



Goodman-Marks Associates, Inc.

REAL ESTATE APPRAISERS AND CONSULTANTS

APPRAISAL REPORT

MIXED-USE BUILDING

**418-430 LAFAYETTE STREET
CITY OF UTICA
ONEIDA COUNTY, NEW YORK**

Our File No 16-1292



CLIENT AND INTENDED USER OF THE REPORT

**FRED ARCURI
SENIOR VICE PRESIDENT
PLANNING AND DEVELOPMENT
MOHAWK VALLEY EDGE
584 PHOENIX DRIVE
ROME, NEW YORK 13441**

**DATE OF VALUATION:
DATE OF INSPECTION:
DATE OF REPORT:**

**SEPTEMBER 22, 2016
SEPTEMBER 22, 2016
DECEMBER 20, 2016**

**REPORT PREPARED BY
GOODMAN-MARKS ASSOCIATES, INC.**

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December 20, 2016

Fred Arcuri
Senior Vice President
Planning and Development
Mohawk Valley EDGE
584 Phoenix Drive
Rome, New York 13441

RE: Appraisal of
Mixed-Use Building
418-430 Lafayette Street
City of Utica, Oneida County, New York
Our File #16-1292

Dear Mr. Arcuri:

At your request, an appraisal report has been completed to analyze the "as is" market value of the above referenced property at 418-430 Lafayette Street, in the City of Utica, Oneida County, New York.

The subject is a two-story, mixed-use building containing 17,592± square feet of gross building area on 19,658± square feet of land area.

The intended use of this appraisal is to estimate the "as is" market value of the fee simple estate for internal decision making purposes. This appraisal does not include consideration for any personal property, business value, goodwill, or other intangibles. The value reported in this appraisal assumes that the property is free and clear of any environmental concerns.

No interior access was provided. This appraisal is based on an exterior property inspection. Our value is based on the extraordinary assumption that the property is in fair condition and functional for its current use.

Mohawk Valley EDGE is the client and the only intended user of this report. This report may not be distributed to or relied upon by any other persons or entities for any purpose whatsoever, without my written permission. All other uses and users are unintended, unless specifically stated in the letter of transmittal.

GOODMAN-MARKS ASSOCIATES, INC.
REAL ESTATE APPRAISERS AND CONSULTANTS

Fred Arcuri
Mohawk Valley EDGE
Page 2
December 20, 2016

The scope of this assignment includes the application of the Sales Comparison Approach. Research and analysis of mixed-use building sales transactions in the market was used. The valuation is reported in the form of an appraisal report.

A Market Data Brochure has been prepared and is to be used in conjunction with this appraisal report. This Brochure includes detailed descriptions of the Scope of Work, Underlying Assumptions and Limiting Conditions, Definitions, Area Data, Neighborhood Data, Economic Trends, Zoning, Flood Zones, Wetlands, Assessment and Taxes, Highest and Best Use, Valuation Process, Improved Sales, Rentals and Location Maps. This appraisal report will refer to the brochure in its entirety for each pertinent section.

We are of the opinion that as of September 22, 2016, the "as is" market value of the fee simple estate of the subject property, *predicated upon the underlying assumptions and limiting and qualifying conditions as defined within the body of this report*, is:

TWO HUNDRED EIGHTY THOUSAND DOLLARS
(\$280,000)

The value opinion stated above and every other element of the attached appraisal report are qualified by the General Assumptions and Limiting Conditions included in this report. Data, information, and the calculations leading to the value conclusion are incorporated in the report and/or in the Market Data Brochure. The report, in its entirety, including all assumptions and limiting conditions and the Market Data Brochure, is an integral part of and, inseparable from this letter.

A description of the property, together with an explanation of the valuation procedures used, is contained in the report. This appraisal assignment was not made nor was the appraisal rendered on the basis of a requested minimum valuation, a specific valuation, or amount that would result in the approval of a loan.

A report of 41 pages, plus addenda, is attached hereto and made part hereto, and the valuation is expressly made subject to the conditions and comments made herein.

Very truly yours,

GOODMAN-MARKS ASSOCIATES, INC.

Matthew J. Guzowski, MAI, MRICS
President
Goodman-Marks Associates, Inc.
Certified General Real Estate Appraiser
New York State Certificate #468986

Ronald Paradiso, MRICS, SRA
Vice President
Goodman-Marks Associates, Inc.
Certified General Real Estate Appraiser
New York Certificate #461373

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Summary Of Salient Fact And Conclusions:

CLIENT AND INTENDED USER: Mohawk Valley EDGE.
Our File No 16-1292.

TAX MAP NUMBER: 318.34-1-25, 26, 27, 28 & 29.

PROPERTY NAME: Mixed-Use Building.

PROPERTY LOCATION: 418-430 Lafayette Street, City of Utica, Oneida County,
New York.

TYPE OF PROPERTY: A two-story mixed-use building.

GROSS BUILDING AREA: 17,592±sf.

SITE SIZE: According to the City of Utica tax map, the site size is
19,658± square feet.

LAND-TO-BUILDING RATIO: 1.12:1.00.

PROPERTY OWNER: 418 Lafayette St Corp.

PROPERTY RIGHTS APPRAISED: Fee Simple Estate.

PROPERTY ZONING: CCBD; Central Business District.

FLOOD CONDITIONS: Flood Zone C (flood insurance is not required).

HIGHEST AND BEST USE:
AS IF VACANT: Potential mixed-use development.
AS IMPROVED: Mixed-use building.

DATE OF VALUATION: September 22, 2016.

DATE OF INSPECTION: September 22, 2016.

DATE OF REPORT: December 20, 2016.

VALUE INDICATORS:

SALES COMPARISON APPROACH:

AS IS: \$280,000

INCOME CAPITALIZATION APPROACH:

DIRECT CAPITALIZATION: n/a

RECONCILED MARKET VALUE:

TWO HUNDRED EIGHTY THOUSAND DOLLARS

\$280,000

DRAFT

Certification Of The Appraisal:

We, Matthew J. Guzowski and Ronald Paradiso, certify that, to the best of our knowledge and belief:

THAT, the statements of fact contained in this report are true and correct.

THAT, 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;

THAT, 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;

THAT, we have performed no services, as an appraiser(s) or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;

THAT, we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;

THAT, our engagement in this assignment was not contingent upon developing or reporting predetermined results;

THAT, 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;

THAT, our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice (USPAP)*;

THAT, we have each made a personal exterior inspection of the property that is the subject of this report;

THAT, no one provided significant real property appraisal assistance to the person(s) signing this certification; however, a Market Data Brochure prepared by CNY Pomeroy Appraisers, Inc. has been relied upon and used in conjunction with this appraisal report;

THAT, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;

THAT, the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;

That, as of the date of this, report Matthew J. Guzowski and Ronald Paradiso have completed the continuing education programs for Designated Members of the Appraisal Institute and the Royal Institute of Chartered Surveyors.

DATE: December 20, 2016

Matthew J. Guzowski, MAI, MRICS
President
Goodman-Marks Associates, Inc.
Certified General Real Estate Appraiser
New York Certificate #468986

Ronald Paradiso, MRICS, SRA
Vice President
Goodman-Marks Associates, Inc.
Certified General Real Estate Appraiser
New York Certificate #4641373

Underlying Assumptions And Limiting & Qualifying Conditions:

1. This report 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. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. We are not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless stated otherwise in this report.
3. The property was appraised free and clear of any or all liens and encumbrances unless stated otherwise in this report.
4. Responsible ownership and competent property management are assumed unless stated otherwise in this report.
5. The information furnished by others for the appraised property is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless stated otherwise in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in this report.
10. It is assumed that all required licenses, Certificates of Occupancy or other legislative or administrative authority from any local, state or national government or private entity have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless stated otherwise in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there is no encroachment or trespass unless stated otherwise in this report.
13. We are unaware of any easements or encumbrances that substantially impact the subject property. However, we have not been provided with a title report and if in the event such report detailed the existence of an otherwise unknown easement or encumbrance, the value conclusion contained herein may be subject to change.

14. We are not qualified to detect hazardous waste and/or toxic materials. Any comment by us that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. Our value estimate(s) is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless stated otherwise in this report. No responsibility is assumed for any environmental conditions or any expertise or engineering knowledge required to discover them. Our descriptions and comments are the result of our routine observations made during the appraisal process.
15. Unless stated otherwise in this report, the subject property was appraised without a specific compliance survey having been conducted to determine whether the property is or is not in conformance with the requirements of the Americans with Disabilities Act (ADA). The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability or utility.
16. Any proposed improvements are assumed to be completed in a good and workmanlike manner in accordance with the submitted plans and specifications, and conforming to all municipal, building and health codes.
17. Our value conclusions were based on the assumption that the subject property will continue to be adequately maintained and professionally managed to sustain its competitiveness in the marketplace.
18. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
19. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser(s), and in any event, only with properly written qualification and only in its entirety.
20. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser(s) or the firm with which the appraiser(s) is/are connected) shall be disseminated to the public through advertising, public relations, news sales or other media without the prior written consent and approval of the appraiser(s).

Photographs Of The Subject Property:



Front Views



Front Views

Photographs Of The Subject Property:



Rear View



Side View



Street View along Lafayette Street



Street View along Carton Avenue

Scope Of Work:

In order to reach a value opinion for the subject, the following steps were taken:

Area/Neighborhood Analysis: Data available from Oneida County and the City of Utica regarding population trends, growth forecasts, and industry/employment was reviewed. Various zoning, planning, building, and assessment and tax records were consulted. The subject neighborhood was toured and competitive neighborhoods were identified and researched.

Site and Improvement Description: The property was inspected from the exterior only on September 22, 2016 and photographs were taken at that time. The subject's site area and legal description was based on information obtained from the Oneida County Real Property Offices, and the City of Utica assessment offices, as well as information provided by the client. Site information, such as zoning, utilities, etc., was based on discussions with representatives of Oneida County and the City of Utica. Once all the data was gathered, the subject property was analyzed with regard to its highest and best use as if vacant and as currently improved.

Valuation Methods: The data presented in this report was studied to determine the highest and best use of the property. The appropriate valuation models were used in valuing the subject. The Sales Comparison Approach was used in this analysis. The Income Capitalization Approach was considered but excluded given the potential use and condition of the subject property. The subject property would likely be purchased for owner use in this market. Additionally, a market participant would not rely on this approach as a reliable indication of market value. The Cost Approach was considered but not used because the subject is of older construction, and developing depreciation figures becomes arbitrary. Additionally, a market participant would not use this approach as a reliable indication of market value. It is our opinion that the data contained in this report is accurate, and it sufficiently supports the final value. Information is reported in an appraisal report.

Data Collection: The data collected included an investigation of the subject's immediate and comparable areas. The data obtained has been analyzed for overall comparability and suitability for the subject. The research for land sales, improved sales and rental information was based on the subject's immediate area and expanded to include the City of Utica and surrounding areas. This data has been verified with the appropriate County Clerk's office and with at least one of the following sources:

- property purchaser or representative
- assessor/municipal records
- property seller or representative
- attorney for either party

The pertinent data is included in the body of this report and in the Market Date Brochure. It has been analyzed for a number of factors used in the valuation process. The data has been used to form a value conclusion for the subject in an appraisal report. This report conforms to USPAP and the standards set forth by the Appraisal Institute.

Special Assumptions For Valuation:

EXTRAORDINARY ASSUMPTIONS:

A Market Data Brochure has been prepared and is to be used in conjunction with this appraisal report. This Brochure includes detailed descriptions of the Scope of Work, Underlying Assumptions and Limiting Conditions, Definitions, Area Data, Neighborhood Data, Economic Trends, Zoning, Flood Zones, Wetlands, Assessment and Taxes, Highest and Best Use, Valuation Process, Improved Sales, Rentals and Location Maps. This appraisal report will refer to the brochure in its entirety for each pertinent section.

Please refer to the complete list of Underlying Assumptions and Limiting Conditions contained within the Brochure.

No interior access was provided. This appraisal is based on an exterior property inspection. Our value is based on the extraordinary assumption that the property is in fair condition and functional for its current legal residential use.

EFFECTIVE DATE OF THE APPRAISAL/DATE OF THE REPORT:

Matthew J. Guzowski, MAI, MRICS and Ronald Paradiso, MRICS, SRA inspected and photographed the property from the exterior only on September 22, 2016. The "as is" market value of the subject is effective as of the date of our inspection. The report was prepared during September-December 2016.

INTENDED USE AND CLIENT/USER OF THE APPRAISAL:

Based on the client's instructions, the intended use of this appraisal is to estimate the "as is" market value of the fee simple estate interest for internal decision making purposes. Mohawk Valley EDGE is the client and the only intended user of this report. All other uses and users are unintended, unless specifically stated in this report.

APPRAISAL REPORT FORMAT:

The appraisal is presented as an appraisal report in accordance with Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP), 2016-2017 Edition.

Estimated Reasonable Exposure And Marketing Times:

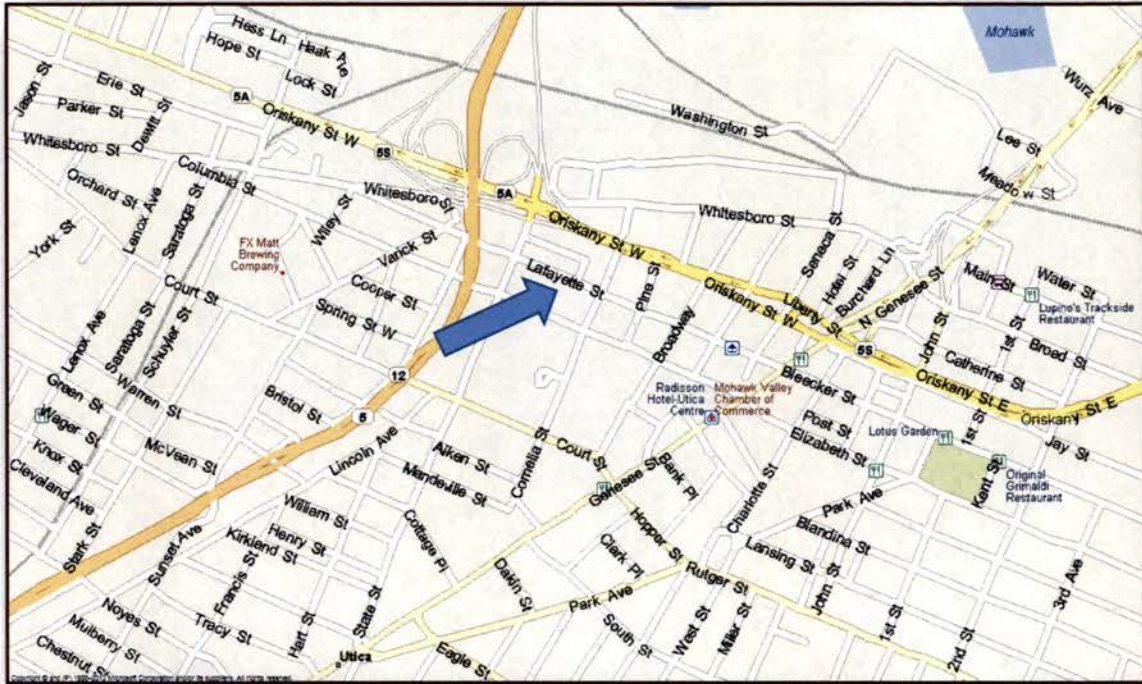
Taking into account the various differences between the sales, current market conditions, and the quality and quantity of the income stream analyzed, the estimated reasonable **exposure time** (the amount of time it took to sell the subject property at the estimate of market value contained herein), would be 12 months or less.

A reasonable **marketing time** (if exposed for sale beginning on the date of the valuation) is also estimated at 12 months or less.

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Neighborhood/Local Marketing Area Analysis:

The subject property is on Lafayette Street, in the City of Utica, Oneida County, New York. Please refer to the Brochure for a summary of the neighborhood.



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Property Identification & Ownership:**LOCATION:**

The subject's address is 418-430 Lafayette Street, in the City of Utica, Oneida County, New York. The subject also has street frontage and access from Carton Avenue.

IDENTIFICATION:

The subject is comprised of a two-story mixed-use building originally constructed in 1950 with a gross building area (GBA) of 17,592± square feet. The property is situated on 19,658± square feet of land and is identified as tax map number 318.34-1-25, 26, 27, 28 & 29 by the City of Utica.

OWNERSHIP:

The subject property is owned by 418 Lafayette St Corp. No arm's length transfers were identified in the past five years. The most recent transfer found for the subject property is shown as follows:

Sale Date	Grantor	Grantee	Book/Page
May 22, 2000	Joe Siemski	418 Lafayette St Corp.	2918/384

The above transfer price was \$25,000. To the best of our knowledge the subject property is not currently listed or in contract for sale.

DEED RESTRICTIONS/EASEMENTS:

We have no knowledge of the presence of any deed restrictions that would impact the use or utility of the property. However; a title search was not made, nor are we qualified to render a title search. It appears that normal access, utility, setback easements, and rights-of-way may affect the property. There does not appear to be any adverse easements and/or encroachments that would have a significant effect on the subject's value or marketability.

ENVIRONMENTAL CONDITIONS:

An environmental condition report was not provided and potential environmental concerns were not observed or noted at the time of inspection. While no major environmental concerns were observed at the time of inspection, the analysis of environmental condition is not an area of our expertise and, is beyond the scope of this assignment. If the presence of environmentally sensitive materials, such as asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions is found to affect the property, the value presented herein could be significantly affected. The estimated value is predicated on the assumption that there is no such proximity thereto that would cause a loss in value. No responsibility is assumed for any such condition or for any expertise or engineering knowledge required in discovering them.

Site Data:

Based on a review of public information and information provided from the City of Utica, and our physical property inspection of the subject, the subject is described as follows:

SITE SIZE:	According to the City of Utica tax map, the site size is 19,658± square feet of land area.
FRONTAGE:	132± feet of frontage on Lafayette Street and 135± feet of frontage on Carton Avenue.
SHAPE/TOPOGRAPHY:	The subject site is rectangular in shape. Topography is generally level.
INGRESS/EGRESS:	Adequate ingress and egress is available from Lafayette Street. Secondary access form Carton Avenue.
LAND-TO-BUILDING RATIO:	1.12:1.
UTILITIES:	Public utilities available to the subject include municipal water and sewer, natural gas, electric, and telephone.
LEGAL RESTRICTIONS:	We were not made aware of or given a title report of any easements, encroachments or legal restrictions that would adversely affect the site's use or value. Utility easements are typical and usually do not have a negative effect on value. However, if this is an area of concern, a title search is recommended.
HAZARDOUS SUBSTANCES:	No evidence of hazardous substances was observed during the inspection of the site. If this is an area of concern, a qualified professional should be consulted.
RELATIONSHIP OF SITE TO SURROUNDING PROPERTIES:	Properties in the immediate area are primarily commercial, industrial and warehouse related. two-and-three-story mixed-use buildings and vacant land is also prevalent and typical of surrounding uses.
SITE IMPROVEMENTS:	The site improvements include concrete curb and walks.
COMMENTS:	The subject site is of adequate size and shape and topography to support the current use. No detrimental conditions restricting the effective use or appeal of the property were identified.

Property Data:

Based on a review of public information and information provided from the City of Utica, and our physical exterior property inspection of the subject, the subject is described as follows:

BUILDING TYPE:	The subject is a two-story mixed-use building.
BUILDING AGE:	The subject was originally constructed in 1950.
GROSS BUILDING AREA:	17,592± square feet. (According to the Utica Assessor).
FOUNDATION:	Full basement. Basement is unfinished according to the Utica Assessor.
EXTERIOR WALLS:	Brick.
INTERIOR FINISHES:	The exterior condition is in fair condition. No interior access was provided for inspection. The second floor windows are boarded up along the side and rear of the building.
ROOF	The roof is flat. Assumed covered with a tar membrane. Unaware of condition. No access.
WINDOWS AND DOORS:	Various wood framed windows ranging in design and size. Some windows have been boarded up with wood.
ELECTRIC:	Condition unknown. Require an electrician to confirm electric capacity.
HEATING, AND AIR CONDITIONING:	Condition unknown.
PLUMBING:	Condition unknown.
SECURITY:	None known
FLOOD CONDITIONS:	Flood Zone C (flood insurance is not required).

COMMENTS:

No interior inspection was provided. The property is a mixed-use building, which is in fair overall condition.

Real Estate Assessment And Taxes:

According to the tax records of the City of Utica, the current assessment for the subject property is as follows:

Tax Map #	Land Assessment	Improvements	Total Assessment
318.34-1-25, 26, 27, 28 & 29	\$11,800	\$66,300	\$78,100

The New York State Equalization Rate for the City of Utica (final as of August 11, 2016); is 72%. Therefore the property has an equalized value of \$108,473. In our opinion, the subject property is favorably assessed.

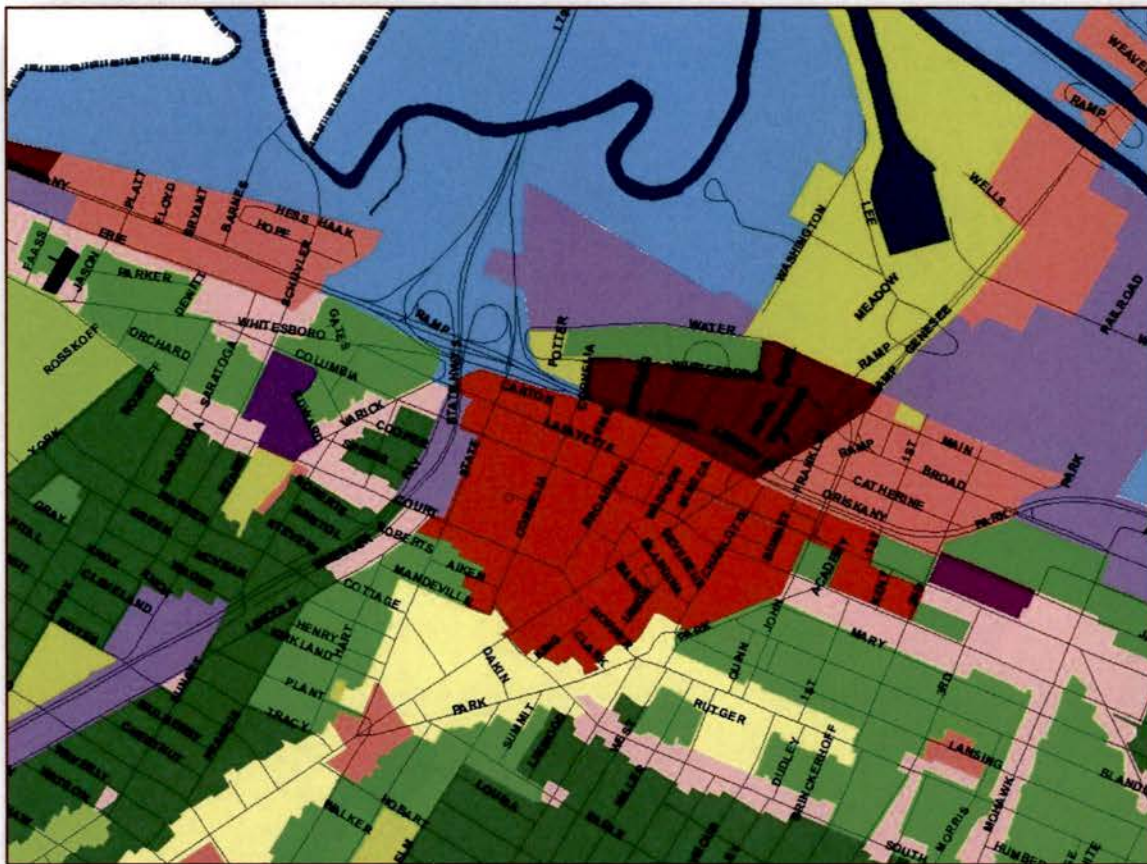
The total City, School and County real estate taxes, as reported by the City of Utica and Oneida County Department of Finance, is as follows:

Tax Map #	Total Taxes
318.34-1-25, 26, 27, 28 & 29	\$2,983.37

Zoning:

The subject property is currently zoned CCBD; Central Business District. The subject's use, as a mixed-use building, is a legal conforming use in this district. See Zoning Description in the Market Date Brochure for a summary of legal uses for the subject zoning.

City of Utica Zoning Map



Highest And Best Use:

The result is a developmental concept that maximizes the value of the land and the rate of return on the overall investment. The highest and best use analysis considers the property's most profitable use, either as if vacant or as currently improved. It considers uses that are legally permissible, physically possible, financially feasible, and maximally productive. The most profitable use under these constraints represents the highest and best use.

SITE AS IF VACANT:

The four criteria mentioned above will be discussed in determining the highest and best use of property, as if vacant.

Legally Permissible: We have found no legal encumbrances that would limit development. This analysis assumes that the property is free and clear of any adverse environmental conditions. The subject property is zoned CCBD; Central Business District, which allows for various commercial, industrial, and office uses. Residential use is permitted.

Physically Possible: The subject site contains 19,658± square feet is level and is at grade with the street. There are no encumbrances that would physically restrict development of the subject parcel.

Financially Feasible: The subject benefits from a population base found in the City of Utica, as well as the surrounding areas. It is expected that mixed-use development would be financially feasible in the future considering the subject's location.

Maximally Productive: As mentioned, the subject is located in a mixed use area that includes commercial, industrial, office and residential uses, but is zoned for commercial use. Therefore, the maximally productive legal use is for potential mixed use development.

In conclusion, after considering the four criteria, it is our opinion that the highest and best use of the property, as if vacant, is for potential mixed-use development.

AS IMPROVED:

Legally Permissible: As noted in the zoning section, the subject property is a legal conforming use; therefore, the continued use of the property as a mixed-use building is warranted.

Physically Possible: The subject site is presently improved with a mixed-use building, observed to be in fair condition.

Financially Feasible: With specific regard to the uses which are financially feasible, when a site contains improvements, the highest and best use of the improvements will continue until the land value exceeds the value of the entire property in its existing use, plus the cost of demolition. The subject is improved and land value does not exceed the value of the current property and improvements. The current use of the improvements as a mixed-use building is financially feasible. Further conversion of the subject to an alternate use permitted under the zoning regulations would not result in a greater economic return to the underlying land.

Maximally Productive: Considering the existing building configuration, the maximally productive use of the property is for a mixed-use building.

In conclusion, based upon the preceding data, it is our opinion that the highest and best use of the property, as improved, is the existing mixed-use building.

DRAFT

Valuation Process:

The intended use of this appraisal is to estimate the fee simple estate market value of the subject in its "as is" condition. This appraisal is being reported in a format that relies on the value indication from one approach.

In valuing the subject, the Sales Comparison Approach is viewed as being the most reliable indicator of value.

The income Capitalization Approach was not included as the subject property would be purchased for owner use. Additionally, a market participant would not use this approach as a reliable indication of market value.

The Cost Approach was considered but not used because the subject is of older construction, and developing depreciation figures becomes arbitrary. Additionally, a market participant would not use this approach as a reliable indication of market value.

DRAFT

Sales Comparison Approach:

A basic assumption of the Sales Comparison Approach is that a knowledgeable investor will not pay more for a given property than the cost of obtaining a similar property of comparable functional utility and desirability.

The Sales Comparison Approach indicates a measure of value by comparison of recent market transfers of similar properties. The sale price of a property is judged to be most comparable when reduced to an appropriate unit of comparison (price per square foot), and tends to set a range within which the value of the subject property will fall. This produces an indication of the market value of the subject property.

The following sales are the best indicators available from the marketplace. We have chosen mixed-use building sales because they best represent the subject property. We were required to include two sales that sold in 2012, due to the limited number of sales that have sold with similar size and utility as the subject property.

The sale data supports a valuation of the subject property on a per square foot basis. Prior to our adjustments, the unit values range was from \$13.20 to \$22.92 per square foot of gross building area, with a mean of \$17.70 per square foot.

The sales location map and detailed sale sheets, along with an adjustment grid are included on the following pages.

Sale No.	Property Location	Sale Date	Sale Price	Price/ Sq. Ft.
1	330-334 Main Street, Utica, NY	May-16	\$1,100,000	\$13.55
2	2005 Beechgrove Pl. Utica, NY	Sep-14	\$650,000	\$13.20
3	412 Main Street, Utica, NY	Dec-12	\$285,000	\$22.92
4	50 Campion Road, Utica, NY	Oct-12	\$875,000	\$21.14

SALES LOCATION MAP:



1	330-334 Main Street, Utica, NY
2	2005 Beechgrove Place, Utica, NY
3	412 Main Street, Utica, NY
4	50 Campion Road, Utica, NY

Comparable Building Sales**Improved Sale 1 (Brochure No. P-54)****Property Identification**

Record ID	2410
Property Type	Mixed Use, Row Building
Address	330-334 Main Street, Utica, Oneida County, New York 13501
Tax ID	318.44-1-20; -24./2

Sale Data

Grantor	Circle 8 Development, LLC (Stuart Bannatyne, Member)
Grantee	Doyle Hardware Building LLC
Sale Date	May 19, 2016
Deed Book/Page	2016/7055
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Normal
Verification	Jeff Foster; Deed; Public Records; Utica Observer-Dispatch; December 20, 2016; Other sources: Public Records; Utica Observer-Dispatch, Confirmed by Susan Baldwin

Sale Price	\$1,100,000.00
Sale Price/ SF (GBA)	\$13.13

Improved Sale 1 (Continued)**Land Data**

Land Size	1.160 Acres or 50,530 SF
Front Footage	640 ft. Total Frontage: 200 ft. s/s Main Street; 240 ft. w/s First Street; 200 ft. n/s Broad Street;
Zoning	CC - Community Commercial, 482
Topography	Level
Utilities	GWEST
Shape	Regular

General Physical Data

Gross SF (GBA)	81,208
Construction Type	Masonry
Roof Type	Rubber Membrane
Foundation	Masonry
Stories	Four
Year Built	1950
Condition	Fair

Indicators

Floor Area Ratio	1.75
Land to Building Ratio	0.57:1

Remarks

This is the transfer of the former Doyle Hardware Building with an adjacent parking lot. Most recently, the property hosted a restaurant in 2011 on the first floor. The building's roof required immediate repair after the sale due to significant leaking. The buyers intend to build out about sixty apartments on the upper levels, with the lower level to host commercial space and offices

Improved Sale 2 (Brochure No. P-29)**Property Identification**

Record ID	2039
Property Type	Mixed Use, Warehouse Building
Address	2005 Beechgrove Place, Utica, Oneida County, New York 13501
Tax ID	319.15-2-29

Sale Data

Grantor	Vintage Properties, LLC (Charles A. Gaetano, Manager)
Grantee	Creek Bend Realty, LLC
Sale Date	September 04, 2014
Deed Book/Page	2014/12394
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Verification	Bill Watkins, Inspection, Deed; January 11, 2016; Confirmed by Susan Baldwin
Sale Price	\$650,000.00
Sale Price/ SF (GBA)	\$13.20

Improved Sale 2 (Continued)**Land Data**

Land Size	4.500 Acres or 196,020 SF
Front Footage	743 ft. Total Frontage: 518 ft. Beechgrove; 225 ft. Culver Avenue;
Zoning	Light Industrial I-1, 440 - Warehouse
Topography	Generally Level
Utilities	GWEST
Shape	Generally Regular

General Physical Data

Gross SF (GBA)	49,258
Construction Type	Steel; masonry & steel siding
Roof Type	Flat; built-up cover
Foundation	Concrete
Stories	One
Year Built/Renovated	1962
Condition	Fair

Indicators

Floor Area Ratio	0.25
Land to Building Ratio	3.98:1

Remarks

Building owner Bill Watkins stated the building was in fair condition and the sprinklers required upgrading. The building has 10% office space with an additional 10% manufacturing space (woodshop with dust collection system) that is not being utilizing and that he is considering leasing. Ceiling heights are 20' in warehouse component with 3 truck height docks.

Improved Sale 3 (Brochure No. P-53)**Property Identification**

Record ID	2364
Property Type	Mixed Use, Detached Row Building
Address	412 Main Street, Utica, Oneida County, New York 13501
Tax ID	318.44-1-17; -29 (lot -29 was absorbed after sale)

Sale Data

Grantor	Lerfer Utica Corp. (F. Eugene Romano, Chairman)
Grantee	First & Main, LLC
Sale Date	December 27, 2012
Deed Book/Page	2012/22014
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Normal
Verification	Assessor, Public Records, Utica OD article, Deed, Inspection; Confirmed by D. James Davenport

Sale Price	\$285,000.00
Sale Price/ SF (GBA)	\$22.92

Improved Sale 3 (Continued)**Land Data**

Land Size	0.470 Acres or 20,473 SF
Front Footage	275 ft. Total Frontage: 150 ft. Main Street; 125 ft. Broad Street;
Zoning	Community Commercial, 482
Topography	Level
Utilities	GWEST
Shape	Regular

General Physical Data

Gross SF (GBA)	12,432
Construction Type	Masonry
Roof Type	Rubber Membrane
Foundation	Concrete
Stories	Two
Year Built	1950
Condition	Fair to Average

Indicators

Floor Area Ratio	1.02
Land to Building Ratio	0.98:1

Remarks

Mixed use row-type building in the Community Commercial zoning district. Includes two loading docks at truck height. The building consists of a 9,646-sf storage area (where the market will occur), and two apartments totaling 2,790 sf. Two permits were granted after the sale (2013) for improvements to the apartments (\$40,000 & \$50,000).

According to a recent Utica OD article, dated 8/12/2016, "Smith Market was selected as the winner of The Community Foundation of Herkimer & Oneida Counties' \$25,000 Impact Opportunity Challenge. The market was one of five finalists that pitched their idea for an innovative business concept for downtown Utica to a panel of judges on Wednesday.

The market will be located at 412 Main St. in the previous D.B. Smith & Co. building. It will offer a selection of organic and locally grown produce, flowers, chemical-free groceries, natural body care and eco-friendly household products. It intends to meet the growing demand for a natural food store and year-round local market in the downtown community.

Co-owners Luciann Gould and co-owner Christopher Tillotson plan to invest the award money in new equipment, shelving and furniture for the market.

The challenge, made possible by The Community Foundation's Corporate Partners, was open to start-ups and early-stage businesses with an innovative business concept for one of four Utica neighborhoods: Downtown, Bagg's Square, Brewery District or Bleecker/East District. There were 58 applications submitted and 33 were accepted into the challenge. The event was the culmination of a five-month process that began with The Community Foundation's Speaker Series event featuring Don Marinelli in March. Marinelli discussed lessons learned from Pittsburgh, which redeveloped and revitalized itself following the loss of its industrial base."

Improved Sale 4 (Brochure No. P-28)**Property Identification**

Record ID	2329
Property Type	Mixed Use, Warehouse/Office/Showroom
Address	50 Campion Road, Utica, Oneida County, New York 13413
Tax ID	329.10-1-30

Sale Data

Grantor	Joe Tahan's Furniture Liquidation Centers, Inc. (Albert J. Tahan, President)
Grantee	The Brooklyn Brewery Corporation
Sale Date	October 01, 2012
Deed Book/Page	2012/16806
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	10-year PILOT agreement valued at \$176,268
Verification	Broker: Dominick Pavia, Inspection, Deed, Public Records; Confirmed by D. James Davenport
Sale Price	\$875,000
Sale Price/ SF (GBA)	\$21.14

Improved Sale 4 (Continued)**Land Data**

Land Size	2.560 Acres or 111,514 SF
Front Footage	341 ft. Total Frontage: 341 ft. e/s Campion Road;
Zoning	Light Industrial, 440
Topography	Level
Utilities	GWEST
Shape	Rectangular

General Physical Data

Gross SF (GBA)	41,400
Construction Type	Metal
Roof Type	Metal
Foundation	Concrete
Stories	One
Year Built	1981
Condition	Average

Indicators

Floor Area Ratio	0.37
Land to Building Ratio	2.69:1

Remarks

Former furniture outlet purchased by Brooklyn Brewery to distribute beer brewed in Utica.

According to Utica OD article written by Elizabeth Cooper, dated 9/28/2012, Mary Rizzo-Bonney of the County IDA stated that there was a 10-year PILOT agreement estimated to save the company \$176,268 given to the buyers after the transfer. According to the broker, this should not be given an adjustment as it was separate from the transfer.

The property mailing address is New Hartford, but is located within the legal boundaries of the City of Utica. The warehouse has four ground level docks and one OHD.

Comparable Building Sales Adjustment Grid

Sale No.	Sale Date	Price/ Sq. Ft.	Time		Building Size (GBA)	Prop. Loc.	Adjustments						Total Adj.	Price/ Unit
			Market Conditions	Time Adj. Unit Price			Building Size	Property Cond.	Prop. Utility	L-to-B Ratio	x	x		
1	May-16	\$13.55	1.00	\$13.55	81,208	0.80	1.30	1.00	1.10	1.00	1.14	\$15.45		
2	Sep-14	\$13.20	1.05	\$13.86	49,258	1.00	1.20	1.00	0.95	0.90	1.03	\$14.28		
3	Dec-12	\$22.92	1.07	\$24.53	12,432	0.80	1.00	1.00	1.00	1.00	0.80	\$19.62		
4	Oct-12	\$21.14	1.07	\$22.61	41,400	0.80	1.20	0.90	0.85	0.90	0.66	\$14.92		

Adjustment Process and Conclusion:

A discussion of the adjustment process from the previous page is summarized as follows:

Property Rights: A transaction price is always predicated on the real property interest conveyed. All of the sales sold in fee simple estate, similar to the subject and do not require adjustment.

Financing (cash equivalency) and Conditions of Sale: Cash equivalency analysis is a procedure in which the sale prices of comparable properties, which sold with atypical financing terms, are adjusted to reflect typical market terms. To the best of our knowledge, none of the sales sold with atypical financing and therefore did not require a condition of sale adjustment.

Time or Changes in Market Conditions: Market conditions generally change over time, but the date of an appraisal is a specific time. Therefore, past sales must be examined in light of the direction of change between the sale date of the comparable and the valuation date of the subject property. Based on discussions with real estate professional in the area and as discussed in the market data brochure, market appreciation occurred at nominal rates between 1 and 2 percent per year over the past few years. Based on this we have adjusted the sales that transpired in 2014 and 2015 upward for market conditions.

Location: Location is a primary consideration when estimating the market value of a property. Since real estate is immobile, the location of each sale must be adjusted to the location characteristics of the subject property. Location composition and exposure to major traffic corridors as well as visibility and access typically influence the price. Based on this we adjusted the sales with locational characteristics that are inferior to the subject property upward and superior to the subject downward. When a property has a location that is similar to the subject property no adjustment was made.

Building Size: Building sizes also require adjustment. Larger buildings tend to sell at lower unit prices when compared on a square foot of gross building area basis, while smaller buildings typically tend to sell at higher unit prices when compared on a square foot of gross building area basis. When a building has a size that is similar to the subject property, no adjustment was made.

Property Condition: The quality and condition of the building will have an influence on the price paid for a property. The subject is in fair condition. When a property was in superior condition as compared to the subject property it was adjusted downward. When a property was in inferior condition when compared to the subject property it was adjusted upward. No adjustment was made when a sale property was in similar condition as the subject property.

Property Utility: The property utility adjustment considered the overall functionality of the property. Under consideration for utility were the design features, layout, and the overall market appeal of the property. All of the sales have varying degrees of utility that are considered. Based on this we adjusted each sale accordingly for utility when compared to the subject property.

Land-to Building Ratio: This adjustment considers the size of the site in relation to the building and the benefit of a property having a larger site and parking. Based on this we have adjusted the sales that have higher land-to-building ratios and parking downward when compared to the subject property. Conversely, when a comparable property had a land-to-building ratio that is lower with less parking when compared to the subject property an upward adjustment was applied. When a property had a land-to-building ratio and parking that was similar to the subject property, no adjustment was made.

CONCLUSION:

After adjustments, the unit values range was from \$14.28 to \$19.62 per square foot of gross building area, with a mean of \$16.07 per square foot. Considering the condition and design of the subject property, we relied primarily on the adjusted range of Sales #1 and #3. Based on this analysis, the unit value of the subject property is estimated at \$16.00 per square foot of gross building area.

This resulted in the following estimate of market value.

Appraised Value/ Sq. Ft.		GBA (Sq. Ft. ±)	Indicated Value Sales Comparison Approach
\$16.00	x	17,592	= \$281,472
		Rounded	\$280,000

Based on the above it is our opinion that the fee simple market value estimate for the subject property, as of the stated valuation date, under the sales comparison approach to value, and predicated upon the underlying and limiting conditions as stated in this report is **\$280,000**.

Summary & Reconciliation Of Value

The subject property has an average location in the City of Utica, Oneida County, New York. The subject is a two-story, mixed-use building containing 17,592± square feet of gross building area situated on 19,658± square feet of land. The property is in fair condition.

The intended use of this appraisal is to estimate the “as is” market value of the fee simple estate for internal decision making purposes. This appraisal does not include consideration for personal property, business value, goodwill, or other intangibles. The subject property was valued assuming that it is free and clear of any potential environmental issues.

Mohawk Valley EDGE is the client and the only intended user of this report. The report may not be distributed to or relied upon by any other persons or entities for any purpose whatsoever, without my written permission. All other uses and users are unintended, unless specifically stated in the letter of transmittal.

In valuing the property, the Sales Comparison Approach analyzed adequate sale data from the City of Utica and surrounding areas. The summary of the value indicator is presented as follows:

Summary of Appraised Property’s Market Value Indication		
“As Is” September 22, 2016	Sales Comparison Approach	\$280,000

We have relied on the value conclusion derived via the Sales Comparison Approach since the subject would most likely be purchased for owner-occupancy rather than as an investment property.

Therefore, we are of the opinion that as of September 22, 2016, the “as is” market value of the fee simple estate of the subject property, *predicated upon the underlying assumptions and limiting and qualifying conditions as defined within the body of this report*, is:

TWO HUNDRED EIGHTY THOUSAND DOLLARS
\$280,000

Qualifications Of Appraisers:

The firm of Goodman-Marks Associates, Inc., with offices located at 170 Old Country Road, Mineola, New York, 420 Lexington Avenue, New York, New York and 55 Madison Avenue, Morristown, New Jersey, is a licensed real estate broker in the State of New York. Members of the firm are licensed real estate appraisers in the States of New York and New Jersey.

The firm has furnished real estate appraisals to financial institutions for mortgage and sale purposes, and many of these valuation assignments have been performed throughout the country.

The types of assignments that we typically handle encompass all facets of the real estate appraisal/consultation spectrum. These have included office buildings (both urban and suburban), shopping centers (strip, neighborhood and regional mall), freestanding department stores, fast-food buildings, gas stations, apartment houses (both urban and suburban; high-rise and garden type), cooperative and condominium residential housing (to be developed as well as to be converted), mixed-use development, hotels and motels, industrial and warehouse facilities and vacant land. Special types have included banks, auto showrooms, theaters, schools, bowling alleys, golf courses, nursing homes, etc.

Members of the firm have testified as to the value of land and buildings before the Supreme Court of the State of New York, the Court of Claims of New York State and the United States Federal Court.

The above history, the additional personal experience, affiliations, numerous similar properties appraised and education of the appraisers, as outlined on this and the following pages, qualify them as competent to complete this assignment.

MATTHEW J. GUZOWSKI, MAI, MRICS, PRESIDENT
GOODMAN-MARKS ASSOCIATES, INC.

GENERAL EXPERIENCE

Over 31 years as a commercial real estate appraiser and consultant

Testified as an expert witness – New York State Supreme Court, New York County

New York State Supreme Court, Queens County
New York State Supreme Court, Kings County
New York State Supreme Court, Nassau County
New York State Supreme Court, Suffolk County
U.S. District Court, Eastern District of New York
U. S. Bankruptcy Court, Kings County
Civil Court of the City of New York, Kings County
Zoning and Arbitration Testimony, Nassau County

EMPLOYMENT

4/91 to Date:

Goodman-Marks Associates, Inc.

Principal preparing narrative appraisal reports of income-producing and other properties to determine market valuations. These reports are used for mortgage purposes, settlement of estates, real estate tax certiorari actions and condemnation cases.

1/83 to 4/91:

New York City Economic Development Corporation

161 William Street
New York, New York

Vice President of appraisal services preparing narrative appraisal reports and reviewing fee appraisals to determine the market value of real estate for disposition, development and lease.

EDUCATION

College:

St. John's University
Degree: MBA – Finance
December, 1989

Queens College, C.U.N.Y.
Degree: BA – English
January, 1981

Professional:

Appraisal Institute
Courses successfully completed:

1A1 - Real Estate Appraisal Principles
1A2 - Basic Valuation Procedures
SPP - Standards of Professional Practice
1BA - Capitalization Theory & Techniques - Part A
1BB - Capitalization Theory & Techniques - Part B
2-1 Case Studies in Real Estate Valuation
2-2 Report Writing and Valuation Analysis

Seminars attended:

Arbitration in Real Estate
Real Estate Financial Statement Analysis

MATTHEW J. GUZOWSKI, MAI, MRICS, PRESIDENT
GOODMAN-MARKS ASSOCIATES, INC. (continued)

PROFESSIONAL MEMBERSHIP

Appraisal Institute - MAI Designation #10114
Long Island, New York Chapter
Chairman – Admissions Committee, Long Island Chapter, 2000-2006
Chairman – Budget & Finance Committee, Long Island Chapter, 2007
Treasurer – Long Island Chapter, 2007
Secretary – Long Island Chapter, 2008
Vice President – Long Island Chapter, 2009
Senior Vice President – Long Island Chapter, 2010
President – Long Island Chapter, 2011

The Royal Institution of Chartered Surveyors I.D. #6404964

REBNY – Membership I.D. #49202

Community Bankers Mortgage Forum

GUEST LECTURER New York University – Real Estate Institute

LICENSES

Certified General Real Estate Appraiser
State of New York Certificate #468986
State of New Jersey Certificate #RG01461
State of Connecticut Certificate #RCG0001210
New York State Salesperson License #10401205644

RONALD PARADISO, MRICS, SRA, VICE PRESIDENT
GOODMAN-MARKS ASSOCIATES, INC.

EMPLOYMENT

3/2016 to Date: Goodman-Marks Associates, Inc.
Vice President

3/2000 to 4/2015: Jerome Haims Realty, Inc.
Vice President

9/1999 to 3/2000: CB Richard Ellis
Senior Appraiser

5/1994 to 9/1999: Cushman & Wakefield, Inc.
Assistant Vice President

LICENSES &
MEMBERSHIPS

New York State Certified General Real Estate Appraiser, a New York State Licensed Real Estate Salesperson, a Member of the Royal Institution of Chartered Surveyors (MRICS), and an SRA designated member of the Appraisal Institute.

EDUCATION

College: Long Island University
Degree: BA – Liberal Arts

Professional: Completed the requirements of the continuing education program required by the Appraisal Institute, The Royal Institute of Chartered Surveyors, and the Uniform Standards of Professional Appraisal Practice (USPAP), required by the Appraisal Foundation.

GENERAL
EXPERIENCE

Actively engaged in real estate valuation since 1990 and involved in real estate sales, leasing and management of residential and commercial real estate since 1988. Valuation of all types of residential and commercial real estate assignments which included the valuation of single-family homes, vacant land, wetlands, multi-family apartment buildings, HUD and Mitchell-Lama developments, office, hotel and retail shopping centers, proposed developments, industrial buildings, lease analysis, air rights, and investment properties throughout the United States. Completed appraisal assignments for litigation, condemnation, right-of-way, estate planning, and tax certiorari purposes and have been used as special consultant by governmental agencies including the Metropolitan Transportation Authority (MTA), the New York State Department of Transportation (DOT) and the NYC Law Department.

Testified in Nassau County District Court, Nassau County & New York County State Supreme Court, and in the Towns of East Hampton and Southampton, Oyster Bay and Huntington, as a real estate valuation expert, and accepted as an expert for arbitration proceedings.

RONALD PARADISO, MRICS, SRA, VICE PRESIDENT
GOODMAN-MARKS ASSOCIATES, INC. (continued)

Performed review appraisal assignments and rebuttal reports for court related real estate matters, appraised investment real estate trusts for purchase and exchange purposes and have assisted in the valuation of business, and partial ownership interests for estate tax planning. Overall, appraised and consulted on hundreds of residential, commercial and industrial property throughout the United States.

Professional and Personal affiliations and licenses are summarized as follows:

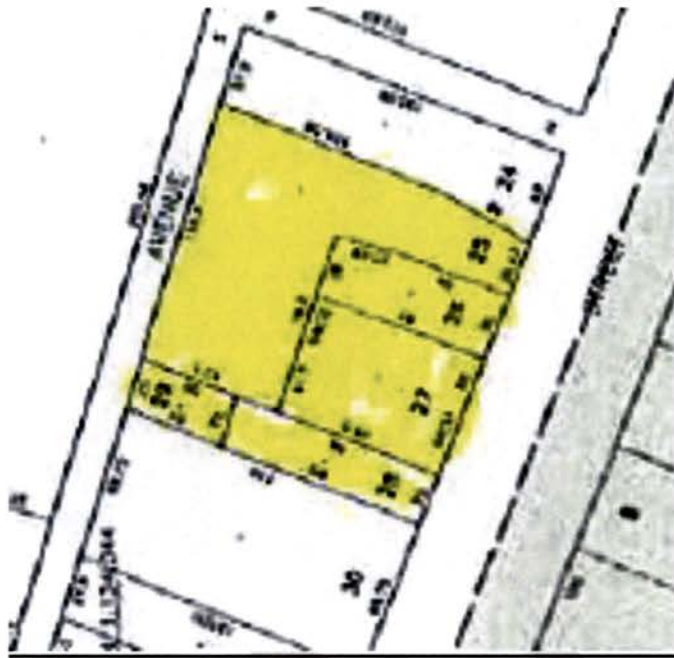
New York State General Certified/Licensed Real Estate Appraiser
 New York State Licensed Real Estate Salesperson
 Member of the Royal Institute of Chartered Surveyors (MRICS)
 Assessor - The Royal Institute of Chartered Surveyors (ARICS)
 Member of the Appraisal Institute with SRA Designation, ID #21713
 Member of the Long Island Board of Real Estate
 State of NY Unified Court System Approved Appraiser
 (Nassau/Suffolk/Queens/Kings/Bronx/Westchester/New York Counties)
 HUD, (Housing Urban Development) Approved Appraiser
 Port Authority of NY/NJ, Approved Appraiser
 New York State Department of Transportation, Approved Appraiser
 Appraisal Institute-Certified Appraiser –Historic Preservation Easements

USTA Tennis Member, NAUI Certified Scuba Diver, WSI Certified Water Safety Instructor
 Lion's Club – Member, District Oyster Bay, NY

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Addenda

Plat Map



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