

RESOLUTION NO. 2016240

RE: AUTHORIZING THE PURCHASE AND RENOVATION
OF 45 MARKET STREET, POUGHKEEPSIE, NEW YORK
AND AMENDING THE 2016 ADOPTED COUNTY BUDGET
TO CREATE A CAPITAL PROJECT ACCOUNT LINE

Legislators MICCIO, BOLNER, SAGLIANO, FLESLAND and ROMAN offer the following and moves its adoption:

WHEREAS, the County of Dutchess has serious space needs which require an expansion of its professional office facilities, and

WHEREAS, the Public Defender's Office is an example of a department of the County which is in dire need of additional office space, and

WHEREAS, the needs of the Public Defender's Office are largely due to the personnel expansion of the office occasioned by recent mandates for comprehensive indigent representation by public defenders' offices and legal aid services through the State of New York, and

WHEREAS, the office building at 45 Market Street, on the corner of Market Street and Cannon Street in the City of Poughkeepsie is available for purchase, and

WHEREAS, the building is located within walking distance of the Dutchess County Family and County Courthouses as well as the Dutchess County Office Building complex, and

WHEREAS, County of Dutchess and the Seller have negotiated a purchase price for the premises in the amount of \$625,000, plus the necessary costs of the transfer of title, and

WHEREAS, the County's present intent is to remove the Public Defender's Office from its present location at 22 Market Street, and to relocate it at 45 Market Street, and

WHEREAS, renovations will be required in order to make ready the office space for occupancy by the County of Dutchess, and

WHEREAS, it is anticipated that the necessary renovations to the premises will cost approximately \$1,750,400; and

WHEREAS, the County Executive has negotiated a contract for the purchase of 45 Market Street contingent upon approval by the County Legislature, and

WHEREAS, the Administrative Code of the County of Dutchess requires the County Legislature to approve any contact for the purchase of real property, and

WHEREAS, the contemplated purchase and renovations of 45 Market Street have been determined to be an Unlisted Action under SEQRA, and the County of Dutchess has been declared Lead Agency for the required SEQRA review, and subsequently adopted an SEAF and Negative Declaration of Significance, which determined that the subject action would not have a significant adverse impact on the environment, and

WHEREAS, the County Legislature has determined that the purchase of the Premises is a prudent response to the space needs of the County of Dutchess, and

WHEREAS, in order to properly account for this multi-year project as a capital project rather than accounting for it from the operating budget the County must establish a capital project account, and

WHEREAS, the capital project account will facilitate the orderly disbursement of funds to purchase and renovate the premises located at 45 Market Street, Poughkeepsie, New York, now therefore be it

RESOLVED, that the County Executive is hereby authorized to execute a contract of sale in substantially the same form as annexed hereto and made a part hereof for the purchase of 45 Market Street in the City of Poughkeepsie from the Estate of Jean W. Patrick for the sum of SIX HUNDRED TWENTY FIVE THOUSAND (\$625,000) DOLLARS, plus the necessary costs of the transfer of title, and be it further

RESOLVED, that such necessary renovations to the premises shall cost approximately ONE MILLION SEVEN HUNDRED FIFTY THOUSAND FOUR HUNDRED (\$1,750,400) DOLLARS, and be it further

RESOLVED, that following the transfer of ownership from the present owner to the County of Dutchess the County Executive is authorized and empowered to execute such agreements as may be necessary to effectuate the renovations necessary to make the Premises ready for occupancy at a cost of approximately \$1,750,4000, and be it further

RESOLVED, that the Commissioner of Finance is authorized, empowered and directed to establish the capital project as follows:

APPROPRIATIONS

Increase

H0499.1620.3102	Building Acquisition	\$ 627,600
H0499.1620.3150	Building – Reconstruction	\$1,750,400
H0499.1620.4680.98	Taxes Paid to Municipalities	<u>\$ 15,000</u>
		\$2,393,000

FISCAL IMPACT STATEMENT

NO FISCAL IMPACT PROJECTED

APPROPRIATION RESOLUTIONS

(To be completed by requesting department)

Total Current Year Cost \$ 2,393,000

Total Current Year Revenue \$ 498,000

and Source

\$498,000 in funding is available through the Indigent Legal Services Fund grant allocations through the Public Defender's office.

Source of County Funds *(check one)*: Existing Appropriations, Contingency,
 Transfer of Existing Appropriations, Additional Appropriations, Other *(explain)*.

Identify Line Item(s):

The balance of the project cost will be funded through the 2016 General Contingency, and the Dutchess TASC refunding, which is paid to Dutchess County as part of the structure of the refunding and must be used for a long-term capital project within 18 months.

Related Expenses: Amount \$ _____

Nature/Reason: _____

Anticipated Savings to County: _____

Net County Cost (this year): \$1,895,000

Over Five Years: _____

Additional Comments/Explanation:

This resolution establishes a capital project to acquire and renovate 45 Market Street for use by the Public Defender's office. The cost of this project is paid for with proceeds from the TASC refunding, State ILSF grant funds, and contingency. The County will not bond for this project.

Prepared by: Rachel Kashimer, Budget Office

Prepared On: 09/09/2016

CONTRACT OF SALE

This Contract is made as of the _____ day of August, 2016, by and between THE ESTATE OF JEAN W. PATRICK, by John W. Patrick and Gale M. Patrick, as Co-Executors, with a mailing address of 510 Haight Avenue, Suite 103, Poughkeepsie, New York 12601 ("Seller"), and COUNTY OF DUTCHESS, a municipal corporation with offices at 22 Market Street, Poughkeepsie New York 12601, (the "Purchaser").

In consideration of the promises contained in this Contract, the parties hereby agree as follows:

1. **PREMISES.** The improved real property to be conveyed by this contract is known as 45 Market Street, City of Poughkeepsie, County of Dutchess, State of New York; Tax Parcel Number 131300-6162-77-027053-0000 (the "Property"), see Schedule "A" annexed hereto.

2. **PURCHASE PRICE.**

The Purchase price is	\$625,000.00
The Downpayment is	\$ 0.00
Balance at Closing by Cash	\$625,000.00

3. **CONTINGENCY.** Performance by this Contract of Sale by the Purchaser is contingent upon approval of this Contract of Sale and the adoption of a bond resolution to fund the purchase by the Dutchess County Legislature.

4. **SELLER.** It is understood that Jean W. Patrick, survived her husband Charles J. Patrick, and during her lifetime was the holder of a legal life estate of the Property under the Last Will and Testament of Charles J. Patrick and that pursuant said Will, upon the death of Jean W. Patrick, the personal representatives of Jean W. Patrick were empowered to take possession

of the Property and to do all acts necessary to transfer and distribute it to the persons entitled thereto, including the sale of the Property. Should there arise the requirement to have a representative of the Estate of Charles J. Patrick appointed to carry out this Contract of Sale, then the parties agree to reasonable adjournments to the Closing in order to accomplish said appointment.

5. **DUE DILIGENCE.** Purchaser shall have a due diligence period of 60 days following execution of this Contract of Sale. During the Due Diligence period Purchaser may undertake its due diligence investigations, including inspections and testing. If Purchaser's due diligence reveals a materially adverse Property condition as determined by a licensed engineer, or workers versed in the discipline of their trade, then Seller shall have forty five (45) days to remedy the condition or elect to cancel the contract. Copies of all tests and reports obtained by the Purchaser shall be provided to the Seller in the event a materially adverse Property condition is raised by Purchaser.

Purchaser agrees to indemnify and hold harmless Seller from any damage, costs or actions occasioned by the aforesaid tests and/or inspections including, without limitation, reasonable attorney's fees. Purchaser is obligated to restore the property to its condition as it existed prior to Purchaser's investigation. In the event Purchaser's environmental investigations reveal any contamination that exceeds applicable safety levels set by any government agency then and in that event, either party to this Contract reserves the right to terminate this contract on five (5) days notice to the other party.

Purchaser shall otherwise have the right to inspect the Premises during the due diligence period set forth herein and within forty eight (48) hours before the date of closing. Purchaser hereby represents and warrants that upon possession of the property, Purchaser accepts said property in its AS IS CONDITION, unless a condition or conditions are identified and

specified to survive closing. Such conditions and any remedial work shall be addressed in a separate memorandum to be agreed upon by the parties.

6. **EXTENSION.** In the event that Purchaser requires an extension or extensions of the Due Diligence period set forth herein such extension or extensions shall be granted in ten day intervals at the sole discretion of Seller. Such request must be made in writing delivered to counsel for the Seller within the herein prescribed Due Diligence period. Any request for extension necessitated by circumstances which prohibit compliance with the provision of paragraph 5 (Due Diligence) shall not be unreasonably withheld by Seller.

7. **PERSONAL PROPERTY.** The sale includes all fixtures and articles of personal property attached to or used in connection with the premises.

8. **ACCEPTABLE FUNDS.** All money payable under this contract, unless otherwise specified, shall be either:

- A. Cash, but not over one thousand (\$1,000.00) dollars.
- B. Wire transfer as directed by Seller.
- C. Money other than the purchase price, payable to the Seller at closing, may be check of Purchaser, up to the amount of FIVE HUNDRED (\$500.00) DOLLARS.
- D. As otherwise agreed to in writing by Seller or Seller's attorney.
- E. All checks paid shall be accepted subject to collection.
- F. Notwithstanding the acceptance of uncertified funds at the time of closing, in the event that any check, draft or other payment is not honored by the drawer's bank, the same shall immediately be redeemed, in cash or certified check, or upon failure to make such payment within 48 hours of demand to do so, shall be considered as a failure of consideration.

9. **PERMITTED EXCEPTIONS.** The Premises are sold and shall be conveyed subject to:

A. Laws and governmental regulations, zoning ordinances, building regulations and restrictions of record that affect the use and maintenance of the premises, provided they are not now violated by the existing structures on and use of the Property.

B. Consents for the erection of any structures on, under or above any streets on which the premises abut.

C. Encroachments of stoops, areas, cellar steps, trim and cornices, if any, upon any street or highway.

D. Any state of facts that an accurate survey or personal inspection might reveal, provided that the same shall not reveal circumstances that would substantially reduce the usable land area or otherwise render title unmarketable.

E. Any assessment which is or may become payable after the date of closing. Seller represents that there are no such assessments known at the time of this agreement.

10. CONDITION OF PROPERTY. Subject to the provisions of paragraph 3 hereof, Purchaser acknowledges and represents that Purchaser is fully aware of the physical condition of the Premises, is not relying upon any statements or representations from Seller regarding the physical condition of the Premises and takes the Premises "as is", subject to reasonable use, wear and tear between now and Closing.

11. SURVEY DESCRIPTION. In the event that Purchaser desires to have the seller incorporate a new metes and bounds description prepared by Purchaser's surveyor into the deed of conveyance, the purchaser shall provide the Seller with a survey certified to the Seller. Absent said certified survey the Seller does not warrant the accuracy of said metes and bounds description. The provisions of this paragraph shall survive the closing of title.

12. DEED, BILL OF SALE. At the time of closing, Seller will tender to Purchaser an Executor's Deed with covenant against Grantor's Acts conveying marketable title in fee simple to the Premises, free and clear from all liens and encumbrances except as stated in this Contract and a bill of sale transferring good and marketable title to all items of personal property, if any, being purchased by Purchaser, free from all liens and encumbrances. The deed shall be

prepared, signed and acknowledged by Seller and transfer tax stamps in the correct amount shall be affixed to the deed, all at Seller's expense. The deed shall contain the required language of Section 13 of the Lien Law.

13. INSURABLE TITLE. Seller shall give and Purchaser shall accept such title as any title insurance company licensed by the State of New York shall be willing to approve and insure in accordance with its standard form of title policy approved by the New York State Insurance Department, subject only to matters provided for in this Contract. The Premises are sold and are to be conveyed subject to any state or facts that an accurate survey may disclose, provided that the same does not disclose conditions that result in a substantial reduction in usable land area, and does not render title unmarketable or uninsurable.

Nothing herein shall be construed to require Seller to clear any defects in title. If Seller is unable to convey such insurable title, Seller's sole obligation shall be a refund of the deposit, if applicable. Upon such refund and payment, this contract shall be considered canceled, and neither Seller nor Purchaser shall have any further rights against the other.

Purchaser's attorney shall supply a copy of its title report to Seller's attorney with notice of any objections to title. Seller shall be entitled to reasonable adjournment of the Closing if necessary to remove any objection to title.

Seller shall provide to Purchaser a copy of the most recent survey of the Premises within ten days of receipt of a fully executed copy of this Contract.

14. SELLER DOCUMENTATION. Upon Purchaser's execution hereof, Seller shall promptly provide Purchaser with documentation in Seller's possession, if any, related to the property, including but not limited to: environmental, property inspection, subdivision maps, leases, approvals, etc. and survey of the property.

15. **CLOSING.** Closing shall take place at the office of James M. Fedorchak, County Attorney, 22 Market Street, Poughkeepsie, New York 12601 on or about September 2, 2014 at 10:00 a.m. or within 30 days after expiration of the due diligence provided for herein.

16. **ADJUSTMENTS.** The following are to be apportioned as of midnight of the date of closing: taxes, water charges, and sewer rents, on the basis of the fiscal period for which assessed, fuel oil and propane gas, as appropriate. If closing shall occur before a new tax rate is fixed, the apportionment at closing shall be on the basis of the old tax rate for the preceding period applied to the latest assessed valuation. The Seller and Purchaser agree that any errors or omissions in computing apportionments or adjustments at the time of the closing shall be corrected, and that this provision shall survive the closing.

17. **ALLOWANCE FOR UNPAID TAXES.** Seller shall have the option of crediting Purchaser with the amount of any unpaid taxes, assessments, water charges, and sewer rents, together with the interest and penalties thereon, provided that official bills therefore computed to said date are produced at closing, or that the title or abstract company for the Purchaser will accept the same and omit the exception for such unpaid taxes from all title policies issued that date, or running from that date.

18. **USE OF PROCEEDS TO PAY ENCUMBRANCES.** Any other obligations affecting title to the said premises may be paid and discharged at the time of closing out of the proceeds of the Closing. As an alternative, Seller may deposit money with the title company employed by Purchaser and required by it to assure its discharge; but only if the title company will insure Purchaser's title clear of the matter or insure against its enforcement out of the premises. Upon request, made within a reasonable time before Closing, the Purchaser agrees to provide separate certified checks as requested to assist in clearing up these matters.

19. DEFAULTS AND REMEDIES. In case the Purchaser shall fail to make any payment of the purchase price promptly or shall fail promptly to perform any covenant or agreement required by this contract, the Seller may elect to declare a forfeiture and cancellation of this contract. Upon that election being made, all rights of the Purchaser shall cease and Seller shall be entitled to any remedy available at law or equity. It is further expressly agreed that if the Seller shall breach this contract and shall refuse to complete the sale of the land and premises to the Purchaser, then the Purchaser shall be entitled to any remedy available at law or equity, including specific performance.

20. BROKER. The parties represent that they have not dealt with any broker in connection with this sale other than Vincent J. DiMaso, a New York State Real Estate Broker ("Broker") and Seller shall pay Broker any commission earned pursuant to a separate agreement between Seller and Broker. Seller and Purchaser shall indemnify each other against any costs, claims and expenses, including reasonable attorney fees, arising out of the breach on their respective parts of this representation.

21. GENERAL PROVISIONS.

A. The provisions of this Contract and the interpretation of them shall be governed by New York Law. If any portion of this Contract is held invalid, the parties agree that such invalidity shall not affect the validity of the remaining portions of this Contract, and the parties further agree to substitute for the invalid provision a valid provision that most closely approximates the economic effect and interest of the invalid provision. Any action or proceeding commenced related to the provisions of this Contract shall be commenced in the courts of the State of New York and venued in Dutchess County.

B. This Contract constitutes the entire agreement between the parties and Seller is not liable for or bound by express or implied warranties or guarantees unless expressly set forth herein.

C. No modification of this Contract shall be effective unless in a writing signed by the parties.

D. This Contract shall be binding on and shall inure to the benefit of the heirs, successors, assigns and personal representatives of the parties.

E. No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or excuse shall be in writing and signed by the party claimed to have waived or excused. Any consent by any party to, or waiver of, a breach by the other, shall not be deemed a consent to or waiver of any different or subsequent breach. The failure of either party to enforce any of its rights or remedies hereunder on any one occasion shall not be deemed a waiver of the right to enforce any other right or remedy for the same or a different occasion.

22. TENANCIES. All of the occupants of the property are tenants at will and upon approval hereof by the Dutchess County Legislature, Seller will give such legal notice to those tenants as may be required in order to transfer the property without occupants.

23. RISK OF LOSS. Risk of loss or damage to the Premises by fire or other casualty until transfer of title shall be assumed by Seller. If substantial damage to the Premises by fire or such other casualty occurs prior to transfer, Seller shall have thirty (30) days to repair the Premises. Upon the expiration of the thirty (30) day period, if the Premises have not been repaired, at the option of either party, this Agreement may be canceled.

24. AGREEMENT NOT BINDING ON SELLER UNTIL SIGNED. This agreement, when signed by the Purchaser, constitutes an offer to purchase on the part of the Purchaser, only, and the Purchaser fully understands that this agreement shall not become a

binding obligation on the Seller until it has been signed by the Seller. The Purchaser and the Seller have agreed that the Seller will sign the contract at the time of Closing. The Purchaser and Seller have further agreed that either party can terminate this transaction without penalty or liability of any kind prior to Seller's formal execution of the contract at the Closing.

25. ATTORNEYS AND NOTICE. Seller designates Lou Lewis, Esq., LEWIS & GREER, P.C., 510 Haight Avenue, Poughkeepsie, New York 12603 as its attorney with respect to this transaction. Purchaser designates James M. Fedorchak, County Attorney, 22 Market Street, Poughkeepsie, New York 12601 as its attorney with respect to this transaction.

IN WITNESS WHEREOF, the parties have executed this Contract on the date first above written.

ESTATE OF JEAN W. PATRICK

COUNTY OF DUTCHESS

By: John W. Patrick
As Co-Executor of the Estate of Jean W. Patrick

By: Marcus J. Molinaro, County Executive

By: Gale M. Patrick
As Co-Executor of the Estate of Jean W. Patrick

SCHEDULE A

City of Poughkeepsie, County of Dutchess, State of New York. Bounded and described as follows:

BEGINNING at a point in the southeast corner of Cannon and Market Streets, in the said City and running thence southerly along the east side of Market Street, 52 feet more or less to the southwest corner of this lot in range with the north line of the house and lot formerly occupied by John Barnes and later by Augustus G. Elliott, thence easterly along the north line of the house and lot last aforesaid about 110 feet to the west line of the Poughkeepsie Female Academy; thence northerly along their west line about 50 feet more or less to the south line of Cannon Street; thence westerly along the south line of Cannon Street about 110 feet more or less to the place of beginning

SUBJECT to the common use and privilege of an alley or passage way six feet wide in the rear of the premises adjoining the said Female Academy lot for the passage and carrying of persons, articles and property for the use of the premises of the said John Barnes or his assigns next adjoining and of Charles Vassar and his assigns southerly thereof, and as granted to the said Charles Vassar by the said John Barnes and Maria, his wife, by deed bearing date the 12th day of December, 1836.

ADDENDUM TO CONTRACT BETWEEN

ESTATE OF JEAN W. PATRICK

and

COUNTY OF DUTCHESS

Notwithstanding anything to the contrary contained in the contract between the above parties, of which this addendum is hereby made part, the Seller agrees with the Purchaser as follows:

ARTICLE 13. ZONING AND RESTRICTIONS. The premises are conveyed subject to zoning ordinances, building regulations, restrictions of record, except any reverter clause, easements and rights-of-way, provided the same are not violated by the use, occupancy or structure, do not render title unmarketable, threaten the continued existence of the improvements thereon or the present use or occupancy of the premises, or substantially reduce the usable area or beneficial enjoyment of the said premises, or require any affirmative acts or monetary payments on the part of the owner, provided the premises shall be finally and unappealably zoned so as to permit Purchaser to use the premises in substantially the same manner as presently used.

ARTICLE 14. CONDITIONS AND EASEMENTS. It is understood and agreed, that notwithstanding anything to the contrary herein contained, this contract will be contingent upon buyer reviewing the conditions, restrictions and reservations heretofore referred to, as well as any easements which may encumber the within premises, and in the event the Purchaser rejects the conditions, restrictions, reservations and/or easements as unacceptable, then this contract shall be null and void. Any rejection to be issued by the Purchaser shall be done within the due diligence period contained in Paragraph 5 of the Agreement of Purchase and Sale. Upon said nullity being declared, this contract shall be considered cancelled, with no further liabilities to Purchaser or Seller.

ARTICLE 15. RISK OF LOSS. Notwithstanding the liability for risk of loss or damage to the premises due to fire, the Seller agrees that should the premises be damaged in any material way by fire, elements or vandalism, the Purchaser shall have the option of proceeding with this contract or declaring the same null and void.

ARTICLE 16. FIRE INSURANCE. The Purchaser shall have the privilege of procuring its own fire insurance on the subject premises and no adjustment of earned premium due the Seller will be required.

ARTICLE 17. MECHANICAL SYSTEMS AND APPLIANCES. The plumbing, electrical, sanitary sewer, drainage and heating systems, well and pump, if any, and any appliance, equipment, mechanical or electrical devices included in the sale, will meet applicable building

R-0156-E

code requirements and be in working order and condition at the time of the transfer of title and delivery of the deed and the Seller agrees that the Purchaser or its agents shall have a right to make an inspection of the premises at any reasonable time prior to the closing for the purposes of these determinations. Any such inspection shall be done within the due diligence period contained in paragraph 5 of the Agreement of Purchase and Sale.

ARTICLE 18. WATER AND SEWER. Seller represents, to the best of its knowledge, the premises are lawfully connected to the municipality's public water supply and sanitary sewer systems and such systems are adequate in quality and quantity for the existing use of the premises.

ARTICLE 19. HOUSING CODE. The Seller represents that to the best of its knowledge, the premises herein are not in violation of any building code regulations. In the event that at the time of the closing, said premises are in violation of any building code regulations, then in that event, the Purchaser may, at his/her option, cancel this contract and each of the parties hereto released from any liabilities against the other.

ARTICLE 20. SURVEY. That in the event a survey and/or title search conducted on behalf of the Purchaser discloses a condition or conditions which render the title herein unmarketable as a matter of law or within the specific provisions of this contract and addendum, or if a new survey discloses a material diminution of land area from that described in this contract, or if the survey shall show that all improvements to be included in the sale are not located within the perimeter boundaries of the premises, or if there are any encroachments, or if any improvement, as shown on the survey, violates by reason of location, size or other dimension, any conditions or restrictions of record or zoning ordinance and the Seller shall, prior to the date of closing or within ninety (90) days thereof, be unable to correct the condition or conditions resulting in said unmarketability, or diminution of land area, the cost of both the survey and the title examination, together with all other sums applied and paid by the Purchaser to the Seller shall be forthwith reimbursed and refunded by the Seller to the Purchaser and this contract shall thereupon become null and void; in the event that the Seller shall fail to make reimbursement and refund a herein provided, such amounts and the sum thereof shall be and hereby are made liens on the subject premises but such liens shall not inure to the benefit of nor continue after default by the Purchaser under this contract.

In the event Purchaser obtains a survey of the premises and the survey is certified to Seller, Seller agrees to include in the Deed of conveyance a metes and bounds description in accordance with the survey, with the understanding by Purchaser that Seller does not thereby warrant the accuracy of said metes and bounds description.

Purchaser's survey and title report shall be concluded within the due diligence period in paragraph 7 of the Agreement of Purchase and Sale.

ARTICLE 21. ROOF AND BASEMENT. The Seller represents that the roof and the basement, if any, of the structure located upon the premises are now and will be on the date of the closing of title, free from surface and subsurface water leakage and that the interior of such structure or structures is dry, useable and habitable.

ARTICLE 22. CERTIFICATE OF OCCUPANCY. Seller represents and warrants that there have not been any additions, improvements or alterations to the premises for which a Building Permit or Certificate of Occupancy is required by the Town of Poughkeepsie and for which no Certificate of Occupancy has been issued. This clause survives the closing of title and delivery of deed.

ARTICLE 23. MAINTENANCE OF PREMISES. The Seller shall keep and maintain the premises in customary and presentable condition until the closing, including, but not limited to, the continued care of the grounds, such as regular lawn mowing, removal of leaves, hedge trimming and snow removal.

ARTICLE 24. ADJACENT STREETS. The obligation of Purchaser to complete this transaction is contingent upon Purchaser obtaining confirmation from the applicable municipality that the premises is on a publicly owned and publicly maintained street owned and maintained by the municipality and that the premises which are the subject of this conveyance have a lawful right of ingress and egress to and from said street. Purchaser's obligation to close is further contingent upon Purchaser obtaining confirmation from the municipality that all requirements for completion of said street and/or repair thereof, imposed upon subdivider of the premises, have been satisfied and that there are no outstanding claims by the municipality for repair, alteration or modification of the street.

ARTICLE 25. COMPLIANCE WITH EXECUTIVE LAW. Seller shall, at closing, deliver his/her affidavit indicating compliance with the terms of Executive Law, Section 378, Subdivision 5.

ARTICLE 26. FLOOD PLAIN. In the event that any of the property described herein is located in a flood plain or wetland area, Purchaser shall have the option of declaring this contract null and void and all sums paid on account hereof shall be returned by the Seller to the Purchaser.

ARTICLE 27. REPRESENTATIONS. This contract and Purchaser's obligation to purchase the Premises are also subject to and conditioned upon the accuracy, as of the date of closing, of the representations and warranties of the Seller made in this contract.

ARTICLE 28. SIGNATURE BY PARTIES. This instrument shall not be considered a binding contract until signed by the Seller and Purchaser.

ARTICLE 29. INCONSISTENCY. In the event any of the terms of this Addendum are different or inconsistent with the terms of the contract or any addendum or rider thereto, the terms of this addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the day and year below indicated.

SELLER:

PURCHASER:

ESTATE OF JEAN W. PATRICK

COUNTY OF DUTCHESS

By: _____
William W. Patrick, Co-Executor

By: _____
Marcus J. Molinaro, County Executive

Date: _____

Date: _____

By: _____
John W. Patrick, Co-Executor

Date: _____



R.P. HUBBELL AND COMPANY, INC.

Real Estate Appraisers and Market Analysts

APPRAISAL REPORT

PROPERTY

Multi-Tenant Office / Retail Building

45 Market Street

City of Poughkeepsie, Dutchess County, New York 12601



EFFECTIVE DATE OF THE APPRAISAL

July 7, 2016

SUBMITTED TO

Vincent J. DiMaso, NYS Licensed Real Estate Broker

510 Haight Avenue, Suite 103

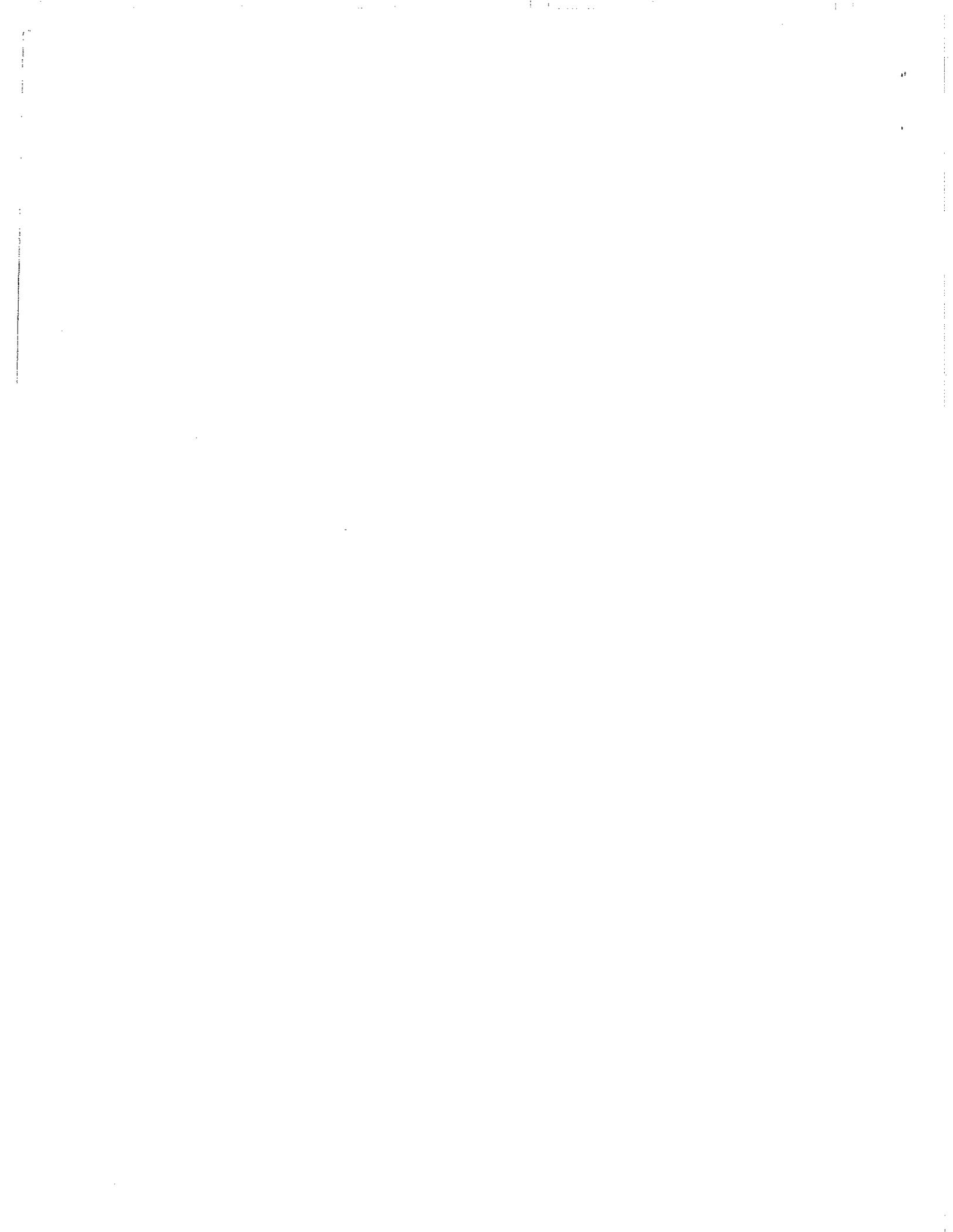
Poughkeepsie, NY 12603

PREPARED BY

R.P. Hubbell and Company, Inc.

3 Neptune Road, S-400

Poughkeepsie, NY 12601





R.P. HUBBELL AND COMPANY, INC.

Real Estate Appraisers and Market Analysts

July 19, 2016

Vincent J. DiMaso,
510 Haight Avenue, Suite 103
Poughkeepsie, NY 12603

Re: 45 Market Street, City of Poughkeepsie, Dutchess County, New York 12601

Dear Mr. DiMaso:

In accordance with your request, we have completed an appraisal of the above-referenced property. The purpose of the appraisal is to estimate the market value of the fee simple estate of the subject hereinafter described property "as is" as of the date of inspection of July 7, 2016. The report to follow sets forth the most pertinent data gathered, the techniques of valuation, the reasoning leading to the opinion of value is subject to the enclosed limiting conditions and has been made in conformance to the Uniform Standards of Professional Appraisal Practice 2016-2017, Code of Professional Ethics, Standards of Professional Conduct of the Appraisal Institute and the minimum reporting and definition requirements of 12CFR, Part 323, FDIC Final Rule of Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 as currently amended.

The subject is a 0.12 acre tax lot improved with a three story office building totaling 15,640 square feet containing first floor retail bank space. At the time of inspection, the property was 74% occupied and the improvements appeared to be in average condition. A selected number of rental units (retail bank space, Unit 211, & Unit 305) were accessed during the inspection. The property is appraised under the **extraordinary assumption** that the unseen interior portions are in similar condition to those accessed. The use of this assumption may affect assignment results.

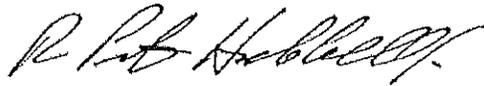
Considering the data and conclusions contained herein, it is our opinion that the "as is" value indication of the subject property as of the effective date of valuation, July 7, 2016, is:

SEVEN HUNDRED EIGHTY THOUSAND DOLLARS
\$780,000

Respectfully Submitted,

R.P. HUBBELL and COMPANY, INC.

Signature:



R. Peters Hubbell, Jr., MAI

State Certified General Real Estate Appraiser No. 46... 3185

Signature:



Aaron Schmidt

Staff Appraiser

SUMMARY OF SALIENT FACTS

TYPE OF PROPERTY: Multi-Tenant Office / Retail Building

LOCATION: 45 Market Street, City of Poughkeepsie, Dutchess County, New York 12601

OWNER OF RECORD: Charles J. Patrick

PROPERTY RIGHTS APPRAISED: Fee Simple Estate

TAX MAP REFERENCE: 6162-77-027053

ACREAGE: 0.12 acres

ACREAGE SOURCE: Assessor's Records

ZONING: C-2, Research & Development District

IMPROVEMENTS: The subject property is improved with a three story 15,640 square foot Multi-Tenant Office / Retail Building in average condition.

UTILITIES: Municipal Water & Sewer; Natural Gas

FLOOD ZONE: The property is located in Zone X, areas determined to be outside the 0.2% annual chance floodplain, per community panel #36027C0358E dated May 2, 2012.

DEED RESTRICTIONS & EASEMENTS: None of Note

ENCROACHMENTS: None

**EXTRAORDINARY
ASSUMPTIONS:**

Only a few of the units (retail bank space, Unit 211, & Unit 305) were able to be accessed during the inspection. The property is appraised under the extraordinary assumption that the unseen interior portions are in similar condition to those accessed. The use of this assumption may affect assignment results.

**HYPOTHETICAL
CONDITIONS:**

None

HIGHEST AND BEST USE:

Mixed Use

DATE OF INSPECTION:

July 7, 2016

DATE OF VALUATION:

July 7, 2016

DATE OF REPORT:

July 19, 2016

MARKET VALUE:

\$780,000

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. We 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. We 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. We are 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 thereto.
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 inspected the building(s) involved in this appraisal report. The degree of damage, if any, by termites, dry rot, wet rot, or other infestations was not reported.

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 are 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.¹ 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's 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.

¹ 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 analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial and unbiased professional analyses, 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*.

Aaron Schmidt and R. Peters Hubbell Jr., MAI have made an inspection of the property that is the subject of this report.

We have previously appraised the subject property in a report dated July 1, 2013 for the client.

We have not performed any other services, 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., MAI has completed the requirements of the continuing education program of the Appraisal Institute.

Signature:



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

Signature:



Aaron Schmidt
Staff Appraiser

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents 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 in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

CLIENT: Charles J. Patrick; represented by Vincent J. DiMaso,
NYS Licensed Real Estate Broker
510 Haight Avenue, Suite 103
Poughkeepsie, NY 12603

APPRAISERS: R. Peters Hubbell, Jr., MAI
Aaron Schmidt
R.P. Hubbell & Company, Inc.
3 Neptune Road, S-400
Poughkeepsie, New York 12601

SUBJECT: Multi-Tenant Office / Retail Building
45 Market Street
City of Poughkeepsie, Dutchess County, New York
12601

PURPOSE OF THE APPRAISAL: The purpose of the appraisal is to provide an opinion of the "as is" market value of the subject as of the effective date of valuation.

THE INTENDED USER OF THE REPORT is Charles J. Patrick, represented by Vincent J. DiMaso, and the County of Dutchess.

THE INTENDED USE OF THE REPORT is to assist the client, Charles J. Patrick and the County of Dutchess, with potential sale of the subject property.

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

Market value is 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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. The buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider 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.
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.²

PROPERTY RIGHTS OR INTEREST APPRAISED: Fee Simple Estate

DEFINITION OF FEE SIMPLE ESTATE: Absolute ownership unencumbered by any other interest or estate subject only to the limitations imposed by the government powers of taxation, eminent domain, police power, and escheat.³

DEFINITION OF EXTRAORDINARY ASSUMPTION: An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in the analysis.⁴

DEFINITION OF HYPOTHETICAL CONDITION: That what is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.⁵

Only a few of the units (retail bank space, Unit 211, & Unit 305) were able to be accessed during the inspection. The property is appraised under the extraordinary

² Rules and Regulations, *Federal Register*, Vol. 55, No. 165, Page 34696.

³ *The Dictionary of Real Estate Appraisal*, 5th ed., (Chicago: Appraisal Institute, 2010), p. 78.

⁴ *Ibid*, p. 73.

⁵ *The Dictionary of Real Estate Appraisal*, 5th ed., (Chicago: Appraisal Institute, 2010), p. 97.

assumption that the unseen interior portions are in similar condition to those accessed. The use of this assumption may affect assignment results.

SCOPE OF THE APPRAISAL: As part of this appraisal, we have made a number of independent investigations and analyses. The investigations undertaken and data sources used are listed as follows:

- Area & Neighborhood Analysis – Demographic, employment, and housing data was gathered from the New York State Department of Labor, the Real Estate Center of Texas A&M University, Site to Do Business, and New York State Association of Realtors.
- Site / Improvement Description & Analysis – Tax maps prepared by the Real Property Tax Office of Dutchess County, flood maps from the Federal Emergency Management Agency, and zoning maps prepared by the City of Poughkeepsie were examined. An inspection of the subject was performed on July 7, 2016 with a property representative, Vincent J. DiMaso.
- Market Data Program – Obtained market data by researching sales and leases in the market area which were considered comparable to the subject property.
- Highest & Best Use – In estimating highest and best use for the subject property, an analysis was made of the data compiled above, in order to estimate the economic feasibility of the subject.
- Approach to Value – Utilized the Sales and Income Approaches to arrive at an opinion of market value. The Cost Approach not is relied upon since market participants do not typically utilize this approach and depreciation estimates are sometimes difficult to ascertain.
- Reconciliation & Final Value Conclusion – Discuss the strengths and weaknesses of each approach and reconcile to a final value indication.

EXPOSURE TIME: Exposure time is defined as 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 at 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.⁶

Based on conversations with brokers and assuming proper pricing, similar properties sold in the subject market area in 9 to 12 months over the last year. Marketing times have remained stable over the last year. As stated in the current edition of USPAP, "The reasonable exposure period is a function of price, time and use, not an isolated opinion of time alone." Thus, the estimate of exposure time assumes:

1. An open, competitive market for the subject property type.
2. Proper marketing of the subject with an experienced and competent commercial broker.
3. A list price of no more than 110% of the appraised value.
4. Availability of mortgage money at competitive, market interest rates.

Analysis of improved property sales in the area indicates that **exposure** time would have been 9 to 12 months. Looking forward, marketing times will likely remain stable as the demand for commercial real estate in the subject appears to be improving.

SUBJECT HISTORY

At the time of inspection the property was 26% vacant. The majority of the first floor was previously occupied by Bank of America as retail bank space, the lease expired in December 2015 with the bank vacating prior. The majority of the leases are all on a month-to-month basis with the exception of one which is expiring on August 31, 2016.

The subject is not currently listed for sale nor are there any known sales contracts on the property. Previously (2013-2014), the subject was listed for \$750,000 which was based on an appraisal. The most recent listing for the property was for \$690,000. The subject has not transferred in the past three years.

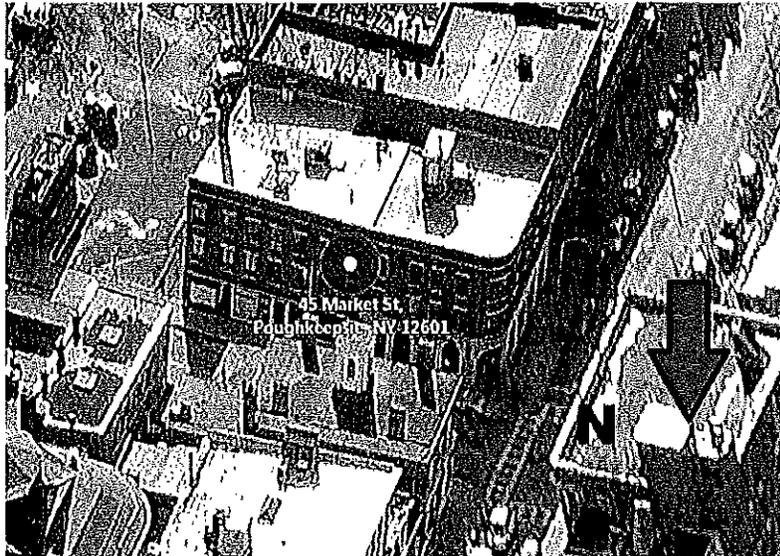
A tax map and aerial photo are provided as follows:

⁶ Uniform Standards of Professional Appraisal Practice, 2008-2009 ed., (Appraisal Foundation, 2008), p.U-87

TAX MAP



AERIAL PHOTO



AREA & REGIONAL ANALYSIS

Dutchess County is one of seven counties in the Mid-Hudson Valley Region of New York State. A region termed New York's *natural growth areas* due to the proximity of New York City and its attractive landscape. Dutchess County is located in the center of this Mid-Hudson Region which also includes Columbia, Ulster, Orange, Putnam, Rockland, and Westchester.



R.P. HUBBELL AND COMPANY, INC.

3 Neptune Road · S-400 · Poughkeepsie · NY · 12533 · Phone: 845-454-6525 · Email: Info@rphubb.com

Transportation & Access

Three major highways traverse Dutchess County and provide easy accessibility into the Metro New York and New Jersey areas:

- **Interstate 84** is a major east/west artery running from Scranton, Pennsylvania through New York and into New England.
- **NYS Route 9** intersects Interstate 84 at Fishkill then running into Putnam and Westchester Counties to the south and north to the Capital District in Albany, New York.
- **Taconic State Parkway** bisects the county in a north and south direction. It is a scenic route used by many tourists leading into the New England area. In a southerly direction, the TSP leads directly into New York City.

Stewart International Airport is located in the Towns of Newburgh and New Windsor, near the I-87 and I-84 intersection. It is one of the largest airports in the United States with over 10,000 acres of land, 12,000 foot runway, and an instrument landing system capable of handling any type of aircraft.

The Metropolitan Transportation Authority (MTA) provides two terminuses for commuter rail lines known as Metro North - one in Poughkeepsie in the western portion of Dutchess County and one in Wassaic in the eastern Dutchess County, reaching Manhattan by rail in approximately two hours.

Demographic Summary

The population in the county grew significantly from 2000 to 2010 at roughly 6.19% and has remained stagnant from 2010 to 2015, with only a slight increase of 0.30%. A faster growth rate is projected for the next five years at 0.18% annually or 0.88%. Dutchess has traditionally been considered a part of the metropolitan New York region. Over the first decade of this century, the County became a bedroom community for out-of-county employees due to lower housing costs than those found in Queens, Bronx and Westchester Counties, Long Island and Fairfield County, Connecticut. Prior to the current recession, net-domestic migration had turned negative due to the increasing unemployment rates throughout New York State. 2009 saw positive net domestic migration for the first time since 2004. Through 2010 and 2011, net domestic migration returned to negative growth.

2000 - 2020 Demographics			
		Dutchess County	New York
Population	2000 Population	280,150	18,976,457
	2010 Population	297,488	19,378,102
	2015 population	298,385	19,704,032
	2020 population	301,009	20,119,871
Growth Rate	2000 - 2010	6.19%	2.12%
	2010 - 2015	0.30%	1.68%
	2015 - 2020	0.88%	2.11%
Households	2000 Households	99,536	7,056,860
	2010 Households	107,965	7,317,755
	2015 Households	109,208	7,476,368
	2020 Households	110,550	7,650,474
Growth Rate	2000 - 2010	8.47%	3.70%
	2010 - 2015	1.15%	2.17%
	2015 - 2020	1.23%	2.33%
Median Income	2000 Median Income	\$53,524	\$43,582
	2010 Median Income	\$69,642	\$58,128
	2015 Median Income	\$75,093	\$58,048
	2020 Median Income	\$83,885	\$66,766
Growth Rate	2000 - 2010	30.11%	33.38%
	2010 - 2015	7.83%	-0.14%
	2015 - 2020	11.71%	15.02%
2015 Per Capita Income		\$35,175	\$32,422
Median Age		41.2	38.7
Avg Household Size		2.55	2.56

Data from Esri & US Census

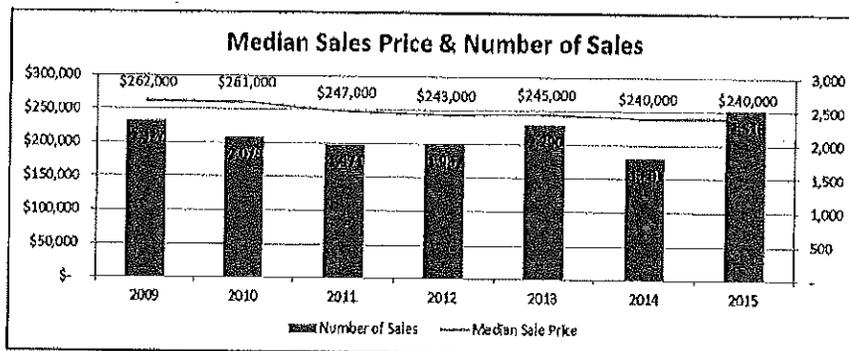
Households are expected to increase by 0.24% annually, similar to the rate of growth for the last five years of 0.22%. Median income levels declined from \$58,128 in 2010 to \$58,048 in 2015. The median income is projected to increase by 2020 by 15.02% to \$66,766. Per capita income stood at \$32,422 in 2015 with a median age of 38.7 and average household size of 2.56.

Labor Force and Employment

Employment in the county was up by 900 jobs in June of 2015 from the prior month and down from June of 2014 by 300 jobs. The total labor force in the county was 143,200 as of June 2015. The most recent unemployment rate is 4.0% as of December 2015. This is slightly up from the prior month of 4.60% and down from 12 months prior at 5.30%.

Housing

The Dutchess County housing market has been up and down since the recession with the number of sales increasing from 1,801 in 2014 to 2,518 in 2015. The median sale price has remained somewhat stable although down from \$245,000 in 2013 to \$240,000 for 2015.



Conclusion

The Mid-Hudson region is currently experiencing expansion with numerous new commercial and residential projects either beginning or in the planning stages although some sectors such as office continues to lag behind other sectors. Dutchess County is ideally located near Westchester County with good transportation support and highway system. An anticipated continued growth albeit slow and steady is a reasonable forecast for the near future.

Neighborhood Description

The subject is located in the City of Poughkeepsie on the corner of Market and Cannon Streets in the central business district. The immediate neighborhood consists mainly of office, retail, and government uses. The county municipal buildings are located one block north on the corner of Main and Market Streets. Approximately one half mile west, toward the Hudson River, is the Poughkeepsie MTA train station providing access to the NYC-Metro area with service extending to Grand Central Station.

MARKET ANALYSIS

Improved Sales Data

The subject's market area is primarily the City of Poughkeepsie. A search for sales of office properties with a retail bank component in the subject market area was conducted. There was a lack of sales with the same combination of uses. Three sales were located in the City of Poughkeepsie and are considered comparable ranging from \$37 per square foot to \$98 per square foot with an average of \$66 per square foot and a median of \$62 per square foot. There were two active listings in the City of Poughkeepsie located in the subject's immediate neighborhood. The following table summarizes the data gathered.

Location	Sale Date	Sale Price	SF	\$ / SF
214 Main Street, Poughkeepsie	10/10/2012	\$277,500	7580	\$37
272 Mill Street, Poughkeepsie	2/29/2016	\$450,000	7212	\$62
267 Mill Street, Poughkeepsie	5/1/2013	\$600,000	6092	\$98
41-43 Market Street, Poughkeepsie	Active	\$499,000	7582	\$66
20 Cannon Street, Poughkeepsie	Active	\$499,000	6290	\$79

Average	\$66
Median	\$62

Lease Data

The subject's immediate market area is the City of Poughkeepsie. A search for comparable office leases was conducted. The subject does have retail bank space. However, this space could easily be fit up for general office use and would most likely rent at a competitive office rental rate.

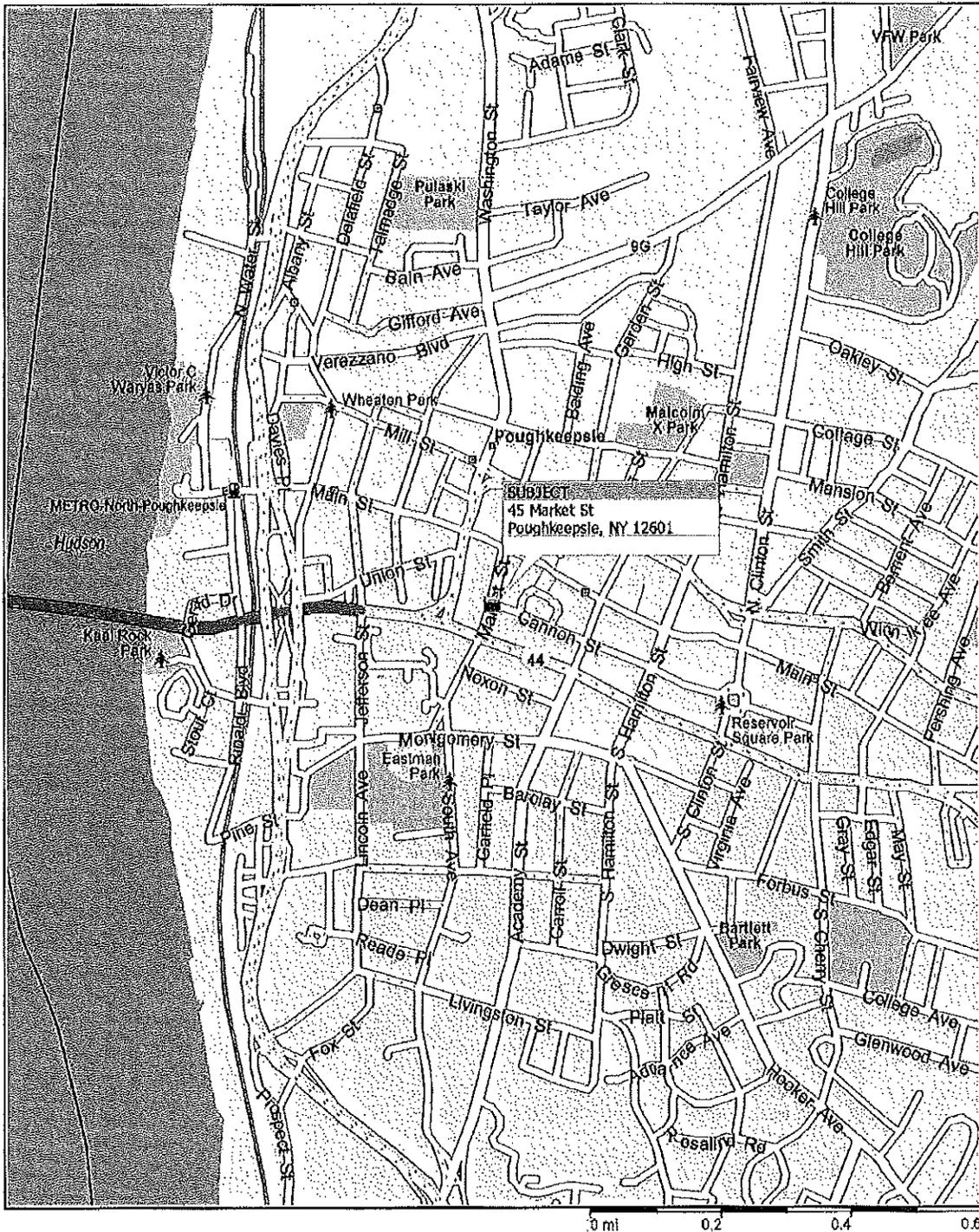
Leases of small office spaces range from \$11.95 to 20.34 per square foot with an average of \$15.47 per square foot. Larger office space ranges from \$11.47 to \$24.03 per square foot with an average of \$17.90 per square foot. In this market, most tenants rent on a modified gross basis. The table to follow summarizes the data gathered.

SUMMARY OF COMPARABLE LEASES						
Lease #	Square Footage	Annual Rent	Indicated Rent / SF	Lease Type	Tenant Paid Expenses	Comments
1	380	\$6,160	\$13.58	MG	Utilities	Office space located in the central business district.
2	442	\$5,550	\$12.56	MG	Utilities	Multi-tenant office building located in the central business district.
3	472	\$9,600	\$20.34	MG	Heat	Third floor office space in a multi-tenant office building located in the central business district.
4	709	\$11,532	\$16.27	MG	Heat	Large multi-tenant office building located in the central business district.
5	727	\$13,200	\$18.16	MG	Heat	Large multi-tenant office building located in the central business district.
6	753	\$9,000	\$11.96	MG	Utilities	Office space located in the central business district.
7	1170	\$24,000	\$20.51	MG	Taxes	Multi-tenant office building located in the central business district. Space is located on the first floor in the business district.
8	1444	\$18,900	\$13.09	MG	Utilities	Multi-tenant office building located in the central business district.
9	1643	\$17,700	\$11.47	MG	Taxes & Electric	Office space located in the central business district.
10	1760	\$27,038	\$15.36	MG	Utilities	Multi-tenant office building located in the central business district.
11	2540	\$29,736	\$11.71	MG	Taxes & Electric	Third floor office space in a multi-tenant office building located in the central business district.
12	3801	\$86,472	\$22.75	MG	Increase Over Base in Taxes & Heat	First floor space located in the central business district.
13	3,870	\$92,996	\$24.03	MG	Utilities	Multi-tenant office building.
14	4000	\$80,000	\$20.00	MG	Electric	Large multi-tenant office building located in the central business district.
15	8328	\$188,188	\$22.60	MG	Utilities	First floor space in a newly renovated building.
16	11500	\$201,250	\$17.50	MG	Utilities	Two Story office building, single tenant.

Vacancy

Vacancies for competing buildings in the subject market area range from 4% to 17% with an average vacancy of 10.5%.

LOCATION MAP



Copyright © and (P) 1988-2012 Microsoft Corporation and/or its suppliers. All rights reserved. <http://www.microsoft.com/streets/>
Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities including: © Her Majesty the Queen in Right of Canada, © Queens Printer for Ontario, NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

R.P. HUBBELL AND COMPANY, INC.

3 Neptune Road • S-400 • Poughkeepsie • NY • 12533 • Phone: 845-454-6525 • Email: Info@rphubb.com

PROPERTY DESCRIPTION

Site Description

Site Area: 0.12 acres or 5,227 square feet

Configuration: Rectangular

Frontage: Approximately 52 feet along the east side of Market Street and approximately 110 feet along the south side of Cannon Street.

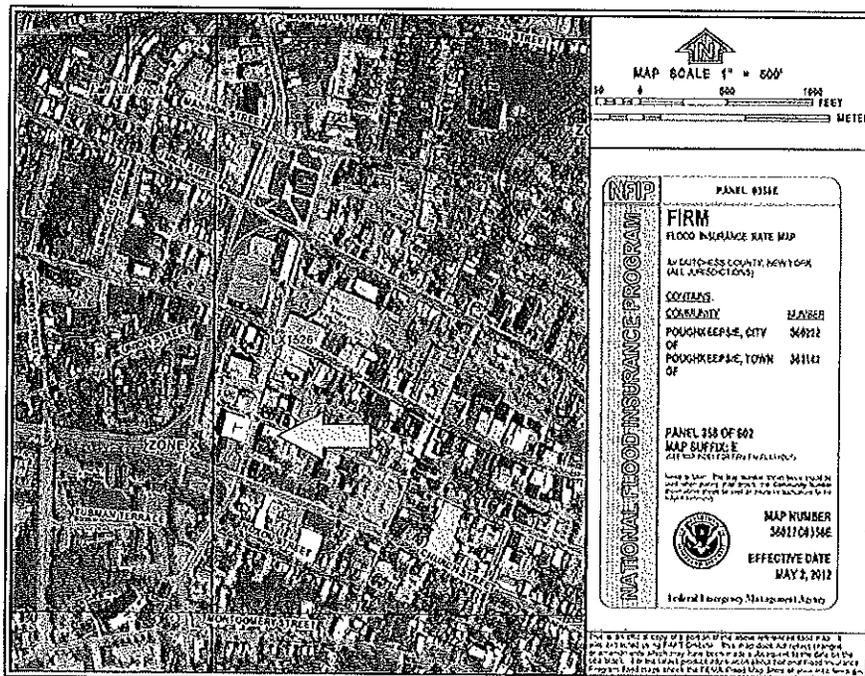
Access: Good

Topography: Level

Utilities: Municipal Water & Sewer; Natural Gas

Flood Zone: The property is located in Zone X, areas determined to be outside the 0.2% annual chance floodplain, per community panel #36027C0358E dated May 2, 2012.

FLOOD MAP



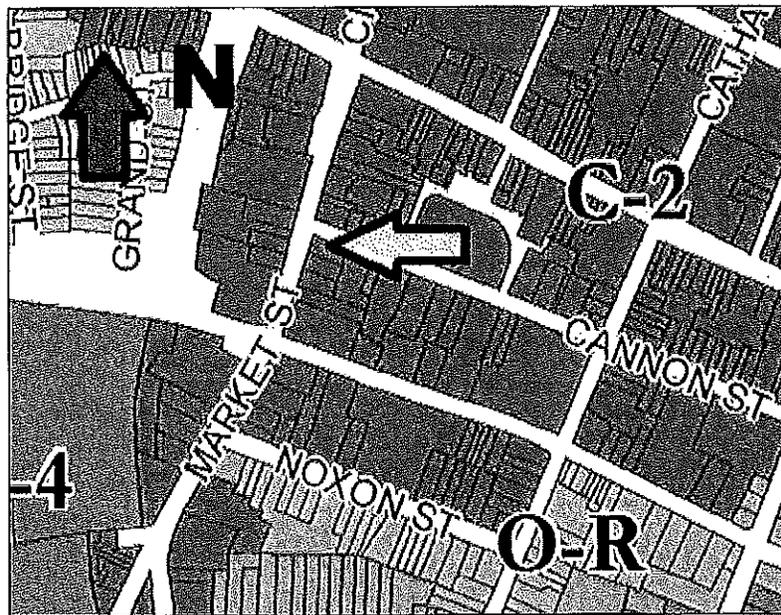
Easements and/or Encroachments: None of Note

Site Improvements: Curbing, sidewalk, and lighting.

Zoning: C-2, Research & Development District – The subject's use conforms to current zoning code and is permitted by right.

ZONING TABLE & ZONING MAP

C-2, Central Commercial District City of Poughkeepsie Dutchess County, New York	
Minimum Lot Area	N/A
Maximum Lot Coverage	100%
Building Height	N/A
Floor Area Ratio	2.0
Permitted Uses	
Retail stores, banks, service business, offices, newspaper printing, manufacturing for on premises retail, restaurants, libraries, art galleries, museums, private transportation service, taxi station, auto rental office, municipal parks, and multiple dwellings with commercial first floor uses.	
Special Permitted Uses	
Community centers, hospitals, hotels, higher learning institutions, movie theaters, drinking establishments, public garages, dance halls, billiard parlors, bowling alley, skating rink, radio and television recording studios, residential units, funeral parlor, fast food restaurant, transportation terminal, light manufacturing, convenience store, skilled nursing homes, and work/live lofts.	



Taxes & Assessment

PARCEL	TAX ID	ACREAGE	DESCRIPTION	ASSESSMENT	EQUALIZATION	IMPLIED VALUE	TOTAL TAX RATE	TOTAL TAXES
1	6162-77-027053	0.12	Office with Bank	\$718,800	100%	\$718,800	37.91	\$27,249.71
TOTALS		0.12		\$718,800		\$718,800		

2016 - 2018 RATES	
COUNTY	3.68
CITY	13.02
LIBRARY	2.13
SCHOOL	19.08
TOTALS	37.91

TOTAL AD VALOREM	\$27,249.71
SPECIAL DISTRICTS	NONE
TOTAL TAXES	\$27,249.71
TAXES / SQ FT	\$1.74

The subject is fairly assessed based on the market value conclusion. Additionally, the subject is equitably assessed in comparison to comparable properties on a tax dollar per square foot basis. Subject taxes will be applied in the income approach with a 2% increase to account for an anticipated increase in taxes.

Address	Use	Assessed Value	Tax Rate	Total Taxes	GBA (SF)	Taxes / SF
17 Market Street, Poughkeepsie	Office	\$285,000	37.91	\$10,804	11,006	\$0.98
299 Main Street, Poughkeepsie	Office	\$285,000	37.91	\$10,804	10,543	\$1.02
289 Main Street, Poughkeepsie	Office with Bank	\$712,500	37.91	\$27,011	22,822	\$1.18
25 Market Street, Poughkeepsie	Office with Bank	\$760,000	37.91	\$28,812	16,240	\$1.77

Description of the Improvements

The subject consists of a three story multi-tenant office building with retail bank space on the first floor, built circa 1920. There is separate corner entrance for the bank space, a main entrance to access the majority of the office spaces on the three floors, and separate exterior entrances for two units that front on Cannon Street. There is a full basement that contains mostly unfinished storage space and a utility room as well as a 1,500 lbs. elevator servicing all four floors. The improvements appeared to be in overall average condition at the time of inspection.

Improvement Details

Foundation:	Concrete Slab
Frame:	Concrete Block
Exterior Skin:	Brick
Windows:	Double Pane & Casement
Roof Structure:	Flat
Roof Cover:	Assumed Rubber Membrane
Insulation:	Assumed to be Fiberglass
Interior Partitions:	Gypsum Board on Wood Studs
Floor Structure:	Concrete & Wood
Finished Floor Cover:	Tile & Carpet
Doors:	Exterior – Metal in Plate Glass Interior – Wood Solid Core & Plate Glass
Finished Ceiling:	Acoustic Drop
HVAC:	Gas Fired Hot Water Baseboard Furnace / Central AC on 3 rd Floor & Bank Space
Electric:	1,600 amps. Total

R.P. HUBBELL AND COMPANY, INC.

3 Neptune Road · S-400 · Poughkeepsie · NY · 12533 · Phone: 845-454-6525 · Email: info@rphubb.com

Plumbing: Men's & Women's Restrooms on Each Floor / Unit.

Sprinkler System: None Noted

Security System: Yes

Deferred Maintenance: None Noted

Condition & Quality: Average Condition & Average Quality

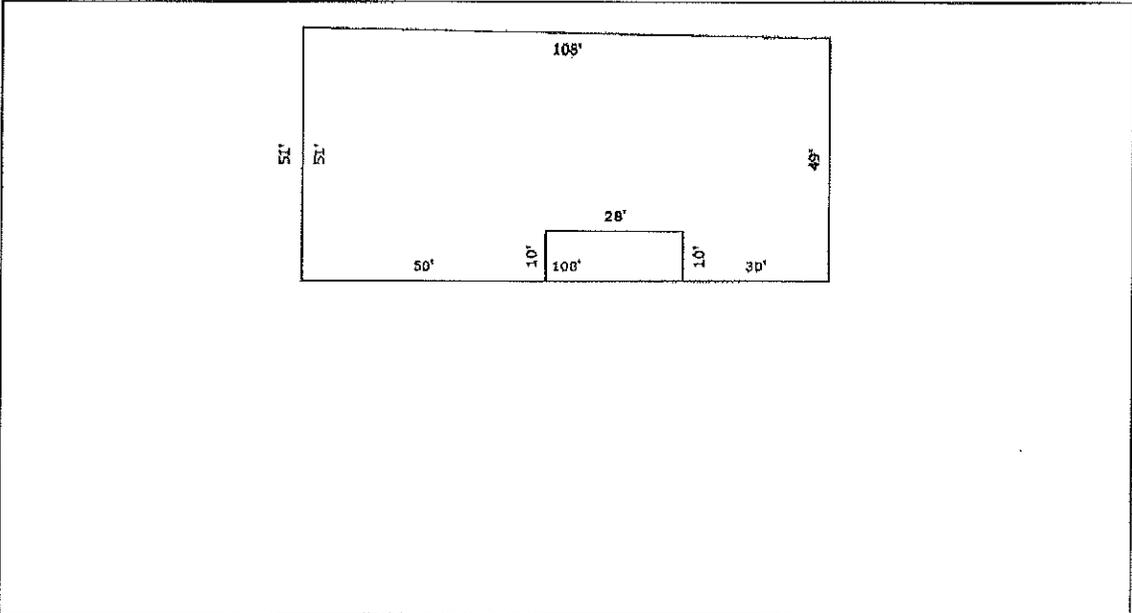
Size: GBA – 15,640, Appraiser
NRA – 11,522, Broker

Subject Leases & Rent Roll

The subject's rent roll was provided and is shown below. The majority of the tenants are on a modified gross basis paying for utilities or a portion of utilities. All tenants rent on a month-to-month schedule with the exception of Caltagirone / Kasnia, expiring in August 2016. The average rental rate is \$13.66 per square foot.

Tenant	Square Feet Occupied	Square Feet Vacant	Renewal Option	Notice Date	Lease Expiration Date	Rent Adjust Date	Current Month Rent	Current Annual Rent	Rental Per Square Foot and Total Avg
Gerald J. Pisanelli	1300		None	None	M/M	7/1/2015	\$1,500.00	\$18,000.00	\$13.85 Includes Heat
David G. Ferenz	793		None	None	M/M	7/1/2015	\$875.00	\$10,500.00	\$13.24 Includes Utilities
Caltagirone / Kasnia	300		None	None	8/31/2015	9/1/2015	\$900.00	\$10,800.00	\$12.00 Includes Heat
AVANTI		500							\$14.40 Includes Heat
Dietz	1485		None	None	M/M	7/1/2015	\$1,550.00	\$18,600.00	\$12.53 Includes Heat
Kenneth F. Keutmann, Esq.	664		None	None	M/M	7/1/2015	\$350.00	\$4,200.00	\$15.36 Includes Heat
Jacqueline T. Martin	1500		None	None	M/M	7/1/2015	\$1,790.00	\$21,480.00	\$14.32 Includes Utilities
Numbers Unlimited, Inc.	180		None	None	M/M	7/1/2015	\$250.00	\$3,000.00	\$16.67 Includes Utilities
Bank of America Lease Exp 12/31/2015	3000		2 - 5 year	6/30/2015	12/31/2015	1/1/2016	\$5,872.88	\$70,474.56	\$23.49 Plus Utilities
Mid-Hudson Protective Services	600		None	None	M/M	7/1/2015	\$650.00	\$7,800.00	\$13.00 Plus Utilities
William Vassell Service Inc.	600		None	60 Days	M/M	7/1/2015	\$600.00	\$7,200.00	\$12.00 Plus Utilities
2 CANNON / 45 MARKET TOTAL	11022	500					\$14,837.88	\$176,054.56	\$14.62

SKETCH



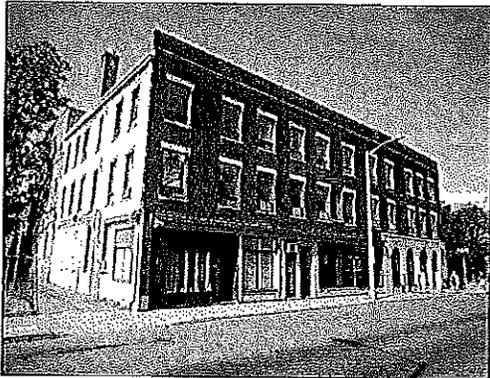
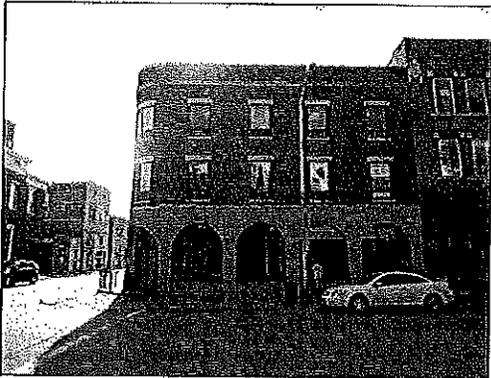
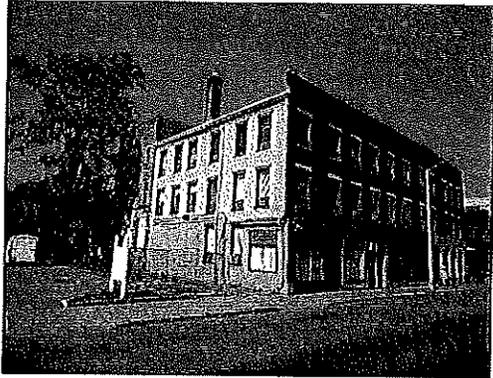
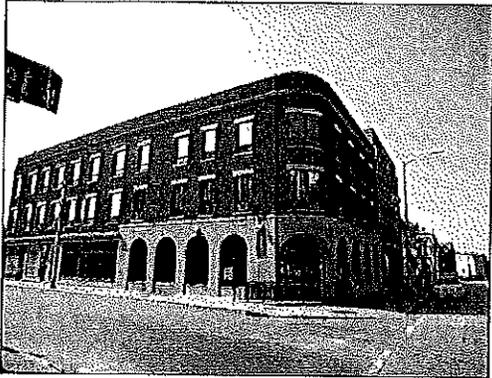
Comments:

Scale: 1" = 30'

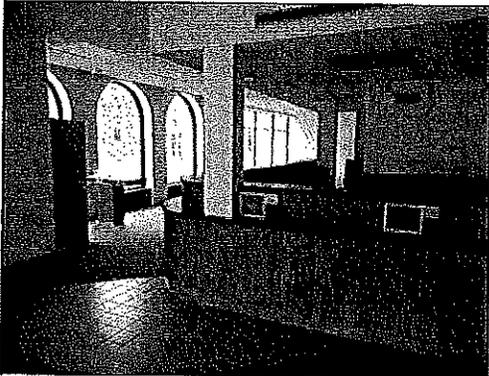
AREA CALCULATIONS SUMMARY						LIVING AREA BREAKDOWN		
Code	Description	Factor	Net Size	Perimeter	Net Totals	Breakdown		Subtotals
GLA1	First Floor	1.00	5400.00	316.0	5400.00	First Floor		
GLA2	Second Floor	1.00	5120.00	336.0	5120.00	0.5 x 108.0 x 2.0	108.00	
GLA3	Third Floor	1.00	5120.00	336.0	5120.00	49.0 x 108.0	5292.00	
						Second Floor		
						0.5 x 108.0 x 2.0	108.00	
						10.0 x 50.0	500.00	
						10.0 x 30.0	300.00	
						39.0 x 108.0	4212.00	
						Third Floor		
						0.5 x 108.0 x 2.0	108.00	
						10.0 x 50.0	500.00	
						10.0 x 30.0	300.00	
						39.0 x 108.0	4212.00	
	Net LIVABLE Area		(rounded w/ factors)		15640	10 Items	(rounded w/o factors)	15640

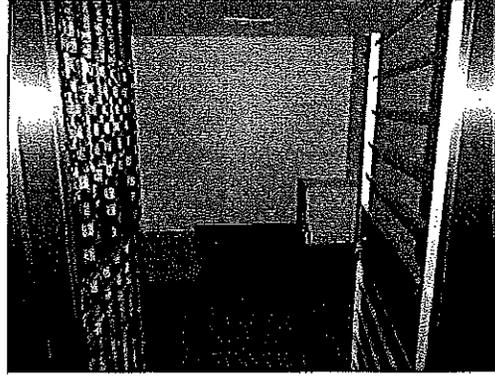
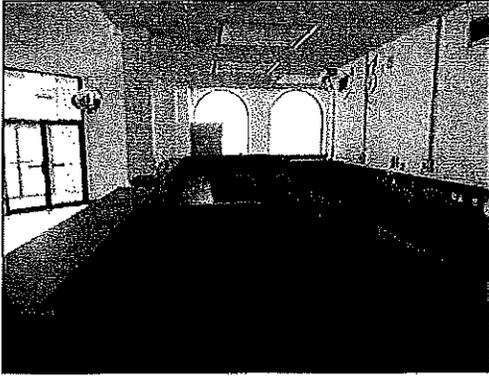
PHOTOGRAPHS OF THE SUBJECT

Exterior

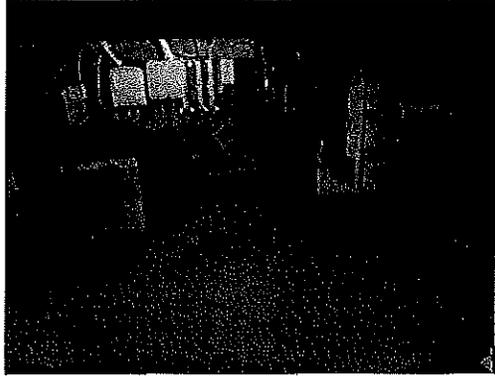


Bank Space



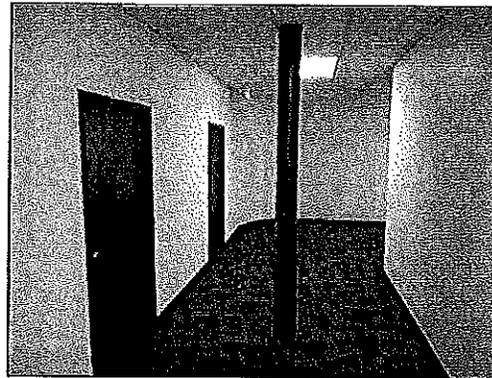
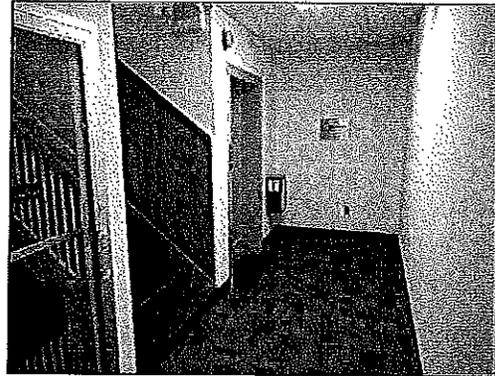
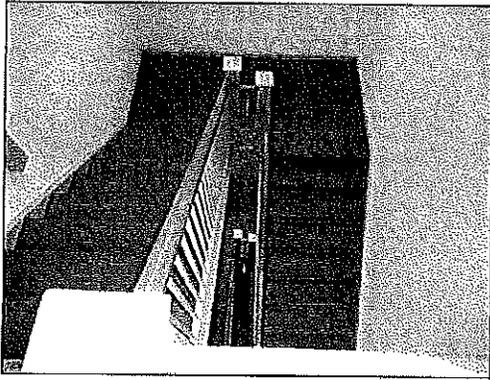


Basement

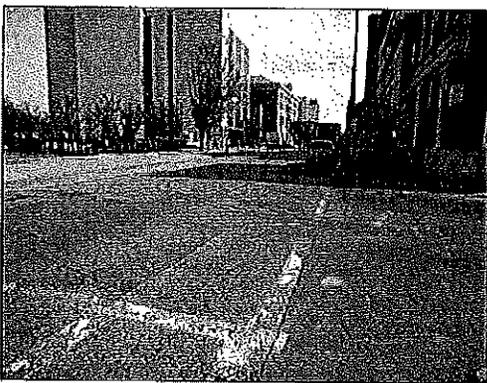


Interior – Offices

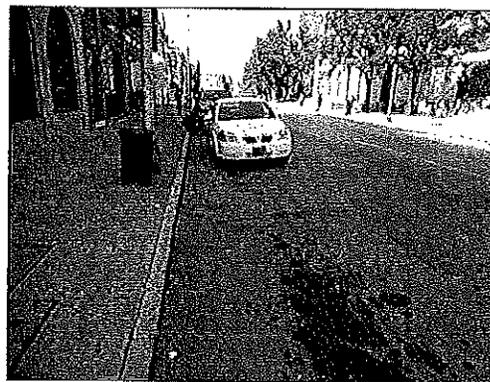




Street Scene



View Facing North on Market Street



View Facing South on Market Street

HIGHEST & BEST USE

This principle of real estate valuation is defined as, "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

Certain criteria must be met in the economic analysis to distinguish highest and best use. These are:

1. Legally Permissible: Is it permissible, therefore possible?
2. Physically Possible: Is the site, or can it be, physically adapted?
3. Financially Feasible: Does it appear to make economic or financial sense for the proposed use to be undertaken on the site at this time?
4. Maximally Productive: Of the financially feasible uses, what use produces the highest economic return to be undertaken on this site at this time?

The highest and best use of the land or a site, vacant and available for use, may be different from the highest and best use of the improved property. This is true when the improvement is not an appropriate use, but it makes a contribution to the total property value in excess of the site. The following tests are applied to the property, both as vacant and as improved, and must be met in estimating the highest and best use: the use must be legal and probable, not speculative or conjectural and demand for the use must exist and must yield the highest net return in terms of dollars to the land among the competing alternatives. The highest and best use is the best estimate of the appraiser, based on his opinion, as to the most profitable use among those competing alternatives, after analyzing the competitive forces within the market where the property is located, at the date of valuation.

Highest & Best Use as Vacant

Legal

This test analyzes the allowable uses under the current municipal code as well as other legal restrictions such as deed restrictions and easements. The subject has no known legal restrictions that would adversely affect value. The subject lot is 0.12 acres or 5,227 square feet. There is no minimum lot area in the C-2, Research & Development District. The subject lot conforms to current zoning code. All legally permitted uses are possible.

Physical

This test examines the physical characteristics of the site. The subject site is level and has access municipal services as well as natural gas. The site is not located in a flood zone. Based on the surrounding development, the subject lot meets the physical requirements for development.

Financially Feasible & Maximally Productive

This test analyzes the uses that are both physically possible and legally permissible uses, eliminating those uses that do not meet the criteria to produce an income or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization. Uses that are expected to produce a positive return are now regarded as being financially feasible within some price limits.

The subject is located on the corner of Market and Cannon Streets in the City of Poughkeepsie. Market Street is primarily made up of office and governmental uses with first floor retail on some properties. The maximally productive highest and best use of the subject as vacant would be for multi-tenant office development.

Highest & Best Use as Improved

Ideal versus Existing

The subject currently is improved with a multi-tenant office building.

Legally Permissible

The subject's use is permitted by right.

Physically Possible

The subject site is level and receives municipal services as well as natural gas.

Financially Feasible

The current improvements add value to the site. Further support of a continued positive return into the future for the subject is expected based on the current market conditions described in our Market Analysis Section, where a number of properties have sold for continued use.

Maximally Productive

This final test determines what course of action should be taken with regard to

the existing improvements. The options are:

- 1) Maintain
- 2) Modify (remodel or renovate)
- 3) Convert
- 4) Demolish

The current improvements add value to the site. Further support of a continued positive return into the future for the subject is expected based on the current market conditions described in our regional and neighborhood analysis. The highest and best use is for continued use a multi-tenant office building.

THE APPRAISAL PROCESS

There are three approaches to value estimation potentially available to the appraiser in every appraisal assignment, namely: the Sales Comparison Approach, the Cost Approach, and the Income Approach.

The **Sales Comparison Approach** has as its premise the principle of substitution, which holds that an informed purchaser will pay no more for a property than the cost of acquiring a satisfactory substitute property, with the same utility as the subject property on the current market. The sales adjustment process, which is at the heart of the sales comparison analysis, is based on identification and measurement of the effect that the presence, absence or amount of some characteristics have on the sales price of competitive (comparable) properties and hence on the value of the subject property.

The **Income Approach** has as its premise that value is the present worth of anticipated or forecast future benefits. Present worth is obtained by discounting (i.e., the form of capitalization applied to calculate the present worth of a future income stream). This approach is generally applicable only to investment real estate expected or capable of producing money income.

The **Cost Approach** has as its premise that the informed rational purchaser will pay not more for a property than the cost of reproducing a substitute property with the same utility as the subject property. To the site value (estimated by the Sales Comparison Approach) is added the present worth of the improvements (reproduction cost less accrued depreciation) thereby developing the value of the entire property.

As mentioned in the Scope of the Appraisal, only the Sales and Income Approaches are used in this analysis. The Cost Approach is not considered reliable in appraising a

property of this type due to the age and condition of the improvements and since typical buyers in the subject marketplace do not base their purchase decisions on this approach.

SALES COMPARISON APPROACH

A search of comparable improved sales located in the City of Poughkeepsie was conducted. The sales are compared and adjusted in relation to the subject in the adjustment grid for salient characteristics. The four most comparable sales are analyzed on a grid for comparison to the subject. The grids and summary of the comparable sales are included at the end of the valuation section of the report to assist the reader in understanding the adjustment process. The subject is analyzed on a price per square foot basis. Below are descriptions of the elements of comparison used in the adjustment process.

Dollar Adjustments

Buyer Expenditures

No adjustments are necessary.

Property Rights

Sales 1 and 2 transferred leased fee. All rents were assumed to be at market with no adjustments necessary.

Financing

No adjustments are necessary.

Conditions of Sale

No adjustments are necessary.

Percentage Adjustments

A positive adjustment indicates the sale is inferior to the subject and a negative adjustment indicates the subject is superior to the subject.

Market Conditions

Changing market conditions can obviously affect sale prices. Market conditions can change due to a number of factors, such as tax law revisions, supply and demand imbalances, economic recession, or economic boom. Each comparable sale should be analyzed to determine if the market conditions at the time of sale were different than those that prevail as of the effective date of the appraisal. If the comparable property sold when higher prices were prevalent, then a negative

adjustment should be made to account for the difference and the opposite if prices were lower. All sales have occurred since 2012 at similar market conditions with no adjustments warranted.

Location

The location adjustment takes into consideration the neighborhood and its environment, including such things as the relative closeness to facilities, price ranges of neighboring properties, the socio-economic position of the neighborhood, and general amenities of the neighborhood in relationship to other similar and competitive areas. All Sales are located in City of Poughkeepsie and are similar in location with no adjustments warranted.

Land to Building Ratio

This adjustment examines the ratio of land area to overall building size. A larger number indicates a greater land area in relation to the building footprint and therefore greater potential for expansion and availability of parking. All sales are given a negative adjustment for their superior land to building ratios and on site parking. Sale 3 is given a tempered negative adjustment for limited on site parking.

Zoning

This adjustment is based on the overall differences in zoning and the density of allowed development between the sales and the subject. All sales are located in similar zoning districts with no adjustments warranted.

Services

The value of a parcel can be affected by the utilities it offers or lack of. The subject has access to municipal water and sewer services. All sales lack access to one or both municipal services with positive adjustments applied to all sales.

Size

This adjustment takes into consideration the total square footage of the improvements in comparison with the subject. Larger buildings will typically sell for less based on the principal of economies of scale. All sales are given a negative adjustment for their smaller size.

Condition

This adjustment is based on the overall differences in condition of the buildings

between the sales and the subject. The subject's overall condition is assumed average. Sales 1 and 2 transferred in superior condition to the subject and negative adjustments are applied. Sale 3 was in inferior condition at the time of sale and a positive adjustment is applied.

Reconciliation

The comparable sales range in adjusted price per square foot from \$35 to \$74 with a median of \$47 per square foot and an average of \$52 per square foot. Sales 1 and 2 are the most recent sales. Sale 3 has the lowest net adjustment and is the most similar in size to the subject. All Sales have the same number of adjustments. Given this analysis, Sale 1 is allocated the most weight as it is the most recent sale with consideration of Sales 2 and 3. The price per square foot of the subject is reconciled to \$50, just below the average.

The "as is" value indication of the subject via the sales approach as of the date of valuation, July 7, 2016 is:

\$50 per square foot x 15,640 square feet.....\$780,000, rounded

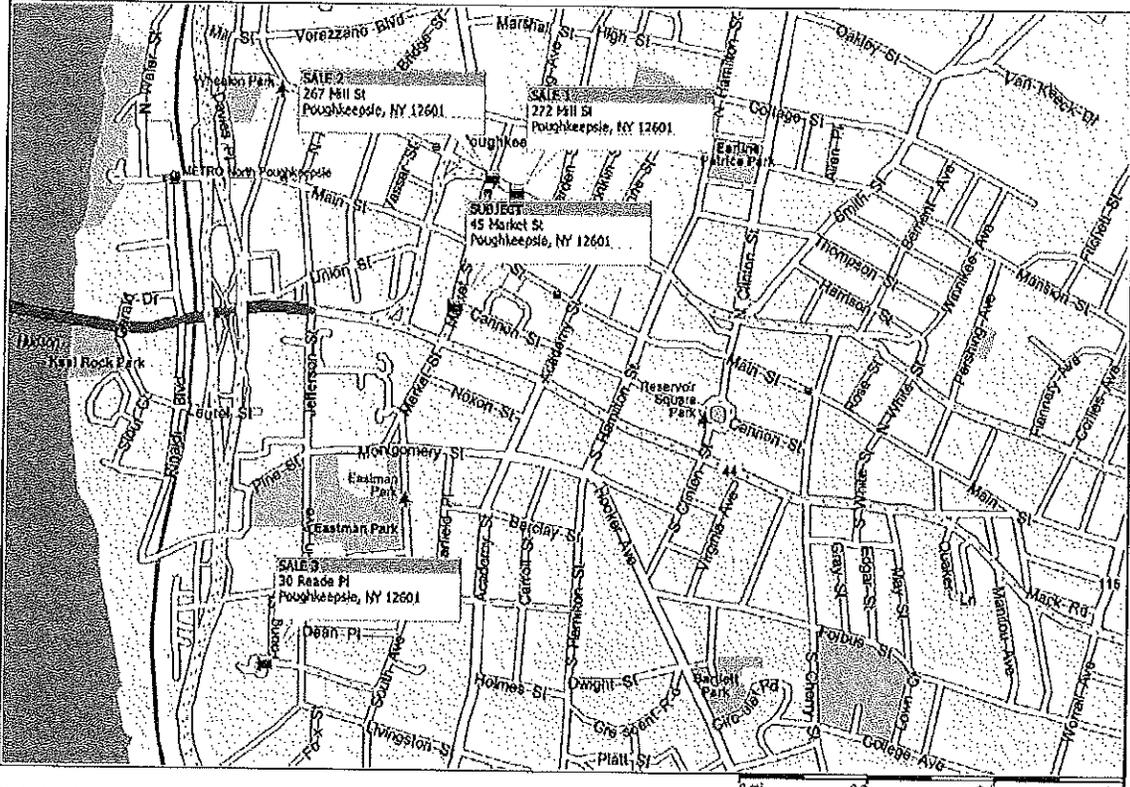
SALES GRID

PROPERTY:		45 MARKET STREET POUGHKEEPSIE		
ITEM	SUBJECT	SALE 1	SALE 2	SALE 3
DATE	JUNE 2016	FEBRUARY 2018	MAY 2013	OCTOBER 2012
PRICE		\$450,000	\$600,000	\$277,500
ADDRESS	45 MARKET STREET	272 MILL STREET	267 MILL STREET	214 MAIN STREET
MUNICIPALITY	POUGHKEEPSIE	POUGHKEEPSIE	POUGHKEEPSIE	POUGHKEEPSIE
COUNTY	DUTCHESS	DUTCHESS	DUTCHESS	DUTCHESS
BUYER EXPENDITURES		NONE	NONE	NONE
PROPERTY RIGHTS	FEE SIMPLE	LEASED FEE	LEASED FEE	FEE SIMPLE
FINANCING		MARKET FINANCING	MARKET FINANCING	MARKET FINANCING
CONDITION OF SALE		NONE	NONE	NONE
BUYER EXPENDITURES		\$0	\$0	\$0
PROPERTY RIGHTS		\$0	\$0	\$0
FINANCING		\$0	\$0	\$0
CONDITIONS OF SALE		\$0	\$0	\$0
ADJUSTED SALE PRICE		\$450,000	\$600,000	\$277,500
LAND SIZE (ACRES)	0.12	0.22	0.25	0.23
LAND TO BUILDING RATIO	0.33	1.33	1.79	1.32
ZONING	C2, RESEARCH & DEVELOPMENT DISTRICT			
SERVICES	MUNICIPAL WATER & SEWER; NATURAL GAS			
USE	MULTI-TENANT OFFICE	MULTI-TENANT OFFICE	MULTI-TENANT OFFICE	MULTI-TENANT OFFICE
BUILDING CONSTRUCTION / YEAR BUILT	3 STORY, BRICK & BLOCK / 1920	2 STORY, BRICK / 1904	2 STORY, MASONRY / 1900	3 STORY, BRICK & BLOCK / 1930
GBA (SQ FT)	15,640	7,212	6,092	7,580
CONDITION	AVERAGE	SUPERIOR	SUPERIOR	INFERIOR
ON SITE PARKING	NO	YES	YES	YES - PARTIAL
PRICE / SQ FT		\$62	\$98	\$37
MARKET CONDITIONS		\$62	\$98	\$37
LOCATION		0%	0%	0%
LAND TO BUILDING RATIO		-10%	-10%	-5%
ZONING		0%	0%	0%
SERVICES		0%	0%	0%
SIZE		-10%	-10%	-10%
CONDITION		-5%	-5%	10%
NET ADJUSTMENT		-25%	-25%	-5%
INDICATED VALUE / SF		\$47	\$74	\$35
MEDIAN	AVERAGE	APPLIED VALUE PER SF	SQUARE FEET	TOTAL VALUE
\$47	\$52	\$50	15,640	\$780,000

IMPROVED SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Building Size (SF)	Price / SF
1.	272 Mill Street	02/29/2016	\$450,000	7,212	\$62.40
2.	267 Mill St	05/01/2013	\$600,000	6,092	\$98.49
3.	214 Main Street	10/10/2012	\$277,500	7,580	\$36.61

SALES MAP



Copyright © and (P) 1998-2012 Mapbox, Inc. All rights reserved. Map data © OpenStreetMap contributors, CNR, and others. Imagery © Mapbox, Inc. All rights reserved. This data is provided as-is, without any warranty of accuracy or completeness. No representations or warranties are made by Mapbox, Inc. or its licensors. Mapbox, Inc. and its licensors are not liable for any damages or losses arising from the use of this data. Mapbox, Inc. and its licensors are not liable for any damages or losses arising from the use of this data. Mapbox, Inc. and its licensors are not liable for any damages or losses arising from the use of this data. Mapbox, Inc. and its licensors are not liable for any damages or losses arising from the use of this data.

Improved Sale No. 1



Property Identification

Record ID 2757
Property Type 464 – Office Building
Address 272 Mill Street, Poughkeepsie, Dutchess County, New York
12601
Tax ID 6162-69-072141-0000

Sale Data

Grantor Gemmati Brothers, Inc.
Grantee Greencare Holding, LLC
Sale Date February 29, 2016
Property Rights Leased Fee
Verification Other Sources: Contract & Public Records, Confirmed by
Gordon Casement
Sale Price **\$450,000**
Cash Equivalent \$450,000

Land Data

Land Size 0.220 Acres or 9,583 SF
Zoning C-2, Research & Development District

Improved Sale No. 1 (Cont.)

Topography Level
Utilities Municipal Water & Sewer; Natural Gas

General Physical Data

Building Name Office
Building Type Multi-Tenant
SF 7,212
Construction Type Brick
Stories 2
Year Built 1964

Indicators

Sale Price / SF \$62.40
Floor Area Ratio 0.75
Land to Building Ratio 1.33:1

Remarks

Sale of a 7,212 square foot two story multi-tenant office building in the City of Poughkeepsie. The site receives municipal services. Property was built in 1964 according to public records. The property was fully leased and was occupied by mostly local attorneys.

Improved Sale No. 2



Property Identification

Record ID	2486
Property Type	465 – Professional Building
Address	267 Mill St, Poughkeepsie, Dutchess County, New York 12601
Tax ID	6162-69-073173-0000

Sale Data

Grantor	MC2MC, LLC
Grantee	Drac Mill Street, LLC
Sale Date	May 01, 2013
Deed Book / Page	22013 / 2424
Property Rights	Leased Fee
Conditions of Sale	Normal
Sale History	Sold for \$210,000 in August of 2008
Verification	Grantor; July 09, 2014
Sale Price	\$600,000
Cash Equivalent	\$600,000

Improved Sale No. 2 (Cont.)

Land Data

Land Size 0.250 Acres or 10,890 SF
Front Footage 53 feet on Mill Street
Zoning C-2, Research & Development District
Topography Level
Utilities Municipal Water & Sewer; Natural Gas
Shape Rectangular

General Physical Data

Building Type Multi-Tenant
SF 6,092
Area Breakdown
Above Grade 5,256
Basement 1,200
Construction Type Masonry
Foundation Full Basement
Stories 2.5
Year Built 1900 Renovated in 2008
Building Class Class C

Income Analysis

Potential Gross Income \$100,000
Effective Gross Income \$100,000
Expenses \$48,000
Net Operating Income \$52,000

Indicators

Sale Price / SF \$98.49
Floor Area Ratio 0.58
Land to Building Ratio 1.79:1
Occupancy at Sale 100%
Gross Income Multiplier 6.00
Eff. Gross Income Multiplier 6.00
Expenses / SF \$7.88
Overall or Cap Rate 8.67%
Net Operating Income / SF \$8.54

Remarks

Sale of a 2-story masonry building with partial finished basement in the C-2 zone. Offers good visibility. The building was renovated in 2008. Grantor noted that the sale price was based on original purchase price plus renovation costs. Local investor purchase. Ample parking which is a benefit in the downtown area.

Fully leased at sale with mostly short term leases and one long term tenant. Cap rate is approximately 8.33% with leases being full gross and one meter for utilities.

Improved Sale No. 3



Property Identification

Record ID 2188
Property Type 481 – Attached Downtown ROW
Address 214 Main Street & 211 Union Street, Poughkeepsie, Dutchess County, New York 12601
Tax ID 6062-84-981118-0000 & 6062-84-981108-0000

Sale Data

Grantor One Main Street Associates
Grantee Big Balls Holdings, LLC
Sale Date October 10, 2012
Deed Book/Page 22012 / 5027
Property Rights Fee Simple
Verification Broker; July 08, 2013; Other Sources: Public Records, Confirmed by Grant Ackerly
Sale Price \$277,500
Cash Equivalent \$277,500

Land Data

Land Size 0.230 Acres or 10,019 SF
Zoning C-2, Research & Development District
Topography Slightly Sloping Down
Utilities Municipal Water & Sewer; Natural Gas

General Physical Data

Building Type Multi-Tenant
SF 7,580
Construction Type Masonry
Stories 3
Year Built 1930

Improved Sale No. 3 (Cont.)

Indicators

Safe Price / SF	\$36.61
Floor Area Ratio	0.76
Land to Building Ratio	1.32:1

Remarks

Sale of a downtown row building in the City of Poughkeepsie. The sale consisted of two parcels; a 0.13 acre site improved with a three story row building utilized as office space and a 0.10 acre site in the rear utilized as a parking lot. The property was bought by an end user to be utilized as office space for a law practice. The listing agent stated that the building was vacant at the time of sale and was in need of renovations.

INCOME APPROACH

The Income Capitalization Approach is based on the recognition that investors value properties on their income potential. This approach converts anticipated future benefits of a property into a present value estimate. In estimating the value of the subject property by the Income Approach, data has been selected and processed as follows:

1. Estimate annual potential gross income, by examining leases in-place and comparing the subject property to similar rental properties in the same manner as used for comparison of market sales data previously described, and using appropriate factors related to rentals in order to estimate, from the market, the annual gross income ("Market Rent") which the subject can be expected to produce from currently vacant space.
2. Determine a discount to the gross income estimate to allow for vacancy and credit loss, and thus arrive at an estimate of effective gross income.
3. Estimate the probable annual expenses which would be incurred in operating the property, as a deduction from effective gross income to realize net income, before making allowance for overall depreciation or recapture of the wasting asset. The condition of the building and its equipment were considered in order to estimate a reserve allowance for repairs and replacements.
4. Derive a capitalization rate from either the market or any acceptable mortgage-equity analysis and, after considering the quality and durability of the expected income, selected an appropriate method and technique for capitalizing the net income to an estimate of value.

Market Rent Analysis

The contract rents, the 500 square foot vacant unit, and the retail bank space will be analyzed separately. The two vacant units will be analyzed using market data from the market analysis section. Within the Hudson Valley Market area, building owners, tenants, and real estate brokers base office space leases on a price per square foot basis.

Contract Rents

The subject leases were previously presented in this report and the majority rent on a month-to-month basis with Caltagirone / Kasnia expiring in August 2016. In order to support that the subject contract leases are at market rent, comparable rentals that represent leased space with similar utility will be presented. The table below summarizes the data gathered.

SUMMARY OF COMPARABLE LEASES						
Lease #	Square Footage	Annual Rent	Indicated Rent / SF	Lease Type	Tenant Paid Expenses	Comments
1	753	\$9,000	\$11.95	MG	Utilities	Office space located in the central business district.
2	442	\$5,550	\$12.56	MG	Utilities	Multi-tenant office building located in the central business district.
3	1444	\$18,900	\$13.09	MG	Utilities	Multi-tenant office building located in the central business district.
5	1760	\$27,038	\$15.36	MG	Utilities	Multi-tenant office building located in the central business district.
6	709	\$11,532	\$16.27	MG	Heat	Large multi-tenant office building located in the central business district.
7	727	\$13,200	\$18.16	MG	Heat	Large multi-tenant office building located in the central business district.

The comparable leases present a range of \$11.95 to \$18.16 per square foot and are all mid-size office units in multi-tenant buildings located in the central business district of the City of Poughkeepsie. All rents are on a modified gross basis. The subject contract rents range from \$12.00 to \$16.67 and vary in size from 180 to 1,500 square feet. The contract rents are considered to be at market and will be utilized for analysis.

Small Vacant Office

The smaller vacant unit is 500 square feet. The most comparable office leases range from \$12.56 to \$16.27 per square foot on a modified gross basis. The average rental rate is \$14.13 per square foot. These office units are also small office units ranging in size from 442 to 709 square feet. The table below summarizes the data gathered.

SUMMARY OF COMPARABLE LEASES						
Lease #	Square Footage	Annual Rent	Indicated Rent / SF	Lease Type	Tenant Paid Expenses	Comments
1	442	\$5,550	\$12.56	MG	Utilities	Multi-tenant office building located in the central business district.
2	380	\$5,160	\$13.58	MG	Utilities	Office space located in the central business district.
3	709	\$11,532	\$16.27	MG	Heat	Large multi-tenant office building located in the central business district.

More weight is given to Lease 2, located on an upper floor of a multi-tenant office building with the tenant paying all utilities. A rent of \$14.00 per square foot will be applied to the subject space. Further support for the selected rental rate is the asking rent of \$14.40 for this space.

Larger Vacant Office / Bank Space

The larger vacant unit consists of 3,000 square feet of former bank space. The space could easily be fit up for general office use and rented to an office tenant. Therefore, first floor office space with similar viability in the central business district of the City of Poughkeepsie will be surveyed. The most comparable leases range from \$17.50 to \$22.75 per square foot. The average rental rate is \$20.71 per square foot. Most tenants pay utilities in this market.

SUMMARY OF COMPARABLE LEASES						
Lease #	Square Footage	Annual Rent	Indicated Rent / SF	Lease Type	Tenant Paid Expenses	Comments
1	11500	\$201,250	\$17.50	MG	Utilities	Two Story office building, single tenant.
2	4000	\$80,000	\$20.00	MG	Electric	Large multi-tenant office building located in the central business district.
3	8328	\$188,188	\$22.60	MG	Utilities	First floor space in a newly renovated building.
4	3801	\$86,472	\$22.75	MG	Increase Over Base in Taxes & Heat	First floor space located in the central business district.

More consideration is given to Leases 1, 2, and 3, with the most weight allocated to Lease 2 given its size. A rent of \$20.00 per square foot will be applied to the subject space. This is slightly below, but in line with the previous rent of \$23.49 with Bank of America.

Potential Gross Income: \$174,580

Vacancy & Collection Loss: A vacancy and collection loss of 10% is applied to the subject based on the Market Analysis section and area and neighborhood observations.

Reimbursements: No reimbursements are necessary as all rents are on a modified gross or gross basis.

Expenses: Historical expense information for 2015, provided by the client, as well as comparable expenses of similar properties deemed to be reliable are utilized for analysis and are displayed in the following tables:

BUILDING EXPENSES		
School Tax	\$14,429.26	\$0.93
SCT Tax	\$13,803.64	\$0.89
Electric and Gas	\$14,543.78	\$0.93
Maintenance and Repairs (Employees)	\$9,500.00	\$0.61
Maintenance and Repairs (Contractors)	\$10,551.07	\$0.68
Insurance	\$6,365.52	\$0.41
Rubbish Removal (Shared)	\$1,000.00	\$0.06
Water & Sewer	\$1,511.28	\$0.10

square feet	COMP 1		COMP 2		COMP 3		COMP 4	
	Annual	\$/SF	Annual	\$/SF	Annual	\$/SF	Annual	\$/SF
	5,670		20,025		7,581		5,818	
Taxes	\$ 22,512	\$ 3.97	\$ 33,058	\$ 1.65	\$ 2,840	\$ 0.37	\$ 19,813	\$ 2.61
Insurance	\$ 1,650	\$ 0.29	\$ 11,569	\$ 0.58	\$ 4,281	\$ 0.56	\$ 1,908	\$ 0.25
Gas/Electric	\$ -	\$ -	\$ 11,071	\$ 0.55	\$ -	\$ -	\$ 4,902	\$ 0.66
Water	\$ -	\$ -	\$ 850	\$ 0.04	\$ -	\$ -	\$ 690	\$ 0.09
Sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 690	\$ 0.09
CAM	\$ 673	\$ 0.12	\$ 9,889	\$ 0.49	\$ 4,045	\$ 0.53	\$ 700	\$ 0.09
Legal	\$ 500	\$ 0.09	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ 3,716	\$ 0.19	\$ -	\$ -	\$ 1,262	\$ 0.17
Total	\$ 25,335	\$ 4.47	\$ 70,133	\$ 3.50	\$ 11,166	\$ 1.47	\$ 29,965	\$ 3.95

The expense categories are as follows:

Real Estate Taxes are estimated at \$1.78 per square foot based on the subject's actual taxes assuming a 2% increase.

Insurance is estimated at \$0.40 per square foot based on the subject actual expenses.

Utilities are estimated at \$0.90 per square foot based on the subject actual expenses.

CAMs are estimated \$1.25 per square foot based on the subject actual expenses. The comparable expenses appear low for this category. This is likely due to the comparable properties lacking an elevator, a significant expense that contributes to the subject overall CAM expense.

Water & Sewer is estimated at \$0.10 per square foot based on the subject actual expenses with consideration given to the comparable expenses.

Miscellaneous is estimated at \$0.20 per square foot based on typical expenses for this category. This expense includes items such as advertising, office supplies, and pest control.

Legal & Professional Fees are estimated at \$0.10 square foot based on typical expenses for this category. This expense typically includes general accounting fees, which are minimal in comparison to the overall expenses.

Management Fees are estimated at 3% of the effective gross income. This is a standard fee that includes collecting rents and reimbursements.

Reserves are estimated at 2% based on the condition of the improvements. A prudent investor would set up a reserve fund for these items even though some comparable expenses do not account for this expense item. This includes those items within the building that age more rapidly than the building itself such as the plumbing and electrical wiring.

The total amount of expenses based on the subject analysis is \$81,789 which translates into an operating expense ratio of 52.05%. The net operating income (NOI) is \$75,333 which will be used in the following capitalization section.

Capitalization Rate Derivation

RealtyRates.com Investor Survey – (1st Quarter 2016) Market cap rates (Ro) range between 6.01% and 14.05% with an average overall cap rate of 9.45%. The equity dividend rates range from 7.87% to 16.20% with an average rate of 11.62%. Used in this analysis is an equity rate of 13.00%.

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2016*						
OFFICE - CENTRAL BUSINESS DISTRICT						
Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.25%	DCR Technique	1.40	0.053952	0.75	5.66
Debt Coverage Ratio	1.40	Band of Investment Technique				
Interest Rate	3.51%	Mortgage	75%	0.053952	0.040464	
Amortization	30	Equity	25%	0.078700	0.019675	
Mortgage Constant	0.053952	OAR				
Loan-to-Value Ratio	75%	Surveged Rates				
Equity Dividend Rate	7.87%					
Maximum						
Spread Over 10-Year Treasury	6.36%	DCR Technique	2.25	0.119014	0.50	13.39
Debt Coverage Ratio	2.25	Band of Investment Technique				
Interest Rate	8.62%	Mortgage	50%	0.119014	0.059507	
Amortization	15	Equity	50%	0.161990	0.080995	
Mortgage Constant	0.119014	OAR				
Loan-to-Value Ratio	50%	Surveged Rates				
Equity Dividend Rate	16.20%					
Average						
Spread Over 10-Year Treasury	3.81%	DCR Technique	1.83	0.081558	0.63	9.30
Debt Coverage Ratio	1.83	Band of Investment Technique				
Interest Rate	6.07%	Mortgage	63%	0.081558	0.050974	
Amortization	23	Equity	38%	0.116191	0.043568	
Mortgage Constant	0.081558	OAR				
Loan-to-Value Ratio	63%	Surveged Rates				
Equity Dividend Rate	11.62%					

*4th Quarter 2015 Data

Copyright 2016 RealtyRates.com™

Band of Investment						
LTV		Rm				
0.65	x	0.0773	=		5.02%	
1-LTV		Re				
0.35	x	0.13	=		4.55%	
					Cap Rate	9.57%
Applied Cap Rate, Rounded					9.60%	

The overall rate is estimated at 9.60%, based partly on the investor survey and the following assumptions:

1. Financing is presently available through money centers and local mortgage brokers or banks for properties similar to the subject. It is assumed that financing will be available at a variable rate of interest for up to 25 years at 6.00% based on a survey of local lenders. Payments are calculated on a 25 year amortization. The annual mortgage constant (Rm) for a 6.00% interest loan is 0.0773.
2. Equity investors of comparable grade properties are currently expecting a 7.67% to 16.20% equity dividend rate (cash on cash rate) as illustrated by the 1st Quarter 2016 "RealtyRates.Com" investor survey. An equity dividend rate of 13.00%, above the average, is utilized given the typical investor required return and the higher than market actual vacancy of the subject.

The indicated "as is" value opinion of the subject as of the effective date of valuation, July 7, 2016, based on the income approach is: **\$780,000, rounded**

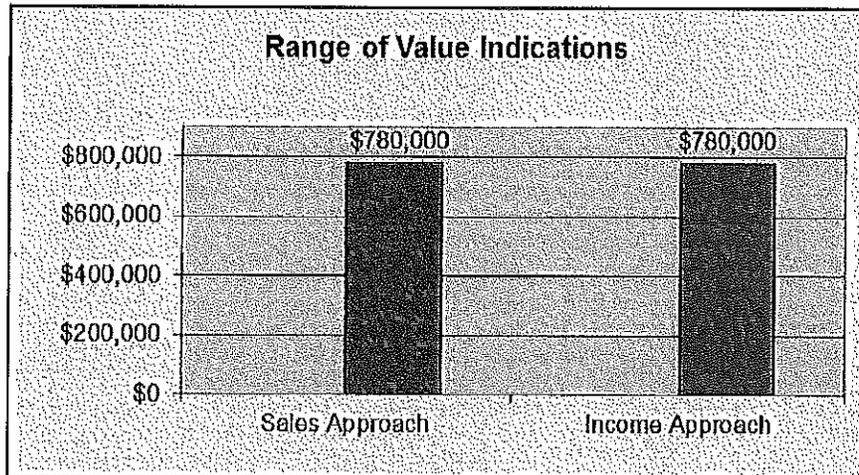
INCOME & EXPENSE SUMMARY				
PROPERTY	45 MARKET STREET			
LOCATION	POUGHKEEPSIE		2016 PROJECTION	
GROSS BLDG AREA	15,640 SQUARE FEET			
NET RENTABLE AREA	11,522 SQUARE FEET			
INCOME				
	<u>SQUARE FT</u>	<u>RENT / SF</u>	<u>MONTHLY RENT</u>	<u>ANNUAL</u>
PISANELLI	1,300	\$13.85	\$1,500	\$18,000
FERENZ	793	\$13.24	\$975	\$10,500
KASNA	900	\$12.00	\$900	\$10,800
OFFICE (VACANT)	500	\$14.00	\$583	\$7,000
DIETZ	1,485	\$12.53	\$1,650	\$18,600
KEUTMANN	664	\$15.36	\$850	\$10,200
MARTIN	1,500	\$14.32	\$1,790	\$21,480
NUMBERS UNLIMITED	180	\$16.67	\$250	\$3,000
RETAIL BANK SPACE (VACANT)	3,000	\$20.00	\$5,000	\$60,000
MID-HUDSON PROTECTIVE SERVICES	600	\$13.00	\$650	\$7,800
WILLIAM VASSELL SERVICE, INC.	600	\$12.00	\$600	\$7,200
TOTAL RENTAL INCOME				\$174,680
VACANCY & CREDIT LOSS	10%			(\$17,458)
EFFECTIVE GROSS INCOME				\$157,122
EXPENSES				
		<u>ANNUAL EXPENSE</u>	<u>\$/SQ FT</u>	
REAL ESTATE TAXES		\$27,795	\$1.78	
INSURANCE		\$6,256	\$0.40	
UTILITIES		\$14,076	\$0.90	
CAMs		\$19,550	\$1.25	
WATER / SEWER		\$1,584	\$0.10	
MISCELLANEOUS		\$3,128	\$0.20	
LEGAL / PROF FEES		\$1,564	\$0.10	
MANAGEMENT (% of EGI)	3%	\$4,714	\$0.30	
RESERVES (% of EGI)	2%	\$3,142	\$0.20	
TOTAL EXPENSES			(\$81,789)	
				EXP / SF (\$5.23)
				OER 52.05%
NET OPERATING INCOME			\$75,333	NOI / SQ FT \$6.54

CAPITALIZATION						
RealtyRates.com (1st QTR '16)		OFFICE - CENTRAL BUSINESS DISTRICT		RANGE (Ro)	6.01% - 14.05%	AVG 9.45%
				RANGE (Re)	7.87% - 16.20%	AVG 11.82%
						SAY = 13.00%
LOAN TERMS - LOCAL BANK SURVEY						
				INTEREST RATE	6.00%	
				AMORTIZATION	25 YEARS	
				LOAN TO VALUE	65.00%	
BAND OF INVESTMENT						
L.T.V.	X	Rm =				
		0.65	X	0.0773	=	0.0503
1-L.T.V.	X	Re =				
		0.35	X	0.13	=	0.0455
				INDICATED CAP RATE (Ro) =	9.68%	SAY, 9.60%
VALUATION FORMULA						
		Vo	=	NOI		
				Ro		
			=	\$75,333		
				9.60%		
VALUE						
		Vo	=	\$784,721		
				INDICATED MARKET VALUE	\$780,000	<u>\$/SQ.FT</u> \$60

RECONCILIATION & FINAL VALUE ESTIMATE

Discussion of Approaches

This discussion will determine a final value opinion based on the two approaches used. The discussion will summarize each approach and outline the strengths and weaknesses of the data used. The chart below illustrates the value indications from the two approaches.



Sales Comparison Approach

Quality of Sales: Comparable sales were researched in the subject market area. Three sales were located in the City of Poughkeepsie and are considered the most comparable sales.

Adjustments: The adjustments for salient characteristics are qualitative in nature.

The sales approach is considered to be well supported.

Income Approach

Subject & Comparable Leases: Commercial office leases were researched in the subject market area. Adequate lease data in the subject's immediate market area was found. The leases selected for analysis were used to develop a market rental rate for the subject vacant spaces, which was utilized in the Income Approach. The subject contract rents were supported by market rents.

Expenses: The subject expenses were estimated from typical expenses of similar properties and deemed to be reliable.

Capitalization Rate: The capitalization rate is derived from the band of investment and

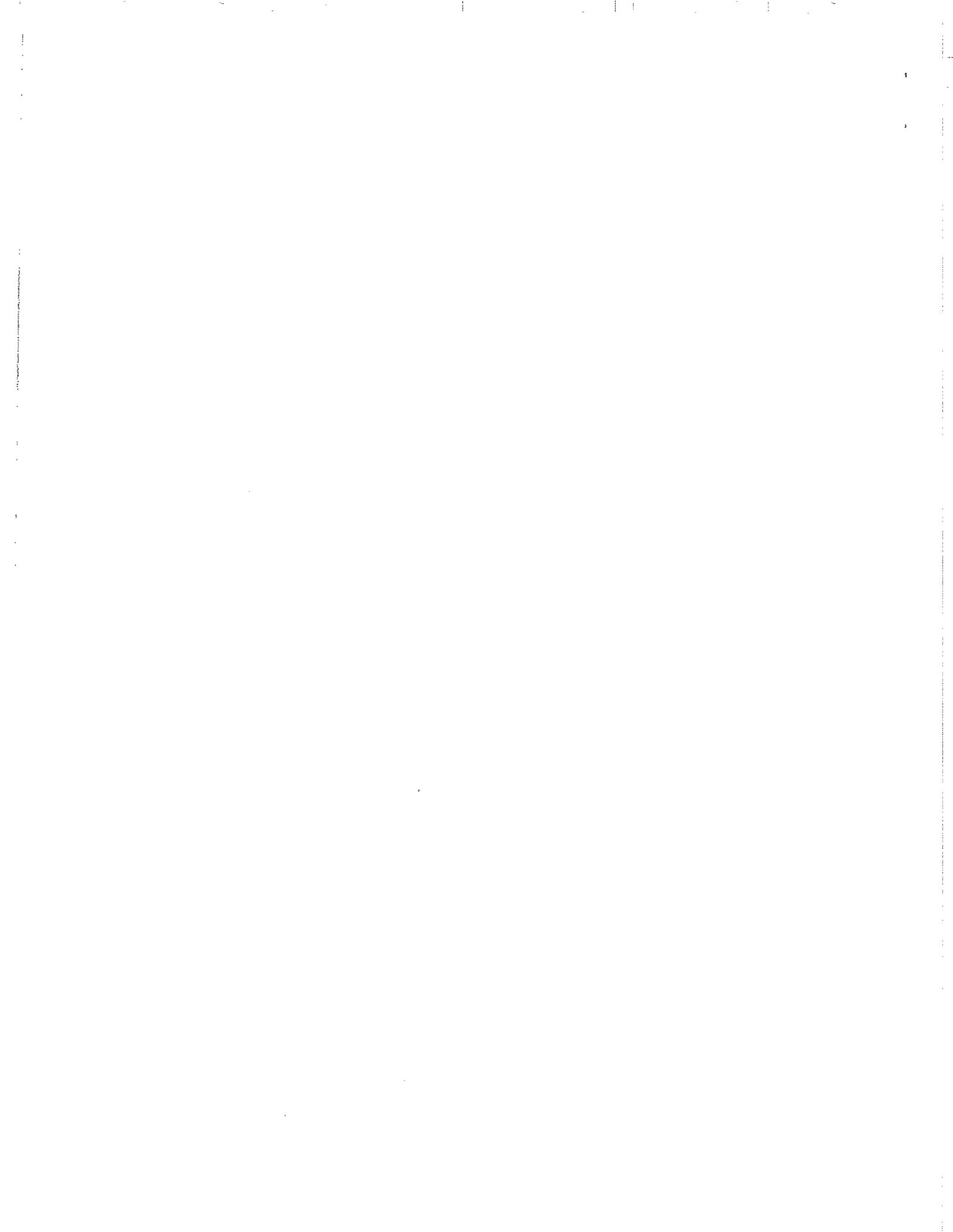
is derived from the investor survey from Realtyrates.com. We do recognize that Sale 2 sold with an 8.67% cap rate. This sale transferred in superior condition and has on-site parking; therefore, commanding a lower cap rate.

The income approach is considered to be well supported.

Conclusion

Both approaches are given equal weight, as the values are the same. However, the Income Approach is given more consideration as the property is a multi-tenant office building with investor appeal. It is our opinion that the "as is" market value of the subject property as of the date of inspection, July 7, 2016, is:

SEVEN HUNDRED EIGHTY THOUSAND DOLLARS
\$780,000



ADDENDA

- QUALIFICATIONS





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

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

PROFESSIONAL DESIGNATIONS:

MAI – Appraisal Institute

CERTIFICATIONS and LICENSES:

Certified General Real Estate Appraiser: New York State No. 46-3185

Certified General Real Estate Appraiser: State of Vermont No. 080-0000258

Certified General Real Estate Appraiser: State of New Hampshire No. 854

Qualified General Real Estate Appraiser for New York State Department of Transportation

Certified FARM Evaluator; National Dairy FARM Train-the-Trainer Workshop, presented by
National Milk Producers Federation, Albany, NY; April 8th, 2015

Certificate of Completion: Valuation of Conservation Easement Certificate Program;
May 12-16, 2008

MEMBERSHIPS:

Appraisal Institute, Member #09808, awarded January 1993; Past President of Mid – Hudson
Chapter, past Education Chairman

American Society of Farm Managers and Rural Appraisers; Associate Member

New York State Society of Real Estate Appraisers

National Council of Affordable Housing Market Analysts (NCAHMA)

GOVERNMENTAL AGENCY APPROVALS:

New York State Division of Housing and Community Renewal – Qualified Market Analyst

EMPLOYMENT:

Chairman and C.E.O.: **R P HUBBELL and COMPANY, INC.**; Independent Fee Appraiser; Real
Estate appraisals and counseling.

Staff Appraiser, **L.T. BOOKHOUT, INC.**, a real estate firm specializing in consultation, appraisal
and market feasibility studies, 1987 to 1996

Loan Officer, Appraiser, Branch Manager, **FARM CREDIT SERVICE** – Springfield District, 1980-
1997

INSTRUCTOR:

Former Associate Instructor; Appraisal Institute, certified for *Appraisal Principles, Basic Appraisal
Procedures and Residential Market Analysis and Highest and Best Use.*

Adjunct Instructor; Marist College and Dutchess Community College, School of

Adult Education: *Real Estate Appraisal Module*, 1990, 1991, 1992

SMALL CLAIMS ASSESSMENT REVIEW OFFICER:

State of New York Unified Court System Third Judicial District

SEMINAR PRESENTATIONS:

"Preserving the Family Farm and Your Equity," Dutchess County Cooperative Extension, February 1989

"Conserving Our Tax Base," Dutchess/Ulster Assessors Assoc., May 1991

"Basic Commercial Valuation Techniques", New York State Assessors' Assoc., October 1992

EDUCATION:

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

SYRACUSE UNIVERSITY – Syracuse, New York – course work in MBA program

APPRAISAL COURSES ATTENDED AND COMPLETED –

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;*

Society of Real Estate Appraisers: *Course 102, Applied Residential Property Valuation, 1988; Course 201, Principles of Income Property Appraising, 1989; Course 202, Applied Income Property Valuation, 1989; Standards of Professional Practice, Part A, 1990*

Federal Land Bank: *Intermediate Appraisal Skills, 1986*

APPRAISAL EXAMINATIONS CHALLENGED AND/OR PASSED –

Society of Real Estate Appraisers: *Introduction to Appraising Real Property, Course 101, 1987*

CONTINUING EDUCATION –

Following seminars successfully completed:

Appraisal Institute: "Discounted Cash Flow Analysis", 1992; "Understanding Limited Appraisals – General," 1994; "Special – Purpose Properties", 1996; "New Industrial Valuation", 1997; "Eminent Domain and Condemnation Appraising", 1998; "Detrimental Conditions", 1998; "Eminent Domain & Condemnation", 1999; "Regression Analysis in Appraisal", 1999; "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; "Standards of Professional Practice, Part C", 2002; "Scope of Work: Expanding Your Range of Services", 2003; "Mathematically Modeling Real Data", 2004; "Subdivision Valuation: A Comprehensive Guide to Valuing Improved Subdivisions", 2005; "Market Analysis and the Site to Do Business", 2005; "15 Hour USPAP Course with exam", 2005; "2006 Changes to USPAP"; "Valuation & Litigation Services SIG", 2006; "Appraisal Curriculum Overview", 2009; "7 Hour USPAP Course", 2005, 2009 and 2011; "Feasibility, Market Value, Investment Timing: Option Value", 2009; "Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets", April 2012; "Commercial Bankruptcy, Workouts and the Valuation Process", April 2013; "7-Hour USPAP Update Course", May 2013; "Business Practices and Ethics", June 2013; "Appraising the Appraisal: Appraisal Review-general", October 2013; "Valuation of Conservation Easements and Taxes", November 2013; "7-Hour USPAP Update Course", January 2014; "Residential Solar Photovoltaic Leases: Market Value Dilemma", February 2014; "Valuation of Solar Photovoltaic Systems", February 2014; "Review of Court Decisions", November 2014; "Raising the Bar: Complex Properties A Risk-Based Approach to Allocations and Investment", September 2015

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; "Wind Power" seminar, May 2011; "Large Dairy Appraisal Seminar", May 2011; "Intro to Vineyard and Winery Valuation", May 2013

Society of Real Estate Appraisers: Professional Practice, 1998; Uniform Commercial and Industrial Appraisal Report, 1989; Advanced Demonstration Appraisal Report Workshop 1990;

Whitmer Seminars: Comprehensive Appraisal Workshop, Parts A & B, July 1991; "Attacking and Defending an Appraisal in Litigation", September 2011

Marist College: Clean Water Act 1997; Real Estate Salesperson Course, 1988

Other: Realtors Land Institute: "Timberland Evaluation & Analysis", 2000; Lorman Education Services: "Real Estate Litigation in New York ", 2002 "Conducting an Effective Cross -Examination in New York ", 2002; "Dairy Margin Protection Program: Procedures, decision tools and strategies", Farm Credit East 2014; "2015 Dairy Outlook Webinar", Farm Credit East 2015; "Update on OSHA Inspections on Dairy Farms", Farm Credit East 2015;

**APPRAISAL CLIENTS (partial listing):
Corporations and Business Entities**

1st Westchester Capital Group	Quadrelle Realty
ADM Milling Co.	Red Hook Farmers Co-op Inc.
Adriance Library	Red Hook Land Corp.
Agway, Inc.	Rehabilitation Programs Inc.
Akindale Farms	Rokeby Preserve
Amerada Hess Corp.	Services, Inc.
Andreas Holding	Shekomeko Village Corporation
Astor Home for Children	Sheldrake Organization
Audia Motors	Situs Realty Services, Inc.
Avis Rent-A-Car, Inc.	St. Francis Hospital
Banta Management	Stuart Property Corp.
Bldg. Assoc.	Tara Motors, Inc.
Brown & Sharpe Manufacturing	Tivoli Farms
Carlisle Companies, Inc.	Torloc Development, Inc
Chemical Executive Relocations	Vibar Farms
Clermont Farms, Ltd.	Strategic Property Advisors
Condor Motors	Ulster Scientific, Inc
Conklin Instruments	Ulster ARC
Country Lands Management Inc	Weathersfield Farm
Courtland Partners	Ziff Brothers Investments
Creative Originals Inc	
Crown Northcorp	
Cuney Properties, Inc.	
Do-It-Best Cooperative	
Farm Country Investments.	
Fehr Bros. Inc.	
Gray Engineering	
Greig Farm	
Highways Displays, Inc.	
Hudson Valley Farms, Inc.	
I.L. Richer Co., Inc	
IBM Corp.	
James Burns International	
Jim Waters Corp.	
John Aborio, Inc.	
Kingston Hospital Foundation	
Kitchen Cabinet Company	
KMPG – Peat Marwick	
Konover Associates, Inc.	
LaidLaw Transportation Inc.	
McDonalds Corporation	
MacIntosh Farms	
Maranatha Human Services Inc.	
Marshall & Sterling	
Mashomac Fish and Game Club	
Merchants Press	
Millbrook Merchants	
Millbrook Vineyards	
Millenium III Investors	
Milroy Cars, Inc.	
Minolta Advance Technology, Inc.	
Northern Dutchess Medical/Dental	
Plasmaco, Inc	
Pyramid Companies, Inc	

Government Agencies

United States of America

National Park Service
Postal Service
Department of Agriculture
Department of Interior
Federal Deposit Insurance Corp.

Metropolitan Transportation Agency (MTA)

Appraisals and appraisal reviews

State of Connecticut

Department of Transportation

Commonwealth of Massachusetts

Town of Lenox

State of New York

Department of Environmental Conservation
Office of Mental Retardation and Developmental Disabilities
Industrial Development Authority
Department of Transportation
Office of Parks, Recreation & Historical Preservation
Department of Agriculture and Markets

City of New York

NYC Department of Environmental Protection

County of Clinton

Department of Planning
Social Services
County Attorney's Office
Town of: Northeast, Pine Plains, Red Hook, Lagrange, Amenia, Washington, Poughkeepsie

County of Dutchess

Dept/Agency: Resource Recovery Agency,
Department of Planning
Department of Public Works
Industrial Development Authority

County of Greene

Town of Hunter

County of Orange

Towns of Warwick, Montgomery

County of Rockland

County Executive's Office

County of Ulster

Dept/Agency: Resource Recovery Agency, Dept of Planning
Towns of: Lloyd, Marlborough, New Paltz

Courts

City of Kingston Zoning Board
 Columbia County Supreme Court
 Dutchess County Supreme Court
 New York Court of Claims
 New York State Superior Court 9th Judicial Dist.

Southern District of New York
 Town of Milan Zoning Board of
 Town of Northeast Zoning Board
 Ulster County Supreme Court
 United States District Court

Financial Institutions

American Modular Mortgage
 Apex Mortgage Corp.
 Bank Leumi
 Bank of America
 Bank of Boston
 Bank of New York
 Barclays Bank
 Beacon Federal Savings Bank
 Berkshire County Savings Bank
 California Federal Savings and Loan
 Capital Impact Corp.
 Catskill Savings Bank
 CBT/Bank of New England
 Chemical Bank
 Citibank
 Citibank NA
 City Trust Bank, Bridgeport, CT
 Delta Funding
 East New York Savings Bank
 Ellenville National Bank
 Empire of America S.L.A.
 Farm Credit, ACA
 Federal Land Bank
 First National Bank
 First National Bank of Highland
 First National Bank of Rhinebeck
 First National Bank of the Hudson Valley
 First Union Bank
 Fishkill National Bank
 Fleet Bank
 Fleet Credit Corp. Fleet Norstar Bank

Flushing Savings Bank
 Freddie Mac
 Greenwich Capital Markets
 Guardhill Financial
 Horizon National Bank
 Hudson United Bank
 Hudson Valley Bank
 Island Federal Mortgage
 Key Bank NA
 Key Bank of Maine
 M and T Bank
 Mahopac National Bank
 Marine Midland National Bank
 Mid-Hudson Savings Bank
 National Bank & Trust Company
 New York State Urban Development Corp.
 Nomura Asset Capital Corp.
 Parallel Commercial Capital Corp.
 People's Westchester Savings
 Poughkeepsie Savings Bank
 Premiere National Bank
 Production Credit Associations
 Rhinebeck Savings Bank
 Riverside Bank
 Sovereign Bank
 Stissing National Bank
 The Resolution Trust Corp.
 The Savings Bank of Ulster
 Troy Savings Bank
 Union Savings Bank
 Union State Bank

Institutional/Educational

Bard College
 Cornell University
 Hyde Park Central Schools
 Pine Plains Central Schools
 Red Hook Central Schools
 Vassar College

Religious

Fishkill Baptist Church
 Marist Fathers Novitiate
 Red Hook Assembly of God
 Unification Theological Seminary
 Jehovah's Witnesses

Charitable

Jane Nuhn Foundation
 Dyson Foundation

Land Conservation Groups

Adirondack Land Trust/Nature Conservancy	Agricultural Stewardship Association	American Farm Land Trust Berkshire County Land Trust
---	---	---

R.P. HUBBELL AND COMPANY, INC.

3 Neptune Road · S-400 · Poughkeepsie · NY · 12601 · Phone: 845-454-8525 · Email: Info@rphubb.com

Columbia Land Conservancy
 Conservation Fund
 Dutchess Land Conservancy
 Housatonic Valley
 Association
 Hudson Highlands Land
 Trust

Lake George Basin Land
 Conservancy
 Mohonk Preserve
 The Nature Conservancy
 Open Space Institute
 Rondout Valley Land
 Conservancy

Scenic Hudson Inc.
 Trust for Public Lands
 Vermont Land Trust /
 Vermont Housing &
 Conservation Board
 Winnakee Land Trust

APPRAISAL ASSIGNMENTS:

Agri-Business Properties

Fruit storage and processing and packing Facilities
 Regional feed mills
 Veal Slaughter and packing plants
 Wineries
 Integrated Poultry operations

Community Services

Private Water Companies
 Sheltered workshops/administrative offices

Environmental Risks

Stigma on Residential Properties
 Shopping Centers with on-site contamination
 Impact of on-site contamination to retail & vacant commercial properties

Agricultural and County Estate Properties

Crop Farms
 Dairy Farms (including 1200+ cow facilities)
 Equine estates
 Equine training centers
 Forest tracts
 Fruit Farms
 Goat Farm w/milk processing plant
 Livestock farms
 Nursery/greenhouse/garden centers

Orange County Muck farms
 Orchards
 Private game preserves
 Purchase and donation of Development Rights
 Thoroughbred horse breeding farms
 Vineyards
 Integrated Layer facilities

Commercial and Industrial Properties

Automobile sales and service centers
 Banks, branch and full service
 Central warehouses
 Community/neighborhood shopping centers
 Delicatessens
 Distribution warehouses
 Energy distribution centers
 Fast food restaurants
 Flour Milling
 Funeral Homes
 Golf Courses
 Hotel/Motels
 Industrial Parks
 Light industrial flex buildings
 Manufacturing facilities
 Medical office buildings
 Multi-story office buildings
 Neighborhood shopping centers
 Office Parks
 Outlet Mills
 Petroleum Tank Farm
 R.V. Campgrounds

Restaurants (fast food & full service)
 Retail Strip centers
 Retail/Office centers
 Self Storage warehouses
 Strip Commercial centers
 Supermarkets
 Timeshare/resort developments
 Tire and alignment shops
 Trucking Terminals

Residential Properties

2-4 Family Residences

Adult Rest Homes
Condominium Projects
Country Estates
Country Home and Mini-Estates
Farm Land development rights
Garden Apartments
Low-rise Apartment Buildings
Multi-Family Residences
Nursing Homes
Public Housing Projects
Residential condo/town-home developments
Single Family Residences
Subdivision Developments
Town House Projects

Market Studies

HUD "Mark to Market rent studies"

Detrimental impact studies on: cell towers, car washes and adjacent commercial uses

Property Rights Appraised

Development rights
Fee Simple
Lease Fee/Lease Hold
Lease Hold Interest
Partial Interest – Conservation Easements for non-cash Charitable Donations

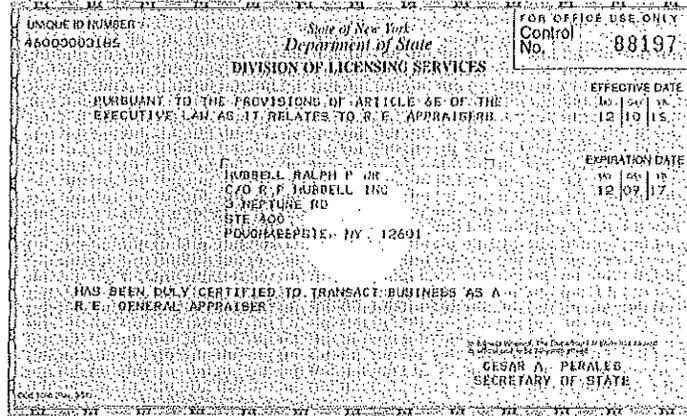
Vacant Land, including:

Agricultural
Commercial
Industrial
Multi-family residential
Single-family residential

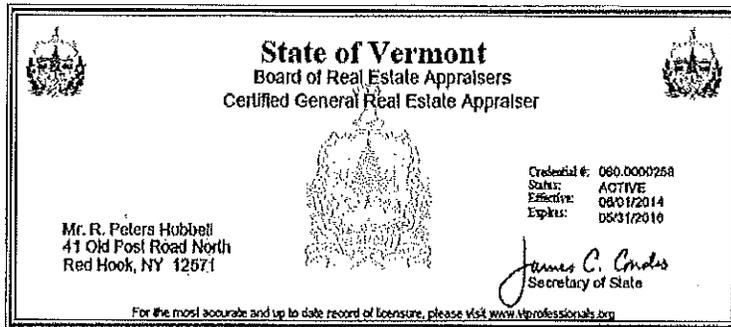
Tax Certiorari; performed analysis of commercial, industrial and residential properties.

Attorneys and Individuals have been served in the USA and Canada.

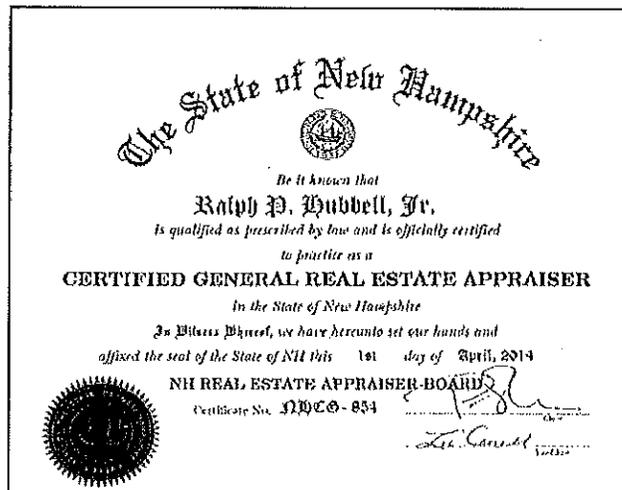
Valuation of Business: retail/farm supply, industrial laundry.



New York Appraiser License



Vermont Appraiser License



New Hampshire Appraiser License



R.P. HUBBELL AND COMPANY, INC.

Real Estate Appraisers and Market Analysts

QUALIFICATIONS OF AARON SCHMIDT

GENERAL EDUCATION

Marist College, Bachelor of Science

PROFESSIONAL EDUCATION

R5: Basic Appraisal Principles, R6: Basic Appraisal Procedures, USPAP 15: National USPAP Course, G4: General Market Analysis and Highest and Best Use, G5: General Appraisal Sales Comparison Approach, G6: General Appraisal Site Valuation and Cost Approach, G7: General Appraisal Income Approach, G8: General Appraisal Report Writing and Case Studies, GE1: Fair Housing, Fair Lending and Environmental Issues (15-hr), Statistics Modeling and Finance, and GE3: Using the HP12C Financial Calculator

PROFESSIONAL EXPERIENCE

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

Appraisal of real estate with emphasis on commercial properties

US Navy

Military Training Department – Recruit Training Command, Administrative Support, Security

2016 JUN 28 11:31

PROPERTY APPRAISERS
ASSOCIATION