



**R.P. Hubbell and Company, Inc.**  
*Market Analysts and Real Estate Appraisers*

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**MAIN OFFICE**

3 Neptune Road, S-400 • Poughkeepsie, NY 12601  
(845) 454-6525 • (845) 454-6359 (F)

**NORTHERN NEW YORK OFFICE**

Chazy, NY 12921  
(518) 846-3322

[www.rphubb.com](http://www.rphubb.com)

Federal Tax ID 14-1811274



R. PETERS HUBBELL, JR., MAI, MRICS  
GRANT P. ACKERLY, MAI, CCIM

State Certified General Appraiser  
ANDREW WARD  
ANGELO LALLIS  
GORDON CASEMENT

State Certified Residential Appraiser  
CHARLES F. CARNELL

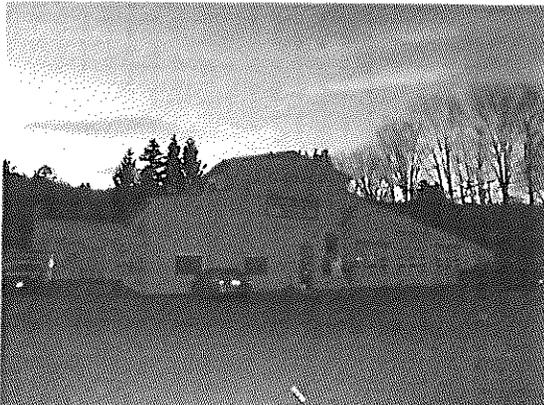
**RESTRICTED APPRAISAL:** *A written report prepared under Standards Rule 2-2(c), 8-2(c), or 10-2(b), (USPAP, 2012/2013 Ed.). A restricted use appraisal report is for client use only. The restricted use appraisal report should contain a brief statement of information significant to the solution of the appraisal problem. The appraiser is not responsible for unauthorized use of this report*

**SUBMITTED TO:**

**Town of Northeast  
C/O Warren S Replansky  
PO Box 659  
2990 Church Street  
Pine Plains, NY 12567**

**SUBJECT PROPERTY:**

**6073-6077 Rout 22  
Town of Northeast  
Dutchess County, New York**





**PURPOSE OF THE APPRAISAL:** The purpose of this appraisal is to provide an opinion of market value of the fee simple estate of the subject.

**INTENDED USE and USERS OF the REPORT;** assist the client, the Town of Northeast for a potential purchase price. If the report is used for other purposes, or by other parties it could be misleading, inaccurate, or insufficient for those purposes.

**DEFINITION OF MARKET VALUE:** *Market value* is defined by the federal financial institutions regulatory agencies as follows:

- A) The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.<sup>1</sup>

**INTEREST VALUED** The Market Value of the Fee simple estate of the subject property is defined as follows: *Absolute ownership unencumbered by any other interest or estate subject only to the four powers of government: ad valorem taxation, eminent domain, police power, and escheat.*<sup>2</sup>

**DATE OF INSPECTION:** November 14, 2013

**DATE OF VALUE:** November 14, 2013

**DATE OF REPORT:** November 29, 2013

**SCOPE OF WORK:** The scope of the appraisal encompasses the research and analysis necessary to prepare a report in accordance with the intended use, the Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. In completing this assignment, the appraiser:

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<sup>1</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), p. 222.

<sup>2</sup> *The Dictionary of Real Estate Appraisal*, Fifth Edition, The Appraisal Institute.

1. **Subject Property:** Inspected the property; examined assessor's records, tax maps, aerial maps and flood maps.
2. **Regional Description:** Examined demographic and economic trends for Dutchess County relating using various sources for information including the Experian/Applied Geographic Solutions powered by the Site to Do Business, Inc.
3. **Highest and Best Use:** Reviewed current zoning regulations, legal limitations, physical limitations and current market conditions to aid in determining the highest and best use.
4. **Appraisal Process:** Applied the Sales Comparison Approach which included an analysis based on sale price per square foot of gross building area, plus the Income Approach using Direct Capitalization to arrive at a value indication. The Cost Approach is not used due to the age and condition of the improvements and since market participants typically do not consider the Cost Approach

**HYPOTHETICAL CONDITIONS:** None

**EXTRAORDINARY ASSUMPTIONS:** None

**SUBJECT DESCRIPTION:**

Tax Map Reference:

Tax Map ID	Address	Acreage
7171-12-980713	6073 Route 22	2.79
7171-12-978734	6075-6077- Route 22	1.08

Site Area: 3.87 acres, according to survey dated May 23, 2008 by Lynden P Chase L.S.

Configuration: Irregular

Road Frontage: +/- 662.94' of frontage along the west side of Route 22 and +/- 243.41' of frontage along the west side of Old Grange Road

Topography: Mostly Level

Utilities: Private water and septic,

Flood Zone: Northeastern area of site in Zone AE special flood hazard areas; subject to inundation by the 1% annual chance of flood. Remaining area in Zone X, areas determined to be outside the 0.2% annual chance floodplain per comm-panel # 36027C0209E, dated May 2, 2012.

Wetlands: None noted

Zoning: HBIII-Highway Business III

Deed Restrictions or Easements: Easement for ingress and egress along the southern and western edge of parcel 7171-12-980713 for the benefit of the neighboring contiguous parcels with no impact on value.

Improvements: The two parcels are utilized as one economic unit. Parcel 7171-12-978734 is improved with a 13,056 square foot (SF) mixed use building in average condition consisting of warehouse space, office space, and a one bedroom apartment. Parcel 7171-12-980713 is improved with a 10,640 SF warehouse building in average to good condition with 10 bay doors.

Deferred Maintenance: The subject site requires new paving, according to the owner an estimated cost to repave the lot is approximately \$150,000 in line with cost estimates from Marshall Valuation Service.

Highest and best use as vacant: Industrial use

Highest and best use as improved: Truck sales and repair

**VALUATION:** An analysis of the property was conducted.

Indicated Value via Sales Comparison Approach: \$1,510,000

Indicated Value via Income Approach: \$1,580,000

**Opinion of Market Value, as improved: .....\$1,550,000**

## **ASSUMPTIONS & LIMITING CONDITIONS**

This appraisal report, the letter of transmittal, and the certification are made expressly subject to the following assumptions and limiting conditions, and any special limiting conditions contained in the report, which are incorporated herein by reference.

1. The legal description furnished is assumed to be correct. I assume no responsibility for matters legal in character, nor do I render any opinion as to the Title, which is assumed to be good and marketable. All existing liens and encumbrances, if any, have been disregarded and the property appraised as though free and clear, under responsible ownership and competent management.
2. The sketches in this report, if any, are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters.
3. I assume to be reliable the information which was furnished by others, but I assume no responsibility for its accuracy.
4. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose other than the intended use by the appraiser or the applicant without the previous written consent of the appraiser or the applicant, and then only with proper qualification.
5. I am not required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.
6. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building(s) must not be used in conjunction with any other appraisal and are invalid if so used.
7. No investigation has been made to determine if there are subsurface deposits of gas or minerals.
8. This appraiser very carefully inspected the building(s) involved in this appraisal report, and damage, if any, by termites, dry rot, wet rot, or other infestations was reported as a matter of information by your appraiser as I do not guarantee the amount of degree of damage.

9. All furnishings and equipment, except those specifically indicated and typically considered as a part of real estate have been disregarded by this appraiser. Only the real estate and necessary FF &E has been considered.
10. The comparable sales data relied upon in this appraisal is believed to be from reliable sources; however, it was not possible to inspect the comparable sales completely, and it was necessary to rely on information furnished by others as to said data. Therefore, the value conclusions are subject to the correctness and verification of said data.
11. The appraiser has inspected, as far as possible, by observation the land and the improvements thereon. However, it was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made herein as to these matters, and unless specifically considered in the report, the value estimate is subject to any such conditions that could cause a loss in value. Condition of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements, unless otherwise stated.
12. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the author, particularly as to valuation and conclusions and the identity of the appraiser or the firm with which he is connected.
13. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The appraiser is not qualified to detect such substances. We urge the client to retain an expert in this field, if desired.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No specific survey or analysis of this property has been conducted to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost to cure the property's potential physical characteristics, no comment can be made on compliance to ADA. A brief summary of the physical description is included in this report and in no way suggests or implies ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, any value estimate does not consider possible noncompliance. Specific study of both the owner's financial ability and the cost to cure any

deficiencies would be needed for the Department of Justice to determine compliance.

15. Many appraisals involve an inspection of the land and an exterior and interior inspection of the existing improvements by an appraiser on a walk-through basis. This type of inspection is not the equivalent of an inspection by a qualified engineer. We recommend the client have a qualified building inspection done prior to the disbursement of any loan funds. An appraiser's inspection should, at the minimum, be thorough enough to adequately describe the real estate in the appraisal report; develop an opinion of highest and best use, when such an opinion is necessary and appropriate; and make meaningful comparisons in the appraisal of the property.<sup>3</sup> This type of inspection is not the equivalent of an inspection by a qualified engineer. Therefore, no responsibility is assumed for such conditions as structural, mechanical, etc. that an inspection the equivalent of an engineer's would be required to discover. The client is urged to get an engineer inspection prior to the disbursement of any loan funds. Unless otherwise stated, the property is assumed to be building code compliant.
16. The property is considered and assumed to be under responsible ownership and competent management.

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3 Portions taken from USPAP 2010/11 e-edition Advisory Opinion AO-2

## CERTIFICATION

We certify that, to the best of our knowledge and belief:

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

The reported analyzes, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial and unbiased professional analyzes, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

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

Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

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

Angelo Lallis has made a personal inspection of the property that is the subject of this report.

We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

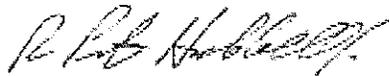
We certify that, to the best of our knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the code of professional ethics and standards of professional appraisal practice of the Appraisal Institute.

We certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, R. Peters Hubbell, Jr. has completed the requirements of the continuing education program of the Appraisal Institute.

As of the date of this report, Angelo Lallis has completed the standards and ethics requirement of the Appraisal Institute.

Date: November 29, 2013



Signature: R. Peters Hubbell, Jr., MAI  
*State Certified General Real Estate Appraiser No. 46..3185*



Signature: Angelo Lallis  
*State Certified General Real Estate Appraiser No. 46..50496*

**Attachments**  
Appraisers' Qualification





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State Certified Residential Appraiser  
CHARLES F. CARNELL

**QUALIFICATIONS OF  
R. PETERS HUBBELL, JR.**

**PROFESSIONAL DESIGNATIONS:**

**MAI** – Member Appraisal Institute; Appraisal Institute  
**MRICS** – Member Royal Institution of Chartered Surveyors

**CERTIFICATIONS and LICENSES:**

Certified General Real Estate Appraiser: New York State No. 46-3185  
Certified General Real Estate Appraiser: State of Connecticut No. RCG.990  
Certified General Real Estate Appraiser: State of Vermont No. 080-0000258  
Qualified General Real Estate Appraiser for NYS Department of Transportation

**MEMBERSHIPS:**

Appraisal Institute, Member #09808, Past President of Mid – Hudson Chapter  
American Society of Farm Managers and Rural Appraisers; Associate Member

**INSTRUCTOR:**

Former Associate Instructor; Appraisal Institute,  
Adjunct Instructor; Marist College and Dutchess Community College,

**SMALL CLAIMS ASSESSMENT REVIEW OFFICER:**

State of New York Unified Court System Third Judicial District

**GENERAL EDUCATION:**

**CORNELL UNIVERSITY** – Ithaca, New York – B.S. Agricultural Economics

**PROFESSIONAL EDUCATION:**

**Appraisal Institute:** *Standards of Professional Practice, Part B, 1991 and Part C, 1997; Advanced Income Capitalization, Course 510, 1993; Litigation Valuation Overview, Course 700, 1997; Standards of Professional Practice, Part C, 2002; Instructor Leadership & Development Conference, 2004;*

**CONTINUING EDUCATION –**

**Appraisal Institute:** "Case Studies in Commercial Highest and Best Use", 2000; "Appraisal of Local Retail Properties", 2001; "Dynamics of Office Building Valuation", 2001; "Feasibility Analysis, Market Value & Investment Timing", 2002; "Mathematically Modeling Real Data", 2004; "Subdivision Valuation: A Comprehensive Guide to Valuing Improved Subdivisions", 2005; "Valuation & Litigation Services SIG", 2006; "Feasibility, Market Value, Investment Timing; Option Value", 2009;  
**American Society of Farm Managers and Rural Appraisal (ASFMRA):** "Conservation Easement Valuation & Case Studies", April 2006; "Yellow Book, Uniform Appraisal Standards for Federal Land Acquisition", September 2006; "Valuation of Conservation Easement Certificate Program", May 2008  
**Other:** Lorman Education Services: "Real Estate Litigation in New York", 2002 "Conducting an Effective Cross – Examination in New York", 2002

**PROFESSIONAL EXPERIENCE:**

Engaged exclusively in the appraisal of real estate since 1980 concentrating in commercial, industrial, income producing properties, farms, land conservation and conservation easements.



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GORDON CASEMENT

State Certified Residential Appraiser  
CHARLES F. CARNELL

**QUALIFICATIONS OF  
ANGELO LALLIS**

**CERTIFICATION  
AND LICENSES**

New York State Certified General Real Estate Appraiser No. 46000050496

**MEMBERSHIPS**

Appraisal Institute, Associate Member #534733

**GENERAL EDUCATION**

State University of New York Empire State College, B.S. Business Management

**PROFESSIONAL EDUCATION**

*Basic Appraisal Principles, Course R-1, 2003; Basic Appraisal Procedures, Course R-2, 2003; Uniform Standards of Professional Appraisal Practice, 2003; AQ-1, Fair Housing, Fair Lending and Environmental Issues, 2003; Basic Income Capitalization, G-1, 2005; General Market Analysis and Highest and Best Use, G-4, 2009; Real Estate Finance Statistics, and Valuation Modeling, 2009; General Appraiser Sales Comparison Approach, G-5, 2009; General Appraiser Site Valuation and Cost Approach G-6, 2009; General Appraiser Income Approach, G-7, 2009; General Appraiser Report Writing and Case Studies, G-8, 2010*

**PROFESSIONAL EXPERIENCE**

**Appraiser, R.P. Hubbell and Company, Inc.**

2012-Present - Appraisal of real estate with emphasis on commercial properties

**Assistant Assessor, Town of Monroe, NY**

2010-2012 – Appraisal for assessment purposes of residential and commercial properties.

**Assistant Assessor, City of Newburgh, NY**

2005-2010 – Conducted annual revaluation of all commercial and residential properties

**Appraiser, Allied Appraisers**

2004-2005 – Appraisal of residential real estate

IMPROVED SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Building Size (SF)	Price/ SF
1.	2575 Route 55	12/01/2011	\$740,000	12,000	\$61.67
2.	2424 Route 44	04/06/2010	\$1,650,000	22,430	\$73.56
3.	344 Fishkill Ave	04/13/2011	\$1,050,000	9,600	\$109.38

## Improved Sale No. 1



### Property Identification

Record ID	1848
Property Type	400, 449 - Other storage, warehouse
Address	2575 Route 55, Beekman, Dutchess County
Tax ID	6759-00-702229

### Sale Data

Grantor	James McCarthy
Grantee	Fun Ventures LLC
Sale Date	December 01, 2011
Deed Book/Page	22011/6141
Verification	Buyer; Confirmed by Daniel Hubbell

Sale Price	\$740,000
Cash Equivalent	\$740,000

### Land Data

Land Size	1.690 Acres or 73,616 SF
Front Footage	250 ft Total Frontage: 250 ft Route 55
Zoning	TC, Town Center Business
Topography	Level
Utilities	Pri W & S

### General Physical Data

Building Type	Single Tenant
SF	12,000

<b>Construction Type</b>	Steel frame
<b>Roof Type</b>	Peak, metal
<b>Foundation</b>	Reinforced concrete slab
<b>Electrical</b>	600 amps
<b>HVAC</b>	Oil-fired hot air
<b>Sprinklers</b>	None
<b>Stories</b>	1
<b>Floor Height</b>	22
<b>Condition</b>	Avg
<b>Clear Span</b>	22
<b>Truck High Docks</b>	1 (12' x 12')
<b>Drive-in Doors</b>	2

**Indicators**

<b>Sale Price/ SF</b>	\$61.67
<b>Floor Area Ratio</b>	0.16

**Remarks**

Sale of 12,000 SF warehouse/showroom building. Front portion consists of 2,000 SF of showroom / office, with rear portion consisting of 10,000 SF of warehouse space. Warehouse space has 24' ceilings with 22' clear-span, and 4,000 SF of mezzanine space with reinforced concrete floors and 10' ceilings. There is one rear loading dock with a single 12' x 12' bay. Two additional drive-in bays of 12' x 8' and 8' x 12'. Electric is 600 amps total. HVAC is oil-fired forced hot air with AC in the showroom area. At the time of sale, there was minor cosmetic deferred maintenance to the showroom area. Overall condition of the building at time of sale was average.

The site is 1.69-acres in size, roughly rectangular, zoned Town Center District, with private well and septic. There is a 15-space parking lot.

Property was purchased by an owner-user for use as a retail rental outlet (Party Time Rentals).

## Improved Sale No. 2



### Property Identification

**Record ID** 1756  
**Property Type** 400 - commercial, 431 - Auto Dealer  
**Address** 2424 Route 44, Pleasant Valley, Dutchess County  
**Tax ID** 6564-02-529886 & 507860

### Sale Data

**Grantor** Ajob, LLC  
**Grantee** 2424 Route 44 Realty, LLC  
**Sale Date** April 06, 2010  
**Deed Book/Page** 22010/1633  
**Verification** Appraiser Source; Confirmed by Andrew Ward

**Sale Price** \$1,650,000  
**Cash Equivalent** \$1,650,000

### Land Data

**Land Size** 5.670 Acres or 246,985 SF  
**Front Footage** 771 ft  
**Zoning** C-1, Commercial  
**Topography** level  
**Utilities** private

### Improved Sale No. 3



#### Property Identification

**Record ID** 1921  
**Property Type** 400 - commercial, 431 - Auto Dealer  
**Property Name** Somerset Tire Service, Inc  
**Address** 344 Fishkill Ave, Beacon, Dutchess County, 12508  
**Tax ID** 6054-23-312940

#### Sale Data

**Grantor** JDC Limo LLC  
**Grantee** Somerset Tire Service, Inc  
**Sale Date** April 13, 2011  
**Deed Book/Page** 22011 / 1850  
**Verification** Confirmed by Grant Ackerly

**Sale Price** \$1,050,000  
**Cash Equivalent** \$1,050,000

#### Land Data

**Land Size** 1.400 Acres or 60,984 SF  
**Zoning** HI  
**Utilities** Public W&S, Gas, Electric

**Improved Sale No. 3 (Cont.)**

**General Physical Data**

<b>Building Name</b>	Showroom w/ Service
<b>Building Type</b>	Single Tenant
<b>SF</b>	9,600
<b>Year Built</b>	2003
<b>Condition</b>	Good
<b>Parking</b>	48

**Indicators**

<b>Sale Price/ SF</b>	\$109.38
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**Remarks**

Sale of former auto dealership. The property is improved with a 9,600 sf masonry structure w/mezzanine office. The building contains 24 foot ceilings and 12 foot high service doors. The property contains 48 parking spaces. The grantee indicated the property was sold beneath market value based on the high carrying costs. The building is in good condition. The building has subsequently been converted to an STS tire store.