars adjacent to the Stokes Seed building at 721 and 723 Main Street are to be converted to office space.
- Labatt USA moved its corporate headquarters from Connecticut to Buffalo, along with 20 jobs.
- The Niagara Square Building was converted from a TV station and bank to office space in 2004 at a cost of \$1.6 million.
- The Federal Reserve building at 160 Delaware Avenue was sold and rehabbed as the corporate headquarters for New Era.

Area Data – Erie County: (Cont'd.)

- The former Gas Works site and brownfields at 249 West Genesee St have been redeveloped, completed in 2007, and becoming the new HealthNow office building at an estimated cost of \$100 million.

The following is a list of projects that are expected in the near future within the Central Business District of the city of Buffalo. (*Source: Buffalo News*)

Recent Activity

- Proposed construction of a new, 11-story office building on Court Street between Franklin and Pearl. The cost of this building, known as the McGuire building, is \$30 million.
- Renovation of the circa-1904 Lafayette Hotel into 115 market-rate apartments and 15,000 square feet of commercial space costing \$35 million.
- A \$46.3 million project to redevelop 12.5 acres of the inner Erie Canal Harbor.
- Laying the groundwork for the Canal Side project, the city started a \$4.4 million reconstruction of the historic Inner Harbor street grid. The project will see the construction of four cobblestone streets along the Buffalo River.
- Proposed redevelopment of the former AM&A's department store on Main Street into new apartments and office space started in 2009, and is expected to cost \$80-100 million.
- A \$118 million Center for Clinical and Translational Research and a Bioscience Incubator within a 10-story building being constructed by UB and Kaleida Health on the Buffalo Niagara Medical Campus - important step forward in the UB 2020 plan to expand UB academic and clinical health science programs in downtown Buffalo.
- The General Motors engine plant in the Town of Tonawanda has landed production of the newest in GM's lineup of engines which should lead to 470 new jobs.
- The Seneca Gaming Corporation broke ground on a \$9 million expansion project in October 2009 that will add 5,300 square feet to the temporary casino at Seneca Buffalo Creek. Plans to complete a permanent casino on the site are still on hold.
- Purchase and renovation of Statler Hotel.
- The \$100 million, 10-story Federal Courthouse in Niagara Square is now complete.
- The old hockey arena (Memorial Auditorium) has been demolished to clear way for development of the inner Erie Canal Harbor.
- Former American Axle site on city's east side being marketed to potential investors. As of April 2010, Galvstar LLC had a tentative agreement to lease up to 50,000 square feet initially with plans to expand up to 130,000 square feet. The \$20 million project would involve hiring 50 workers in the first phase and up to 300 workers in three to five years.

Area Data – Erie County: (Cont'd.)

Downtown development held stable, despite a rocky national and local economy. While redevelopment of the Statler building remains in serious doubt, plans to renovate two other underutilized properties, the AM&A's Department Store and the Lafayette Hotel, were announced. Also in process is the long term waterfront re-development with a budgeted cost of \$700,000,000.

Transportation:

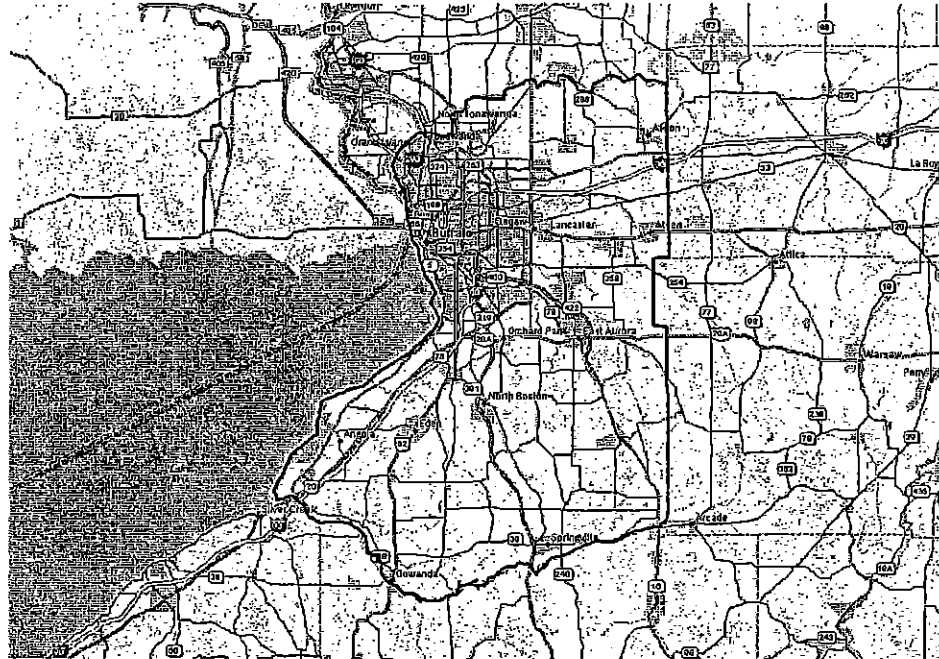
The New York State Thruway and connecting expressways serve Erie County and the city of Buffalo extremely well. This system is based off the mainline Thruway that crosses the county in a general northeast to southwest direction, east and south of the city. Interstate 190 (the Niagara Thruway) branches off Interstate 90 in a west direction and proceeds to downtown Buffalo then north along the Niagara River into Niagara County. Interstate 290 (Youngman Expressway) links I-90 and I-190, traveling northwest around the city and through the northern suburbs. Interstate 990 connects I-290 near the University of Buffalo Amherst campus, with the suburbs north of Buffalo and the Lockport area in central Niagara County.

State Route 400 branches off the main thruway system and leads in a southeasterly direction through the towns of West Seneca, Elma and Aurora. US Route 219 also branches off the main thruway in the West Seneca-Lackawanna area and extends southward through the towns of Orchard Park and Boston providing direct access to the village of Springville and beyond.

Metro Bus & Rail – forming an intricate network of city and suburban streets, Metro Bus utilizes buses, trains, vans and trolley buses covering Buffalo, Lockport, Niagara Falls and all points in between. The Metro Rail runs daily between downtown Buffalo and the University at Buffalo's South Campus on Main Street. This rail is above ground with the exception of a section that travels underground in downtown Buffalo under Main Street.

Amtrak train service is available with local stations at Exchange and Washington Streets in downtown and at 55 Dick Road in Depew. All stations provide access to Empire Service and Maple Leaf trains. The Depew station also hosts Lake Shore Limited rails. The Buffalo Niagara International Airport is located just east of the city, in the town of Cheektowaga.

Area Data – Erie County: (Cont'd.)



Conclusions:

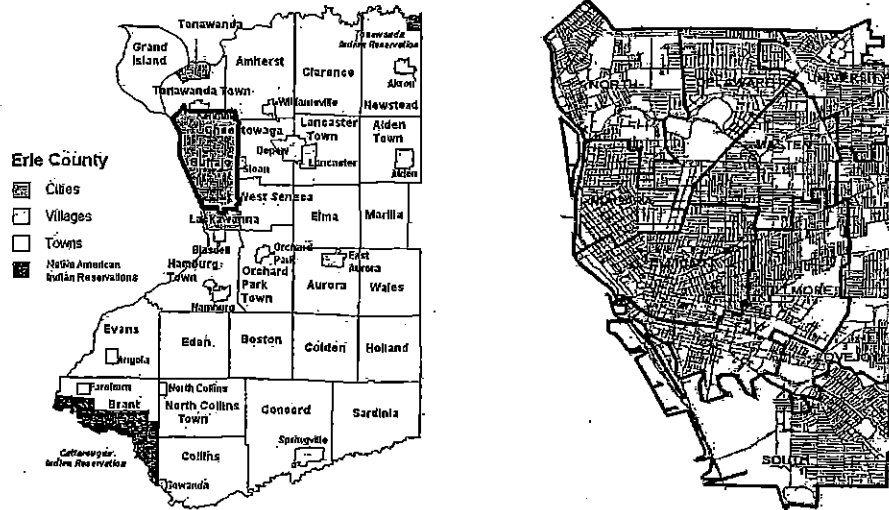
Erie County's population continues to decline, but is expected to start to stabilize. The economy was initially hurt by the loss of major manufacturing presence, but the resulting diversity has strengthened the long term outlook.

Erie County has benefited more than many communities, as a result of the Free Trade Agreement with Canada, with over 20 Canadian companies opening offices in the Buffalo metropolitan area since this agreement was signed. In addition, retail trade locally has increased significantly as a direct result of Canadian dollars being injected into the local economy, subject to currency exchange fluctuations.

The western New York area remains one of the highest taxed areas in the nation which serves to slow economic growth in the region. The financial control board in place in the county and city is affecting long overdue fiscal responsibility. Positive economic developments, a potential for private investment, and a semi-reconstructed industrial base are forecast for the future.

Economic and Area Factors – City of Buffalo:

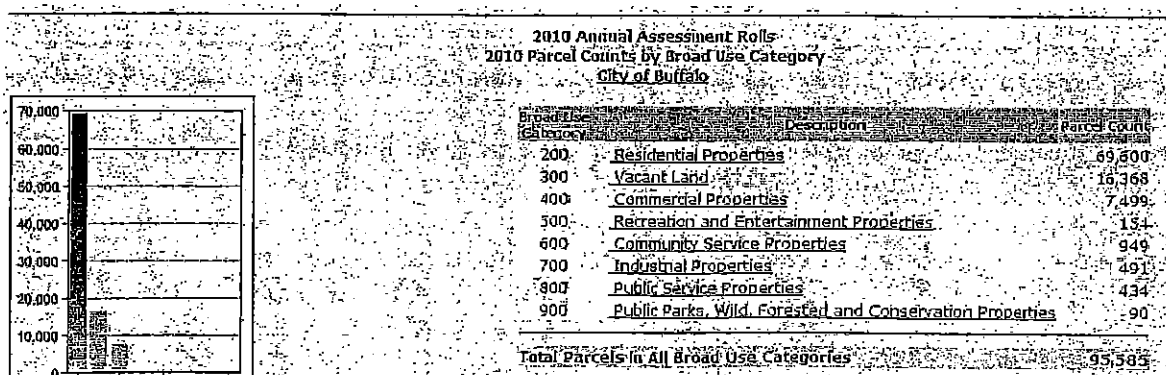
Location:



The city of Buffalo is located in the northwestern quadrant of Erie County. The western boundary of the city is formed by Lake Erie and the Niagara River. Northern suburban communities include Tonawanda, the southwest corner of Amherst, and eastern boundaries include the towns of Cheektowaga and West Seneca. The southern boundary is formed by the city of Lackawanna. The most significant geographical feature of the area is the city's extensive water frontage on Lake Erie and the Niagara River.

Geographically the city is relatively small with a land area of 40.61 square miles. In 2010, it contained 95,585 parcels in all broad use categories.

Buffalo itself is divided into nine districts that generally correlate to the nine council districts that make up the city's legislative body. These districts include North, Delaware, University, Niagara; Masten, Ellicott, Fillmore, Lovejoy and the South district.

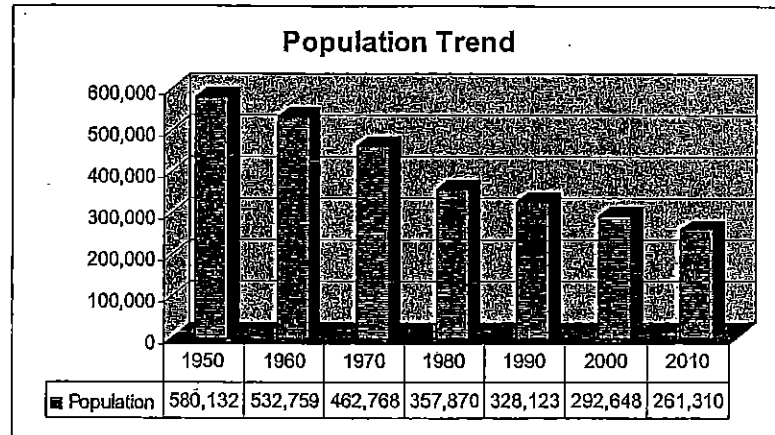


Source: New York State Office of Real Property Tax Services

Economic and Area Factors – City of Buffalo: (Cont'd.)

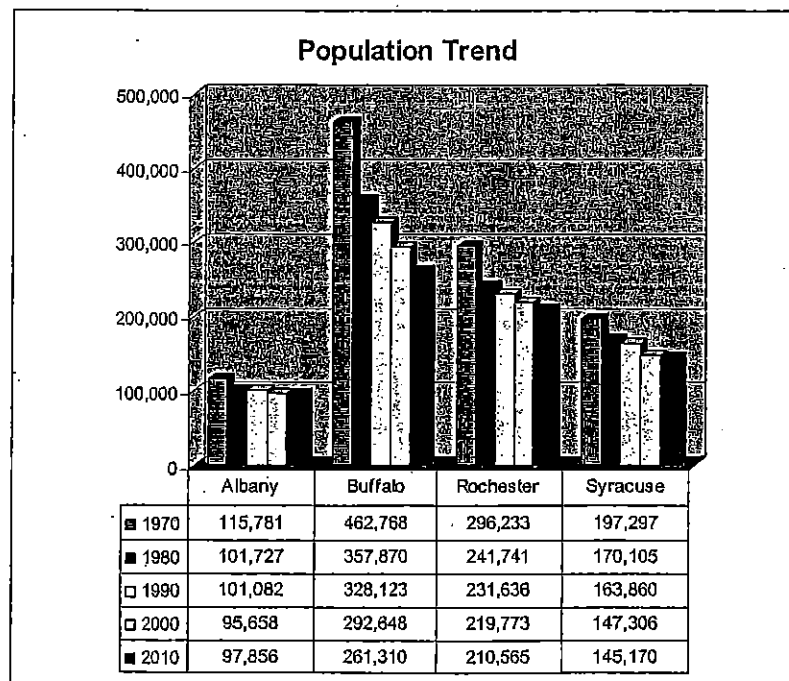
Population:

The 2010 Census population was 261,310 persons in the city of Buffalo, a 10.7% drop from the 2000 Census. The population has been steadily declining since 1950 when it was 580,132. The following graph shows the population trend since 1950.



Source: US Census Bureau

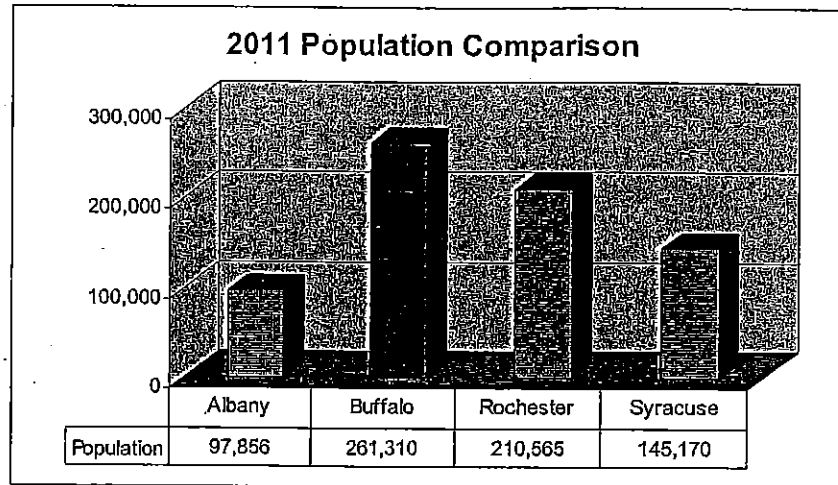
The population decline in Buffalo is similar to the other major cities in New York, outside of New York City. The other three cities have experienced declining populations, to a lesser extent, and Albany had a slight growth in 2010. The next graph shows the population trend for the other major cities since 1970.



Source: US Census Bureau

Economic and Area Factors – City of Buffalo: (Cont'd.)

Buffalo, as of 2011, still remains the largest city in Upstate New York; however, due to a larger degree of population loss, the difference is not as great as it has been in the past.



Source: DemographicsNow

Employment:

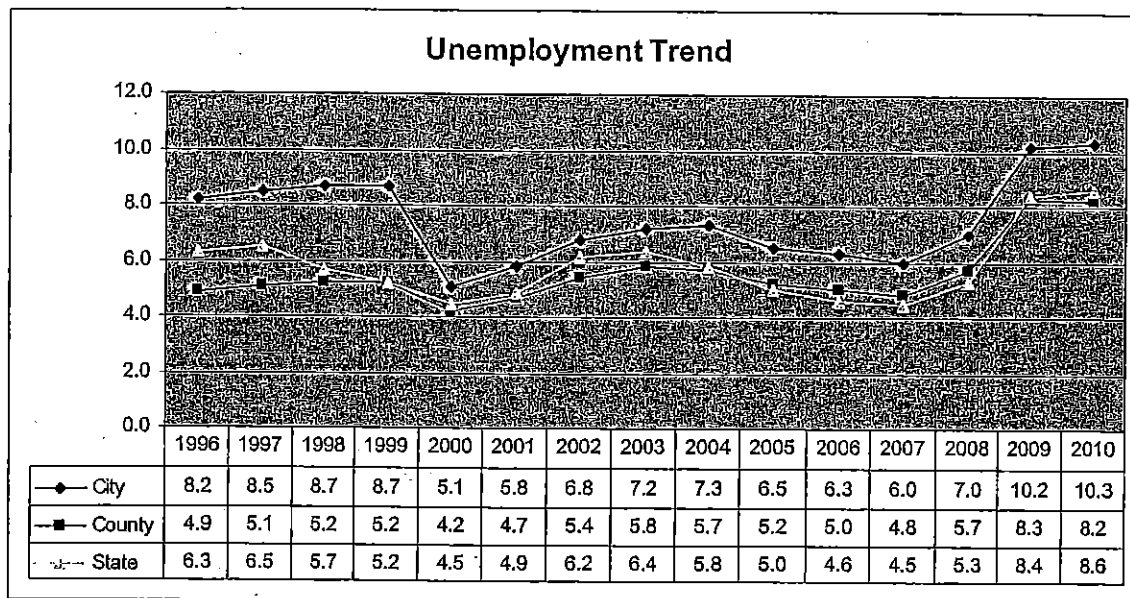
The largest employment industry in the city of Buffalo is the educational, health and social services sector. The manufacturing industry declined from 13.1% of the labor force population in 2000 to 8.8% in 2010; and dropping from second highest industry by employees in 2000 to fifth highest in 2010. The following shows the breakdown of the number and percentage of employees in Buffalo as recorded by the 2000 Census as well as 2010 Census estimates.

INDUSTRY	2000			2010	
	Number	%		Number	%
Agriculture, forestry, fishing and hunting, and mining	172	0.2		155	0.1
Construction	3,694	3.2		3,596	3.3
Manufacturing	14,906	13.1		9,614	8.8
Wholesale trade	4,257	3.7		2,527	2.3
Retail trade	12,172	10.7		11,517	10.5
Transportation and warehousing, and utilities	6,223	5.5		4,837	4.4
Information	2,974	2.6		1,677	1.5
Finance, insurance, real estate, rental and leasing	6,509	5.7		8,310	7.6
Prof., scientific, mngmnt, administrative, & waste mngmnt services	9,774	8.6		10,735	9.8
Educational, health and social services	32,384	28.4		33,787	30.8
Arts, entertainment, recreation, accommodation & food services	9,487	8.3		10,544	9.6
Other services (except public administration)	5,498	4.8		6,264	5.7
Public administration	6,012	5.3		6,131	5.6
Total	114,064	100.0		109,694	100.0

Source: US Census Bureau

Economic and Area Factors – City of Buffalo: (Cont'd.)

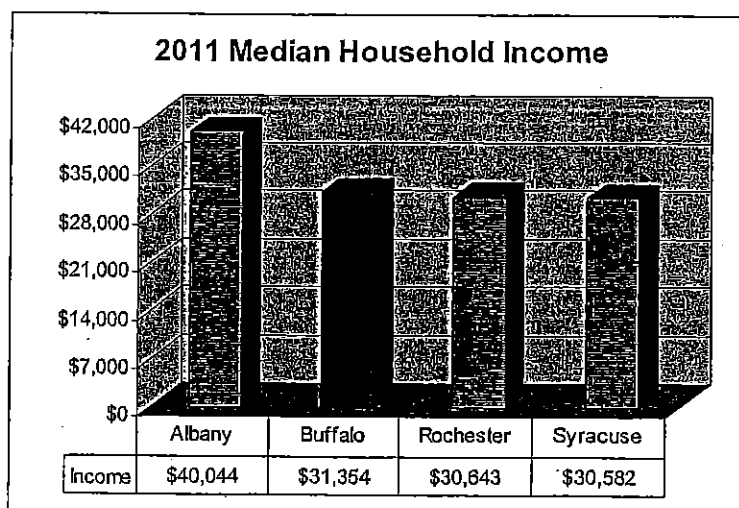
The 2010 unemployment rate for Buffalo was 10.3, compared to 8.2 for Erie County and 8.6 for New York State. Historically, Buffalo's unemployment rate has always been higher than the county and the state. The next graph shows the trend in unemployment rates for Buffalo, Erie County, and NY State since 1996.



Source: US Department of Labor

Buying Power:

The 2011 estimated median household income for the city was \$31,354. The range for the four cities was between \$30,582 and \$40,044. The graph below shows the median household income for the compared cities.



Source: DemographicsNow

Economic and Area Factors – City of Buffalo: (Cont'd.)

Housing:

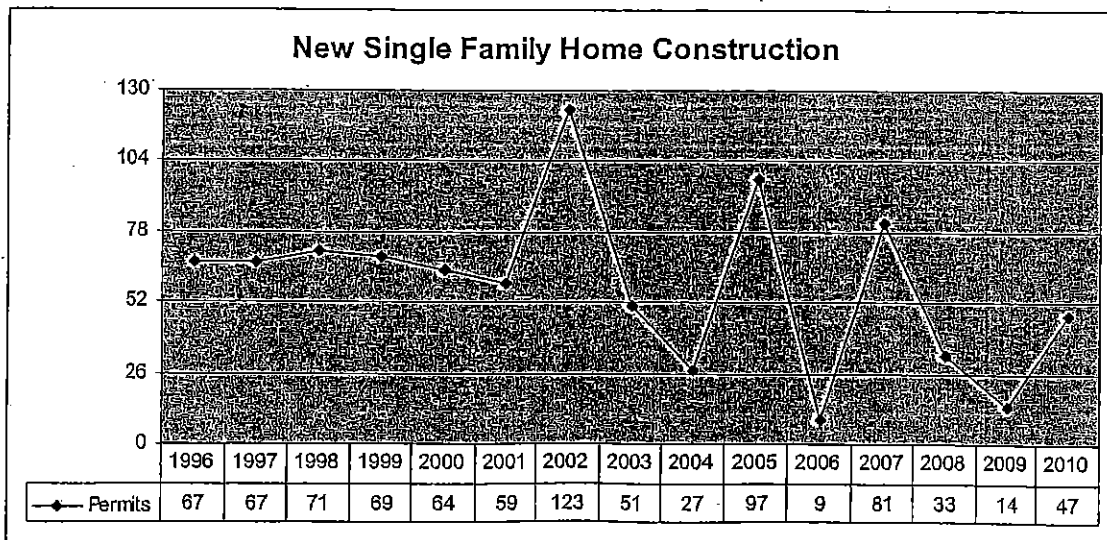
Newer residential development in Buffalo is found throughout the city but much is in the subsidized housing market. On the private sector side the waterfront area along the Erie Basin Marina section of the downtown area has seen steady development of non-subsided luxury housing in the form of town-homes and condominiums. Most recently there has been a move to convert old manufacturing, warehouse and office space to market rent apartments. These projects are absorbing as rapidly as they are completed. For the most part these housing projects are serving the medical corridor developments in the vicinity of the Buffalo General Hospital and Roswell Cancer Research Center and related developments.

The Lovejoy district has experienced new housing in the Walden Heights area, adjacent to a previously completed senior citizens affordable housing project. Additionally a new residential, single family detached subdivision development in the Main LaSalle area has also been well received. The following shows 2010 Census estimated housing data for Buffalo.

	Buffalo		Units in Structure	Buffalo	
Total housing units	136,779		1 Unit	48,559	35.5%
Vacant units	23,477	17.2%	2 Units	53,442	39.1%
Occupied units	113,302	82.8%	3 or 4 Units	12,988	9.5%
Owner occupied	46,475	41.0%	5 or more Units	21,198	15.6%
Renter occupied	66,827	59.0%	Mobile Homes	592	0.4%
			Boat, RV, van, etc	0	0.0%
			Total	145,668	100.0%

Source: US Census Bureau

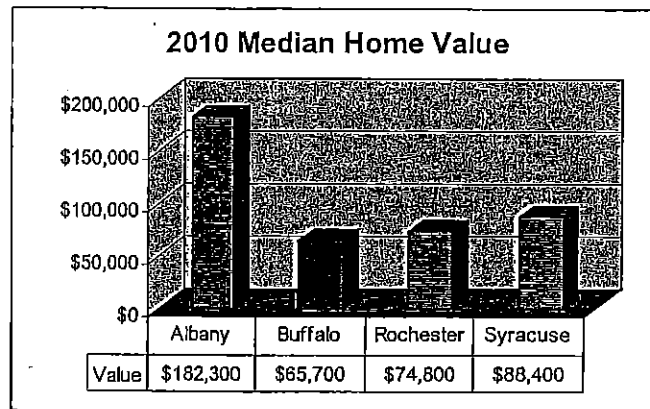
New home construction has fluctuated after remaining steady from 1996 to 2001. The following graph shows the number of permits issued by the city of Buffalo for the construction of single family homes.



Source: US Census Bureau

Economic and Area Factors – City of Buffalo: (Cont'd.)

Buffalo had a 2010 estimated median home value of \$65,700, lowest of the compared cities. Albany had the highest at \$182,300 and Rochester the second lowest at \$74,800. The next graph shows the 2010 Census estimated median home values for the four cities.



Source: US Census Bureau

The next chart summarizes data obtained from the Greater Buffalo Niagara MLS:

Year	2003	2004	2005	2006	2007	2008	2009	2010
# Sales	1,230	1,282	1,396	1,309	1,327	1,119	1,063	877
Avg Price	\$60,110	\$67,273	\$66,355	\$69,287	\$72,236	\$76,806	\$89,988	\$96,030
Med Price	\$42,000	\$44,900	\$44,900	\$46,000	\$48,000	\$49,000	\$59,900	\$64,000
Avg DOM	74	65	63	63	62	62	61	60
Med DOM	46	41	43	43	41	38	33	36

Source: Greater Buffalo-Niagara MLS

Recent Commercial Activity:

In July 2002, a local development company purchased land in a deteriorating portion of Buffalo along Exchange Street and reinvented the "Larkin Building" into a high end office complex. This building is now 98% occupied, with the largest tenant being the headquarters for First Niagara Bank. This development group is in the beginning stages of a decade long project to further develop this area. The Larkin Building was a \$30 million project and CityView Properties (a development agency) is intending on spending \$20 million more.

The first step of development will be a new 80,000 square foot office building located across the street from the Larkin Building. Other projects include a 60,000 square foot office building at 111 Hydraulic Street, one block north of Exchange Street. Also, a mixed use residential/retail complex is planned, combining first floor store fronts with 21 apartment units. Vacant land along Seneca and Hagerman Streets will provide enough space for 20 new rowhouses to be built, and there will be new retail development along Smith Street, between Seneca and Exchange Streets.

Current Development Projects:

The following is a list of major development projects in the city of Buffalo that have been recently completed, are ongoing, and are scheduled:

Property: Peace Bridge Project, Buffalo, Erie County, New York

Economic and Area Factors – City of Buffalo: (Cont'd.)

	Public Works Projects & Non Taxable	Status *	Cost
1	UB Center of Excellence	C	\$61,000,000
2	Roswell Park Research Facility	C	\$61,000,000
3	Dick Smith Teaching Pavilion at Great Lakes Center (Cotter Point)	C	\$240,000
4	Connecticut Street Armory; 184 Connecticut St.; restoration, window replacement	C	\$2,000,000
5	Seneca Buffalo Creek - Temporary Casino	C	\$7,000,000
6	100 High Street, Buffalo General Hospital; renovations: various (2006)	C	\$2,530,000
7	Nichols School Athletic Fields	C	\$1,200,000
8	Frank Lloyd Wright Rowing Boat House	C	\$5,400,000
9	Scotjaquada Pathway, Phase III - bicycle and pedestrian trail	C	\$1,700,000
10	BNMC Incubator (Cleveland Bio-Labs) renovation; 73 High St.; Medical R&D facility	C	\$2,600,000
11	Joint Schools Construction, Phase I (9 schools)	C	\$185,000,000
12	Joint Schools Construction, Phase II (13 schools)	C	\$310,125,000
13	Holy Angels Academy Athletic & Performance Center, 1902 Hertel Ave.	C	\$3,300,000
14	Erie Canal Harbor Project and new Naval Museum	C	\$50,000,000
15	Outer Harbor Greenbelt - shoreline improvement and linear park	C	\$14,000,000
16	Buffalo Zoo Rainforest Exhibit	C	\$16,000,000
17	40 High Street, Buffalo General Hospital, construction of surface parking lot	C	\$900,000
18	100 High Street, Buffalo General Hospital; renovations: lobby, surgery, various (2007)	C	\$1,587,000
19	Burchfield Penny Art Museum	C	\$35,500,000
20	Buffalo Lakeside Commerce Park Phase III (north of canal) roads, infrastructure	C	\$3,000,000
21	Darwin Martin House and associated projects; renovation and new construction	C	\$35,000,000
22	BMHA Lakeview 3A2; 6 housing units for rent; new construction	C	\$1,159,304
23	Mount Mercy Academy Renovations	C	\$400,000
24	Sisters' Hospital, 2157 Main Street, renovations	C	\$2,138,000
25	Ira G. Ross Eye Institute, 1176 Main Street; new construction	C	\$4,000,000
26	St. John Baptist Hospice House, 111 Maple Street	C	\$2,600,000
27	Canisius High School New Science Wing & Field House; new construction	C	\$15,500,000
28	Cars Sharing Main Street, Federal & State (700 Block)	C	\$14,000,000
29	Erie Basin Marina boardwalk and pier improvements	C	\$750,000
30	Shea's Theater Renovations	C	\$700,000
31	Meals on Wheels Commissary expansion, 100 James E. Casey Dr., new construction (27,000 sf)	C	\$2,500,000
32	Theodore Roosevelt Inaugural Site Carriage House	C	\$2,200,000
33	Sheehan Outpatient Care renovations	C	\$2,000,000
34	Seneca Buffalo Creek ("Temporary") Casino expansion	C	\$8,000,000
35	Mercy Hospital ER Renovation and Helipad	C	\$31,500,000
36	Nichols School Science Center	C	\$7,300,000
37	New Firehouse, 2044 Bailey Ave.	C	\$4,200,000
38	D'Youville Academic Center/Pharmacy School	C	\$23,000,000
39	Nardin School Expansion	C	\$3,500,000
40	Buffalo State College Student Union Quad	C	\$8,200,000
41	Ice Boom Storage Site, Hamburg Street	C	\$5,900,000
42	Sisters' Hospital, 2157 Main Street, ER expansion	C	\$7,000,000
43	Botanical Gardens administration & greenhouses; new construction	C	\$4,000,000
44	Tapestry Charter School expansion, Great Arrow Drive, renovations, new construction (addition)	C	\$12,000,000
45	Buffalo Niagara Convention Center renovations	C	\$7,000,000
46	Roswell Park Cancer Institute, expansion-Tesla MRI facilities, Carlton St.	C	\$4,500,000
47	Sisters' Hospital, 2157 Main Street, Radiology Suite	C	\$2,000,000
48	100 High St. (Kaleida/Buffalo General); loading dock renovations	C	\$2,200,000
49	100 High St. (Kaleida/Buffalo General); 6th floor renovations	C	\$1,800,000
50	BNMC-Medical Campus Infrastructure Improvements: Ellicott Street	C	\$6,400,000
51	BNMC-Medical Campus Infrastructure Improvements: Allen Street extension	C	\$5,000,000
52	Living Opportunities of DePaul (Group Home, 75 units; new construction; Seneca & Elk)	C	\$805,014
53	Buffalo State College Dining Services/Food Court expansion/renovation	C	\$7,300,000
54	Buffalo Lakeside Commerce Park Phase IV (north of canal) roads, infrastructure	C	\$3,100,000
55	Roswell Park Cancer Institute, ICU Unit, new construction	C	\$4,000,000
56	Roswell Park Cancer Institute, Cancer Cell Center renovation	C	\$4,650,000
57	Federal Courthouse, Niagara Square; new construction	C	\$137,000,000
		Total	\$1,147,384,318

Economic and Area Factors – City of Buffalo: (Cont'd.)

	Private Projects	Status *	Cost
58	Cobblestone Lofts Office: 26 Mississippi Street-Mixed-Use: renovation - office	C	\$3,500,000
59	The Church, 341 Delaware Avenue, conversion/renovation; office/performance	C	\$9,000,000
60	New Era Headquarters, 160 Delaware Ave.	C	\$10,000,000
61	Cobby Inc., new manufacturing facility; Buffalo Lakeside Commerce Park; 1 Ship Canal Pkwy.	C	\$10,000,000
62	IS Lofts Downtown Housing, 362 Oak Street, 24 units, reconstruction	C	\$5,000,000
63	Granite Works; 844-864 Main Street, mixed-use project, reconstruction	C	\$8,000,000
64	Pierce Building, 653 Main Street; reconstruction	C	\$500,000
65	Sodexo Laundry, 60 Grider Street (Curtiss Wright)	C	\$2,700,000
66	504 Elmwood Avenue in-fill mixed-use project; 9 apartments, 3,000 sf retail	C	\$3,000,000
67	New Office Building, 227 Niagara Street	C	\$550,000
68	First Niagara Bank buildout, 726 Exchange	C	\$578,430
69	Tops renovation, 2101 Elmwood Ave.	C	\$650,000
70	WNY Medical Arts Bldg. Phase I; new construction, Medical Office, 700 Michigan Ave.	C	\$2,000,000
71	Electric Tower, Phase I Tenant Build Out, 20 East Huron/535 Washington St.	C	\$800,000
72	Holling Place Apartments; 499 Washington, Conversion/Reconstruction, 82 units	C	\$2,500,000
73	100 Seneca Street, renovation for NYSDOT	C	\$2,489,000
74	599 Delaware Avenue (FDA Building), renovation, R&D Facility	C	\$2,500,000
75	Elmwood Village Charter School, 124 Elmwood Ave.; rehab-school	C	\$2,300,000
76	Tacoma Lofts, 618 Tacoma Ave.; conversion/renovation; 13 apartments	C	\$1,175,000
77	36 Broadway, Buchl Block Building, renovation, mixed-use; 5 res. Units	C	\$1,000,000
78	Cornerstone Manor (150 E North at Michigan, 122 units, new construction)	C	\$10,688,133
79	HoZo-New Opportunities; 19 new housing construction (Kane, Camp & Davis Streets)	C	\$3,050,000
80	Hydro-Air Company, 100 Abby St., new manufacturing facility	C	\$10,000,000
81	Elmhurst Building, 136 Broadway, renovation, mixed-use, 3 residential units	C	\$700,000
82	Lofts at Elk Terminal, 250 Perry Street; Phase 3; renovation/conversions, 20 new units	C	\$2,000,000
83	Delaware & Linden Retail Plaza (Tim Horton's, RPOP, Credit Union; 2240-2300 Delaware)	C	\$5,500,000
84	Ellicott Commons, 465 Ellicott; residential; new construction; 30 units	C	\$4,300,000
85	HealthNow Headquarters, 457 W. Genesee St.; new construction, office	C	\$110,000,000
86	Artspace, 1219 Main Street, reconstruction, 60 apts.	C	\$17,500,000
87	Electric Tower, 20 E Huron/535 Washington Street, office; renovation	C	\$10,500,000
88	St. John Phase II (Fruitbelt), 10 new housing construction	C	\$2,200,000
89	285 Delaware Avenue, Uniland Development-New Office building	C	\$12,000,000
90	Union Hall, CWA Local 1133, 821 Elk Street	C	\$700,000
91	Old Metrolplex Renovation, 723-733 Main Street	C	\$1,500,000
92	Desiderios Food Warehouse, 530 Bailey Ave., new construction-warehouse & office expansion	C	\$2,100,000
93	Courtyard Mall, Phase I, 450-460 Main St.; 1st Floor & basement renovations renovation/conversion	C	\$1,100,000
94	Rigidized Metals expansion; 658 Ohio St.; 20,000 sf addition, manufacturing.	C	\$1,750,000
95	Lenox Hotel Renovation; 140 North St., reconstruction; mixed-use hotel and residential	C	\$5,000,000
96	Center for Transportation Excellence; 401 E. Amherst Street	C	\$3,000,000
97	Webb Bldg., 92 Pearl Street; conversion/reconstruction, mixed-use w/ 32 residential units	C	\$9,200,000
98	WNY Medical Arts Bldg. Phase II; new construction, Medical Office, 700 Michigan Ave.	C	\$3,500,000
99	Warehouse Lofts (Seneca Paper), 210 Ellicott Street, renovation/conversion, housing - 30 units	C	\$7,600,000
100	B&L Wholesale, Masonry Addition, 1 Bud Mill; commercial	C	\$2,000,000
101	Plaza Expansion, 2635 Delaware Ave (Plaza Group)	C	\$750,000
102	145 RiverRock Drive, office warehouse, new construction	C	\$1,400,000
103	Bank of America branch, 493 Elmwood Ave., new 2-story office building	C	\$1,000,000
104	Sonwil Distribution Center, 275 Ship Canal Parkway; new construction, industrial/warehouse	C	\$15,000,000
105	Keller Bros. expansion, 401 Franklin; new construction, commercial	C	\$500,000
106	B&L Wholesale, Masonry Addition, 1 Bud Mill; commercial	C	\$2,000,000
107	Pano's Expansion, Elmwood Avenue; restaurant	C	\$1,300,000
108	Whitney Condominiums, 65 Whitney Place; conversion/renovation; 6 units	C	\$750,000
109	North Street Y Senior Apartments, 245 North St.; conversion/renovation; 63 senior apartments	C	\$9,000,000
110	Evans Bank, 925 Elmwood Ave., new construction	C	\$1,000,000
111	Hyatt Regency Hotel renovation	C	\$13,500,000
112	Lofts at Cobblestone: 30-50 Mississippi; renovation, mixed-use office, retail & residential	C	\$12,500,000
113	Quaranty Bldg, 30 Church Street; renovations	C	\$12,000,000
114	Sycamore Village; 24 units, new housing construction	C	\$7,200,000
115	Avant (200 Delaware Ave./Dulski Bldg.); Renovation; Mixed-use office, hotel and residential	C	\$85,000,000
116	Kohls, Delaware-Linden, new construction	C	\$3,400,000
117	The Packard Building, 1385 Main at Riley; renovation/conversion; residential 40 units	C	\$9,700,000
118	Basil Resale Center, 1180 Abbot Road; new construction	C	\$1,300,000
119	Smart Pill mfg. project, 847 Main St., renovations	C	\$900,000
120	238 Elmwood, Stuyvesant Plaza/Price Rite renovations	C	\$3,600,000
121	Church of the Annunciation School (257 Lafayette) Re-Use, conversion/renovation	C	\$3,000,000
122	937 Broadway (Mautner Paper Box), Conversion/Reconstruction, residential, 40 units	C	\$3,378,000
123	Allentown Lofts (National Casket building), 430 Virginia, renovation/conversion; 10 apartments	C	\$2,000,000
124	Phoenix House-564 Delaware Avenue (Moscati), renovation	C	\$1,040,000
125	Family Dollar Store, 517 Niagara St.	C	\$1,200,000
126	Tushman Building renovations, 10 Lafayette Square	C	\$500,000
127	640 Ellicott Street, Innovation Center, (Trico 4-story) renovation, office and R&D	C	\$12,000,000
128	AM&A'S Warehouse Lofts, 361 Washington St., conversion/rehab, mixed-use ofc. & res.	C	\$10,000,000
	Total		\$589,048,563

Property: Peace Bridge Project, Buffalo, Erie County, New York

Economic and Area Factors – City of Buffalo: (Cont'd.)

	Public Works Projects & Non-Taxable	Status *	Cost
1	1603 Seneca Street, new construction; 75 unit residential (human services-mental health)	UC	\$8,200,000
2	Southtown Connector-Fuhrmann Blvd. reconstruction	UC	\$54,000,000
3	Seneca Buffalo Creek Casino and parking- est.	UC	\$0
4	Seneca Buffalo Creek Casino Hotel- est.	UC	\$0
5	Buffalo Zoo Children's Zoo & Veterinary clinic	UC	\$3,550,000
6	AD Price, rehab 170 existing units; new construction of 48 rental housing units (Jefferson near William)	UC	\$40,000,000
7	Buffalo State College Infrastructure improvements: Rockwell Road, electrical substation, roofs	UC	\$10,700,000
8	Joint Schools Construction, Phase III (9 schools)	UC	\$409,500,000
9	Global Vascular Center/UB Medical School, Ellicott & Goodrich, new construction	UC	\$291,000,000
10	Erie Canal Harbor streets	UC	\$3,200,000
11	UB - Kapoor Hall - Pharmacy School, South Campus	UC	\$69,400,000
12	Buffalo State College Science & Math Center	UC	\$110,000,000
13	Frank Lloyd Wright Gas Station & Pierce-Arrow Transportation Museum, Phase I	UC	\$4,500,000
14	Canisius College interdisciplinary Science Center	UC	\$47,000,000
15	Medaille College various facility improvements	UC	\$2,650,000
16	Kaleida Skilled Nursing facility, Michigan Avenue at North Street	UC	\$64,000,000
17	Porter Avenue Reconstruction	UC	\$3,000,000
18	Mercy Hospital, Main Entrance renovation	UC	\$1,600,000
19	Mercy Hospital, MRI Center relocation	UC	\$5,000,000
20	1744 Fuhrmann Blvd., Union Ship Canal Park at Buffalo Lakeside Commerce Park	UC	\$8,600,000
21	UB Education Opportunity Center (EOC), Goodell Street	UC	\$18,000,000
22	Buffalo State College Technology Education Center	UC	\$40,300,000
23	Buffalo State College Rockwell Hall Renovation	UC	\$5,000,000
24	100 High Street, Buffalo General Hospital, helipad	UC	\$2,000,000
25	ECMC Long-Term Care Facility, Grider Street	UC	\$98,800,000
26	408 South Park Ave, medical office addition	UC	\$2,500,000
27	Buffalo State College Residence Halls	PL	\$30,000,000
28	Inner Harbor Parking Facility	PL	\$16,300,000
29	Women & Children's Hospital Ambulatory Services Center	PL	\$102,000,000
30	Frank Lloyd Wright Gas Station & Pierce-Arrow Transportation Museum, Phase II	PL	\$3,000,000
31	BNMC Parking Ramp, High street	PL	\$5,000,000
32	Michigan St Church/Nash H/ Colored Musicians total	PR	\$1,000,000
33	H.H. Richardson Complex	PR	\$54,000,000
34	Richardson Architecture Museum	PR	\$24,000,000
35	Adult Day Care facility @ Sheehan Memorial Hospital	PR	\$1,000,000
36	Buffalo State College Stadium	PR	\$40,300,000
37	Peace Bridge: new bridge, plaza and associated improvements	PR	\$313,300,000
38	UB New Downtown Facilities	PR	\$130,000,000
39	HOME Project, 964 W. Ferry & 1542 Main; substantial rehab for new housing	PR	\$5,000,000
40	Metro Transportation Ctr. Renovation (NFTA)	PR	\$19,000,000
41	47 E. Amherst St., (Amherst Bowling Alley site, LBJ residents) Senior Housing, 200 units, new construction (BMHA)	PR	\$36,000,000
42	Community Health Center, Fillmore at Chalmers, new construction	PR	\$12,000,000
43	VA Hospital renovations, patient rooms, ambulatory care and parking ramp	PR	\$22,400,000
44	Outer Harbor Bridge	PR	\$90,000,000
45	ECMC Renal Center	PR	\$22,000,000
46	Mercy Ambulatory Care Clinic, 430 South Park Avenue	PR	\$3,200,000
47	Roswell Park Cancer Institute, Clinical Sciences Center, Carlton & Michigan	PR	\$40,000,000
48	Cars Sharing Main Street, Phase II (Tidewater District)	PR	\$8,000,000
	Total		\$2,330,000,000

Property: Peace Bridge Project, Buffalo, Erie County, New York

Economic and Area Factors – City of Buffalo: (Cont'd.)

Private Projects		Status *	Cost
49	504 Washington Street, conversion/renovation; residential, 6 dwelling units	UC	\$1,000,000
50	St. John Phase I (Fruitbelt), 10 units new housing construction	UC	\$1,506,880
51	St. John Townhomes, 28 units, new construction	UC	\$6,000,000
52	Bethel Phases I-II; 18 new housing construction (Ada & Elsie Streets)	UC	\$2,525,000
53	East Side Opportunities; 30 units new housing construction (Dodge Street)	UC	\$6,000,000
54	567 Exchange St., renovation/conversion-artists studios; cost TBD	UC	\$513,540
55	Waterfront Place, 35 Oljawa Circle, Waterfront Village; new construction townhouses & hi-rise condo	UC	\$32,000,000
56	Crescent Village (Broadway-Fillmore), new housing/renovations, 25 homes	UC	\$5,000,000
57	249 North Street; rehab, residential; 8 units	UC	\$1,000,000
58	Derondo Tire Supply office addition; 2000 Elmwood Ave.	UC	\$700,000
59	301-311 W. Utica Condominiums; new construction; 14-units	UC	\$5,000,000
60	878 Main Street, Zepetomatrix; renovation; corporate offices	UC	\$500,000
61	Genesee Gateway, 99-107 Genesee, renovation, conversion, mixed-use	UC	\$13,000,000
62	Adam's Mark Hotel renovations	UC	\$1,000,000
63	The Apartments at 1040 Delaware Avenue; conversion/renovation to 45 apartments	UC	\$1,200,000
64	Curtiss Bldg., 204 Franklin St., renovation/conversion-hotel	UC	\$19,000,000
65	Shoreline Apartments, housing renovation	UC	\$17,800,000
66	AC Lofts, (Alling & Corey) 136 N. Division St., renovation/conversion; residential; 88 units	UC	\$16,571,000
67	Flexco/Transparent Expansion, renovation; 1132-1146 Seneca Street	UC	\$2,746,000
68	Casa Shelby, 250 Virginia Street, renovation, residential	UC	\$1,600,000
69	B-Kwik expansion-Tim Horton's, 1991 Seneca Street, new construction	UC	\$800,000
70	55 Chicago/Cooperage Lofts (EB Holmes bldg.), renovation/conversion; residential, 22 units	UC	\$6,600,000
71	Rock Harbor, 31 Tonawanda Street, conversion/rehab; residential (285 units)	UC	\$5,500,000
72	2421 Main Street, renovations	UC	\$2,500,000
73	100 High Street, Buffalo General, ICU Rehab	UC	\$1,000,000
74	20 Huron East, 7th Floor Tenant Build-out, renovations	UC	\$900,000
75	Cathedral Place, 298 Main St., renovations	UC	\$2,000,000
76	501 Main St.; renovation/conversion mixed-use retail & residential	UC	\$500,000
77	448 Elmwood Avenue, mixed-use project; new construction	UC	\$3,400,000
78	1542 Main Street; renovation and conversion to human service facility & 10 residential units	UC	\$1,750,000
79	404 Edison, Community Charter School; addition/new construction	UC	\$1,500,000
80	892 Tift St., Holy Family School; renovation/conversion; senior apartments, 35 units	UC	\$8,200,000
81	108 Sycamore Ave., addition for 16-unit SRO	UC	\$1,100,000
82	St. Martin Village, 564 Dodge St., renovation 7 new construction; 60 residential apts.	UC	\$16,200,000
83	350 Main Street, 2nd floor renovations	UC	\$950,000
84	RiverWright Ethanol Plant, 139 Buffalo River	PL	\$180,000,000
85	Greystone Apartments, 24 Johnson Park; conversion, residential; 33 units	PL	\$7,000,000
86	Canal Side development: retail, mixed-use (in addition to Bass Pro)	PL	\$125,000,000
87	Senior Apt with parking, 257 Virginia Street	PL	\$2,000,000
88	Human Service Facility, 1924 Bailey Ave	PL	\$1,500,000
89	Paper Recycling Bldg, 12 Metcalf	PL	\$570,000
90	Loft Conversion, 686 Main Street (Birzon Building); renovation, mixed-use	PL	\$1,500,000
91	456 Main Street (Baker Shoes) renovation/conversion; residential; 16 units	PL	\$4,300,000
92	Artvoice, Glenay Bldg., 667 Main St., renovation/conversion; office/commercial	PL	\$1,000,000
93	960 Busti, renovation/conversion-mixed-use residential; 23 units	PL	\$5,000,000
94	367 Lakefront Blvd., Nemo Development; new construction, 30 residential townhouses	PL	\$11,250,000
95	AM&A's Redevelopment/Conversion; Hotel/Office/Residential	PL	\$70,000,000
96	Huron Hotel, 201 W. Huron; renovation/conversion to residential; 8 units	PL	\$1,800,000
97	Queen City Landing, 975 Fuhrmann Blvd., renovation/conversion & new construction	PR	\$30,000,000
98	Glenay Drive/Kensington Heights Retirement Community	PR	\$80,000,000
99	Mill Race Commons, 725 Exchange St., new construction, Class A office, 80,000 sf	PR	\$10,000,000
100	759 Lafayette Avenue townhouses; new construction	PR	\$800,000
101	200 Ship Canal Parkway (Savarino Development), new construction, industrial-flex, 140,000 sf	PR	\$2,000,000
102	889 Seneca St. (Larkin District), new construction-office, 3 story, 90,000 sf	PR	\$7,500,000
103	Niagara Lutheran Home, 1040 Delaware Ave., renovation/conversion to housing	PR	\$1,000,000
104	180 Perry Street, renovations, office/commercial (Seneca Nation)	PR	\$250,000
105	50 High Street, Medical Office Tower, new construction; 250,000 sf	PR	\$25,000,000
106	Chef's expansion, new construction	PR	\$2,000,000
107	240-260 Lakefront Blvd., Casa Luca; new construction, residential 26 units	PR	\$15,000,000
108	50 Court Street, Office building, new construction, 241,000 sf, 8-story	PR	\$45,000,000
109	Livery, 429 Jersey St., conversion/renovation; 12 residential units	PR	\$3,400,000
110	Elmwood at Forest, Mixed-Use, new construction: Hotel, Condos & Retail	PR	\$25,000,000
111	294-302 Hudson, New Construction, residential; Heart of the City; 8 units	PR	\$1,500,000
112	33 Gates Circle Condominiums	PR	\$55,000,000
113	Lafayette Hotel Redevelopment	PR	\$35,000,000
114	Corn Exchange, 100 S. Elmwood Ave.; restoration; mixed-use; residential and office	PR	\$5,000,000
115	Horsebathers, 346 Connecticut St., adaptive re-use and rehabilitation; mixed-use	PR	\$3,500,000
116	500 Seneca Street (New Era), adaptive re-use, renovations; commercial	PR	\$20,000,000
117	523 Main St., Comucopia Building; renovation	PR	\$0
118	916-918 Main St., Bosch Bldg.; restoration; mixed-use residential & commercial (Greenleaf)	PR	\$4,200,000
119	701 Seneca Street, renovation; office/commercial	PR	\$40,000,000
120	635 Seneca Street, renovation, adaptive re-use; residential (60 units)	PR	\$10,000,000
		Subtotal	\$1,119,632,420

Status Column Keys:	
C: Completed	
UC: Applied for Building permits/ under construction or will start soon	
PL: Planned; project announced, funded and likely to move forward	
PR: Proposed; project announced but contingent on external factors	
NA: New Additions	

Economic and Area Factors – City of Buffalo: (Cont'd.)

Buffalo Niagara Medical Campus:

A development group comprised of Kaleida Health, Ciminelli Development Co., University of Buffalo and 7 other public and private entities are proceeding with plans to expand the growing Buffalo Niagara Medical Campus.

Ciminelli Development plans to build a \$25 million, eight-story medical office tower adjacent to Buffalo General Hospital on a vacant lot at the corner of High Street, Main Street, Goodrich Street, and Ellicott Street. This structure will be approximately 300,000 square feet and will house private offices and clinic space for physicians with ties to the medical campus.

North of Buffalo General is the recently completed Global Vascular Institute at the corner of Goodrich, East North and Ellicott Streets.

Kaleida Health is currently constructing a \$40 million skilled nursing center at Michigan and East North Street. The facility will be a four-story, 190,000 square foot 300 bed structure used to house some of the beds that will be lost with the closing of Millard Fillmore Gates Circle Hospital and Deaconess Skilled Nursing Facility.

At the south side of the medical campus, in a portion of the former Trico windshield wiper plant, is the Thomas Beecher Innovation Center. This is a \$12 million conversion which provides incubator research, development and office to high tech science based companies.

These four buildings represent an investment of at least \$300 million which should create several thousand permanent employment positions.



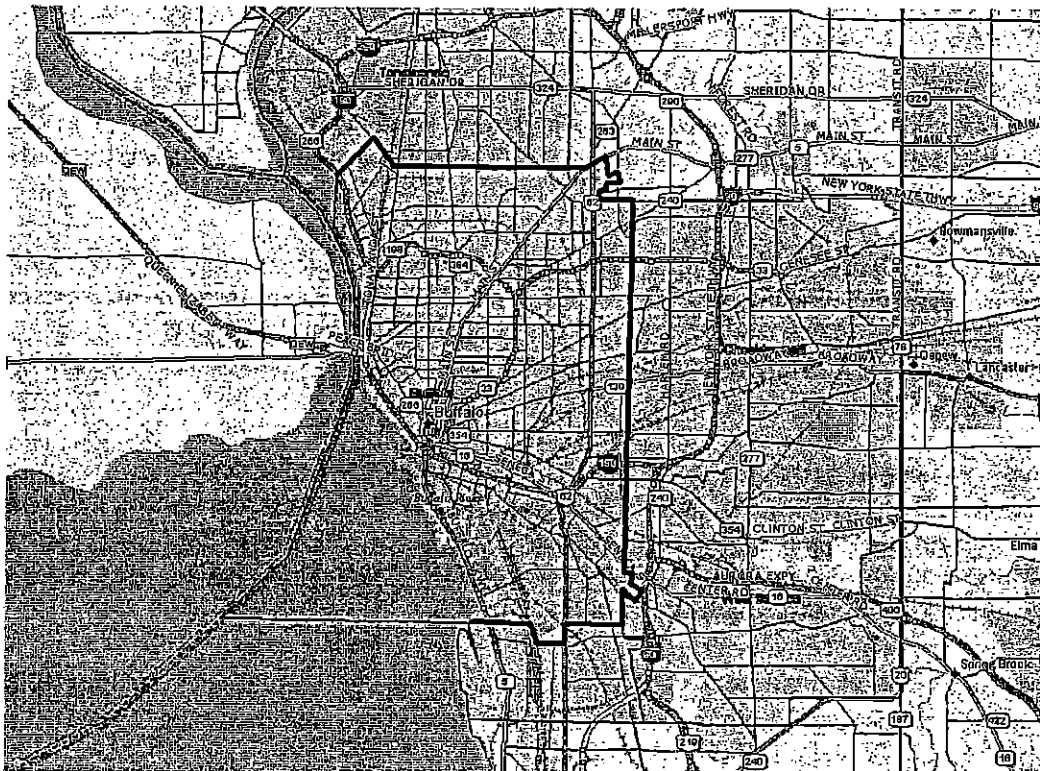
Economic and Area Factors – City of Buffalo: (Cont'd.)

Transportation:

The city's transportation system is outstanding; however, this is more by default than design. The planning for the present transportation system in the city is the result of population trends that existed in the 1950's when the city's population was expected to, and in fact did, exceed 500,000 persons. As a result, the road system serves a population approximately half of what was intended. The gridlock that characterizes many urban metropolitan areas does not exist in Buffalo. The downtown morning and evening rush hours are generally no more than a 15-minute inconvenience as opposed to the multiple hour gridlock that exists in many urban areas.

The transportation system is based around the mainline and ancillary offshoots of the New York State Thruway (Interstate 90). Interstate 90 runs north/south just beyond the eastern city line before it points east. Interstate 190 diverges from I-90 near the southeastern part of Buffalo, leads through the central business district of the city, and continues north through the city of Niagara Falls. Interstate 290 (The Youngmann Expressway) connects I-190 and I-90, and provides access to the northern suburbs.

The city is also served by two major state route highways, State Route 33 (The Kensington Expressway) and 198 (The Scajaquada Expressway). State Route 33 leads from the central business district northeast through the city and ending at the Buffalo Niagara International Airport in the town of Cheektowaga. State Route 198 connects SR 33 to I-190, providing good access through the northern part of the city.



Economic and Area Factors – City of Buffalo: (Cont'd.)

Local streets were designed by the original builders of Buffalo, as spokes radiating from a hub to provide easy access to and from the urban center. The most notable streets in the city include Niagara Street, Elmwood and Delaware Avenues, Main, Genesee and Sycamore, Clinton and Seneca Streets, Broadway and South Park Avenue.

The Niagara Frontier Transportation Authority (NFTA) operates all other transportation systems in the area including the light rail transit system along Main Street, the regional bus transportation system, the port of Buffalo, the Buffalo Niagara and Niagara Falls International airports. The Buffalo Niagara International Airport is located just east of the city, in the Town of Cheektowaga.

Metro Bus & Rail – forming an intricate network of city and suburban streets, Metro Bus utilizes buses, trains, vans and trolley buses covering Buffalo, Lockport, Niagara Falls and all points in between. The Metro Rail runs daily between downtown Buffalo and the University at Buffalo's South Campus on Main Street. This rail is above ground with the exception of a section that travels underground in downtown Buffalo under Main Street.

In addition to the trucking, passenger and air traffic systems servicing the city, Passenger and freight rail service is provided by AMTRAK, CSX, CN and a number of small local access rail companies. Amtrak train service is available with local stations at Exchange and Washington Streets in downtown and at 55 Dick Road in Depew. All stations provide access to Empire Service and Maple Leaf trains.

Conclusion:

The population of the city of Buffalo is expected to decline further before it stabilizes. Projections by the US Census, estimate no population growth up to the year 2020. The area still remains one of the highest taxed areas in the nation, a factor that does not appeal to out of state businesses looking to relocate.

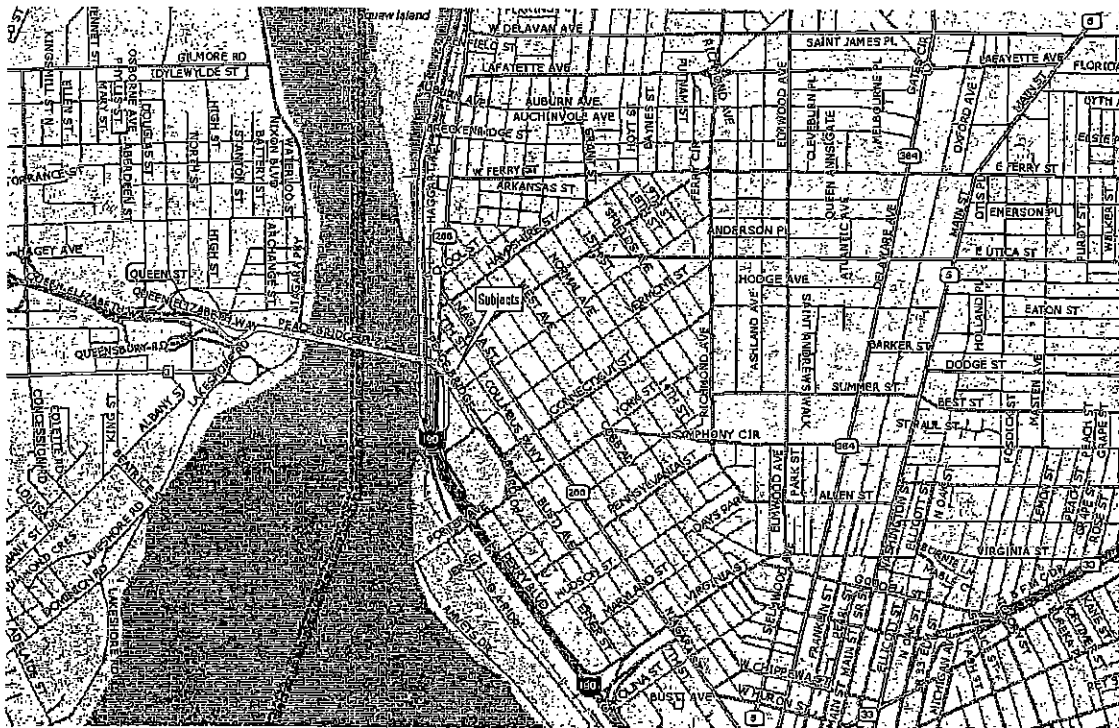
The city is currently operating under a state imposed control board. This coupled with continuing interest in residential development in the CBD and the completed, on going and announced commercial projects bode well for the future. The city's financial situation has improved significantly over the past several years because of the control board and implementation of user fees for some services.

Economic downturns on the world and national stage, since September 2008, have not been felt in the Buffalo area market to the degree that other areas of the country have. Both the state and federal governments have announced cutbacks will occur. However the funds previously committed to projects along the waterfront and in the medical corridor, among others should, at least partially mitigate the recessionary concerns.

State and federal funding are heavily relied on by the city and its' various agencies, including the school district. Current trends indicate unemployment rates are improving. Some planned projects will be postponed because of funding cuts.

Market Area Analysis:

The same locational, social, economic and governmental influences which act on a regional basis also operate on individual market areas. The term "market area" here is being defined as an area with complimentary land use and linkages. Although the area boundaries often coincide with physical features, the concept of the market area is more importantly related to economic and land use patterns.



Geographic Boundaries - The market area, given the subject's use, is best defined by a one-mile radius. This area is loosely bounded by the Lafayette Avenue to the north, Ashland Avenue to the east, Virginia Street to the south, and I-190 (New York State Thruway) to the west.

Linkages - The subject properties are located on the southeast corner of Busti Avenue and Massachusetts Avenue. Niagara Street is the main north/south route through the area leading south into the central business district of Buffalo and north towards the Black Rock neighborhood. West Ferry Street and Porter Avenue/North Street are the primary east/west routes to and from the area. Both begin at the water front and travel east through the Elmwood area. Richmond Avenue is another major thoroughfare traveling north/south through the market area.

I-190 is 0.1 miles west of the subject properties with closest access approximately 0.45 miles southeast via Porter Avenue. It runs southeast through Buffalo's central business district and merges with the I-90 in Cheektowaga, and north through the City of Niagara Falls.

Market Area Analysis: (Cont'd.)

Land Uses - The subject properties are located in an urban, densely populated residential area of Buffalo's West Side Neighborhood (Niagara District). The subject properties are immediately surrounded by single and multi-family homes.

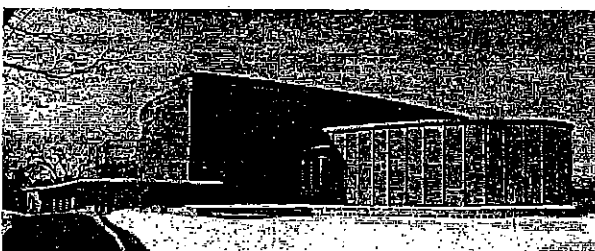
Buffalo's West Side is one of the largest neighborhoods in the city. It spans east to west from Lake Erie to Elmwood and north to south from Buffalo State College to Porter Avenue. The West Side is home to some of Buffalo's most unique and treasured landmarks as well as a diverse population, including a recent increase in immigrant populations.

Adjacent to the southwest corner of Buffalo's West Side neighborhood is the US Customs plaza, operated by Buffalo and Fort Erie Public Bridge Authority. It gives US citizens access to Canada and citizens of Canada access to the US, via The Peace Bridge, which spans the Niagara River between Buffalo, NY and Fort Erie, Ontario. The Bridge measures 3,580 feet in the length, and is the only border crossing with E-ZPass, an electronic toll collection system that was designed to help reduce traffic congestion. Approximately \$40 billion in trade crosses the Bridge each year. In 2011, 2,387,671 automobiles and 649,041 trucks crossed the Bridge east to the US, and 2,389,264 automobiles and 603,490 trucks crossed west to Canada.

D'Youville College is located 0.4 miles southeast of the subject properties. Founded in 1908, D'Youville's 11-building urban campus is situated on 17 acres of land in Buffalo's West Side neighborhood. D'Youville offers over 40 undergraduate, graduate, and professional degree programs in business, education, health professions, and liberal arts. D'Youville's athletic program includes 14 men's and women's NCAA Division III teams that compete in the Allegheny Mountain Collegiate Conference. Fall 2011 enrollment was 3,142 students, 67% undergraduate and 33% graduate. (Picture source: dyc.edu)



Rich Products World Headquarters (a Fortune 500 Company) is located 0.56 miles northwest of the subject properties in Buffalo's West Side neighborhood. Founded in 1945 by Buffalo native Robert E. Rich, Sr., Rich Products is a multi-national food service company that makes over 2,000 products that are sold in markets across the world. Today, under the leadership of Robert E. Rich, Jr., Rich Products generates approximately \$3 billion in annual sales, has 50 facilities worldwide and a workforce of over 8,000 people.



Kleinhans Music Hall is 0.83 miles southeast of the subject properties in Buffalo's West Side neighborhood. It was endowed by Edward L. Kleinhans, a clothing store proprietor in Buffalo. The Hall is dedicated to the memory of his wife, Mary Seaton Kleinhans, and his mother, Mary Livingston

Property: Peace Bridge Project, Buffalo, Erie County, New York

Kleinhans. Opened in 1940, Kleinhans was designed by renowned Finnish architects Eliel and Eero Saarinen, and is recognized for its unique architectural features and extraordinary acoustics. Kleinhans is home to the Grammy-winning Buffalo Philharmonic Orchestra. Kleinhans is designated as a National Historic Landmark (#89001235) by the National Park Service. (Picture source: kleinhansbuffalo.org)

The Connecticut Street Armory is 0.24 miles southeast of the subject properties in Buffalo's West Side neighborhood. The Armory was designed by architect Isaac G. Perry. Constructed in 1899, this castle-like structure is home to units of the 427th Brigade Support Battalion, 27th Brigade Combat Team, 27th Brigade Special Troops Battalion, 153rd Troop Command Brigade, and the 204th Engineer Battalion. The Armory is designated as a National Historic Place (#94001543) by the National Park Service. (Picture source: buffalorising.com)



The Allentown Neighborhood is located 0.91 miles southeast of the subject properties. This storied neighborhood's history began 185 years ago in 1827 when Lewis Allen purchased 29 acres of farm land in Buffalo from the Holland Land Company. Since that time, Allentown has developed into a 29 block district comprised of 733 buildings, and has been home to many prominent individuals including author Samuel L. Clemens (Mark Twain). Today, it is one of Buffalo's most unique neighborhoods that is known

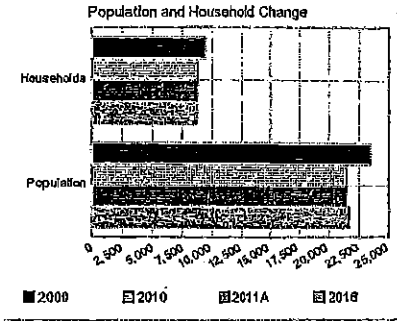
for its' historic buildings and architecture, nightlife, trendy bars and restaurants, and artistic culture. Two of Allentown's most recognized buildings are the Ansley Wilcox House, the site at which Theodore Roosevelt took the oath of office as President, and the Trinity Episcopal Church, both of which are listed on the US National Register of Historic Places. Every year, Allentown hosts the Allentown Art Festival, which features more than 400 local and national exhibitors and draws tens of thousands of people from around the country. Allentown is listed on the National Register of Historic Places (#80002605). (Picture source: allentown.org)

Life Cycle - The subject neighborhood can be described as being in a stable phase. This period is a stage in which the neighborhood experiences equilibrium without marked gains or losses.

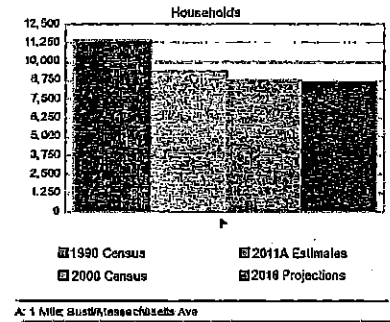
Following is a summary of the demographic information for a one-mile radius surrounding the subject site (source: DemographicsNow.com)

Market Area Analysis: (Cont'd.)

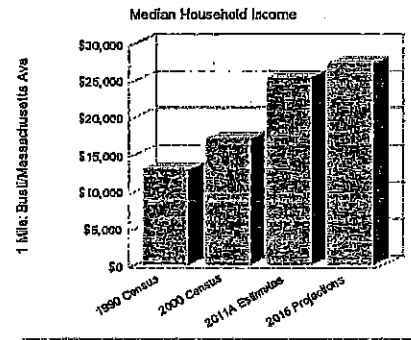
Population – The 2011 population estimate in this market area is 21,521. The 2010 Census revealed a population of 21,458, and in 2000 it was 23,416 representing a -8.4% change. It is projected the population in this area will be 21,773 in 2016, representing a change of 1.2% from 2011. The current population is 46.7% male and 53.3% female. In 2011, the median age of the population in this area was 40.2, compared to the Entire US median age which was 36.9. The population density in this area is 6,830.4 people per square mile.



Households – There are currently 8,790 estimated households in this market area. The Census revealed household counts of 8,809 in 2010 and 9,402 in 2000, representing a change of -6.3%. It is projected the number of households in this area will be 8,727 in 2016, representing a change of -0.7% from the current year. In 2011, the median number of years in residence in this area's population is 2.5. The average household size in this area was 2.4 people and the average family size was 3.4 people. The average number of vehicles per household in this area was 0.9.



Income – In 2011, the median household income in this market area was \$25,441, compared to the Entire US median which was \$53,616. The Census revealed median household incomes of \$17,185 in 2000. It is projected the median household income in this area will be \$27,289 in 2016, which would represent a change of 7.3% from the current year. In 2011, the per capita income in this area was \$15,742, compared to the Entire US per capita, which was \$28,703. The 2011 average household income for this area was \$37,111, compared to the Entire US average which was \$73,444.



Housing – The median housing value in this market area was \$40,461 in 1990; compare this to the Entire US median of \$78,360 for the same year. The 2000 Census median housing value was \$45,014. In 2000, there were 20.7% owner occupied housing units in this area vs. 25.0% estimated in 2011. Also in 2000, there were 56.9% renter occupied housing units in this area vs. 55.8% estimated in 2011. The average rent in 2000 was \$328.

Market Area Analysis: (Cont'd.)

Employment – In 2011, there were 9,797 people over the age of 16 in the labor force in this market area. Of these 86.2% were employed, 13.7% were unemployed, 43.6% were not in the labor force and 0.1% were in the Armed Forces. In 2000, unemployment in this area was 15.1%. In 2011, there were 7,248 employees in this area (daytime population) and there were 475 establishments. For this area in 2000, white collar workers made up 53.3% of the population, and those employed in blue collar occupations made up 46.7%. In 2000, the average time traveled to work was 19 minutes.

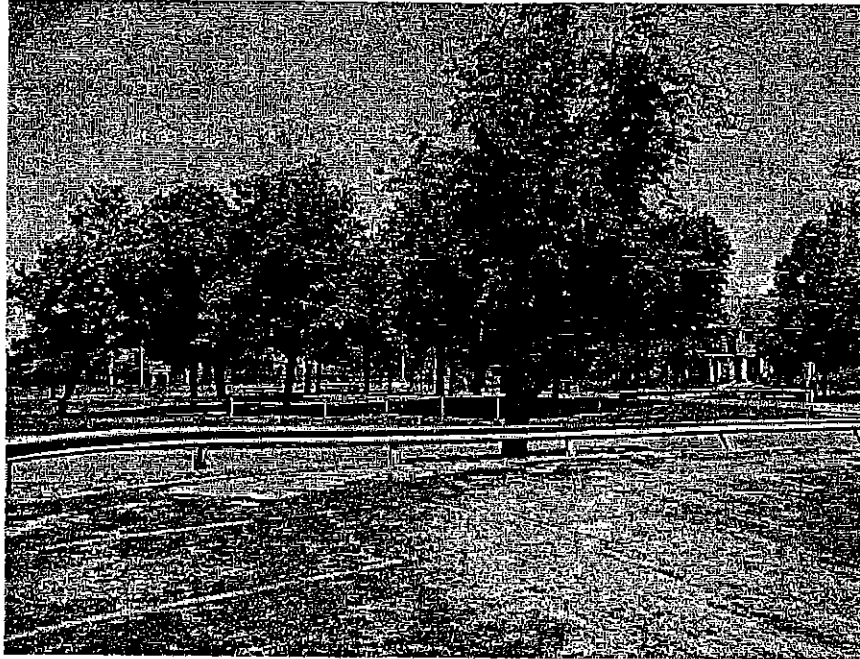
One-Mile Demographic Trends Summary:

	1990 Census	2000 Census	2011 Estimate	2016 Projection	%Δ 1990-2000	%Δ 2011-2016
Population	27,778	23,416	21,521	21,773	-15.7%	1.2%
Households	11,481	9,402	8,790	8,727	-18.1%	-0.7%
Median Income	\$12,963	\$17,185	\$25,441	\$27,289	32.6%	7.3%

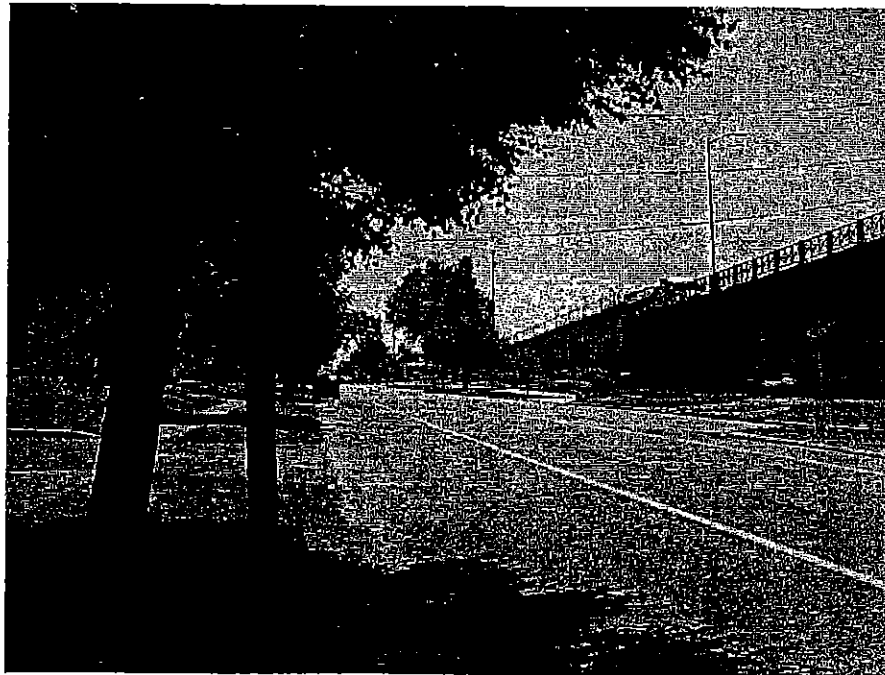
Conclusion – The market has experienced a decline in population in the recent past. This trend is expected to stabilize as the area remains an attractive location due to destinations such as Allentown, the growth of D'Youville College and large employers like Rich Products.

Property: Peace Bridge Project, Buffalo, Erie County, New York

Area Photographs:



823 Busti Facing Northwest Towards Massachusetts Avenue



Busti Avenue Facing Southeast

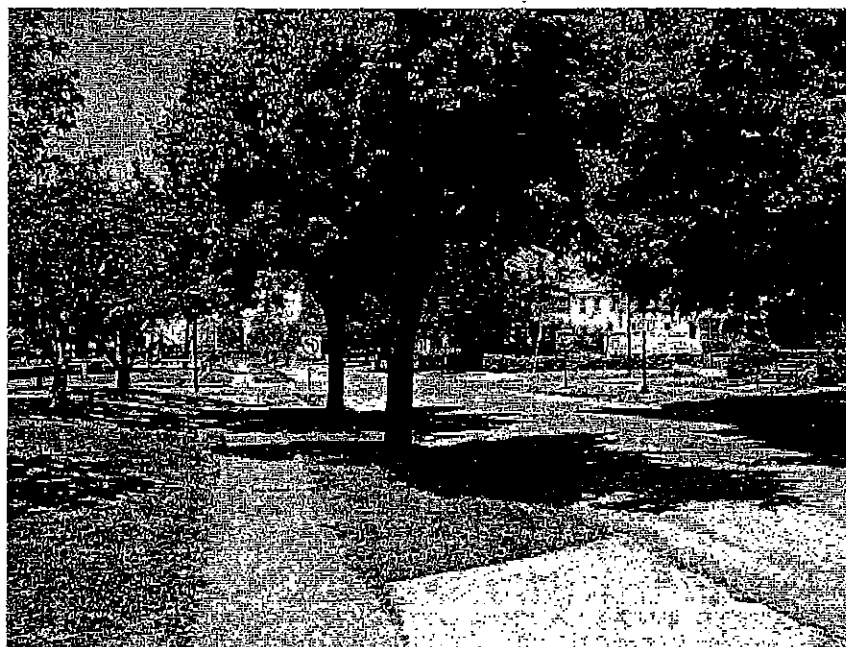
Taken By Gregory Klauk Date June 7, 2012

Property: Peace Bridge Project, Buffalo, Erie County, New York

Area Photographs:



Columbus Parkway Facing Southeast



Columbus Parkway Facing Northwest Towards Massachusetts Avenue

Taken By Gregory Klauk Date June 7, 2012

Property: Peace Bridge Project, Buffalo, Erie County, New York

Ownership and Occupancy:

As of the date of valuation, the property was owned by

Episcopal Church Home of Western New York
c/o Paul Taylor
Phillips Lytle LLP
3400 HSBC Center
Buffalo, New York 14203

As of the date of inspection, the property was vacant.

Mr. Paul R. Campise, representative of the owner, conducted me on the property inspection.

Sales History:

The appraised property has not transferred title in the past ten years.

I am **not aware** of any transactions, listings, contracts, including leases, involving the subject property since its most recent transfer.

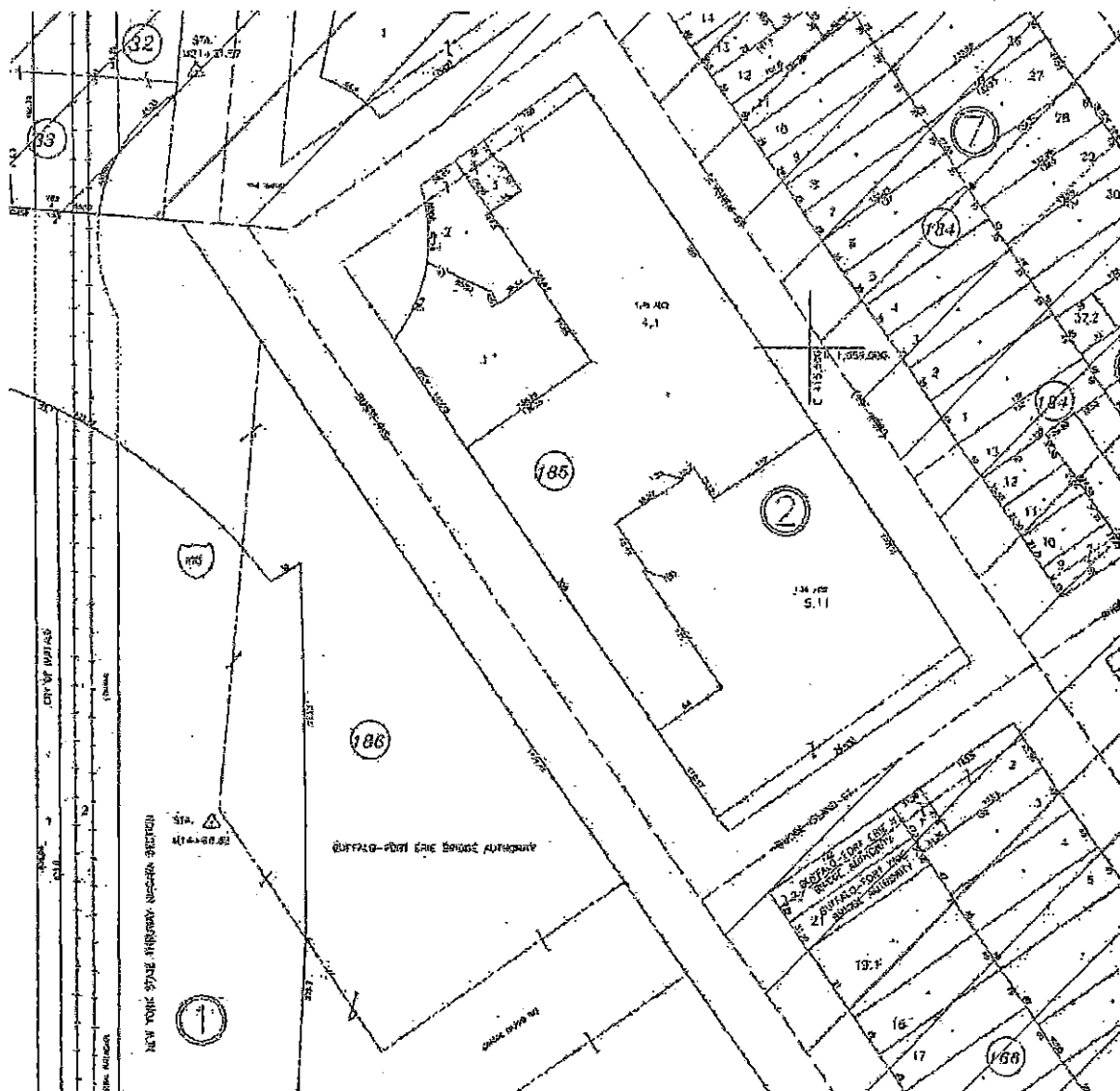
Tax and Assessment Analysis:

The subject is currently assessed as single parcel in the City of Buffalo and the Buffalo School District as follows:

Section Block & Lot	99.65-2-3	
Land:	\$1,700	
Improvements:	<u>\$300</u>	
Total:	\$2,000	
Equalization Rate:	99%	
Equalized Value:	\$2,020	
Taxes:	Rate	Amount
Town / County	\$5.48	\$11.00
School	\$31.65	\$63.30
Sewer	<u>\$1.70</u>	<u>\$3.41</u>
True Taxes:	\$38.83	\$77.44
Taxes In Arrears:		

Municipal officials have verified the tax and assessment information. The property is tax exempt.

TAX MAP:



Description of the Real Estate:

Summary of Site Characteristics:	
<i>Land Area</i>	2,124± SF (.05± Acres)
<i>Frontage/ Shape</i>	32 Feet / Sl. Irregular
<i>Access/Visibility</i>	Average accessibility and visibility
<i>Topography</i>	Generally level at grade to the rear of the site
<i>Utilities</i>	All Public Services Available
<i>Easements/Encroachments</i>	Public Utility Easement - 2.7' X 64.5' Easement of way along western lot line
<i>Flood Hazard Data</i>	Community / Panel #360230 /15C; Zone X (8/23/99)
<i>Drainage</i>	Adequate drainage via municipal storm sewers
<i>Detrimental Conditions</i>	Unknown

Zoning:

The subject property is located in special zoning district, PB, Porter-Busti District. This is intended as a low density residential, commercial zone requiring restricted use permits for expansion of existing commercial uses and establishment of new uses. This applies to administrative or executive offices, business offices, business or industrial parking lots, cafes, community garages, fraternity or sorority houses, funeral homes, gasoline stations, nonprofit institutions and offices, nursing or convalescent homes, private clubs or lodges, private schools operating on a commercial basis, public parking lots, recreational centers, restaurants, taverns retail businesses or services and rooming or boarding houses.

The use of the site as a parking lot improved with a paved surface is considered to be a legal conforming use.

Excerpts from the zoning ordinance, as it applies to the subject, can be found in the addendum.

Property: Peace Bridge Project, Buffalo, Erie County, New York

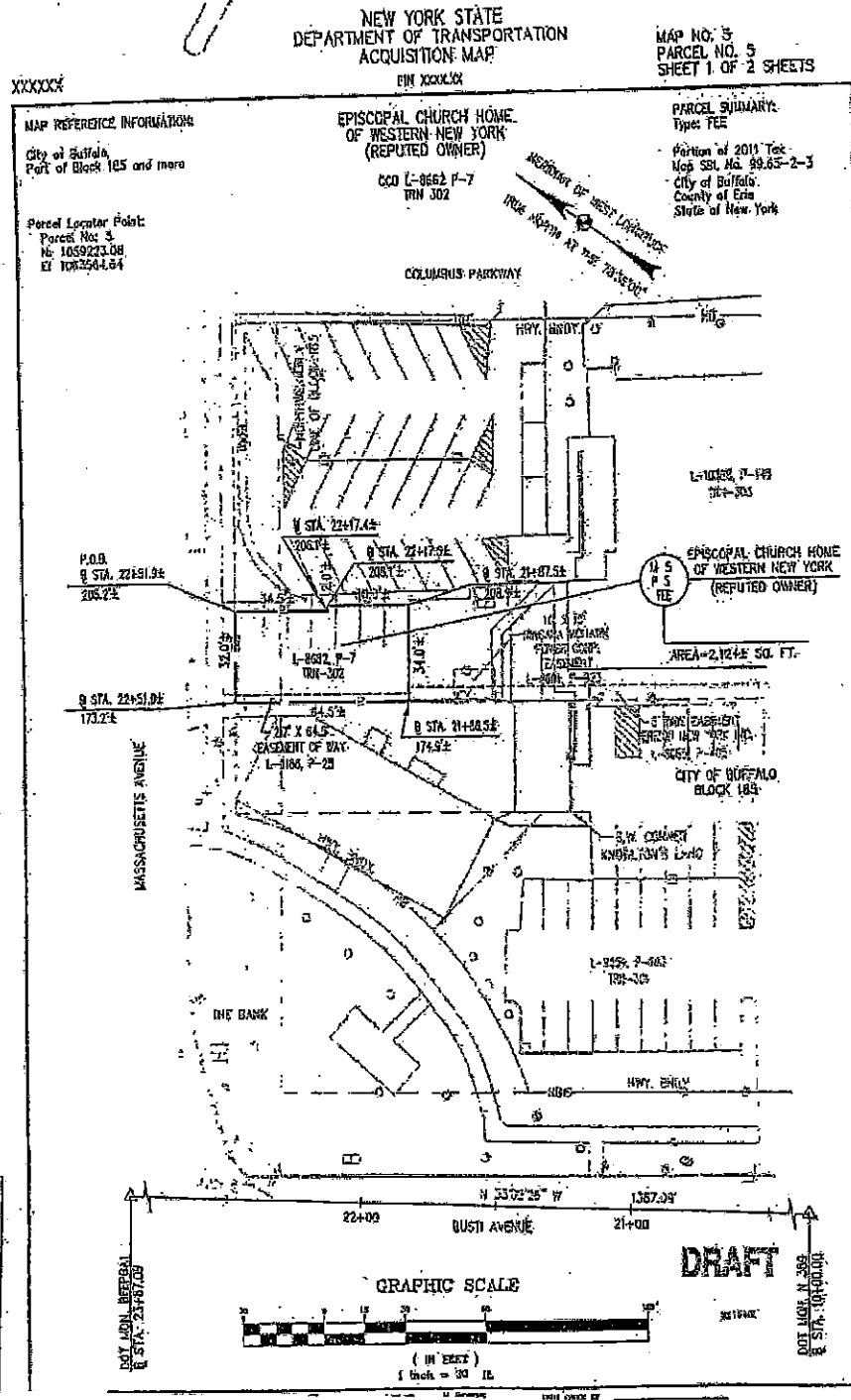
Zoning Map:



Source: City of Buffalo Property Viewer

Property: Peace Bridge Project, Buffalo, Erie County, New York

Acquisition Map:



Description of the Real Estate: (Cont'd)

Site Improvement:

The property is improved with 2,200 SF asphalt paved 7 vehicle parking area. Paving in fair to average condition with an effective age of 15 years and a remaining economic life of approximately 15 years.

Environmental:

- The property is not listed by the New York State Department of Environmental Conservation, Inactive Hazardous Waste Sites Catalog as of the April 2011.
- Based on a review of the New York State Freshwater Wetland maps, the subject parcel is not located within a designated freshwater wetland area.
- Soil types are unknown therefore, soil stability and federal wetland concerns cannot be addressed.
- The property is not located within a 100 year flood plain.

Site Summary:

As illustrated by the preceding tax map and the survey, the subject is a rectangular shaped parcel. Width and depth relationships are considered fair. The size of the site restricts its utility as a stand alone parcel. It is a candidate for assemblage.

The easement is for a utility line along the site border, in an area general reserved by zoning set back requirements and does not adversely affect site utility.

A Phase I Audit is advised to ensure compliance with all government agencies regarding hazardous materials either surface or subsurface. Flood insurance should not be a concern because of the Zone C location. In addition, wetlands should not be a concern because of the developed nature of the area. Soil stability and compatibility should be confirmed by an appropriate engineering study.

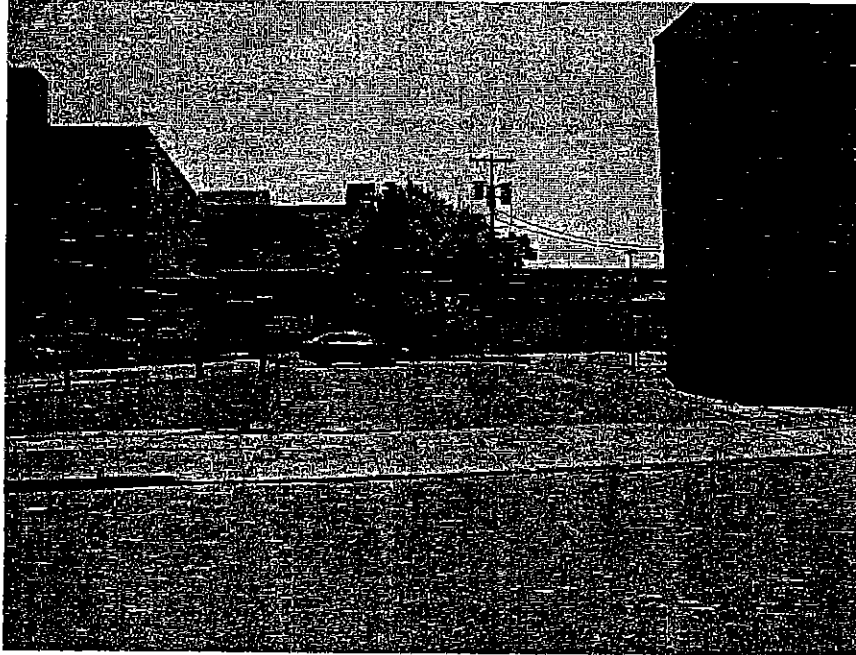
No independent detailed investigations into these matters were made including, but not limited to hazardous waste sites and wetlands. Hazardous materials inside the property itself may or may not be present. We are not qualified to detect such substances.

The land and property are appraised as if free and clear of any environmental problems including but not limited to flood hazards, wetlands, soil and building materials contaminants.

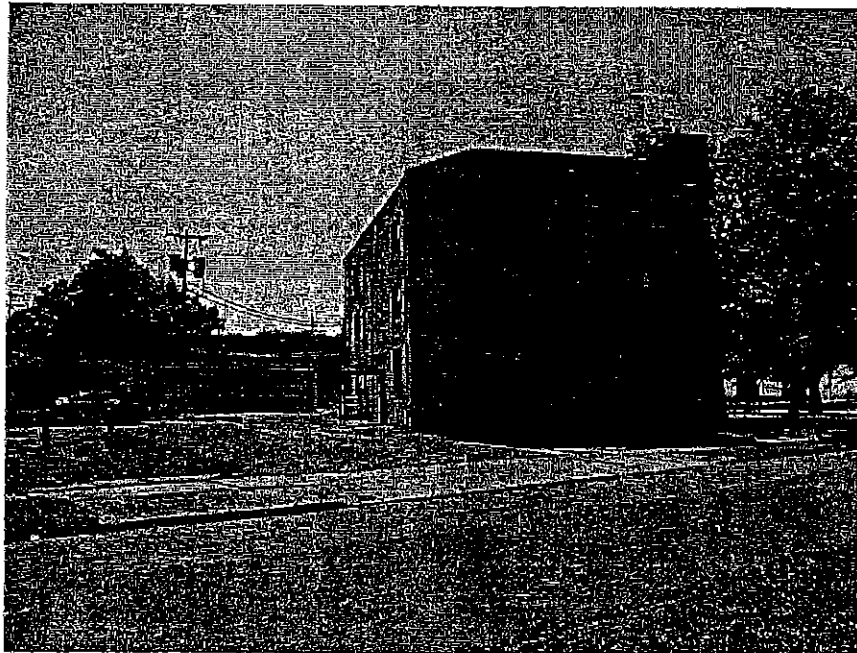
No engineering or environmental reports are known of, which would compromise these assumptions.

Property: Peace Bridge Project, Buffalo, Erie County, New York

Subject Photographs:



3 Massachusetts Avenue (823 Busti in Background)



3 Massachusetts Avenue (1 Massachusetts in Background)

Highest and Best Use:

Introduction:

Highest and best use is defined as:

"the reasonably probable and 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. Although the probable use of land or improved property – specific with respect to the use and timing of the use – that is adequately supported and results in the highest present value."¹

The purpose of this analysis is to estimate the most profitable use to which the subject property can be put. The conclusions from this analysis will be the basis upon which the property is valued in the following approaches to value.

Highest and Best Use Analysis may be split into two sections:

- a) As vacant land available for development
- b) Improved property

The highest and best use of the site as though vacant assumes that the site is vacant or can be made so by demolishing any improvements. The focus of the analysis is to determine what use the vacant site should be put to; that is, what type of building or improvement should be constructed. The conclusion of the highest and best use will set the framework for the selection of comparable vacant land sales and the estimate of site value.

The highest and best use of the property as improved has to do with what use should be made of the improved property. In instances that address an improved site, rehabilitation, additions or changes to the improvements could alter its use. The purpose of this analysis is to determine what the most profitable use of the improved property is and, as noted, to act as a basis for the selection of comparable sales and rentals.

This division of the Highest and Best Use is necessary with improved property when

- 1) a separate estimate for site value is required, as in the cost approach
- 2) there is excess land
- 3) there is a question of the contributing value of the improvement versus land value as vacant.
- 4) as may be required by USPAP and/or FIRREA

¹ The Dictionary of Real Estate Appraisal, fifth edition (Chicago, Illinois: Appraisal Institute, 2010), p. 93.

Highest and Best Use: (Cont'd.)

In this particular instance the property is an improved property therefore both analyses apply.

Highest and Best use of Site - As Vacant

The basic assumption that is required in this scenario is that the site is vacant or could be made vacant through the demolition of improvements. The point is to undertake an analysis that disregards the current improvements to the site, if any, and focus on what improvements should be built today based on current market standards and conditions. A separate estimate of the market value of the site is then undertaken based on the estimate of highest and best use. The highest and best use must meet four criteria. It must be physically possible, legally permissible, financially feasible and maximally productive.

Legally Permissible - The fee simple estate was previously defined as "absolute ownership, unencumbered by any other interest or estate, subject only to the four powers of government". Some of the powers of government include: zoning ordinances, federal and state laws, and building codes. Through the operation of these laws, municipalities can affect the use of land within their boundaries. In addition to governmental laws there are also private and deed restrictions that can affect land use. The property is zoned Porter/Busti designated (PB). This is a mixed use zoning classification with provisions for residential and low density commercial uses. Uses in general would require a permit and plan review through the city's planning department.

Physically Possible - One of the most important determinants of this criteria are the soil conditions, size, shape, area and other physical aspects of the site. The subject site is rectangular however, dimensions are limiting and generally insufficient for independent development.

Financially Feasible - This criteria attempts to separate out the financially feasible uses from among all the legally and physically possible uses. A description of the subject area was included in the market area analysis. The subject district has not achieved much in the way of redevelopment in the past several years which is primarily due to the ongoing planning of the alterations to the Peace Bridge plaza as well as the now defunct plan to build a new bridge crossing to Canada. There is evidence of market activity as D'Youville continues to acquire property for expansion of its campus and renovation developments are occurring within this area of the city's west side, most notably along Connecticut Street and a vibrant housing market in the Richmond Avenue area.

Maximally Productive - considering the preceding, the highest and best use of the subject site as vacant would be for assemblage to an adjoining parcel to gain plottage necessary to achieve a higher and better use.

The subject's existing paving is incidental to the property and unlikely to be of use in any future use of the property. At best it is an interim enhancement.

Appraisal Process:

The purpose of this appraisal assignment is to estimate the market value of the fee simple estate of the subject property as of June 7, 2012. Market value, as previously defined, is determined by the interaction of the forces of supply and demand in the subject market. The site and building improvement analysis formalized the physical aspects of the subject property. The market area analysis focused on the existing development in the area and on the future prospects for changes in supply and demand. Highest and Best Use Analysis built on all of these sections to conclude the most profitable use for the subject property. The conclusion from that analysis is one of the most important in the appraisal. Given that, a selection can now be made from among the alternative analytical techniques, the ones that will be most effective and appropriate in developing a value estimate. The three most important of these methods are the direct sales comparison approach, the income capitalization approach and the cost approach.

Direct Sales Comparison Approach - The basic premise of this approach is that market value is directly related to the prices being paid for competing properties. This comparison approach attempts to reflect the type of analysis done by prospective buyers and sellers of property. The principle of substitution, which states a purchaser will be unwilling to pay any more for a property than the cost of acquiring a substitute property, is fundamental to this approach. In order for this to be an appropriate method for estimating market value, there must be sufficient market data of sales of similar properties. Without adequate market data, the use of comparable properties as a basis from which to estimate the value of the subject is unreliable.

Income Capitalization Approach - This approach attempts to reflect the importance investors in income producing property place on the income generating capacity of a property. The basic tenet of this approach is, the more income a property generates, the more one would be willing to pay to acquire that income. With income producing property, the investor gives up the use of funds in exchange for the expectation of receiving a future income. The principle of anticipation is fundamental. This approach reflects the concept that value is created by the expectation of future income. The focus of the approach is, therefore, to estimate income-generating capacity of the property and to convert it to an estimate of present worth.

The analysis of income is based on a comparison analysis similar to the direct sales comparison approach. Rentals of comparable properties are researched to act as a basis for estimating the rent the subject could command. In addition to developing an estimate of market rent, the expenses necessary to generate that rent are also analyzed.

With the determination of net operating income the focus changes to converting it to an estimate of present worth. This is accomplished through the capitalization process. This process addresses the relationship between the expected income and the present worth of that income. It reflects the fact that an investor must be compensated for the lack of liquidity in real estate as opposed to other financial assets, the uncertainty and risk that is involved with the use of forecasting future events, and the time and effort required in managing the investment.

Appraisal Process: (Cont'd.)

Cost Approach - The premise behind this approach is that an investor will pay no more for an existing property than the cost to acquire land and construct improvements of a similar utility, assuming no undue delay. The approach attempts to reflect the investors perception of the relation between the cost of a new building and the value of an existing one. The focus of this approach is on the estimation of the site value and the estimation of the depreciated value of the improvements.

When the approach is employed the site value is usually developed using a direct sales comparison approach, since the value of a site is typically related directly to the prices being paid for similar sites. The area is researched to develop comparable sales which meet the requirements of the Highest and Best Use Analysis. Those comparables are adjusted based on market derived adjustment factors to compensate for differences with the subject. The adjusted values, taken together, offer an indication of the market value for the subject. The estimation of the depreciated value of the improvements is, in turn, split into two analyses: 1) an estimate of the reproduction cost new of the improvements and 2) an estimate of the amount of depreciation associated with them. The reproduction cost estimate can be based on comparisons with newly constructed properties or on estimates provided by contractors or cost services. The estimation of depreciation can be developed using one of several techniques. The deduction of depreciation from the reproduction cost of the improvements yields the depreciated value of those improvements. Although conceptually different from the other two approaches, the cost approach is also dependent on the availability of market data. The estimates for reproduction cost, depreciation and site value would be unreliable without this data.

Conclusion - The final conclusion as to the market value of the subject property is based on judgment of the appropriateness of the individual approaches, the accuracy of the results developed and the quantity of the evidence available.

The primary approach to the valuation of the subject is the direct sales comparison approach to estimate land value.

The income approach is not developed since ground rents are not found in this market area.

A cost analysis is not developed since the existing parking on the site is incidental to the highest and best use and probable future use of the property.

DIRECT SALES COMPARISON APPROACH

DIRECT SALES COMPARISON APPROACH:

Introduction:

The most important underlying principle supporting the direct sales comparison approach is that the market value of a property is directly related to the prices being paid for competitive properties. In this approach, market value is developed by comparing the subject to similar properties that have sold or for which offers to purchase are pending. The applicability of this approach is predicated on the fact that there is an active market for properties similar to the subject. If the number of market sales of similar properties is limited, so will be the reliability of the indicated value. Likewise, if economic conditions (i.e. tax laws, inflation) are changing rapidly, the usefulness of historical comparable sales as a basis on which to make adjustments is less reliable.

Methodology:

With the conceptual groundwork laid, the application of the direct sales comparison approach will be accomplished as follows:

1. Analyze the subject area/neighborhood to develop information on sales of properties or purchase offers which are similar to the subject in terms of the basic characteristics identified in the highest and best use analysis.
2. Confirm the sales information developed is factual and that there are no unusual conditions of sale or financing.
3. Choose relevant units of comparison and develop a comparative analysis.
4. Compare the subject property and the comparable sales based on the elements of comparison and adjust the sale price of the comparables to reflect those differences.
5. Reconcile the various value indications and conclude as to the market value of the subject via this approach.

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Land Value:

In estimating land value it is common to employ the sales comparison approach. Sales prices of similar parcels are compared on a unit basis such as square foot of land, square foot of allowable building area, per acre or front foot. The sales are analyzed and adjusted for individual characteristics including the following:

- *Property Rights Conveyed:* fee simple, leased fee, partial interest, etc.
- *Financing Terms:* Seller financing or assumption of existing mortgage with favorable finance, installment sale contract, etc.
- *Conditions of Sale:* Motivation of buyer or seller, assemblage, forced sale, REO transaction, related parties transaction, etc.
- *Market Conditions at the Time of Sale:* appreciation, depreciation, changes in supply and demand, etc.
- *Location:* demand, traffic, exposure, corner, view, surrounding uses, etc.
- *Physical Characteristics:* size, functional utility, attractiveness, amenities, etc.
- *Legal Encumbrances:* deed restrictions, easements, etc.
- *Availability of Utilities:* distance to bring to site, type, etc.
- *Zoning:* similarity, likelihood/probability of change, density, etc.
- *Highest and best Use:* similarity in type of development planned.

An adjustment grid is used to summarize the direction and magnitude of adjustments judged appropriate to the comparable sales. In some cases adjustments may be derived directly from quantifiable data (e.g., the estimated off-site costs). However, in many instances the adjustments involve judgment.

After a diligent effort has been made to identify and adjust for all salient differences, one of several patterns is likely to emerge: (1) there may be a clear clustering of adjusted values within a narrow range, (2) there may be no discernible pattern, or (3) there may be a general clustering, but with one or several adjusted sales outside the general range indicate by the other data. In the first instance a point estimate of value within the resulting adjusted range is typically concluded. In the second instance it is generally possible only to conclude a reasonable value range. In the third instance, the "outlying" sales typically receive little weight in the analysis unless they are the most comparable sales, represent a fundamental change in market dynamics, or are otherwise particularly relevant to the subject analysis.

Summary of Land Sales: Land sales considered in the valuation are summarized in the following table. Details regarding the comparable land sales actually employed in the analysis follow the table.

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Summary of Land Sales:

Primary Sales

Sale No.	Location	Sale Date	Sale Price	Area		Unit Prices		Remarks
				Square Feet	Acres	Square Feet	Acre	
1	429 Massachusetts	Jan-11	\$3,000	1,988	0.046	\$1.51	\$65,734	parking lot
2	302 Fargo	Jul-07	\$60,000	5,200	0.119	\$11.54	\$502,615	price incl. demo
3	92 Chenango	Oct-09	\$15,000	6,000	0.138	\$2.50	\$108,900	parking lot
4	2271 Niagara St.	Jun-08	\$85,000	9,148	0.210	\$9.29	\$404,744	price incl. demo
5	301-311 West Utica	Nov-06	\$257,000	16,160	0.371	\$15.90	\$692,755	price incl. demo
6	423-433 West	Dec-07	\$263,500	17,880	0.410	\$14.74	\$641,950	price incl. demo
7	2080 -94 Niagara	Nov-10	\$524,000	23,871	0.548	\$21.95	\$956,204	price incl. demo
8	640 Fourth Street	Dec-11	\$160,000	35,261	0.810	\$4.54	\$197,531	vacant land
9	1095 Niagara	listing	\$400,000	40,744	0.935	\$9.82	\$427,646	vacant land
10	35 Gates Circle	May-06	\$1,250,000	52,272	1.200	\$23.91	\$1,041,667	price incl. demo

Secondary Sales

11	967 Michigan	Oct-09	\$28,500	2,500	0.057	\$11.40	\$496,516	price incl. demo
12	317 Maple	Jun-10	\$25,000	2,500	0.057	\$10.00	\$435,540	vacant land
13	242 Maple	Aug-10	\$20,000	2,500	0.057	\$8.00	\$348,432	vacant land
14	901 Michigan	Aug-10	\$12,000	3,001	0.069	\$4.00	\$174,165	vacant land
15	615 Michigan	Dec-09	\$45,000	5,663	0.130	\$7.95	\$346,154	assemblage
16	893 & 897 Michigan	Jun-10	\$210,000	10,001	0.230	\$21.00	\$914,634	price incl. demo
17	635 Michigan	Dec-09	\$70,000	11,326	0.260	\$6.18	\$269,231	assemblage

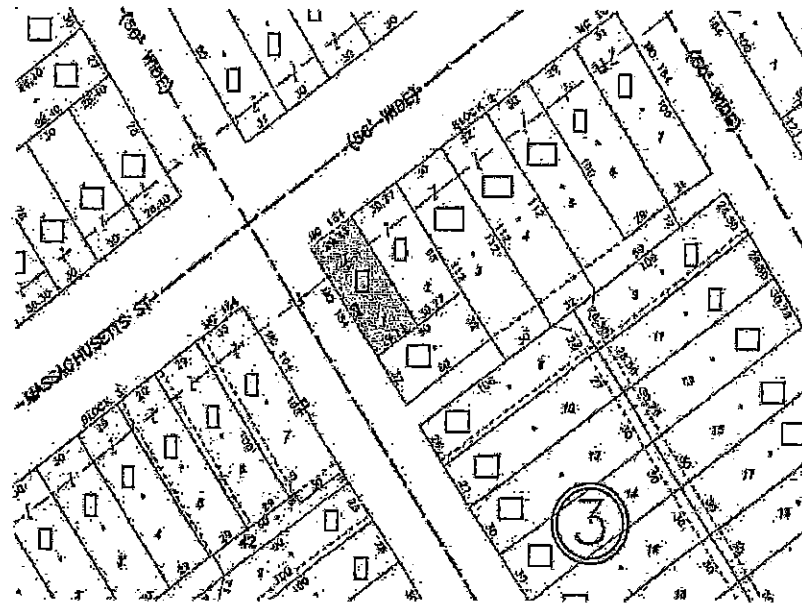
The primary sales presented are all within the subject's general market area and reflect residential and commercial zoning, indicative of the potential use the subject site could qualify for.

Sales one to four are the most relevant for the subject based on size. Sale 2 reflects an assemblage factor which is consistent with the subject's highest and best use. Sales one and three have incidental paving.

The following pages feature detailed summaries for four sales selected to be used in this analysis. A grid format is used to summarize the adjustments to each sale, followed by explanations for these adjustments. The sales are analyzed on a price per square foot basis.

Comparable Sale #1

Class Code: 331 Vacant Land



Address: 429 Massachusetts Avenue
City: Buffalo
Description: Urban Residential

County: Erie

State: NY

Sale Price: \$3,000
Contract Date:
Deed Recorded: 03/02/2011

Days on Market: N/A
Sale Conditions: Normal
Rights Conveyed: Fee Simple

Frontage Feet: 29.23

Price Per Front Foot: \$102.63

Financing: Cash or Equivalent Financing
Grantor: Salvatore Cappellino
Grantee: Michael Brundige

Tax Map Number: 99.44-3-1
Liber: 11199
Page: 5522

Taxes: N/A
Assessment: N/A
Zoning: R2 - Dwelling District

Lot Size: 0.05
Price Per Acre: \$60,000
Price Per SqFt: \$1.38

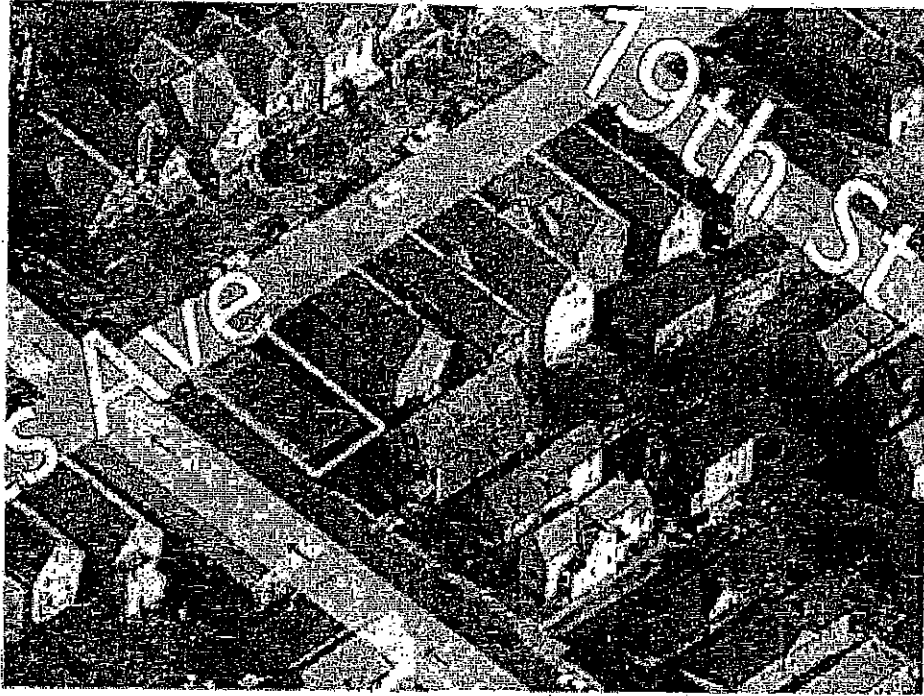
Utilities: ☒ Electric
☒ Gas
☒ Water
☒ Sewer
☐ Other (See Comments)

Verification: Public Records, Deed, Attorney for G'tee

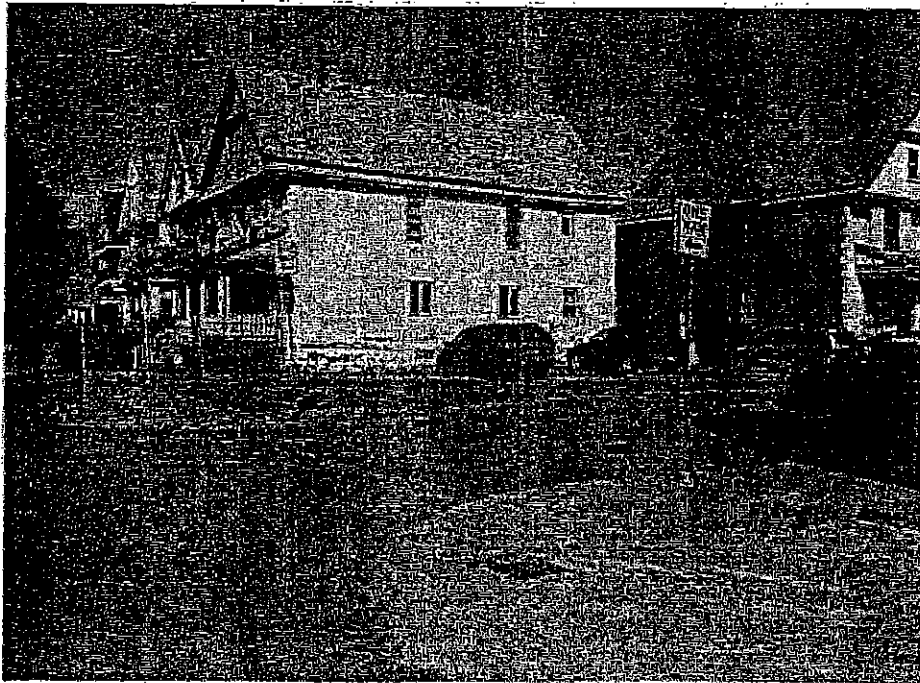
Date: 07/26/2012

Remarks: Sale of a rectangular-shaped 29.23' X 68' parcel of land with a blacktop paved surface. Located on the west corner of the intersection of Massachusetts Avenue and 18th Street. The buyer owned an adjoining improved property.

Comparable Sale #1



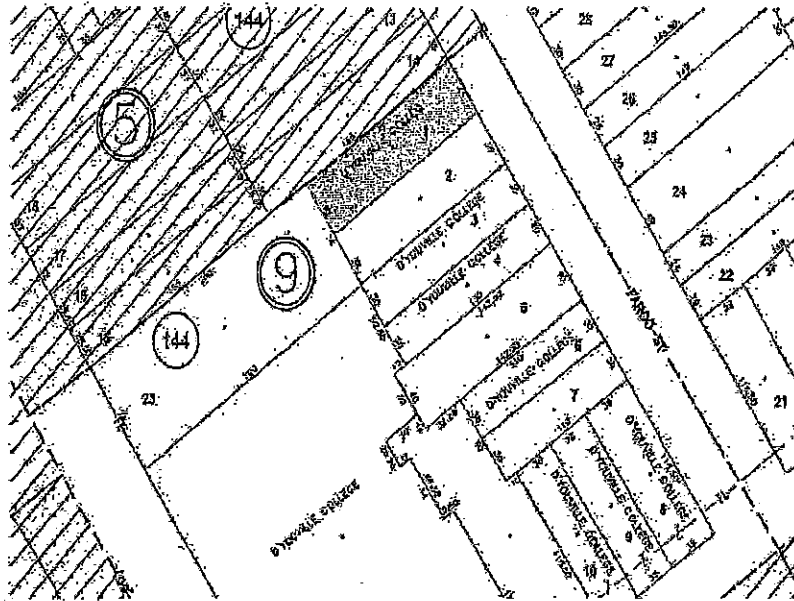
Aerial Photograph



Subject Photograph

Comparable Sale #2

Class Code: 311 Vacant Residential



Address: 302 Fargo Avenue
City: Buffalo
Description: Urban Residential

County: Erie

State: NY

Sale Price: \$50,000
Contract Date: 04/2007
Deed Recorded: 07/12/2007

Days on Market: N/A
Sale Conditions: Normal
Rights Conveyed: Fee Simple

Frontage Feet: 40

Price Per Front Foot: \$1,250.00

Financing: Cash or Equivalent Financing
Grantor: David & Linda Fazio
Grantee: D'Youville College

Tax Map Number: 99.67-9-1
Liber: 11131
Page: 7708

Taxes: N/A
Assessment: \$43,400.00
Zoning: Residential R-3

Lot Size: 0.1194
Price Per Acre: \$418,761
Price Per SqFt: \$9.61

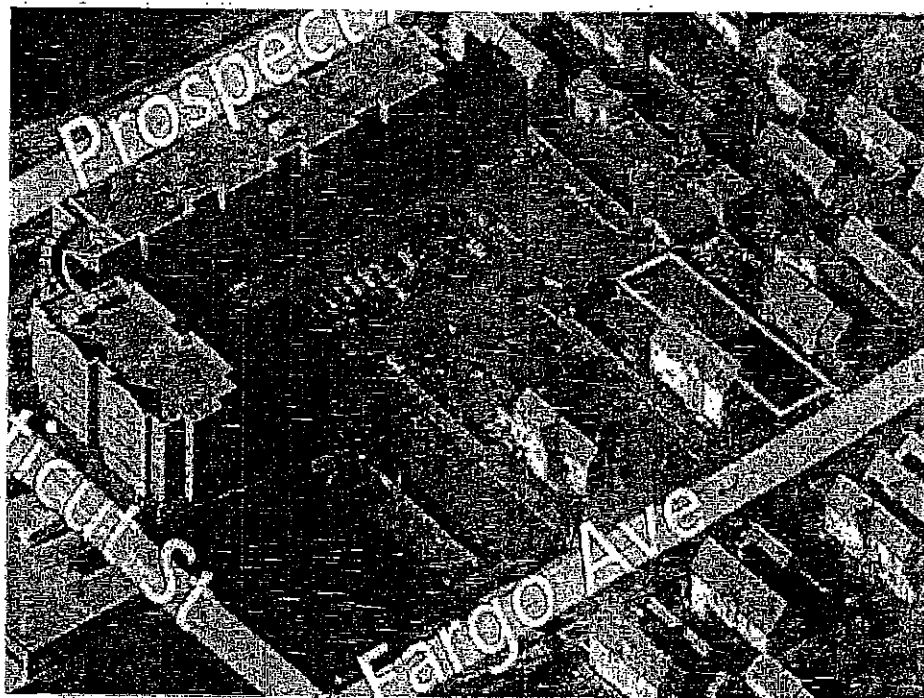
Utilities: ☒ Electric
☒ Gas
☒ Water
☒ Sewer
☐ Other (See Comments)

Verification: Deed, Public Records, G'tee Rep.

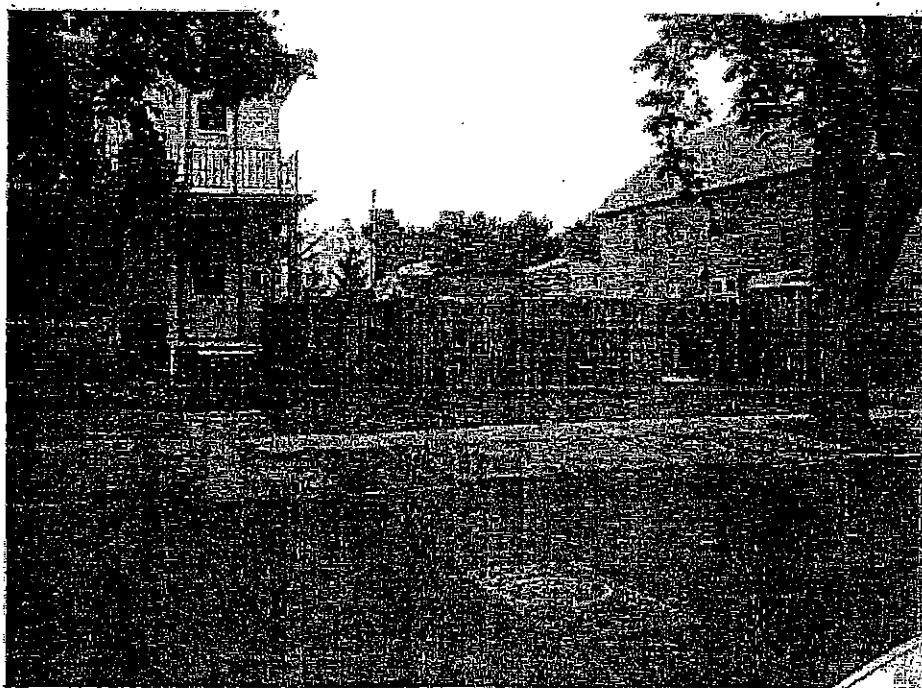
Date: 07/26/2012

Remarks: Sale of a residential parcel on the west side of Fargo Avenue in the City of Buffalo. Parcel was improved with a two-story 1,536 SF two-family residence. Purchased as assemblage to current D'Youville holdings and potential parking expansion. Site is 40 x 130. Estimated demolition costs \$10,000.

Comparable Sale #2



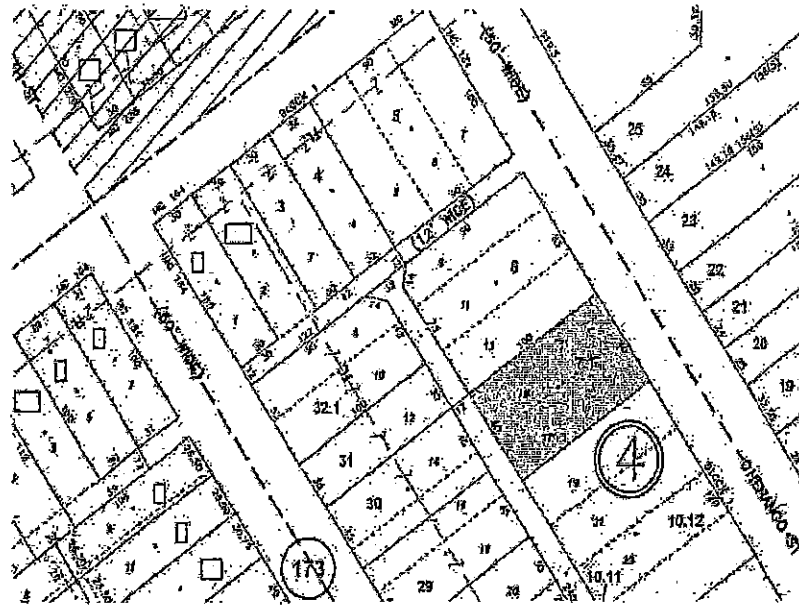
Aerial Photograph



Subject Photograph

Comparable Sale #3

Class Code: 311 Vacant Residential



Address: 92 Chenango Street
City: Buffalo
Description: Urban Residential

County: Erie

State: NY

Sale Price: \$15,000
Contract Date:
Deed Recorded: 10/16/2009

Days on Market: N/A
Sale Conditions: Normal
Rights Conveyed: Fee Simple

Frontage Feet: 60

Price Per Front Foot: \$250.00

Financing: Cash or Equivalent Financing
Grantor: Clinton E. Brown
Grantee: Elmwood Village Remodeling

Tax Map Number: 99.44-4-7.1
Liber: 11171
Page: 3314

Taxes: N/A
Assessment: N/A
Zoning: R2 - Dwelling District

Lot Size: 0.14
Price Per Acre: \$107,143
Price Per SqFt: \$2.46

Utilities: ☒ Electric
☒ Gas
☒ Water
☒ Sewer
☐ Other (See Comments)

Verification: Public Records, Deed, G'tor

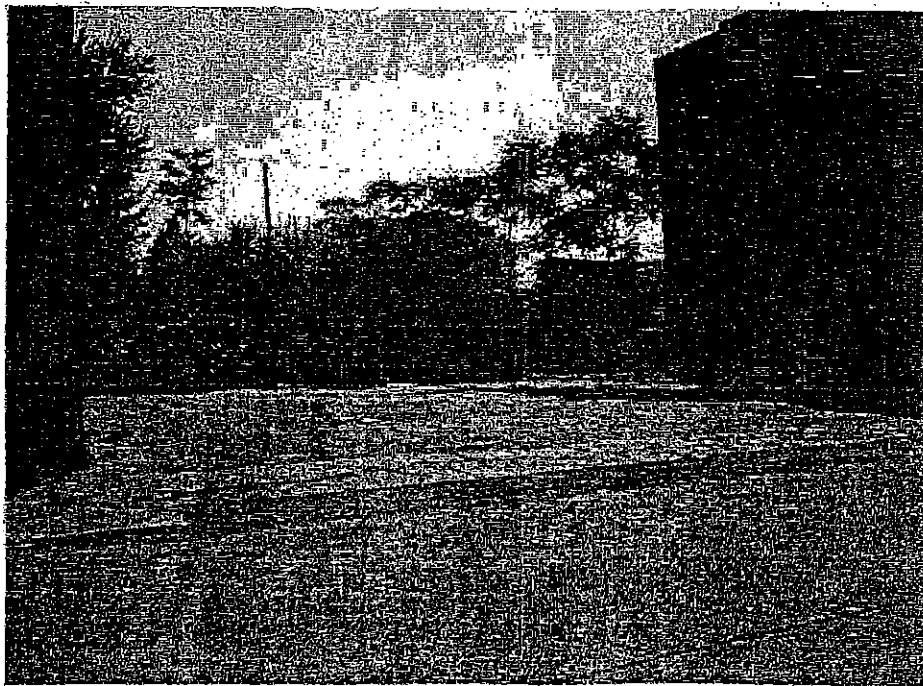
Date: 07/02/2012

Remarks: Sale of a rectangular-shaped 60' X 100' parcel of land with paved blacktop surface. Located on the west side of Chenango Street approximately 250 feet southeast of Massachusetts Avenue. Purchased by adjoining owner.

Comparable Sale #3



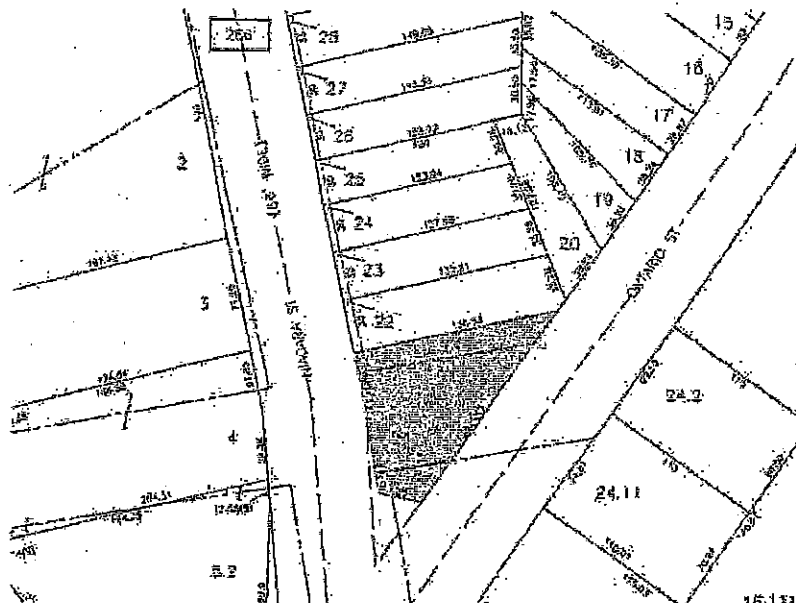
Aerial Photograph



Subject Photograph

Comparable Sale #4

Class Code: 330 Vacant Commercial



Address: 2271 Niagara Street
City: Buffalo
Description: Urban Vacant Land

County: Erie

State: NY

Sale Price: \$60,000
Contract Date: 03/2008
Deed Recorded: 06/24/2008

Days on Market: N/A
Sale Conditions: Normal
Rights Conveyed: Fee Simple

Frontage Feet: 93

Price Per Front Foot: \$645.16

Financing: Cash or Equivalent Financing
Grantor: Exxon Mobil Oil Corporation
Grantee: William J Van Camp

Tax Map Number: 77.72-2-21
Liber: 11146
Page: 6389

Taxes: N/A
Assessment: \$125,000.00
Zoning: C1-Neighborhood Business

Lot Size: 0.21
Price Per Acre: \$285,714
Price Per SqFt: \$6.56

Utilities: ☒ Electric
☒ Gas
☒ Water
☒ Sewer
☐ Other (See Comments)

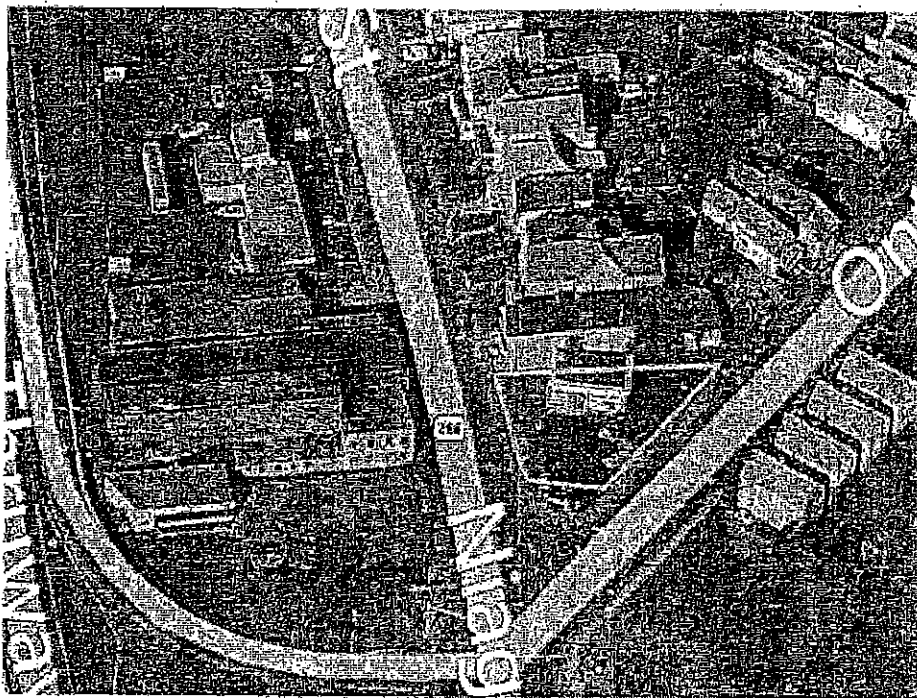
Verification: Public Records, Grantee, Deed

Date: 04/01/2009

Remarks: Former Mobil gas station on the northern corner of Niagara and Ontario Streets. Purchased by adjacent property owner operating a bait store. Additional 156 feet of frontage along Ontario Street. Tanks have been removed and the site is clean. Demolition cost estimated at \$25,000. Sold subject to deed restriction prohibiting residential related uses.

Demographic data, one mile radius:
- Population - 12,527
- Median Household Income - \$26,041

Comparable Sale #4



Aerial Photograph



Subject Photograph

LAND LOCATION MAP:



Property: Peace Bridge Project, Buffalo, Erie County, New York

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Adjustment Grid:

File: 7877-04 Map 5 LG

ADDRESS	SUBJECT	SALE NO. 1	SALE NO. 2	SALE NO. 3	SALE NO. 4
	3 Massachusetts Buffalo	429 Massachusetts Buffalo	302 Fargo Buffalo	92 Chenango Buffalo	2271 Niagara Buffalo
SALE PRICE:		\$3,000	\$50,000	\$15,000	\$60,000
PROPERTY RIGHTS:	Fee Simple	\$0	\$0	\$0	\$0
FINANCING:	Cash	\$0	\$0	\$0	\$0
CONDITIONS:	Normal	\$0	\$5,000	\$0	\$25,000
ADJUSTED PRICE:		\$3,000	\$55,000	\$15,000	\$85,000
DATE:	Jun-12	Jan-11	Jul-07	Oct-09	Jun-08
ADJUSTMENT:		\$0	\$0	\$0	\$0
TIME ADJ. PRICE:		\$3,000	\$55,000	\$15,000	\$85,000
UNIT PRICE:	Per Sq.Ft.	\$1.51	\$10.58	\$2.50	\$9.29
	per front foot	\$103.45	\$1,375.00	\$250.00	\$913.98
LOCATION:	Mixed Use	fair residential	mixed use	fair residential	Comm ind
ADJUSTMENT:		\$1.51	\$0.00	\$2.50	(\$1.85)
LAND AREA:	2,124 SF	1,988	5,200	6,000	9,148
PLOTTAGE:	None	none	none	none	none
ADJUSTMENT:		\$0.00	\$0.00	\$0.00	\$1.39
DIMENSIONS:	32 x 64.5	29 x 68	40 x 130	60 x 100	93 x irreg.
SHAPE:	Sl. Irregular	Rectangular	Rectangular	Rectangular	Irregular
ADJUSTMENT:		\$0.00	(\$2.10)	(\$0.25)	(\$0.93)
SITUATED:	Interior	Corner	Interior	Interior	Corner
ADJUSTMENT:		(\$0.15)	\$0.00	\$0.00	(\$0.93)
ZONING:	PB Comm resid	R 3 Residential	R 3 Residential	R 3 Residential	C 1 comm
ADJUSTMENT:		\$0.00	\$0.00	\$0.00	\$0.00
UTILITIES:	All available	All available	All available	All available	All available
ADJUSTMENT:		\$0.00	\$0.00	\$0.00	\$0.00
NET ADJUSTMENT:		\$1.36	(\$2.10)	\$2.25	(\$2.32)
Net percent		90.12%	-19.85%	90.00%	-24.97%
ADJUSTED					
UNIT PRICE:		\$2.87	\$8.48	\$4.75	\$6.97

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Adjustment Process: - Land Valuation

The adjustment process attempts to answer the following questions:

1. What would the comparable property have sold for if it was identical to the subject property?
2. What is the difference in price attributable to the differing characteristics?

Property Rights Conveyed:

As previously discussed, the purchase price of property is always based on the real property rights conveyed. The interest being appraised for the subject land is the fee simple estate. This represents the interests transferred for all of the sales, no adjustments required.

Financing Terms:

The purchase price of the property may differ from that of a seemingly identical property due to the difference in the way the acquisition is financed. It would be reasonable to expect that a purchaser would be willing to pay more for a property to obtain below market financing. Cash equivalency analysis is the process in which the same price of a comparable with non-market financing is adjusted to reflect atypical market terms. All of the sales involved terms equivalent to cash, no adjustments required.

Conditions of Sale:

This sale attempts to reflect the motivations of buyers and sellers. Implicit in the definition of market value is the fact that the buyer and seller are typically motivated; that all parties are informed or advised and that a reasonable amount of time was allowed for the exposure of the property to the market. If non-market conditions of sale exist, an adjustment must be made or the comparable must be disregarded. There were no unusual circumstances involving any of the sales. However sales 2 and 4 required demolition theses sales are adjusted up accordingly.

Market Conditions:

Changes in market conditions are caused by changes in the relationship between supply and demand, inflation and other factors. These changes will have an effect on the prices paid for the property. The sales occurred in a time frame of stable values, no adjustment is necessary.

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Units of Comparison:

In order to proceed to the analysis of the elements of comparison, the sale price of the comparables will be reduced to a common unit of comparison. The most frequently used unit of comparison for vacant land is the price per square foot. All future adjustments will be made on this basis.

Location:

An adjustment for location is required when the characteristics of location of the comparable properties are different from those of the subject. Sales one and three while in the general market area are in substantially less desirable areas and each is adjusted up by a factor of 100%.

Land Area:

This adjustment is based on the smaller parcel unit valuation theory that holds smaller units typically command higher unit prices than larger units that offer similar utility. The subject and comparables one two and three fall in a size range that are similar. Sale 4 is adjusted up 15% based paired sales analysis.

Dimensions & Shape:

This adjustment takes into consideration frontage and the relationship between width and depth. The shape of a parcel can dictate functional use of the site. An adjustment is considered appropriate only when the shape offers a significant enhancement or an adverse hardship to the development potential of the site.

The subject is a narrow lot with limited depth, sale 1 is similar and neither meet typical width or depth requirements. The other sales are superior regarding width and depth. Sales two and three are adjusted down 10%. Sale 4 offers superior width and depth but its shape is irregular a net minus adjust of 10% is required to equate to the subject.

Site Position:

This adjustment addresses the property's inside or corner location. The subject and sales two and three are similar interior sites. Sales one and four are corner parcels with superior access and exposure each is adjusted down by a factor of 10%.

Zoning:

The subject's zoning permits residential and low density commercial uses. The sales are sufficiently similar so that no adjustment is necessary.

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Utilities:

The subject and sales have all services available.

Other:

The subject has an easement along its south west border, this does not interfere with site utility and no adjustment is indicated.

Correlation of Land Sales:

The direct sales comparison approach has, as its premise, that the market value of the subject is directly related to the prices being paid for competing properties. To this end, comparable sales were researched based on the legal, physical, and economic and locational aspects previously outlined in the neighborhood analysis and highest and best use. Four sales were chosen from among many which were available and were analyzed. The sales selected are considered most indicative of the market for this type of property.

The indicated value ranges between \$2.87 and \$8.48 with an average of \$5.77. Sales two and four required the least net adjustment while sales one and three, like the subject include paved surfaces. Most emphasis is accorded the sales requiring the lowest adjustment and the subject value is estimated at \$6.00 SF.

Overall value is developed as follows:

$$2,124 \text{ SF @ } \$6.00/\text{SF} = \$12,750 \text{ (Rounded)}$$

This estimate includes any value associated with the existing paving. A reasonable allocation is estimated at \$1.00 SF or \$2,000 (rounded).

RECONCILIATION AND CONCLUSIONS OF VALUE:

The value indication for the subject, by use of the only applicable approach to value, is as follows:

Value Indicators:	
Sales Comparison Approach	\$12,750
Cost Approach	NA
Income Approach	NA
Final Estimate of Market Value	\$12,750

Because this appraisal addresses land at its highest and best use, the direct sales comparison approach is considered to be the most applicable method of valuation.

The parcel is paved but it is unlikely the paving will offer any use to a prospective purchaser. The paving is incidental to the property, offering an interim enhancement at best. Therefore the cost approach is not developed.

The income capitalization analysis was considered, however there are insufficient land leases of this type in this general area, therefore the approach could not be developed.

Full consideration is given to the direct sales comparison approach as the only applicable and necessary approach to value. After considering all of the evidence and indications of value developed in this report, the estimated market value of the subject property, in the fee simple estate (as defined in this report), as of June 7, 2012 is:

TWELVE THOUSAND SEVEN HUNDRED FIFTY DOLLARS

\$12,750

This value estimate includes an estimated enhancement for the paving of \$2,000.

Addenda

Definitions of Significant Terms

Qualifications of Gregory C. Klauk

Zoning Excerpts

State Taking Maps

Definitions of Significant Terms:

Self Contained Appraisal Report - A written report prepared under standard Rule 2-2(a) or 8-2 (a) of the Uniform Standards of Professional Appraisal Practice (USPAP).

Summary Appraisal Report - A written report prepared under standard Rule 2-2 (b) or 8-2 (b) of the Uniform Standards of Professional Appraisal Practice (USPAP).

Restricted Use Appraisal Report - A written report prepared under Standard Rule 2-2(c) or 8-2(c) of the Uniform Standards of Professional Appraisal Practice (USPAP).

Use Value - In real estate appraisal, the value a specific property has for a specific use; may be the highest and best use of the property or some other use specified as a condition of the appraisal.²

Market Value - Market value is the amount in cash, on or terms reasonably equivalent to cash, for which in all probability, the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.³

Market Value - The highest price estimated in terms of money which a property will bring if exposed for sale in the open market, allowing a reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adapted and for which it is capable of being used. (NYS Case Law).

Market Rent - The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).⁴

Fee Simple Estate - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.⁵

Leased Fee Interest - A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).⁶

Leasehold Interest - The tenant's possessory interest created by a lease.⁷

Cash Equivalency - An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.⁸

Easement - The right to use another's land for a stated purpose.⁹

Easement Appurtenant - An easement having both dominant and servient estates. The easement interest passes with title to the dominant estate and continues to burden the servient estate. An easement appurtenant contrasts with an easement in gross, which has a servient estate but no dominant estate.¹⁰

²The Dictionary of Real Estate Appraisal, fifth edition, (Chicago, Illinois Appraisal Institute, 2010), Pg. 204

³Uniform Appraisal Standards for Federal Land Acquisitions (Yellow book), pg. 13.

⁴The Dictionary of Real Estate Appraisal, fifth edition, (Chicago, Illinois Appraisal Institute, 2010), Pg. 121-122

⁵Ibid. Pg. 78

⁶Ibid. Pg. 111

⁷Ibid. Pg. 111

⁸Ibid. Pg. 30

⁹Ibid. Pg. 63

¹⁰Ibid. Pg. 63

Definitions of Significant Terms: (Cont'd.)

Easement by Prescription - The right to use another's land, which is established by exercising this right openly, hostilely, and continuously over a statutory period of time.¹¹

Highest and Best Use - That reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property-specific with respect to the user and timing of the use-that is adequately supported and results in the highest present value.¹²

Hydric Soil - a soil that is saturated, flooded, or ponded long enough during the growing season to develop anaerobic conditions that favor the growth, the regeneration of hydrophytic vegetation (US Department of Agriculture-Soil Conservation Service, 1985). Hydric soils that occur in areas having positive indicators of hydrophytic vegetation and wetland hydrology are wetland soils."¹³

Hydrology - the science dealing with properties, distribution and circulation of water".¹⁴

Hydrophytic Vegetation - the sum total of macrophytic plant life growing in water or on a substrate that is at least periodically deficient in oxygen as a result of excess water content. When hydrophytic vegetation comprises a community where indicators of hydric soils and wetland hydrology also occur, the area has wetland vegetation".¹⁵

Hypothetical Condition - that which is contrary to what exists but is supposed for the purpose of analysis.¹⁶

Jurisdictional Exception - an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP (USPAP, 2010-2011 ed.).¹⁷

Interim Use - The temporary use to which a site or improved property is put until it is ready to be put to its future highest and best use.¹⁸

Perpetual (Permanent) Easement - An easement that lasts forever.¹⁹

Subdivision Development Method - A method of estimating land value when subdivision development is the highest and best use of the parcel of land being appraised. When all direct and indirect costs and entrepreneurial incentive are deducted from an estimate of the anticipated gross sale price of finished lots (or residences), the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the land.²⁰

¹¹Ibid. Pg. 63

¹²Ibid. Pg. 93

¹³US Department of Commerce, Corps of Engineers Wetlands Delineation Manual, January, 1987, Final Report (National Technical Information Service, Technical Report Y-87-1), Page A6.

¹⁴Ibid. Pg. A6

¹⁵Ibid. Pg. A6

¹⁶The Appraisal Standard Board, The Appraisal Foundation, USPAP 2008-2009 Edition, p. U-3.

¹⁷The Dictionary of Real Estate Appraisal, fifth edition, (Chicago, Illinois Appraisal Institute, 2010), Pg. 106

¹⁸Ibid. p. 103

¹⁹Ibid. Pg. 145

²⁰Ibid. Pg. 188

Definitions of Significant Terms: (Cont'd.)

Subdivision Regulations - Laws that regulate the design and engineering standards for public improvements in a subdivision, e.g., streets, drainage, sewers, water, electricity, telephone, street landscaping, establish an application and review process that the prospective subdivider or developer must follow.²¹

Temporary Easement - An easement granted for a specific purpose and applicable for a specific time period. A construction easement, for example, is terminated after the construction of the improvement and the unencumbered fee interest in the land reverts to the owner.²²

Wetlands - Areas that are frequently inundated or saturated by surface or ground water and support vegetation typically adapted for life in saturated soil conditions; generally include swamps, marshes, bogs, and similar areas, but classification may differ in various jurisdictions.

Those areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs and similar areas.²³

Surplus Land - Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.²⁴

Excess Land - Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately.²⁵

"Freshwater wetlands" means lands and waters of the state as shown on the freshwater wetlands map which contain any or all of the following:

(a) Lands and submerged lands commonly called marshes, swamps, sloughs, bogs, flats supporting aquatic or semi-aquatic vegetation of the following types:

(1) wetland trees, which depend upon seasonal or permanent flooding or sufficiently water-logged soils to give them a competitive advantage over other trees; including, among others, red maple (*Acer rubrum*), willows (*Salix* spp.), black spruce (*Picea mariana*); swamp white oak (*Quercus bicolor*), red ash (*Fraxinus pennsylvanica*), black ash (*Fraxinus nigra*), silver maple (*Acer sacharinum*), American elm (*Ulmus americana*), and Larch (*Larix laricina*);

(2) wetland shrubs, which depend upon seasonal or permanent flooding or sufficiently water-logged soils to give them a competitive advantage over other shrubs; including, among others, alder (*Alnus* spp.), buttonbush (*Cephalanthus occidentalis*), bog rosemary (*Andromeda glaucophylla*), dogwoods (*Cornus* spp.), and leather leaf (*Chamaedaphne calyculata*);

(3) emergent vegetation, including, among others, cattails (*Typha* spp.), pickerelweed (*Pontederia cordata*), arrowheads (*Sagittaria* spp.), reed (*Phragmites communis*), wildrice (*Zizania aquatica*), bur-reeds (*Sparganium* spp.), purple loosestrife (*Lythrum salicaria*), swamp loose-strife (*Decodon verticillatus*), and water plantain (*Alisma plantago-aquatica*);

(4) rooted, floating-leaved vegetation; including, among others, water-lily (*Nymphaea odorata*), water shield (*Brasenia Schreberi*), and spatterdock (*Nuphar* spp.);

(5) free-floating vegetation; including, among others duckweed (*Lemna* spp.), big duckweed (*Spirodela polyrhiza*), and watermeal (*Wolffia* spp.);

²¹Ibid. Pg. 189

²²Ibid. Pg. 195

²³US Department of Commerce, Corps of Engineers Wetlands Delineation Manual, January, 1987, Final Report (National Technical Information Service, Technical Report Y-87-1), Pg. A6

²⁴The Dictionary of Real Estate Appraisal, fifth edition, (Chicago, Illinois Appraisal Institute, 2010), Pg. 191

²⁵Ibid. Pg. 71

Definitions of Significant Terms: (Cont'd.)

(6) wet meadow vegetation, which depends upon seasonal or permanent flooding or sufficiently water-logged soils to give it a competitive advantage over other open land vegetation; including, among others, sedges (*Carex* spp.), rushes (*Juncus* spp.), cattails (*Typha* spp.), rice cut-grass (*Leersia oryzoides*), reed canary grass (*Phalaris arundinacea*), swamp loosestrife (*Decodon verticillatus*), and spikerush (*Eleocharis* spp.);

(7) bog mat vegetation; including, among others, sphgnum mosses (*Sphagnum* spp.), bog rosemary (*Andromeda glaucophylla*), leatherleaf (*Chamaedaphne calyculata*), pitcher plant (*Sarracenia purpurea*), and cranberries (*Vaccinium macrocarpon* and *V. oxycoccos*);

(8) submergent vegetation; including among others, pondweeds (*Potamogeton* spp.), naiads (*Najas* spp.), bladderworts (*Utricularia* spp.), wild celery (*Vallisneria americana*), coontail (*Ceratophyllum demersum*), water milfoils (*Myriophyllum* spp.), muskgrass (*Chara* spp.), stonewort (*Nitella* spp.), water weeds (*Elodea* spp.), and water smartweed (*Polygonum amphibium*);

(b) lands and submerged lands containing remnants of any vegetation that is not aquatic or semi-aquatic that has died because of wet conditions over a sufficiently long period, provided that such wet conditions do not exceed a maximum seasonal water depth of six feet and provided further that such conditions can be expected to persist indefinitely, barring human intervention;

(c) lands and waters substantially enclosed by aquatic or semi-aquatic vegetation as set forth in paragraph (a) or by dead vegetation as set forth in paragraph (b), the regulation of which is necessary to protect and preserve the aquatic and semi-aquatic vegetation; and

(d) the waters overlying the areas set forth in (a) and (b) and the lands underlying (c).²⁶

CONDITION RATINGS:

In order to have as consistent a condition and quality rating system for improved properties (subjects and comparables) to make adjustments within market grids more reliable, we have adopted the following condition rating from the "Depreciation" section of the Marshall Valuation Service Cost Manual Section 97 page 3.

Excellent Condition – All items that can normally be repaired or refinished have recently been corrected, such as new roofing, paint, furnace overhaul, state-of-the-art components, etc. With no functional inadequacies of any consequence and all major short-lived components in like-new condition, the overall effective age has been substantially reduced upon complete revitalization of the structure regardless of the actual chronological age.

Very Good Condition – All items well maintained, many having been overhauled and repaired as they've shown signs of wear, increasing the life expectancy and lowering the effective age, with little deterioration or obsolescence evident and a high degree of utility.

Good Condition – No obvious maintenance required, but neither is everything new. Appearance and utility are above the standard, and the overall effective age will be lower than the typical property.

Average Condition – Some evidence of deferred maintenance and normal obsolescence with age in that a few minor repairs are needed, along with some refinishing. But with all major components still functional and contributing toward an extended life expectancy, effective age and utility are standard for like properties of its class and usage.

Fair Condition (Badly Worn) – Much repair needed. Many items need refinishing or overhauling, deferred maintenance obvious, inadequate building utility and services all shortening the life expectancy and increasing the effective age.

²⁶Environmental Conservation Law, Article 24, Freshwater Wetlands, 24-0107 Definitions, Pg.3

Definitions of Significant Terms: (Cont'd.)

Poor Condition (Worn Out) – Repair and overhaul needed on painted surfaces, roofing, plumbing, heating, numerous functional inadequacies, substandard utilities, etc. (found only in extraordinary circumstances). Excessive deferred maintenance and abuse, limited value-in-use, approaching abandonment or major reconstruction; reuse or change in occupancy is imminent. Effective age is near the end of the scale regardless of the actual chronological age.

QUALITY RATINGS:

This classification system is also taken from the Marshall Valuation Service Cost Manual "Qualities of Construction" Section 1, page 10. These definitions relate to quality of materials and workmanship used in building a structure.

Excellent – Excellent buildings are normally prestige buildings. On an economic basis, part of the cost must be written off to pride of ownership and some of the income intangibly derived from advertising. Buildings of this classification reflect the best of materials and workmanship (craftsmen) with unique custom design, best brick, hardwoods, stone, solid core interior doors, etc.

Good – Buildings designed for good appearance, comfort and convenience, as well as an element of prestige, constitute the Good Quality category. Ornamental treatment is usually of higher quality and interiors are designed for upper-class rentals. The amenities of better lighting and mechanical work are primary items in their costs. The structures are characterized by superior quality workmanship, skilled labor; building materials exceeding building codes; custom design in many cases.

Average (Normal) – Average-quality constitute the largest group of buildings constructed, approximately fifty percent of all buildings. These are generally buildings designed for maximum economic potential without some of the pride of ownership or prestige amenities of higher-quality construction. They are of good standard code construction with simple ornamentation and finishes. Construction materials meet building code, design is commonplace but functional workmanship skilled and unskilled, few special features.

Low (Fair) – Buildings in this category are generally constructed to minimum requirements often with little regard for architectural appearance or other amenities. They are built with minimum investment in mind. Little ornamentation is used and interior partitioning and finish is minimal and/or of low quality. Buildings in this category reflect economy grade construction materials, some building code violations may exist, design is plain, little or no ornamentation, limited use of skilled labor.

APPRAISAL QUALIFICATIONS OF GREGORY C. KLAUK

KLAUK, LLOYD & WILHELM INC.

Formal Education:

- Bachelor of Arts - Bridgewater College, Virginia
- Bishop Fallon College Preparatory High School, Buffalo, New York

Real Estate Courses and Seminars:

- American Institute of Real Estate Appraisers, successfully completed all required exams and/or courses for MAI designation, 9/86-3/89
- Appraisal Institute, Appraising Conservation/Preservation Easements, 3/87
- International Right of Way Assoc. -Course 403, "Easement Valuation", 6/87
- International Right of Way Assoc.-Course 701, "Property Management: Leasing", 6/87
- Continuing Education, "Investment Analysis", 10/87
- Environmental Compliance Service-Erie County, New York, "Hazardous Waste-Regulations Update, Management, Liability", 12/87
- Continuing Education, NYS Secretary of State Division of Licensing, "Brokers Course", 12/87
- Society of Real Estate Appraisers, successfully satisfied requirements for all courses necessary for SRPA designation, 2/88-5/89
- Environmental Compliance Service-Erie County, New York, "Environmental Liabilities in Real Estate Transactions", 5/88
- Appraisal Institute, Litigation Valuation (Exam 4), 9/88
- Appraisal Institute, Valuation of Leasehold Interests, 10/90
- Erie County Dept. Environment & Planning-Wetland Seminar, "The New Role of Federal Regulations in Land Use Decisions, 11/90
- Whiteman, Osterman and Hanna-Wetland Seminar, "Recent Changes in the Regulation of State & Federal Wetland", 2/92
- Appraisal Institute-Course SPP, "Standards of Professional Practice, Parts A & B", 10/92
- Appraisal Institute-Course 530, "Advanced Sales Comparison and Cost Approaches", 11/94
- National Highway Institute & NYS DOT, "Eminent Domain for Attorneys & Appraisers", 9/98
- International Right of Way Assoc.-Course 104, "Standards of Practice for Right of Way Professional", 9/99
- International Right of Way Assoc.-Course 401, "The Appraisal of Partial Acquisitions", 9/00
- International Right of Way Assoc.-Course 207, "Practical Negotiations for US Fed Funded Land Acquisitions", 2/01
- International Right of Way Assoc.- Course 900, "Principals of Real Estate Engineering", 10/01
- International Right of Way Assoc.- Course 800, "Principals of Real Estate Law", 8/02
- International Right of Way Assoc.- Course 200, "Principals of Real Estate Negotiation", 11/02
- International Right of Way Assoc.- Course H005, "Reviewing Appraisals in Eminent Domain", 5/04
- International Right of Way Assoc.- Course 403, "Easement Valuation", 5/04
- International Right of Way Assoc.- Course 409, "Integrating Appraisal Standards", 3/05
- International Right of Way Assoc.- Course 406B, "7 hour National USPAP Course", 8/05
- Lorman Education Services, "Eminent Domain: The Effect of Recent Supreme Court Decisions", 10/05
- Appraisal Institute, "Flipping and Fraudulent Flipping-Do You Know the Difference", 4/06
- Appraisal Institute, "7 Hour National USPAP Update Course", 5/06
- Appraisal Institute, "The Modern Cost Approach: Applied Methods & Techniques, Parts 1&2", 1/07
- The Cusack Center, "Residential Construction Basics", 8/07
- International Right of Way Assoc.- Course 400 "Principals of Real Estate Appraisal", 9/07

Real Estate Courses and Seminars (Cont'd.)

- Lorman Education Services "Law of Easements: Legal Issues and Practical Considerations", 6/08
- Appraisal Institute, "7 Hour National USPAP Update Course", 1/09
- Appraisal Institute, "Scope of Work: Expanding Your Range of Service" 4/09
- Appraisal Institute, "Valuation of Conservation Easements" 5/09
- Appraisal Institute, "7 Hour National USPAP Update Course", 12/09
- Appraisal Institute, Business Practices and Ethics, 8/10
- Appraisal Institute, Valuation and Market Perspectives 2011, 2/11
- Appraisal Institute, Appraisal Curriculum Overview 2011, 4/11
- BNAR, Uniform Appraisal Data Set 7/11,
- New York State Assessor's Association & The IAO - Valuation Factor File 2011, 12/2

Professional Affiliations:

- New York State Society of Real Estate Appraisers
- International Right-of-Way Association - Chapter 18
- Appraisal Institute Associate Member
- New York State Assessor's Association

Licensure/Designations/Certifications:

- Licensed New York State Real Estate Salesperson
- New York State Certified General Real Estate General Appraiser #46-0250; 10/8/11-10/7/13

Prepared & Participated in Appraisals & Consultant Reports For:

- Numerous savings and loan and commercial lending institutions - residential and commercial mortgages and sale/purchase assets (KeyBank, Northwest Savings Bank, First Niagara Bank, PNC Bank, HSBC, Five Star Bank, Bank of America among others)
- Major, regional and local oil companies - acquisition, disposition and condemnation
- Special purpose properties (hospitals, schools, coke plants, etc.)
- Governmental agencies (state, federal, county, town and cities) acquisition, reuse, condemnation, Ad-Valorem and certiorari proceedings and specialized studies
- Private industry - mortgages, buy/sell, mergers
- Attorneys and private individuals - condemnation, investment counseling, mortgage appraisals and tax assessment matters
- Insurance companies - damage loss, sale/purchase, assets
- Third party residential transfer corporations

Fee Consultant For:

New York State

- Department of Corrections
- Department of Transportation
- Department of Environmental Conservation
- Department of Parks & Recreation
- Department of Mental Retardation & Developmental Disabilities
- Facilities Development Corporation
- Housing Finance Agency (HFA)
- State of NY Mortgage Agency (SONYMA)
- Thruway Authority
- New York State Power Authority

Federal Government

- Farms Home Administration
- Federal Deposit Insurance Corp. (FDIC)
- Housing & Urban Development
- Internal Revenue Service

Testified as Expert Witness:

- U.S. District Bankruptcy Court
- State Supreme Court
- New York State Court of Claims
- Cattaraugus County Court
- Various Commissions of Appraisal

Notable Court Experience

- Noco vs. People of the State of New York, New York State Court of Claims, Rochester, New York
- Gymnastics Training Center of Rochester Inc. vs. People of the State of New York, New York State Court of Claims, Rochester, New York
- Yorktown Builders vs. People of the State of New York, New York State Court of Claims, Buffalo, New York
- Transitowne Plaza Inc. vs. People of the State of New York, New York State Court of Claims, Buffalo, New York
- Jung vs. Town of Franklinville, New York State Supreme Court, Cattaraugus County, New York
- Various Claimants vs. Town of West Seneca, New York State Supreme Court, Erie County, New York
- Niagara Mohawk vs. City of Dunkirk, New York State Supreme Court, Chautauqua County, New York
- Milazzo vs. People of the State of New York, New York State Court of Claims, Erie County, New York
- Bevilacqua vs. People of the State of New York, New York State Court of Claims, Erie County, New York (Settled)
- Village Glen Tennis & Fitness Center vs. Town of Amherst Assessor, New York State Supreme Court, Erie County, New York
- Benevolent Protectors Order of Elks vs. People of the State of New York, New York State Court of Claims, Erie County, New York
- Fairway Heights Inc. v. Hillock et.al., New York State Supreme Court, Erie County, New York
- 120 Lawley Services LLC v. United States of America, (settled) Federal District Court (2008)
- New Creation Fellowship v. New York State Insurance Fund, New York State Supreme Court, Erie County, New York (2007)
- Statler Tower LLC v. City of Buffalo, New York State Supreme Court, Erie County, New York (2008)
- Rostikof vs. People of the State of New York, New York State Court of Claims, Erie County, New York (2008)
- Garmen v. Town of West Seneca, New York State Supreme Court, Erie County, New York (2008)
- Reeves et.al. v. People of State of New York, NYS Court of Claims, Erie County, New York (2008)
- Mark 1, LLC v. Universal Forest Products Eastern Division, Inc. and Universal Forest Products Inc., Sardinia, New York State Supreme Court, Erie County, New York (2009)
- Stahowiak v. People of the State of New York, New York State Court of Claims, Erie County, New York (2010)
- StanCorp Mortgage Investors LLC v. Frederiksen Development LLC, United States Bankruptcy Court for the Western District of New York (2011)
- Rooks, Frey and Nabi vs. Town of Clarence, New York, State Supreme Court, Erie County, NY (2011).
- Sweeney Steel Corp vs. Town of Tonawanda, State Supreme Court, Erie County, NY (2011).
- Denise Faulkner vs. Northwest Savings Bank, United States Bankruptcy Court for the Western District of New York (2012).

Employment History:

- Klauk, Lloyd & Wilhelm Inc., Buffalo, NY, President, 1995-Present; Principal of K LW Municipal Inc. a Mass Valuation Appraisal Company; Principal and Vice President K LW Residential Inc. a residential appraisal company for one to four family dwellings.
- Upstate Appraisal Inc.- Commercial, Buffalo, NY, President, 1990-1995
- Independent Real Estate Consultant and Appraiser, Buffalo, NY, 1989-1990
- GAR Associates, Inc., Buffalo, NY, Staff Appraiser, Senior Consultant, Principal & Senior Vice President, Corporate Secretary.

§ 511-62. Porter-Busti District.

A. The Porter-Busti area as hereinafter specified, shall be a special zoning district.

B. Limits. The Porter-Busti Special Zoning District shall comprise the following area: all properties fronting on or adjacent to Porter Avenue, bounded on the east by the center line of Seventh Street and on the west by the center line of Fourth Street; and all properties fronting on or adjacent to Busti Avenue, bounded on the north by the center line of Massachusetts Avenue and on the south by the center line of Porter Avenue.

C. Legislative intent.

- (1) The Common Council finds that the area needs a special zoning district to create an economic climate which will foster the proper commercial growth and development along Porter Avenue while providing regulation not found in existing legal and regulatory controls to protect against possible overdevelopment.
- (2) The Common Council recognizes that the Porter-Busti area, as gateway to and from Canada and Western New York, occupies a unique position and that future growth and development of the area should be aesthetically compatible with this gateway role, and the Common Council further finds that the integrity and stability of the residential area on Busti Avenue north of Porter Avenue and south of Massachusetts Avenue must not be threatened by possible overdevelopment.
- (3) The Common Council further finds an existing and growing traffic problem in the area which it believes can be improved by the creation of a special zoning district.

D. Permitted uses. Except as hereinafter provided, all uses presently permitted by law in the Porter-Busti Special Zoning District shall continue as before.

E. Restricted uses. Any of the following listed uses which presently are permitted under zoning district regulations of this chapter of the Code of the City of Buffalo or which may be established or extended pursuant to said chapter shall be permitted uses in the Porter-Busti Special Zoning District if in compliance with all of the regulations of this chapter, but only upon the issuance of a restricted use permit as provided by § 511-55 of this chapter:

Administrative or executive offices

Business offices

Business or industrial parking lots

Cafes

Community garages

Fraternity or sorority houses

Funeral homes or undertaking establishments

Gasoline service stations

Nonprofit institutions and offices

Nursing or convalescent homes

Private clubs or lodges

Private schools operating on a commercial basis

Public parking lots

Recreational centers

Restaurants, including takeout establishments

Retail businesses or services, such as grocery stores, liquor stores, drugstores or clothing stores

Rooming or boarding houses

Taverns

F. Exterior signs. No new exterior sign shall be allowed unless it pertains to a permitted use on the premises and is attached flat against the building and does not project above the roofline. No sign or signs shall aggregate more than 35 square feet or one square foot for each linear foot of front lot line, whichever is greater. Any illuminated sign or lighting device shall employ only lights emitting an illumination of constant intensity and shall not contain any flashing, intermittent, rotating or movable components. No temporary or portable signs shall be permitted on the grounds of a use or in the public right-of-way. No exterior sign shall face the side of any adjoining lot on any residential use. No sign shall increase light intensity emitted from a premises by more than one footcandle as measured from a distance of 25 feet.

G. Restricted use permit. Any person seeking to establish or extend a use restricted by Subsection E of this section shall file an application for a restricted use permit as provided by § 511-55 of this chapter.

NEW YORK STATE DEPARTMENT OF TRANSPORTATION ACQUISITION MAP

PIN XXXX.XX

MAP NO. 5
PARCEL NO. 5
SHEET 1 OF 2 SHEETS

XXXXXX

MAP REFERENCE INFORMATION:

City of Buffalo,
Part of Block 185 and more

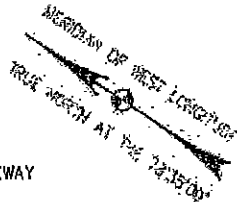
Parcel Locator Point:
Parcel No: 5
N: 1059223.08
E: 1063564.64

EPISCOPAL CHURCH HOME
OF WESTERN NEW YORK
(REPUTED OWNER)

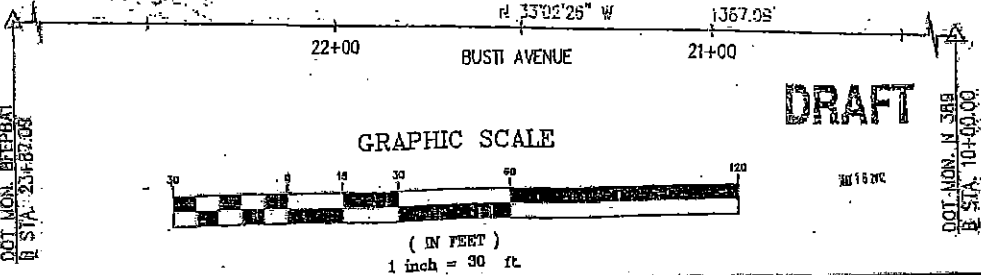
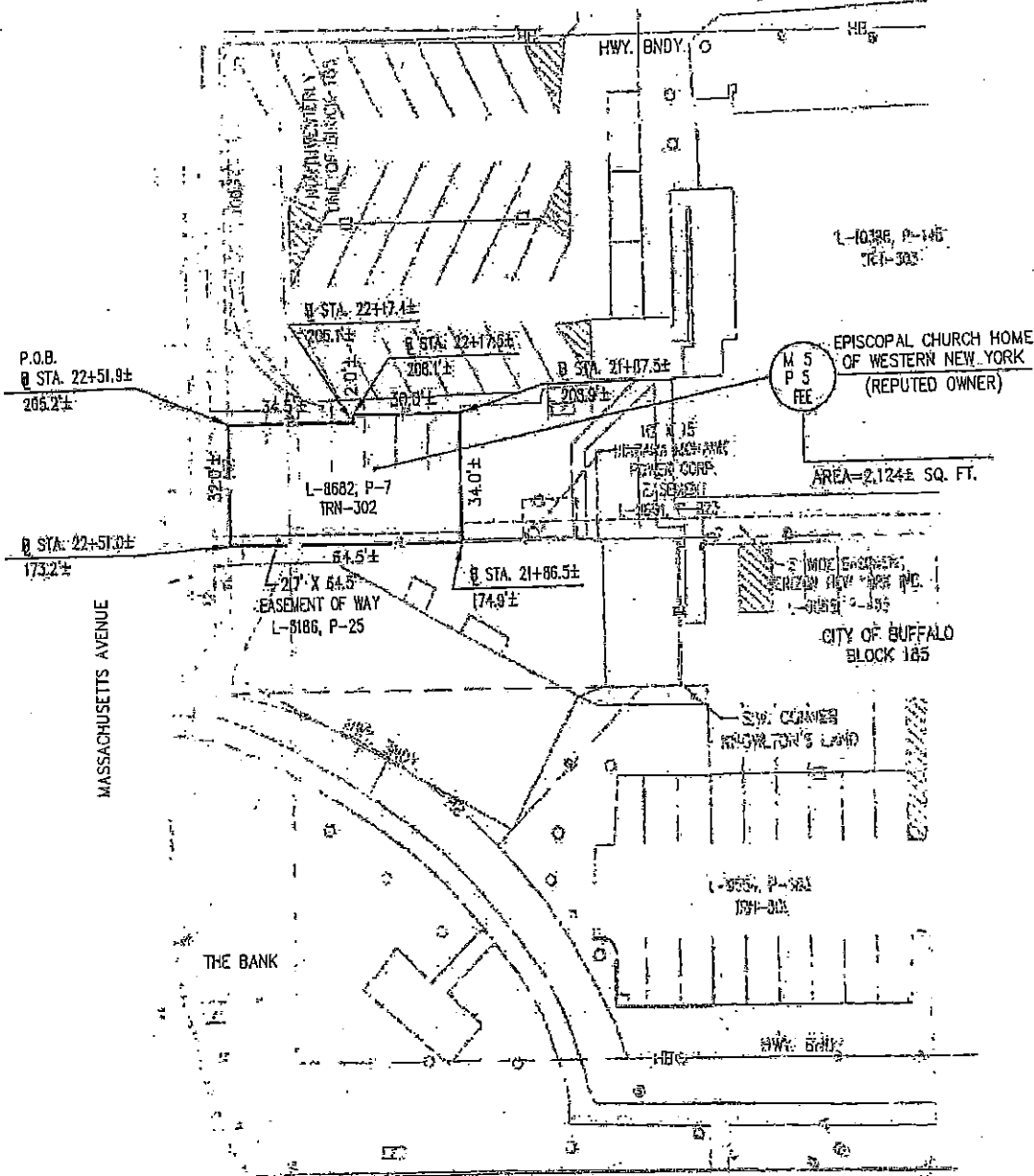
CCD L-8682 P-7
TRN 302

PARCEL SUMMARY:
Type: FEE

Portion of 2011 Tax
Map SBL No. 99.65-2-3
City of Buffalo
County of Erie
State of New York



COLUMBUS PARKWAY



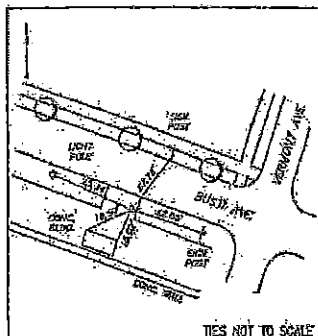
DRAFT

NEW YORK STATE
DEPARTMENT OF TRANSPORTATION
ACQUISITION MAP

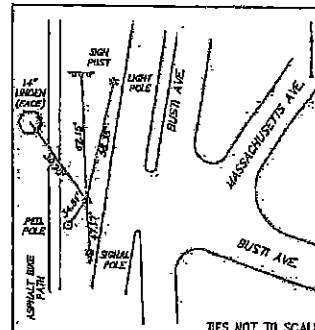
MAP NO. 5
PARCEL NO. 5
SHEET 2 OF 2 SHEETS

XXXXXX

PIN XXXX.XX



CONTROL POINT N 389
B STA. 10+00.00
NAD 83(92)
N: 1,058,061.74
E: 1,064,075.21
COMBINED FACTOR: 0.99991613



CONTROL POINT BFEPA1
B STA. 23+87.09
NAD 83(92)
N: 1,059,224.52
E: 1,063,318.93
COMBINED FACTOR: 0.99991613

All coordinates shown are NAD 83(92).
All other information on this map is based on ground coordinates using a combined factor of 0.99991613.

ALL THAT PIECE OR PARCEL OF LAND situate in the City of Buffalo, County of Erie, State of New York designated as Part of Block No. 185 of the former South Village of Black Rock and more particularly described as follows:

BEGINNING at a point in the southeasterly line of Massachusetts Avenue (66 feet wide), 100 feet more or less southwesterly of the intersection of the southeasterly line of Massachusetts Avenue and the southwesterly line of Columbus Parkway (99 feet wide), said point being 205.2 feet more or less, measured at right angles from station 22+51.9 more or less of the survey baseline; thence southeasterly and parallel with the southwesterly line of Columbus Parkway a distance of 34.5 feet more or less to a point, said point being 206.1 feet more or less, measured at right angles from station 22+17.4 more or less of the survey baseline; thence northeasterly along a line parallel with the southeasterly line of Massachusetts Avenue a distance of 2.0' more or less to a point, said point being 208.1 feet more or less, measured at right angles from station 22+17.5 more or less of the survey baseline; thence southeasterly along a line parallel with the southwesterly line of Columbus Parkway a distance of 30.0 feet more or less to a point, said point being 208.9 feet more or less, measured at right angles from station 21+87.5 more or less of the survey baseline; thence southwesterly along a line parallel with the southeasterly line of Massachusetts Avenue a distance of 34.0 feet more or less to a point, said point being 174.9 feet more or less, measured at right angles from station 21+86.5 more or less of the survey baseline; thence northwesterly along a line parallel with the southwesterly line of Columbus Parkway a distance of 64.5 feet more or less to a point on the southeasterly line of Massachusetts Avenue, said point being 173.2 feet more or less, measured at right angles from station 22+51.0 more or less of the survey baseline; thence northeasterly along the southeasterly line of Massachusetts Avenue, a distance of 32.0 feet more or less to the POINT OF BEGINNING.

EPISCOPAL CHURCH HOME
OF WESTERN NEW YORK
(REPUTED OWNER)

I hereby certify that this map was prepared in accordance with current NYSDOT policies, standards and procedures.

Date _____

"Unauthorized alteration of a survey map bearing a licensed land surveyor's seal is a violation of the New York State Education Law."

Mark J. Andrews, P.L.S.
P.L.S. License No. 50455
GPI Engineering & Surveying, LLP

Map of property which the Commissioner of Transportation deems necessary to be acquired for and at the request of the Peace Bridge Authority by appropriation in the name of the People of the State of New York in fee, for purposes connected with the expansion of the Peace Bridge toll plaza, pursuant to Section 30 of the Highway Law, as made applicable by section 10, Subdivision 34-A, of the Highway Law and the Eminent Domain Procedure Law.

There is excepted from this appropriation all the right, title and interest, if any, of the United States of America in or to said property.

Pursuant to the statute(s) set forth above and the authority delegated to me by Official Order of the Commissioner of Transportation, this acquisition map is hereby approved and filed in the main office of the New York State Department of Transportation.

I have compared the foregoing copy of the map with the original thereof, as filed in the Office of the State Department of Transportation, and I do hereby certify the same to be a true and correct copy of the original and of the whole thereof.

Date _____ 20 _____

Office of Right-of-Way

DRAFT

