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# **REAL ESTATE APPRAISAL REPORT**

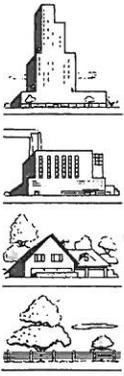
of property owned by  
**DUTCHESS COUNTY DIESELS, INC.**

situated at  
**6073 AND 6075-6077 NYS ROUTE 22  
TOWN OF NORTH EAST  
DUTCHESS COUNTY, NEW YORK**

as of  
**DECEMBER 27, 2014**

requested by  
**GARY FUNK**

prepared by  
**EMPIRE STATE APPRAISAL CONSULTANTS, INC.**



# ***ESAC***

EMPIRE STATE APPRAISAL CONSULTANTS, INC.

SIXTEEN HUDSON STREET KINDERHOOK, NEW YORK 12106  
518/758-7594 FAX/758-1993 esac@berk.com

January 16, 2015

Mr. Gary Funk  
6075 Route 22  
North East, NY 12546

Re: 6073 AND 6075-6077 NYS ROUTE 22  
TOWN OF NORTH EAST  
DUTCHESS COUNTY, NEW YORK

Dear Mr. Funk:

Pursuant to your request, we have made a personal inspection and have prepared an Appraisal Report of the captioned properties, for the purpose of estimating the market value of the fee simple interest in each. As a result of our investigation and analysis, it is our conclusion and opinion the market value of the fee simple interest, as of December 27, 2014, was

6073 ROUTE 22  
**NINE HUNDRED NINETY THOUSAND DOLLARS**  
**\*\*\* (\$990,000) \*\*\***

6075-6077 ROUTE 22  
**NINE HUNDRED TEN THOUSAND DOLLARS**  
**\*\*\* (\$910,000) \*\*\***

Our report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Foundation, the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers, and the Appraisal Institute. The following report will document and support our findings.

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## **EMPIRE STATE APPRAISAL CONSULTANTS**

Mr. Gary Funk, January 16, 2015, Page 2

If you have any questions, please do not hesitate to contact us. We appreciate being asked to serve in this matter.

Very Truly Yours,

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JEFFREY E. ROBINSON, MAI, SRA  
NYS Certified-General  
Real Estate Appraiser  
Certificate #46-37947



BARRY M. HERBOLD, ASA  
NYS Certified-General  
Real Estate Appraiser  
Certification #46-3453

JER/kgb  
Enclosure

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**SUMMARY OF IMPORTANT FACTS & CONCLUSIONS**

SUBJECT PROPERTY:        6073 Route 22  
    10,700 square feet, pre-engineered, light  
    industrial repair shop/truck garage

6075-6077 Route 22  
    15,166 square feet, pre-engineered, office / light  
    industrial shop

LOCATION:                        6073 and 6075-6077 NYS Route 22  
    Town of North East, Dutchess County, New York

OWNERSHIP:                    Dutchess County Diesels, Inc.

DATE OF VALUATION:        December 27, 2014

DATE OF INSPECTION:        December 27, 2014

PROPERTY RIGHTS  
 APPRAISED:                    fee simple estate

PURPOSE OF APPRAISAL:    estimate market value

HIGHEST & BEST USE:        light industrial for each property

VALUATION SUMMARY:	<u>6073</u>	<u>6075-6077</u>
Cost Approach	n/a	n/a
Sales Comparison Approach	\$990,000	\$910,000
Income Approach	n/a	n/a
Final Estimate of Value	\$990,000	\$910,000

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**APPRAISAL DEVELOPMENT AND  
REPORTING PROCESS**

This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained within the appraiser's file. The depth of the discussion contained in this report is specific to the needs of the client and for the intended use stated in the report. The appraiser is not responsible for unauthorized use of this report.

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### SCOPE OF WORK

The scope of the appraisal process consisted of:

- Identifying the property rights appraised and intended use of the appraisal.
- Analyzing the deed for ownership, property rights, easements and restrictions.
- A complete physical inspection of the subject property and disclosure of apparent defects or conditions which may indicate the need for additional inspections such as engineering, termite, environmental, etc.
- Analyzing the neighborhood and area for economic characteristics, life-cycle trends and market behavior.
- Research that may include recent comparable sales, offerings and rentals, analysis of local building costs, and analysis of net rental income and relating this information to the subject property so as to reliably estimate value.
- Analyze the highest and best use of the property as vacant land and as improved, if applicable.
- Define the appraisal problem and describe the valuation methods and procedures, which are both appropriate and inappropriate, and then apply the appropriate appraisal method(s) to the appraisal problem.
- Reconcile the value indications into a final estimate of value.

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## **DEFINITION OF VALUE**

### **MARKET VALUE**

Market value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and acting in what they considers their own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

### **PURPOSE OF APPRAISAL**

The purpose of this appraisal is to estimate the market value of the fee simple interest in the two adjacent properties owned by Dutchess County Diesels, Inc., as of December 27, 2014.

### **INTENDED USE AND INTENDED USERS**

Our client in this matter is Gary Funk, principal of Dutchess County Diesels, Inc. Intended users include Gary Funk, Edward Downey, Esq., members of the Town of North East town board and the town attorney. The intended use of the report is to facilitate in the sale of the subject property to the town.

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### **OWNERSHIP AND SALES HISTORY**

The property at 6075-6077 was acquired in 1979, while the adjacent property at 6073 Route 22, was acquired in 2005. There have been no other sales of the subject in the 3 years prior to this transaction.

### **LOCATION**

The subject parcels are located at 6073 and 6075-6077 Route 22, in the Town of North East, Dutchess County, New York, further identified as tax map parcels section 7171, block 12, lots 980713 and 978734, respectively.

### **FLOOD INFORMATION**

According to the Federal Emergency Management Agency flood maps, the area along the road frontage lies within a zone AE flood zone as a result of the Webatuck Creek. In addition, there is a NYS Freshwater Wetland checkzone toward the south side of the property.

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### AREA AND NEIGHBORHOOD DATA

Dutchess County is located in the central Hudson Valley, bordered by the Hudson River on the west and the Taconic Mountains and State of Connecticut to the east. The county is serviced by the Taconic State Parkway, which provides convenient access to New York City to the south and Capital District to the north via the Berkshire Spur of the New York State Thruway. The Town of North East is located in the northeast corner of the county along State Routes 22 and 44, which intersect in the Village of Millerton, which is surrounded by the town. The county has a diversity of terrain and development, with most of the population located in both the City of Poughkeepsie and its surroundings, and also in those towns along the southern boundary of the county, near Interstate 84. Extending to the north and east, the topography becomes more varied, with much lower density development, as these segments of the county are more mountainous and wooded, and less populated. The Taconic State Parkway, together with State Routes 9 and 22, all traverse the county from north to south, with the parkway toward the center and Routes 9 and 22 on the west and east sides, respectively. Although the northeast quadrant of the county is less populated, numerous county and town roads also radiate from these larger feeder roads. The extensive highway system provides a network that allows good access to a large geographic area and population base.

The area provides recreational facilities for tourists, vacationers, sportsmen and second-home owners. The county has a variety of state parks, together with several national historic sites.

According to the New York State Municipal Reference Guide, Dutchess County contains 826 square miles of land, and according to the 2010 census, has a population of 297,500, a 6.2% increase over its 2000 population of 280,150. As a result, there is a density of 360 people per square mile.

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The Town of North East had a stable 2010 population of 3,030, together with 1,630 total housing units and 1,260 occupied housing units, indicating an average household size of 2.4 individuals. There are 368 housing units that are vacant, representing 22.6%. Of the unoccupied homes, 249 are predominately for seasonal, recreational or occasional use.

While the county has a density of 368 persons per square mile, the Town of North East has approximately 70 people per square mile, demonstrating its rural nature.

The town is located to the northeast corner of Dutchess County and abuts Litchfield County, Connecticut to the east, Columbia County to the north, and a part abuts the state of Massachusetts at the northeast corner. The Taconic State Park is in the northeastern part of the town, and includes the adjacent Rudd Pond area. The town encompasses several hamlets and the Village of Millerton.

### **MARKET TRENDS**

The area has benefited from second and vacation home residential growth in recent years, and has retained a generally rural atmosphere, enjoying a two level market, consisting of the New York City metropolitan area second home market, as well as local area home buyers.

In order to measure trends in the local real estate market, statistical data for residential sales in Dutchess County were obtained from the New York State Association of Realtors (NYSAR) and the Office of Real Property Services (ORPS).

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NYSAR

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>3<sup>rd</sup> Qtr. 2014</u>
Number of Homes Sold	2,095	1,971	1,987	2,290	n/a
Median Sale Price	\$270,000	\$250,000	\$240,000	\$242,500	\$240,000
Percent Change in Price	(2%)	(7%)	(4%)	1%	(1%)

ORPS

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Number of Homes Sold	1,432	1,270	1,412	1,625	n/a
Median Sale Price	\$285,000	\$280,000	\$260,000	\$255,000	n/a
Percent Change in Price	0	(2%)	(7%)	(2%)	

MID-HUDSON MLS

	<u>December 2013</u>	<u>December 2014</u>
Number of Detached Homes Sold	97	168
Median Sale Price	\$248,000	\$250,000
Percent Change in Price		1%

Based upon these data, we conclude that the market realized declines in value of 1% during 2010, followed by a 5% decline each year during 2011 and 2012, followed by a 1% increase during 2013. Market data from the Mid-Hudson Multiple Listing Service indicates that the market has been level through 2014.

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## PROPERTY DESCRIPTION

### 6073 ROUTE 22

#### SITE

This site consists of a 2.79 acre irregularly shaped lot, with 492 feet of frontage on State Route 22. The parcel is generally level with a mild incline to the west side of the parcel where it fronts Old Post Road 1. The majority of the site is open, with a gravel driveway and parking lot, with lawn to the west and south of the building improvement. The site provides adequate room for vehicle maneuvering and parking/display. The property is served by a drilled well that reportedly provides 60 gallons per minute, located within a substantial concrete housing inside the building, with access provided via a manhole. A septic system is located toward the east side of the building. The land area results in a 11.4:1 land-to-building ratio.

#### IMPROVEMENTS

Type:	Light industrial - repair shop/truck garage, pre-engineered steel
Stories:	one on slab
Gross building area:	10,700 square feet
Constructed:	2000 and 2012
Foundation:	Poured concrete
Frame:	Steel on concrete footing
Roof:	Metal
Exterior:	Metal
Windows:	Thermopane insulated garage door windows
Interior:	The interior is divided into three sections. The main section of the building, built in 2012, is 62 by 100

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feet and has six 14 by 14 foot garage doors. This area has ceiling heights from 22 feet along the front and 20 feet at the rear. The next section has three, 10 by 12 foot garage doors and is used for bulk storage with a 20 foot ceiling height, while the last section is a single garage bay used for sand blasting, with 14 foot doors and 20 foot ceilings.

Interior Finishes:

Insulated steel panels. The central bays have a bathroom with a toilet, sink and urinal.

HVAC:

There are two heating systems in the newest section of the building consisting of ceiling-mounted, gas fired hot air units, in addition to four zones of radiant floor heat, fueled by oil and waste oil. The next three bays have an oil hot air furnace, and three overhead propane heaters yet to be installed. The sandblasting bay is unheated.

Electric:

200 amperes 3 phase service, T5 fluorescent lighting

Miscellaneous features:

The building is equipped with exhaust fans at each end, together with an electric roof vent. A filter system is attached to the south side of the building outside the sand blasting bay. In the six bay section, each bay is equipped with an electric door opener, and three-phase electric suitable for welding.

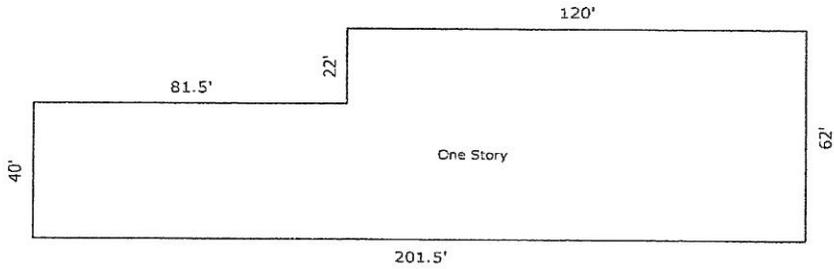
95 CFM air compressor.

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# SKETCH/AREA TABLE ADDENDUM

SUBJECT	Property Address 6073 Route 22			
	City Northeast	County Dutchess	State New York	Zip
	Borrower			
	Lender/Client Gary Funk			
Appraiser Name Jeffrey E. Robinson, MAI, SRA		Appr Address 16 Hudson Street, Kinderhook, NY 12106		



Scale: 1" = 50'

IMPROVEMENTS SKETCH

### AREA CALCULATIONS SUMMARY

Code	Description	Net Size	Net Totals
GBA1	First Floor	10700.00	10700.00
Net BUILDING Area		(rounded)	10700

### BUILDING AREA BREAKDOWN

Breakdown	Subtotals
First Floor	
22.0 x 120.0	2640.00
40.0 x 201.5	8060.00
2 Items	(rounded) 10700

AREA CALCULATIONS

SITE

The site consists of a 1.1 acre irregularly shaped lot, with 200 feet of frontage on State Route 22. The parcel is generally level with a mild incline to the rear. The majority of the site is open with tree lines along the west and north sides. The site is improved with a blacktop paved parking lot and driveways to the south and east of the building. The property is served by a drilled well and septic. The land area results in a 2.9:1 land-to-building ratio.

IMPROVEMENTS

Type:	Light industrial – truck garage/repair shop/parts/office and apartment.
Stories:	Three
Gross building area:	15,116 square feet
Constructed:	1976 and 1980
Foundation:	Poured concrete slab
Frame:	Steel and concrete-block
Roof:	Metal
Exterior:	Metal
Windows:	Vinyl thermopane
Interior:	The interior is divided into a variety of uses, with the ground floor including a parts department, offices, restroom, several sections of repair shop bays, parts storage, body shop, shop bathroom with toilet, urinal and sink, and employee break-room. The second floor is entirely utilized for parts storage and has a half-bathroom. The third floor

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consists of an apartment comprising a kitchen, living room, bedroom, full bathroom and laundry room. A variety of overhead doors provide access to the various interior spaces. The ceiling height within the shop areas ranges from 16 to 22 feet.

Interior Finishes:

The finishes vary throughout and include sheetrock, paneling, and pre-engineered steel, plywood, and rigid insulation walls, carpeted flooring, ceramic tile, concrete and vinyl restroom flooring, and sheetrock or unfinished ceilings.

HVAC:

Electric baseboard heat in offices, propane hot water heat for apartment and overhead heaters in shop areas, together with three oil fired furnaces, one for each shop area. Various overhead ceiling mounted hot air units are found throughout. There is ceiling-mounted radiant tube heat in the body shop section of the building.

Electric:

three 200 amperes services, 3 phase service, T5 fluorescent lighting

Miscellaneous features:

1,500 pound hoist

Air compressor

Interior floor drains with clean-outs leading to an exterior concrete pad equipped with oil/water separator

Exhaust fans with DEC stack permit for the 40 foot by 60 foot body shop section of the building

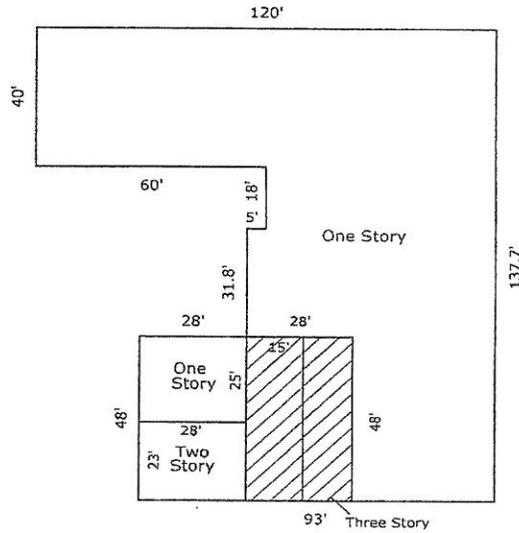
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# SKETCH/AREA TABLE ADDENDUM

SUBJECT	Property Address	6075-6077 Route 22						
	City	Northeast	County	Dutchess	State	New York	Zip	
	Borrower							
	Lender/Client	Gary Funk						
	Appraiser Name	Jeffrey E. Robinson, MAI, SRA	Appr Address	16 Hudson Street, Kinderhook, NY 12106				

IMPROVEMENTS SKETCH



Scale: 1" = 50'

AREA CALCULATIONS

### AREA CALCULATIONS SUMMARY

Code	Description	Net Size	Net Totals
GBA1	First Floor	12407.75	
	Second Floor	1364.00	
	Third Floor	1344.00	15115.75

### BUILDING AREA BREAKDOWN

	Breakdown	Subtotals
First Floor	31.8 x 65.0	2063.75
	93.0 x 48.0	4464.00
	18.0 x 60.0	1080.00
	120.0 x 40.0	4800.00
Second Floor	23.0 x 43.0	989.00
	25.0 x 15.0	375.00
Third Floor	28.0 x 48.0	1344.00

Net BUILDING Area	(rounded)	15116	7 Items	(rounded)	15116
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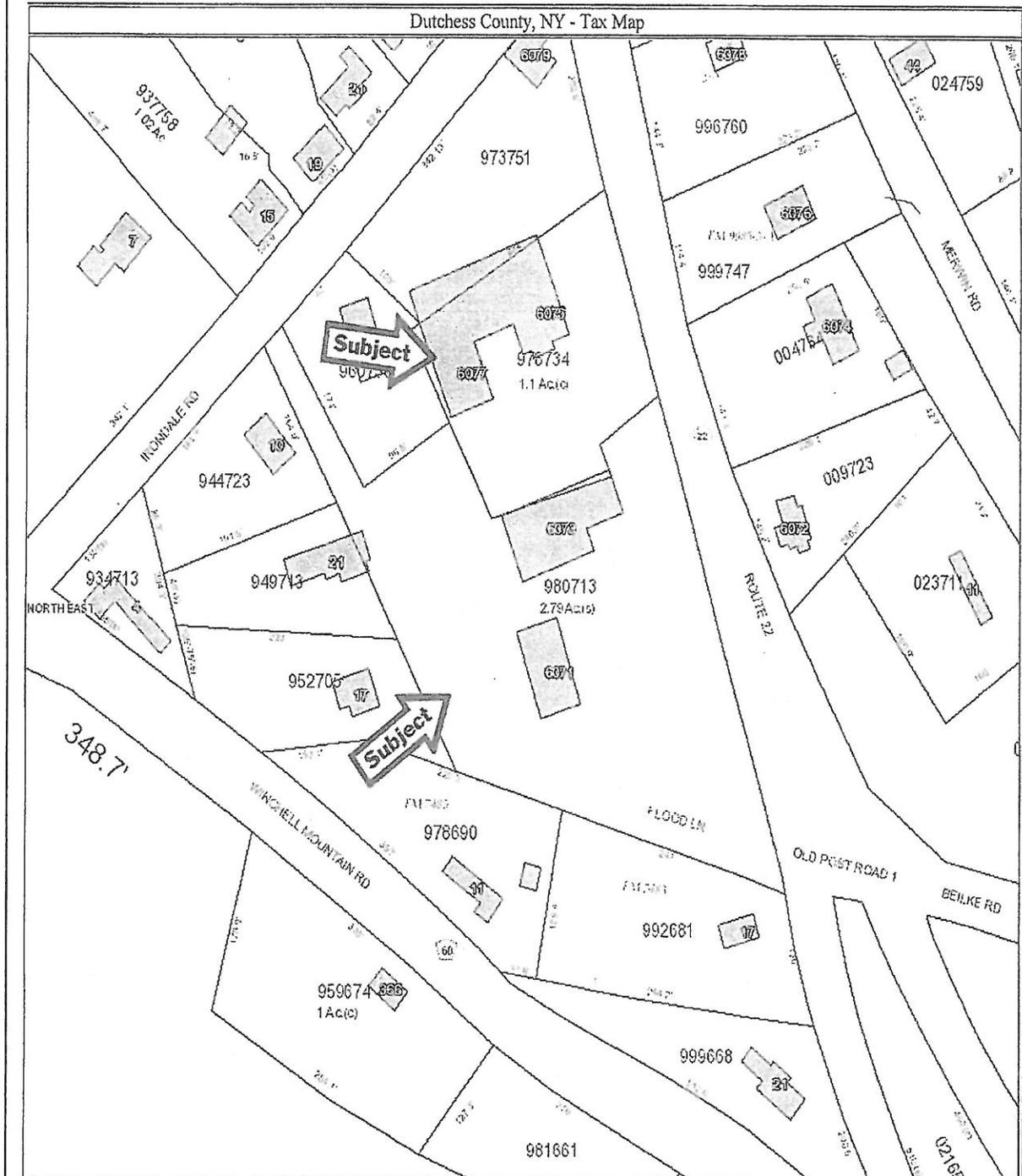
SUMMARY AND CONCLUSION

Each building is well suited for light industrial, truck garage/repair shop use, has a functional layout, and is constructed in a manner which allows for separation of various functions. Both buildings offer several special features, which make them somewhat more desirable than typical buildings of this type.

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### TAX MAP



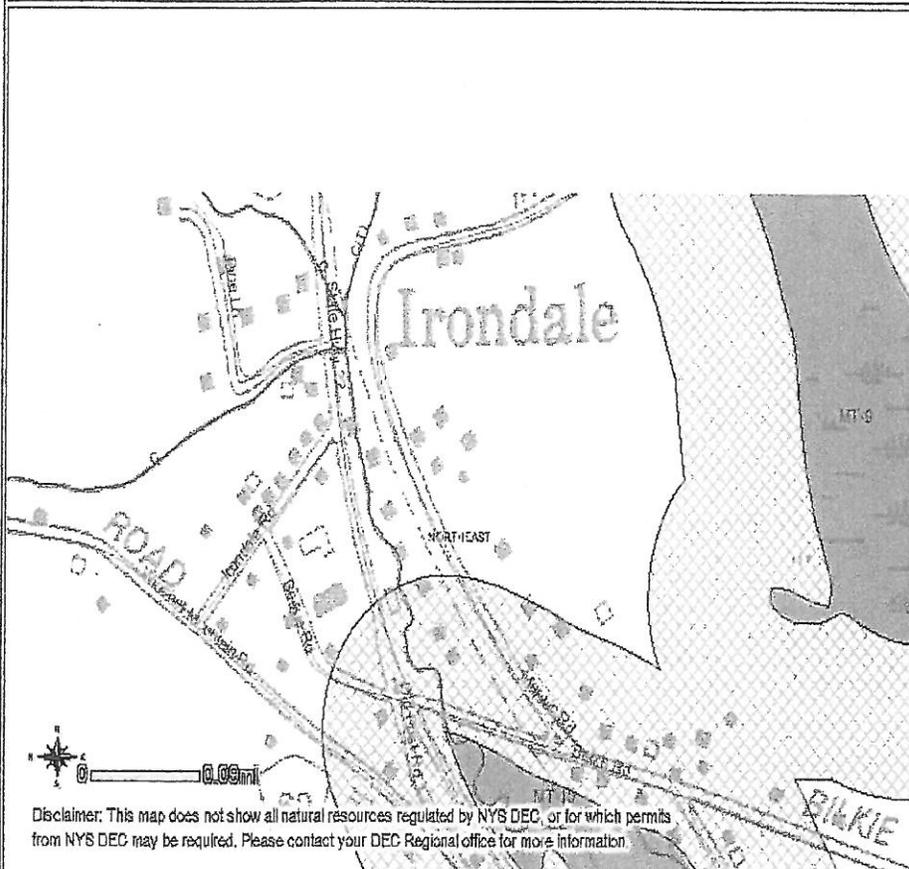
**ParcelAccess**  
 Digital Access to Parcel Information  
 Print date: 1/8/2015

Parcel Grid #: 13388900717100129807130000  
 Municipality: Northeast

This map is provided as a service of the Dutchess County's Intranet ParcelAccess. Absolutely no accuracy or completeness guarantee is implied or intended.

# NEW YORK STATE FRESH WATER MAP

6073 to 6077 Route 22, North East, NY



Disclaimer: This map does not show all natural resources regulated by NYS DEC, or for which permits from NYS DEC may be required. Please contact your DEC Regional office for more information.

MinX: 621842, MaxX: 622977, MinY: 4647308, MaxY: 4646877

- Visible Layers**
- Classified Streams
  - Classified Ponds
  - State-Regulated Freshwater Wetlands
  - Wetland Checkzone
  - State-Regulated Freshwater Wetlands
  - Rare Plants and Rare Animals
  - Interstate Highways
  - Adirondack Park Boundary
  - Counties

Disclaimer: This map was prepared by the New York State Department of Environmental Conservation using the most current data available. It is deemed accurate but is not guaranteed. NYS DEC is not responsible for any inaccuracies in the data and does not necessarily endorse any interpretations or products derived from the data.

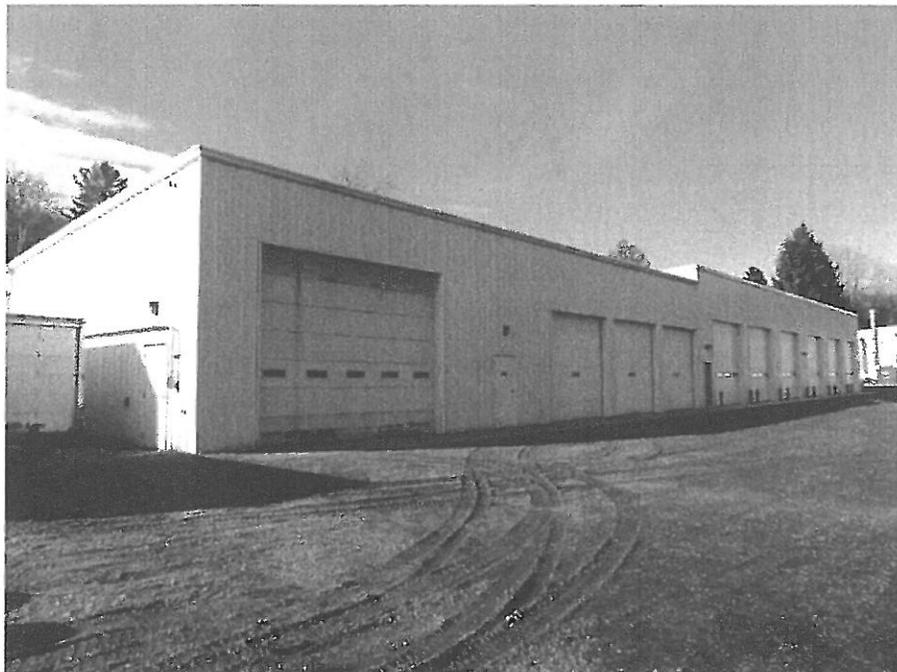
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**SUBJECT PHOTOGRAPHS**  
**6073 NYS ROUTE 22**



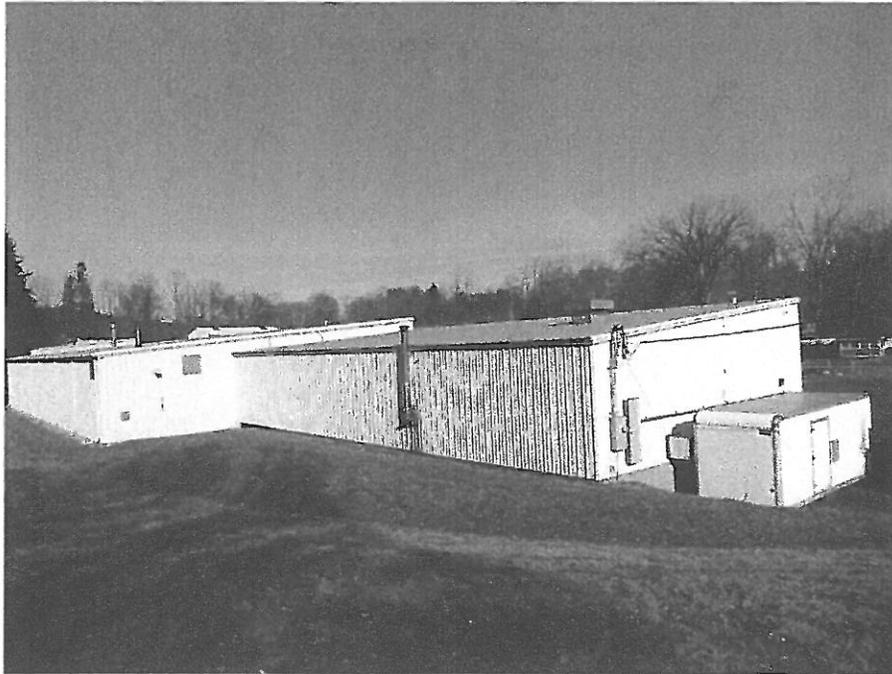
FRONT (NORTH AND EAST SIDES) |



FRONT (EAST AND SOUTH SIDES) |

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REAR



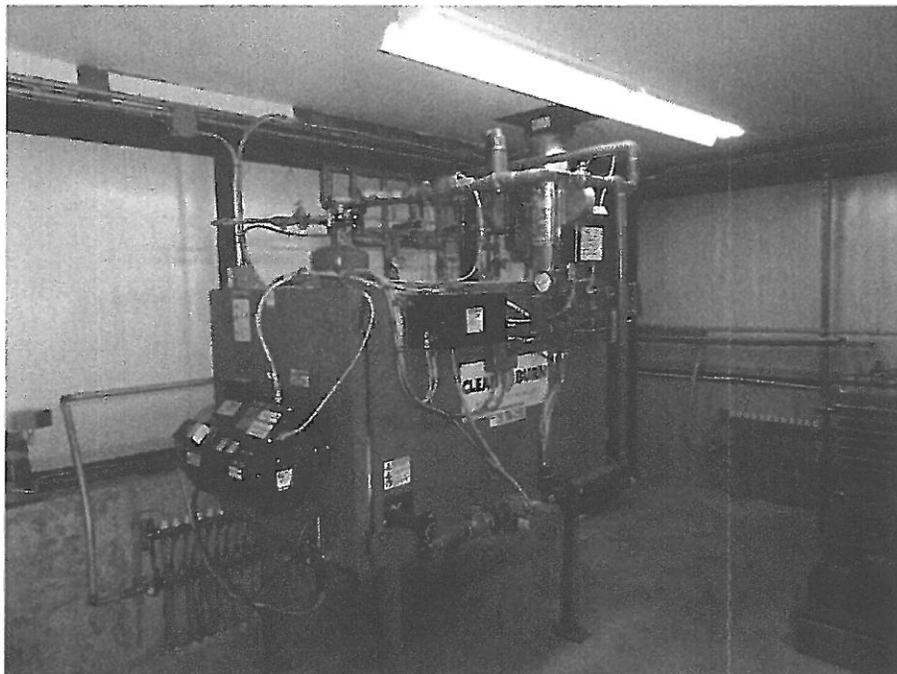
FRONT

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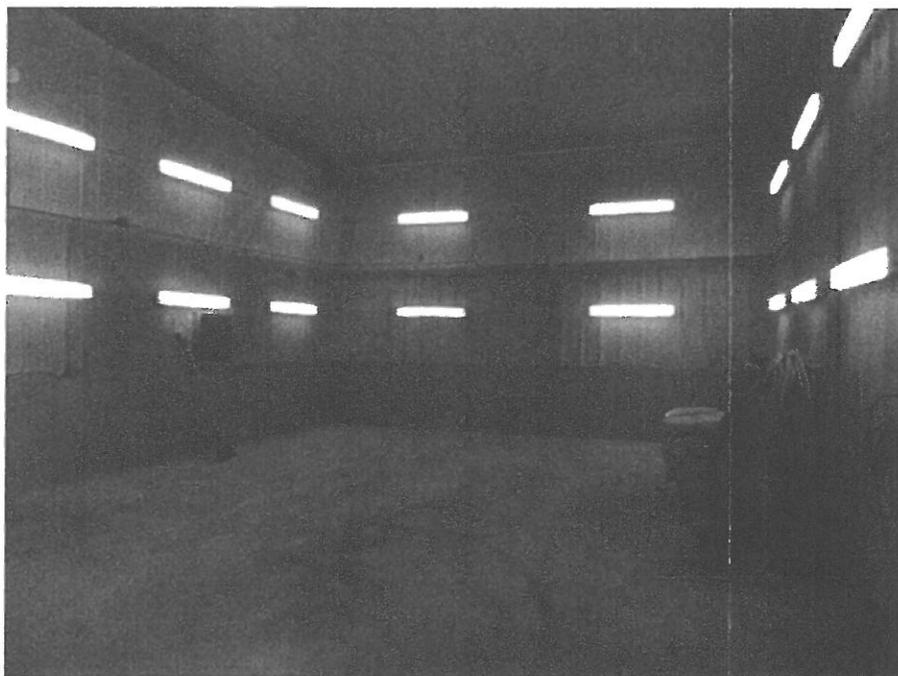
INTERIOR



BOILER



BULK STORAGE BAYS



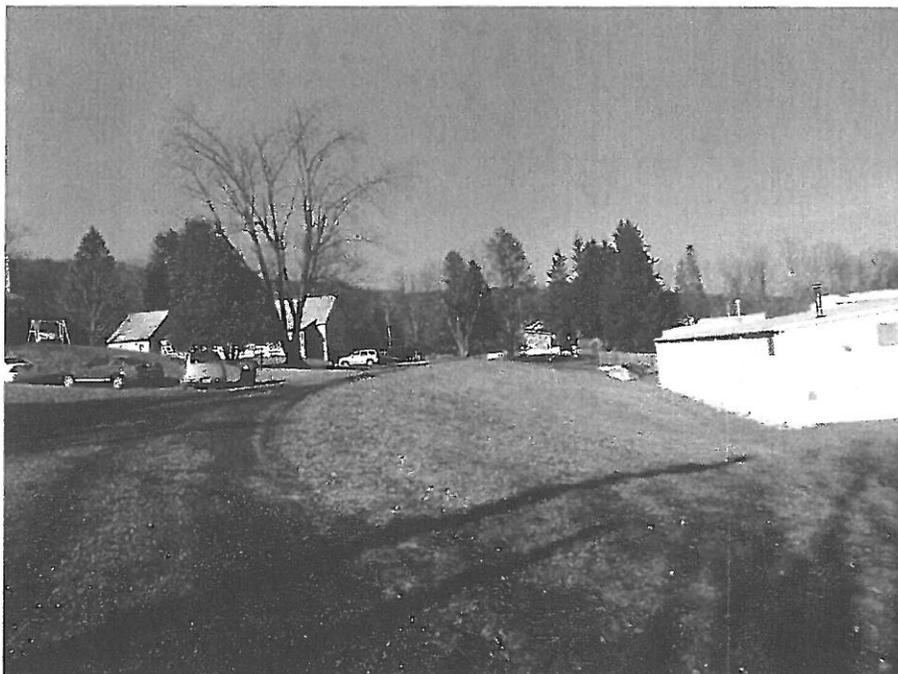
SANDBLASTING BAY

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OLD POST ROAD #1 FACING SOUTHEAST



OLD POST ROAD #1 FACING NORTH

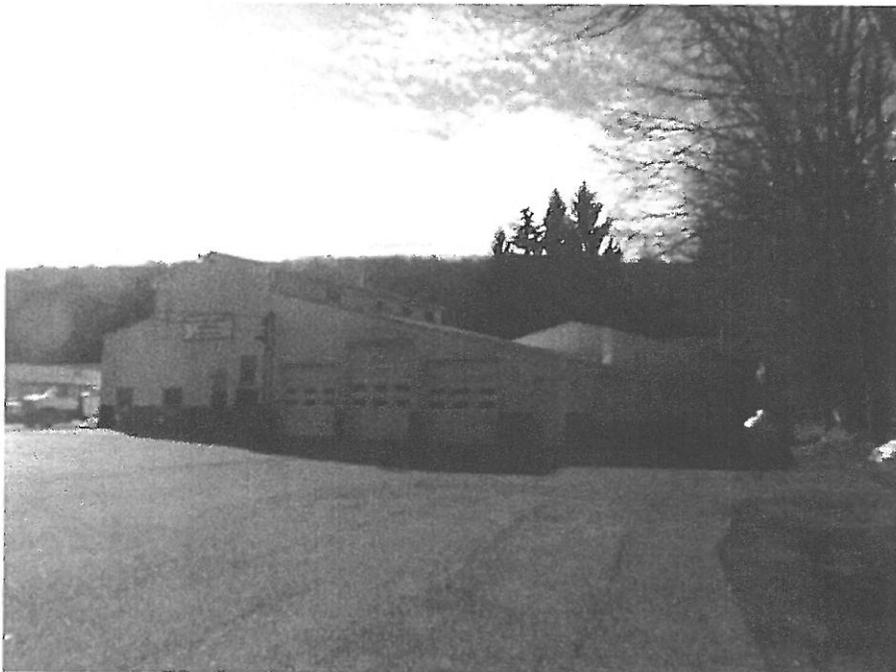
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6075 TO 6077 NYS ROUTE 22



FRONT (SOUTH AND EAST SIDES)



FRONT



FRONT AND SOUTH SIDES



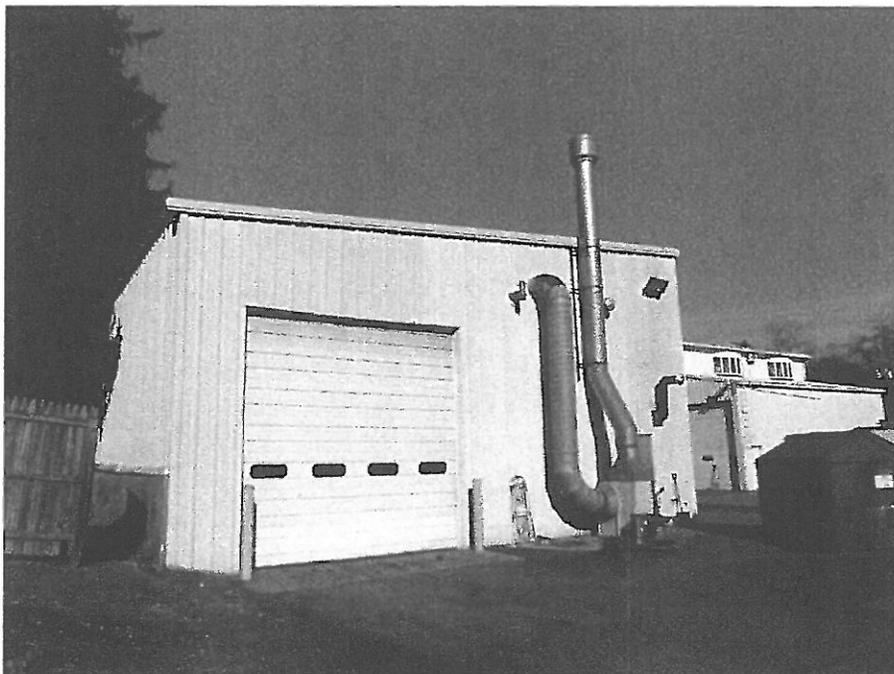
SOUTH SIDE

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REAR



DEC APPROVED EXHAUST STACK

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PARTS DEPARTMENT



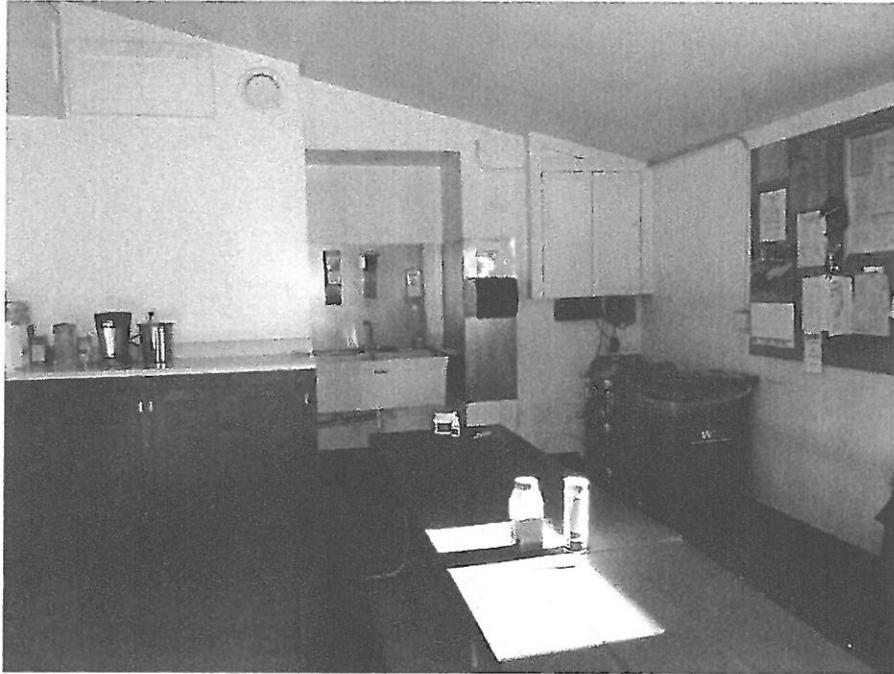
PARTS



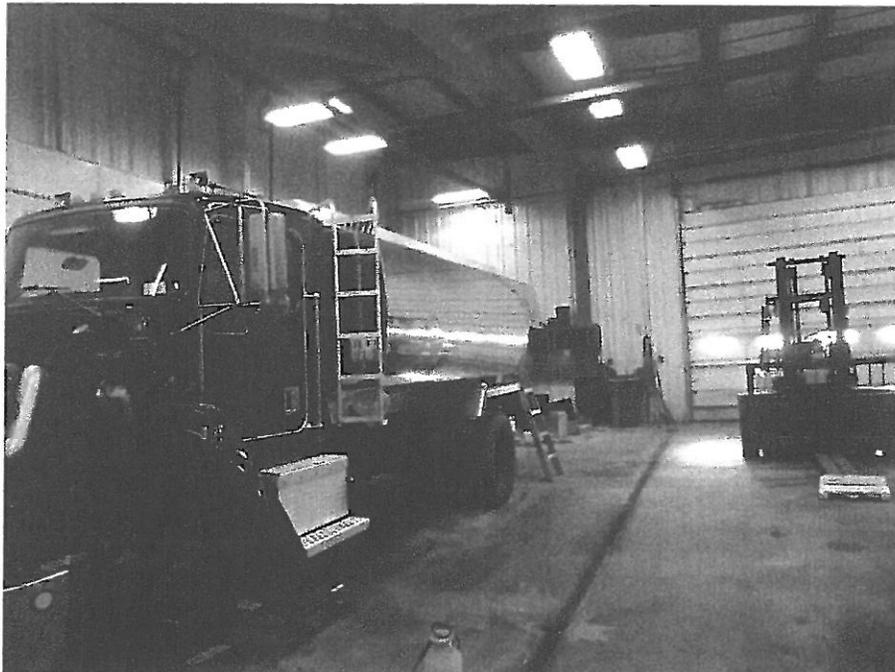
SECOND FLOOR PARTS



INTERIOR



BREAK ROOM



SHOP

### ENVIRONMENTAL FINDINGS

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions.

### EXPOSURE TIME

Reasonable exposure time is one of a series of conditions in market-value definitions. Exposure time is always presumed to precede the effective date of the appraisal. Exposure time may be defined as follows: the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale of market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. This statement focuses on the time component. Based upon local market data, we anticipate an exposure time of 18 to 24 months would have resulted in the consummation of a sale for the subject property, were it listed within 10% of its market value.

### PROPERTY TAXES AND ASSESSMENT

#### ASSESSED VALUE

The subject property is assessed by the Town of North East as follows:

<u>Lot</u>	<u>980713</u>	<u>978734</u>
Land	\$164,700	\$122,500
Improvement	<u>223,800</u>	<u>610,100</u>
Total	\$388,500	\$732,600

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### NYS EQUALIZATION RATE & EQUALIZED FULL VALUE

The New York State equalization rate, which purports to measure the average ratio of assessed value to market value, was 100% for the Town of North East in 2014. The equalized full value of the subject parcels were, therefore, \$388,500 and \$732,600, respectively.

The taxes levied on the property are as follows.

County	\$3.65	
Town	3.01	
North East Fire	.56	
Webatuck Central School District	<u>12.15</u>	
Total Tax Rate	\$19.37	
Parcel	<u>980713</u>	<u>978734</u>
Total Annual Tax Burden	\$7,525	\$14,190

### ZONING

The subject property is zoned Highway Business III District. The minimum lot size is one acre, with a minimum lot width of 200 feet at the front building line, or 240 feet for a corner lot, with 80, 50 and 60 total feet front, side and rear yard setbacks, respectively. The maximum building height is 35 feet with a 20% maximum lot coverage ratio. The district allows a wide variety of permitted uses, including auto body shop, building materials sales, construction equipment sales, mobile home sales, farm machinery sales and rental, transportation terminal, warehousing and wholesale business.

It appears both buildings are in conformity with the current zoning ordinance.

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### **HIGHEST AND BEST USE**

In developing this appraisal, we considered the four criteria of the highest and best use analysis, including physically possible, legally permissible, financially feasible and maximally productive. Based upon the use and configuration of each subject building, together with its location along a heavily travelled state highway within the town, we conclude a light industrial shop/repair garage is the highest and best use of each property. No alternative uses exist, which would result in a higher value.

### **APPRAISAL PROBLEM AND APPROACHES TO VALUE**

This appraisal problem is concerned with finding the market value of two light industrial buildings, each on their own parcel. The Cost Approach is not apropos as market participants place little or no weight on this method, and there is only limited market data available in competing rural areas of leased properties, so that a meaningful conclusion could not be made from the Income Capitalization Approach, leaving the Sales Comparison Approach as the sole valuation methodology.

### **SALES COMPARISON APPROACH**

In the Sales Comparison Approach, those sales deemed to be similar to the subject were confirmed with either a party to the transaction, or by viewing the deed filed at the county clerk's office. After having adjusted the comparables to the subject, we then reconciled the value indications into a final opinion of value. Following is the summary of the comparables analyzed to conclude the market value for each of the subject properties.

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**COMPARABLE SALE NO. 1**



LOCATION:

2575 Route 55, Town of Beekman  
Dutchess County, New York

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GRANTOR:	James C. McCarthy
GRANTEE:	Fun Ventures, LLC
DEED:	22011/6141
DATE:	November 11, 2011
PURCHASE PRICE:	\$740,000
TAX MAP PARCEL:	6759-00-702229
LAND AREA:	1.69 acres
SHAPE:	irregular
TOPOGRAPHY:	generally level
BUILDING SIZE:	12,000 square feet
LAND: BLDG. RATIO:	6.1:1
UTILITIES:	well and septic
NEIGHBORHOOD:	lightly developed commercial strip
ZONING:	C-2
HIGHEST & BEST USE:	light industrial
CONFIRMED:	James McCarthy

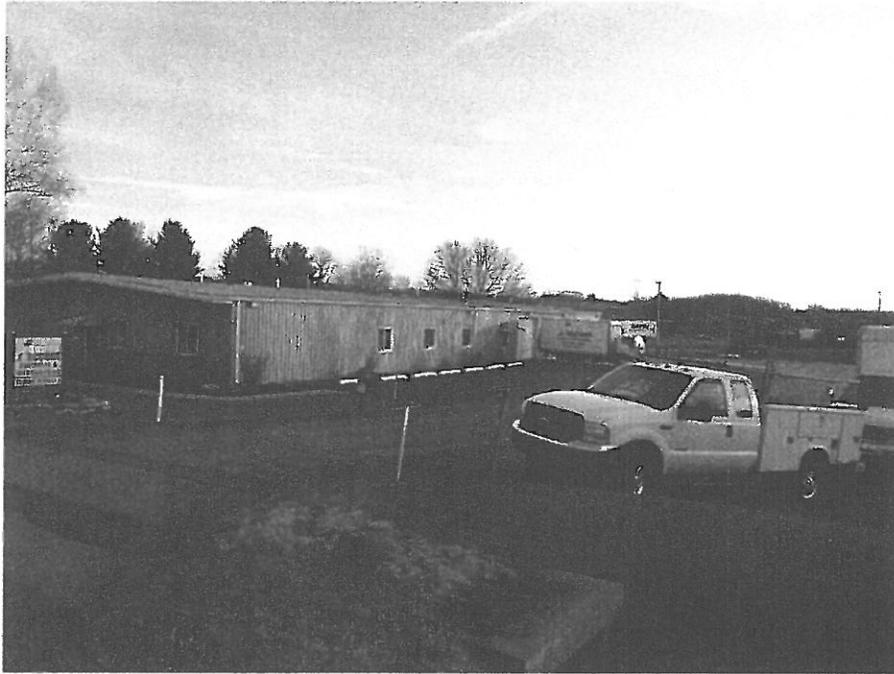
IMPROVEMENTS: One story, pre-engineered steel building constructed in 1986, in average condition. The building has 22 foot ceiling heights and is served by a single rear loading dock, together with a single overhead door on either side of the building. The front has a retail/office area that comprises approximately 15% of the building area. The site has blacktop paved parking and driveway.

ANALYSIS: The building sold for \$61.70 per square foot.

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COMPARABLE SALE NO. 2



LOCATION:

215 West Road, Pleasant Valley  
Dutchess County, New York

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GRANTOR:	Klaus Greinacher
GRANTEE:	Grove Point Ventures, LLC
DEED:	22014/1164
DATE:	February 10, 2014
PURCHASE PRICE:	\$525,000
TAX MAP PARCEL:	6363-01-322767
LAND AREA:	1.74 acres
SHAPE:	irregular
TOPOGRAPHY:	generally level to gently sloping
BUILDING SIZE:	8,400 square feet
LAND: BLDG. RATIO:	9:1
UTILITIES:	well and septic
NEIGHBORHOOD:	lightly developed commercial / multi family
ZONING:	Office industrial
HIGHEST & BEST USE:	light industrial
CONFIRMED:	Thomas Gleason
IMPROVEMENTS:	One story, pre-engineered steel building constructed in 1979, in average condition. The building has 14 foot ceiling heights, and is served by three 10-foot-high overhead doors. Approximately five percent of the space is finished office. The site is improved with blacktop paved parking and driveways.
ANALYSIS:	The building sold for \$62.50 per square foot.

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**COMPARABLE SALE NO. 3**



LOCATION:

344 Fishkill Avenue (S.R. 52), City of Beacon  
Dutchess County, New York

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APPRAISERS – CONSULTANTS

GRANTOR: DK Healey Properties, LLC  
 GRANTEE: Somerset Tire Service, Inc.  
 DEED: 22011/1850  
 DATE: April 13, 2011  
 PURCHASE PRICE: \$1,050,000  
 TAX MAP PARCEL: 6054-23-312940  
 LAND AREA: 1.4 acres  
 SHAPE: irregular  
 TOPOGRAPHY: generally level  
 BUILDING SIZE: 9,600 square feet  
 LAND: BLDG. RATIO: 6.4:1  
 UTILITIES: municipal water, sewer and gas  
 NEIGHBORHOOD: heavily developed mixed use  
 ZONING: Light industrial  
 HIGHEST & BEST USE: light industrial auto body and repair  
 CONFIRMED: Michael Matejek, Esq.

IMPROVEMENTS: Two story masonry building with decorative cut block, constructed in 2004, in average to above average condition and above average quality. The building has 24 foot ceiling heights and is served by a 12-foot-high overhead door from each side. The building area includes 2,149 square feet of mezzanine office. The shop is equipped with both radiant floor heating, together with forced air, and the offices are air conditioned. The site is improved with blacktop paving and driveways.

ANALYSIS: The building sold for \$109.40 per square foot.

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**COMPARABLE SALE NO. 4**

LOCATION: 2424 Route 44, Town of Pleasant Valley  
Dutchess County, New York

GRANTOR: A.O.B. Properties, II, LLC & AJOB, LLC

GRANTEE: 2424 Route 44 Realty, LLC

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DEED: 22010/1633  
 DATE: April 5, 2010  
 PURCHASE PRICE: \$1,650,000  
 TAX MAP PARCEL: 6564-02-529886 and 507860 (combined now into 529886)  
 LAND AREA: 3.67 acres  
 SHAPE: irregular  
 TOPOGRAPHY: generally level to gently sloping  
 BUILDING SIZE: 22,849 square feet  
 LAND: BLDG. RATIO: 7:1  
 UTILITIES: well and septic  
 NEIGHBORHOOD: lightly developed commercial strip  
 ZONING: Mixed use commercial  
 HIGHEST & BEST USE: commercial  
 CONFIRMED: Anthony Bruce, seller

**IMPROVEMENTS:** The improvements consists of a one story, 22,849 square foot automobile dealership, constructed in 2000. The structure is a combination of cut stone, cedar, and pre-engineered steel-frame. The improvements were in average to above average condition at the time of sale and portions were of above average quality. The showroom/office component contains 5,200 square feet and represents 23% of the gross building area and is served by hot air heat and air conditioning. At the time of sale the building had five 14-foot-high overhead doors on the east side of the building, and one on the west side. To the center of the building was a service drive-through tunnel for vehicle drop-off. This area had radiant heat, while the service garage had hot air heat. The site has blacktop paving surrounding the building.

**ANALYSIS:** The building sold for \$72.20 per square foot.

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**COMPARABLE SALE NO. 5**



LOCATION:

75 Van Wyck Lane and S.R. 376

Town of East Fishkill, Dutchess County, New York

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GRANTOR:	V.R.A. Realty Corp.
GRANTEE:	75 Van Wyck Lane, LLC
DEED:	22011/5709
DATE:	November 29, 2011
PURCHASE PRICE:	\$550,000
TAX MAP PARCEL:	6358-02-522556
LAND AREA:	2.5 acres
SHAPE:	rectangular
TOPOGRAPHY:	generally level
BUILDING SIZE:	10,000 square feet
LAND: BLDG. RATIO:	10.9:1
UTILITIES:	well and septic
NEIGHBORHOOD:	lightly developed commercial strip
ZONING:	I-3, light industrial
HIGHEST & BEST USE:	light industrial
CONFIRMED:	Rich Campbell, purchaser

IMPROVEMENTS: The building improvements consist of two identical, one story masonry buildings, constructed in 1975, in average to below average condition. The buildings have 14 foot ceiling heights and one is served by a single, and the other by two 10-foot-high overhead doors. The northerly building has minimal office space. The site has minimal blacktop paving and parking area.

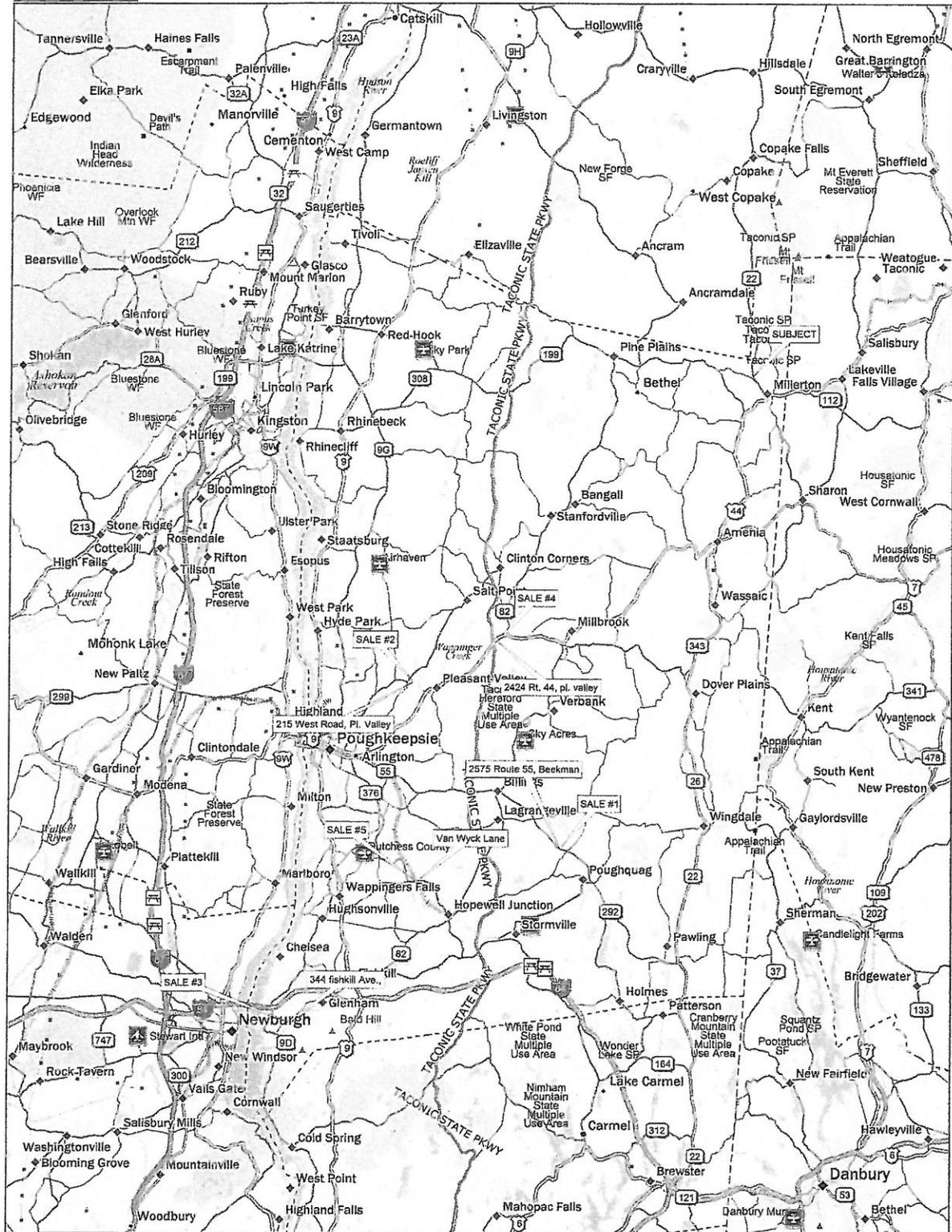
ANALYSIS: The property sold for \$55.00 per square foot.

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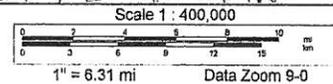
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--- 6073 ROUTE 22 ---  
**MARKET DATA COMPARISON AND ANALYSIS**

<u>COMPARABLE SALE NO.</u>	<u>1</u>	<u>2</u>	<u>3</u>
	2575 Route 55	215 West Road,	344 Fishkill Ave.,
Location	Beekman	Pleasant Valley	Beacon
Date of Sale	11/11	2/14	4/11
Sale Price	\$740,000	\$525,000	\$1,050,000
Acres	1.69	1.74	1.40
Building Square Feet	12,000	8,400	9,600
Land-to-building-ratio	6.1:1	9:1	6.4:1
Ceiling height	22'	14'	24'
Price/sq. ft. (r)	\$61.70	\$62.50	\$109.40
<u>FINANCIAL ADJUSTMENTS</u>			
Financing	0	0	0
Conditions of sale	0	0	0
Market conditions	<u>-4%</u>	<u>0</u>	<u>-7%</u>
NET ADJUSTMENT	-4%	0	-7%
ADJUSTED UNIT PRICE (r)	\$59.20	\$62.50	\$101.70
<u>PHYSICAL ADJUSTMENTS</u>			
Location	0	0	-10%
Site	+8%	+3%	+8%
Building Size	+1%	-2%	-1%
Age/Condition/Quality	+20%	+20%	0
Ceiling height	0	+10%	0
Special features	+10%	+10%	+5%
Utilities/Zoning	<u>0</u>	<u>0</u>	<u>-5%</u>
NET ADJUSTMENT	+39%	+41%	-3%
INDICATED UNIT VALUE OF SUBJECT (r)	\$82.00	\$88.00	\$99.00

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--- 6075-6077 ROUTE 22 ---  
**MARKET DATA COMPARISON AND ANALYSIS**

<u>COMPARABLE SALE NO.</u>	1	2	3	4	5
Location	2575 Route 55 Beekman	215 West Road Pleasant Valley	344 Fishkill Ave. Beacon	2424 Route 44 Pleasant Valley	75 Van Wyck Lane East Fishkill
Date of Sale	11/11	2/14	4/11	4/10	11/11
Sale Price	\$740,000	\$525,000	\$1,050,000	\$1,650,000	\$550,000
Acres	1.69	1.74	1.40	3.67	2.50
Building Square Feet	12,000	8,400	9,600	22,849	10,000
Land-to-building-ratio	6.1:1	9:1	6.4:1	7:1	10.9:1
Ceiling heights	22'	14'	24'	18'	14'
Price/sq. ft. (r)	\$61.70	\$62.50	\$109.40	\$72.20	\$55.00
<u>FINANCIAL ADJUSTMENTS</u>					
Financing	0	0	0	0	0
Conditions of sale	0	0	0	0	0
Market conditions	-4%	0	-7%	-10%	-4%
NET ADJUSTMENT	-4%	0	-7%	-10%	-4%
ADJUSTED UNIT PRICE (r)	\$59.20	\$62.50	\$101.70	\$65.00	\$52.80
<u>PHYSICAL ADJUSTMENTS</u>					
Location	0	0	-10%	0	0
Site	-5%	-10%	-5%	-6%	-13%
Building Size	-3%	-7%	-6%	+8%	-5%
Age/Condition/Quality	0	0	-20%	-10%	+15%
Ceiling height	0	+10%	0	0	+5%
Special features	+3%	+3%	+2%	+3%	+4%
Utilities/Zoning	0	0	-5%	0	0
NET ADJUSTMENT	-5%	-4%	-44%	-5%	+6%
INDICATED UNIT VALUE OF SUBJECT (r)	\$56.00	\$60.00	\$57.00	\$62.00	\$56.00

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## ANALYSIS

### Financing

Comment: The comparable sales all reflect either a cash sale or traditional financing, with no seller financing provided.

Result: No adjustments were required.

### Conditions of Sale

Comment: None of the sales involved any atypical motivation of sale.

Result: No adjustments were required.

### Market Conditions

Comment: In many cases, market conditions have declined between the date of sale and date of value.

Result: The comparable sales were adjusted to reflect the change in market conditions between the date of sale and valuation date based upon the change in market conditions that has transpired between the two time frames, as set forth previously in the Market Trends section of the report.

### Location

Comment: Most of the comparable sale data are located on similar roads, in similar rural or semi-rural areas of Dutchess County. The sale in Beacon is in a more heavily developed area in the southern part of the county.

Result: In the analysis of both subject properties, the Beacon sale was adjusted negatively to account for its superior location.

### Site

Comment: This adjustment takes into account the differences in land-to-building ratio as between the sale and the subject property. The data was adjusted at a ratio of 5% for each three-to-one ratio of difference in the parcel size.

Result:

- For the building at 6073 Route 22; Sales 1 and 3 both required an 8% positive adjustment, while Sale 2 was adjusted positively by 3%.
- For the building at 6075 Route 22; Sales 1 and 3 both required a negative 5% adjustment, while Sales 2, 4 and 5 required negative adjustments of 10%, 6% and 13%, respectively.

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### Building Size

Comment: The data was adjusted at a ratio of 1% for each 1,000 square feet of difference between the sale and subject properties. The adjustment takes into account the economies of scale realized in the market, where the price per square foot typically decreases as the building size increases.

#### Result:

- For the 6073 building; Sale 1 was adjusted positively by 1% for its larger size, while Sales 2 and 3 were both adjusted negatively by 2% and 1%, respectively, for their smaller building size.
- For the 6075 building; Sales 1, 2, 3 and 5 were all adjusted negatively by 3, 7, 6 and 5%, respectively, while Sale 4 was adjusted positively by 8%.

### Age/Condition/Quality

Comment: As previously discussed, approximately 70% of the building at 6073 is nearly new and in above average condition, while building 6075 is in average condition, and both are of average quality for pre-engineered construction in this market.

#### Result:

- Building 6073: Sales 1 and 2 are both of average condition and similar quality, therefore, both were adjusted positively by 20%. Sale 3 is similar in condition, although slightly older, which offsets its superior quality.
- Building 6075: Sales 1 and 2 are similar overall to the subject, thus no adjustment is necessary. Sale 3 was adjusted negatively for its superior condition and quality. Sale 4 is superior in condition with portions of the building being superior in quality; therefore, it was negatively adjusted by 10%. Sale 5 is inferior in condition, and although of masonry construction, its age offsets the superior quality somewhat. This sale was adjusted positively by 15%.

### Ceiling Height

Comment: Buildings with higher ceiling heights are in greater demand than their counterparts with lower ceilings. The higher ceilings provide owners with broader flexibility in potential uses.

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**Result:**

- 6073: Sales 1 and 3 have similar ceiling heights, while Sale 2 has a considerably lower ceiling. As a result, a positive 10% adjustment was made to this sale, while no adjustment was made to the others.
- 6075: Sales 1, 3 and 4 have similar ceiling heights, while Sales 2 and 5 have considerably lower ceiling heights. As a result, positive adjustments were made to Sales 2 and 5 of 10% and 5%, respectively.

Special Features

Comments: The subject buildings both possess several special features, which contribute greater value to these buildings than similar buildings that lack these features. For building 6073, these include redundant heating systems, including radiant floor heat throughout the new section of the building, enhanced electric service at each garage bay, heavy duty air compressor system. The 6075 building includes the oil/water separator, radiant heat in the body shop ceiling, a ½ ton hoist and a DEC stack permit. We have taken into account the additional cost of each of these items and how that cost relates to the gross sale price per square foot of each sale. A line item adjustment was then made to reflect these additional features.

**Result:**

- 6073: Adjustments of 10%, 10% and 5% were made to Sales 1-3, respectively.
- 6075: Adjustments of 3%, 3%, 2%, 3% and 4% were made to Sales 1-5, respectively.

Utilities/Zoning

Comment: Each of the comparables is similar with regard to zoning. The subject properties are each served by a well and septic system.

Result: With the exception of Sale 3, all of the sales are similar with regard to zoning. Sale 3, however, has municipal utilities, therefore, it was adjusted negatively by 5%.

Summary

After adjusting the data for changes in market conditions and differences in location, site, building size, age/condition/quality, ceiling height, special features and utilities, the data for 6073 ranged from \$82 to \$99 per square

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features and utilities, the data for 6073 ranged from \$82 to \$99 per square foot, while 6075 ranged from \$56 to \$62 per square foot. In concluding a final opinion of value for each building, in addition to the range, we also took into account the mean and median of the data, together with weighing the comparables based upon the extent of adjustment necessary to make them similar to the subject within a ranking analysis. Following is a summary of these indicators.

Building	<u>6073</u>	<u>6075</u>
Range	\$82 - \$99	\$56 - \$62
Mean	\$90	\$58
Median	\$88	\$57
Ranking	\$91.50	\$58.30

Based upon our analysis, we conclude the market value of the subject properties to be \$92.50 and \$60 per square foot, respectively, resulting in market value indications, as of December 27, 2014, of

Building 6073  
10,700 square feet @ \$92.50 = \$989,750

<b>INDICATED VALUE</b>	<b>SAY,</b>	<b>\$990,000</b>
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Building 6075  
15,116 square feet @ \$60 = \$906,960

<b>INDICATED VALUE</b>	<b>SAY,</b>	<b>\$910,000</b>
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**RECONCILIATION**

Since only the Sales Comparison Approach was processed in this appraisal assignment, there is no necessity to reconcile the value conclusions from multiple approaches. With this approach, a sufficient sampling of current market data was available from which credible value opinions could be derived.

Based upon our analysis of these data, we conclude the market value of the fee simple interest in the subject properties, as of December 27, 2014, was,

BUILDING 6073  
**NINE HUNDRED NINETY THOUSAND DOLLARS**  
**\*\*\* (\$990,000) \*\*\***

BUILDING 6075  
**NINE HUNDRED TEN THOUSAND DOLLARS**  
**\*\*\* (\$910,000) \*\*\***

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# ADDENDUM

**CERTIFICATE OF APPRAISER**

The Appraiser certifies and agrees that:

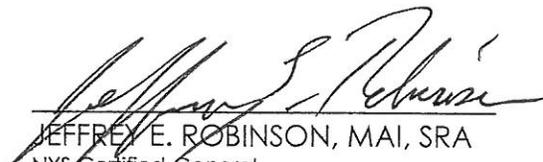
1. This report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation.
2. This report conforms with the rules and regulations of the NYS Board of Real Estate Appraisal of the Department of State.
3. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
4. The Appraiser has no present or contemplated future interest in the property appraised, and the compensation for preparing this appraisal is not contingent upon the reporting of a pre-determined value, minimum value, or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the approval of a loan.
5. The Appraiser is entirely impartial and has no personal interest in or bias with respect to the subject matter of the appraisal report, the intended users of the report or the participants to a pending sale of the property. The "Opinion of Market Value" in the appraisal report is not based in whole or in part upon the race, color, creed, or national origin of the prospective owners or present occupants of the property appraised or properties in the vicinity of the property appraised.

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6. The Appraiser has personally inspected the property listed in the report. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraisers have not knowingly withheld any significant information.
7. All contingent and limiting conditions imposed by the terms of the assignment, or by the undersigned, affecting the Appraiser's analyses, opinions, and conclusions are fully set forth in this report.
8. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraisers, and no one provided significant professional assistance to the Appraisers signing this report, unless otherwise noted. No change of any item in the appraisal report shall be made by anyone other than the Appraisers, and the Appraisers shall have no responsibility for any such unauthorized change.
9. I, Jeffrey E. Robinson, have completed the requirements of the continuing education program of the Appraisal Institute.
10. I have performed no 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.

January 16, 2015

  
JEFFREY E. ROBINSON, MAI, SRA  
NYS Certified General  
Real Estate Appraiser  
Certificate #46-37947

**ESAC**

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**CERTIFICATE OF APPRAISER**

The Appraiser certifies and agrees that:

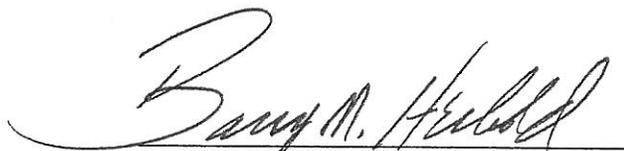
1. This report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation.
2. This report conforms with the rules and regulations of the NYS Board of Real Estate Appraisal of the Department of State.
3. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
4. The Appraiser has no present or contemplated future interest in the property appraised, and the compensation for preparing this appraisal is not contingent upon the reporting of a pre-determined value, minimum value, or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the approval of a loan.
5. The Appraiser is entirely impartial and has no personal interest in or bias with respect to the subject matter of the appraisal report, the intended users of the report or the participants to a pending sale of the property. The "Opinion of Market Value" in the appraisal report is not based in whole or in part upon the race, color, creed, or national origin of the prospective owners or present occupants of the property appraised or properties in the vicinity of the property appraised.

***ESAC***

APPRAISERS – CONSULTANTS

6. The Appraiser has not personally inspected the property listed in the report. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraisers have not knowingly withheld any significant information.
7. All contingent and limiting conditions imposed by the terms of the assignment, or by the undersigned, affecting the Appraiser's analyses, opinions, and conclusions are fully set forth in this report.
8. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraisers, and no one provided significant professional assistance to the Appraisers signing this report, unless otherwise noted. No change of any item in the appraisal report shall be made by anyone other than the Appraisers, and the Appraisers shall have no responsibility for any such unauthorized change.
9. The American Society of Appraisers conducts a mandatory program of recertification for its Senior Members. Your Appraiser is recertified as set forth in the Constitution, Bylaws and Administrative Rules of the American Society of Appraisers.
10. I have performed no 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.

January 16, 2015



BARRY M. HERBOLD, ASA  
NYS Certified-General  
Real Estate Appraiser  
Certificate #46-3453

**ESAC**

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## CONTINGENT CONDITIONS, SPECIAL ASSUMPTIONS AND LIMITATIONS OF APPRAISAL

The certification of the appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in this report.

This appraisal is for no purpose other than property valuation, and the appraisers are neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.

### LAND SURVEY

It is assumed that the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless noted with the report.

No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships. The reliability of the information contained on any such map or drawing is assumed by the appraiser and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern as to boundaries, setbacks, encroachments, or other survey matters.

### LEGAL OPINIONS

No responsibility is assumed for matters of a legal nature that affect title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable. The value estimate is given without regard to any questions of title, boundaries, encumbrances, or encroachments. We are not usually provided an abstract of the property being appraised and, in any event, we neither made a detailed examination of the title nor do we give any legal opinion concerning same.

It is assumed there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report. Information and analysis shown in this report concerning these items is based only on a rudimentary investigation. Any significant question should be addressed to local zoning or land use officials and/or an attorney.

It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based. Appropriate government officials and/or an attorney should be consulted if an interested party has any questions or concerns as to these items since we have not made a comprehensive examination of laws and regulations affecting the subject property.

### ENGINEERING AND INSPECTION

This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised, including their adequacy and/or condition, it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed engineering report. The appraisers are not construction, engineering, environmental, or legal experts, and any statement given on these matters in this report should be considered preliminary in nature.

The observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, and all mechanicals and construction is based on a casual inspection only and no detailed inspection was made. For example, we are not experts on heating systems and no attempt was made to inspect the interior of the furnace. The structures were not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless otherwise stated in the report.

The Americans with Disabilities Act (ADA) became effective in January 1992. No survey or inspection of the subject property has been conducted by us to determine whether the improvements comply with ADA accessibility guidelines, because ADA weighs the financial ability of the property owner against the cost to cure potential physical barriers. We are therefore unable to make any determination as to ADA compliance and our value estimate does not consider the financial impact of possible non-compliance.

Some items such as conditions behind walls, above ceilings, behind locked doors, or under the ground are not exposed to casual view and therefore were not inspected. The existence of insulation, if mentioned, was found by conversation with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements about insulation cannot be guaranteed.

It is assumed there are not hidden or unapparent conditions of the property, sub-soil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions, or for the engineering that may be required to discover such factors. Since no engineering or percolation tests were made, no liability is assumed for soil conditions.

Wells and septic systems, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use.

We are not environmental experts, and we do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, or

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any other environmental hazards on the subject or surrounding properties. If we know of any problems of this nature which we believe would create a significant problem, they are disclosed in this report. However, nondisclosure should not be taken as an indication that such a problem does not exist. An expert in the field should be consulted if any interested party has questions pertaining to environmental factors.

No chemical or scientific tests were performed by the appraiser on the subject property, and it is assumed that the air, water, ground, and general environment associated with the property present no physical or health hazard of any kind unless otherwise noted in the report. It is further assumed that the lot does not contain any type of dump site and that there are no underground tanks (or underground source) leaking toxic or hazardous chemicals into the ground water or the environment unless otherwise noted in the report.

The age of any improvements to the subject property mentioned in this report should be considered an approximate estimate. We are not sufficiently skilled in the construction trades to be able to reliably estimate the exact age of the improvements by observation. We therefore rely on circumstantial evidence which may come into our possession, such as dates on architectural plans, or conversations with those who might be familiar with the history of the property, such as property owners, onsite personnel, or others. Parties interested in knowing the exact age of any improvements on the land should contact us to ascertain the source of our data and then make a decision as to whether they wish to pursue additional investigation.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any observed condition or other comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, or any other construction component. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we would strongly suggest that a construction expert be hired for a detailed investigation.

#### DATA LIMITATIONS

As can be seen from the preceding limitations, this appraisal has been performed with a limited amount of data. Data limitations result from a lack of certain areas of expertise by the appraiser which go beyond the scope of the ordinary knowledge of an appraiser, the inability of the appraiser to view certain portions of the property, the inherent limitations of relying upon information provided by others, etc.

There is also an economic constraint, as the appraisal budget and the fee for this appraisal did not contain unlimited funds for investigation. We have spent our time and effort in the investigative stage of this appraisal in those areas where we think it will be most productive, but inevitably there is a significant possibility that we do not possess all information relevant to the subject property.

Before relying on any statement made in this appraisal report, interested parties should contact us for the exact extent of our data collection on any point which they believe to be important to their decision making. This will enable such interested parties to determine whether they believe the extent of our data gathering process was adequate for their needs or whether they would like to pursue additional data gathering for a higher level of certainty.

Information, including projections of income and expenses provided by local sources, such as government agencies, financial institutions, accountants, attorneys, and others is assumed to be true, correct, and reliable. No responsibility for the accuracy of such information is assumed by the appraiser.

The comparable sales data relied upon in the appraisal is believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.

Engineering analyses of the subject property were neither provided for use nor made as a part of this appraisal contract unless otherwise noted. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based on a rudimentary investigation by the appraiser and the value conclusions are subject to said limitations.

All values shown in the appraisal report are projections based on our analysis as of the date of the appraisal. These values may not be valid in other time periods or as conditions change. We take no responsibility for events, conditions, or circumstances affecting the property's market value that take place subsequent to either the date of value contained in this report or the date of our field inspection, whichever occurs first.

Since projected mathematical models and other projections are based on estimates and assumptions which are inherently subject to uncertainty and variation depending upon evolving events, we do not represent them as results that will actually be achieved.

This appraisal is an estimate of value based on an analysis of information known to us at the time the appraisal was made. We do not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice.

Opinions and estimates expressed herein represent our best judgment but should not be construed as advice or recommendation to act. Any actions taken by the client commissioning this report or any third party should be based on their own judgment, and the decision process should consider many factors other than the value estimates and information given in this report.

#### USE OF REPORT

Appraisal reports are technical documents addressed to the specific technical needs of clients. Casual readers should understand that this report does not contain all of the information we have concerning the subject property or the real estate

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market. While no factors we believe to be significant but unknown to the client have been knowingly withheld, it is possible that we have information of significance which may be important to others but which, with our limited acquaintance of the property and our limited expertise, does not appear to be important to us.

Appraisal reports made for lenders are technical documents specifically made to lender requirements. Casual readers are cautioned about their limitations and cautioned against possible misinterpretation of the information contained in these reports.

This appraisal was prepared at the request of and for the exclusive use of the client to whom the appraisal is addressed. Although third parties may rely upon the information and conclusions contained herein, the appraiser should be contacted with any questions before this report is relied upon for decision making.

#### RESTRICTIONS

There are not requirements, by reason of this appraisal, to give testimony or appear in court or at any pretrial conference or appearance required by subpoena with reference to the property in question, unless sufficient notice is given to allow adequate preparation and additional fees are paid by the client at our regular rates for such appearances and the preparation necessitated thereby.

This report is made for the information and/or guidance of the client and possession of this report, or a copy thereof, does not carry with it a right of publication. 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 appraiser. Nor shall the appraiser, firm, or professional organization of which the appraiser is a member be identified without the written consent of the appraiser.

It is suggested that those who possess this appraisal report should not give copies to others and that legal advice should be obtained on potential liability issues before this is done. Anyone who transmits an incomplete or altered copy of the appraisal report, including all attachments, does so at their own risk and assumes complete liability for any harm caused by transmitting an incomplete or altered copy. Neither the appraiser nor this company assumes any liability for harm caused by reliance upon an incomplete or altered copy of the appraisal report transmitted by others. Anyone with a question as to whether their copy of an appraisal report is incomplete or altered should contact our office.

Values and conclusions for various components of the subject property contained within this report are valid only when making a summation; they are not to be used independently for any purpose and shall be considered invalid if so used. The allocation of the total value in this report between land and improvements applies only under the reported highest and best use of the property. The separate valuations for land and buildings shall not be used in conjunction with any other appraisal and are invalid if so used.

The *Uniform Standards of Professional Appraisal Practice* requires that appraisers identify and consider the effect on value of both tangible and intangible non-realty items, including business enterprise value. However, with the exception of hotels, nursing homes and other personal-service oriented income producing properties, the business enterprise, if any, is inextricably tied to the fee simple real estate. In the opinion of the appraiser, no defensible means of separating the real estate value from the business enterprise value is available, beyond the deduction associated with a market-based management fee in the income approach. Hence, no additional attempt is made to divide the business enterprise value, if any, from the estimated value of the property identified in this report.

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## QUALIFICATIONS OF APPRAISER

JEFFREY E. ROBINSON, MAI, SRA

Senior Real Estate Appraiser with Empire State Appraisal Consultants, Inc., specializing in real estate appraisals and valuations, market feasibility studies, tax certiorari, eminent domain, easements and consultation. (2002 to present)

### PROFESSIONAL DESIGNATION

Designated Member of the Appraisal Institute (MAI)  
MAI Designation awarded by the Appraisal Institute, August, 2002

Designated Senior Residential Appraiser (SRA)  
SRA Designation awarded by the Appraisal Institute, April, 1993

### PROFESSIONAL LICENSES

NYS Certified-General Real Estate Appraiser – Certificate #46-37947

Qualified General Real Estate Appraiser for NYS Department of Transportation

### EXPERIENCE

Preparation of various types of commercial/industrial appraisals for L.T. Bookhout, Inc. (3/00 to 10/02)

Assisted in audits, tax return preparations and general accounting procedures. Staff accountant for Teal, Becker, Chiamonte, public accounting firm, Albany, New York (1/99 to 3/00)

Complete development/analysis of appraisals of various types of commercial/industrial properties for L.T. Bookhout, Inc. (10/90 to 12/98)

Appraisal of diverse residential properties in Columbia and Greene Counties, Concra Appraisal Associates, Hudson, New York (12/87 to 10/90)

Licensed Real Estate Salesman for Century 21, Lynn Strunk Realty, Kinderhook, New York (7/87 to 12/87)

### Types of Assignments Have Included:

- Cement Plant (Holcim), Catskill, NY.
- Central Hudson, Newburgh, NY – easement for poles/lines.
- NIMO Saratoga – Easement for poles/lines.
- Ashokan Reservoir – Olive/Hurley.
- CVS drugstore – Ossining.
- Appraisals of temporary and permanent easements for various property types in preparation for possible condemnation proceedings.
- Boston Scientific – Glens Falls.
- United Parcel Service distribution facility, Greenport, NY.
- Hotel appraisals – Holiday Inn, North Adams, MA, Ramada Inn, Newburgh, NY, Comfort Inn, Newburgh, NY., St. Charles Hotel, Hudson, NY, Inn at the Falls, LaGrange, NY.
- Appraisal of a limestone quarry – Canaan, CT., hard rock quarry – Hoosick, NY and wollastonite (rare mineral) quarry – Lewis, NY.
- Appraisal of Tech-City, a redeveloped former IBM mixed-use office/manufacturing plant, Town of Ulster, NY.
- Various neighborhood and community shopping centers, i.e., Fairview Plaza and Corner Plaza, Greenport, NY.
- Army reserve center, Albany, NY.
- Former retail outlet center converted to office/business park, Malta, NY.
- Multi-tenant, high-rise office building, downtown Albany, NY.
- Proposed residential subdivision.
- Numerous agricultural properties throughout the Hudson Valley.
- Appraisal of an area shopping center to settle family dispute – Village of Walden, NY.
- Numerous appraisals of parcels along the Hudson River.
- Appraisal of multi-tenant commercial and industrial buildings, from offices to mixed-used properties.

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- Appraisal of numerous mobile homes parks for tax certiorari purposes.
- Appraisal of 320 site campground for mortgage purposes – Dennis, MA and numerous other campgrounds through the Hudson Valley.
- Medical office building appraisal to resolve landlord/tenant dispute over value – Poughkeepsie, NY.
- Appraisals of automobile dealerships – through the Hudson Valley.
- Appraisal of an anchor tenant attached to a super-regional shopping center for tax certiorari purposes – Filenes, Walkill, NY.
- Appraisal of a super-regional shopping center for tax certiorari purposes – Crystal Run Galleria, Walkill, NY.
- Appraisal of a 35,000± square foot castle overlooking the Hudson River, Philipstown, NY.
- Appraisal of the Kolburne School – A school for special needs students – New Marlborough, MA.
- Appraisal of the Waters Edge Resort, Westbrook, CT – A resort property and timeshare complex.
- Appraisal of the Oak n' Spruce Resort, Lee, MA – A resort property and timeshare complex.
- Appraisal of Stony Brook a partially existing, partially undeveloped condominium project, Newburgh, NY.
- Appraisal of vacant land for The National Park Service for Eminent Domain purposes – Stillwater, NY.

#### COURT EXPERIENCE

Albany County Supreme Court  
Greene County Supreme Court  
Ulster County Supreme Court

Columbia County Supreme Court  
Saratoga County Supreme Court  
Massachusetts Appellate Tax Board

#### APPRAISAL COURSES SUCCESSFULLY COMPLETED:

##### Appraisal Institute

- Fundamentals of Separating Real, Personal Property, and Intangible Business Assets – 4/12
- Green Technology and Real Estate – 6/09
- Appraising in 2009 – 6/09
- Appraisal Tools Tune-up – 6/09
- Appraising the Appraisal Business – 6/09
- Business Practices and Ethics – 2/05
- USPAP Update Course – 3/04
- Standards and Ethics for Professionals – 10/03
- Standards of Professional Practice – Part C – 11/97
- Course 540 – Report Writing & Valuation Analysis – 5/93
- Course 202 – Applied Income Property Valuation – 11/91

##### Society of Real Estate Appraisers

- Course 201 – Principles of Income Property Appraising – 3/90

##### American Institute of Real Estate Appraisers Courses

- Residential Valuation – 7/89 challenge
- Basic Valuation Procedures – 6/89
- Standards of Professional Practice – 2/89
- Real Estate Appraisal Principles – 3/88

##### Seminars

- Investor's Surveys: An Appraiser's Perspective – 5/11
- Bones of Contention: Mini case studies illustrating fundamental appraisal methodology misunderstandings – 5/11
- Marketability Analysis: The Key to Credible Valuation in a Changing Market – 5/11
- Income Capitalization in Today's Market – 5/11
- A Debate on the Allocation of Hotel Total Assets – 10/10
- Strategies for Successfully Appealing a Real Estate Tax Assessment – 10/10
- USPAP Update Course – 9/10
- Investment Property Analysis – 4/10
- Eminent Domain Valuation – 2/10
- Rules of Thumb for Appraisers – 5/07
- Real Estate Finance, Value & Investment Performance – 5/07

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- Case Studies in Commercial Highest and Best Use – 5/07
- Changes to USPAP: The Demise of Departure – 3/06
- The Latest Trends in Hotel Valuation and Market Studies – 5/05
- Attacking and Defendant an Appraisal in Litigation III – 5/05
- Recent Appraisal Related Case Law – 12/04
- Attacking and Defendant an Appraisal in Litigation II – 4/04
- Fast Food Restaurant Valuation – 4/04
- Preparing for Litigation – 6/03
- Administering Property Tax Assessments and Contested Assessment Review Cases – 5/03
- Case Studies in the Valuation in Upstate New York Real Estate – 6/02
- Court Testimony – Preparing for rebuttal and cross examination – 10/01
- Comprehensive Appraisal Exam Workshop – 7/01
- General Demonstration and Appraisal Reporting Writing – 8/00
- Lease Abstracting and Analysis – 11/98
- Appraisal of Local Retail Properties – 9/98
- Understanding Limited Appraisals & Appraisal Reporting Options (General) – 8/94
- Residential Demonstration Appraisal Report Writing
- How To Be a Better Review Appraiser
- Discounted Cash Flow Analysis

Successfully passed Comprehensive Examination for the MAI designation, Appraisal Institute – 8/01

Completed the minimum experience requirements towards awarding of the MAI designation – 4/02

Successfully completed Demonstration Appraisal Report – 7/02

#### PROFESSIONAL AFFILIATIONS

Columbia County Board of Realtors (August 1987 – Present)

Albany County Board of Realtors (May 1986 – July 1987)

Currently hold Real Estate Sales License, Red Apple Realty, Claverack, New York

Property management

Real Estate Sales/Negotiations

#### FINANCIAL INSTITUTIONS

Hudson River Bank & Trust

Home and City Savings Bank

First American Bank

M&T Bank

Anchor Savings Bank

First National Bank of Rhinebeck

Abacus Federal

United Builders Funding

Key Bank, NA

Catskill Savings Bank

Citibank

Manufacturers Hanover

Rhinebeck Savings Bank

National Union Bank of Kinderhook

Completed the minimum experience requirements towards awarding of the MAI designation – 4/02

Successfully completed Demonstration Appraisal Report – 7/02

#### EDUCATION

Accounting Certificate Program – Siena College, Loudonville, New York, 1997.

Bachelor of Science – Marketing and Management, Siena College, Loudonville, New York, 1987.

Associates Degree – Business Administration, Hudson Valley Community College, Troy, New York, 1985.

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**QUALIFICATIONS OF APPRAISER**

Barry M. Herbold, ASA

PROFESSIONAL DESIGNATIONS & LICENSE

Senior member, American Society of Appraisers with a designation in Real Property Ad Valorem (ASA).

NYS Certified-General Real Estate Appraiser  
Certificate #46-3453PROFESSIONAL EXPERIENCE

Continuously and actively engaged in the appraisal of real estate for the last 40 years.

President and Senior Consultant, Empire State Appraisal Consultants, Inc. 1975 to present.

Chief Appraiser for Cole-Layer-Trumble Co. in New York State Supreme Court certiorari proceedings, 1973-1975

Staff Appraiser and Project Supervisor, Cole-Layer-Trumble Co., Real Estate Appraisers, Dayton, Ohio, 1968-1973

Have appraised over thirty thousand properties for clients in Connecticut, New Jersey, Massachusetts, Pennsylvania, Indiana, and New York.

Directed and administrated the appraisal of over thirty-thousand properties in five separate property tax assessment equalization programs.

CERTIFICATIONSQualified Fee AppraiserNew York State Department of Environmental Conservation  
New York State Office of Parks, Recreation & Historic Preservation  
New York State Department of Transportation  
U.S. Department of the Treasury, Internal Revenue Service  
Veterans AdministrationEDUCATION

Sacred Heart University, Fairfield, Conn.

Completed numerous courses in real estate appraisal including all courses required for licensing and renewals by the New York State Department of State.

OTHER MEMBERSHIPSChairman, Architectural Control Committee, Hereford Hills, Inc.  
New York State Society of Real Estate Appraisers  
Village of Kinderhook, N.Y. Planning Board (1995-99)TYPES OF ASSIGNMENTS

Tax Certiorari	Conservation Easements	Avigation Easements	Value-in-use
Estate Tax	Riparian Rights	Development Rights	Diminution
Leased Fee	Eminent Domain	Appraisal Review	Scenic Easements
Leasehold	Mineral Rights	Depreciation Analysis	Deficiency Judgment
Revaluation	Feasibility Studies	Investment Financing	Equalization Studies
			Adverse Possession

TYPES OF PROPERTY APPRAISED

Farms	Nursing Homes	Shopping Centers & Enclosed Malls	Public Utilities
Hotels	Restaurants	Service Stations	Reservoirs
Motels	Condominiums	University Complexes	Railroads
Banks	Forest Lands	Correctional Facilities	Bowling Centers
Churches	Quarry Lands	Manufacturing Facilities	Amusement Parks
Hospitals	Country Clubs	Cement Plants	Gravel Extraction & Mining
Apartments	Golf Courses	Indoor Tennis Clubs	Historic Properties
Warehouses	Supermarkets	Trucking Terminals	Schools
Offices	Mobile Homes	Private Sewer & Water Systems	Yacht Clubs
Dams	Bulk Plants	Municipal Sewer & Water Systems	Horse Breeding Facilities
Subdivisions	Cold Storage	Mobile Home Parks	Landfills
Theatres	Health Clubs	Automobile Sales	Electric & Gas Transmission

PUBLICATIONS

*Ad Valorem Taxes And Real Property: Relationship And Analysis*, © 1976, American Society of Appraisers, Valuetape Series.  
*Real Estate Valuation Trends, Columbia County, N.Y.*, published semi-annually  
 Author of several copyrighted appraisal schedules concerned with building costs and land valuation.

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INSTRUCTOR/SPEAKER

Approved General Appraisal Instructor #I-436, NYS Department of State  
 Guest speaker, "Assessment of Golf Courses and Country Clubs", Golf Course Superintendents Association of America, St. Louis, Missouri, 1980.  
 Instructor, "Appraisal of Golf Courses and Country Clubs", American Society of Appraisers, 1978 Recreational Properties Appraisal Symposium, Steamboat Springs, Colorado.  
 Guest speaker, "Real Estate Appraisal and Tax Equalization", WVIP Radio Issues and Answers, Mt. Kisco, New York 1973.  
 Course instructor for various appraisal seminars offered to municipal assessing officials. Lectured to various community organizations on appraisal topics.

QUALIFIED AS EXPERT APPRAISAL WITNESS

U.S. District Court - Northern District  
 New York State Supreme Court  
 Connecticut Superior Court  
 U.S. Bankruptcy Court  
 Various county courts, commissions,  
 and boards of review.  
 Appointed Commissioner in partition actions.

TESTIMONY IN SIGNIFICANT NYS SUPREME COURT CASES

*City of Troy v. Kusala* (municipal reservoir)  
*City of New York v. Town of Hurley* (Ashokan Reservoir)  
*Sterling Drug (Eastman Kodak) v. City of Rensselaer* (chemical mfg.)  
*Eden Park v. City of Troy* (nursing home)  
*Lehigh Portland Cement v. Town of Catskill* (cement mfg.)  
*Eckerd v. City of Watervliet* (net lease drug store)  
*Playtex v. City of Watervliet* (manufacturing)  
*Lowe's v. Town of Queensbury* (retail big box)

PARTIAL CLIENT LISTMortgage Lenders

Berkshire Bank & Trust Co.	Evergreen Bank	Fleet/Norstar	Lee Bank
BNY Mellon	Farmers Home Administration	Island Federal Savings & Loan	PHH US Mortgage
Citibank	First National Bank of Glens Falls	JP Morgan Chase	Prudential Home Mortgage
Citicorp	First Agricultural Bank	Key Bank, N.A.	Statewide Funding Corp.
Chemical Bank of New York	First Niagara	Kinderhook Bank	Troy Savings Bank

Major Corporations

Allied Signal	First American Title Insurance	Mirant
American Insurance Co.	First Union Realty Trust	Niagara Mohawk Power Corp.
Archer Daniels Midland Co.	Garden Homes Management Corp.	NYSEG
Benderson Development Co.	General Electric Company	Pfizer International
Besicorp	George Pacific	Prudential Relocation
Capital Mutual Insurance Co.	Golub Corp.	Rite Aid Corp.
Coates Field Service	Hannaford Bros. Inc.	Rochester and Southern, RR
Coca Cola	Hartford Insurance Co.	Scotts-Hyponex
Commonwealth Title Insurance	Homequity, Inc.	Suburban Propane
Consolidated Edison Co.	I.B.M.	Title Guarantee Co.
Continental Insurance Co.	Iron Mountain	Traveler's Relocation Co.
Crystal Run Health Care	Keeler Motor Car Co.	Unigard Insurance Co.
D & H Railway Co.	Liberty Health Care	Universal Match Co.
Eastman Kodak	Macerich Companies	Zurich American Insurance
Eberhard Brothers	McDonald's Corp.	
Fidelity Title Insurance	Meditrust	

Government/Public

Albany County, N.Y.	Colonie, NY	Kinderhook, N.Y.	North Greenbush, N.Y.
Albany, N.Y.	Columbia Co., N.Y.	Kingston, N.Y.	Olive, N.Y.
Albany Port Commission	Cortlandt, NY	Lake George, N.Y.	Open Space Institute
Amsterdam, N.Y.	Coxsackie, N.Y.	Lake Placid, N.Y.	Orange County, N.Y.
Army Corps of Engineers	Croton-on-Hudson, N.Y.	Lloyd, N.Y.	Ossining, N.Y.
Athens, N.Y.	Delaware Co., N.Y.	Malta, N.Y.	Patterson, N.Y.
Austerlitz, N.Y.	East Greenbush, N.Y.	Marbletown, NY	Pittstown, N.Y.
Broadalbin, N.Y.	Fishkill, NY	Mayfield, N.Y.	Poughkeepsie, NY
Bedford, N.Y.	Fort Edward, N.Y.	Middletown, N.Y.	Queensbury, N.Y.
Binghamton, N.Y.	Fulton County, N.Y.	Milton, N.Y.	Rensselaer, N.Y.
Caroga, N.Y.	Ghent, NY	Monroe, N.Y.	Saugerties, N.Y.
Cairo, N.Y.	Glens Falls, NY	Moreau, N.Y.	Scenic Hudson
Catskill, N.Y.	Greene Co., N.Y.	Mt. Vernon, N.Y.	Sullivan County, N.Y.
Catskill Watershed Corp.	Greenport, N.Y.	NYS AFL-CIO	Taghkanic, N.Y.
Chatham, N.Y.	Halfmoon, N.Y.	Neversink, N.Y.	Troy, NY
Chester, N.Y.	Hudson, N.Y.	Newburgh, N.Y.	Ulster, N.Y.
Claverack, N.Y.	Hurley, NY	New Lebanon, N.Y.	Washington, N.Y.
Clermont, N.Y.	Hyde Park, NY	New Windsor, N.Y.	Watervliet, N.Y.
Clifton Park, NY	Internal Revenue Service	City of New York DEP	White Plains, NY
Cohoes, N.Y.	Johnstown, N.Y.	New York State DOT	Wilton, N.Y.

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Legal/Professional/Private

Ben Affleck  
 Bartlett, Pontiff, Stewart and Rhodes  
 Carter, Conboy, Bardwell, Case & Blackmore  
 Caputo, Aulisi & Skoda  
 Cerfilman Bailin Adler & Hyman  
 Cooper Erving & Savage LLP  
 Daniel G. Vincelette Law Firm  
 Steely Dan  
 DAILY, Testa & Dautel  
 Donohue, Sabo, Varley & Armstrong  
 Flint Law Firm  
 Frederick A.O. Schwarz, Jr.  
 George Rickey  
 Jennifer Garner

U.S. District Judge Lewis A. Kaplan  
 Marc Gold, Esq.  
 Hacker & Murphy  
 Helm, Shapiro, Anito & McCale  
 Hiscock and Barclay  
 James Ivory  
 Jerrold F. Janata & Associates  
 Koeppl Martone & Leistman  
 Koweek, Cranna, Agata & McEvoy  
 Lally and Lally  
 Lee & LeForestier  
 Lemery, MacKrell and Greisler  
 Lombardi, Reinhard, Walsh & Harrison  
 McNamee, Lochner, Titus & Williams  
 Michael J. O'Connor, Esq.

Miller, Mannix, Schachner & Hafner  
 Paul Weiss, Rifkind, Wharton & Garrison  
 Laurence Rockefeller  
 Rapport, Meyers, Griffen & Whitbeck  
 Ruberli, Girvin & Ferlazzo  
 Segel, Goldman & Mazzotta  
 Schroder & Strom  
 James G. Sweeney, Esq.  
 Tabner, Ryan & Keniry  
 Thuillez, Ford, Gold & Conolly  
 VanDeWater & VanDeWater  
 Whiteman, Osterman & Hanna  
 Young, Sommer, Ward, Ritzenberg,  
 Wooley, Baker and Moore

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## Professional Parameters



“The American Society of Appraisers is a professional organization of individuals. International in structure, it is self-supporting, unaffiliated and independent. The Society works cooperatively for the elevation of the appraisal profession. It is one of eight major appraisal societies that helped to found the Appraisal Foundation, a national self-regulatory organization created in 1987 to establish uniform qualification criteria for professional appraisers, to develop standards for appraisal work, and to provide other programs to serve the Public.

“The only major appraisal organization representing all of the disciplines of appraisal specialists, the society was originated in 1936 and incorporated in 1952. It is headquartered in suburban Washington, D.C.

“Society members include specialists in business valuation, machinery and equipment, personal property (fine arts, antiques, residential contents, gems and jewelry, and a variety of other subjects), real property (residential, commercial, industrial, and agricultural), and technical valuation (public utilities, industrials, natural resources, and others); in short, all types of property, tangible and intangible, real or personal.

“Each Society member who has conclusively demonstrated that he or she is qualified to appraise one or more kinds of property has been certified. Such certification is predicated upon Society criteria: intensive written examinations, submission of representative appraisal reports and screening of applicant’s practice and ethics. With five years or more of full-time valuation experience members are granted the right to use the professional designation ASA (Accredited Senior Appraiser). With more than two years but less than five years of experience members may use the professional designation AM (Accredited Member).

“Senior appraisers are required to recertify, every five years, through a mandatory continuing education process.

“Ethical practices and conduct required of Society members are clearly defined in *The Principles of Appraisal Practice and Code of Ethics* of the American Society of Appraisers.”

International Board of Governors  
Resolution #6-71-4  
Revised 6-88

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