

Real Estate Appraisal of
825 Busti Avenue
City of Buffalo, Erie County, New York

Property Type
Vandalized Former Nursing Home/Chapel

Property Owner
Episcopal Church Home of Western New York

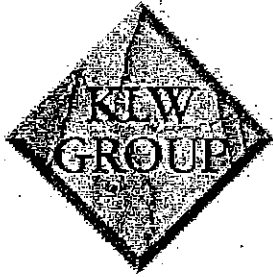
PIN # 5PBO.00.201

Map 7, Parcel 7

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
Klauk, Lloyd & Wilhelm Inc.
247 Cayuga Road
Buffalo, New York 14225
KLW File:7877-Map 7



Klauk, Lloyd & Wilhelm, Inc.

Real Estate Appraisers and Consultants

July 25, 2012

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

*Re: Real Estate Appraisal of
825 Busti Avenue
City of Buffalo, Erie County, New York
PIN # 5PB0.00.201
Map 7, Parcel 7*

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 25, 2012.

The property appraised consists of one commercially zoned tax parcel, consisting of a 2,591± square foot one-story chapel constructed in 1895 and a 35,836± square foot one to three-story nursing home facility originally constructed in 1905 with subsequent addition in the 1950s. The site is located at the northeast corner of Busti Avenue and Rhode Island Street. The site has 110.1± feet of frontage on Busti Avenue with additional frontage on Rhode Island and Columbus Parkway (7th Street). In total, the site contains approximately 60,203 SF (1.38± acres). The nursing home buildings as of the date of inspection were in poor condition, vandalized and not habitable.

The purpose of the appraisal is to estimate market value of the real 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 determination of 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:

FIVE HUNDRED THIRTY EIGHT THOUSAND DOLLARS

\$538,000

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.

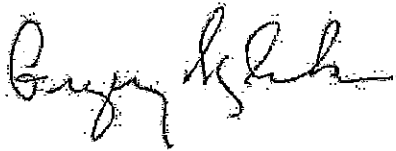
The market value estimate is subject to the general and extraordinary assumptions, contingent and limiting conditions which follow and are made part of this letter.

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,

Klauk, Lloyd & Wilhelm Inc.

A handwritten signature in dark ink, appearing to read "Gregory C. Klauk", written in a cursive style.

Gregory C. Klauk
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 city tax maps indicate two parcels with an aggregate area less than the state map.
- The property is to be acquired in it's entirety as is.
- The City of Buffalo's Assessment and Taxation Department was consulted with in regards to the verification of the gross building area of the subject's improvements. Due to a lack of record keeping and missing information, the gross building area could not be accurately verified with assessor records.

Hypothetical Conditions:

- The valuation of the site as if vacant represents a hypothetical condition.

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.

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

CERTIFICATE OF APPRAISER

Project	Peace Bridge	P.I.N.	5PB0.00.201
Map(s)	7	SH	NA
Parcel(s)	7	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.

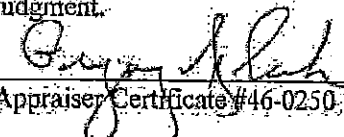
That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.

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 \$538,000 based upon my independent appraisal and the exercise of my professional judgment.

July 30, 2012

Date


Appraiser Certificate #46-0250

Acknowledgement

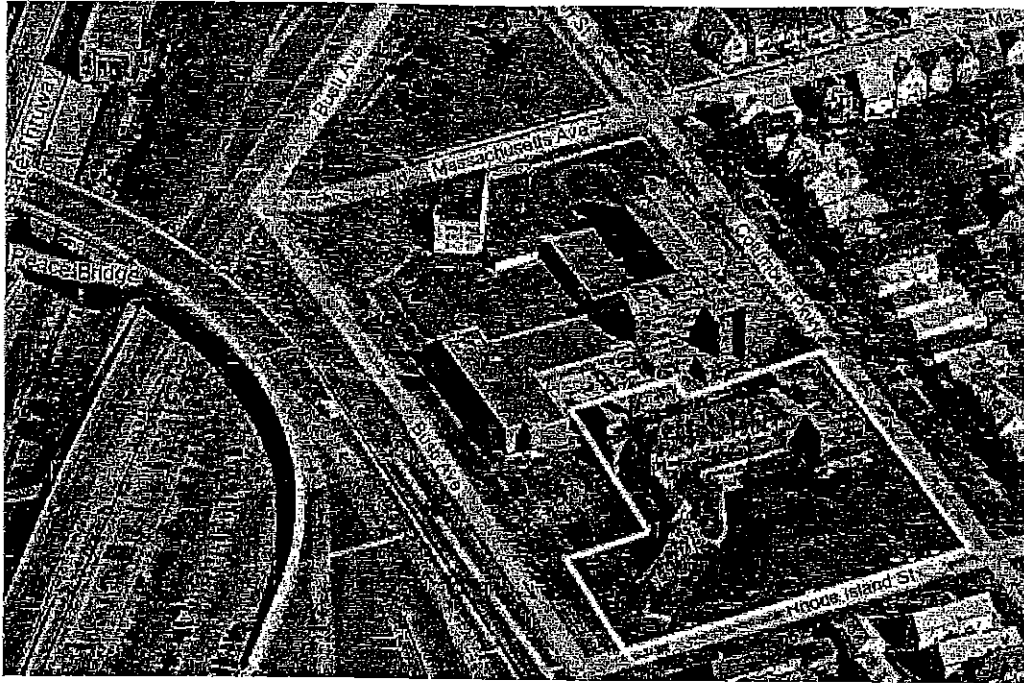
The participation of Christopher Parker is hereby acknowledged in the preparation of this appraisal report. Christopher Parker aided in the inspection of the property, gathering of market data and the initial drafting of segments of the report.

Summary of Important Facts and Conclusions:

Property Location:	825 Busti Avenue, City of Buffalo, Erie County, New York
Parcel ID (SBL) #:	99.65-2-5.11
Owner of Record:	Episcopal Church Home of Western New York
Property Rights Appraised:	Fee Simple
Date of Inspection:	06/07/2012
Type of Property:	Former Nursing Home / Chapel
Land Area:	60,203 SF (1.38± 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:	3 Story Masonry Severely Damaged Nursing Home 1 Story Masonry Chapel
Ancillary Structures:	Class C (masonry) Cloister
Year Built:	Nursing Home: 1905 / Chapel: 1895
Gross Building Area	38,427± SF
Net Rentable Area	N/A
Effective Age:	50 Years
Remaining Useful Life:	5 Years
Highest & Best Use:	Renovations
Value Indicators:	
Sales Comparison Approach:	
Land As Vacant	\$355,000 (R)*
Property as Improved	\$538,000 (R)
Income Capitalization Approach:	NA
Cost Approach	NA
Final Value Estimate:	\$538,000
Effective Date of Valuation:	June 7, 2012
Estimated Exposure Period:	NA

*Hypothetical condition; includes demolition allowance.

Subject Property



Aerial View

Identification of the Subject Property:

The property appraised is located on the northeast corner of Busti Avenue and Rhode Island Street in the City of Buffalo, Erie County, New York. The property is further referred to as follows.

Section, Block & Lot
99.65-2-5.11

Location
825 Busti Avenue

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.

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 interior and exterior 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:

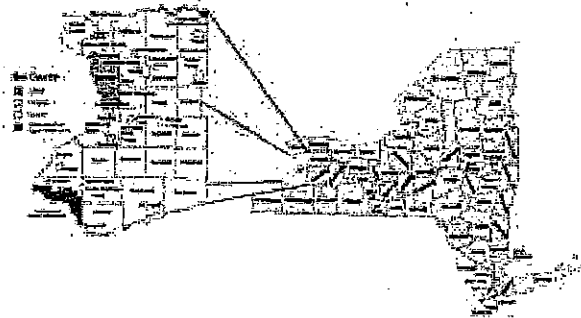
Uniform Appraisal Standards for Federal Land Acquisition dispense with these USPAP requirements as a jurisdictional exception.

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

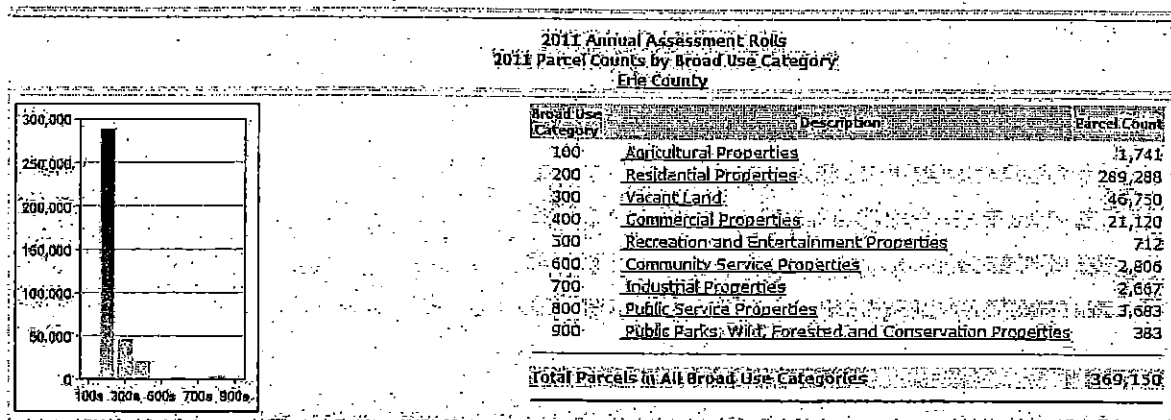
Area Data – Erie County:

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.



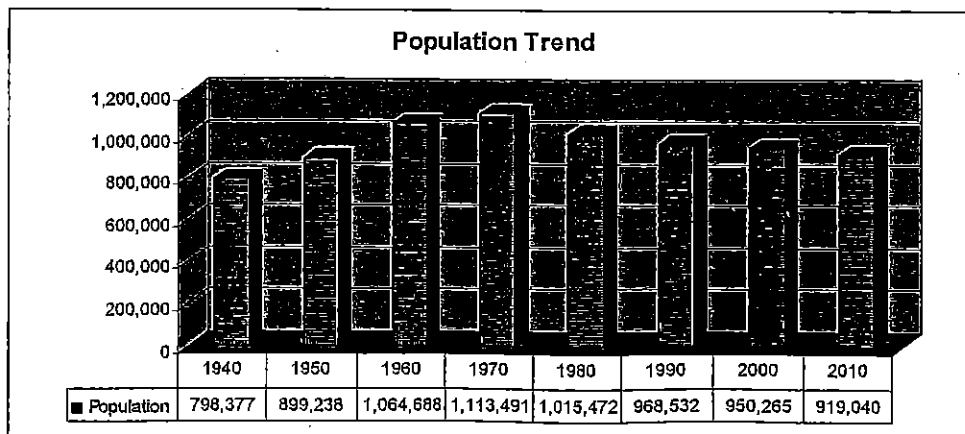
Erie County is bordered by the counties of Niagara to the north, Genesee and Wyoming to the east, Cattaraugus and Chautauqua to the south, and the Niagara River/Lake Erie/Canada to the west. The county includes three cities, 25 towns, and 16 villages. The area's geographic position (adjacent to Lake 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.

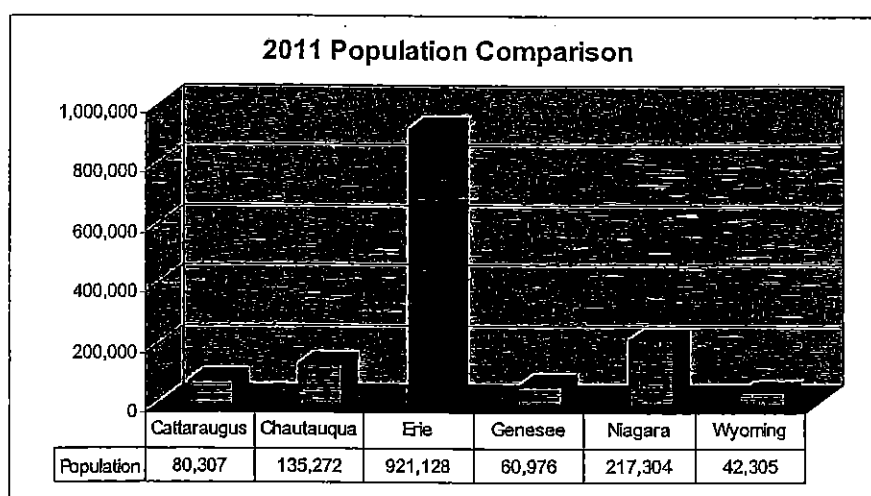


Source: US Census Bureau

Area Data – Erie County: (Cont'd.)

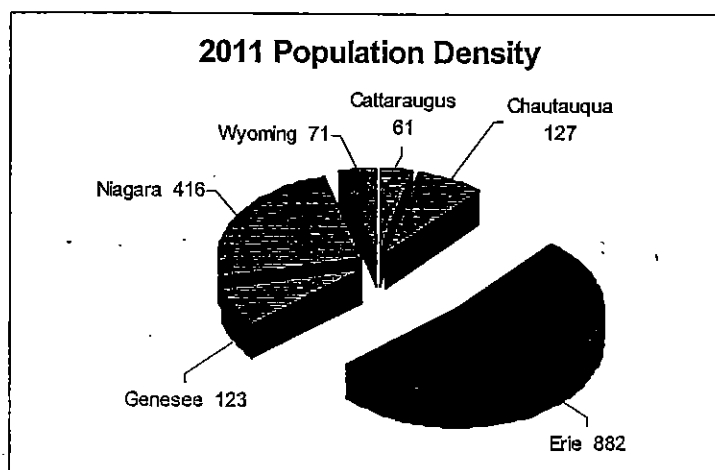
The decline from 1970 to 2010 is tied directly to the area's economic conditions and the difficult and slow transition away from heavy manufacturing. As local plants closed or scaled down operations (especially those related to steel and auto), skilled labor was forced to relocate. In addition, highly 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			
	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.

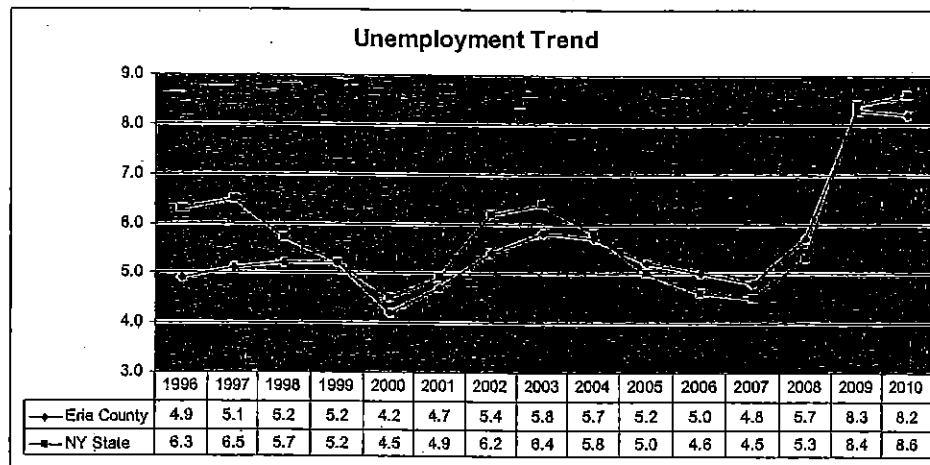
Area Data – Erie County: (Cont'd.)

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.



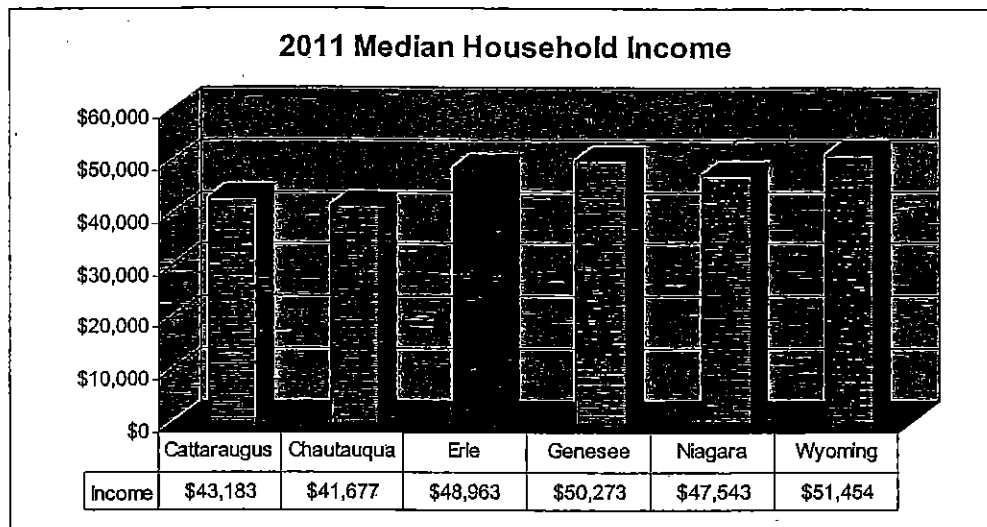
Source: US Department of Labor

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

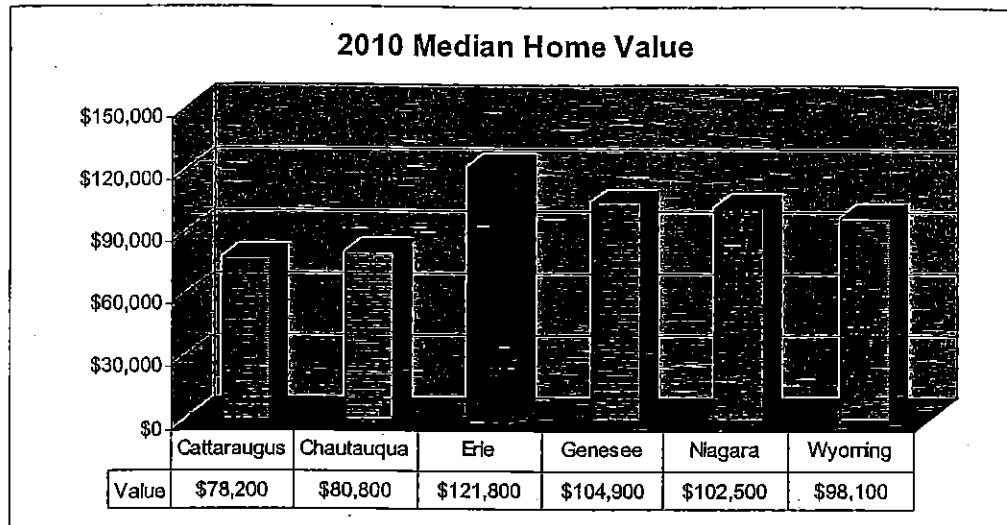
The next table shows single family sales information from the Greater Buffalo Niagara MLS.

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

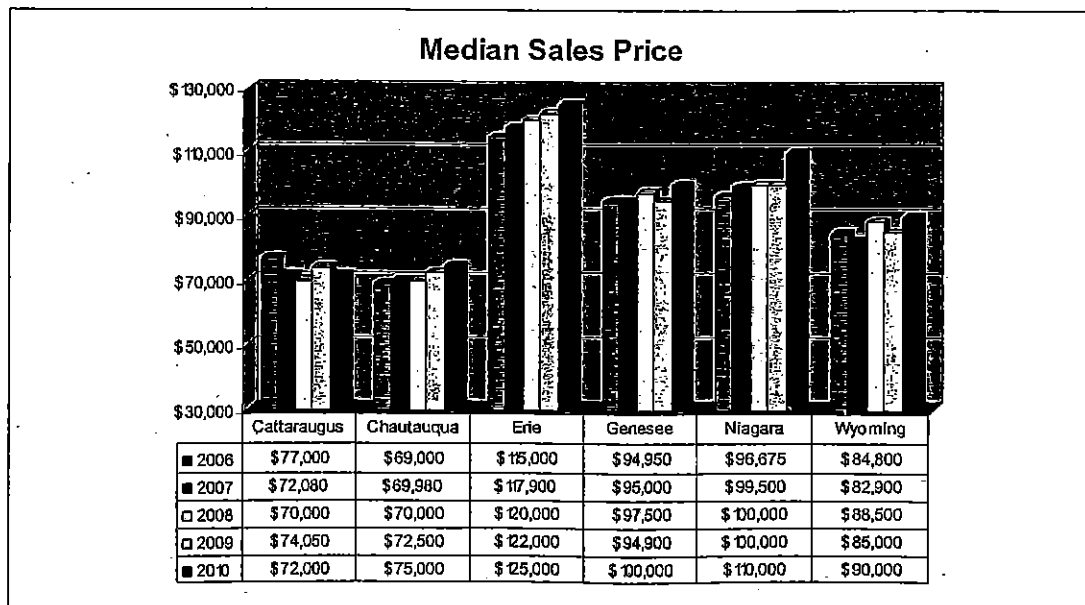
Area Data – Erie County: (Cont'd.)

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

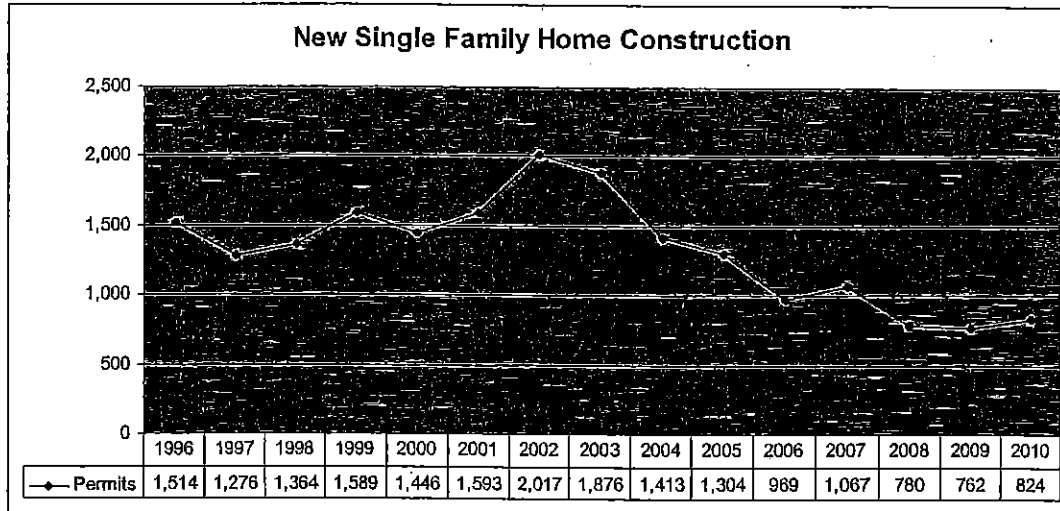
In 2010, there were 6,894 residential sales in Erie County with a median sales price of \$125,000. The median sales price has been increasing since 2006. The following graph shows the annual median residential sales price for Erie County and surrounding counties from 2006 to 2010.



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:

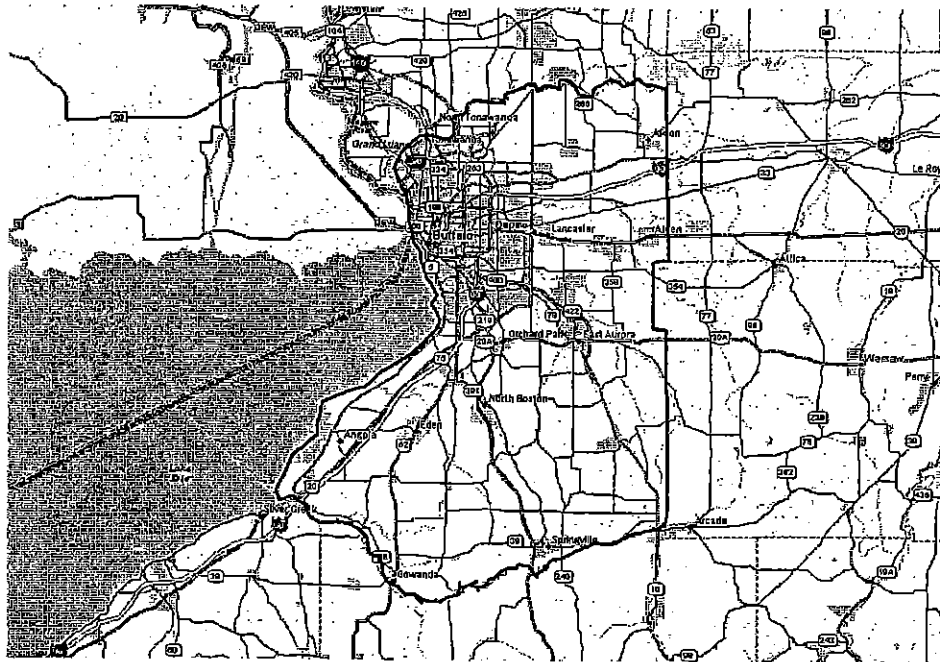
The New York State Thruway and connecting expressways serve Erie County and the city of Buffalo extremely well. This system is based off the mainline Thruway that crosses the county in a general northeast to southwest direction, east and south of the city. Interstate 190 (the Niagara Thruway) branches 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:

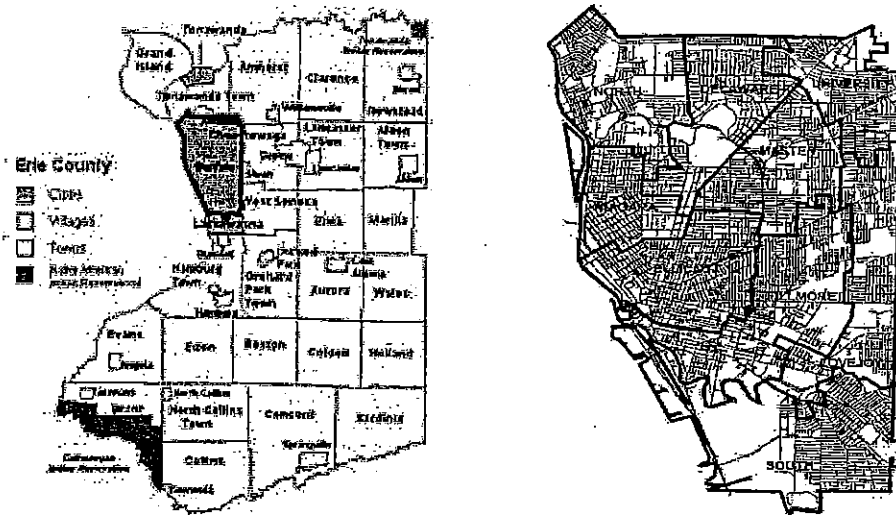
Erie County's population continues to decline, but is expected to start to stabilize. The economy was initially hurt by the loss of major manufacturing presence, but the resulting diversity has strengthened the long term outlook.

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:

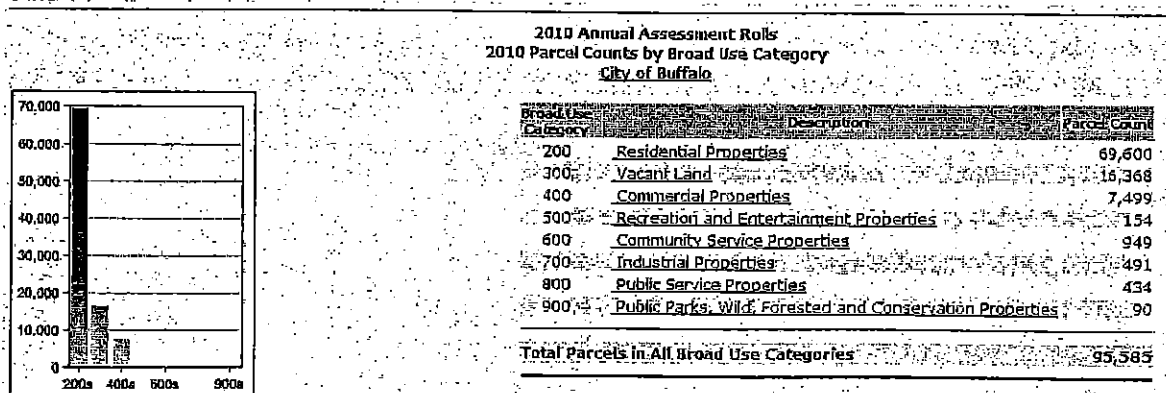
Location:



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.

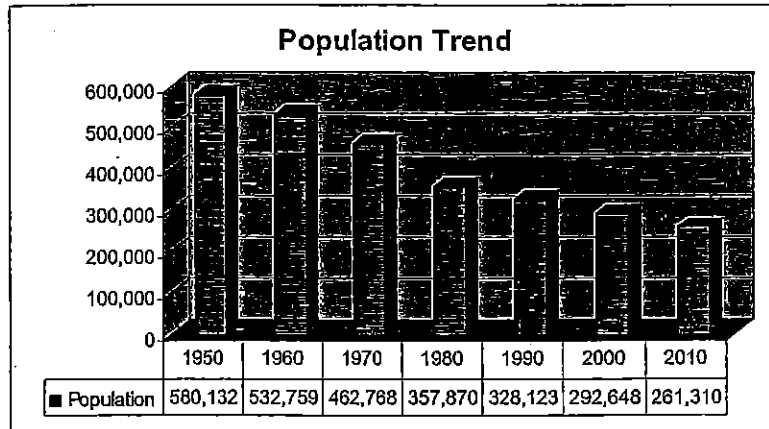


Source: New York State Office of Real Property Tax Services

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

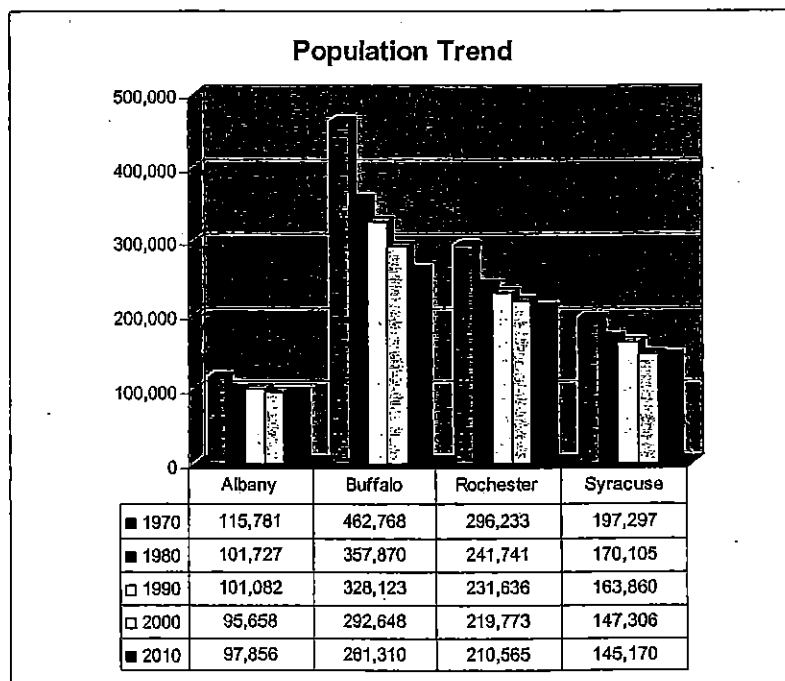
Population:

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

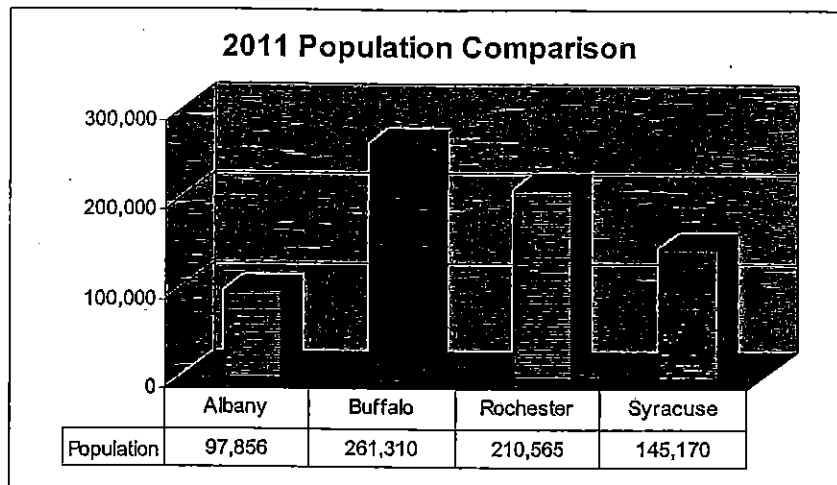
The population decline in Buffalo is similar to the other major cities in New York, outside of New York City. The other three cities have experienced declining populations, to a lesser extent, and Albany had a slight growth in 2010. The next graph shows the population trend for the other major cities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

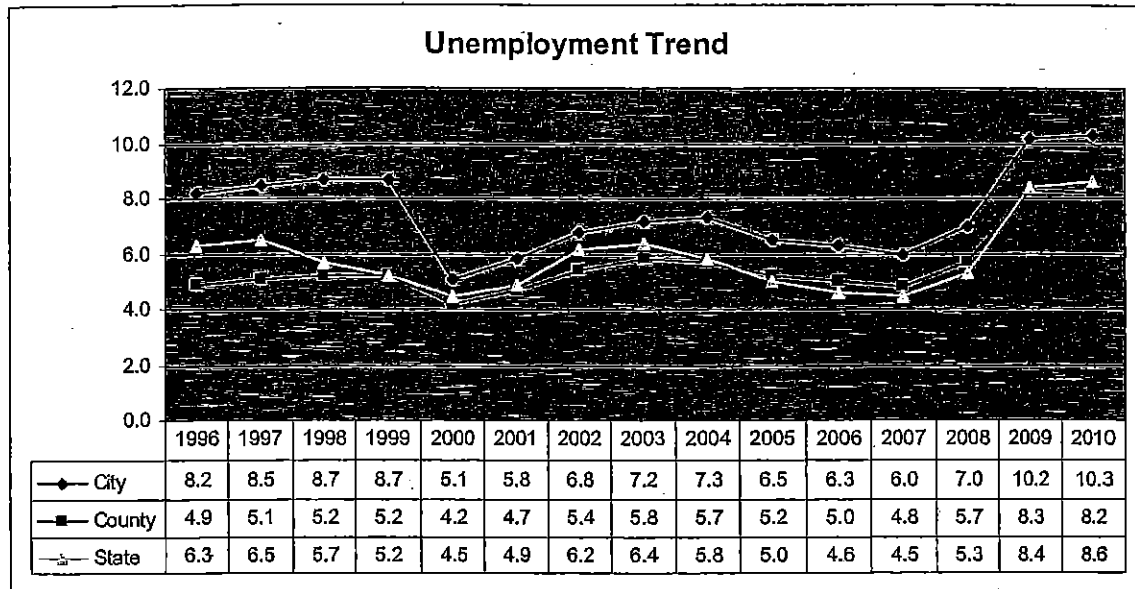
The largest employment industry in the city of Buffalo is the educational, health and social services sector. The manufacturing industry declined from 13.1% of the labor force population in 2000 to 8.8% in 2010; and dropping from second highest industry by employees in 2000 to fifth highest in 2010. 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, mgmnt, administrative, & waste mgmnt 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.)

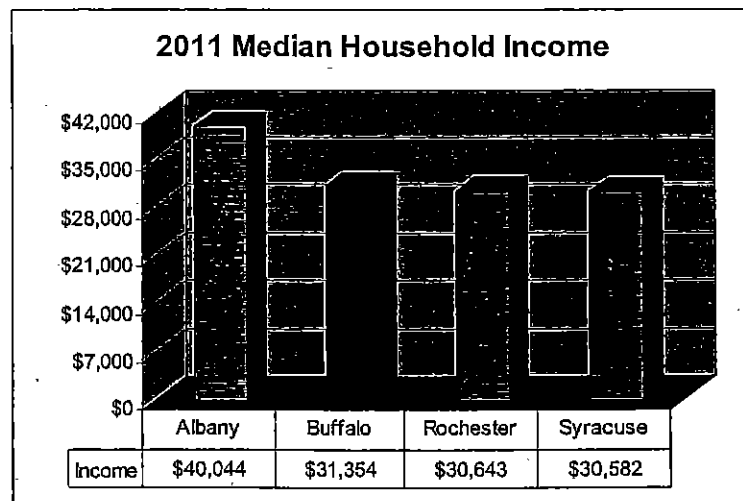
The 2010 unemployment rate for Buffalo was 10.3, compared to 8.2 for Erie County and 8.6 for New York State. Historically, Buffalo's unemployment rate has always been higher than the county and the state. The next graph shows the trend in unemployment rates for Buffalo, Erie County, and NY State since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

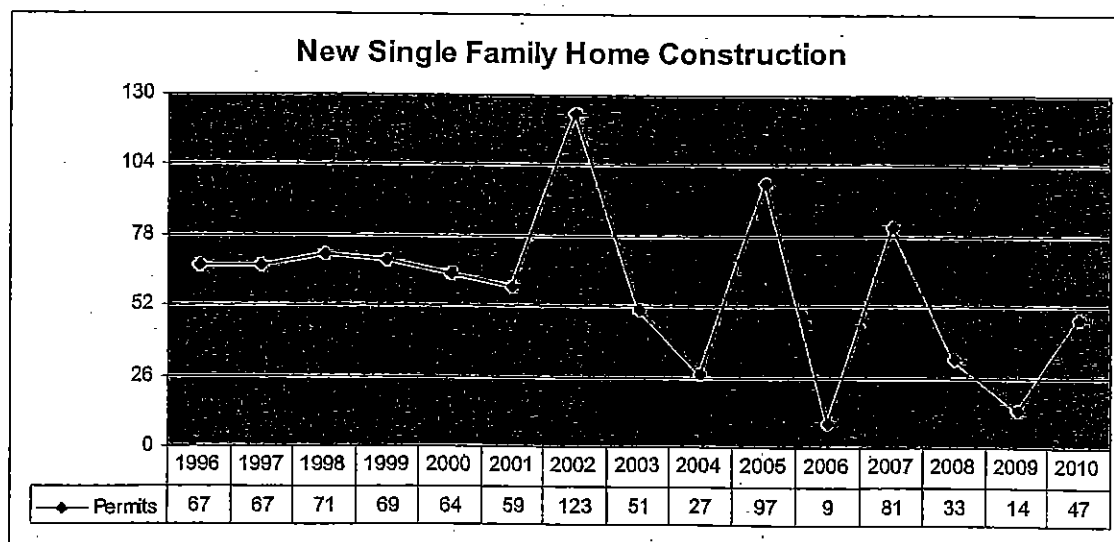
Newer residential development in Buffalo is found throughout the city but much is in the subsidized housing market. On the private sector side the waterfront area along the Erie Basin Marina section of the downtown area has seen steady development of non-subsided luxury housing in the form of town-homes 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			Buffalo	
Total housing units	136,779		Units in Structure		
Vacant units	23,477	17.2%	1 Unit	48,559	35.5%
Occupied units	113,302	82.8%	2 Units	53,442	39.1%
Owner occupied	46,475	41.0%	3 or 4 Units	12,988	9.5%
Renter occupied	66,827	59.0%	5 or more Units	21,198	15.6%
			Mobile Homes	592	0.4%
			Boat, RV, van, etc	0	0.0%
			Total	145,668	100.0%

Source: US Census Bureau

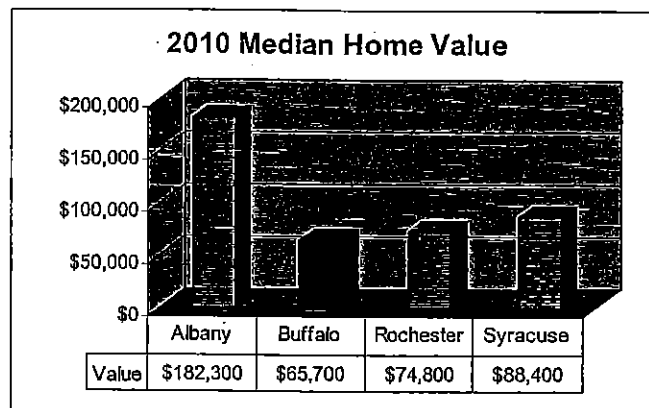
New home construction has fluctuated after remaining steady from 1996 to 2001. The following graph shows the number of permits issued by the city of Buffalo for the construction of single family homes.



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:

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	Scajaquada 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	\$4,300,000
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

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

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	Cobey Inc., new manufacturing facility; Buffalo Lakeside Commerce Park; I 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 Gider Street (Curtiss Wright)	C	\$2,700,000
66	504 Elmwood Avenue in-fill mixed-use project; 9 apartments, 3,000 sq 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	Elsinghorst 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 Hortons, IHOP, 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 Metroplex 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 sq 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, Masoury Addition, 1 Bud Mtl; 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	Souwl 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, Masoury Addition, 1 Bud Mtl; 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	Guaranty 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, 347 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	Tishman Building renovations, 10 Lafayette Square	C	\$300,000
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	\$509,048,563

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	\$3,000,000
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	\$50,000,000
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	\$35,000,000
32	Michigan St Church/Nash IV 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 (Theater 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	\$513,340
55	Waterfront Place, 35 Ojibwa Circle, Waterfront Village; new construction townhouses & hi-rise condo	UC	\$32,000,000
56	Crescent Village (Broadway-Filmore), new housing/renovations, 25 homes	UC	\$5,000,000
57	249 North Street; rehab; residential; 8 units	UC	\$1,000,000
58	Deronda Tire Supply office addition; 2000 Elmwood Ave.	UC	\$700,000
59	301-311 W. Union Condominiums; new construction; 14-units	UC	\$5,000,000
60	878 Main Street, Zoptometrix; renovation; corporate offices	UC	\$500,000
61	Groceries 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	Curtis 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	Flexo 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 Tilt 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	\$325,000,000
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, Gleamy 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	Gleamy 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; 3 units	PR	\$1,500,000
112	33 Gates Circle Condominiums	PR	\$55,000,000
113	Lafayette Hotel Redevelopment	PR	\$35,000,000
114	Com Exchange, 100 S. Elmwood Ave.; restoration; mixed-use; residential and office	PR	\$5,000,000
115	Horsefeathers, 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., Cornucopia 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			\$1,219,632,420

*	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
	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.



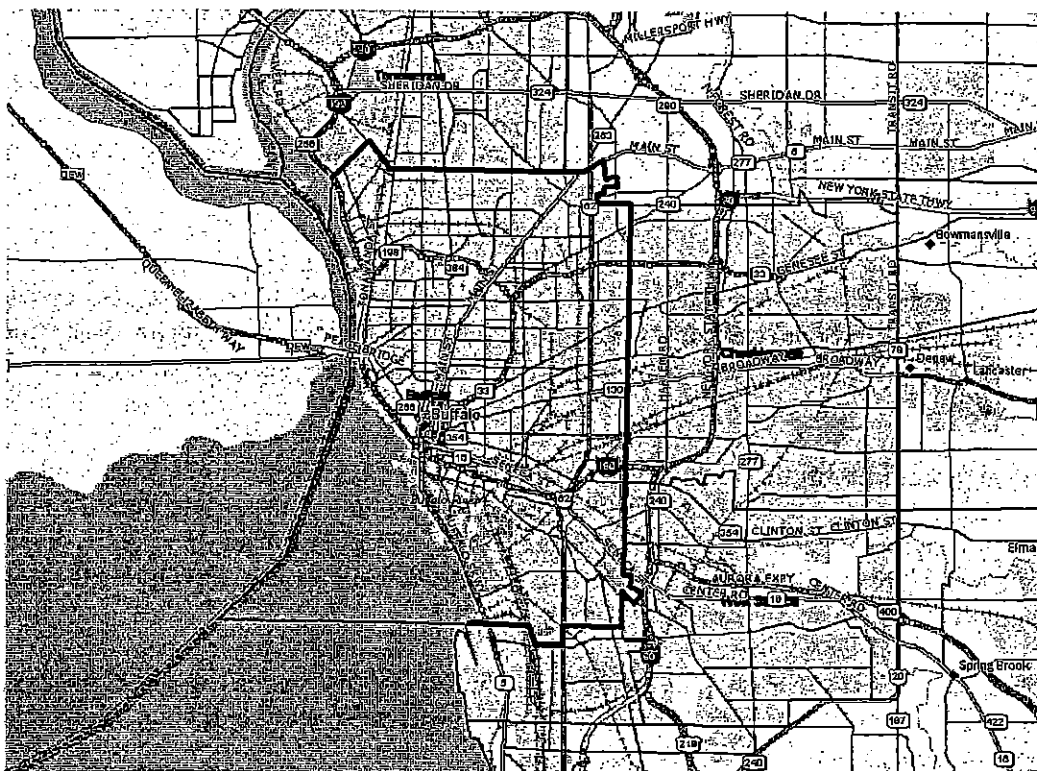
Economic and Area Factors – City of Buffalo: (Cont'd.)

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.

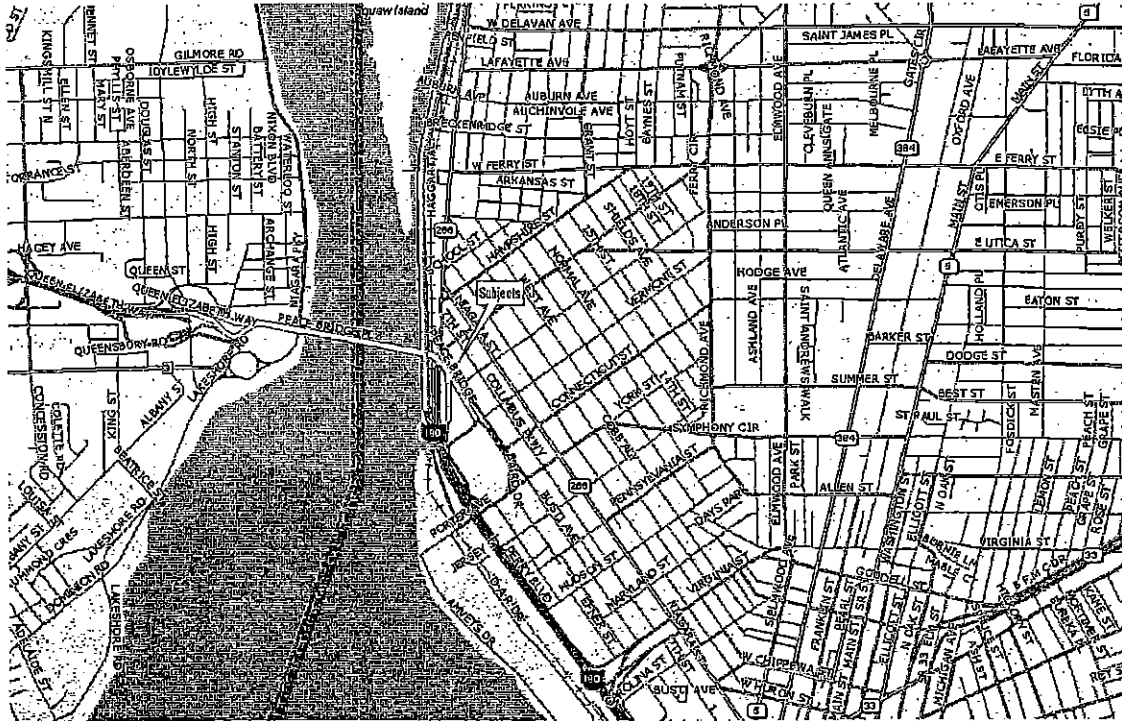
The city is currently operating under a state imposed control board. This coupled with continuing interest in residential development in the CBD and the completed, on going and announced commercial projects bode well for the future. The city's financial situation has improved significantly over the past 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 within the city blocks bounded by Busti Avenue to the west and Massachusetts Avenue to the north. Columbus Parkway/7th St. to the east and Rhode Island Street to the south. 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.

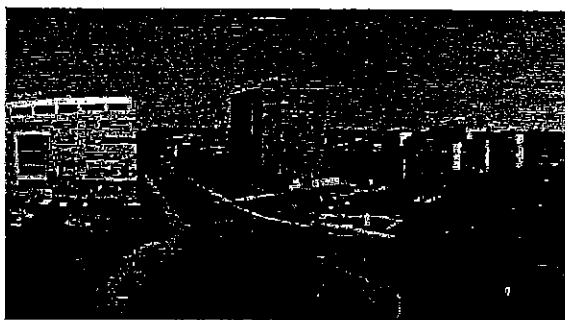
Market Area Analysis: (Cont'd.)

Land Uses - The subject properties are located in an urban, densely populated mixed use area of Buffalo's West Side Neighborhood (Niagara District). The subject properties are immediately surrounded by single and multi-family homes, the Peace Bridge Plaza, and a small city park.

Buffalo's West Side is one of the largest neighborhoods in the city. It spans east to west from Lake Erie to Elmwood, Delaware and Main Street and north to south from Forest Avenue near Buffalo State College to Porter Avenue/North Street. 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.

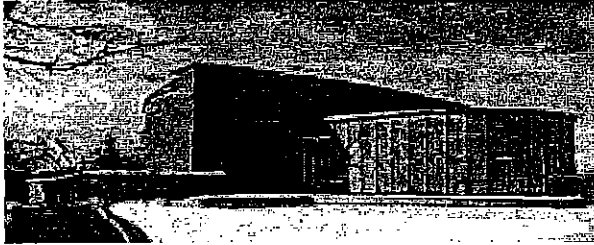
Adjacent to the southwest corner of Buffalo's West Side neighbourhood is the US Customs plaza, operated by Buffalo and Fort Erie Public Bridge Authority. It gives US citizens access to Canada and citizens of Canada access to the US, via The Peace Bridge, which spans the Niagara River between Buffalo, 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. The campus is in an expansion mode. (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.

Market Area Analysis: (Cont'd.)



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 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 renowned Buffalo's most unique neighborhoods that is known

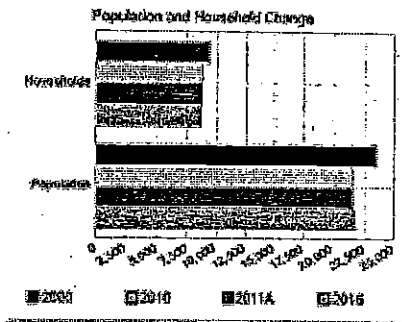
for its' historic buildings and architecture, nightlife, trendy bars and restaurants, and artistic culture. Two of Allentown's most recognized buildings are the Ansley Wilcox House, the site at which Theodore Roosevelt took the oath of office as President, and the Trinity Episcopal Church, both of which 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)

Market Area Analysis: (Cont'd.)

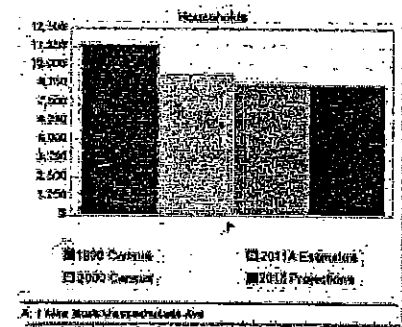
Life Cycle - The subject neighborhood can be described as being in a stable phase. This period is a stage in which the neighborhood experiences equilibrium without marked gains or losses.

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

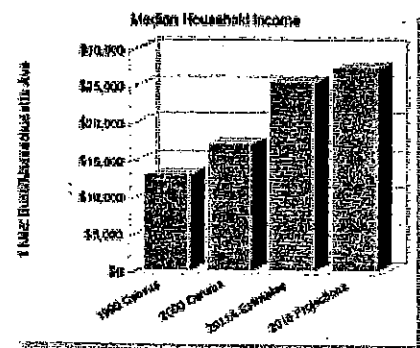
Population - The 2011 population estimate in this market area is 21,521. The 2010 Census revealed a population of 21,458, and in 2000 it was 23,416 representing a -8.4% change. It is projected the population in this area will be 21,773 in 2016, representing a change of 1.2% from 2011. The current population 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.



Market Area Analysis: (Cont'd.)

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.

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%

Nursing Home Analysis:

The trend of nursing home closures continues in the City of Buffalo. The following are notable closings of nursing home facilities:

- Niagara Lutheran Health System's Lutheran Nursing Home, (1040 Delaware Avenue) was sold and has recently has been converted to and is operating as apartments and commercial space by Greenleaf & Company.
- Grace Manor Health Care Facility, (304-310 North St.) which, due to financial-related issues, went into receivership for 18 months and subsequently closed in 2009.
- Catholic Health System's St. Francis of Buffalo Nursing Home and its Nazareth Nursing Home, both closed due to financial-related issues.
- Kaleida Health's Deaconess Center, closed as part of consolidation efforts and is scheduled for demolition to make way for Community Action Organization of Erie County new headquarters.

Despite the wave of recent closings, there are still remaining facilities presently operating, including Kaleida Health's new HighPointe facility in the BNMC and The Bristol Homes facility on Main Street near West Ferry.

Market Area Analysis: (Cont'd.)

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.

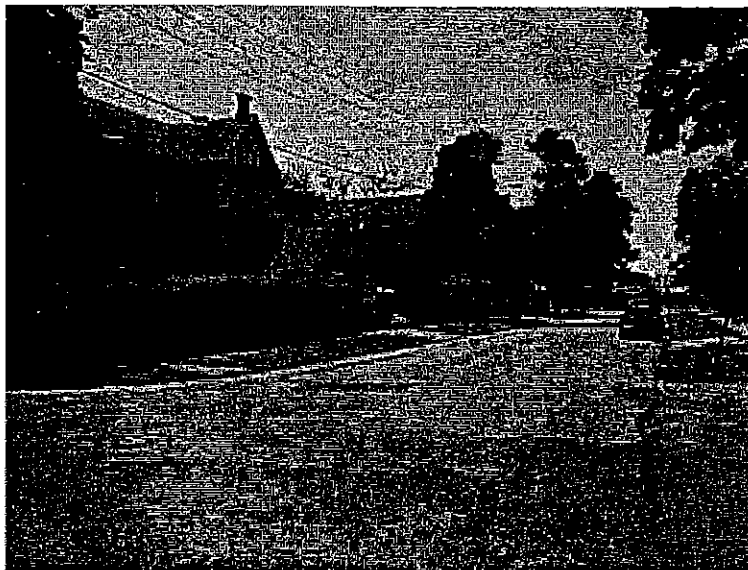
In order to maintain a financial viable facility, a nursing home's revenue must come from not less than a 50/50 blend of private and social security income. For city nursing homes, this condition has proved difficult achieve and sustain due to several factors including the city's declining population and income characteristics and demographic being primarily low income and a social security beneficiaries. The contraction of the nursing home market, the demographic issues and the trend of nursing homes moving towards the suburbs would indicate that long-term sustainability of a nursing home facility in the City of Buffalo is not likely.

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

Area Photographs:



825 Busti Facing Southeast Towards Busti Avenue

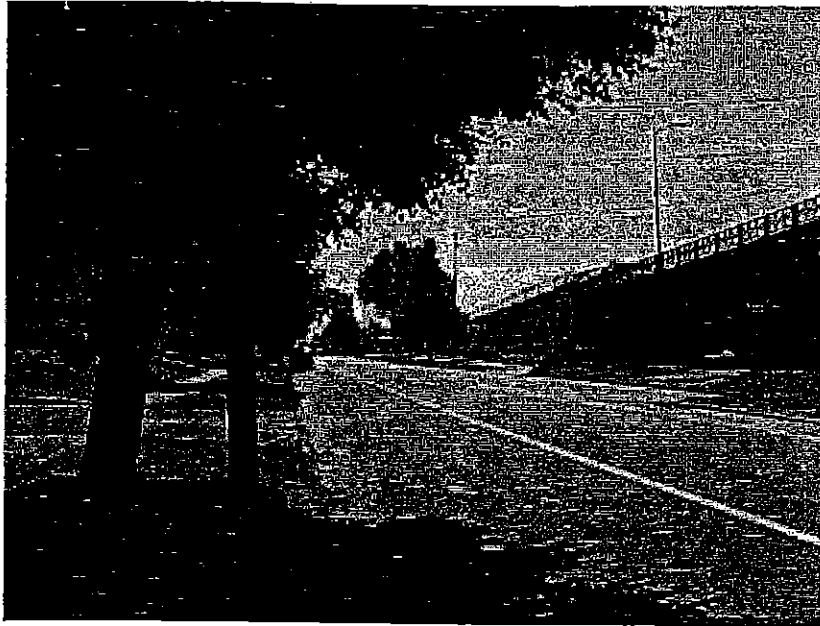


Rhode Island Street Facing Southwest

Taken By Gregory Klauk Date June 7, 2012

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

Area Photographs:



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 and vandalized.

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 on the City of Buffalo tax roll as follows:

Section Block & Lot		99-65-2-5-11	
Land:		\$70,400	
Improvements:		<u>\$68,700</u>	
Total:		\$139,100	
Equalization Rate:		99%	
Equalized Value:		\$140,505	
Taxes:		Rate	Amount
Town / County		\$5.48	\$763.22
School		\$31.65	\$4,402.20
Sewer		<u>\$1.70</u>	<u>\$237.07</u>
True Taxes:		\$38.83	\$5,402.49*
Taxes In Arrears:			

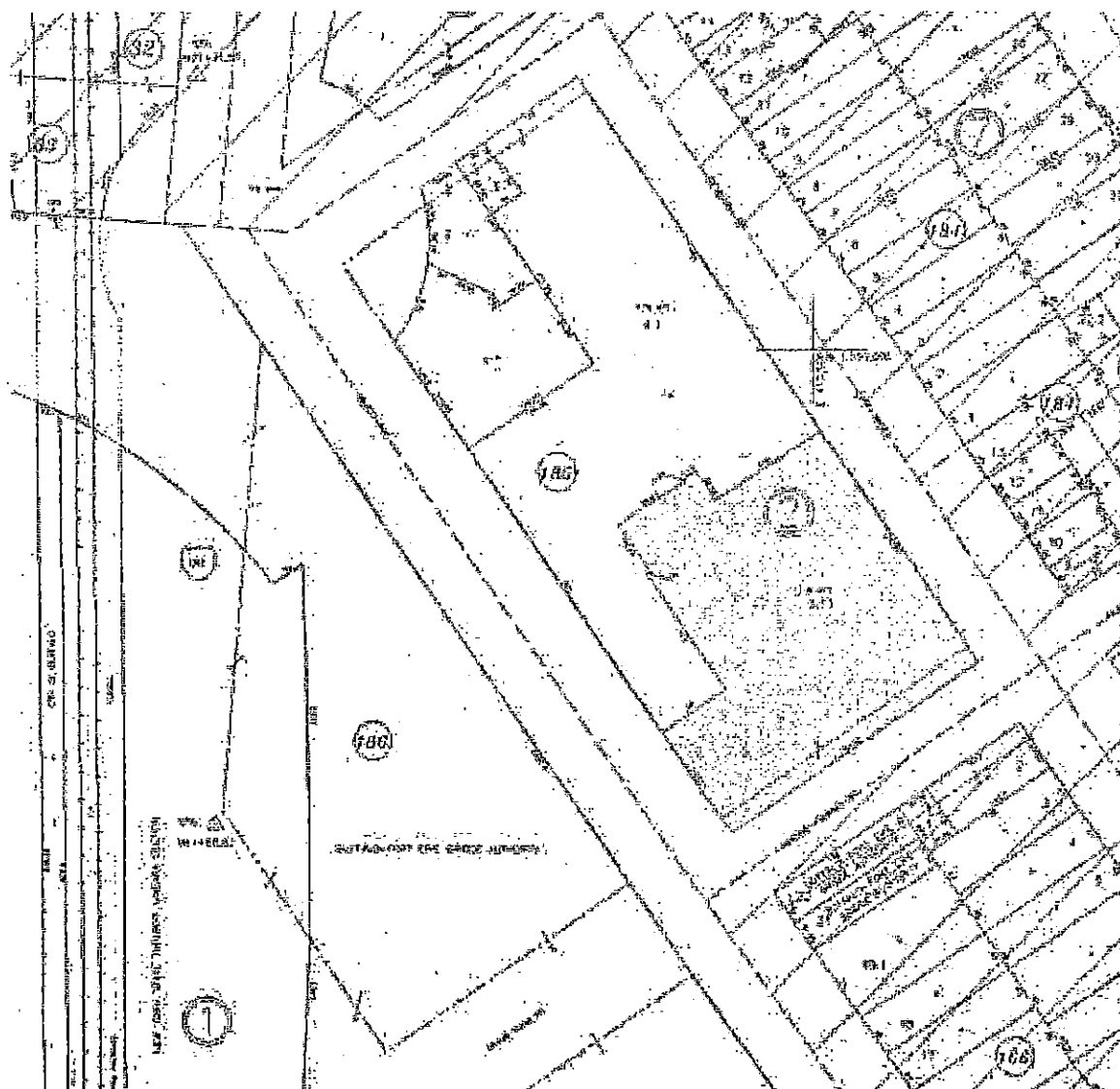
*tax figures are true figures

Municipal officials have verified the tax and assessment information.

The property is currently tax exempt. There are no taxes in arrears.

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

TAX MAP:



Description of the Real Estate:

Summary of Site Characteristics	
<i>Land Area</i>	60,203 SF (1.38± Acres)
<i>Frontage</i>	Busti Avenue: 110.1± feet Rhode Island Street: 267.3± feet Columbus Parkway: 251.5± feet
<i>Access/Visibility</i>	Average accessibility and visibility
<i>Topography</i>	Generally level at road grade
<i>Utilities</i>	All Public Services Available
<i>Easements/Encroachments</i>	None Noted
<i>Flood Hazard Data</i>	Community / Panel #360230 /15C; Zone X (8/23/99) No special hazard
<i>Drainage</i>	Adequate drainage via municipal storm sewers
<i>Detrimental Conditions</i>	Unknown

Zoning:

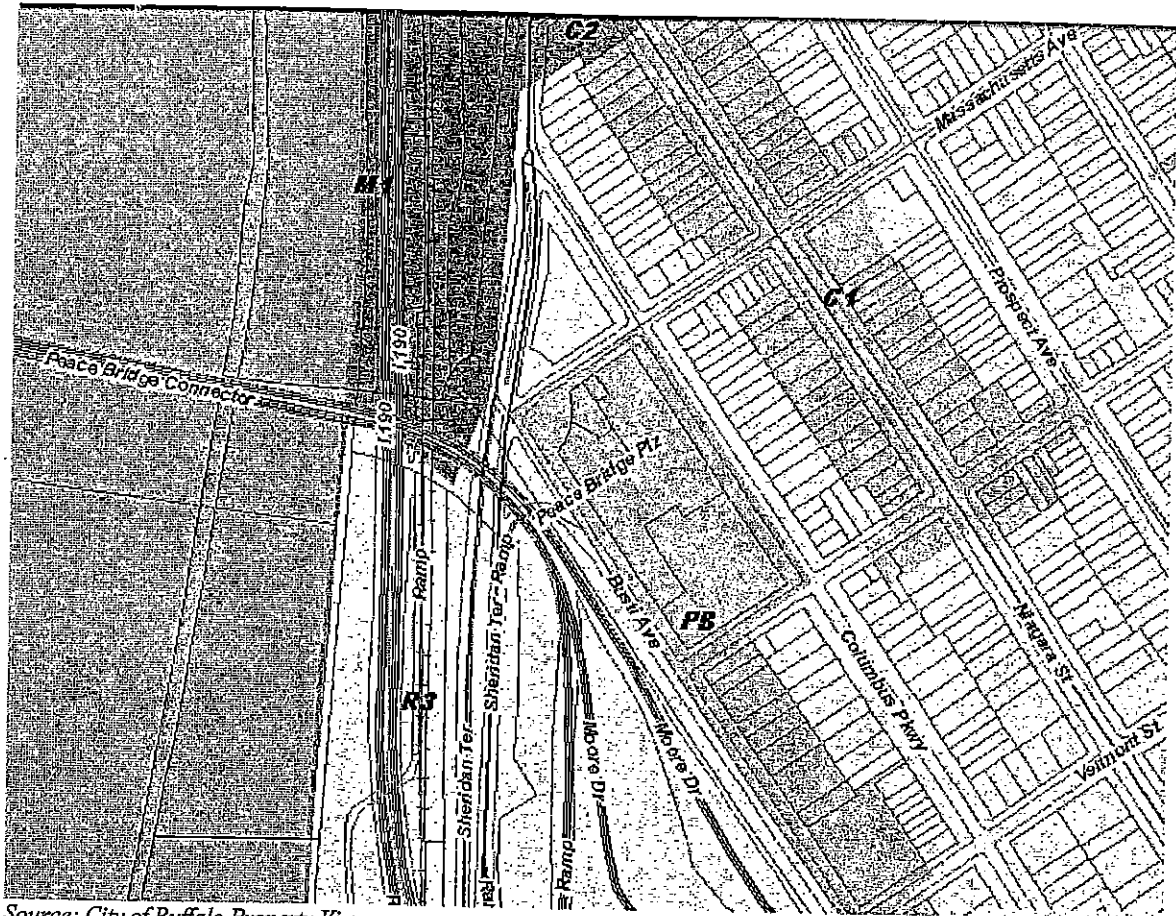
The subject property is located in special zoning district, PB, Porter-Busti District. This is intended as a low density commercial zone requiring restricted use permits for expansion of existing commercial uses and establishment of new uses. This applies to administrative or executive offices, business 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 nursing home with a chapel 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

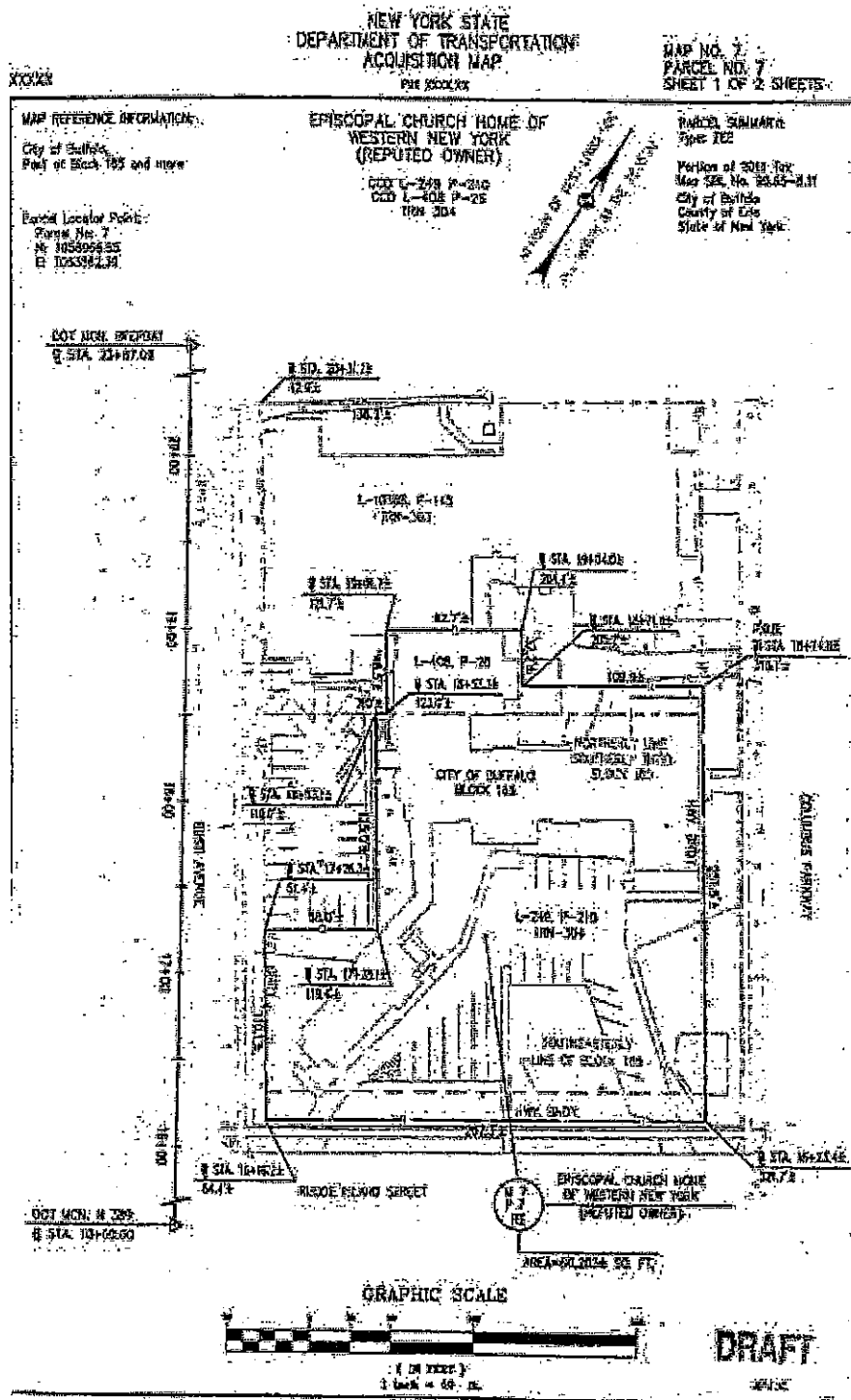
Zoning Map:



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 Summary:

As illustrated by the preceding tax map and the survey, the subject is an irregular shaped site. Width and depth relationships are considered good. The subject has good accessibility to area highways. The site is adequate to accommodate a moderate scale mixed use development.

Yard Improvements:

Yard improvements consist of some concrete walkways and minimal landscaping, primarily grass areas with trees and shrubs.

The site includes an asphalt paved parking area accessed from Rhode Island. Paving in fair condition with an effective age of 20 years and a remaining economic life of approximately 10 years. The parking area can accommodate approximately 50 vehicles.

Building Description:

The physical, functional and economic aspects of the improvements are an important determinant in the conclusion as to the highest and best use of the subject, as well as the basis for some adjustments in the approaches to value.

The subject site is developed with two detached buildings that will be referred to as the nursing home and chapel in the following descriptions.

Construction Details: Nursing Home (Thorton & Russell Buildings)

Use and Occupancy	Nursing Home / Vacant				
Construction Type/Quality	Class "B" / Good				
Year Built	Thorton bldg. - 1905 / Russell Addition 1950s				
Stories / Height	One to Three / 9'-15'				
Excavation full basement	13,959± SF				
Gross Building Calculation Schedule-Appraisers Measurements					
Areas (see sketches to follow)	Russell Bldg.	Thorton 1	Thorton 2 & 3	Total Area (SF)	
First Floor	4,892	5,014	1,016	3,037	13,959±
Second Floor	4,892	5,014	None	2,063	11,969±
Third Floor	<u>4,892</u>	<u>5,014</u>	<u>None</u>		<u>9,906±</u>
Total Gross Building Area	14,676	15,042	1,016	5,100	35,834± SF
Framing	Masonry and steel frame				
Exterior Walls	Brick				
Windows & Doors	Double glazed / Metal & Glass				
Roof	Slate hip / Stone ballast flat				

Description of the Real Estate: (Cont'd.)

Building Systems:

HVAC	Basement boilers & hot water radiator units; severely vandalized
Electrical	
Plumbing	Adequate gender lavatories, PVC and copper supply and waste lines; severely damaged
Elevator/Stairwells	2 serving floors basement to three / 5 stairwells provides access to all levels and the basement; not usable
Sprinkler	100% wet system (not functional)

Interior:

Floors	Carpet / vinyl tile / tile; damage evident
Walls	Glass and drywall severely damaged
Ceilings	Suspended grid system severely damaged
Americans w/ Disabilities	N/A
Environmental Issues	Mold/Mildew

Design/Layout:

The improvements comprise one to three floors with a full basement and attic above the third levels. The basement has concrete floors and masonry foundation housing the building's mechanicals and utilities. Basement area under the 1950s addition (Russell Building) is finished with carpet flooring, drywall walls, and suspended grid ceiling. The attic is finished with a concrete floor and double-hung windows. The improvement has eight entrances/exits. Finishes are severely damaged with mold and mildew apparent.

There are two elevators (not usable) and five stairwells. There is one elevator in the central part of the original building (Thornton Building), and one in the central part of 1950s addition (Russell Building), both of which provide access to all levels and the basement. There are four staircases in the original building: one in the central part that provides access to all levels and the basement, and three in the eastern part, one of which provides access to all levels and the basement and the other two provide access to basement from first floor. There is one staircase in the central part of 1950s addition that provides access to all levels, the basement and the elevator mechanical room.

The first floor layout of the original structure consists of reception area at the central part of the building, a dining room at the eastern part of the building, and private rooms for occupants and some offices along the perimeters. Floors two and three have a similar layout with private rooms for occupants, which include a sink and lavatory, along the perimeters. Floors one, two and three of the 1950s addition have a similar layout with private rooms for occupants along the perimeters and a community room at the core. Again all areas display severe damage from vandalism.

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

Sketch:

SKETCH/AREA TABLE ADDENDUM

Parcel No. Map 7 File No. 7877-04

SUBJECT	Property Address: 325 South Avenue	City: Buffalo	County: Erie	State: NY	Zoning: 14213
	Owner: Episcopal Church Home of Western New York				
	Client: Timothy R. Woodbury, PE, LS				
	Appraiser Name: Greg Klauk		Inspection Date: 06/07/2012		

Russell Building

The sketch shows three identical floor plans for the Russell Building. Each floor plan is a rectangle with a smaller rectangle attached to the top center. The dimensions for each floor are as follows:

- First Floor:** Overall width 100.2', overall depth 42.0'. The top section is 20.3' wide and 20.3' deep. The bottom section is 59.6' wide and 21.7' deep.
- Second Floor:** Overall width 100.2', overall depth 42.0'. The top section is 20.3' wide and 20.3' deep. The bottom section is 59.6' wide and 21.7' deep.
- Third Floor:** Overall width 100.2', overall depth 42.0'. The top section is 20.3' wide and 20.3' deep. The bottom section is 59.6' wide and 21.7' deep.

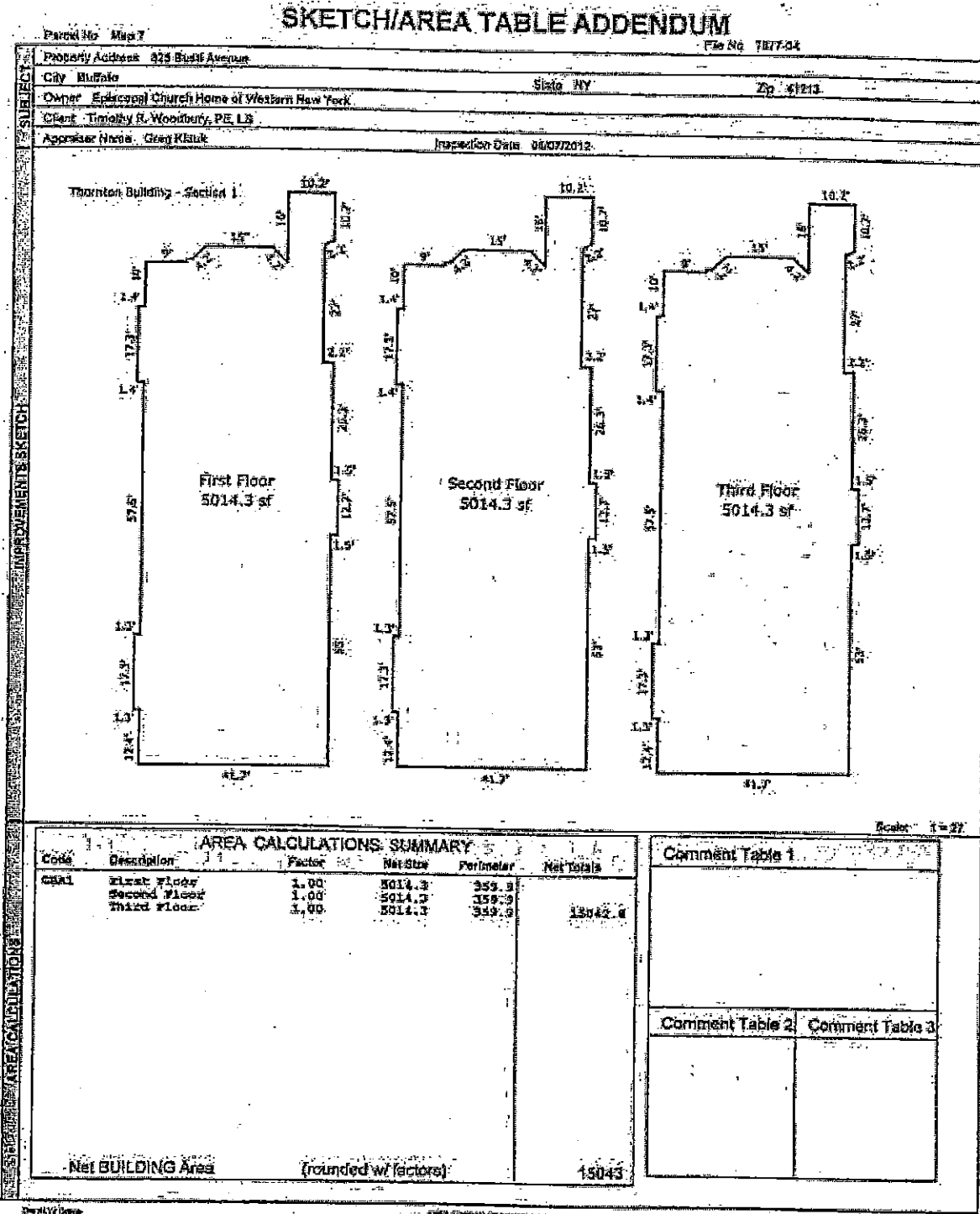
Scale: 1" = 48'

AREA CALCULATIONS SUMMARY						Comment Table 1	
Code	Description	Factor	Net Area	Perimeter	Net Totals		
GBA1	First Floor	1.00	4892.2	321.8	14876.7		
	Second Floor	1.00	4892.2	321.8			
	Third Floor	1.00	4892.2	321.8			
Net BUILDING Area (Rounded w/ Factors)						14877	

Comment Table 2	Comment Table 3
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Property: Peace Bridge Project, Buffalo, Erie County, New York

Sketch:



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

Sketch:

SKETCH/AREA TABLE ADDENDUM

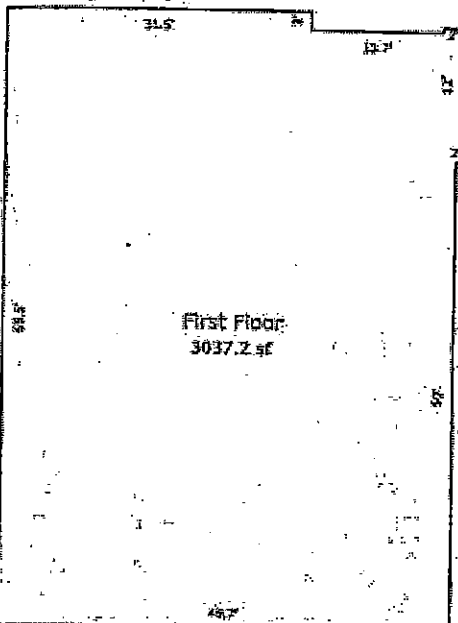
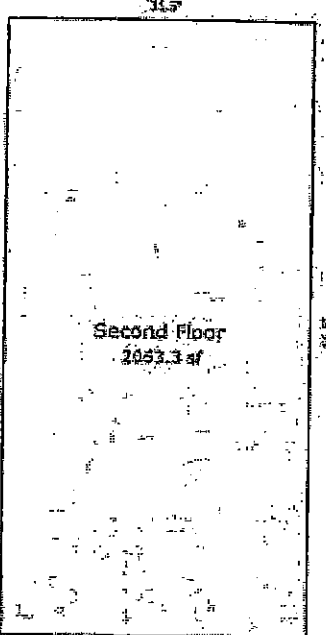
Parcel No. Map 7	File No. 7877-44
Property Address: 824 Bristol Avenue	
City: Buffalo	County: Erie State: NY Zip: 14213
Owner: Episcopal Church Home of Western New York	
Client: Timothy R. Woodbury, PE, LIS	
Appraiser Name: Greg Klauk	Inspection Date: 08/07/2012

Thornton Building - Section 2

AREA CALCULATIONS SUMMARY						Scale: 1"=12'	
Code	Description	Factor	Net Size	Perimeter	Net Totals	Comment Table 1	
001	First Floor	1.00	1016.2	333.9	1016.2		
Net BUILDING Area (rounded w/ factors)						1016	Comment Table 2
							Comment Table 3

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

Sketch:

SKETCH/AREA TABLE ADDENDUM					
SUBJECT	Parcel No. Map 7	File No. 7557-04			
	Property Address 325 BOND AVENUE				
	City Buffalo	County Erie	State NY	Zip 14213	
	Owner Episcopal Church Home of Western New York				
	Client Timothy R. Woodbury, PE, LE				
IMPROVEMENTS SKETCH	Appraiser Name Greg Klauk				
	Inspection Date 06/07/2012				
<p>Thornton Building - Section 3</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>First Floor 3037.2 sf</p> </div> <div style="text-align: center;">  <p>Second Floor 2053.3 sf</p> </div> </div>					

Description of the Real Estate: (Cont'd.)

Quality and Condition Analysis:

Overall, the structure is considered a good quality Class "B", nursing home structure as defined in the Marshall and Swift Cost Manual. The overall condition of the subject is poor and not habitable. The facility has suffered severe vandalism including removal of copper plumbing lines and electric service lines. Also interior drywall walls and ceilings have been rendered un-repairable. Severe mold/mildew contamination in some basement areas.

Construction Details: Chapel

Use and Occupancy	Chapel / Vacant
Construction Type/Quality	Class "C" / Good stone
Year Built	1895
Stories / Height	One / 9'
Excavation full basement	2,591SF
Gross Building Calculation Schedule Appraiser's Measurements	
Area	Dimensions
First Floor	See Drawing
	2,591±
Total Gross Building Area	2,591± SF
Framing	Masonry / Wood
Exterior Walls	Stone & brick
Windows & Doors	Leaded stained glass / Wood
Roof	Slate hip

Building Systems:

HVAC	Hot water radiator units fed from basement boiler in nursing home
Electrical	Assumed to be adequate
Plumbing	Sink in sacristy, metal and copper supply and waste lines
Elevator/Stairwells	N/A

Interior:

Floors	Wood / carpet
Walls	Drywall and wood panel
Ceilings	Wood cathedral
Americans w/ Disabilities	N/A
Environmental Issues	None Noted

Description of the Real Estate: (Cont'd.)

Design/Layout:

The improvement includes a full unfinished storage basement with stone walls. The first floor contains the typical church sections including nave, chancel and sacristy. There are entrances/exits at southern and northern elevations. The walk-up primary entrance is at the southern elevation and leads into the nave with rows of pews along eastern and western elevations. The chancel and sacristy are located at the north end of the building. Access to the cloister is at the northwest corner of the chapel, which leads to the southern portion of the Thornton Building.

Quality and Condition Analysis:

Overall, the structure is considered a good quality Class "C", church/chapel building as defined in the Marshall and Swift Cost Manual. The overall condition of the subject is average with some items of deferred maintenance noted. Items of deferred maintenance include site improvement clean-up, painting of interior walls, and exterior repair including masonry repair of chimney and replacement of missing slate roof tiles. As of the valuation date the subject improvements are estimated to have an effective age of 30 years with a remaining economic life of 25 years.

This structure has been well secured and does not suffer from the vandalism of the other buildings on the site.

The chapel is designated as a Buffalo landmark, which precludes its demolition.

Ancillary Structures:

There is an enclosed portico that connects the chapel with the Thornton building at grade level and by a full basement tunnel.

Environmental:

- The property is not listed by the New York State Department of Environmental Conservation, Inactive Hazardous Waste Sites Catalog.
- 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.

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

Sketch:

SKETCH/AREA TABLE ADDENDUM

Parcel No. Map 7 SUBJECT IMPROVEMENTS SKETCH AREA CALCULATIONS	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="3" style="font-size: 8px;"> Property Address: 825 East Avenue City: Buffalo Owner: Episcopal Church Home of Western New York Client: Timothy R. Woodbury, PE, LE Appraiser Name: Greg Klauk State: NY Zip: 14211 Inspection Date: 05/02/2013 </td> </tr> <tr> <td colspan="3" style="text-align: center; padding: 20px;"> <p>Hutchinson Church</p> <p>First Floor 2591.0 SF</p> </td> </tr> <tr> <td colspan="3" style="text-align: right; font-size: 8px;">Scale: 1" = 16'</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="font-size: 8px;">AREA CALCULATIONS SUMMARY</th> </tr> <tr> <th style="font-size: 8px;">Code</th> <th style="font-size: 8px;">Description</th> <th style="font-size: 8px;">Factor</th> <th style="font-size: 8px;">Net Size</th> <th style="font-size: 8px;">Net Totals</th> </tr> </thead> <tbody> <tr> <td style="font-size: 8px;">0001.1</td> <td style="font-size: 8px;">First Floor</td> <td style="font-size: 8px;">1.00</td> <td style="font-size: 8px;">2591.0</td> <td style="font-size: 8px;">2591.0</td> </tr> <tr> <td colspan="4" style="height: 100px;"></td> <td></td> </tr> <tr> <td colspan="3" style="font-size: 8px;">Net BUILDING Area (rounded w/ factors)</td> <td colspan="2" style="font-size: 8px;">2591</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="font-size: 8px;">Comment Table 1</td> </tr> <tr> <td colspan="2" style="height: 50px;"></td> </tr> <tr> <td style="font-size: 8px;">Comment Table 2</td> <td style="font-size: 8px;">Comment Table 3</td> </tr> <tr> <td style="height: 50px;"></td> <td style="height: 50px;"></td> </tr> </table>	Property Address: 825 East Avenue City: Buffalo Owner: Episcopal Church Home of Western New York Client: Timothy R. Woodbury, PE, LE Appraiser Name: Greg Klauk State: NY Zip: 14211 Inspection Date: 05/02/2013			<p>Hutchinson Church</p> <p>First Floor 2591.0 SF</p>			Scale: 1" = 16'			AREA CALCULATIONS SUMMARY					Code	Description	Factor	Net Size	Net Totals	0001.1	First Floor	1.00	2591.0	2591.0						Net BUILDING Area (rounded w/ factors)			2591		Comment Table 1				Comment Table 2	Comment Table 3		
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Comment Table 1																																											
Comment Table 2	Comment Table 3																																										

Description of the Real Estate: (Cont'd.)

Property Summary:

At one time, the nursing home improvement served as a nursing home facility for the Episcopal Diocese of Western New York. The facility closed its operations several years ago. Subsequent to this closure, vandals entered into the facility and virtually destroyed the interior. While the building shell could be employed in a renovation project, the existing finish materials are all but useless. Vandals shattered glass, paneled walls, pulled down suspended grid ceilings, cut copper plumbing, ripped out electric service lines to the point that all floors would require complete gutting and a need for complete new installation of electric service lines, plumbing and heating.

Overall the chapel building is considered to be in average condition. The building closed its operations several years ago. This building could be viable with relatively few repairs, assuming items of differed maintenance are remediated, good management and a regular maintenance program.

The total gross building area above grade for all structures is 38,425 SF.

The parking lot provides for approximately 50 spaces which would afford the buildings parking ratio of 1 space per 769 SF of gross floor area.

The building to land ratio is 1 to 1.14.

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:

Thornton/Russel Building



South Elevation Facing Northeast



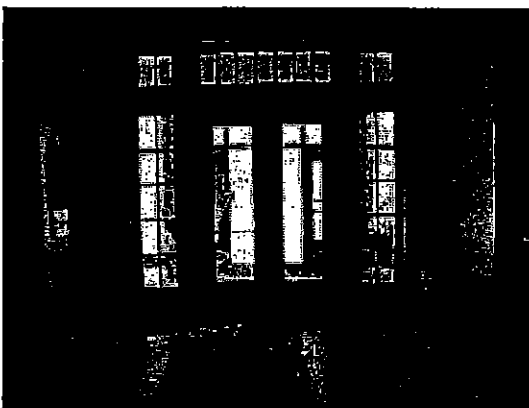
South Elevation Facing North



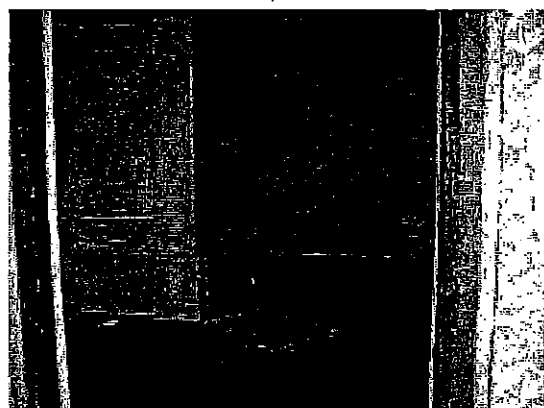
Western Elevation Facing East



Typical Hallway



Entrance Southern Elevation

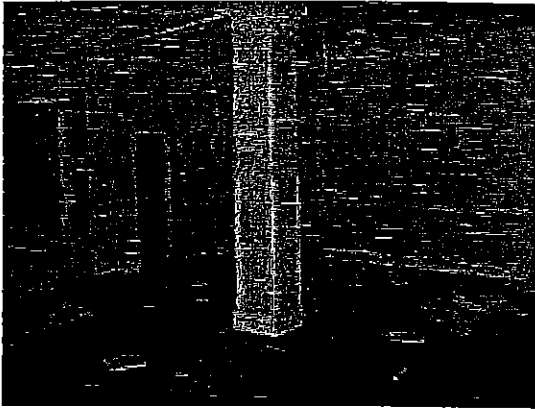


Typical Office

Taken by Gregory C. Klauk Date June 6, 2012

Subject Photographs:

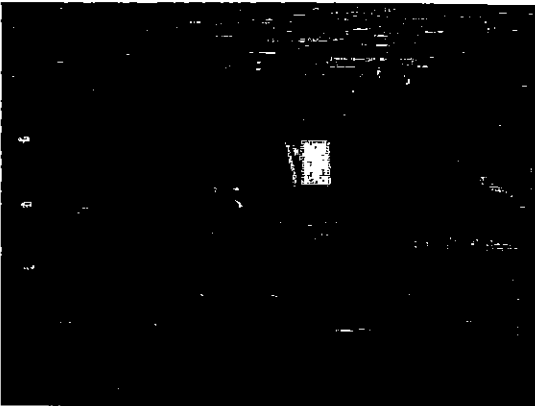
Thornton Building (Cont'd)



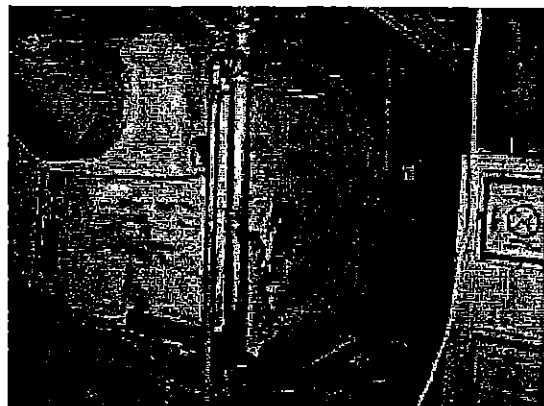
First Floor Dining Room



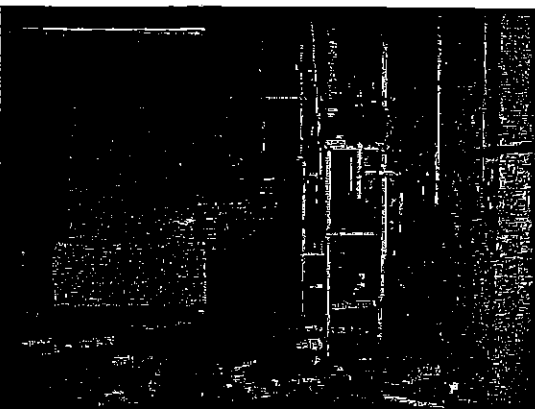
Typical Occupant Room



Attic Facing Northeast



Typical Basement Mechanicals (1)



Typical Basement Mechanicals (2)



Typical Basement Mechanicals (3)

Taken by Gregory C. Klauk Date June 6, 2012

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

Subject Photographs:

1950s Addition (Russell Building)



Typical First Floor Hallway



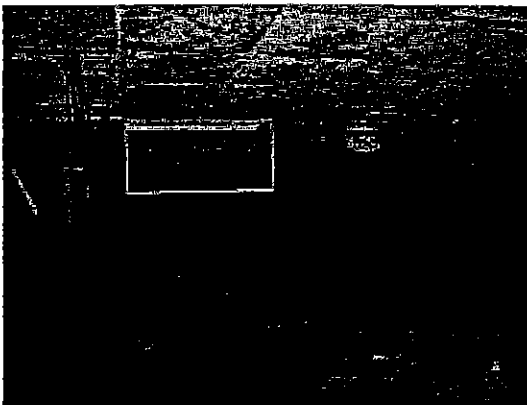
Typical Second Floor Hallway



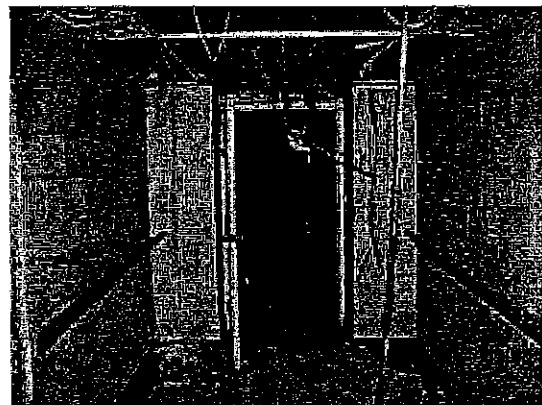
Typical Community Room



Typical Occupant Room



Basement Facing Southeast



Basement Facing Thornton Building

Taken by Gregory C. Klauk Date June 6, 2012

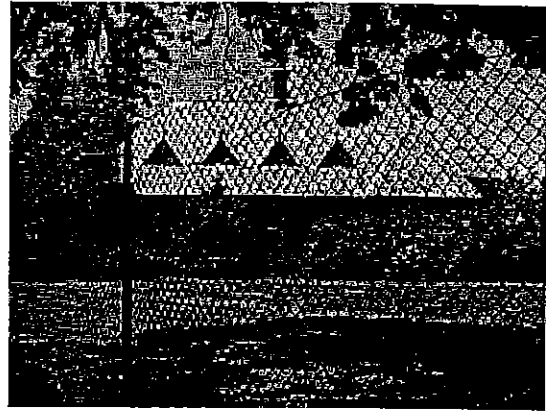
Property: Peace Bridge Project, Buffalo, Erie County, New York

Subject Photographs:

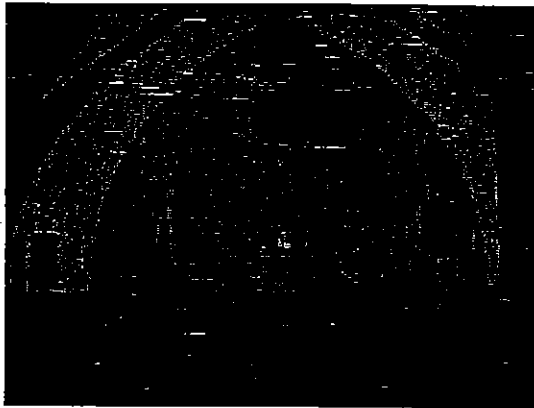
Chapel



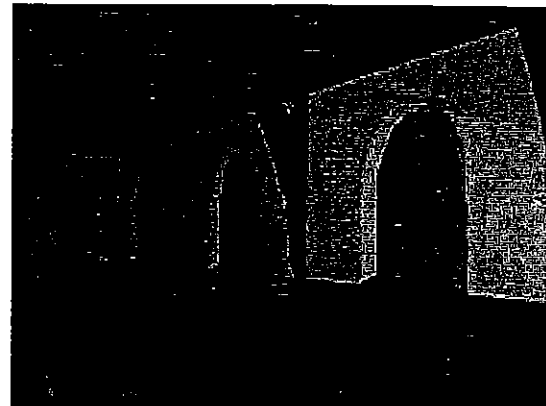
Western Elevation Facing East



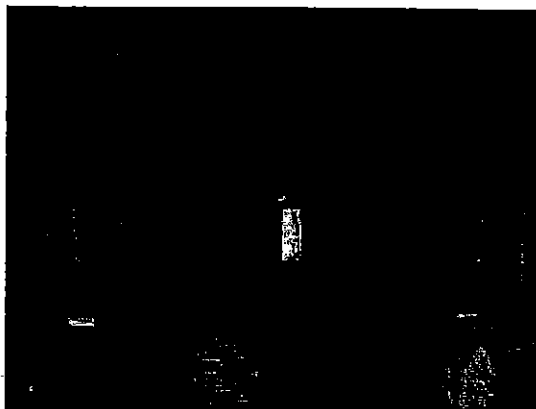
Eastern Elevation Facing Northwest



Chapel's Chancel



Chapel's Nave



Chancel Facing Southwest



Sacristy

Taken by Gregory C. Klauk Date June 6, 2012

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 has an irregular shape, but not to a degree that would inhibit optimum development; dimensions are adequate to accommodate a modest scale residential, commercial development or mixed use 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 development of a small scale commercial, residential or mixed use project.

Alternately this site would also be a candidate for assemblage to adjoining parcels to gain additional plottage necessary to achieve a higher and better use.

Highest and Best Use: (Cont'd)

Highest and Best Use - As Improved

The analysis of the highest and best use of the property, as improved, attempts to determine how the property should be used, going forward given the condition, quality and functional utility of its exiting improvements as well as current and prospective market conditions. The purpose of this section is to determine the most profitable use for the subject property as improved and to help in the identification of comparable properties. The analysis in this section is particularly pertinent when the improvements contribute to the overall value of the site; that is, the value of the site and the improvements is greater than the value of the site alone. As in the previous analysis, four criteria are used to judge the highest and best use of the property. The improvements will be analyzed based on the physically possible, legally permissible, financially feasible and maximally productive uses of the improved property. The analysis of each of those criteria will be similar in concept to that in the previous section, with the exception being the basis here considers the property as improved.

Legally Permissible - The legally permissible uses for the improved property are determined in a large part by the zoning ordinances in effect within the subject market area. The subject's Porter-Busti zoning permitted the former use as a nursing home with chapel. Zoning also would likely allow for renovations and/or conversion to residential use or a mixed use commercial project. The chapel is a Buffalo landmark which will preclude its demolition.

Physically Possible - physical aspects of the improvements currently on the site will determine, to a large degree, what alternative uses are possible. It is physically possible to demolish the existing improvement, expand or renovate them. Most of the existing improvements on the interior are severely vandalized, in poor condition and not habitable. It appears that the electric service, plumbing and even gas service for heat have been rendered all but useless due to the vandalism.

Financially Feasible - The purpose of this section is to decide which, among the legally permissible and physically possible uses will produce a positive return. The subject is in area that offers many of the attributes necessary for office use, particularly as it would relate to transportation purposes as dispatch related to the peace bridge for commercial vehicles or as a convenient office for businesses requiring close proximity to both the United States and Canadian markets.

The area is also a candidate for ongoing renovations of existing structures for residential purposes. Finally, D'Youville College has been acquiring properties in the area and plans continued campus expansion and land banking purposes.

Maximally Productive - As is demonstrated through the direct sales comparison approach for the land as vacant and considering the property as presently improved, highest and best use is to maintain the existing building shells subject to gutting, replacing services and eventual renovation to a future prospective use. This is illustrated by virtue of the land value as vacant (after allowing for demolition) being substantially less than the value of the property as improved in its current deteriorated state.

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. This appraisal requires the development of the direct sales comparison approach as a necessary method of valuation. This approach will develop a value estimate for the subject's land as if vacant (a hypothetical condition). Demolition costs will also be discussed.

The approach is also developed to estimate the "as is" value of the property as currently improved. This will be accomplished through consideration of sales of similar deteriorated and/or shell structures.

The income approach is not developed in this report because the building is not habitable or rentable in its current condition.

The cost approach is also not developed, first of all because it is not necessary to develop a credible appraisal, but primarily because of the substantial deterioration that has resulted from the vandalism and attendant depreciation would be so excessive so as to render the approach unreliable.

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	Acres	
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

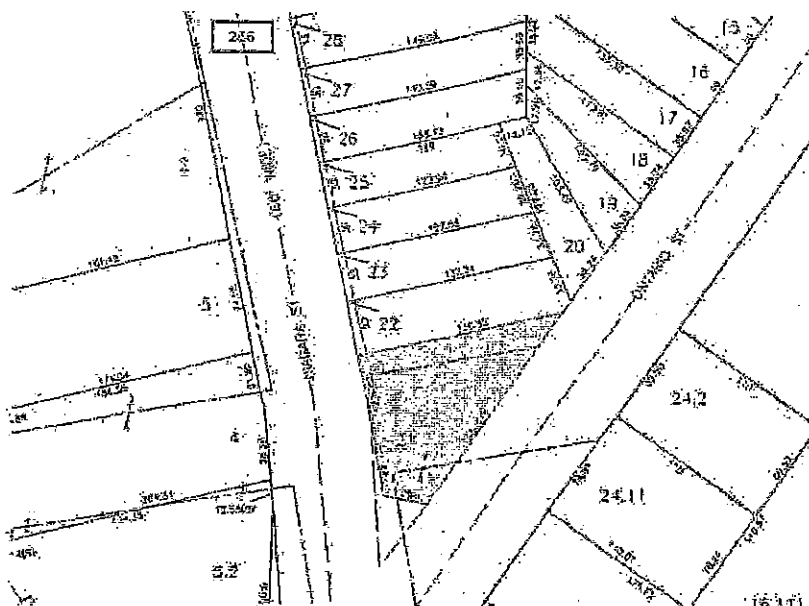
The primary sales presented are all within the subject's general market area and reflect residential and commercial zoning, indicative of the potential use the subject site could qualify for.

Comparables four, five, six, seven, eight and ten are the most relevant for the subject based on size.

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 #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)

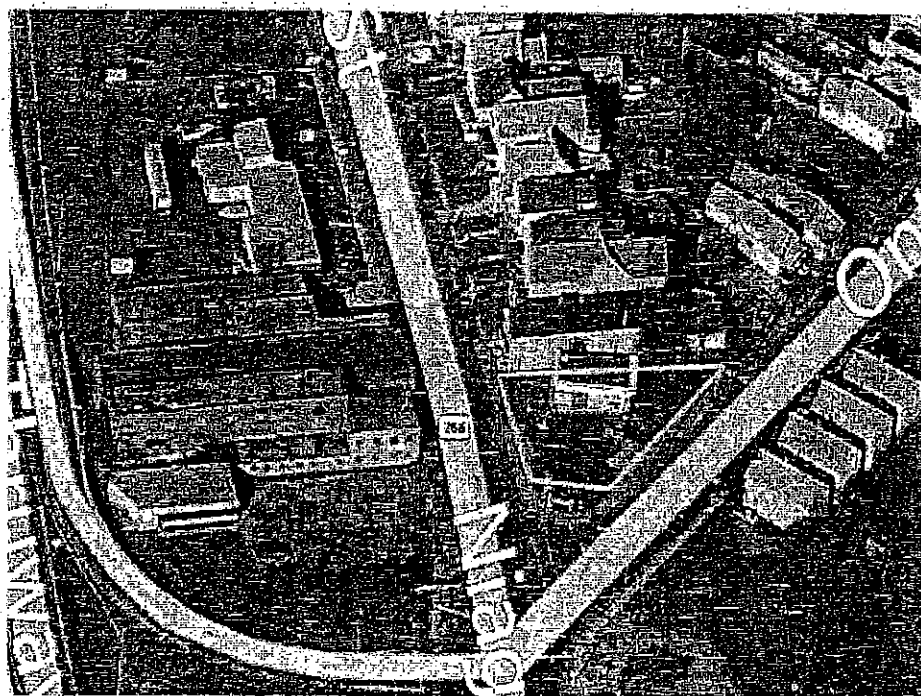
Verification: Public Records, Grantee, Deed

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



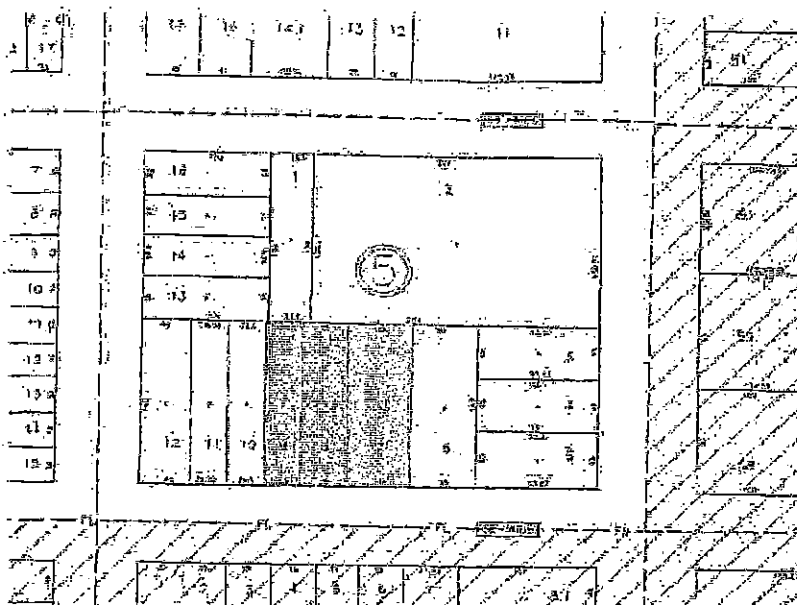
Aerial Photograph



Subject Photograph

Comparable Sale #5

Class Code: 311 Vacant Residential



Address: 301-311 West Utica Street
City: Buffalo
Description: Elmwood Village

County: Erie

State: NY

Sale Price: \$237,000
Contract Date:
Deed Recorded: 11/08/2006

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

Frontage Feet: 115.43

Price Per Front Foot: \$2,053.19

Financing: Cash or Equivalency
Grantor: Kellie M. Wagner, Carla Benitz & Joseph D. Cox
Grantee: FJF Development, LLC

Tax Map Number: 100.37-5-7, 8 & 9
Liber: ** Various
Page: ** Various

Taxes: N/A
Assessment: N/A
Zoning: R-3, Dwelling District

Lot Size: 0.371
Price Per Acre: \$638,814
Price Per SqFt: \$14.67

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

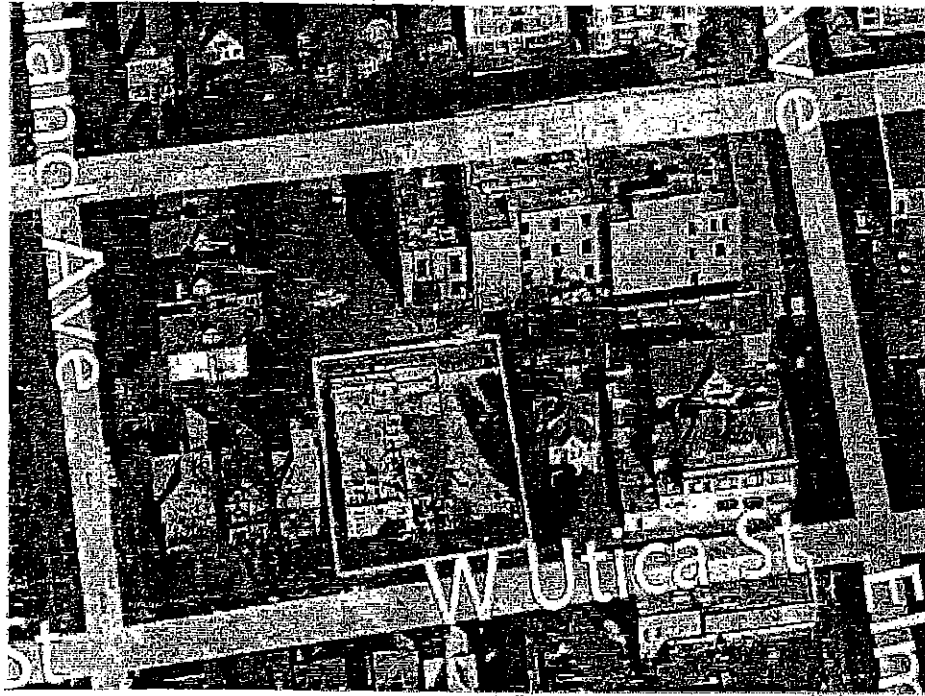
Verification: Public Records, Deed & Grantor Rep.

Date: 10/01/2007

**Liber & pages and dates recorded: 11124/3942-1/19/07; 11121/4692-11/8/06; 11121/4714-11/8/06

Remarks: Sale of three parcels of residentially zoned land, improved with a 2,769± SF two-story frame rooming house and 2,096± SF two-story masonry single-family residence, the estimated demolition cost is \$20,000. The parcels were originally purchased for construction of a three-story, 12-unit condominium development, buyer modified plans and built an 18 unit apartment building. The density is 48 units per acre and the price per unit including demolition is \$14,278.

Comparable Sale #5



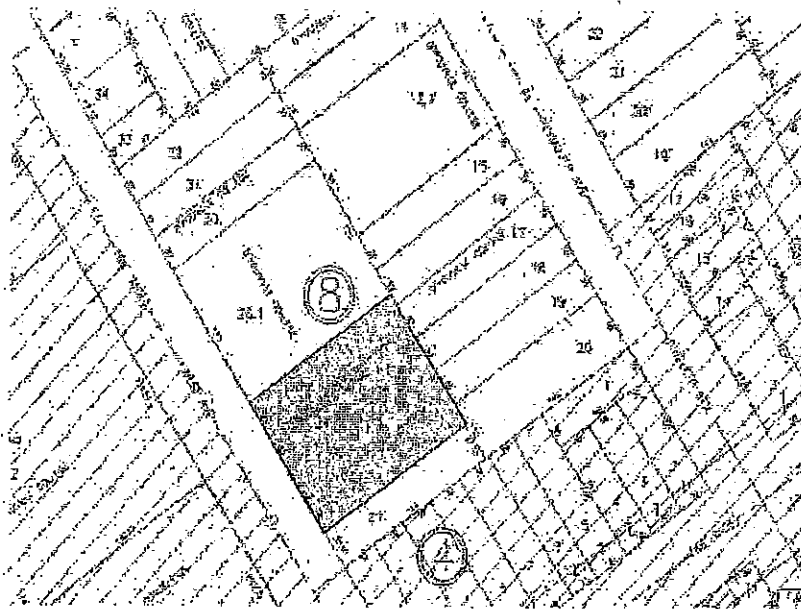
Aerial Photograph



Subject Photograph

Comparable Sale #6

Class Code: 311 Vacant Residential



Address: 423, 425, 429 & 433 West Avenue
City: Buffalo
Description: Urban Residential

County: Erie

State: NY

Sale Price: \$223,500
Contract Date:
Deed Recorded: 10/17/2007

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

Frontage Feet: 120

Price Per Front Foot: \$1,862.50

Financing: Cash or Equivalent Financing
Grantor: Various - See Below
Grantee: D'Youville College

Tax Map Number: 90.67-8-22, 23, 24, 25
Liber: See Below
Page: See Below

Taxes: N/A
Assessment: \$146,200.00
Zoning: Residential R2

Lot Size: 0.4104683
Price Per Acre: \$544,500
Price Per SqFt: \$12.50

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

Verification: Deed, Public Records, G'tee Rep. to GCK -

Date: 07/20/2012

Remarks: This represents an assemblage of four contiguous parcels for future college expansion. Details of the transactions are presented below:

SBL 99.67-8-22 (423 West Ave); 11/8/2007; \$35,000; 11138/1210; 4,470 SF; from David Smith, 30x149
SBL 99.67-8-23 (425 West Ave); 9/18/2007; \$58,000; 11135/6047; 4,470 SF; from Lorene W. Carr, 30x149
SBL 99.67-8-24 (429 West Ave); 9/28/2006; \$55,500; 11120/814; 4,470 SF; from Benjamin Torres, 30x149
SBL 99.67-8-25 (433 West Ave); 10/17/2007; \$75,000; 11136/352; 4,470 SF; from Patricia J Licata, 30x149

All parcels were improved with residential dwellings at the time of sale. Estimated demolition \$40,000.

Klauck, Lloyd & Wilhelm, Inc.

Vcomps: 4/10/2008 140006419

Comparable Sale #6



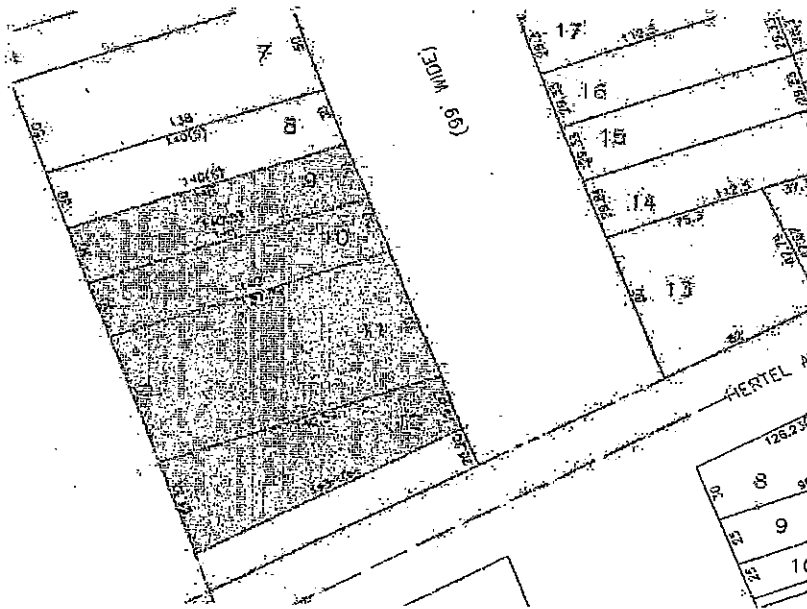
Aerial Photograph



Subject Photograph

Comparable Sale #7

Class Code: 330 Vacant Commercial



Address: 2080-2094 Niagara Street

City: Buffalo

County: Erie

State: NY

Description: Urban Commercial Black Rock & I-190 Ramp

Sale Price: \$449,000
Contract Date: 04/2010
Deed Recorded: 11/18/2010

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

Frontage Feet: 160

Price Per Front Foot: \$2,806.25

Financing: Cash or Equivalent Financing

Grantor: Thomas D. Trigilio, Salvatore S. Trigilio, Enrico C. D'abate & 10796 Group, LLC

Grantee: Wilson Farms, Inc.

Tax Map Number: 88.24-1-9, 10, 11 & 12

Liber: 11192

Page: 6066, 6069, 6071

Taxes: N/A

Assessment: N/A

Zoning: CM- General Commercial

Lot Size: 0.548
Price Per Acre: \$819,343
Price Per SqFt: \$18.81

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

Verification: Deeds, Public Records, G'tee Attorney

Date: 07/02/2012

Remarks: This is the sale of 4 contiguous parcels on northwest corner of Hertel Avenue, that were purchased for construction of gas station and accompanying kiosk to compliment convenience store on southwest corner that grantees own. The site abuts the I-190 and there is a entrance to the highway at the west end of Hertel Avenue. Sales include a vacant parcel on the corner (Grantor = Trigilio & D'Abate, deed 11192/6066 for tax parcels (1-11 & 1-12), sale price \$221,200; Deed 11192, P 6069, D'Abate 11/22/2010-\$138,000 tax parcel 10; Deed 11192, P 6072, 10796 Group LLC 11/19/2010-\$89,000 tax parcel 9, improved parcels with a 4,020± SF mixed use building, a 2,184 SF two family dwelling and a 1,140± SF single family dwelling. Estimated costs to demolish improvements and level site is \$75,000.

Comparable Sale #7



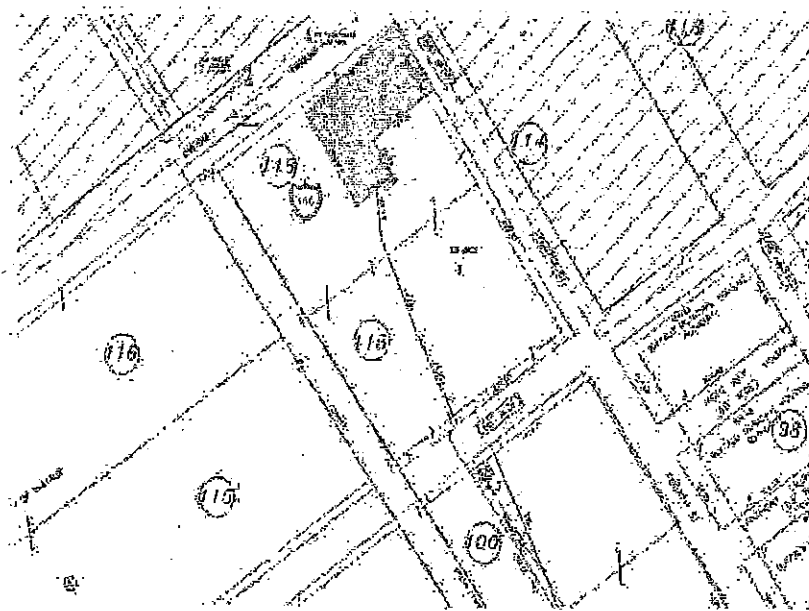
Aerial Photograph



Subject Photograph

Comparable Sale #8

Class Code: 331 Vacant Land



Address: 640 Fourth Street
City: Buffalo
Description: Commercial District

County: Erie

State: NY

Sale Price: \$160,000
Contract Date: 06/2011
Deed Recorded: 12/21/2011

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

Frontage Feet: 133.5

Price Per Front Foot: \$1,198.50

Financing: Cash or Equivalent Financing
Grantor: Spiro T. Liaros
Grantee: D'Youville College

Tax Map Number: 110.07-2-6
Liber: 11215
Page: 8205

Taxes: N/A
Assessment: N/A
Zoning: C1 & R3

Lot Size: 0.81
Price Per Acre: \$197,531
Price Per SqFt: \$4.53

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

Verification: Public Records, Deed, G'tee Rep to GCK

Date: 07/25/2012

Remarks: Sale of an irregular-shaped vacant parcel that was the former site of the Ted's Hot Dogs. Located on the southwest corner of Porter Avenue and Fourth Street, approximately .27 miles southeast of the Peace Bridge Plaza and .36 miles southwest of D'Youville College Porter Ave campus. Front 2/3 of property located in C-1, rear 1/3 of property located in R-3. Purchased by the school as a land bank.

Comparable Sale #8



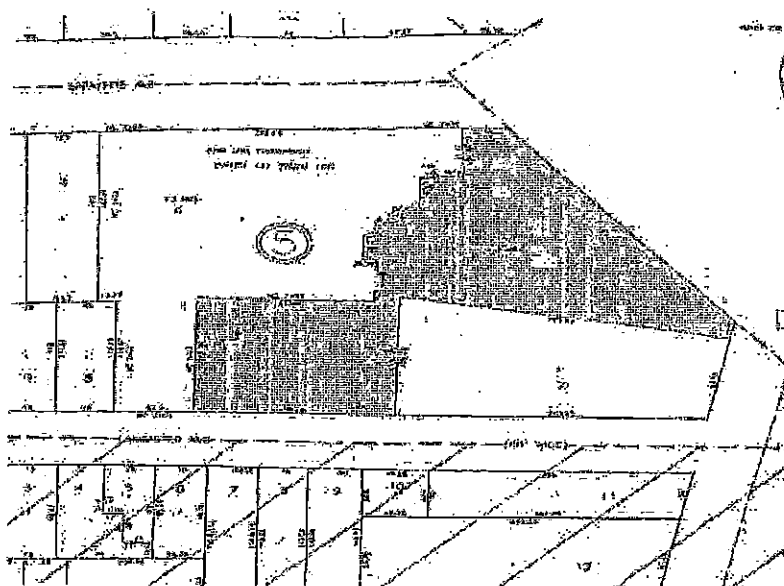
Aerial Photograph



Subject Photograph

Comparable Sale #10

Class Code: 330 Vacant Commercial



Address: 35 Gates Circle

City: Buffalo

County: Erie

State: NY

Description: High Demand Residential/Mixed Use Area

Sale Price: \$1,200,000

Contract Date:

Deed Recorded: 05/18/2006

Days on Market: 6 Months

Sale Conditions: Normal

Rights Conveyed: Fee Simple

Frontage Feet: 276

Price Per Front Foot: \$4,347.83

Financing: Cash and PMM for Seller

Grantor: Great Circle, LLC

Grantee: Uniland Properties Ltd.

Tax Map Number: 89.79-5-5

Libor: 11113

Page: 9451 & 9454

Taxes: N/A

Assessment: N/A

Zoning: R4-Apartment Dist.

Lot Size: 1.2

Price Per Acre: \$1,000,000

Price Per SqFt: \$22.96

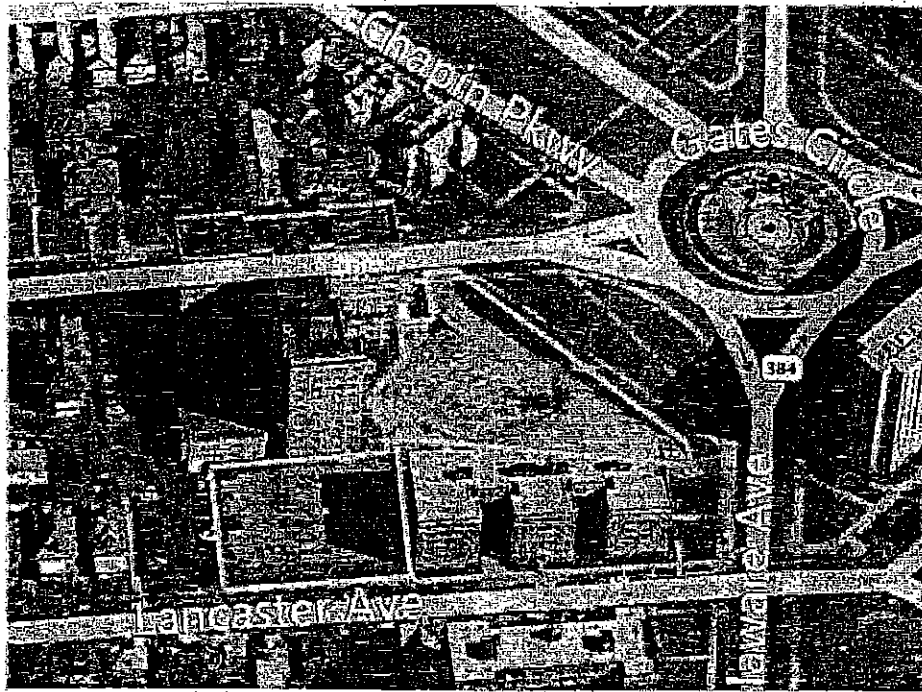
Utilities: ☒ Electric
☒ Gas
☒ Water
☒ Sewer
☐ Other (See Comments)

Verification: Deed, Public Records, Grantee

Date: 09/01/2007

Remarks: Irregular shaped site located on Gates Circle. Site has frontage on Gates Circle (Delaware Ave) and Lancaster Avenue. Property was purchased for high rise condominium development (68 units). Site is the location of the Park Lane Restaurant. Seller retained rights to all FF&E and leased the property for approximately \$15,000/month after purchase, through December 2007 to meet banquet and other existing obligations. Buyer will demolish the existing restaurant at an estimated cost of \$50,000. The 7 months rent and demolition costs are considered off setting. Density per acre is 57 units; price per planned condo unit is \$17,647.

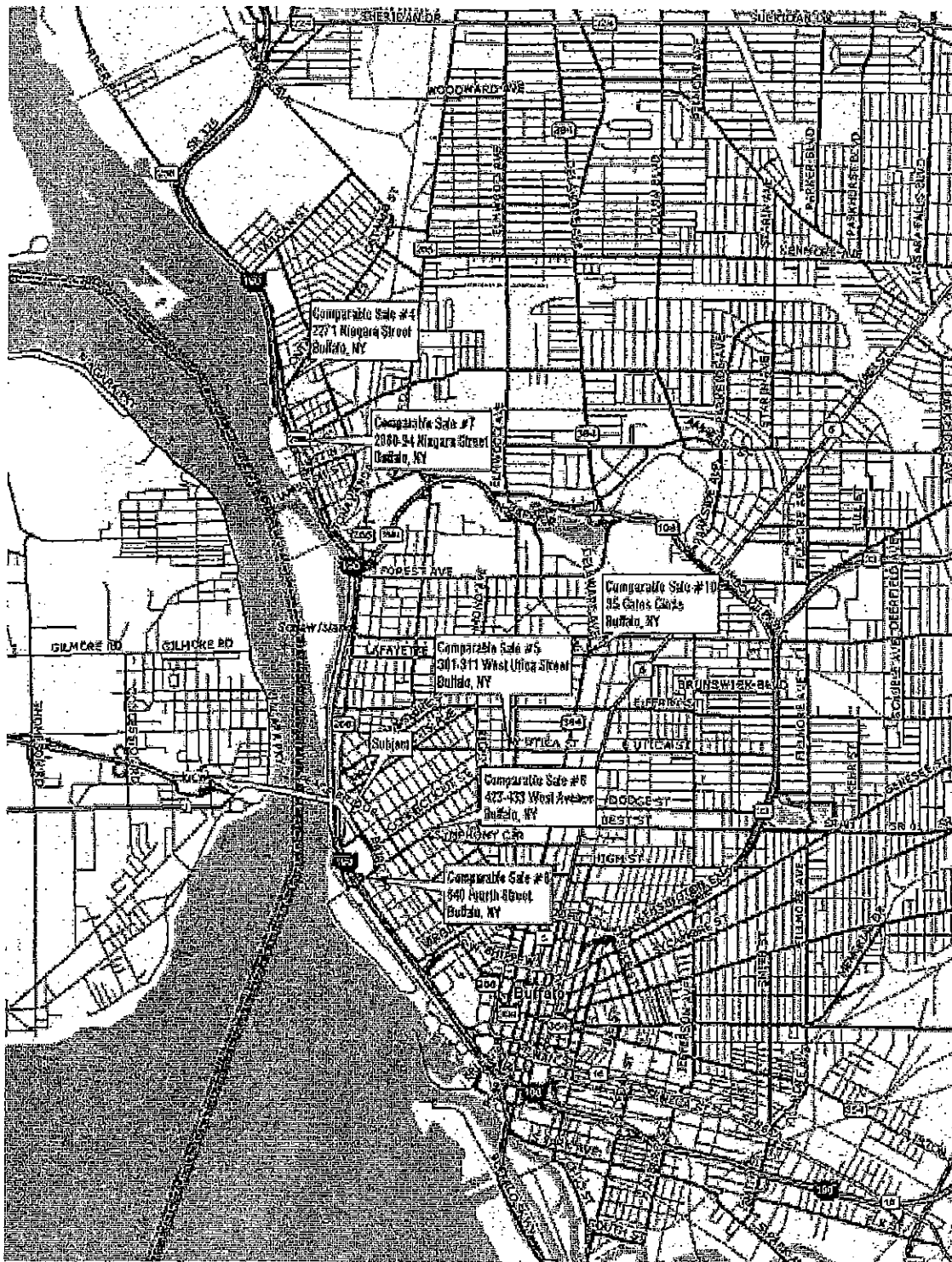
Comparable Sale #10



Aerial Photograph

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

LAND SALES LOCATION MAP:



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

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Adjustment Grid:

File: 7877-04 Map 7 LG

ADDRESS	SUBJECT	SABEN04	SABEN05	SABEN06	SABEN07	SABEN08	SABEN09
	825 Busti	2271 Niagara	301-311 West Utica	423-433 West	2080-94 Niagara	640 Fourth St.	35 Gates Circle
	Buffalo	Buffalo	Buffalo	Buffalo	Buffalo	Buffalo	Buffalo
SALE PRICE:		\$60,000	\$237,000	\$223,500	\$449,000	\$160,000	\$1,200,000
PROPERTY RIGHTS:	Fee Simple	\$0	\$0	\$0	\$0	\$0	\$0
FINANCING:	Cash	\$0	\$0	\$0	\$0	\$0	\$0
CONDITIONS:	Normal	\$25,000	\$20,000	\$40,000	\$75,000	\$0	\$50,000
ADJUSTED PRICE:		\$85,000	\$257,000	\$263,500	\$524,000	\$160,000	\$1,250,000
DATE:	Jun-12	Jun-08	Nov-06	Dec-07	Nov-10	Dec-11	May-06
ADJUSTMENT:		\$0	\$0	\$0	\$0	\$0	\$0
TIME ADJ. PRICE:		\$85,000	\$257,000	\$263,500	\$524,000	\$160,000	\$1,250,000
UNIT PRICE:	Per Sq.Ft.	\$9.29	\$15.90	\$14.74	\$21.95	\$4.54	\$23.91
	per front foot	\$913.98	\$2,234.78	\$2,195.83	\$3,275.00	\$1,203.01	\$4,528.99
LOCATION:	Average Mixed Use	Comm area	Good residential	Mixed use	Commercial	fair mixed use	Good Mixed Use
ADJUSTMENT:		\$0.00	(\$2.39)	\$0.00	\$0.00	\$0.91	(\$9.56)
LAND AREA:	60,203 SF	9,148	16,160	17,880	23,871	35,261	52,272
PLOTTAGE:	Yes	limited	limited	limited	Yes	Yes	Yes
ADJUSTMENT:		\$0.00	\$0.00	\$0.00	(\$2.20)	(\$0.45)	\$0.00
DIMENSIONS:	251.5 x 267.3	93 x irreg.	115.43 x 140	120 x 149	160 x 140	133 x 233	276 x 259
SHAPE:	Sl. Irregular	Irregular	Rectangular	Rectangular	Rectangular	Sl. Irregular	Irregular
ADJUSTMENT:		\$0.93	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SITUATED:	Corner & 3rd st. frontage	Corner	Interior	Interior	Corner	Interior	Dual Access
ADJUSTMENT:		\$0.00	\$1.59	\$1.47	\$0.00	\$0.45	\$0.00
ZONING:	PB Comm resid	C 1 comm	R 3 Residential	R 3 Residential	CM Gen Comm	Commercial	R 4 Residential
ADJUSTMENT:		\$0.00	\$0.00	\$0.00	(\$5.49)	\$0.00	\$0.00
UTILITIES:	All available	All available	All available	All available	All available	All available	All available
ADJUSTMENT:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET ADJUSTMENT:		\$0.93	(\$0.80)	\$1.47	(\$7.69)	\$0.91	(\$9.56)
Net percent		10.01%	-5.03%	9.97%	-35.03%	20.05%	-39.98%
ADJUSTED							
UNIT PRICE:		\$10.22	\$15.10	\$16.21	\$14.26	\$5.45	\$14.35

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 4, 5, 6, 7 and 10 required demolition these 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. Sale 5 is adjusted down 15% based paired sales analysis and considering the sale's proximity to the Elmwood village area. Sale 10 is also superior to the subject and is adjusted down 40% also based on paired sales.

Sales eight is in a less desirable area removed from the bridge influence and is adjusted up by a factor of 20%.

Land Area/Plottage:

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 4, 5 and 6, fall in a size range that are smaller but the subject's plottage tends to offset the size factor. Sales 7 and 8 are adjusted down at a factor of 10%. Sale 10 is similar to the subject in size and plottage.

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 slightly irregular lot with otherwise adequate dimensions. Proportionately sales 5, 6, 7, 8 and 10 are similar and are not adjusted.

Sale 4 is inferior regarding shape and is adjusted up 10%.

Site Position:

This adjustment addresses the property's inside or corner location. The subject has 3 street access and frontage. Sales 4, 7 and 10 are corners or have dual access. This is considered sufficiently similar so that no adjustment is necessary. Sales five, six and eight interior parcels with inferior access and exposure each is adjusted up a factor of 10%.

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Zoning:

The subject's zoning permits residential and low density commercial uses. The sales 4, 5, 6, 8 and 10 are sufficiently similar so that no adjustment is necessary. Sale 7 is high density commercial and is adjusted down 25%.

Utilities:

The subject and sales have all services available.

Other:

None

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. Six 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 \$5.45 and \$16.21 with an average of \$12.60 and an implied median price of \$14.31. Sales four, five and six required the least net adjustment. Equal emphasis is accorded the sales and the subject value is estimated at \$12.75 SF.

Overall value is developed as follows:

$$60,203 \text{ SF @ } \$12.75/\text{SF} = \$767,600 \text{ (Rounded)}$$

This estimate reflects the site as vacant and available to be developed, a hypothetical condition. In order to achieve this value all improvements would need to be removed from the property and the site rebalanced. Based on reference to Marshall Valuation Cost Manual Section 66, page 11 demolition and balancing should range between \$6.25 and \$8.60/SF. If hazardous materials are involved, costs should double or triple.

Assuming no significant hazardous materials and given cost multipliers (1.03 and 1.18) the demolition cost range should be \$7.60 to \$10.45/SF of gross building area. I have located one contract for demolition of an older three story masonry building on High Street (28,500 SF). The demolition estimate is \$336,000 indicating a cost of \$11.79/SF.

Based on this data, I have estimated the demolition cost for the subject at \$11.50/SF. Applied to the gross building area of the nursing home (35,834 SF) total demolition (excluding chapel) is estimated at \$412,100 and land value less demolition is \$355,500.

DIRECT SALES COMPARISON APPROACH
Improved Value

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Improved Valuation:

In estimating value of the improved property the same basic principals apply as discussed in the land value. Sale of similar improved properties are compared on a unit basis such as square foot of building area (including land). 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:* land area (building to land ratio) yard improvements e.g. parking and for building factors including, but not limited to quality, size, finish, functional utility (age and condition) and other, amenities or deficiencies.
- *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.

As with the land analysis an adjustment grid is used to summarize the direction and magnitude of adjustments to the comparable sales judged appropriate. Again adjustments may be derived directly from quantifiable data, however, in many instances the adjustments involve judgment.

The sales employed reflect various types of community buildings purchased for reuse. The building include churches with schools and residences, former schools abandon for years, recently closed schools and former nursing homes (closed)

Comparable Sale #1

Class Code: 620 Religious



Address: 1091 & 1115 Main Street

City: Buffalo

County: Erie

State: NY

Description: Urban Commercial Area/SEC Best

Sale Price: \$370,000

Contract Date:

Deed Recorded: 07/15/2009

Days on Market: N/A

Sale Conditions: Normal

Rights Conveyed: Fee Simple

Financing: \$175,000 cash seller held \$195,000 @ market rate (sale of school/rectory)

Grantor: Prayer & Praise Fellowships Inc. & Salvator Patronaggio

Grantee: 9274 Group, Inc.

Tax Map Number: 100.71-2-49.1 & 49.2

Liber: 11165, 11180

Page: 7162, 2531

Taxes: N/A

Assessment: N/A

Zoning: CM-General Comm. Dist.

Utilities: All Public

Lot Size: 1.27

Building Size: 28,560

Price Per SqFt: \$12.96

Verification: Deed, Public Records, G'tee B. Paladino to JTS

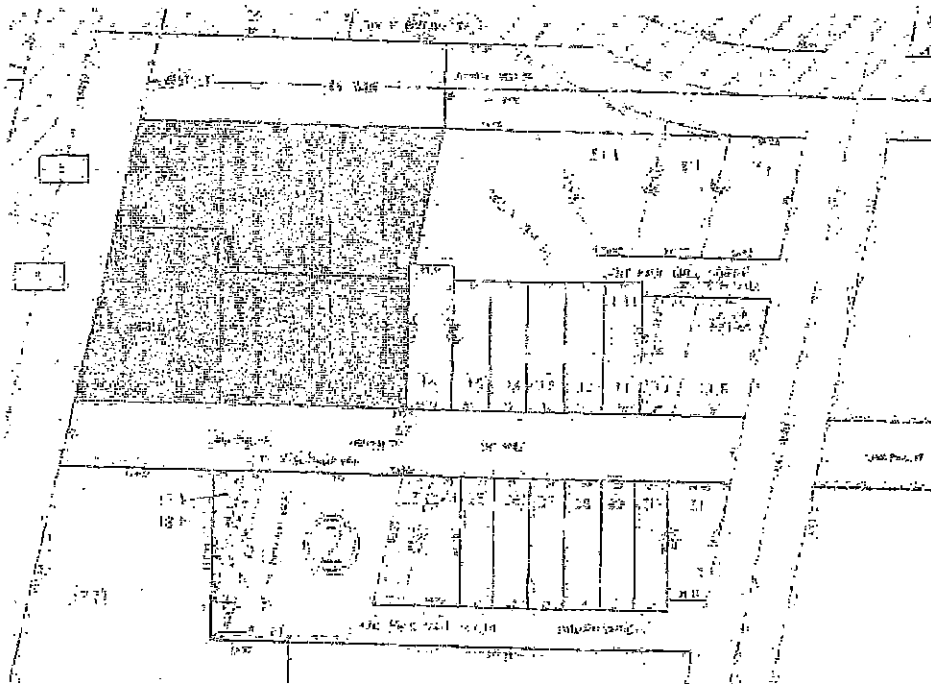
Date: 10/01/2010

Remarks: Sale of the Old Lady of Lourdes religious campus including church (10,950 SF), rectory (5,240 SF) and school (13,200 SF) church was constructed in 1898 and rectory and school in 1920. Church has been stripped of interior finishes and stained glass and reflects a shell building of Medina sandstone and slate roof. Rectory and school have maintained in average condition. On site parking for 21 vehicles. Building/land ratio 1 to 1.21. Purchased for reuse in conjunction with the adjacent Buffalo Medical campus. Site has 216' of frontage along Main and 243' on Best.

Comparable Sale #1



Aerial Photograph



Tax Map

Comparable Sale #2

Class Code: 642 Miscellaneous Health Care



Address: 1040 Delaware Avenue (2)
City: Buffalo
Description: Urban Commercial Area

County: Erie

State: NY

Sale Price: \$400,000
Contract Date: 04/2008
Deed Recorded: 04/16/2008

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

Financing: Cash
Grantor: Plaza One Group Inc
Grantee: 1040 Delaware Ave

Tax Map Number: 100.39-1-34
Liber: 11143
Page: 6296

Taxes: \$15,717.00
Assessment: \$600,000.00
Zoning: R4-Apartment District

Utilities: All Public
Lot Size: 0.93
Building Size: 33,376
Price Per SqFt: \$11.98

Verification: Deed, Public Records, G'tee w/TW (File #7084-04)

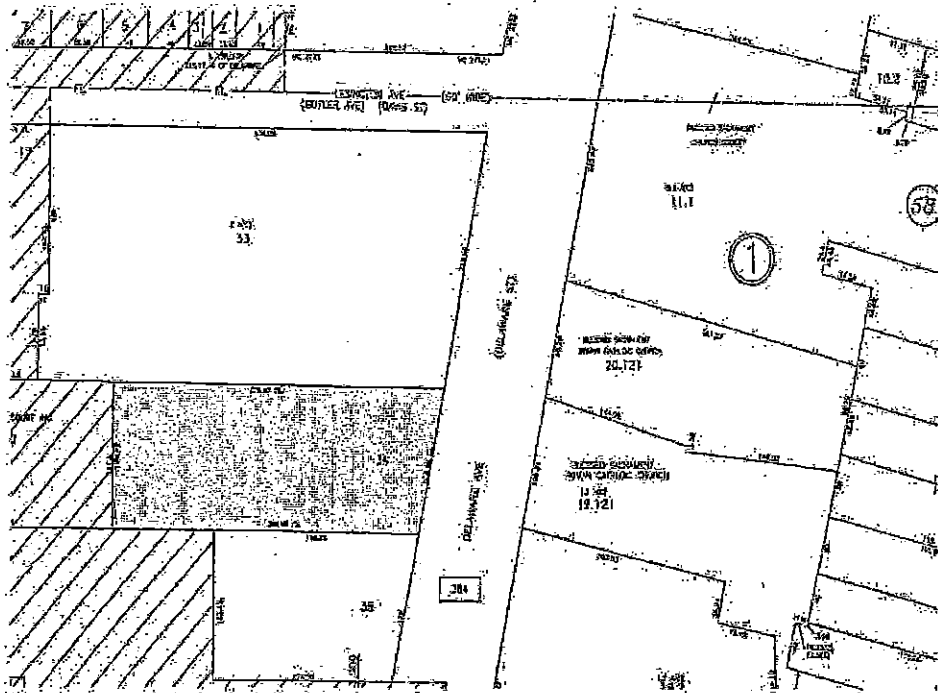
Date: 04/10/2010

Remarks: Three story, Class C (masonry) shell building (fair condition) constructed as the Niagara Lutheran Nursing Home in 1962 with subsequent additions and renovations. Flat roof with rubber membrane covering and full basement foundation. Off-street parking with approximately 22 spaces (plan is to increase to 48 spaces) available in a paved lot. Renovations are planned to convert the building into a 49 unit apartment building, with 2,000 SF of first floor office space. Additional renovations call for a new facade and removal of a berm, making a new basement entrance to the building. The units will have high end, modern finishes including hardwood floors, hard-surface countertops and stainless steel appliances. Rent will range from \$650 to \$1,200/month for one and two bedroom residences. Renovations will carry a \$5.5 million price tag and the building is estimated to be "tenant ready" by the summer of 2011. Building land ratio 1:66, site 120.17 x 312.5 average. 5-17-11 p/r; no city or county tax exemptions.

Comparable Sale #2



Aerial Photograph



Tax Map

Comparable Sale #3

Class Code: 642 Miscellaneous Health Care



Address: 304-310 North Street & 47 Wadsworth Street
City: Buffalo County: Erie
Description: Symphony Circle Residential/Commercial Mix

State: NY

Sale Price: \$1,600,000
Contract Date:
Deed Recorded: 06/18/2010

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

Financing: Cash
Grantor: Grace Manor Health Care Facility Inc
Grantee: Grace Manor LLC

Tax Map Number: 100.69-1-1, 2 & 9
Liber: 11183
Page: 5916

Taxes: \$221,942.00
Assessment: \$5,667,300.00
Zoning: R5 - Apart - Hotel Dist

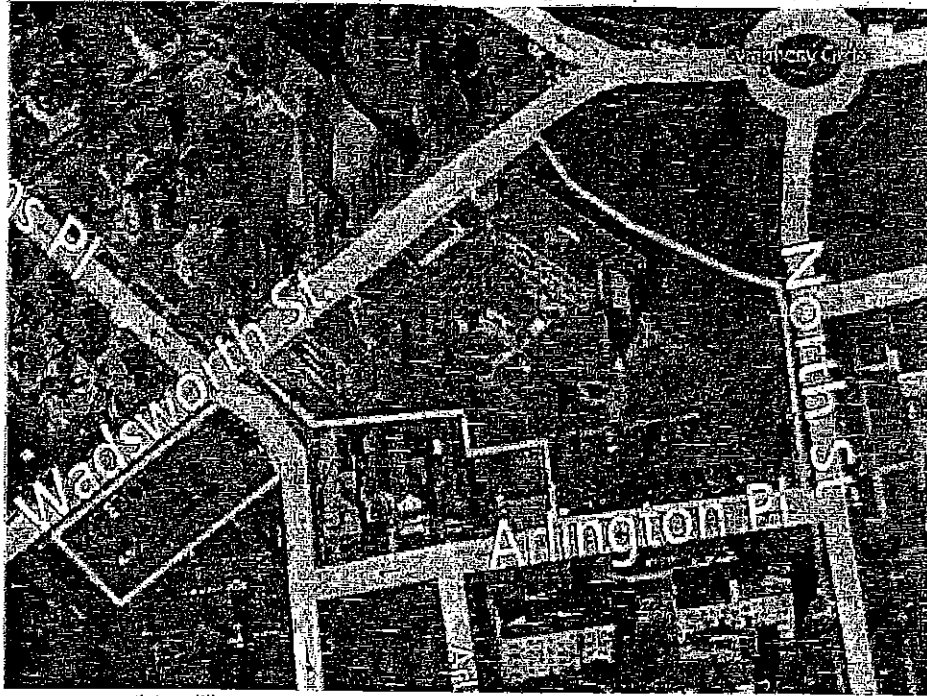
Utilities: All Public
Lot Size: 2.14
Building Size: 124,247
Price Per SqFt: \$12.88

Verification: Public Records, Assessor, Deed, Grantee

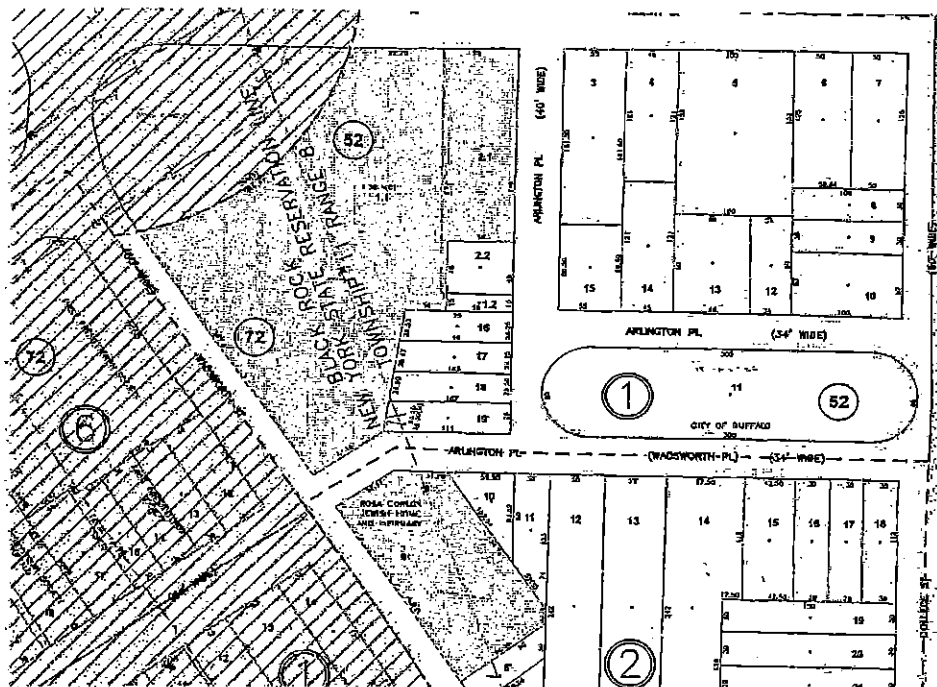
Date: 06/01/2010

Remarks: Three tax parcels included in this transaction. Parcel 100.69-1-1 (310 North Street) is comprised of 1.4 acres and contains a two and three-story, Class C (masonry) constructed former nursing home originally built in 1959 commonly known as Grace Manor. Flat roof with rubber membrane covering and various unfinished basement sections (25,789 SF). Underwent \$7 million in renovations in 1997 prior to sale to Grace Manor. Buyer (Paladino et al) indicated intent to "change the name and secure the facility" and does not expect it to remain as a nursing home. Possible uses include student housing, office etc. Parcel 100.69-1-2 (304 North Street) is a .34 acre rectangular shaped parcel, utilized for parking (25 spaces). Parcel 100.69-1-9 (47 Wadsworth Street) is a .40 acre rectangular parcel also utilized for parking (45 spaces). 5-17-11 Per Buffalo assessor's office, there is a charitable tax-exemption on this building. It pays city & school taxes on a \$72,000 basis. Per Erie County tax office, pays NO county taxes, fully exempt. NOTE: TRUE TAXES = \$221,942, ACTUAL TAXES PAID = \$11,921.

Comparable Sale #3



Aerial Photograph



Tax Map

Comparable Sale #4

Class Code: 612 Schools



Address: 1140 Ellicott Street (corner of Riley St.)

City: Buffalo

County: Erie

State: NY

Description: Urban Commercial/Residential

Sale Price: \$849,000

Days on Market: N/A

Contract Date:

Sale Conditions: Normal

Deed Recorded: 04/27/2011

Rights Conveyed: Fee Simple

Financing: Cash or Equiv. Financing

Grantor: Bailey Robinson Inc

Grantee: Health Sciences Charter School

Tax Map Number: 100.55-2-14.121

Taxes: N/A

Liber: 11202

Assessment: N/A

Page: 3608

Zoning: R-3 Dwelling District

Utilities: All Public

Lot Size: 1.4

Building Size: 53,447

Price Per SqFt: \$15.88

Verification: Public Records, Deed, G'tee Rep to GCK

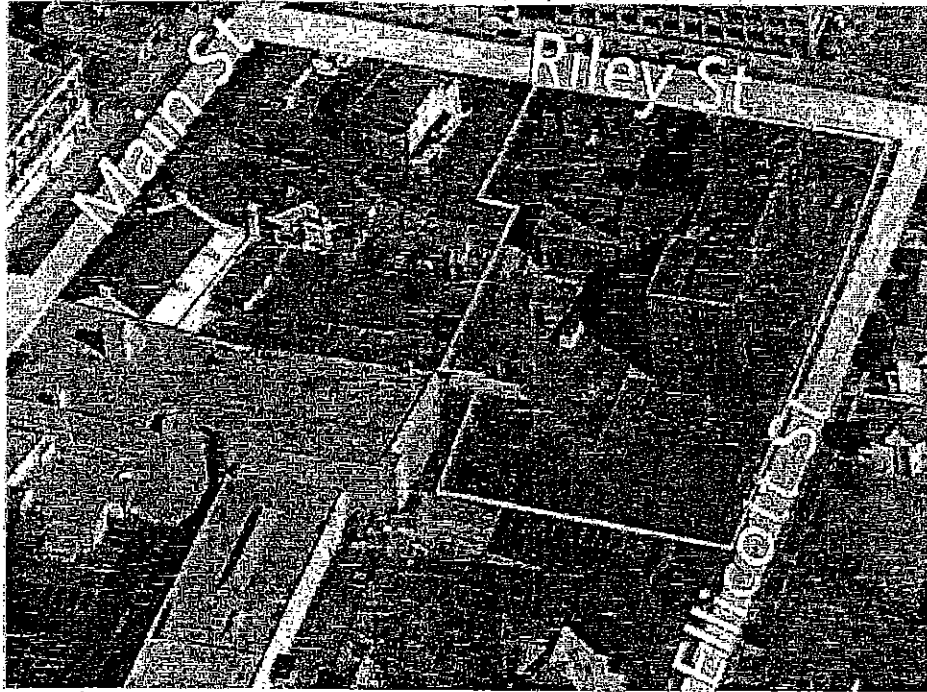
Date: 06/05/2012

Remarks: Sale of a secondary school complex consisting of 2 bldgs; a 6,874 SF Class C (masonry) gymnasium & a 46,573 SF 2 & 4 story Class C (masonry) former girl's high school constructed in 1900. Lower level full garden level, poured concrete & stone basement. HVAC: new computer controlled boiler & air exchange system, air conditioned. School not occupied 20± yrs & in deteriorated condition & in need of complete refurbishing & renovations. Renovated 2011 w/future renovations planned for 2012 & 2013. Conversion to a charter high school, partially, but recently renovated & leased by Health Sciences Charter School to 1291 Group LLC, the developer of the property. Lease commenced 4/27/11 & terminates 2/29/60, a term of approx. 49 yrs. Annual rent payment is \$1. 1291 Group LLC subsequently sublet the property back to Health Sciences Charter School. The lease/sublease was necessary to preserve the real property tax exemption provided under NY State Law. Formerly Bishop O'Hern HS from 1952-1971. Building land ratio 1 to .63; 65 parking spaces. Appraisal # 7637-04.

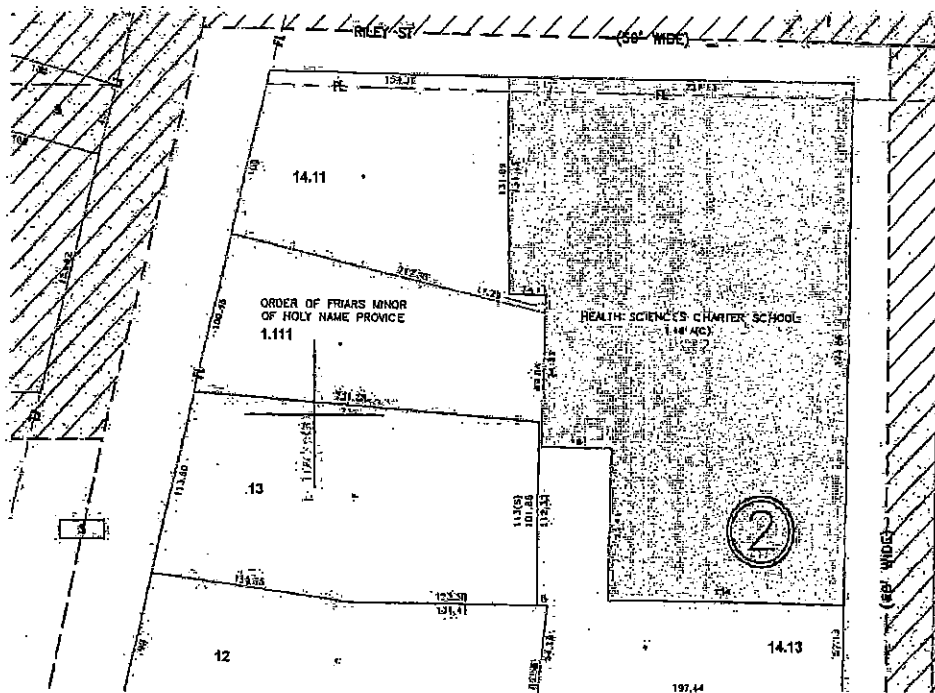
Klauck, Lloyd & Wilhelm, Inc.

Vcomps: 6/5/2012 120010950

Comparable Sale #4



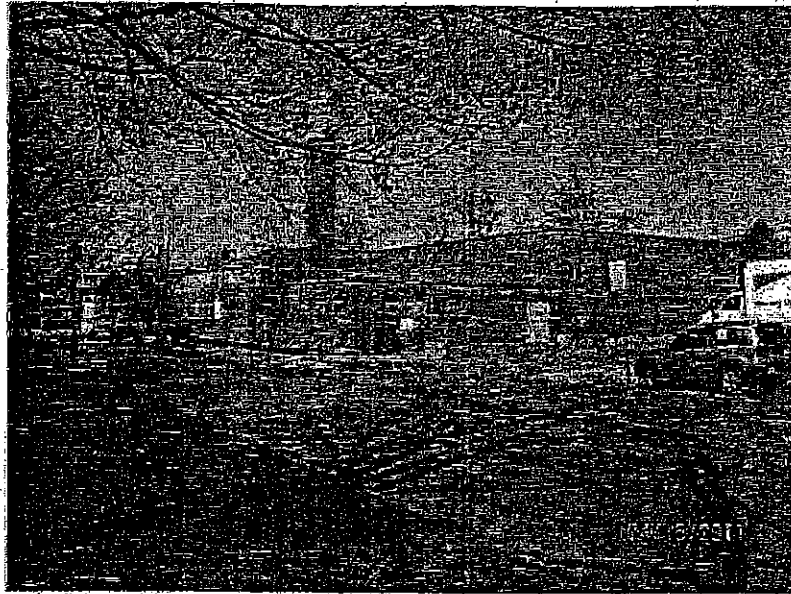
Aerial Photograph



Tax Map

Comparable Sale #5

Class Code: 612 Schools



Address: 40 Days Park
City: Buffalo
Description: Urban Residential

County: Erie

State: NY

Sale Price: \$550,000
Contract Date: 09/2011
Deed Recorded: 11/21/2011

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

Financing: Cash or Equivalent
Grantor: City of Buffalo
Grantee: Elmwood Village Charter School

Tax Map Number: 99.84-6-10
Liber: 11212
Page: 3968

Taxes: \$34,915.00
Assessment: \$891,600.00
Zoning: R3 - Residential District

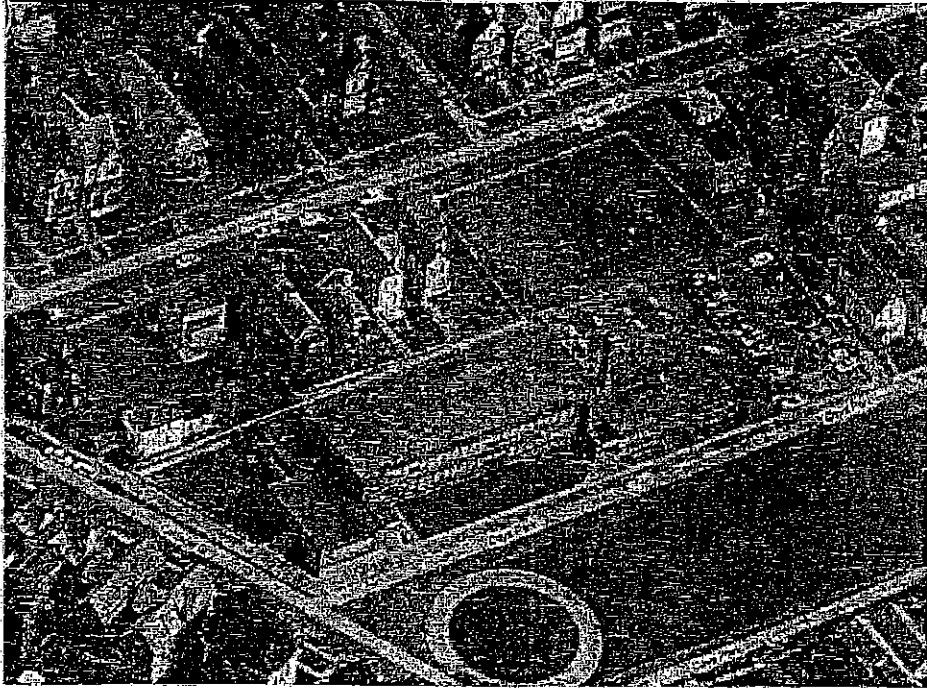
Utilities: All Public
Lot Size: 1.5
Building Size: 37,076
Price Per SqFt: \$14.83

Verification: G'tor, Deed, Public Records, File 7386, Grantor

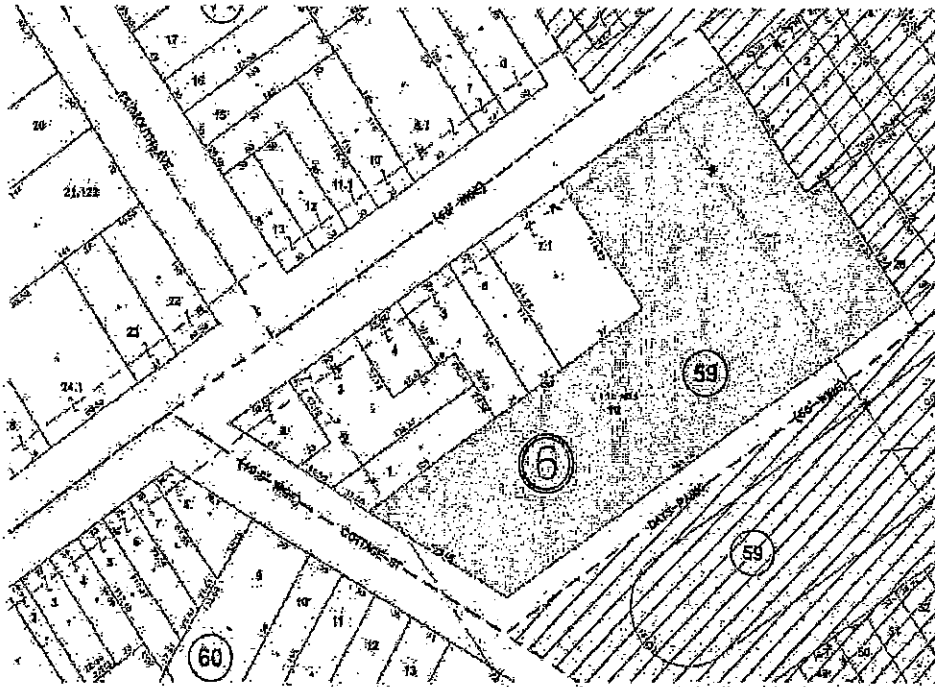
Date: 11/29/2011

Remarks: Sale is of a 1 & 2 story, brick & masonry, elementary school, built in 1957 & closed in 2008; fair/avg condition at the time of sale. Parking for 55± vehicles is provided by 2 areas to the north & an additional lot west, off Hudson St. Interior consists of 2 main entrances with vestibules, a 3rd entrance with vestibule, gymnasium, lunch room, kitchen, library, gender lavatories, faculty lounge & offices. The 1st floor has 8 classrooms including 2 large kindergarten rooms. The 2nd flr, accessed by 2 stairwells, consists of 11 classrooms and gender lavatories. There is a partial basement housing a boiler room, storage rooms, maintenance office, & meter & electrical room. Most of the building is on a concrete slab foundation. Parcel is L shaped on the northwest corner of Days Pk (385' frontage) & Cottage St (126' frontage) with additional frontage on Hudson St (151' frontage). According to the NYS DEC, there is a 9,000 gallon underground fuel storage tank installed in 1957. Building land ratio 1 to 3.1. Deed provides G'tor with revision rights if property is not used as a school for 6 consecutive months, 50 yr term.

Comparable Sale #5



Aerial Photograph



Tax Map

Comparable Sale #6

Class Code: 612 Schools



Address: 2408-2458 Main Street & 27 Jewett Pkwy (2)
City: Buffalo County: Erie
Description: Urban Commercial

State: NY

Sale Price: \$820,000
Contract Date:
Deed Recorded: 10/31/2011

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

Financing: Cash or Equivalent Financing
Grantor: Mount St. Joseph Academy
Grantee: 7170 Group, LLC

Tax Map Number: 89.43-2-18, 19, 20, 21 & 22
Liber: 11210
Page: 9670

Taxes: N/A
Assessment: N/A
Zoning: C1 & R2

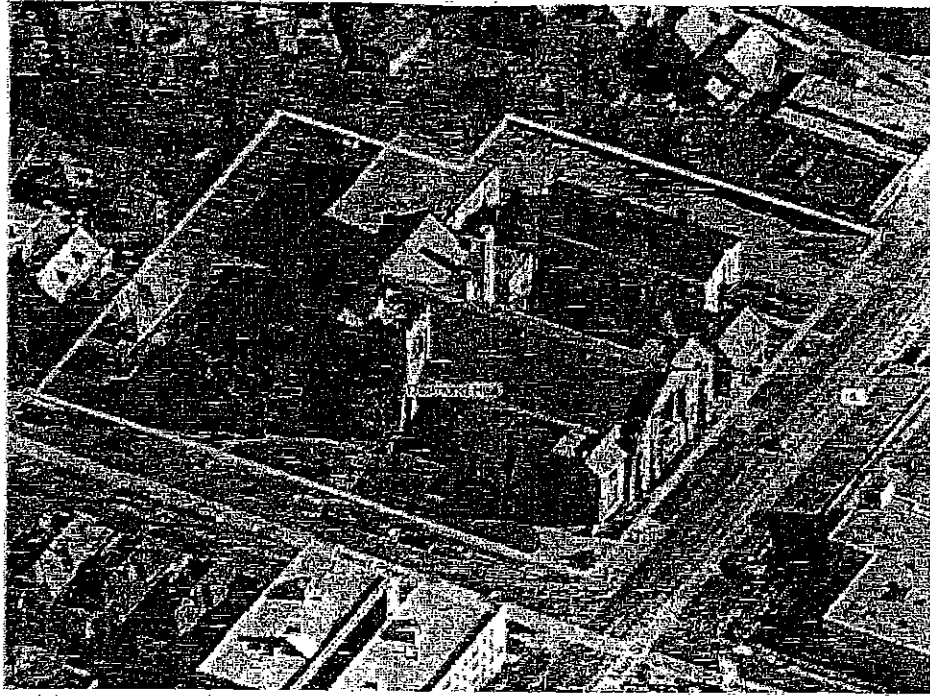
Utilities: All Public
Lot Size: 1.95
Building Size: 48,080
Price Per SqFt: \$17.05

Verification: Deed, Public Records, G'tee

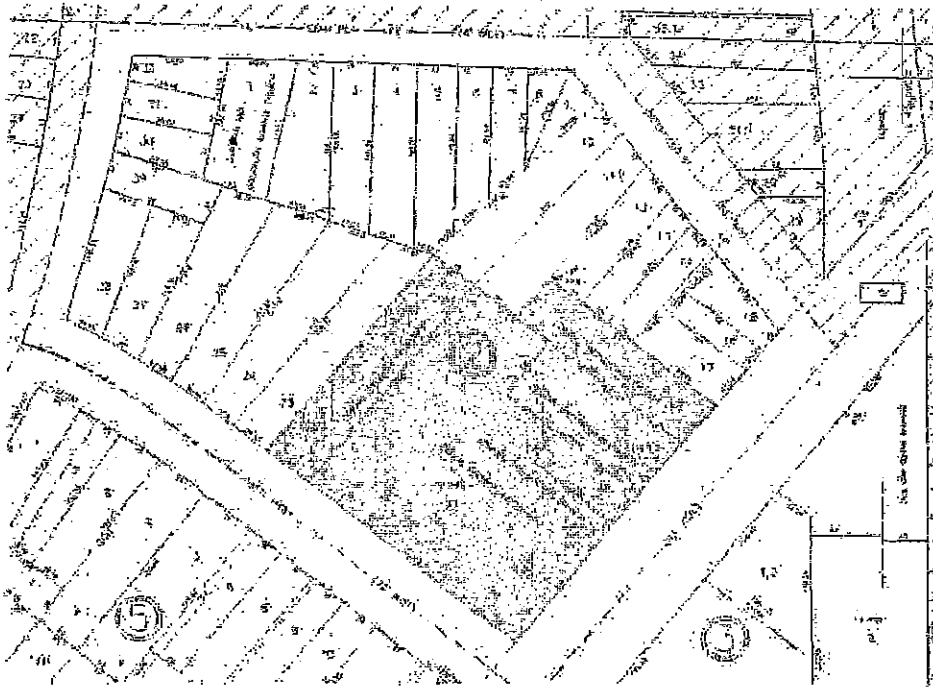
Date: 07/02/2012

This is the sale of a church complex, situated on the northwest corner Jewett Parkway. 300' frontage on both Main St. & Jewett Parkway. Sale included 5 parcels with SBL #'s 89.43-2-18, 89.43-2-19, 89.43-2-20, 89.43-2-21, 89.43-2-22. Improvements include a 900 seat church with attached school (36,257± SF), a 4,887± SF community building (former Masonic Lodge), 4,238± SF office building and 2,698± SF three-unit residence with attached garage on Jewett Parkway. Each structure was built between 1900 and 1920 and each has a full basement. Paved parking for 76 cars. Building to land ratio 1 to .89. Central Presbyterian, who moved in December 2006 to worship at First Presbyterian Church on Symphony Circle, have been trying to sell their five buildings since early 2006. The Central Presbyterian property became available after Savarino Construction Services Corp. backed away from a \$1.37 million deal with the church in 2006. Because of Canisius College's purchasing of their former facility (2061 Main Street) Mount St. Joseph Academy had to move out, and offered \$930,000 for the property.

Comparable Sale #6



Aerial Photograph



Tax Map

IMPROVED SALES LOCATION MAP:



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

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Adjustment Grid:

File #: 7877 DSA Map 7

	SUBJECT	SALE NO. 1	SALE NO. 2	SALE NO. 3	SALE NO. 4	SALE NO. 5	SALE NO. 6
ADDRESS	825 Busti Buffalo	1091-1115 Main Buffalo	1040 Delaware Buffalo	304-J10 North Street Buffalo	1140 Ellicott Buffalo	40 Days Park Buffalo	2408 Main Buffalo
SALE PRICE:		\$170,000	\$400,000	\$1,600,000	\$849,000	\$550,000	\$820,000
PROPERTY RIGHTS:	Fee Simple	\$0	\$0	\$0	\$0	\$0	\$0
FINANCING:	Cash or Equiv. Financing	\$0	\$0	\$0	\$0	\$0	\$0
CONDITIONS:	Normal	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED PRICE:		\$370,000	\$400,000	\$1,600,000	\$849,000	\$550,000	\$820,000
DATE:	Jun-12	Jul-09	Apr-08	Jun-10	Apr-11	Nov-11	Oct-11
ADJUSTMENT:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TIME ADJ. PRICE:		\$370,000	\$400,000	\$1,600,000	\$849,000	\$550,000	\$820,000
UNIT PRICE:	Per Sq. Ft.	\$12.96	\$11.98	\$12.38	\$15.88	\$14.83	\$17.03
LOCATION:	Mixed use comm & residential	Similar	Similar	Similar	Similar	Similar	Superior
ADJUSTMENT:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$3.41)
BUILD>LAND RATIO:	60,203 SF; 1 to 1.14	55,321 sf; 1 to 1.21	40,511 sf; 1 to 1.21	93,218 sf; 1 to .2	60,984 sf; 1 to .63	65,340 sf; 1 to 3.1	84,942 sf; 1 to .89
SITE UTILITY/PARKING:	Average 50 cars	Average 21 cars	Average 21 cars	Average 70 cars	Average 70 cars	Average 55 cars	Average 76 cars
ADJUSTMENT:	1 per 789 sf GBA	\$1.58	\$1.89	\$2.10	\$0.00	(\$0.64)	(\$0.94)
BUILDING							
FACTORS							
TYPE/QUALITY:	Class "B"/Average	Class "B"/Average	Class "B"/Average	Class C good	Class "B"/Average	Class "B"/Average	Class "B"/Average
ADJUSTMENT:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SIZE:	38,425SF	28,560	33,376	124,247	53,447	37,076	48,080
ADJUSTMENT:		\$0.00	\$0.00	\$1.07	\$0.00	\$0.00	\$0.00
TYPE/FINISHES:	Interior Damaged no services	Interior Damaged	Interior Damaged	nursing home	school 50% refin	school	school & church
ADJUSTMENT:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BASEMENT/OTHER:	Yes / sprinkler lines	Basement none	Part Bsmt elev	part bsmt elev	garden level bsmt elev	basement none	basement 2 houses none
ELEVATOR:	Yes not functional						
ADJUSTMENT:		\$1.00	\$0.00	\$0.00	\$0.00	\$1.00	(\$1.07)
EFFECTIVE AGE/CONDITION:	30+ Years/Poor	30+ Years/Poor	45+ Years/Poor	30 Years/Fair	30 Years/average	35 Years/fair	40 Years/fair
ADJUSTMENT:		\$0.00	\$0.00	(\$2.15)	(\$4.07)	(\$1.80)	(\$0.29)
NET ADJUSTMENT:		\$2.58	\$1.89	\$1.02	(\$4.07)	(\$1.44)	(\$3.71)
ADJUSTED							
UNIT PRICE:		\$13.54	\$13.87	\$13.90	\$11.81	\$13.39	\$11.34
Improvement Allocations							
	SUBJECT	SALE NO. 1	SALE NO. 2	SALE NO. 3	SALE NO. 4	SALE NO. 5	SALE NO. 6
EST. LAND VALUE:		\$331,900	\$283,600	\$332,200	\$304,900	\$326,700	\$679,500
EST. PRICE BUILDING:	N/A	\$6,100	\$7.00	\$10.00	\$5.00	\$3.00	\$8.00
UNIT PRICE BUILDING:	N/A	\$1.33	\$3.49	\$5.37	\$10.18	\$6.02	\$2.92

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Adjustment Process:

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?

The differences between the comparable and the subject are adjusted from the comparable sale to the subject. The subject is always the basis in this process. If the comparable is inferior in some characteristic, then an upward adjustment is required. If the comparable is superior to the subject, a downward adjustment is required. After the comparable has been adjusted for each item of difference with the subject, an adjusted sale price is arrived at. The pattern of adjusted sale prices from all of the comparables serves as an indication of the value of the subject property.

Units of comparison (e.g. price per square foot, etc.) are used to facilitate the comparison of the subject and the comparable properties. Though very similar in most respects, the comparables and the subject do differ. It can be seen that some of the comparables are larger or small than the subject, or have different income generating capacities, etc. The use of these unit prices will aid in the analysis of the comparables.

What remains to be addressed are the actual elements of comparison which cause differences in prices. Elements of comparison are "the characteristics of properties and transactions that cause the prices paid for real estate to vary..."² The most common elements of comparison that are analyzed in the direct sales comparison approach are: real property rights, financing terms, conditions of sale, market conditions (referred to as time), location, land and site factors, physical building characteristics and functional utility.

Real Property Rights Conveyed:

The purchase price of a property is always based on the real property rights that are conveyed. The interest being appraised in this analysis is the fee simple estate. All of the sales reflect the transfer of similar rights and no adjustments were necessary. Sale 5 is a restricted fee due to a reverter clause but this does not appear to have affected pricing.

Financing Terms:

The purchase price of a property may differ from that of a seemingly identical property due to the difference in the way the acquisition was 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 sale price of a comparable with non-market financing is adjusted to reflect atypical market terms. All of the sales involved conventional financing or its equivalent. No adjustment is required for this element of comparison.

²Ibid., p. 140.

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Conditions of Sale:

This category 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 were informed or advised and that a reasonable amount of time was allowed for the exposure of the property in the market. If non-market conditions of sale exist, an adjustment must be made or the comparable must be disregarded. None of the grantors or grantees in any of the comparables transactions are believed to be related. Therefore, each sale is considered to be arm's length transaction and no adjustments are required.

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 affect on the prices paid for property. The subject market is in equilibrium with the existing supply meeting current demand. No adjustments have been made for market conditions due to the stable market over the past several years.

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 buildings configured similarly to the subject is the price per square foot of building area including land. All future adjustments will be made on this basis.

Location:

An adjustment for location is required when the locational characteristics of the comparable properties are different from those of the subject. The subject is similar to all sales except sale 6. This sale is adjusted down based on the sales location in the high demand North Buffalo area. The adjustment is 20%.

Building Land Ratio/Parking:

The subject has a floor area ratio of 1 to 1.14 and a 50 car parking lot. Each of the sales is inferior to the subject both with regard to parking with the exception of sale 4 which is similar. Since the surplus land is in essence what provides the parking, the parking is what serves as the basis of adjustment. The subject's parking ratio is 1 space per 789 square feet of gross building area. The following table illustrates the various parking situations for each of the comparables, the equivalent necessary to be equal to the subject and the difference between what exists and the respective sale versus the equivalent to be similar to the subject.

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Building Area	38,425	28,560	33,376	124,247	53,447	37,076	48,080
Spaces / ratio	50/784	21	21	70	70	55	76
Equivalent req.		36	42	157	68	47	61
Difference		-15	-21	-87	2	8	15

Given the subject's location considering land values and the value of parking, I have estimated parking spaces at \$3,000 each. Therefore sale one has a need for 15 additional spaces at \$3,000 is \$45,000 divided by the sales gross building area of 28,560 square feet indicates the adjustment of plus \$1.58.

In the case of sales two, three, five and six, the adjustment is calculated on the same basis. Sale four has a similar ratio to the subject and no adjustment is needed.

Building Factors:

Type/Quality:

The subject's improvement is an average quality, Class "B" buildings. The subject and sales reflect similar type improvements; when considering prospective remodeling projects, therefore no adjustments were required.

Size:

The size adjustment is made based upon the premise that a smaller number of units will generally sell for more per unit than a larger volume of comparable units. The subject and sales 1, 2, 4, 5 and 6 are sufficiently similar so no adjustment is necessary. Sale 3 is significantly larger and is adjusted up 20% of its building unit price.

Type/Finish:

The subject's interior is severely damaged with utility services not functioning. The subject would require essentially a complete interior demolition to accommodate renovation work. Adjustments for these factors are reflected in the effective age and condition.

Basement / Other:

The subject buildings have a full basement and the former nursing home is equipped with elevators, although non-functional due to a lack of electric service. Each of the comparables also provides for a partial or full basement, therefore there is no adjustment for this factor. Regarding the elevators, sale 1, 5 and 6 lack an elevator service and each is adjusted upward by a factor of \$1.00/SF. The other sales have elevator and elevator shafts in place. Comparable 6 includes 2 residential dwellings, which is a negative adjustment based on a contributory of \$100,000 or \$2.08/SF. In the case of sale 6, the net adjustment is minus \$1.07.

DIRECT SALES COMPARISON APPROACH: (Cont'd.)

Effective Age/Condition:

The subject is indicated as having an effective age of 50 years and in poor not habitable condition. It is recognized that the subject's actual age is substantially greater than 50 years but from an appraisal perspective 50 years is a typical economic life of a facility before which major or complete overhauls of all interior finishes, mechanicals is required. The subject has reached that point and is possibly beyond. In that regard, sales 1 and 2 are similar since both were abandoned and acquired for redevelopment and/or repurposing of the existing facilities. It is also noted that comparable 1 includes a historic church or chapel which is not permitted to be demolished. These two sales do not require adjustment. Each of the other comparables although dated are superior to the subject with utility services still functional. These sales are adjusted down based on the difference and effective age at 2% per year of difference. Therefore in the case of sale 3, the difference in age is 20 years indicating an adjustment of 40%. This factor is applied to the sales allocated building unit price (\$5.37) as noted on the grid at the bottom of the column for sale 3, the adjustment is \$2.15. This same procedure is applied to sales 4, 5 and 6.

Reconciliation of the Direct Sales Comparison Approach:

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 physical, economic and locations aspects previously outlined in the Market Area Analysis and the Highest and Best Use Analysis. Six sales were selected from among those available and were analyzed. The comparables chosen are considered most indicative of the market for similarly configured buildings.

After adjusting for items of difference, the comparables range from a low of \$11.34 to a high of \$15.54 per square foot of gross building area including land. The mean sales price is \$13.31 per square of gross building area. Sales 3 and 5 required the least net adjustment. Sales 2 and 4 required only one adjustment each.

Based on elements of comparison of the sales as related to the subject property, the subject value is estimated at \$14.00 per square foot of gross building area, including land.

Applying the unit value indicator to the subject's gross building area develops an overall value as follows:

$38,425 \text{ Sq. Ft.} \times \$14.00/\text{Sq. Ft.} = \$538,000 \text{ (Rounded)}$

This value estimate is substantially greater than the land as if vacant when considering demolition.

The prior analysis develops a market value estimate of the property as currently developed. This demonstration, when contrasted with the land value as vacant, clearly indicates the market recognizes value in older building shells for renovation and or remodeling in this market.

Also considered in the final value conclusion by this approach is the fact that the chapel on the property appraised is a historic landmark, which precludes its demolition, adding greater creditability to the conclusion of value as currently improved.

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 Land as Vacant (less demolition)	\$355,000
Sales Comparison Approach Property as Improved	\$538,000
Cost Approach	NA
Income Approach	NA
Final Estimate of Market Value.....	\$538,000

The appraised property is improved with a former nursing home and chapel. The nursing home is in poor condition due to vandalism and general deterioration. The property is not habitable and would likely require complete new services to accommodate an occupant, in addition to a general gut and rehab.

The only applicable approach to the valuation of a property given these conditions is the direct sales comparison approach. In that regard the approach was developed to estimate market value of the land as if vacant (a hypothetical condition) and the value of the property as currently improved, using sales of other deteriorated buildings purchased for renovation.

The land analysis indicates land value if vacant to be \$767,600. To achieve this value, demolition cost of approximately \$412,100 would be required indicating a net value of the land as is at \$355,000.

This analysis demonstrates that, despite the current building condition, the value of the improved property exceeds the value of the land considering the demolition that is necessary to clear the land. Therefore, the highest and best use is for renovation rather than demolition. Furthermore, the chapel that is located on the property is a Buffalo landmark which precludes its demolition.

The income capitalization analysis was considered, however since the building is not rentable the approach is not developed.

Due to extensive damage and attendant depreciation, the cost analysis is not developed

Full consideration is given to the direct sales comparison approach as the only applicable 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:

FIVE HUNDRED THIRTY EIGHT THOUSAND DOLLARS

\$538,000

Addenda

Definitions of Significant Terms

Qualifications of Gregory C. Klauk

Zoning Excerpts

State Taking Maps

Marshall Valuation Cost Manual Excerpts

Demolition Costs Comparable

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.³

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.⁴

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).⁵

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.⁶

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).⁷

Leasehold Interest - The tenant's possessory interest created by a lease.⁸

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.⁹

Easement - The right to use another's land for a stated purpose.¹⁰

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.¹¹

³The Dictionary of Real Estate Appraisal, fifth edition, (Chicago, Illinois Appraisal Institute, 2010), Pg. 204

⁴Uniform Appraisal Standards for Federal Land Acquisitions (Yellow book), pg. 13.

⁵The Dictionary of Real Estate Appraisal, fifth edition, (Chicago, Illinois Appraisal Institute, 2010), Pg. 121-122

⁶Ibid. Pg. 78

⁷Ibid. Pg. 111

⁸Ibid. Pg. 111

⁹Ibid. Pg. 30

¹⁰Ibid. Pg. 63

¹¹Ibid. 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.¹²

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.¹³

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."¹⁴

Hydrology - the science dealing with properties, distribution and circulation of water".¹⁵

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".¹⁶

Hypothetical Condition - that which is contrary to what exists but is supposed for the purpose of analysis.¹⁷

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.).¹⁸

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.¹⁹

Perpetual (Permanent) Easement - An easement that lasts forever.²⁰

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.²¹

¹²Ibid. Pg. 63

¹³Ibid. Pg. 93

¹⁴US Department of Commerce, Corps of Engineers Wetlands Delineation Manual, January, 1987, Final Report (National Technical Information Service, Technical Report Y-87-1), Page A6.

¹⁵Ibid. Pg. A6

¹⁶Ibid. Pg. A6

¹⁷The Appraisal Standard Board, The Appraisal Foundation, USPAP 2008-2009 Edition, p. U-3.

¹⁸The Dictionary of Real Estate Appraisal, fifth edition, (Chicago, Illinois Appraisal Institute, 2010), Pg. 106

¹⁹Ibid. p. 103

²⁰Ibid. Pg. 145

²¹Ibid. Pg. 188

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

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.²²

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.²³

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.²⁴

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.²⁵

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.²⁶

"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 polyrrhiza*), and watermeal (*Wolffia* spp.);

²²Ibid. Pg. 189

²³Ibid. Pg. 195

²⁴US Department of Commerce, Corps of Engineers Wetlands Delineation Manual, January, 1987, Final Report (National Technical Information Service, Technical Report Y-87-1), Pg. A6

²⁵The Dictionary of Real Estate Appraisal, fifth edition, (Chicago, Illinois Appraisal Institute, 2010), Pg. 191

²⁶Ibid. 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).²⁷

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.

²⁷Environmental Conservation Law, Article 24, Freshwater Wetlands, 24-0107 Definitions, Pg.3

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 I, 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 KLW Municipal Inc. a Mass Valuation Appraisal Company; Principal and Vice President KLW 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. 7
PARCEL NO. 7
SHEET 1 OF 2 SHEETS

XXXXX

MAP REFERENCE INFORMATION:

City of Buffalo,
Part of Block 185 and more

Parcel Locator Point:
Parcel No: 7
N: 1058966.85
E: 1063862.39

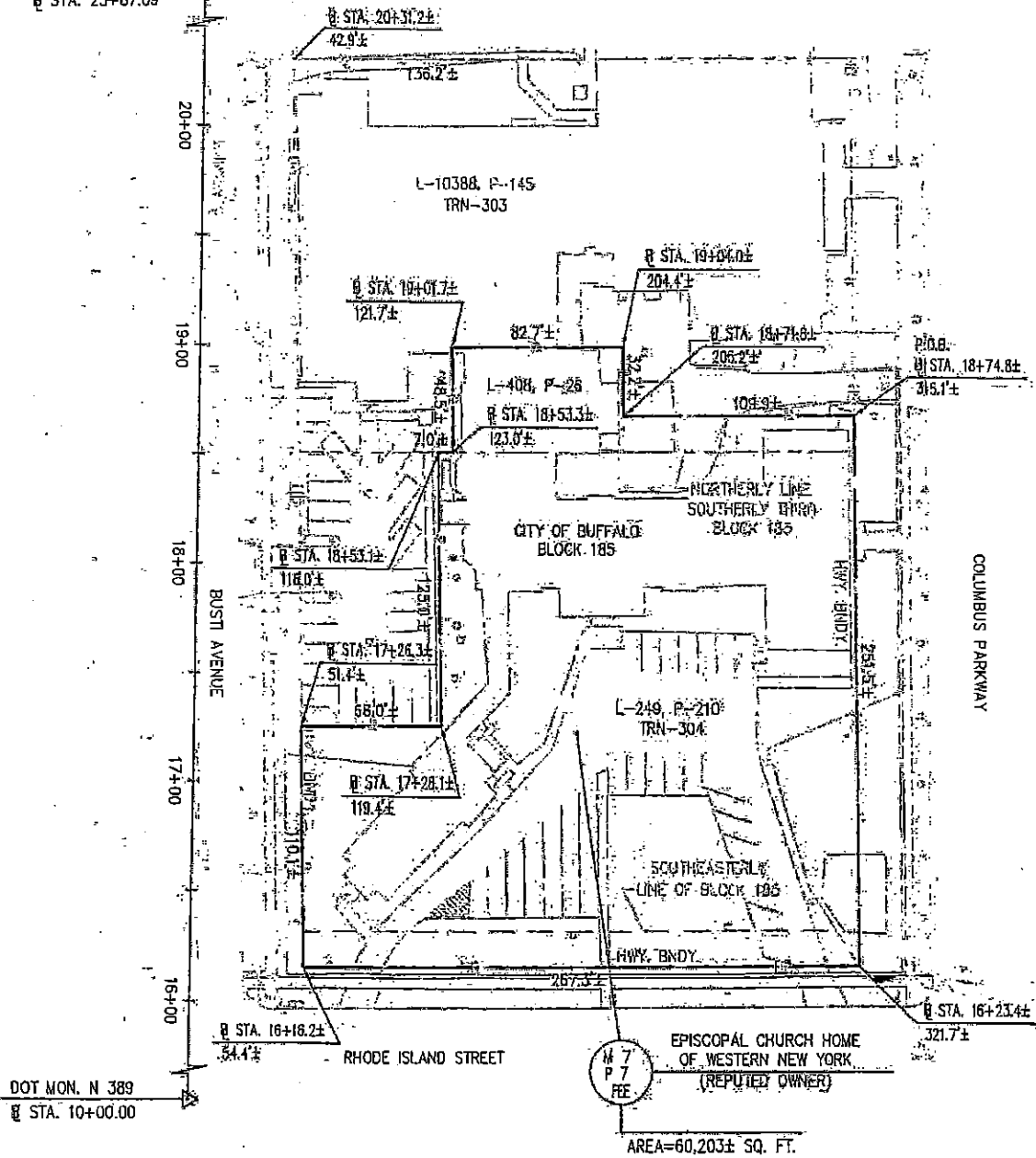
EPISCOPAL CHURCH HOME OF
WESTERN NEW YORK
(REPUTED OWNER)

GGD L-249 P-210
GGD L-408 P-26
TRN 304

PARCEL SUMMARY:
Type: FEE

Portion of 2011 Tax
Map SBL No. 99.65-5.11
City of Buffalo
County of Erie
State of New York

DOT MON. 8FEPBA1
B STA. 23+87.09



DOT MON. N 389
B STA. 10+00.00

GRAPHIC SCALE



(IN FEET)
1 inch = 50 ft.

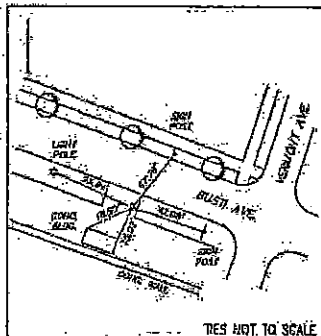
DRAFT

NEW YORK STATE
DEPARTMENT OF TRANSPORTATION
ACQUISITION MAP

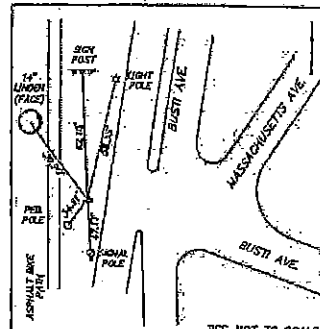
MAP NO. 7
PARCEL NO. 7
SHEET 2 OF 2 SHEETS

XXXX

PIN XXXX.XX



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



CONTROL POINT BFEPA1
@ 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 and more, of the former South Village of Black Rock and more particularly described as follows:

BEGINNING at a point on the southwesterly line of Columbus Parkway (99 feet wide), said point being 315.1 feet more or less, measured at right angles from station 18+74.8 more or less of the survey baseline; thence southeasterly along said line a distance of 251.5 feet more or less, to a point on the northwesterly line of Rhode Island Street (66 feet wide), said point being 321.7 feet more or less, measured at right angles from station 16+23.4 more or less of the survey baseline; thence southwesterly along said northwesterly line of Rhode Island Street a distance of 267.3 feet more or less to a point on the northeasterly line of Busti Avenue (99 feet wide), said point being 54.4 feet more or less, measured at right angles from station 16+16.2 more or less of the survey baseline; thence northwesterly along said northeasterly line of Busti Avenue a distance of 110.1 feet more or less to a point, said point being 51.4 feet more or less, measured at right angles from station 17+26.3 more or less of the survey baseline; thence northeasterly 68.0 feet more or less to a point, said point being 119.4 feet more or less, measured at right angles from station 17+28.1 more or less of the survey baseline; thence northwesterly 125.0 feet more or less to a point on the northerly line of the southerly third of Block 185, said point being 116.0 feet more or less, measured at right angles from station 18+53.1 more or less of the survey baseline; thence northeasterly along said northerly line of the southerly third of Block 185, a distance of 7.0 feet more or less to a point, said point being 123.0 feet more or less, measured at right angles from station 18+53.3 more or less of the survey baseline; thence northwesterly a distance of 48.5 feet more or less to a point, said point being 121.7 feet more or less, measured at right angles from station 19+01.7 more or less of the survey baseline; thence northeasterly a distance of 82.7 feet more or less to a point, said point being 204.4 feet more or less, measured at right angles from station 19+04.0 more or less of the survey baseline; thence southeasterly a distance of 32.2 feet more or less to a point, said point being 205.2 feet more or less, measured at right angles from station 18+71.8 more or less of the survey baseline; thence northeasterly a distance of 109.9 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

Patrick Bannison
Director, Office of Right-of-Way

PREPARED BY: G. KOSTER CHECKED BY: M. ANDREWS FINAL CHECK BY: _____

REMEDICATION COSTS

SECTION 06 PAGE 11
December 2011

DEMOLITION

Costs presented are average costs of removal per square foot of total building floor area, except as noted, including loading and hauling, but not dump fees. It is also assumed that the materials have no salvage value. For individual unit costs, see prior page.

Costs for removal vary greatly depending on the size and complexity of the job and extent of contamination regarding hazardous materials. The following cost ranges are in some cases based on one or only a few removal projects and should be considered as very rough guides. Due to the number of variables involved, we would suggest that, wherever possible, survey, bid or contract costs be obtained.

BUILDING DEMOLITION

(Cost range per square foot)

Class A:	\$4.79 - \$7.05	Class D:	\$3.21 - \$ 4.95
Class B:	6.25 - 8.60	Class S:	2.90 - 4.79
Class C:	3.79 - 5.65	Gutting only:	6.65 - 20.80
Small residences, total cost (approximately 1,000 - 1,500 sq. ft. per floor):			
1-story:	\$3,225 - \$7,550	2-story:	\$4,300 - \$10,400
		3-story:	\$5,700 - \$12,500

SEISMIC RETROFITTING

EARTHQUAKE (HURRICANE) REINFORCEMENT: Complete foundation anchorage retrofit for small (approximately 1,000- to 1,500-square-foot) raised-floor residences cost \$3,050 to \$6,050.

UNIT COSTS

	COST RANGE
Sill plate anchors (6" o.c.), each	\$ 38.75 - \$ 55.00
Rim joist anchoring (2' o.c.), each	29.00 - 44.75
Pier joist straps, each	25.50 - 59.00
Cripple, shearwall sheathing, per sq. ft.	1.58 - 3.11
Truss/rafter ties, each	38.75 - 62.00
Beam anchors, each	55.00 - 120.00
masonry construction	230.00 - 470.00

MISCELLANEOUS

HOUSE LIFTING (elevated above flood plain): Cost \$7,750 - \$14,400 for raised floor to \$20,800 - \$34,500 for slab on grade residences. Add \$8,500 - \$17,100 for fill foundation, \$16,900 - \$27,900 for full-story raised substructure.

HOUSE MOVING (excluding new foundations or utilities): Cost \$11,900 - \$21,600 for a one-story residence (approximately 1,000 to 2,000 square feet), and \$9,650 - \$16,100 for a two-story residence (ground floor area of 500 to 1,000 square feet) up to a 5-mile distance. For masonry structures, add 50%.

MARSHALL VALUATION SERVICE

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The data included on this page becomes obsolete after update delivery, scheduled for Dec. 2013.

swiftestimator.com - building cost reports online
12/2011

HAZARDOUS MATERIAL REMOVAL

RADON REMOVAL: Residential basement ventilation retrofit costs \$925 - \$1,400 for a passive exhaust pipe ventilation system plus \$315 - \$525 for active fan and alarm.

ASBESTOS REMOVAL:	LOW COST	AVERAGE	GOOD	HIGH COST
Full abatement	\$21.90	\$29.75	\$40.50	\$55.00
Spot removal	8.60	11.40	15.10	20.50
Encapsulation	1.58	2.05	2.69	3.48

LEAD REMOVAL:

Full abatement	\$9.25	\$11.80	\$15.10	\$19.60
Spot removal	7.90	9.25	11.10	13.20
Encapsulation	2.74	3.48	4.48	5.80

GRAFFITI REMOVAL:

	\$1.05	\$1.26	\$1.42	\$1.58
--	--------	--------	--------	--------

SITE DECONTAMINATION: Biological soil remediation costs have averaged \$100 per cu. yd. for land treatment (filled soil-conditioning farming), \$180 per cu. yd. for bioventing vapor extraction (air stripping and soil treatment) to \$285 per cu. yd. for full bioreactor treatment (active slurry-aeration mixing), with costs having varied plus or minus 50%.

GROUND WATER CLEANUP: Pump and treat remediation costs have averaged \$1.11 to \$1.16 per gallon treated per year while permeable reactive barrier treatment systems averaged \$1.47 to \$1.00 per gallon treated per year, with costs having varied plus or minus 50%.

STORMWATER MANAGEMENT

(Costs include trenching and backfill)

COST RANGE

UNIT COSTS	\$1.11 -	\$2.26
------------	----------	--------

Polyethylene chamber system, complete, per gallon	\$1.11 -	\$2.26
Chamber only (70 - 425 gallon), each	\$57.00 -	\$250.00
Pipe drainage system, 10", per linear foot	13.20 -	16.10
12"	15.30 -	18.40
24"	29.75 -	34.75
36"	52.00 -	57.00
48"	84.00 -	89.00
Blowhole detention system, cost per sq.ft.	4.16 -	6.90
Compost filter berm system, cost per linear foot	1.95 -	4.69

These multipliers bring costs from preceding pages up to date. Also apply Local Multipliers, Section 99, Pages 5 through 10.

CALCULATOR COST SECTIONS

SEGREGATED COST SECTIONS

(Effective Date of Cost Pages)	11 (11/10)	12 (8/10)	13 (5/12)	14 (2/12)	15 (11/11)	16 (8/11)	17 (5/11)	18 (2/11)	(Effective Date of Cost Pages)	41 (12/10)	42 (9/10)	43 (6/12)	44 (3/12)	45 (12/11)	46 (9/11)	47 (6/11)	48 (3/11)
EASTERN	A	1.08	1.09	1.03	1.02	1.04	1.05	1.07	1.08	A	1.08	1.09	1.03	1.02	1.04	1.05	1.07
	B	1.09	1.10	1.02	1.03	1.03	1.04	1.07	1.09	B	1.09	1.10	1.02	1.03	1.03	1.04	1.07
	C	1.07	1.07	1.03	1.03	1.05	1.05	1.07	1.06	C	1.07	1.07	1.03	1.03	1.05	1.05	1.07
	D	1.06	1.08	1.03	1.02	1.04	1.05	1.06	1.05	D	1.06	1.08	1.03	1.02	1.04	1.05	1.06
	S	1.09	1.08	1.04	1.03	1.04	1.04	1.04	1.08	S	1.09	1.08	1.04	1.03	1.04	1.04	1.08
CENTRAL	A	1.04	1.05	.99	1.00	1.00	1.01	1.02	1.03	A	1.04	1.05	.99	1.00	1.00	1.01	1.02
	B	1.03	1.04	.99	.99	1.01	1.00	1.01	1.03	B	1.03	1.04	.99	1.01	1.00	1.01	1.03
	C	1.04	1.05	1.00	1.00	1.01	.99	1.01	1.02	C	1.04	1.05	1.00	1.00	1.01	.99	1.01
	D	1.02	1.06	1.00	1.00	1.02	1.03	1.02	1.03	D	1.02	1.06	1.00	1.00	1.02	1.03	1.02
	S	1.02	1.04	.98	1.00	1.00	1.00	1.03	1.03	S	1.02	1.04	.98	1.00	1.00	1.03	1.03
WESTERN	A	1.04	1.07	1.02	1.03	1.03	1.02	1.04	1.03	A	1.04	1.07	1.02	1.03	1.03	1.02	1.04
	B	1.02	1.04	1.02	1.01	1.02	1.03	1.04	1.03	B	1.02	1.04	1.02	1.01	1.02	1.03	1.04
	C	1.03	1.05	1.00	1.02	1.01	1.02	1.02	1.04	C	1.03	1.05	1.00	1.02	1.01	1.02	1.04
	D	1.05	1.05	1.01	1.02	1.01	1.02	1.05	1.04	D	1.05	1.05	1.01	1.02	1.01	1.02	1.04
	S	1.03	1.03	1.02	1.01	1.00	1.04	1.04	1.02	S	1.03	1.03	1.02	1.01	1.00	1.04	1.02

UNIT-IN-PLACE COST SECTIONS (51 - 70)

Sec. Page	Date	Eastern	Central	Western	Sec. Page	Date	Eastern	Central	Western		
51 - 2-3	(3/11)	Concrete Foundations	1.06	1.03	1.04	61 - 1-8	(12/10)	Tanks	1.06	1.02	1.05
51 - 4	(3/11)	Pilings	1.07	1.02	1.04	62 - 1	(6/12)	Industrial Pumps & Boilers	1.02	.97	1.03
51 - 7-8	(3/11)	Steel and Concrete Frame	1.07	1.03	1.04	62 - 2-3, 6	(6/12)	Piping	1.02	.97	1.03
51 - 3-7	(3/11)	Wood Foundations, Frame	1.05	1.03	1.06	62 - 4	(6/12)	Electrical Motors	1.02	.97	1.03
52 - 1-4, 6	(3/11)	Interior Construction	1.06	1.04	1.04	62 - 5	(6/12)	Steel Stacks, Chutes	1.02	.97	1.03
52 - 5	(3/11)	Bank Vaults and Equipment	1.06	1.03	1.03	62 - 5	(6/12)	Masonry & Concrete Chimneys	1.01	.98	1.03
53 - 1-8	(6/11)	Heating, Cooling & Ventilating	1.04	1.02	1.04	62 - 6	(6/12)	Compactors; Incinerators	1.02	.97	1.03
53 - 9-12	(6/11)	Plumbing; Fire Protection, etc.	1.04	1.00	1.03	63 - 1-4	(9/10)	Trailer and Mfg. Housing Parks	1.05	1.03	1.07
54 - 1-6	(6/11)	Electrical, Security	1.03	1.05	1.02	63 - 5-10	(9/10)	Manufactured Housing	1.06	1.04	1.07
55 - 3-7	(8/11)	Wall Costs	1.01	.98	1.01	64 - 1-6	(3/12)	Service Stations, Car Washes	1.03	1.00	1.00
56 - 1-2	(8/11)	Stained Glass	1.02	.99	1.01	64 - 7-9	(3/12)	Prefabricated Metal Structures	1.02	.99	1.02
56 - 3-6	(8/11)	Storefronts	1.02	.99	1.01	64 - 7-8	(3/12)	Prefab. Wood & Air Structures	1.03	1.01	1.02
56 - 7	(8/11)	Stonework	1.01	.99	1.02	65 - 1-12	(3/12)	Equipment Costs	1.02	1.01	1.00
56 - 8	(8/11)	Columns, Stone & Concrete	1.01	.99	1.02	66 - 1	(12/11)	Subdivision Costs	1.03	1.01	1.03
56 - 8	(8/11)	Columns, Wood & Aluminum	1.01	.99	1.00	66 - 2-9	(12/11)	Yard Improvements	1.03	1.00	1.04
57 - 1-6	(9/11)	Roofs	1.03	1.01	1.02	66 - 10-11	(12/11)	Demolition & Remediation	1.03	1.02	1.04
58 - 1	(9/11)	Cold Storage	1.04	1.01	1.04	67 - 1-2	(12/11)	Golf Courses	1.02	1.02	1.02
58 - 2-8	(9/11)	Elevators, Conveying Systems	1.04	1.01	1.02	67 - 3-7	(12/11)	Recreational Facilities	1.03	1.02	1.04
					70 - 1-42	(1/12)	Green Section	1.01	1.01	1.03	

This page supersedes the June 2012 Green Supplement.

LOCAL MULTIPLIERS

Apply to costs brought up-to-date from preceding pages. Do not apply to Section 98 or any other indexes.

UNITED STATES

CLASS	A	B	C	D	S	CLASS	A	B	C	D	S	CLASS	A	B	C	D	S
NEW JERSEY						NEW YORK CITY AREA						OHIO (Continued)					
Asbury Park	1.20	1.19	1.19	1.18	1.19	Bronx	1.43	1.41	1.43	1.47	1.42	Lima	.99	1.00	.98	.96	.98
Atlantic City	1.17	1.16	1.16	1.17	1.16	Brooklyn	1.41	1.40	1.42	1.45	1.40	Lorain County	1.06	1.05	1.06	1.06	1.06
Bayonne	1.32	1.31	1.33	1.34	1.31	Manhattan	1.43	1.42	1.43	1.47	1.42	Mansfield	1.01	1.01	.98	.98	.99
Camden	1.22	1.21	1.20	1.20	1.18	Nassau County	1.42	1.41	1.42	1.46	1.41	Marion	1.01	1.01	.98	.98	.99
Clifton	1.30	1.29	1.29	1.29	1.26	Orange County	1.27	1.26	1.27	1.29	1.27	Midletown	.94	.94	.94	.94	.94
East Orange	1.30	1.29	1.29	1.29	1.26	Putnam County	1.29	1.27	1.29	1.33	1.27	Newark	1.03	1.04	1.01	1.00	1.01
Edison	1.30	1.29	1.29	1.29	1.26	Queens	1.41	1.40	1.42	1.45	1.41	Portsmouth	.93	.90	.91	.92	.93
Elizabeth	1.31	1.29	1.29	1.29	1.26	Rockland County	1.29	1.28	1.30	1.33	1.29	Springfield	.98	.97	.97	.97	.97
Fairlawn	1.31	1.30	1.29	1.30	1.27	Staten Island	1.34	1.33	1.32	1.37	1.32	Toledo	1.08	1.08	1.08	1.08	1.08
Hackensack	1.31	1.30	1.30	1.30	1.28	Suffolk County	1.42	1.41	1.42	1.46	1.41	Youngstown	1.10	1.09	1.07	1.06	1.08
Irvington	1.31	1.30	1.31	1.32	1.28	Westchester County	1.30	1.29	1.30	1.34	1.30						
Jersey City	1.32	1.31	1.30	1.31	1.27	Yonkers	1.43	1.42	1.43	1.47	1.42	OKLAHOMA	.90	.90	.91	.90	.89
Lakewood	1.17	1.16	1.17	1.18	1.15	Niagara Falls	1.17	1.17	1.14	1.17	1.15	Ardmore	.95	.95	.96	.94	.92
Morristown	1.31	1.30	1.31	1.32	1.28	Plattsburgh	1.03	1.02	1.02	1.06	1.03	Bartlesville	.90	.90	.91	.89	.88
New Brunswick	1.30	1.29	1.29	1.30	1.26	Poughkeepsie	1.17	1.18	1.18	1.22	1.17	Enid	.85	.84	.96	.95	.95
Newark	1.32	1.31	1.32	1.34	1.29	Rochester	1.13	1.12	1.12	1.13	1.12	Lawton	.86	.87	.85	.85	.85
Passaic	1.30	1.29	1.29	1.29	1.26	Rome	1.05	1.05	1.05	1.09	1.05	Norman	.94	.94	.94	.93	.94
Paterson	1.31	1.30	1.29	1.30	1.27	Schenectady	1.08	1.06	1.07	1.12	1.08	Oklahoma City	.94	.94	.94	.93	.94
Plainfield	1.19	1.18	1.19	1.18	1.16	Syracuse	1.12	1.11	1.13	1.12	1.12	Tulsa	.93	.93	.94	.93	.92
Somerville	1.28	1.27	1.28	1.27	1.26	Troy	1.11	1.10	1.11	1.14	1.11						
Teaneck	1.31	1.30	1.30	1.30	1.27	Utica	1.05	1.05	1.06	1.09	1.05	OREGON	1.06	1.05	1.04	1.05	1.06
Trenton	1.27	1.26	1.26	1.26	1.24	Watertown	1.03	1.01	1.01	1.04	1.02	Albany	1.06	1.05	1.03	1.03	1.04
Vineland	1.20	1.19	1.19	1.20	1.20							Alamont	1.03	1.02	1.02	1.03	1.03
West Orange	1.29	1.28	1.28	1.29	1.24	NORTH CAROLINA						Asotia	1.05	1.05	1.03	1.03	1.03
						Asheville	.91	.92	.90	.91	.91	Bend	1.10	1.10	1.10	1.10	1.08
NEW MEXICO						Charlotte	.95	.96	.94	.93	.94	Coos Bay	1.04	1.04	1.03	1.04	1.03
Alamogordo	.95	.95	.95	.94	.94	Durham	.92	.93	.92	.93	.94	Corvallis	1.06	1.05	1.03	1.03	1.03
Albuquerque	.92	.92	.92	.89	.91	Fayetteville	.91	.93	.90	.92	.91	Eugene	1.12	1.11	1.10	1.09	1.10
Carlsbad	.93	.93	.93	.93	.92	Gastonia	.94	.93	.95	.93	.92	Grants Pass	1.05	1.04	1.03	1.04	1.05
Clovis	.99	.99	.98	.93	.99	Greensboro	.90	.91	.88	.90	.90	Klamath Falls	1.03	1.02	1.02	1.03	1.03
Farmington	1.02	1.01	1.00	.99	1.01	Greensboro	.95	.97	.95	.94	.94	Medford	1.06	1.06	1.06	1.07	1.06
Gallup	.94	.92	.92	.93	.93	Hickory	.87	.89	.86	.88	.87	North Bend	1.04	1.04	1.03	1.05	1.03
Hobbs	.92	.92	.92	.93	.91	Jacksonville	.88	.89	.88	.90	.88	Pendleton	1.09	1.08	1.08	1.10	1.07
Las Cruces	.97	.96	.96	.95	.96	Raleigh	.89	.91	.87	.88	.89	Portland	1.09	1.09	1.08	1.09	1.07
Los Alamos	.99	.99	.99	1.00	.98	Rocky Mount	.94	.95	.92	.93	.94	Roseburg	1.03	1.02	1.01	1.02	1.03
Portales	.92	.91	.90	.90	.91	Wilmington	.90	.92	.88	.90	.90	Salem	1.08	1.08	1.05	1.06	1.05
Roswell	.98	.98	.96	.93	.98	Winston-Salem	.89	.96	.94	.96	.96	Springfield	1.03	1.02	1.02	1.03	1.03
Santa Fe	.98	.99	1.00	1.00	.97							The Dalles	1.10	1.10	1.07	1.07	1.07
Taos	1.07	1.08	1.10	1.11	1.07	NORTH DAKOTA						PENNSYLVANIA					
						Bismarck	1.03	1.01	1.01	.97	1.03	Allentown	1.12	1.08	1.08	1.07	1.08
NEW YORK						Fargo	1.03	1.02	1.02	1.01	1.03	Altoona	1.18	1.19	1.16	1.18	1.12
Albany	1.08	1.07	1.09	1.11	1.08	Grand Forks	1.01	.99	.98	.94	1.00	Bethlehem	1.14	1.14	1.12	1.11	1.12
Amsterdam	1.07	1.06	1.08	1.12	1.07	Jamestown	1.01	.99	.99	.94	1.01	Easton	1.13	1.15	1.12	1.13	1.08
Auburn	1.05	1.03	1.04	1.07	1.04	Mandarin	1.02	1.01	.98	.94	1.02	Erie	1.12	1.11	1.12	1.11	1.09
Binghamton	1.04	1.04	1.03	1.06	1.03	Minot	1.08	1.06	1.06	1.05	1.08	Harrisburg	1.11	1.09	1.08	1.06	1.10
Buffalo	1.17	1.18	1.18	1.19	1.17	Williston	1.01	1.00	1.00	.95	1.01	Johnstown	1.11	1.10	1.11	1.09	1.07
Elmira	1.03	1.02	1.02	1.05	1.03	OHIO						Lancaster	1.11	1.09	1.08	1.07	1.07
Ithaca	1.03	1.02	1.03	1.06	1.03	Akron	.99	.99	1.00	.98	.99	Norristown	1.27	1.26	1.27	1.28	1.24
Kingston	1.07	1.07	1.07	1.08	1.07	Canton	1.04	1.03	1.04	1.05	1.03	Philadelphia	1.27	1.26	1.27	1.28	1.24
						Cincinnati	1.01	1.01	1.00	.99	1.00	Pittsburgh	1.14	1.13	1.12	1.12	1.12
						Cleveland	1.08	1.07	1.08	1.08	1.08	Reading	1.15	1.15	1.14	1.14	1.09
						Columbus	1.04	1.05	1.03	1.02	1.03	Scranton	1.10	1.08	1.08	1.08	1.09
						Dayton	1.04	.98	.99	.99	.97	State College	1.09	1.07	1.07	1.07	1.07
						East Liverpool	1.08	1.08	1.10	1.08	1.06	Wilkes-Barre	1.09	1.07	1.07	1.07	1.08
						Hamilton	.94	.92	.96	.95	.94	Williamsport	1.08	1.06	1.06	1.05	1.08
												York	1.12	1.10	1.09	1.07	1.11

Comparable Sale #2

Class Code: 330 Vacant Commercial



Address: 33 High Street
City: Buffalo
Description: Medical Corridor

County: Erie

State: NY

Sale Price: \$1,900,000
Contract Date: 03/2010
Deed Recorded: 06/30/2010

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

Financing: Cash or Equivalent Financing
Grantor: Langston Hughes Institute
Grantee: 33 High Street, LLC

Tax Map Number: 100.79-4-1.2 (See below)
Liber: 11184
Page: 3136

Taxes: N/A
Assessment: N/A
Zoning: CM-General Comm.

Lot Size: 0.71
Price Per Acre: \$2,676,056
Price Per SqFt: \$61.43

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

Verification: Public Records, Grantor

Date:

This is the sale of five contiguous tax parcels (100.79-4-1.1, 1.2, 30, 31.11 and 31.12) four parcels are surface parking lots and one is improved with a three-story, 28,500 SF masonry building. The property is situated on the southeast corner of Washington Street, across the street from parcels owned by Kaleida Health and the grantees' (Ciminelli) company in the expanding Medical Campus. Overall site has 171.57' of frontage on the south side of High Street and 190' on the east side of Washington Street. Purchased for future development. Estimated cost to demolish and abate environmental issues and to level site is \$336,000.