PROJECT: Peace Bridge Toll Plaza
Operational Improvements Under
The New York Works Program
City of Buffalo, Erie County, New York
PIN: 5PB0.00.201
Map No. 4
Parcel No. 4

PROPERTY: 1 Massachusetts Avenue &
843 Busti Avenue
Buffalo, New York
ENPM File #2012280A
SELF-CONTAINED FORMAT
APPRaisal REPORT
ENPM File #2012280A

PROJECT: Peace Bridge Toll Plaza
Operational Improvements Under
The New York Works Program
City of Buffalo, Erie County, New York

DOT PIN #: 5PB0.00.201

MAP NO: 4

PARCEL NO: 4

REPUTED OWNER/ADDRESS: Episcopal Community Housing, Inc
24 Rhode Island Street
Buffalo, New York 14213

PROPERTY LOCATION: 1 Massachusetts Avenue &
843 Busti Avenue

CITY: Buffalo

COUNTY: Erie

OPINION OF APPRAISED MARKET VALUE

EIGHTY THOUSAND FIVE HUNDRED DOLLARS
($80,500)
CERTIFICATE OF APPRAISER/LETTER OF TRANSMITTAL

PROJECT: Peace Bridge Plaza
Operational Improvements Under
The New York Works Program
City of Buffalo, Erie County, New York

PIN NO: 5PB0.00.201

APPRaised PROPERTY: 1 Massachusetts Avenue &
843 Busti Avenue
Buffalo, New York

MAP NO(s): 4

PARCEL NO(s): 4

I hereby certify:

That I have personally inspected the subject property herein appraised. I have also made a personal field inspection of the comparable sales relied upon, and all adjustments made to such comparables are based upon an observed comparison to the property herein appraised. I have afforded the property owner the opportunity to accompany me at the time of inspection. The subject and comparable sales relied upon in making said appraisal, are represented by the photographs contained in said appraisal.

That to the best of my knowledge and belief the statements contained in the appraisal herein set forth are true and correct, and the information upon which the opinions expressed are based is correct; subject to the limiting conditions set forth within this report.

The reported analyses, opinions and conclusions are limited only by the reported assumptions, limiting conditions and applicable laws and are the personal, unbiased professional analyses and opinions and conclusions of the appraiser.

That I understand that such appraisal may be used in conjunction with the acquisition of the subject premises in conjunction with the Peace Bridge Toll Plaza Operational Improvements Under the New York Works Program Project.

That my analysis, opinions and conclusions are developed, and this appraisal has been prepared in conformity with: New York State Eminent Domain Procedure Law and policies, regulations and procedures applicable to appraisal of right-of-way for such purposes.

That to the best of my knowledge, no portion of the value assigned to such property consists of items that are non-compensable under the established law of said State.

That neither my employment nor the compensation for making this appraisal and report are in any way contingent upon the analyses, opinions or conclusions reached and reported herein and I have no direct or indirect present or contemplated future interest in such property or in any way benefit from the acquisition of such property appraised.
CERTIFICATE OF APPRAISER/LETTER OF TRANSMITTAL (continued)

That I have no personal interest or bias with respect to the parties involved.

That I have not revealed the findings and the results of such appraisal to anyone other than the proper officials of GPI/Greenman – Pedersen, Inc. and the New York State Department of Transportation and I will not do so until authorized by GPI/Greenman – Pedersen, Inc., or until I am required by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

The appraisal is made and the appraisal is prepared in conformity with the Uniform Standards of Professional Appraisal Practice, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the Uniform Standards for Federal land Acquisitions, except to the extent that the Uniform Standards for Federal Land Acquisitions requires the invocation of USPAP’s Jurisdictional Exception Rule regarding exposure time. That no one provided significant professional assistance to the report signatory.

That my opinion of the Market Value of the subject property in Fee Simple Title, as of June 7, 2012, the date of inspection is:

**OPINION OF APPRAISED MARKET VALUE**

**EIGHTY THOUSAND FIVE HUNDRED DOLLARS**

($80,500)

June 25, 2012
(Date)

Donald A. Lefcowitz, MAI
New York State Certified General
Real Estate Appraiser
License #46-6521

EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL & PROPERTY SPECIFIC LIMITING CONDITIONS

- Exposure time is not reported as it is a Jurisdictional Exception as per the Uniform Relocation Assistance and Real Property Acquisition Policies Act – Regulation 49 CFR Section 4 as described in CFR.
- Effects on the subject neighborhood as a result of the project are disregarded. This is a Jurisdictional Exception as per the Uniform Relocation Assistance and Real Property Acquisition Policies Act – Regulation 49 CFR Section 4 as described in CFR.
- It is noted that from a provided survey that a portion of the subject building encroaches onto land owned by the City of Buffalo.
TABLE OF CONTENTS

PURPOSE OF THE APPRAISAL ........................................................................................................... 3

SCOPE OF THE APPRAISAL ........................................................................................................... 3

APPRaisal PROBLEM ....................................................................................................................... 6

CITY OF BUFFALO ANALYSIS ........................................................................................................... 7

NEIGHBORHOOD DESCRIPTION .................................................................................................... 14

ASSESSSED VALUATION AND TAXES .......................................................................................... 26

ZONING OF THE PROPERTY ......................................................................................................... 34

DESCRIPTION OF THE PROPERTY ............................................................................................... 40

SALES COMPARISON APPROACH - LAND VALUE ...................................................................... 48

SALES COMPARISON APPROACH - VALUE - IMPROVED ............................................................... 53

CORRELATION AND FINAL OPINION OF VALUE ......................................................................... 58

EFFECTS OF THE TAKING .............................................................................................................. 60

DETERMINATION AND ALLOCATION OF DAMAGES ................................................................. 60
ADDENDUM

Section A  Subject Location Map
Section B  Neighborhood Photographs
Section C  Subject/Appropriation Photographs
Section D  Property Sketches and Appropriation Map
Section E  Comparable Land Sales
Section F  Comparable Improved Sales
Section G  Subject Deed
Section H  Certification
Section I  Assumptions and Limiting Conditions
Section J  Qualifications of the Appraiser
SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

PROPERTY ADDRESS: 1 Massachusetts Avenue & 843 Busti Avenue Buffalo, New York

REPUTED OWNERS/ADDRESS: Episcopal Community Housing, Inc 24 Rhode Island Street Buffalo, New York 14213

PROPERTY RIGHTS APPRAISED: Fee Simple Title

TYPE OF PROPERTY: Former Office Building

BUILDING AREA: 10,062± sf (Floors 1-3)

ZONING: “P-B”; Porter-Busti District

S.B.L. #’s: 99.65-2-1 & 99.65-2-2

ASSESSMENT: $270,500 combined

REAL ESTATE TAXES: $757.34 True Taxes (See Assessment & Real Estate Tax Section)

UTILITIES: All Public

HIGHEST & BEST USE (AS VACANT): Residential Development (See Highest & Best Use section)

HIGHEST & BEST USE (AS IMPROVED): Conversion to multi-family use

LAND AREA: 22,324± sf

LAND AREA APPROPRIATED IN FEE: Map No. 4/Parcel No. 4 22,324± sf

LAND IMPROVEMENTS ACQUIRED: All land improvements will be acquired.

BUILDING IMPROVEMENTS ACQUIRED: All building improvements will be acquired.
SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS (continued)

DATE OF INSPECTION:        June 7, 2012 & June 21, 2012 (exterior photographs)

DATE VALUE OPINION APPLIES:      June 7, 2012

DATE OF APPRAISAL:          June 25, 2012

VALUE OPINION OF PROPERTY:    $80,500

OPINION OF DAMAGES FROM FEE APPROPRIATION: $80,500

OPINION OF APPRAISED MARKET VALUE

EIGHTY THOUSAND FIVE HUNDRED DOLLARS
($80,500)

Allocation of Damage Opinion

Land:                      $67,000
Land Improvements:         $  500
Building Improvements:     $13,000
Personal Property:         $   0

Total:                     $80,500
PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide an opinion as to the legally compensable damages, in accordance with the laws of the State of New York that the subject property will suffer as a result of a full taking of the Fee ownership. The report is being prepared for the potential acquisition of the subject property by the intended users.

The acquisition identified as Map No. 4, Parcel No. 4 is being undertaken by the intended users of this report in conjunction with the Peace Bridge Toll Plaza Operational Improvements Under the New York Works Program Project.

SCOPE OF THE APPRAISAL/DESCRIPTION OF THE PROCESS

The scope of the appraisal is to perform a valuation of the subject property in Fee Simple Title to measure the effects of the Fee appropriation. The value opinion is made as of June 7, 2012 which is the date of inspection. Exterior and neighborhood photographs were taken on June 21, 2012.

This assignment is intended to encompass the investigations, research, and analysis necessary to prepare the report in accordance with the stated purpose and function of the report and the Standards of Professional Practice of the Appraisal Institute, as well as the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the Eminent Domain Procedure Law of New York State (EDPL).

The preparation of this appraisal assignment has included the performance of the following analyses and actions necessary to obtain the information required to arrive at an opinion of Market Value for the subject property prior to the full appropriation as of the valuation date of June 7, 2012.

1) Inspection of the interior and exterior of the subject property. It is noted that the basement could not be viewed due to water in the basement.

2) Inspection of the subject neighborhood and environs, together with salient influences upon the subject property.

3) Research of the subject property rights, deed research, easements, encroachments or other adverse conditions which may affect the valuation of the subject, if any.

The opinion of Market Value is made considering three (3) approaches to value, namely, the Cost Approach, Sales Comparison Approach and the Income Approach.
DEFINITIONS OF VALUE APPRAISED

MARKET VALUE - The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.¹

Numerous definitions of Market Value have been devised over the years by professional organizations, Government bodies, courts, etcetera.

The Supreme Courts of most states have handed down definitions of Market Value for use in the State courts. These definitions are subject to frequent change.

FEE SIMPLE - an absolute Fee; a Fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation. An inheritable estate.²

CONSEQUENTIAL DAMAGES – A damage to property arising as a consequence of a taking and/or construction on other lands. In many states the owner may be compensated for damage as a consequence of a change in grade of a street which adversely affects ingress to and egress from the affected property. In some states a property owner is not legally entitled to consequential damages which occur to his real estate. The owner may not be compensated for damage to business, frustration, and loss of goodwill which result as a consequence of a taking or construction by the government.³

SEVERANCE DAMAGES - It is the diminution of the Market Value of the remainder area, in the case of a partial taking, which arises (a) by reason of the taking (severance) and/or (b) the construction of the improvement in the manner proposed.⁴

HYPOTHETICAL CONDITION – That which 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 a market conditions of trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

➤ Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;

➤ Use of the hypothetical condition results in a credible analysis;

➤ The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions. (USPAP, 2008 ed.)

¹ Uniform Appraisal Standards of Federal Land Acquisitions
² Uniform Appraisal Standards for Federal Land Acquisitions
³ Uniform Appraisal Standards for Federal Land Acquisitions
⁴ Uniform Appraisal Standards for Federal Land Acquisitions
DEFINITIONS OF VALUE APPRAISED (continued)

EXTRAORDINARY ASSUMPTIONS – An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinion 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 an analysis. An extraordinary assumption may be used in an assignment only if:

➢ It is required to properly develop credible opinions and conclusions;
➢ The appraiser has a reasonable basis for the extraordinary assumption;
➢ Use of the extraordinary assumption result in a credible analysis.
APPRAISAL PROBLEM

The subject property represents a 22,324± sf parcel of land improved with a three story, former office building (10,062± sf) situated on the south side of Massachusetts Avenue and east side of Busti Avenue in the City of Buffalo, Erie County, New York. The subject is used in conjunction with the Episcopal Church Home complex.

The subject is zoned “P-B”; Porter-Busti District.

The Appraisal Problem in this report is concerned with rendering an opinion of Market Value which will result from the full acquisition of the land area and all site and building improvements thereon.

The resolution of the Appraisal Problem will be undertaken by conducting a valuation of the property in order to properly measure damage from all causes, stemming from the full appropriation.

The subject consists of a three story, former office building that is in fair to poor condition having been vandalized to an extensive degree. The subject building, due to its condition, is considered to be a “shell” building requiring complete interior renovation.

Since the subject property is improved, both a Land and Improved Value Analysis relating to the Sales Comparison Approach to Value will be employed.

In rendering an opinion of land value for the site as if vacant, land sales will be considered wherein adjustments for differences will be analyzed on a price per square foot basis, based on highest and best use considerations.

In rendering an opinion as to an overall value for the subjects, as improved, recent sales of “shell” buildings that were purchased for conversion will be compared to the property on a price per square foot basis, with adjustments made to reflect appropriate differences.

The Cost Approach to Value, while considered, has limited utility in the overall valuation of the property. The subject is not a special-purpose type of real estate thus precluding application of a cost analysis. Furthermore, the current age and deteriorated condition of the existing building improvement located on-site indicates using a depreciative factor, which is difficult to substantiate and, therefore is speculative in nature, rendering any value indication via this approach unreliable. Also, properties of this nature are not purchased in the marketplace based upon Cost Analysis. Therefore, this approach is not utilized in this report.

The Income Approach to Value will not be developed in this appraisal since the subject is not in rentable condition.

The Sale Comparison Approach will result in an opinion of Market Value for the subject. Since the appropriation represents a “full take”, the opinion of market Value will represent the conclusion of the final damage and compensation opinion resulting from the acquisition of the subject property.
CITY OF BUFFALO ANALYSIS

Overview

The City of Buffalo is located in the western part of New York State, bordering on Lake Erie and the Niagara River. Its origin dates back to 1758. It was incorporated as the Village of Buffalo in 1816. With the opening of the Erie Canal in 1825, Buffalo's growth as a great center of commerce began. The pioneer waterway reduced the cost of freight transportation from the Hudson River to Buffalo from $100 to $10 a ton, and the Village became the transfer point of immigration and commerce in the movement to the west. Buffalo was chartered as a city in 1832, when its population was around 10,000.

Buffalo has an area of 42 square miles. The topography is level with a gradual slope to Lake Erie and the Niagara River. The layout and general plan of the City of Buffalo is in the pattern of a grid; in addition, the principal traffic or radial routes begin in the downtown area and fan out in different directions, similar to the spokes of a wheel. Located at the junction of Lake Erie and the Niagara River, the west side is, of course, bounded by the lake and river. The direction of growth is to the north, east and south. There is little vacant residential land remaining in the City with resultant heavy demand in the suburbs. Even adjoining towns, such as Tonawanda, have little land left for development.

Among the leading industries in the Buffalo area are the auto industry, chemicals, machinery, food, paper and paper products, stone, clay and glass products, flour, feed and grain milling, rubber and non-ferrous metal products, clothing, plastics, electric and gasoline motors, furniture, drugs, and petroleum products. It is the third busiest railroad corridor in the United States and ranks seventh among the inland water ports in the United States. The St. Lawrence Seaway, which was completed in 1959 to allow ocean going vessels into the Great Lakes, has had a severe detrimental impact on the city's port traffic.

Traditionally, the City of Buffalo has been thought of as industrial in nature, part of the "Rust Belt". However, there has been a trend to a more service-oriented economy, coupled with an attempt to attract high-tech industries, particularly information technology (IT) firms. Buffalo is gaining recognition as a major growth center for IT firms, as evidenced by Forbes Magazine ranking Buffalo in its Top 30 as an IT firm growth region.

In the past 30 years, there has been government-sponsored redevelopment of the downtown area. Major projects included the Light Rail Rapid Transit System, which extends from Downtown Buffalo to the State University Campus at Main and Bailey, the Main Street Pedestrian Mall (Buffalo Place) beginning at the foot of Main Street and continuing north through the Theater District, Coca-Cola Park (formerly Pilot Field) and the First Niagara Arena, a joint public/private sector project.

Major construction and renovation projects in the Downtown CBD the past decade include a new federal (FBI) office building on Delaware Avenue, a new county court house, 450,000±SF Health Now office building, 130 South Elmwood, Hauptman-Woodward Building (Roswell Park), redevelopment of the Lafayette Hotel, the old Federal Reserve Building into the new headquarters of New Era Cap and the renovation of the former Niagara Mohawk building, Statler and Federal Building. Currently, numerous buildings in the CBD are being converted to apartment use. A number of structures have been renovated and developed in the Theater District including Theater Place and the Market Arcade. A new Federal Courthouse has been built at Niagara Square.

1 Massachusetts Avenue & 343 Busti Avenue, Buffalo, New York
CITY OF BUFFALO ANALYSIS (continued)

Overview (continued)

The city's Inner Harbor/Downtown Waterfront Redevelopment Project appears ready to come to fruition after 10 years of planning from 1989-1999. The initial phase of this project will be the development of the $27.1 million Inner Harbor Project, which broke ground in the fall, 1999. This project includes the creation of esplanades, slips and plazas, designed for increased public waterfront access at the foot of Main Street. This project will include a new Naval and Military Museum (complete as of 2007) and an office/hotel in the former Donovan building (under construction). The initial $27.1 million phase was completed in 2007. This included the museum at the historical Erie Canal Terminus Project. The Project is ongoing and will take several decades to complete. An estimated $285 million in public-private development money is anticipated to be spurred by this project.

To the west of Main Street is the Waterfront project area where projects include Class A office space as well as residential townhouses and condominium units. Construction was completed on the HSBC Arena project in 1996. In 2011, Buffalo-based First Niagara Financial Group reached an agreement to purchase HSBC Bank's upstate New York and Connecticut branch network. While naming rights to HSBC Arena were not included in the sale, First Niagara, HSBC, the Buffalo Sabres, and other parties reached an agreement to establish a new naming rights deal with First Niagara. The name of the arena became First Niagara Center that summer. First Niagara bought the naming rights for 15 years, approximately the remainder of the time that was left on HSBC's naming rights deal with the arena. This is a multi-purpose arena, which is the home of the Buffalo Sabres professional hockey team and Buffalo Bandits Lacrosse team.

To the east is the development of the Elm-Oak Light Industrial/Research Corridor, which has been stagnant over the past few years. A Seneca Nation gaming casino is proposed just south of HSBC Arena. The Seneca's are currently operating a temporary 10,000 sq ft casino.

A major catalyst of development is the Buffalo Niagara Medical Campus (BNMC). The BNMC is a 72± acre campus located just north of the downtown central business district and just east of the historic “Allentown” neighborhood within the City of Buffalo. The BNMC is a consortium of medical research and health care institutions working to create an urban center of education, medical care, and scientific research. This partnership includes the University of Buffalo, Roswell Park Cancer Institute, Olin and Olin Center for the Visually Impaired, Kaleida Health, Hauptman-Woodward Medical Research Institute, Buffalo Medical Group, and the Buffalo Hearing and Speech Center. The 20-year master plan calls for the construction of nearly 3,000,000 square feet, in addition to the 3,000,000 square feet of already existing space. The State University of New York at Buffalo in 2009 announced plans to move its medical school to the campus. Plans have been announced for $12,000,000 medical office/research project adjacent to Buffalo General Hospital. Additionally, Millard Fillmore Hospital recently relocated this campus and Children's Hospital will be relocating in the future. The BNMC is the largest concentration of health care organizations in Western New York with 6,800 employees, 500,000 annual patients, and $80,000,000 in grants per year.
CITY OF BUFFALO ANALYSIS (continued)

Population

In 1980, population of the City of Buffalo was 357,870 while the population is estimated at 323,931 according to the 1990 census. This represents a 9.48 percent reduction from 1980. The 2000 Census indicates the population at 292,648, which represents a 9.66% reduction from 1990. The recently published 2010 Census indicates the population at 261,310, which represents a 10.71 percent reduction from 2000. New census figures indicate Buffalo's population dropped by 31,338 residents between 2000 and 2010. This represents a 10.7 percent decline in the city's population, which stood at 261,310 in 2010, was among the largest of any place in New York State. Erie County's population, as a whole, decreased 3.3 percent, or 31,225 people, to 919,040 in 2010. In summary, overall the City of Buffalo has experienced a 26.98 percent total population reduction over the past 30 years. Signs as indicated by current census statistics indicate this downward population trend is continuing.

Economic

The Western New York Region has continued to move from its heavy industrial and manufacturing past to service-related and high-tech industries. The region has a highly skilled and educated workforce. The economy has diversified with areas in manufacturing, industry, agriculture, technologies and service oriented sectors. This is evidenced by the fact 62.8% of the region's workforce is now employed in white-collar industry and 37.2% in blue-collar industry. Buffalo is the 5th busiest trade city in America. Approximately 38% of the local product is exported.

Unemployment Statistics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Buffalo</td>
<td>8.7%</td>
<td>5.1%</td>
<td>6.0%</td>
<td>7.0%</td>
<td>10.1%</td>
<td>10.8%</td>
<td>10.4%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Erie County</td>
<td>5.2%</td>
<td>4.2%</td>
<td>4.8%</td>
<td>5.7%</td>
<td>8.6%</td>
<td>8.2%</td>
<td>8.3%</td>
<td>8.1%</td>
</tr>
<tr>
<td>New York State</td>
<td>5.3%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>5.4%</td>
<td>8.3%</td>
<td>8.6%</td>
<td>8.2%</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

New York State Department of Labor

The largest employers in the Western New York region are governments employing over 50,000 people. Only two (2) of the top 25 employers listed engage in heavy manufacturing, and employ approximately 4,600 full time people. Mirroring national trends, the most growth over the next 10 years is anticipated to be in computer-related occupations, medical fields, especially computer scientists, engineers and systems analysts.

Employment by Sector (Buffalo-Niagara MSA)

New York State Department of Labor
CITY OF BUFFALO ANALYSIS (continued)

Taxes

Taxes have been steadily increasing because of the heavier demand for services and facilities such as welfare, new schools and recreational outlets as well as the decreasing tax base. This is having a negative impact on commercial property values within the City as the City utilizes a homestead and non-homestead system with a full value assessment program utilizing a six (6) year cycle. The cycle has recently been modified with a full revaluation schedule for 2014. Most new development is occurring due to government sponsored tax incentives.

Recreation/Religious/Schools

Recreational facilities are many and varied, including a zoo, the museum of Science History Museum, Burchfield Penney Art Museum and the Albright-Knox Art Gallery. The majestic falls of the Niagara River are just one-half hour away. Buffalo has representation from sixty church denominations. There are 70 public elementary schools, 7 academic high schools, 7 vocational high schools and several parochial and private grade schools in the City. Colleges in the area include the State University of New York at Buffalo, Erie Community College (3 locations), Canisius College, State University College, D'Youville College, Rosary Hill College, Villa Maria College, Hilbert College, Trocaire College and Medaille College.

Government

Due to financial difficulties encountered by the City of Buffalo, the governor in July of 2003 has appointed an independent control board, known as the Buffalo Fiscal Stability Authority, to oversee the City of Buffalo's finances. The control board voted to convert into an advisory board, whose status will officially change June 1st, 2012. The County of Erie in November of 2006 had an advisory control board changed to a hard control board with expanded powers. This control board has been converted to an advisory board in 2008.

Utilities

City of Buffalo has its own public water supply. Discussions have been held concerning privatization or Erie County Water Authority takeover of the water department. The infrastructure of the water supply system is reportedly dated, and requires substantial repairs. Buffalo also operates the sewer authority. National Fuel Gas supplies natural gas, while electricity is provided by National Grid. The New York State Public Service Commission regulates the rates charged by these utilities.
CITY OF BUFFALO ANALYSIS (continued)

Transportation

The metropolitan area has a diverse transportation system that combines air, highway, rail and shipping access. This allows the transportation of practically any type of cargo or freight to or from the area. The City is well-positioned for international commerce with Canada, the country's largest trading partner. No other region combines all four methods of shipping to Ontario, Canada's leading commercial region.

In early 1997 the Peace Bridge Authority announced plans for the construction of a second twin bridge next to the Peace Bridge, to form a twin span connecting the U.S. to Canada near the downtown CBD for the City of Buffalo. This span was initially projected to open in 2002 but an ongoing controversy between factions calling for a signature bridge to replace the Peace Bridge and the twin span supporters, has delayed appropriations for this project. The twin span project would involve an investment of approximately $100 million. Either scenario should alleviate traffic congestion and encourage increased trade in the area but will probably not be completed until at least 2020.

For highway transportation, the New York State Thruway (I-90) and a related beltway system (I-190, I-290, I-990) surrounds the City of Buffalo and leads to points east and west in the state. For travel to the southern portion of the county, ample rapid transit highways are available and include Route 400 which branches off the main thruway system heading in a southeasterly direction through the Towns of West Seneca, Elma and Aurora leading to Wales.

A more direct southerly route is the partially completed Southern Expressway (State Route 219), that also branches off the main thruway in the West Seneca-Lackawanna area and extends southward through the Towns of Orchard Park and Boston, providing direct access to the Village of Springville and the Town of Concord at the south central portion of Erie County. Currently talks are ongoing in the U.S. Senate and House of Representatives for expanding this route through to Pennsylvania. However, this will not occur in the foreseeable future.

Other modes of transportation include the immediate accessibility of Great Lakes shipping via Lake Erie. The Port Buffalo Gateway complex is located on the former 1,400 acre manufacturing and port facility for Bethlehem Steel Corporation. This port facility provides full seaway depth, with 9,000 linear feet of modernized dock space. Bulk cargo storage is available at the port's major storage and transfer facility. Over 30 acres of bulk storage area is available, with an additional 15 acres of paved storage area. Heavy lift crane capacity ranges from 5 to 235 tons.

The Niagara Frontier Transportation Authority operates the light rail subway, which extends from the downtown Central Business District to the State University of New York at Buffalo, paralleling Main Street and terminating at the Town of Amherst. In addition, the region is serviced by nearly 1,000 miles of rail, including one of the largest railheads in the nation.

The Greater Buffalo Niagara International Airport is located just east of the City on Genesee Street, in the Town of Cheektowaga. The airport completed a $1.2 billion capital expansion program in 1997. Currently, the airport is served by 14 airlines and 182 air carrier operations daily at its 17 gates. The facility is capable of handling large jet traffic, with major carriers including American, Delta, United, Continental, Northwest, and US AIR. Passengers, as of a 2009 survey, approached 5.5 million annually. This increase is due primarily to the re-introduction of "low cost" air carriers with reduced fares, increased number of non-stop flights to the airport and the influx of Canadian travelers. A redevelopment of ingress and egress roadways on-site is going in 2012.
CITY OF BUFFALO ANALYSIS (continued)

Major Current and Proposed Development Projects

1) A Waterfront Development Corporation has been incorporated to oversee waterfront development projects. The corporation is to receive $5 million dollars per year from the recent re-licensing of the Niagara Power Station.

2) Redevelopment of the former Lafayette Hotel into a mixed use retail/hotel/banquet/apartment and condominium project.

3) Redevelopment of the first two floors of the Statler building.

4) Inner Harbor Development - $27 million public works project. The original development plan called for a replica of “commercial slip” or terminus of the Erie Canal to be reconstructed, new boat slips, a new naval and military museum and set the ground work for a $285 million dollar regional entertainment district. The first phase including the Naval Museum and Commercial Slip was completed in 2007. The National Park Service has recommended the area as a National Heritage Corridor, which would clear the way for federal funding.

5) The Seneca Nation had begun construction of a $333 million destination casino. They currently operate a 10,000± sf temporary casino within the Cobblestone District. Currently these plans are on hold.

6) Uniland Development built a new, 116,800±sf, five-story, Class A office building at 285 Delaware Avenue. Approximately 60% of the building is leased to M&T Bank. Overall project cost is estimated at $10,000,000.

7) A new Federal Court House Building was recently completed on Niagara Square.

8) Conversion of the former Graphic Controls building (Larkin Warehouse) into a 600,000± sf modern office building. Total conversion cost was $60,000,000. The project has received strong market acceptance with occupancy over 95%. Continued redevelopment surrounding the building has occurred.

9) A new, 290,000±sf, Federal Building at 130 Elmwood Avenue has been completed. The building replaced the old Federal Building at Huron Street and Delaware Avenue. The old Federal Office building was purchased at auction by the developers of the new Federal Building. The 400,000± sf building has been renovated into an office, hotel, and residential complex called Avant Place. This project has had good market acceptance.

10) Numerous downtown apartment conversions including Elk Terminal, LL Berger’s Building, Granite Works, University Club, Lofts at Art Space and the Sidway Building.
CITY OF BUFFALO ANALYSIS (continued)

Major Current and Proposed Development Projects

11) Developer Carl Paladino had announced plans to build an 11-story, 335,000± sf office building on the corner of Court Street and Franklin Street in the Central Business District. Total project cost is $45 million and will not start until 50% preleased. Plans have been on hold for several years.

12) A new, 469,000± sf, WNY headquarters for Blue Cross Blue Shield at 249 West Genesee Street was completed. The $100 million dollar project includes a five story parking garage.

13) The State University of New York at Buffalo has purchased the former TRICO Building and M. Wile Building and will be expanding their presence in the Central Business District with a concentration on the expanding Medical Corridor of Roswell Park and Buffalo General Hospital. A 2009 announcement indicated the University intends to move their medical school to this campus setting.

14) Plans are underway in redeveloping the old Donovan State office building as a project similar to the Avant building have also been cited. Phillips, Lytle, LLP, a major tenant in the HSBC tower will be relocating in the Donovan Building location.

15) In 2010, developers announced plans to renovate another part of the Larkin complex with over 500,000 SF of Class “B” office space planned within the next couple of years.

16) The Statler building was purchased by developers with extensive renovations and restoration underway.

17) The termination of branch bank services in New York State by HSBC has placed a cloud on the future of the HSBC Tower.

In addition to the above-mentioned major projects, government/non-profit agencies including Buffalo Place, Empire State Development Agency, Buffalo Urban Renewal Agency, Buffalo Economic Renaissance Corporation, Buffalo Niagara Partnership, to name a few are offering numerous incentives to attract and generate new business and housing opportunities within Buffalo. Several new developments, including the Inner Harbor projects hope to provide a catalyst for economic growth. Local preservation and private citizen groups have taken an active role in several of the major development projects proposed. These groups have delayed a number of projects, calling into question the feasibility and motives of poorly planned projects. There is hope that revised plans for the Inner Harbor and Peace Bridge will change the trend of Buffalo’s historically poor urban planning. The past several years has seen increased residential property values, demand for City property, decrease in office vacancy and numerous development projects in planning. Overall, the stabilization of office and residential markets and proposed developments, has led to a feeling of cautious optimism. Buffalo should remain stable for the foreseeable future.
NEIGHBORHOOD DESCRIPTION

The subject is located on the City of Buffalo's west side. This is an older area of the city that was developed in the late 1800's and early 1900's. The west side is comprised of many identifiable neighborhoods. The subject is located within the Niagara District specifically in the Porter-Busti neighborhood which is bounded by Massachusetts Avenue to the north, Porter Avenue to the south, the New York State Thruway (Route I-190) to the west and Niagara Street to the east. The area between Massachusetts Avenue, Busti Avenue, Seventh Street (Columbus Parkway) and Porter Avenue is a unique "pocket" as it is comprised of older, many upscale homes as compared to the surrounding nearby neighborhoods. The surrounding neighborhoods are typified by older, two story, two and three family dwellings in a lower price range with many showing signs of deferred maintenance.

The subject's neighborhood is adjacent to the Peace Bridge, a major border crossing between the United States and Canada. There have been proposals over the past twenty years from replacing the existing Peace Bridge to relocating the border crossing and constructing a new bridge connecting into Niagara Street north of the subject. One proposal required the need to acquire many homes between Busti Avenue and Columbus Parking (Seventh Street). The neighborhood residents vigorously opposed this plan. Current plans are to expand the toll plaza which involves acquisition of a few residences and the subject property.

The area to the north along Niagara Street is developed with older industrial and neighborhood commercial properties. The primary employer in the area is (north of the subject) Rich Products.

East of the subject (three blocks) is the New York State Armory and D'Youville College Campus having forty-five academic majors and 3,200 undergraduate and graduate students. The College has been acquiring nearby properties for construction of new buildings. The City of Buffalo Central Business District is located two miles south.

West of the subject are City parks and related businesses associated with Niagara River use.

<table>
<thead>
<tr>
<th></th>
<th>1-Mile Radius</th>
<th></th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>20,377</td>
<td>261,310</td>
<td>919,040</td>
</tr>
<tr>
<td>Median Value of Owner</td>
<td>$44,605</td>
<td>$65,700</td>
<td>$117,700</td>
</tr>
<tr>
<td>Occupied Housing Units</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$20,483</td>
<td>$30,043</td>
<td>$47,372</td>
</tr>
</tbody>
</table>

Within the one mile radius of the subject, there are 29.2% vacant housing units and 19.3% owner occupied housing units. Per capita income is $11,135.

Based on the above references statistics the subject's neighborhood (one mile radius) for median income and median value of owner occupied housing units is below that of the City of Buffalo and Erie County.

Redevelopment is unlikely in the immediate area except for any D'Youville College expansion. Some speculation purchasing occurred 10+ years ago north of the subject along Niagara Street as it was anticipated that a new bridge crossing was going to occur in that location.

1 Massachusetts Avenue & 843 Busti Avenue, Buffalo, New York
NEIGHBORHOOD DESCRIPTION (continued)

Demographic and Income Profile - Appraisal Version
823 Busti Ave, Buffalo, NY 14213, United States
Ring: 1 mile radius

Trends 2010-2015

Population by Age

2010 Household Income


June 11, 2012

1 Massachusetts Avenue & 843 Busti Avenue, Buffalo, New York
Beyond repair

Once-thriving senior-care center in ruins as financial woes mount

Premium content from Business First by James Fink, Buffalo Business First Reporter

Date: Friday, March 23, 2012, 6:00am EDT

Related:

Commercial Real Estate, Bankruptcies

James Fink
Buffalo Business First Reporter- Business First
Email

The tug-of-war concerning a possible Peace Bridge expansion has brought financial havoc to one of the major property owners neighboring the bridge.

Episcopal Church Home and Affiliates Inc. once ran a thriving senior-care community on a 12-acre Rhode Island Street property that sits near the entrance to the Peace Bridge. At its peak, the campus had more than 1,000 elderly and needy clients and employed 550, providing a steady cash flow for the faith-based, not-for-profit entity.

Early plans proposed a bridge expansion that would run across the campus. Episcopal Church Home then began losing clients, leading to a phased shutdown that began seven years ago.

The site has been a Rhode Island Street landmark since 1866. The property was in the path of the proposed companion span, putting it in the middle of a protracted planning battle that pitted the Peace Bridge and West Side residents against each other. The residents opposed plans that saw the second bridge cutting through their neighborhood; Peace Bridge officials said the companion span was needed to ease growing traffic and logistical concerns.

"We were at ground zero of all this, just because of our location," said Robert Wallace, president and CEO.

Fast-forward to 2012: The property is a series of boarded-up buildings -- including the late 1800s era Hutchinson Chapel. The main building is full of broken glass, crushed beer bottles,
discarded coffee cups, condom wrappers and gutted rooms. Tangled PVC piping and wires hang from ceilings like snakes from a tree. Symbols of gangs are painted on walls and doorways. All six buildings, which total more than 1 million square feet, have been virtually vacant since 2005.

"This is our nightmare," Wallace said. "We're a victim of this snowball effect."

The condition of the property is the most visible sign of the Episcopal Church Home caught in the middle of the Peace Bridge crossfire. What most people don't see, however, is the financial drain on an organization that already has paper-thin revenues.

Between January 1995, when plans for the companion span were announced, and December 2010, the church home lost $13.1 million in revenues at the Rhode Island Street operation, including $8.84 million between 2005 and 2010 when the property was being shut down.

In addition to the uncertainty about Peace Bridge plans, the church home is also saddled with nearly $14 million in liens against the property. That includes a $7.2 million mortgage owed to the federal Department of Housing and Urban Development and $1.5 million to New York State Department of Health.

Episcopal Church Home spends about $500,000 annually on insurance, security systems and legal fees connected with the property. The main building's alarm system is triggered several times a day due to break-ins.

"It's been all expense and no revenues since 2005," Wallace said.

The liens, coupled with the bridge scenario and the derelict condition of the property, make any chance of selling the real estate virtually nil.

"We are in the ultimate no-win situation," Wallace said. "Our hands are completely tied, no matter where we look."

The Episcopal Church Home wants to sell the property and has extended offers to the Buffalo and Fort Erie Public Bridge Authority, which owns and operates the bridge.

Despite some meetings, the response has been a deafening silence — at least to the church home.

"It's complicated," says Sam Hoyt, chairman of the Peace Bridge Authority. He also is regional president of Empire State Development Corp. and a former state assemblyman whose district included the lower West Side.

Hoyt said he sympathizes with church home officials. As assemblyman, he tried to broker a deal with the authority. The sticking point is who would assume the financial responsibility for the liens.

Hoyt bristles when community leaders suggest that the Peace Bridge expansion is the major culprit in Episcopal Church Home's financial dilemma. The shutdown began voluntarily by Episcopal, although it never would have happened if the property wasn't targeted during bridge expansion scenarios, Wallace said.
"I don't think the PBA (Peace Bridge Authority) should be blamed for the current condition of the property," Hoyt said. "And I don't think the finger should be pointed at the PBA."

He said the biggest issue is the liens.

Wallace agreed.

"Somehow the liens have to be resolved," Hoyt said. "As it is, the property is a blight on the community."

Niagara District Councilman David Rivera said reviving the property would be a pricey undertaking.

"You have to have deep pockets to invest the kind of money that's really needed to bring the property back," Rivera said. "And I'm not sure how you would ever get a return on that investment."

James Fink covers real estate, commercial development and government
NEWSPAPER ARTICLES RELATING TO SUBJECT PROPERTY & PROPOSED PROJECT
(continued)

Episcopal Church Home Master Plan, River View Towers, and Out Patient
http://www.hhlarchitects.com/episcopal.html

HHL Architects

About us | Markets | Building Types | News | Contact us

We are committed to the principle of design fostering healthy, livable and environmentally sound communities. We seek every opportunity to partner with our clients and consultants to effectively deliver project goals.

Mentor Central Sandusky Hospital
Salina City Hall/Cinema Complex
Chambersburg
Sims & Erie County Public Library
Mark Twain Room
Centennial Post Office
Corys Church
Erie Community College Law.
Williams Athletic Center
Erie County Court House & Annex
Implementation
Episcopal Church Home Master
Plan, River View Towers, and Out
Patient Building
Front Line Wight/Markle
House
HOLP (Emergency Room) & 280
Level Clinic
Leominster Hispanic Church
Newtown Halsey Library
Hopeful Home Holy Rosary
Building
Burlington Library
Saints of St. Joseph Master Plan &
Accomodations
St. Louis Reuse Catholic Church
St. Paul's Church
Temple Beth El Synagogue
Memorial Presbyterian Church
Episcopal Church Home Master Plan, River View Towers, and Out Patient Building

Episcopal Church Home Master Plan, River View Towers, and Out Patient Building

The Master Plan Study focused on the utilization of the complex in order to coordinate several additions and new structures that were under consideration for construction.

The Campus, originally established in 1901 in the block bounded by West Avenue, Rhode Island Street, Seventh Street, and Massachusetts Avenue expanded to acquire its existing buildings by 1957.

The Master Plan incorporated a new outpatient care addition, an enclosed courtyard, high-rise apartment building, and additions in the parking. The outpatient building, designed by HHL Architects was constructed in 1987/1990.

1 of 1 6/4/2012 9:56 AM
1 Massachusetts Avenue & 843 Busti Avenue, Buffalo, New York
Eminent Domain Hammer in Hand, PBA Plowing Ahead with Plaza Expansion

Expansion of the Peace Bridge Plaza is suddenly on a fast track. Governor Andrew M. Cuomo last week announced a $1.5 million infusion of state money for the $45 million project. Meanwhile, the Public Bridge Authority continues efforts to sell land at the property it purchased along Route Avenue, including the landmarked site of the 1893 Buffalo National House at 771 Main, while using eminent domain to acquire other sites.

Leaving the plaza open is former Assemblyman Vincent E. Tirelli, who was elected chairman of the Authority board of directors in February and also serves as regional president of Empire State Development Corporation.

Tirelli told The Buffalo News last week that the state would use its powers of eminent domain to acquire the Echelon Church property complex, a residential property at 773 Buffalo Avenue and sections of Main and Plymouth avenues from the city.

The question is now one on the agenda for the city to use the eminent domain powers to acquire property or have the state grant the private domain authority directly. Now, he proudly boasted in the HVS Department of Transportation and its eminent domain powers to the neighborhood.

From The Buffalo News:

But any project is still related to the Peace Bridge project back in 2003. At the time, the PBA was working on an agreement with the city to use the eminent domain power to acquire property or have the state grant the private property authority directly. Now, he proudly boasted in the HVS Department of Transportation and its eminent domain powers to the neighborhood.

Tirelli told this� week to do whatever it takes to get things done, "If they want to do it," he said.

Tirelli also said the city of Buffalo held the option to close the Peace Bridge Authority is working hard to accelerate the project.

The news is sure to please the Episcopal Church

Rob Wabuk, president and CEO of Episcopal Church, was in Buffalo on February 8th to announce a new mission for the Episcopal Church, the "Second Avenue" Plaza project. "We have held a Housing Court Judge Patrick McKenna to state that they were "willing" to the PBA for the past 15 years. The Episcopal Church was established in 1865 and has been housed since.

The Episcopal Church has been decorated with elegant designs, the trusses have been arranged by volunteers. Most of the main building’s trusses and walls have been restored and there is no live alpine or cypress trees. The grounds have been a mess, but were recently cleaned up by the City’s beautification team.

Wabuk said the overall plan for their project began in 1995 when the PBA began talking about building a new building. "It’s not enough to build a new building," said Wabuk. "It’s time to get ahead with the project."
NEWSPAPER ARTICLES RELATING TO SUBJECT PROPERTY & PROPOSED PROJECT
(continued)

Eminent Domain Hammer in Hand, PBA Flowing Ahead with Plan Ex...  http://www.buffalorising.com/2012/04/eminent-domain-hammer-in-hand...

The reader's complaint is in contrast to ECH's Canfield Woods facility in E. Amherst. Canfield Woods opened in 1984 becoming the last senior living community in the Western New York area to offer Life Care Continuum. It offers "nursing style living" in a nice of apartments, patio homes, and assisted living and existing care facilities.

Episcopal Church Home owns over $200,000 in 2010 and 2011 city and county taxes for the Burdi Avenue site. At trial, ECH owes $15 million in back taxes and fees from mortgage holder U.S. Department of Housing and Urban Development. Kane also told the judge that Sheila Susan Kennedy, Assemblyman Ryan and Congressman Higgins said ECH that $15 million would be in the New York State budget for property acquisition. Just in time for Easter, Cuomo and his team delivered the golden egg last week.

Judge Conney told Warden, "That your claims in be distinguished," He ordered ECH to maintain the property and stop using the PBA as an excuse. He also ordered a $100/day fine for every day ECH fails to comply with inquiring the grounds need and clean.

Kathy Mecca, President of the Canfield Park Association, filed suit against ECH. Eminent Domain legislation for the Burdi Bridge project was passed in June 2004, not 14 years ago. ECH even had separate separate opinion to stand in 2004 and look and claim that it closed in 2005 due to declining Medicaid payments making the business unsustainable.

Kane also says that ECH has been non-responsive to both neighborhood residents and local elected officials and has expressed interest in the property from St. Vincent De Paul and a charter school.

ECCI and neighborhood residents will be back in court on April 18th. Judge Conney told ECH to bring in "Plan B." Governor Cuomo is giving them their out they've been waiting seven years for.

"All the Episcopal Church has to do is sign off on the sweet deal paid for by the taxpayers," says Mecca. "Their bid demands wiped clean. They need away knowing this historic property is going to be demolished for a Daily Four Store."

On April 4th, the Public Service Authority held a meeting to shore up plans to eventually seven vacant Burdi Avenue structures. The seven are currently owned by the Authority but will allow anyone interested in relocating the structure to take over and advance interest to its as long as they can do it by the end of June. Of this year.

To prove charity is a good deed, the PBA is aiding the architectural element of each house and will rent to_element the "We Restoration Project" as soon as demolition is completed. They are also going to document the structures at 171, 177 and 173 Burdi including drawings, history and pictures prior to handing them over for disposal. The EPA also has pledged to save the ECH chapel and repurpose it.

The PBA hasn't shown the public what the ultimate order of the order looks like or only ablations of the "green space" they're going to cover as an interim measure. It is likely the end goal will be released once the Episcopal Home and 175 Burdi are acquired and both plans can expand to the north.

The PBA has agreed to remove the kiosk to avoid a city tax and to remove a suit to obstruct accommodations for those entering the property. This is what passes as economics development in WNY. It barely qualifies for the Williams Island Environmental Protection Award as well.

Get Connected: PBA, 716.894.9004

1 Massachusetts Avenue & 843 Busti Avenue, Buffalo, New York
Present Use of Property

The subject is a closed, former office building that had been used by the owner. The building has not been in use since 2008.

Ten Year Sales History

No transfers of the subject property have occurred within the past ten years.

Contact with Owner

Date Inspected: June 7, 2012

Appraiser: Donald A. Lefcowitz, MAI
Emminger, Newton, Pigeon & Magyar, Inc

Accompanied: Thomas H. Newton, Vice President
Emminger, Newton, Pigeon & Magyar, Inc

Timothy J. Magyar, Vice President
Emminger, Newton, Pigeon & Magyar, Inc

Frank Cirillo, Real Estate Officer 2
New York State Department of Transportation, Region 5

Kayla Biltucci, Main Office Review Supervisor
New York State Department of Transportation

Edward Zehler, Real Estate Specialist 2
New York State Department of Transportation, Region 5

Susanne Eddy, Secretary 1
New York State Department of Transportation, Region 5

Gregory C. Klauck, President
Klauck, Lloyd & Wilhelm, Inc

Chris Parker, Research Assistant
Klauck, Lloyd & Wilhelm, Inc

Paul R. Campise, Director of Housing
Episcopal Church Home & Affiliates, Inc

Comments: Mr. Campise provided information concerning the subject property and history of the property.

Exterior subject and neighborhood photographs were taken on June 21, 2012. Mr. Paul Taylor, the property owner's counsel, provided a survey of the subject property. Mr. Taylor declined to be present on the June 7, 2012 inspection.
BUILDING VIOLATION

The subject property along with adjacent properties which comprise the Episcopal Home Complex (823, 825 & 843 Busti Avenue) have been cited for building code violations by the City of Buffalo.

It is noted due to fire code violations, the City of Buffalo shut the power off to the property, deeming it unsafe.

➢ February 9, 2012 – clean up order issued
➢ March 1, 2012 – court appearance adjournment
➢ April 19, 2012 – court appearance adjournment
➢ June 7, 2012 – trial scheduled
➢ August 23, 2012 – trial return date

Included on the following pages is a summary of code violations as provided by the City of Buffalo.
CODE VIOLATIONS

THE CITY COURT OF BUFFALO, NEW YORK
THE PEOPLE OF THE STATE OF NEW YORK

vs.

EPISCOPAL RESIDENTIAL HEALTH CARE
FACILITY INC.
HUD MULTIFAMILY PO BOX 44804
WASHINGTON, DC 20026

Defendants,

Property Information

RE PROPERTY: 823 BUSTI
A.K.A. ADDRESS: 823 BUSTI
# OF UNITS: 2
Building Is: VAC

COUNTY OF ERIE

1, MICHAEL MUSCARELLA, the complainant herein, am a Building Inspector for the City of Buffalo and I maintain offices in Room 304, City Hall, Buffalo, New York.

The defendant named above in this action, did OWN for the property listed above, in the City of Buffalo, and did there violate the ordinances of the City of Buffalo on or about 7/19/2011 through and including 9/9/2011, to wit:

BUFFALO CODE INCORPORATING NEW YORK STATE UNIFORM FIRE PREVENTION AND BUILDING CODE

<table>
<thead>
<tr>
<th>COUNT</th>
<th>CODE</th>
<th>VIOLATIONS</th>
<th>VIOLATION DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>BUFFALO CODE</td>
<td>1152.1</td>
<td>PROPERTY NOT MAINTAINED</td>
</tr>
<tr>
<td>2.</td>
<td>BUFFALO CODE</td>
<td>B103.15A2</td>
<td>PROVIDE INTERIOR ACCESS</td>
</tr>
<tr>
<td>3.</td>
<td>BUFFALO CODE</td>
<td>B113.2</td>
<td>VACANT OR DAMAGED BUILDING</td>
</tr>
<tr>
<td>4.</td>
<td>BUFFALO CODE</td>
<td>B133.7B</td>
<td>GRAFFITI</td>
</tr>
<tr>
<td>5.</td>
<td>BUFFALO CODE</td>
<td>B341.13A3</td>
<td>WINDOWS/BOARDING</td>
</tr>
<tr>
<td>6.</td>
<td>NEW YORK STATE</td>
<td>PM-304.13</td>
<td>GLAZING</td>
</tr>
</tbody>
</table>

Based on ASSESSMENT RECORDS which were consulted on 7/13/2011 through and including 9/9/2011, I found the above named defendant did OWN the property listed above on the same date.

WHEREFORE, I request that this Court issue a Summons requiring the Defendant(s) to appear before this Court.

I HAVE READ THIS INFORMATION WITH THE UNDERSTANDING THAT FALSE STATEMENTS MADE HEREIN ARE PUNISHABLE AS A CLASS "A" MISDEMEANOR PURSUANT TO SECTION 210.45 OF THE PENAL LAW.

Verified this
Tuesday, August 09, 2011

Chief Appr.

Page 2 of 5

1 Massachusetts Avenue & 843 Busti Avenue, Buffalo, New York
CODE VIOLATIONS

THE CITY COURT OF BUFFALO, NEW YORK

THE PEOPLE OF THE STATE OF NEW YORK

Plaintiffs,

V.

EPISCOPAL RESIDENTIAL HEALTH CARE
FACILITY INC.
HUD MULTIFAMILY PO BOX 44604
WASHINGTON, DC 20026

Defendants.

THE CITY OF ERIE

PROPERTY INFORMATION

RE PROPERTY: 823 BUSTI
A.K.A. ADDRESS:

# OF UNITS: 2
# OF STORIES: 1

Building is: VAC

THE FACTS ON WHICH THIS ACCUSATION IS MADE ARE OF MY OWN KNOWLEDGE. ON THE ABOVE SAID DATE, I MADE AN INSPECTION AND OBSERVED THE FOLLOWING:

COUNT DESCRIPTION / NARRATIVE

1. THE PROPERTY GROUNDS ARE NOT MAINTAINED, AS THE GRASS AND WEEDS ARE OVER GROWN, AND TRASH AND DEBRIS ARE THROUGHOUT THE PROPERTIES EXTERIOR GROUNDS
2. THE CITY IS REQUESTING AND INTERIOR INSPECTION TO BETTER ASSESS THE OVERALL CONDITIONS OF THE PROPERTIES
3. THE CITY IS REQUESTING AN UPDATED PLAN FROM THE CURRENT OWNER AS TO THE DEVELOPMENT OF THE PROPERTIES
4. THERE IS GRAFFITI ON VARIOUS EXTERIOR WALLS OF THE CAMPUS. CREATING A NEIGHBORHOOD EYESORE
5. THE CITY IS REQUESTING THE IMMEDIATE CLEAN AND SEAL OF ALL LOWER FLOOR WINDOWS, AS THEY ARE BROKEN AND A HAZARD TO THE NEIGHBORHOOD RESIDENTS
6. THE COMPLEX HAS MANY WINDOWS THAT ARE SMASHED AND CREATING A LIFE SAFETY HAZARD

Based on ASSESSMENT RECORDS which were consulted on 7/19/2011 through and including 8/9/2011, I found the above named defendant did OWN the property listed above on the same date.

WHEREFORE, I request that this Court issue a Summons requiring the Defendant(s) to appear before this Court.

I HAVE READ THIS INFORMATION WITH THE UNDERSTANDING THAT FALSE STATEMENTS MADE HEREIN ARE PUNISHABLE AS A CLASS "A" MISDEMEANOR PURSUANT TO SECTION 210.45 OF THE PENAL LAW.

Verified this

Chief Appr.

Tuesday, August 09, 2011

COMPLAINANT

Page 3 of 5

1 Massachusetts Avenue & 843 Busti Avenue, Buffalo, New York
ASSESSED VALUATION AND TAXES

The subject property is assessed under two account numbers on the City of Buffalo Assessor’s roll. Details as to the assessment and applicable taxes, as of the date of valuation, are as follows:

<table>
<thead>
<tr>
<th>Address</th>
<th>843 Busti Avenue</th>
<th>1 Massachusetts Avenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assessment</strong></td>
<td>SBL # 99.65-2-1</td>
<td>SBL # 99.65-2-2</td>
</tr>
<tr>
<td>Land</td>
<td>$16,600</td>
<td>$ 6,400</td>
</tr>
<tr>
<td>Improvements</td>
<td>$ 2,900</td>
<td>$244,600</td>
</tr>
<tr>
<td>Total</td>
<td>$19,500</td>
<td>$251,000</td>
</tr>
<tr>
<td>Combined Assessment:</td>
<td>$270,500</td>
<td></td>
</tr>
<tr>
<td>Equalization Rate:</td>
<td>99%</td>
<td></td>
</tr>
<tr>
<td>Equalized Market Value:</td>
<td>$273,232</td>
<td></td>
</tr>
</tbody>
</table>

**Real Estate Taxes – True Taxes**

<table>
<thead>
<tr>
<th>SBL #</th>
<th>99.65-2-1</th>
<th>99.65-2-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>City/School (2011/2012)</td>
<td>$617.12</td>
<td>Exempt</td>
</tr>
<tr>
<td>County (2012)</td>
<td>$106.99</td>
<td>Exempt</td>
</tr>
<tr>
<td>Sewer (2011/2012)</td>
<td>$ 33.23</td>
<td>Exempt</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$757.34</td>
<td>$ 0</td>
</tr>
<tr>
<td><strong>Taxes If Not Exempt</strong></td>
<td>$9,748.56</td>
<td></td>
</tr>
</tbody>
</table>

The property is substantially overassessed.
**ASSESED VALUATION AND TAXES** (continued)

**Real Estate Taxes – In Arrears**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBL #99.65-2-1</td>
<td></td>
</tr>
<tr>
<td>City (July 2011 Interest)</td>
<td>$ 55.56</td>
</tr>
<tr>
<td>City (December 2012 Interest)</td>
<td>$ 55.55</td>
</tr>
<tr>
<td>City Interest on Sewer Rent</td>
<td>$ 4.00</td>
</tr>
<tr>
<td>City Collection Fee</td>
<td>$ 10.00</td>
</tr>
<tr>
<td>City 2010 Bill in Arrears</td>
<td>$1,228.65</td>
</tr>
<tr>
<td>County 2011 in Arrears</td>
<td>$ 137.70</td>
</tr>
<tr>
<td>2012 Penalties</td>
<td>$ 2.00</td>
</tr>
<tr>
<td>Total in Arrears</td>
<td>$1,493.46</td>
</tr>
<tr>
<td>Total Owed</td>
<td>$2,250.80</td>
</tr>
</tbody>
</table>

It is noted that the tax parcel SBL# 99.65-2-1 will be placed on the In Rem list for possible tax foreclosure in October, 2012 if the real estate taxes are not paid.
TAX BILL SBL #99.65-2-1

City of Buffalo
Department of Assessment and Taxation
121 City Hall, Buffalo New York 14202

Statement of City Tax and Sewer Rent
Fiscal Tax Year
2011 - 2012

Property Address: 843 BUSTI
Owner: EPISCOPAL COMMUNITY HOUSING INC

Mailing Address:
24 RHODE IS BUDDY NY 14213 2197
Description: South Cor Mass 76.80 On The Bank

Bill #: 00583300 SBL: 0996500002001000 Roll: 1 Swis: 147002

Total Assessed Value: 19,500.00 Exemption Amount 0

Net Taxable City 19,500 Net Taxable School 19,500 Net Taxable Sewer 19,500

Total Tax Arrears Due $880.58 Total Sewer Arrears Due $43.07

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Due</th>
<th>Paid</th>
<th>Balance Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-01-01</td>
<td>Dec 1st Installment</td>
<td>308.56</td>
<td>0.00</td>
<td>308.56</td>
</tr>
<tr>
<td>2012-01-01</td>
<td>Interets Dec 1st Installment</td>
<td>55.56</td>
<td>0.00</td>
<td>55.56</td>
</tr>
<tr>
<td>2012-01-01</td>
<td>Dec 2nd Installment</td>
<td>308.56</td>
<td>0.00</td>
<td>308.56</td>
</tr>
<tr>
<td>2012-01-01</td>
<td>Interets Dec 2nd Installment</td>
<td>55.56</td>
<td>0.00</td>
<td>55.56</td>
</tr>
<tr>
<td>2012-01-01</td>
<td>Surch. Dec 1st Installment</td>
<td>33.23</td>
<td>0.00</td>
<td>33.23</td>
</tr>
<tr>
<td>2012-01-01</td>
<td>Interets Dec 1st Installment</td>
<td>4.00</td>
<td>0.00</td>
<td>4.00</td>
</tr>
<tr>
<td>2012-01-01</td>
<td>Collection Fee</td>
<td>10.00</td>
<td>0.00</td>
<td>10.00</td>
</tr>
<tr>
<td>2012-01-01</td>
<td>Return Writs</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Balance Owning: 775.46

* Interest calculated through the end of the month. Additional interest added each month.

Current local assessment are not included in this stateent.

1 Massachusetts Avenue & 843 Busti Avenue, Buffalo, New York
TAX BILL, SBL #99.65-2-1

ERIE COUNTY TAX
95 FRANKLIN STREET
ROOM 103
BUFFALO, NY 14262

COUNTY OF ERIE
COUNTY AND TOWN TAX 2012
CITY OF BUFFALO

PROPERTY LOCATION
843 BUSTI

PROPERTY DESCRIPTION
South Cor Mass, 75,60 On The Bank,

ACRES OR DIMENSIONS
FR-75.60 DP-122.00 AC-0.00

SWIS CLASS SCHOOL
140200 331 140200

RS BANK MORTGAGE
1

TAX SCHOOL CODE UNIFORM % OF VALUE
73 99.03

ASSESED VALUE FULL MARKET VALUE
19900 19700

LEVY DESCRIPTION TOTAL LEVY % OF CHANGE TAXABLE RATE TAX AMOUNT

Library Tax 12,872.457 9.30 19,500 0.413710 8.16
NYS Mandated Prgms 217,622.374 0.30 19,500 5.068164 98.83

Total Levy: 230,494.83

EXEMPTION #: AMOUNT PURPOSE EXEMPTION #: AMOUNT PURPOSE

None for this tax purpose

Bill # Billed Adjust. Int. Paid Charges Payment Date Int. Balance

2011*38443 104.65 0.00 0.00 2.20 0.00 30.85 127.70
2012*38467 104.59 0.00 0.00 2.00 0.00 5.75 118.74

(Invalid as of 05/12/2012...

MULTI-PURPOSE FORMSPACE

*** FOR INFORMATION ONLY ***

*** NOT A RECEIPT ***

1 Massachusetts Avenue & 843 Busti Avenue, Buffalo, New York

30
City of Buffalo
Department of Assessment and Taxation
121 City Hall, Buffalo New York 14202

Arrears Billing

Property Address: 843 BUSTI
Owner: EPISCOPAL COMMUNIT HOUSING INC
Mailing Address: 24 RHODE IS South Cor Mass
Description: 76.80 On The Bank

InRam #: 410 Serial #: 38 Roll: 1
Swis: 147002

<table>
<thead>
<tr>
<th>Billing Year</th>
<th>Arrears Billed</th>
<th>Arrears Due</th>
<th>Collector Billed</th>
<th>Collector Due</th>
<th>Total Taxes</th>
<th>Sewer Due</th>
<th>Sewer Arrears Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>727.74</td>
<td>0.00</td>
<td>192.56</td>
<td>0.00</td>
<td>10.00</td>
<td>9.97</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Total Tax Arrears Due $880.58

Total Sewer Arrears Due $43.07

* Interest calculated through the end of the month. Additional interest added each month.

Cash, certified check, money order, bank draft required

Make checks payable to: Treasurer City of Buffalo

Total: $1,228.65
TAX BILL SBL #99.65-2-2

City of Buffalo
Department of Assessment and Taxation
121 City Hall, Buffalo New York 14202
851-5733

Statement of City Tax and Sewer Rent
Fiscal Tax Year
2011 - 2012

Property Address: 1 MASSACHUSETTS
Owner: EPISCOPAL COMMUNITY HOUSING INC
Bank Code 000000

Mail Address:
24 RHODE ISLAND ST
BUFFALO NY 14213
Description: 132. SW Seventh With Poc tri on Bank 114 No
Bill #: 00705800 SBL: 0996500002002000 Roll: 8 Swis: 147002

Total Assessed Value: 251,000.00 Exemption Amount: 251,000

Net Taxable City: 0 Net Taxable School: 0 Net Taxable Sewer: 0

<table>
<thead>
<tr>
<th>Total Tax Arrears Due</th>
<th>Total Sewer Arrears Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

* Interest calculated through the end of the month. Additional interest added each month.

Current local assessment are not included in this statement.
ZONING OF THE PROPERTY

The subject is zoned “P-B”; Porter-Busti District as per the City of Buffalo zoning ordinance.

Excerpts of the City of Buffalo zoning ordinance will follow. The subject’s former use as an office of a non-profit civil religion or charitable organization is a permitted use.

The subject’s “P-B”; Porter-Busti District is a special district. Permitted uses are those uses permitted by law before the “P-B” District was enacted. The zoning ordinance was amended as 402 on November 25, 1980 adopting the “P-B” District. Prior to the Amendment, the subject was zoned “R3: Dwelling District which permits the following:

➤ Multi-Family Dwelling
➤ Row Dwellings
➤ Private Club or Lodge
➤ Private School
➤ Day Nursery
➤ All those in “R2”; Dwelling District
   • Two (2) Family.
   • Multi-Family on Row Dwelling not more than 200 feet in length
   • Junior College, College or University
   • Office of a Non-Profit Civil Religious or Charitable Organization
   • Cemetery
   • Private Non-Commercial Recreation Area or Recreation Center operated by a Church or Non-Profit Community Organization
   • Hospital or Sanatorium
   • Branch Telephone Exchange or Electronic Station accommodating switch gear, voltage regulations and/or a transformer without movable parts
   • Restricted Business or Industrial parking lot

➤ Permitted in the “R1”; Dwelling District

   • One (1) Family detached dwelling
   • Church School, Private School Chartered or Accredited by the State Education Department

The zoning information was verified by Frank Digginaro, Building Inspector (Department of Building Permits & Inspection)
ZONING OF THE PROPERTY (continued)

Restricted uses permitted in the "P-B"; Porter-Busti District, but only upon the issuance of a restricted use permit.

- Administrative or executive offices
- Business offices
- Business or industrial parking lots
- Cafés
- Community garages
- Fraternity or sorority houses
- Funeral homes or undertaking establishments
- Gasoline service stations
- Nonprofit institutions and offices
- Nursing or convalescent homes
- Private clubs or lodges
- Private schools operating on a commercial basis
- Public parking lots
- Recreational centers
- Restaurants, including take-out establishments
- Retail businesses or services, such as grocery stores, liquor stores, drugstores or clothing stores
- Rooming or boarding houses
- Taverns

A. The Porter-Busti area, as hereinafter specified, shall be a special zoning district.

B. Limits. The Porter-Busti Special Zoning District shall comprise the following areas: all properties fronting on or adjacent to Porter Avenue, bounded on the east by the center line of Seventh Street; and on the west by the center line of Fourth Street; and all properties fronting on or adjacent to Busti Avenue, bounded on the north by the center line of Massachusetts Avenue and on the south by the center line of Porter Avenue.

C. Legislative intent.

(1) The Common Council finds that the area needs a special zoning district to create an economic climate which will foster the proper commercial growth and development along Porter Avenue while providing regulations not found in existing legal and regulatory controls to protect against possible overdevelopment.

(2) The Common Council recognizes that the Porter-Busti area, as gateway to and from Canada and Western New York, occupies a unique position and that future growth and development of the area should be aesthetically compatible with this gateway role, and the Common Council further finds that the integrity and stability of the residential area

§ 511-63. Permitted uses.

A. Permitted uses in the Porter-Busti Special Zoning District shall comply with the following:

1. Administrative or executive offices
2. Business offices
3. Business or industrial parking lots
4. Cafes
5. Community garages
6. Fraternity or sorority houses
7. Funeral homes or undertaking establishments
8. Gasoline service stations
9. Nonprofit institutions and offices
10. Nursing or convalescent homes
11. Private clubs or lodges
12. Private schools operating on a commercial basis
13. Public parking lots
14. Recreational centers
15. Restaurants, including take-out establishments
16. Retail businesses or services, such as grocery stores, liquor stores, drugstores or clothing stores
17. Rooming or boarding houses
18. Taverns

F. Exterior signs. No new exterior sign shall be allowed unless it pertains to a permitted use on the premises and is attached flat against the building and does not project above the roofline. No sign or signs shall aggregate more than thirty-five (35) square feet or one (1) square foot.
for each linear foot of front lot line, whichever is greater. Any illuminated sign or lighting device shall employ only lights emitting an illumination of constant intensity and shall not contain any flashing, intermittent, rotating or movable components. No temporary or portable signs shall be permitted on the grounds of a use or in the public right-of-way. No exterior sign shall face the side of any adjoining lot on any residential use. No sign shall increase light intensity emitted from a premises by more than one (1) footcandle as measured from a distance of twenty-five (25) feet.

G. Restricted use permit. Any person seeking to establish or extend a use restricted by Subsection E of this section shall file an application for a restricted use permit as provided by § 511-65 of this chapter.
DESCRIPTION OF THE PROPERTY

Land

Property dimensions are as follows:

EL: 124.5\(\pm\) & 91.6\(\pm\)
WL: 152.0\(\pm\) & 107.5\(\pm\) (Busti Avenue)
NL: 39.5\(\pm\) (Massachusetts frontage)
SL: 136.2\(\pm\)

The subject parcel is irregular in shape having 39.5\(\pm\) of frontage along Massachusetts Avenue frontage and 107.5\(\pm\) frontage along Busti Avenue. The subject site contains 22,324\(\pm\)sf.

The subject has a level topography with a slight upward slope in an easterly direction.

Dimensions referenced above are based on the appropriation map provided by the New York State Department of Transportation. It is recommended an updated survey be obtained to delineate specific site boundaries if desired.

Subject site is not situated in a designated flood hazard area. This is per National Flood Insurance Program, Community/Panel No. 360230/0015C. Effective date of map is August 21, 1999, and the subject neighborhood area is mapped as Zone “X”.

It appears from the survey provided, that a portion of the building encroaches onto City owned property.

The subject parcel is not known as an inactive hazardous waste site as per New York State Department of Environmental Conservation publications. The appraiser assumes there are no contaminants existing on the property. It is recommended that anyone relying upon this report for potential purchase have the property tested for contaminants by an expert in this field. The appraiser assumes no responsibility for the engineering required to discover potential contaminants.

LAND IMPROVEMENTS

Land improvements consists of a small area of seeded lawn along the west side of the building and shrubbery along the subject parking lot. There is a parking lot to the rear of the building improvements which is asphalt paved and contains 30\(\pm\) striped parking spaces. Access to the parking lot is from Busti Avenue. Land Improvements are considered to be in average (-) condition.
BUILDING IMPROVEMENTS

The subject building was constructed in 1927± (based on City of Buffalo assessment record) as an apartment building known as the Peace Bridge Apartments and later referred to as Canterbury House. In 1980±, the building was converted to office use.

The subject has a brick exterior and flat roof with wood deck. The windows are double glazed thermopane.

The building contains 10,062± sf of gross building area (floors 1-3) and a full basement.

The interior of the building is in a vandalized condition with walls, ceilings, plumbing, mechanicals and wiring having been damaged. At the time of inspection, there was no power to the property.

The basement could not be viewed due to the accumulation of water in the basement. Information relating to the basement area was provided by representative of ownership and provided plans. It is reported that the building has a full basement with poured concrete walls. The heating system is a loop-heat pump.

The building is not sprinklered. There is evidence that there is water damage to wall areas and to the wood roof decking. The extent of damage could not be determined.

Interior finishes consists of rubberized floor covering in some common areas, carpeting in the office areas, drywall walls and suspended grid ceilings with fluorescent lighting. Each floor is divided into open office areas as well as, private offices, toilet rooms and employee kitchenettes.

There is an elevator which accesses all floors (condition unknown). The basement contains locker room with lavatory, conference room, electrical room, mechanical room, elevator equipment room, coat room and storage room. The first floor contains two open office areas, six private offices and two toilet rooms. The second floor contains two open offices, six private offices and two toilet rooms. The third floor contains a conference room, executive director’s office, four private offices, computer room, business office, two toilet rooms, file storage area and copy and supply room.

Located on the property is a garage structure 20±’ x 38.5±’ having two overhead metal doors. The garage is in fair to poor condition with evidence of rotted wood joists. Due to the condition of the garage it is not given contributory value.

Overall, the condition is poor to fair and all mechanicals considered not to be in working condition. This appraisal report is not intended as an engineering report. Therefore, the appraiser assumes no liability for undetected physical inadequacies, hazardous materials or conditions. For a more detailed description and assessment of building and related land improvements, a report by a qualified building engineer is suggested.
LEGAL DESCRIPTION

ALL THAT PIECE OR PARCEL OF LAND situate in the City of Buffalo, County of Erie, State of New York designated as Part of Block No. 185 and more, of the former South Village of Black Rock and more particularly described as follows:

BEGINNING at a point in the southeasterly highway boundary of Massachusetts Avenue (58 feet wide), at its intersection with the division line between the property of Episcopal Church Home of Western New York (R.O.) on the northeast and Episcopal Community Housing, Inc. (R.O.) on the southwest, said point being 173.2 feet\(\pm\) measured at right angles from station 22+51.0\(\pm\) of the hereinafter described survey baseline for the reconstruction of the Peace Bridge Toll Plaza; thence southeasterly along said division line a distance of 124.5 feet\(\pm\) to an angle point, said point being 178.5 feet\(\pm\), measured at right angles from station 21+26.5\(\pm\) of the said survey baseline; thence southeasterly along the division line between the property of Episcopal Residential Healthcare Facility, Inc (R.O.) on the east and Episcopal Community Housing, Inc. (R.O.) on the west, a distance of 91.6 feet\(\pm\), to a point being 179.0 feet\(\pm\), measured at right angles from station 20+35.0\(\pm\) of the said survey baseline; thence southwesterly along said division line a distance of 136.2 feet\(\pm\) to a point on the northeasterly highway boundary of Busti Avenue, said point being 42.9 feet\(\pm\), measured at right angles from station 20+31.2\(\pm\) of the said survey baseline; thence northwesterly along said northeasterly highway boundary of Busti Avenue a distance of 107.5 feet\(\pm\) to a point on the easterly line of The Bank, said point being 39.9 feet\(\pm\), measured at right angles from station 21+38.5\(\pm\) of the said survey baseline; thence northerly along said line of The Bank, on a curve to the left having a radius of 150.0 feet, an arc distance of 152.0 feet\(\pm\) to the southeasterly highway boundary of Massachusetts Avenue, said point being 133.7 feet\(\pm\), measured at right angles from station 22+49.9\(\pm\) of the said survey baseline; thence northeasterly along said southeasterly highway boundary of Massachusetts Avenue a distance of 39.5 feet\(\pm\) to the POINT OF BEGINNING.

The above mentioned survey baseline is a portion of the 2012 survey baseline for the reconstruction of the Peace Bridge Plaza and described as follows: Beginning at station 10+00.00, thence N 33° 02' 26" W to station 23+67.09. All bearings referred to True North at 78° 35' 00" Meridian of West Longitude.
FLOOD MAP

NYflood features near 843 Busti Avenue, Buffalo, NY

COMMUNITY PANEL ZONE DATE
360230 0015C X 19900823

FLOOD SEARCH DATA

To view all data, select the tool and click on the star locator on map.

Check Layers to Display: NYflood Census Tract (Med) Streets Highway

Redraw Map.
HIGHEST AND BEST USE

Definition

The concept of Highest and Best Use is defined as:

That reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.

The definition immediately above applies specifically to the Highest and Best Use of land. It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use.5

Highest and Best Use Analysis

The purpose of the Highest and Best Use Analysis is to determine which use of the subject property will bring about its highest property value. This analysis requires two (2) separate studies:

(1) Analysis of the site as vacant.

(2) Analysis of the site as improved.

The primary considerations in doing such analyses are to determine if a potential use is:

A) Legally Permissible - Determining if a potential use is permitted by zoning and/or deed restrictions on the site.

B) Physically Possible - Determining if a potential use is physically possible based on the physical nature of the subject site and acceptable land uses.

C) Economically/Financially Feasible - Determining if a potential use will produce a net income return to the owner of the site.

D) Most Profitable - Determining that use, from those alternative uses which meet the above criteria, which is most profitable to the owner of the site in terms of highest net return.

In arriving at opinions of Highest and Best Use, all the factors as outlined within the preceeding definition are considered.

5 Boyce, Real Estate Appraisal Terminology, P. 107
HIGHEST AND BEST USE (continued)

Analysis of the Site as Vacant

Legally Permissible

The subject is within an area of the City of Buffalo zoned “P-B”; Porter-Busti District. This is a Special District. Permitted uses include those permitted in the “R3” Dwelling District which include the following:

- Multi-Family Dwelling
- Row Dwellings
- Private Club or Lodge
- Private School
- Day Nursery
- All those in “R2”; Dwelling District
  - Two (2) Family
  - Multi-Family on Row Dwelling not more than 200 in length
  - Junior College, College or University
  - Office of a Non-Profit Civil Religious or Charitable Organization
  - Cemetery
  - Private Non-Commercial Recreation Area or Recreation Center operated by a Church or Non-Profit Community Organization
  - Hospital or Sanatorium
  - Branch Telephone Exchange or Electronic Station accommodating switch gear, voltage regulations and/or a transformer without movable parts
  - Restricted Business or Industrial parking lot

- Permitted in the “R1”; Dwelling District
  - One (1) Family detached dwelling
  - Church School, Private School Chartered or Accredited by the State Education Department
HIGHEST AND BEST USE (continued)

Analysis of the Site as Vacant (continued)

Legally Permissible (continued)

It is noted that additional uses as outlined below that are permitted by special use permit.

- Administrative or executive offices
- Business offices
- Business or industrial parking lots
- Cafes
- Community garages
- Fraternity or sorority houses
- Funeral homes or undertaking establishments
- Gasoline service stations
- Nonprofit institutions and offices
- Nursing or convalescent homes
- Private clubs or lodges
- Private schools operating on a commercial basis
- Public parking lots
- Recreational centers
- Restaurants, including take-out establishments
- Retail businesses or services, such as grocery stores, liquor stores, drugstores or clothing stores
- Rooming or boarding houses
- Taverns

Physically Possible

The subject site is irregular in shape containing 22,324± sq ft of area. The subject’s site is undersized to accommodate larger size developments such as; school, hospital, or sanatorium, church, or club or lodge.

The subject could accommodate a nursery or multi-family dwelling uses. Although due to the size and shape of the parcel, development would somewhat be limited, although possible.
HIGHEST AND BEST USE (continued)

Financing Feasible

The subject is within an older neighborhood of the City of Buffalo. Development of the property would most likely be subsidized rental apartments by a non-for-profit entity that would fund the project through grants or government assisted programs.

Assemblage to an adjoining property would be alternatively financially feasible.

Maximally Productive

The greatest return to the site would be for multi-family development through government assistance programs or assemblage.

The Highest and Best Use for the subject site is for multi-family, government assistance rentals and funding or assemblage.

HIGHEST & BEST USE “AS IMPROVED”

The subject is a three story building with full basement containing 10,062± sf (floors 1-3) gross building area. The building was built and utilized as apartments until 1980± when it was converted to office use in conjunction with the Episcopal Home Complex.

As previously discussed, the subject is in a vandalized condition. The building was last utilized in 2008 and has remained vacant since that time. Mechanicals have been damaged or deteriorated from lack of use. Plumbing, electrical wiring, drywall, ceilings and lighting fixtures have been vandalized beyond repair. Any use of the building would require the gutting of the interior including mechanicals.

The subject is considered to be a “shell” building due to its fair to poor condition.

The most likely use for the subject “as improved” would be for conversion to apartments, most likely for subsidized housing. The subject’s zoning permits this use. Office use is unlikely due to little demand for offices in this area.

Sales comparison approaches are presented in this report for the subject “As Vacant” and “As Improved”. The subject’s land value “As Vacant” is appraised at $67,000. The subject “As Improved” is appraised at $80,500. This indicates the improvements offer minimum contributory value.

Demolition of the building improvements is estimated as follows:

\[ 10,062± \text{sf} @ \$5.00/\text{sf} = \$50,310 \]
\[ \text{SAY } = \$50,000 \]

Therefore, the subject “As Improved” as a “shell” building for conversion to apartments is its Highest and Best Use as land does not exceed its improved value.
SALES COMPARISON APPROACH - LAND VALUE

As discussed in the Appraisal Problem, a land value analysis as related to the Sales Comparison Approach to Value will be utilized to render an opinion as to land value for the subject, as if vacant and available for development. The indicated value opinions will reflect the parcel’s Highest and Best Use, as if vacant.

In the development of this approach, an extensive search within the City of Buffalo is undertaken in an effort to secure market data of similar sales. Three (3) sales have been selected for direct comparison to the subject based on their degree of similarity. Sales employed are adjusted narratively and on the following grid sheet on a price per square foot basis.

It is noted there are a limited number of sales which have occurred in the City of Buffalo since the City has been built-up for decades. Sales of land have occurred in the City, however these primary included sales from the City of Buffalo representing tax foreclosures. For this reason, they were considered and rejected for use in this analysis. Sales outside the City of Buffalo located in suburban communities are not deemed comparable and therefore are not considered for analysis. Therefore, it is necessary due to lack of recent sales to consider ones that occurred more than 5± years ago (Sale #3). Also, any residential land sales that have occurred in upscale residential neighborhoods for condominium or apartment development have been considered and rejected for analysis due to their superior locations. In addition, land sales located in areas that are experiencing an upsurge of extensive development due to significant government funding and regional commitment, such as the “medical corridor” are not considered to be reflective of the subject’s location.

Due to the subject’s Highest & Best Use for assemblage, the subject will be appraised as a “through the fence” approach.
SALES COMPARISON APPROACH - LAND VALUE (continued)

Market Adjustment Analysis

In order to equalize the sales to the subject, the appraiser has considered the "Rights Conveyed" in each of the transactions, the "Financing Terms" of the transactions, and the "Market Conditions" as of the date of each sale in comparison to the market conditions relative to the effective date of this appraisal. In the "Rights Conveyed" consideration, each of the sales is conveyed in Fee Simple Title, which is the basis of the subject's site valuation. Therefore, no adjustments are required to reflect alternate conditions.

With regard to "Financing Terms", all comparable land sales sold through the implementation of conventional mortgage vehicles, considered to be cash equivalent conditions for this market area or for cash, which is also the basis of the subject's valuation. Therefore, no adjustment to any of the sales is necessary.

Consideration of "Market Conditions" reflects the passage of time, from the date of transfer to the effective date of appraisal, market responses and inflationary trends. Market conditions over recent times have been stable due to current trends in the real estate market. Inasmuch as the sales utilized occurred during a period of market stabilization at the subject’s location no time adjustments are warranted.

Having taken into consideration the "Rights Conveyed", "Financing Terms" involved within the sales, and the "Market Conditions" as of the date of each sale, an adjusted unit value for each of the comparable land sales is derived. It is this adjusted unit value upon which all subsequent adjustments are predicated.

The next category of adjustment on the market land grid is "Location". Market evidence is considered in the sense that sales that reflect similar size and use properties in one location are considered in comparison to sales offering similar attributes in another location to develop the adjustment factor.

"Total Area" is also a factor of consideration. This adjustment is predicated on market indications that a smaller parcel, which is otherwise similar to a property, typically will command a higher unit value than a larger parcel offering similar utility and characteristics. However, this is not to say that there is an adjustment in every case because of the size differential; first of all, it must be a significant difference.

There is also an adjustment consideration for "Situated". This adjustment considers corner influences and/or dual access considerations as opposed to interior lot locations with single-street frontage and accessibility.

"Shape/Utility" is also an adjustment factor as portrayed on the market grid, but is pertinent only when the shape impacts the usability of the property. A rectangular versus a slightly irregular shaped parcel would exhibit no significant value variation based on market evidence. Conversely, a triangular shape versus rectangular may require an adjustment consideration if market evidence warrants.

"Topography" is an adjustment category, which will consider variations in properties where fill may be required.
Market Adjustment Analysis (continued)

The "Zoning" adjustment in the land grid will be addressed only where there is a significant variation in the allowable uses from one zoning classification to another.

"Utilities" is an adjustment classification reflecting the availability of services, including electric, gas, sewer and water.

Finally, there is also provision for an adjustment category termed "Other". This allows for consideration regarding somewhat unique factors such as assemblage or plottage consideration. Regarding assemblage, there often times, is a premium paid when assembling an additional parcel of land to existing holdings.
### Comparative Adjustments Grid - Unimproved Sales Analysis

**Unit of Comparison:** $/SF  
**File Number:** 2012280A

<table>
<thead>
<tr>
<th>Adjustment Factors</th>
<th>Subject</th>
<th>Sale No. 1</th>
<th>Sale No. 2</th>
<th>Sale No. 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>1 Mass. Ave &amp; 843 Busi Ave, Buffalo, NY</td>
<td>4 Altruria St, Buffalo, NY</td>
<td>640 4th St, Buffalo, NY</td>
<td>1539 &amp; 1603 Seneca St, Buffalo, NY</td>
</tr>
<tr>
<td><strong>Sale Price</strong></td>
<td>N/A</td>
<td>$60,000</td>
<td>$160,000</td>
<td>$230,000</td>
</tr>
<tr>
<td><strong>Unit Price</strong></td>
<td>N/A</td>
<td>$2.65</td>
<td>$4.54</td>
<td>$1.42</td>
</tr>
<tr>
<td><strong>Rights Conveyed</strong></td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td>N/A</td>
<td>Cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td><strong>Conditions of Sale</strong></td>
<td>N/A</td>
<td>Homeowner's Length</td>
<td>Amt's Length</td>
<td>Amt's Length/Promo</td>
</tr>
<tr>
<td><strong>Adjusted Unit Price</strong></td>
<td>N/A</td>
<td>$2.65</td>
<td>$4.54</td>
<td>$4.25</td>
</tr>
<tr>
<td><strong>Date of Analysis</strong></td>
<td>6/7/12</td>
<td>11/10</td>
<td>1/12</td>
<td>10/05</td>
</tr>
<tr>
<td><strong>Market Cond. (Time)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Time Adjusted Price</strong></td>
<td></td>
<td>$2.65</td>
<td>$4.54</td>
<td>$4.25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjustment Factors</th>
<th>Subject</th>
<th>Sale No. 1</th>
<th>Sale No. 2</th>
<th>Sale No. 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>Average</td>
<td>Average (-)</td>
<td>Good</td>
<td>Average (-)</td>
</tr>
<tr>
<td><strong>Physical Characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Land Area (± SF)</strong></td>
<td>22,324±</td>
<td>22,660±</td>
<td>35,261±</td>
<td>176,418±</td>
</tr>
<tr>
<td><strong>Situated</strong></td>
<td>2 Street Frontages</td>
<td>3 Street Frontages</td>
<td>Inside</td>
<td>Two Street Frontages</td>
</tr>
<tr>
<td><strong>Shape/Utility</strong></td>
<td>Irregular/Avg (-)</td>
<td>Sl. Irregular/Avg.</td>
<td>Sl. Irregular/Avg.</td>
<td>Irregular/Good</td>
</tr>
<tr>
<td><strong>Topography</strong></td>
<td>Level</td>
<td>Level</td>
<td>Level</td>
<td>Level</td>
</tr>
<tr>
<td><strong>Zoning</strong></td>
<td>&quot;PB&quot;</td>
<td>&quot;C-1&quot;</td>
<td>&quot;C-1&quot;</td>
<td>&quot;M-1&quot;</td>
</tr>
<tr>
<td><strong>Utilities Available</strong></td>
<td>All Public</td>
<td>All Public</td>
<td>All Public</td>
<td>All Public</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Net Adjustment</strong></td>
<td>$2.95</td>
<td>$3.19</td>
<td>$3.23</td>
<td></td>
</tr>
</tbody>
</table>

**Subject Value by Comparison**

1 Massachusetts Avenue & 843 Busi Avenue, Buffalo, New York
SALES COMPARISON APPROACH - LAND VALUE – (continued)

Narrative Explanation of Adjustments in Land Grid

Rights Conveyed

No adjustments are made for rights conveyed as all sales are transferred in Fee Simple Title, which is the basis for the subject site valuation.

Financing

No adjustments are deemed appropriate in this category as all sales are transferred based on cash or cash equivalency.

Conditions of Sale

No adjustments are warranted for Sales #1 & #2. Sale #3 is adjusted upward for demolition costs to clear the site for development.

Time

No adjustments are deemed necessary. Sales #1 & #2 occurred within the past two years. Sale #3 occurred in 2005. No adjustment is made to this sale since land values outside the City’s Central Business District have been relatively stable since the sale occurred.

Location

Sales #1 & #3 are adjusted upward to reflect the subject’s more desirable area. Sale #2 is adjusted downward to reflect its more desirable proximity to Porter Avenue.

Total Area

No adjustments are warranted. Any differences in land area will be considered in the utility category.

Situated

No adjustments are warranted for Sales #1 & #2. Sales #3 is adjusted downward to reflect its major street access. Sale #1 has access from secondary residential streets which is considered equal to the subject. Sale #2 is an inside parcel but has a corner view. No adjustment is made.

Shape/Utility

Sales #1 & #2 are adjusted downward to reflect differences in shape and utility. Sale #3 is adjusted downward to reflect its better utility as its size can better accommodate development.
SALES COMPARISON APPROACH - LAND VALUE – (continued)

Narrative Explanation of Adjustments in Land Grid (continued)

Topography

No adjustments are warranted.

Zoning

No adjustments are made for differences in zoning for Sale #1 & Sale #2. Sale #1 was purchased for assisted care use. Sale #2 was purchased for recreational use. The “C-1” zoning was not a significant factor considering the uses they were acquired for. Sale #3 is adjusted upward since this sale required a variance for residential use.

Utilities

No adjustments are warranted.

Other

No adjustment are needed.

Analysis and Conclusions

The three (3) sales, as adjusted, indicate a value range extending from $2.95 to $3.23 per square foot. Equal weight is given to all sales. A unit value opinion at $3.00 per square foot is considered appropriate.

Indicated Land Value

\[
\begin{align*}
22,324 \text{ sf} @ 3.00/\text{sf} &= 66,972 \\
\text{SAY:} &\quad 67,000 \text{ (R)}
\end{align*}
\]

INDICATED OPINION OF MARKET LAND VALUE
VIA THE SALES COMPARISON APPROACH AS OF JUNE 7, 2012 IS:

SIXTY SEVEN THOUSAND DOLLARS
($67,000)
SALES COMPARISON APPROACH TO VALUE – IMPROVED

The Sales Comparison Approach is the process of arriving at an indicator of value by comparing the relative utility and desirability of the subject property with comparable competitive properties recently sold. It postulates the view that an informed, prudent and rational purchaser/investor will pay no more for a property than the cost to acquire a substitute property with the same attractiveness and ability to satisfy his needs and desires.

In utilizing the Sales Comparison Approach to arrive at a value opinion for the subject property as improved, a search for sales of similar improved properties within the subject’s general area has been conducted. Sales are investigated via discussions with the assessor, a review of other public records and research of real estate broker data.

The sales presented in the Addenda section of this report have been selected for direct comparison to the subject based upon their degree of similarity. Sales considered within the valuation analysis are considered valid indicators of the subject’s Market Value.

Adjustments categories will address differences as regards to time, location, land area, total building area, condition, parking, basement and elevator.

Sales employed are adjusted narratively and on the following grid sheet. This analysis is presented on a price per square foot basis.

Considering the subject’s Highest & Best Use for conversion to multi-family use, sales of “shell” buildings having similar physical characteristics as the subject that were purchased for conversion are used in this analysis.
## Comparative Adjustments - Improved Sales Analysis

**Unit of Comparison:** $SF

### Adjustment Factors

<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale No. 1</th>
<th>Sale No. 2</th>
<th>Sale No. 3</th>
<th>Sale No. 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>1 Massachusetts Ave &amp; 843 Bush Ave 430 Virginia St. 250-253 Virginia St. 257 Lafayette Ave</td>
<td>250-253 Virginia St. Buffalo, NY</td>
<td>Buffalo, NY</td>
<td>Buffalo, NY</td>
</tr>
<tr>
<td><strong>Sale Price</strong></td>
<td>N/A</td>
<td>$240,000</td>
<td>$73,000</td>
<td>$200,000</td>
</tr>
<tr>
<td><strong>Unit Price</strong></td>
<td>N/A</td>
<td>$15.41</td>
<td>$4.84</td>
<td>$8.74</td>
</tr>
<tr>
<td><strong>Rights Conveyed</strong></td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td>N/A</td>
<td>Conventional</td>
<td>Conventional</td>
<td>Conventional</td>
</tr>
<tr>
<td><strong>Condition of Sale</strong></td>
<td>N/A</td>
<td>Arm's Length</td>
<td>Arm's Length</td>
<td>Arm's Length</td>
</tr>
<tr>
<td><strong>Adjusted Unit Price</strong></td>
<td>N/A</td>
<td>$15.41</td>
<td>$4.84</td>
<td>$8.74</td>
</tr>
<tr>
<td><strong>Date of Analysis</strong></td>
<td>6/17/12</td>
<td>10/96</td>
<td>10/9 &amp; 2/09</td>
<td>10/9</td>
</tr>
<tr>
<td><strong>Market Cond. (Time)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Time Adjusted Price</strong></td>
<td>15.41</td>
<td>4.84</td>
<td>8.74</td>
<td>8.74</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjustment Factors</th>
<th>Subject</th>
<th>Sale No. 1</th>
<th>Sale No. 2</th>
<th>Sale No. 3</th>
<th>Sale No. 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
</tr>
<tr>
<td><strong>Physical Characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Land Area (+ SF)</strong></td>
<td>22,324±</td>
<td>10,600±</td>
<td>15,073±</td>
<td>31,441±</td>
<td></td>
</tr>
<tr>
<td><strong>Total Bldg Area (+ SF)</strong></td>
<td>10,062±</td>
<td>22,064±</td>
<td>15,073±</td>
<td>22,880±</td>
<td></td>
</tr>
<tr>
<td><strong>Condition</strong></td>
<td>Poor to Fair</td>
<td>Average</td>
<td>Poor to Fair</td>
<td>Average</td>
<td>Average</td>
</tr>
<tr>
<td><strong>Parking</strong></td>
<td>Adequate (parking lot)</td>
<td>Adequate (garage &amp; parking lot)</td>
<td>Fair</td>
<td>Adequate</td>
<td>Adequate</td>
</tr>
<tr>
<td><strong>Basement</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes (finished)</td>
<td>Yes (finished)</td>
</tr>
<tr>
<td><strong>Elevator</strong></td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Net Adjustment</strong></td>
<td>$8.96</td>
<td>$6.89</td>
<td>$12.8</td>
<td>$12.8</td>
<td>$12.8</td>
</tr>
<tr>
<td><strong>Subj. Value by Comparison</strong></td>
<td>$9.96</td>
<td>$6.89</td>
<td>$6.94</td>
<td>$6.94</td>
<td>$6.94</td>
</tr>
</tbody>
</table>

---

1 Massachusetts Avenue & 843 Bush Avenue, Buffalo, New York
SALES COMPARISON APPROACH TO VALUE – IMPROVED (continued)

Narrative Explanation of Adjustments in Improved Grid

Rights Conveyed/Conditions of Sale

No adjustments are deemed appropriate in this category as all sales are transferred in Fee Simple Title and are considered arm’s length transfers.

Financing Conditions

No adjustments are made in this category.

Time

All sales occurred during a period of market stabilization; therefore, no adjustments are warranted.

Location

No adjustments are necessary to Sales #2 & #3. Sale #1 is adjusted downward to reflect its superior location being close to the City’s Delaware Avenue District.

Land

No adjustments are made. Any differences in land area will be considered in parking category.

Building Area

No adjustment is warranted for Sale #2. Sales #1 & #3 are adjusted upward for building size to reflect unit quantity discount theory that smaller buildings will typically sell for more per square foot than larger buildings.

Condition

Sales #1 & #3 were in average condition and are adjusted downward. No adjustments are made to Sale #2.

Parking

This adjustment reflects parking availability which takes into consideration overall land area. Sale #1 has an inferior land to building ratio however, this is offset by a garage structure which enables inside parking. No adjustment is made to Sale #1. Sale #2 is adjusted upward to reflect its limited onsite parking. Sale #3 does not warrant adjustment as there is sufficient lawn area that was available to create onsite parking upon conversion.

Basement

Sales #1 & #2 do not require adjustments. Sale #3 is adjusted downward to reflect its finished basement.
SALES COMPARISON APPROACH TO VALUE – IMPROVED (continued)

Narrative Explanation of Adjustments in Improved Grid (continued)

Elevator

It is assumed the elevator is not operative. However, the elevator shaft, passenger car and mechanicals are in place. Although not considered operative, these components offer contributory value.

Analysis and Conclusions

The three (3) sales, as adjusted, indicate a value range extending from $6.09 to $9.96 per square foot. Weight is accorded to all sales and a unit value of $8.00/sf of building area including land is opined.

Conclusion

\[
10,062 \pm \text{sf} @ \$8.00\text{sf} = \quad \$80,496 \\
\text{SAY} \quad = \quad \$80,500
\]

INDICATED OPINION OF MARKET VALUE “AS IMPROVED” VIA THE SALES COMPARISON APPROACH AS OF JUNE 7, 2012 IS:

EIGHTY THOUSAND FIVE HUNDRED DOLLARS
($80,500)
CORRELATION AND FINAL OPINIONS OF VALUE

Application of the indicated proper approach used to value the subject property has produced the following opinions:

Opinion of Market Value Via the Sales Comparison Approach: $80,500
   (Land Only): $67,500
Opinion of Market Value Via Cost Approach: Not developed
Opinion of Market Value Via Income Approach: Not developed

APPRaised OPINION OF MARKET VALUE

EIGHTY THOUSAND FIVE HUNDRED DOLLARS ($80,500)

Analysis

The Sales Comparison Approach indicated a value opinion at $80,500. This technique establishes a reasonable value conclusion through an analysis of comparable sales, which were compared and adjusted to the subject on a price/square foot basis as improved.

In addition, a land value opinion is developed. Based on this valuation, the value opinion of the subject’s land is $67,000.

The Cost Approach to Value is not developed due to the age and condition of the building improvements, which would render any estimate of accrued depreciation to be speculative at best; thus, rendering unreliable results via this method.

The Income Approach to Value is not included as the property is a “shell” building due to its condition and is not rentable.

In the final analysis, based on the Highest & Best Use Analysis, an opinion of Market Value in Fee Simple Title for the subject of $80,500 is estimated as improved value.
CORRELATION AND FINAL OPINIONS OF VALUE (continued)

ALLOCATION OF MARKET VALUE OPINION

<table>
<thead>
<tr>
<th>Component</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$67,000</td>
</tr>
<tr>
<td>Land Improvements</td>
<td>$500</td>
</tr>
<tr>
<td>Building Improvements</td>
<td>$13,000</td>
</tr>
<tr>
<td>Personal Property</td>
<td>$0</td>
</tr>
</tbody>
</table>

Total Appraisal Value $80,500

PROPERTY AND RIGHTS TAKEN

Description of Appropriation and Rights Taken

The subject property will be subjected to a Fee taking, encompassing its entirety. The appropriation of the subject property is further identified as Map No. 4/Parcel No. 4.

Therefore damages reflect the Market Value of the entire parcel.
EFFECTS OF THE TAKING

The effect of the appropriation includes a loss of the subject building improvements, and a loss of total land area amounting to 22,324± sf. Land improvements, as previously described which are located upon the subject will also be acquired. The loss of the building, land area and land improvements represent direct damage to the property which will result from a full take fee appropriation.

A complete analysis of damages and the allocation of damages can be found as follows:

DETERMINATION AND ALLOCATION OF DAMAGES

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Before&quot; Value:</td>
<td>$67,000</td>
<td>$13,500</td>
<td>$80,500</td>
</tr>
<tr>
<td>&quot;After&quot; Value:</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Difference:</td>
<td>$67,000</td>
<td>$13,500</td>
<td>$80,500</td>
</tr>
</tbody>
</table>

Allocation of Damages

Land

Direct Damage:

Land Area Acquired:

Map No. 4/Parcel No. 4

22,324± sf @ $3.00/sf = $66,972

TOTAL DIRECT LAND DAMAGE........... $67,000 (R)

INDIRECT LAND DAMAGE: $0

TOTAL LAND DAMAGE .................... $67,000
Determination And Allocation Of Damages

TOTAL LAND DAMAGE (from previous page) $67,000

Land Improvements

Direct Damage:

Land Improvements Acquired:

All land improvements associated with the subject will be acquired in conjunction with the project.

Total Direct Land Improvement Damage $500

Indirect Land Improvement Damage
(N/A - Total Take) $0

TOTAL LAND IMPROVEMENT DAMAGE: $500

Building Improvements:

Direct: $13,000

Indirect: (N/A) $0

TOTAL BUILDING IMPROVEMENT DAMAGE: $13,000

TOTAL APPRAISED COMPENSATION & DAMAGES: $80,500

Analysis of Damages

Acquired
(Direct)

Land: $67,000
Land Improvements: $500
Building Improvements: $13,000

Total: $80,500