

**APPRAISAL REPORT
Of**

**117 Route 303
Congers, NY 10920**



Owner of Record: P XK Sources, Inc.

Client: P XK Sources, Inc.

**Effective Date of Appraisal:
September 23rd, 2019**

**Prepared by:
Ronald McInerney Jr.**



Domus Appraisals, DIXONVILLE, IN 1 (914) 969-2890
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Real Estate Valuation & Consultation Services

October 3rd, 2019

P.O. Box 594, Bronxville, NY 10708
(914) 969-2890

RE: 117 Route 303
Congers, NY

To whom it may concern:

In accordance with your request, an appraisal of 117 Route 303 located in the Congers section within the Town of Clarkstown, NY, for the purposes of estimating 'as-is' market value of the subject property's fee simple interest was performed by Ronald McInerney Jr.

I personally inspected the property on September 23rd, 2019, and have gathered and analyzed all of the necessary data to arrive at the value conclusion.

The subject property consists of one (1) taxable lot consisting of three (3) buildings spread over 5.3 acres. According to the Town of Clarkstown, the assessor's parcel numbers for this property are Section 44.12, Block 1, Lot 2.

The Sales Comparison and Income Approaches were the primary valuation methods developed. The Cost Approach was obviated due lack of verifiable land sales and the age of the subject's improvements.

Based on the investigations and analysis of the real estate market in the subject's area, and after considering all of the pertinent facts as set forth in the body of this report, the subject property's estimated market value, as of September 23rd, 2019, is:

**TWO MILLION & FIVE HUNDRED
THOUSAND DOLLARS
(\$2,500,000)**

Respectfully Submitted,



Ronald McInerney Jr.
NYS General Certified Appraiser
#46000050432

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Summary of Salient Facts and Conclusions

Address: 117 Route 303
Congers, NY 10920

Legal Description: Section 44.12, Block 1, Lot 2

Owner of Record: P XK Sources, Inc.

Census Tract: Tract Code - 0109.02
County Code - 087
MSA/ MD Code - 35614
State Code – 36

Property Rights Appraised: Fee Simple Interest

Purpose of Appraisal: Internal Valuation Purposes

Effective Date of Value: September 23rd, 2019
Signature Date: October 3rd, 2019

Lot Size: 5.3 acres (subject to survey)

Zoning: CS – Community Shopping District

Improvements: 1 Story Converted Residence (Restaurant)
2 Story Residence (1 unit)
2 Story Residence (2 units)

Total GBA: 21,111+/- square feet

2018 - 2019 Property Taxes: \$90,264

	<u>Assessed Values</u>		<u>Market Value Equivalent</u>
Land	\$ 173,100		\$ 549,523
Improvements	\$ 405,900	(31.50%)	\$ 1,288,572
Total	\$ 579,000		\$ 1,838,095

Final Reconciled Value: **\$2,500,000**

SUBJECT PROPERTY INFORMATION

IDENTIFICATION & CONDITION OF THE SUBJECT PROPERTY

The subject property is a 5.3 acre parcel located on Route 303 being improved by three (3) buildings. The buildings have a total Gross Building Area of 21,111 square feet, which includes the lower (basement) level of the restaurant. There is also a one (1) family residence and a two (2) family residence onsite.

The subject's main improvement is an 8,666 square foot converted residence now utilized as a Restaurant X & Bully Boy Bar. The restaurant has a 'rustic' appeal and overlooks a small pond. The basement area is level at grade in some areas and contains storage, some offices, a changing room for employees, a wine cellar, and various cold storage areas. The basement level adds approximately 7,500 square feet of usable area bring this buildings total GBA to 16,247 square feet. The restaurant is set directly on Route 303 which affords a good level of visibility & exposure.

The single family residence is located to the rear of the subject's site. It is well distanced from Route 303, yet sits very close to the rear property line shared with a row of single family homes. This building contains 2,820 square feet spread over two (2) floors. It has a poor conditional state and is in need of a complete renovation. There is a two (2) car garage beside the single family residence.

The two (2) family dwelling is offset just to the rear of the restaurant. There is one (1) unit on each of this building's levels. Each unit contains two (2) bedrooms. The building totals 2,044 square feet and was described by the owner as having an overall average conditional state.

The subject property is also known as 117 North Route 303, Congers, NY.

PROPERTY OWNERSHIP AND RECENT HISTORY

The tax assessor's records note the current owner of the subject property to be P XK Sources, Inc. The property transferred to its current owner on 10/23/2015 in a name only transfer. The property last sold in 1997 for a recorded amount of \$500,000. There have been no transfers within the prior ten (10) years. The subject property is not currently listed. There are no known pending sales of the property.

PROPERTY RIGHTS APPRAISED

The property rights being appraised are fee simple. The following is a definition of 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."

PURPOSE AND FUNCTION OF THE APPRAISAL

The purpose of this appraisal is to estimate the 'as-is' Market Value of the subject property as of the date of valuation, September 23rd, 2019. The function of the value sought was for Internal Valuation Purposes. This appraisal report was completed in compliance with Uniform Standards of Professional Appraisal Practice (USPAP).

MARKET VALUE DEFINITION

Market value or fair market value is the most probable price that a property will sell for in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated*
- (2) Both parties are well informed or well advised*
- (3) A reasonable time is allowed for exposure to the open market*
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto*
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

PROPERTY INSPECTION

Ronald McInerney Jr. inspected the interior & exterior of the subject property on January 30th, 2017 and then again on September 23rd, 2019. The subject property was physically measured at the time of inspection. Access to some residential portions of the property was not made available to the appraiser.

SCOPE OF WORK

This is an appraisal presented in a narrative format, intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice (USPAP) for an Appraisal Report. In addition, the report was also prepared to conform to the requirements of the Code of Professional Ethics of the Appraisal Institute and the Financial Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title XI Regulations. The scope of the appraisal required collecting primary and secondary data relative to the subject property. The depth of analysis is intended to be appropriate in relation to the significance of the appraisal issues as presented herein. The data have been analyzed and confirmed with sources believed to be reliable, whenever possible, leading to the value conclusions set forth in this report. In the context of completing this report, we have made an exterior inspection of the subject property and the improved sales and rental comparables. The valuation process involved utilizing generally accepted market-derived methods and procedures considered appropriate to the assignment. This appraisal employs two (2) of the three (3) typical approaches to value: the Sales Comparison Approach and the Income Approach. The Cost Approach was obviated due to the lack of verifiable commercial land sales coupled with the age of the subject's improvements. Based on our analysis and knowledge of the subject property typical to relevant inventory profiles, it is our opinion that the direct Sales Comparison & Income Approaches are the most appropriate valuation techniques.

CERTIFICATION OF DISINTEREST

The appraiser acknowledges that he has no present or prospective interest in either the subject property or with the parties involved.

EXTRAORDINARY ASSUMPTIONS

According to 2018-2019 Uniform Standards of Professional Appraisal Practice (USPAP), an extraordinary assumption is “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property or about conditions external to the property such as market conditions or trends, or the integrity of the data used in the analysis.”

- This appraisal was performed given the Extraordinary Assumptions that the uninspected areas of the subject property had a conditional state consistent with the areas made available for inspection. A detailed inspection of the uninspected areas may alter the findings of this report.

HYPOTHETICAL CONDITIONS

According to 2018-2019 Uniform Standards of Professional Appraisal Practice (USPAP), a hypothetical condition is “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis. Hypothetical conditions are contrary to known facts about physical, legal or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or about the integrity of the data used in the analysis.”

- There were no Hypothetical Conditions presumed within this appraisal.

The difference between whether a particular condition is an extraordinary assumption or a hypothetical condition depends upon what the appraiser knows about the particular condition in question. If an appraiser cannot verify a certain condition that is critical to the valuation but which he believes is true and has no reason to doubt is true, then the condition is an extraordinary assumption. If, on the other hand, an appraiser is asked to use a condition which he knows to be false but which is necessary for the analysis, then two things are required; the appraiser can use the condition as long as it meets the criteria in USPAP (Uniform Standards of Professional Appraisal Practice) and the appraiser must not confuse the information with the known facts. The appraiser must clearly distinguish ‘false conditions’ from those other assumptions or conditions which are believed or taken to be true.

ENVIRONMENTAL DISCLAIMERS

In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the improvements, such as the presence of UREA-Formaldehyde insulation and/or the existence of toxic waste radon which may or may not be present on the property, was not observed by me; nor do I have the knowledge of the existence of such materials on or in the property. The appraiser is not an expert in the field of environmental hazards or toxic wastes and consequently the appraisal should not be relied upon as to whether or not an environmental hazard(s) exist on or around the property. The inspection of the subject by the appraiser does not constitute an expert environmental inspection of the property. It did include research of the subject and surrounding properties with the federal agency DEC to determine what conditions do exist in and around the property. In order to fully and adequately determine the condition of the property with respect to environmental hazards, an expert in the field of environmental hazards should be engaged by the client to make an inspection of the property and make any appropriate/required conclusions regarding the same.

ESTIMATE OF VALUE

In making the estimate of value, this appraiser has considered all of the usual marketplace factors involved in and affecting the value of real property. Among other criteria, the appraiser has considered income property, typical financing patterns, zoning, development capacity, street frontage, land area and/or plottage, neighborhood characteristics and influences, availability and sufficiency of municipal utilities and services, topography and other site features, age, style, size, condition, and functional utility of the structural and site improvements, conveniences of and proximity to transportation facilities, marketability and all other factors usual and necessary of value.

2018 - 2019 TAX BREAKDOWN

Tax Bill #	SWIS	Tax Map #	Status		
008029	392089	44.12-1-2	Unpaid		
Address	Municipality	School			
117 N ROUTE 303 CONGERS	Town of Clarkstown	CLARKSTOWN CSD #1			
Owners	Property Information	Assessment Information			
PXK SOURCES INC	Roll Section: 1	Full Market Value:	1838095.00		
117 N ROUTE 303	Property Class: CONVERTED RE	Total Assessed Value:	579000.00		
CONGERS, NY 10920	Lot Size: 5.30	Uniform %:	31.50		
Description	Tax Levy	Percent Change	Taxable Value	Rate	Tax Amount
SCHOOL RELEVY	0	0.0000	0.000	1.00000000	\$58,212.17
COUNTY TAX	125900000	2.9000	91300.000	10.00187600	\$913.17
TOWN TAX	100346658	1.6100	91300.000	22.14122800	\$2,021.49
OPEN SPACE	631965	-3.5900	91300.000	0.13837000	\$12.63
COUNTY TAX	125900000	2.9000	487700.000	10.00187600	\$4,877.91
TOWN TAX	100346658	1.6100	487700.000	33.01277700	\$16,100.33
OPEN SPACE	631965	-3.5900	487700.000	0.20108500	\$98.07
CONGERS/V C AMB DIST	521870	2.4400	579000.000	0.60322800	\$349.27
COUNTY SOL WASTE	21084342	2.9100	0.000	0.00000000	\$252.63
CONSOL WATER NO 1	2653279	7.5300	579000.000	0.78360900	\$453.71
CONGERS FIRE	1384600	1.9100	579000.000	3.25146100	\$1,882.60
CONSOL LIGHT DIST	1035107	63.8400	0.000	0.00000000	\$189.79
CLARKSTOWN MASTER SD	35265239	4.6000	0.000	0.00000000	\$4,260.54
REFUSE/GARBAGE DIST	8839299	4.4800	0.000	0.00000000	\$104.00
COUNTY SOL WASTE	21084342	2.9100	0.000	0.00000000	\$535.88
Total Taxes: \$90,264.19					

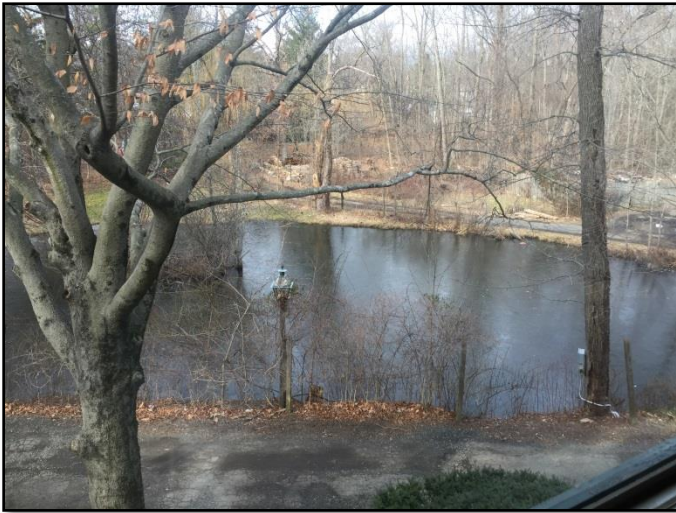
RESTAURANT PHOTOS



RESTAURANT PHOTOS



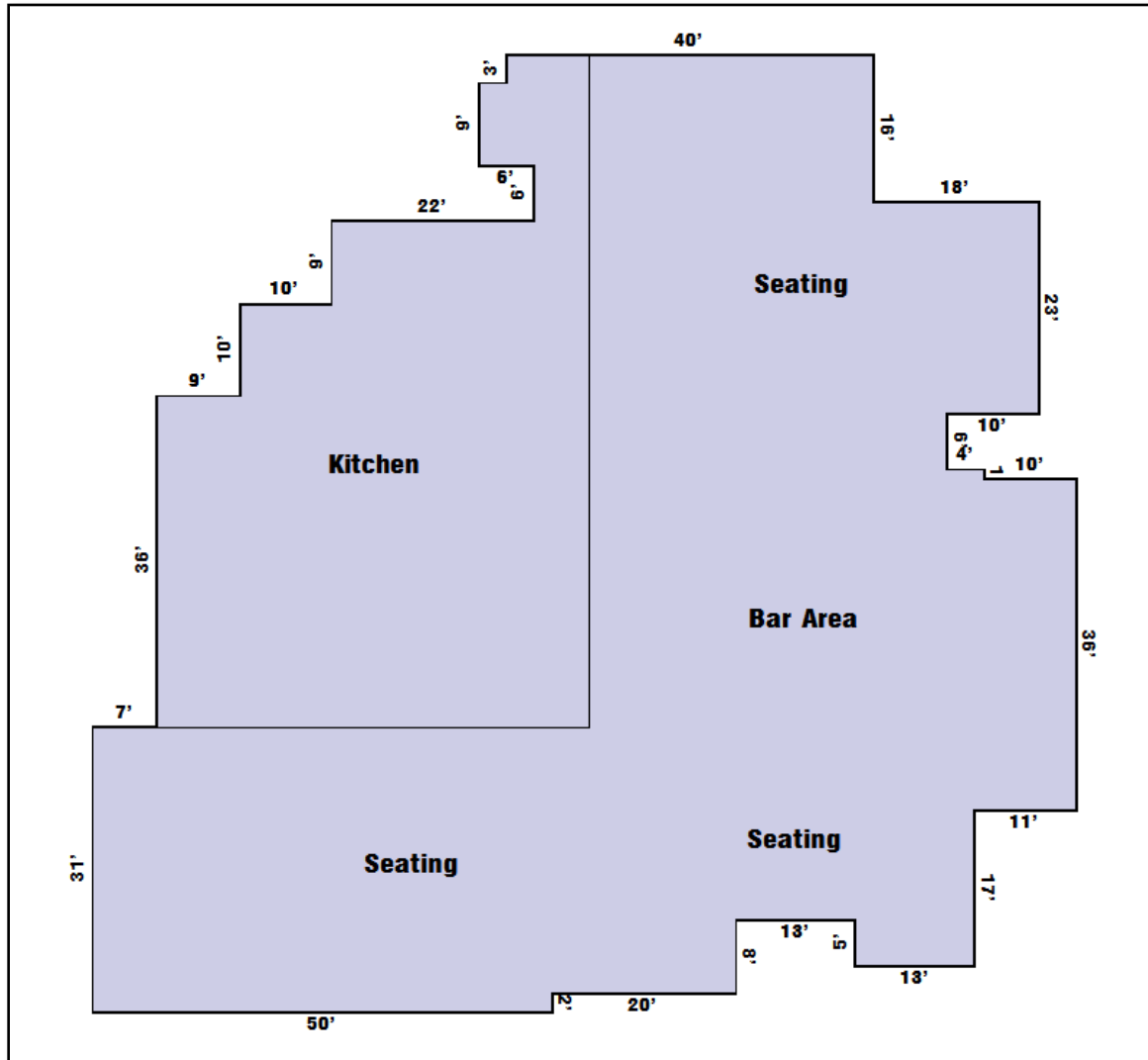
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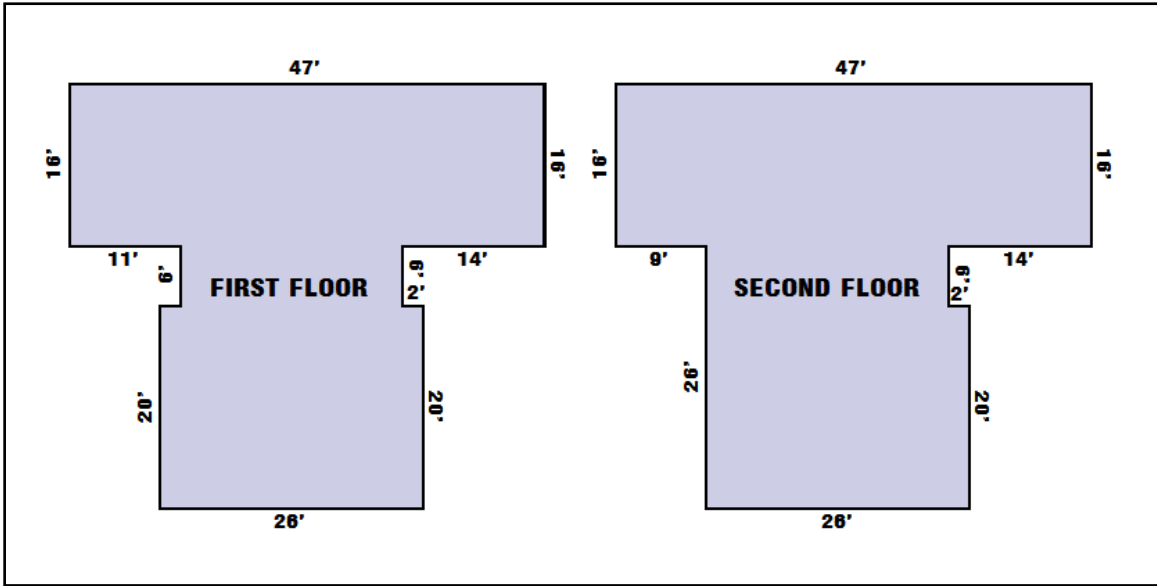
RESIDENTIAL PHOTOS



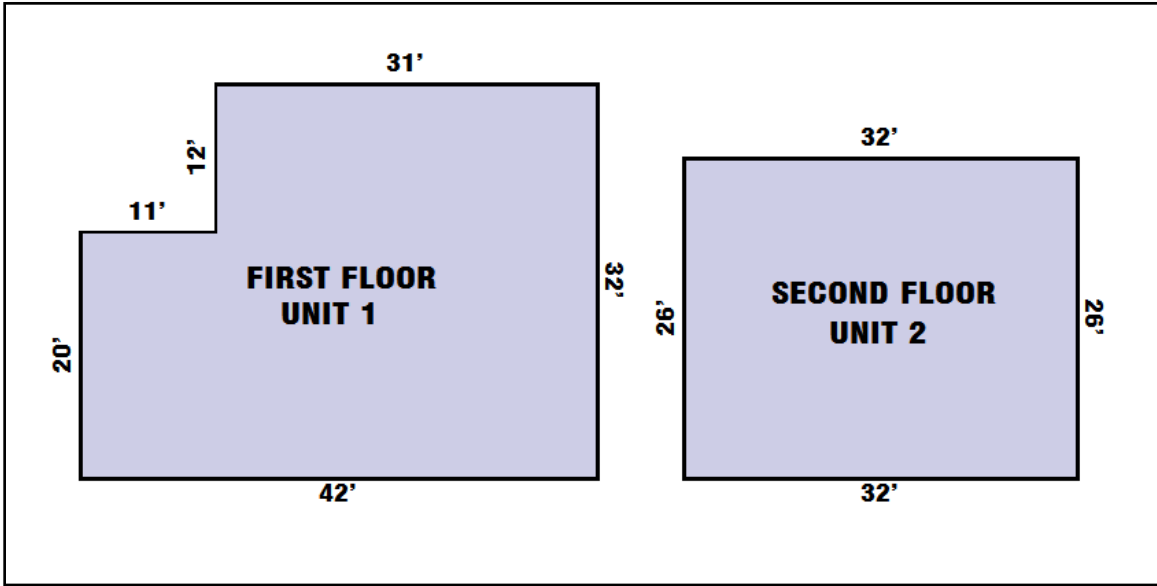
BUILDING SKETCHES



Restaurant: 8,666 sqft.
Basement: 7,581 sqft.
TOTAL GBA: 16,247 sqft.

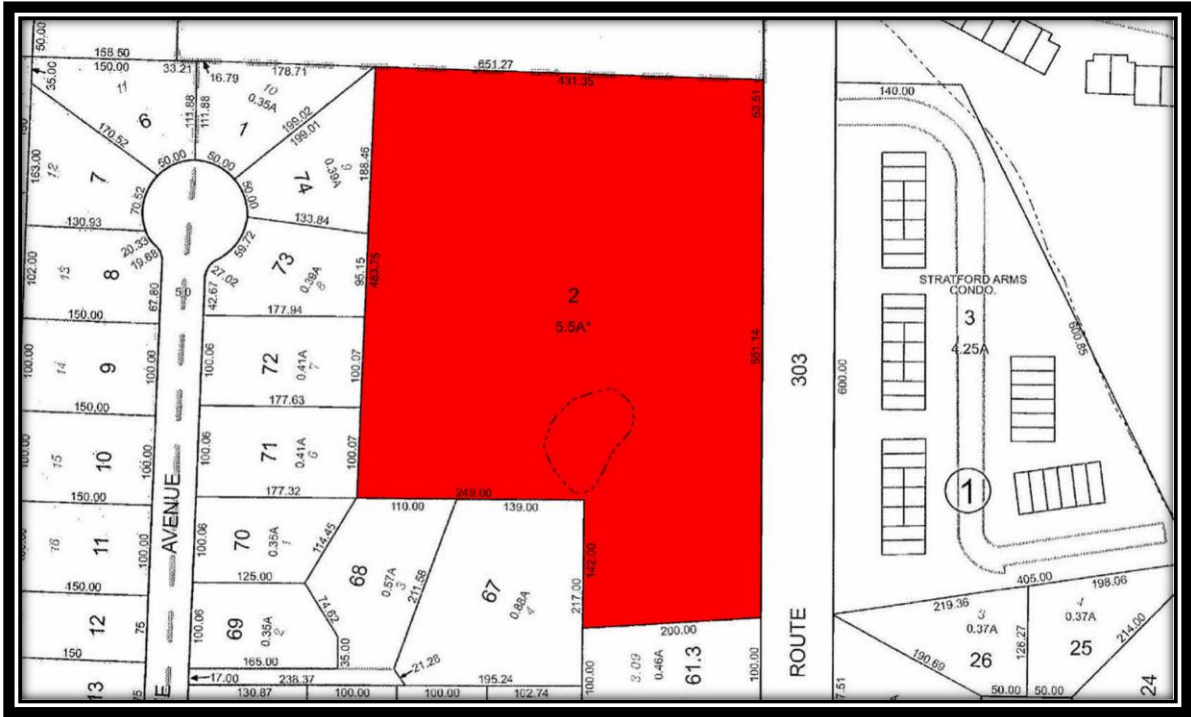


SINGLE FAMILY RESIDENCE: 2,820 sqft.

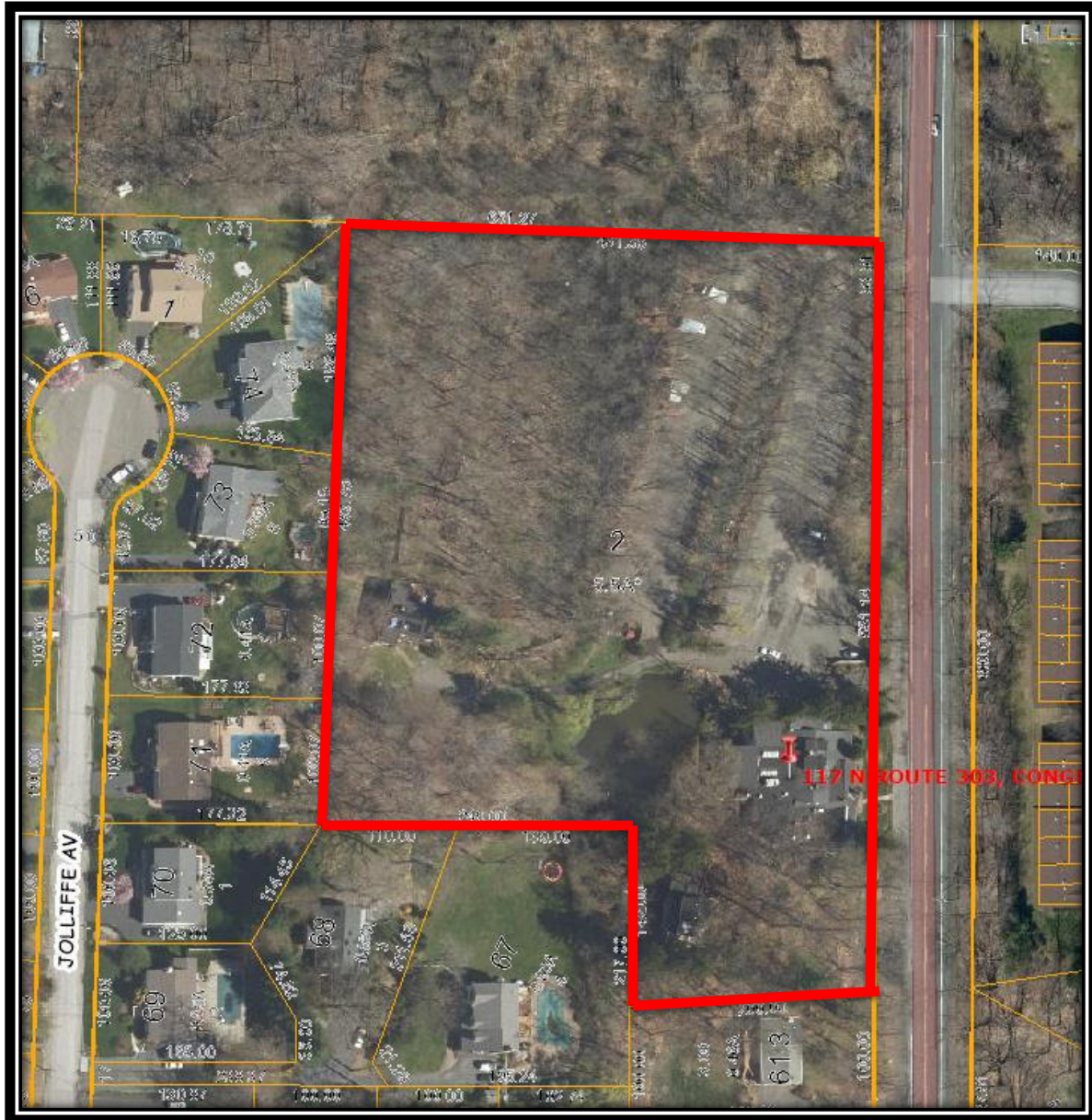


2 FAMILY RESIDENCE: 2,044 sqft.

TAX ASSESSOR'S MAPS



AERIAL MAP



Site Description

Location:	Western side (#117) of Route 303, Town of Clarkstown, Rockland County, New York.
Shape:	Irregular
Dimensions:	604.65' x 200' x 142' x 249' x 483.75' x 431.35'
Site Area:	5.3 acres (subject to survey)
Frontage:	605± ft. of frontage along the western side Route 303
Topography:	Level at grade.
Utilities:	All public utilities are available.
Soil Conditions:	No soil report of the subject site has been reviewed; however, it is assumed the soil is of sufficient load-bearing capacity to support improvements. No evidence to the contrary was observed upon our physical inspection of the property.
Access/Visibility:	The property has a good level access and a good level of visibility & exposure having 605' of frontage on Route 303.
Flood zone:	According to the Federal Emergency Management Agency Flood Insurance Rate Map No. 36087C0118G, the subject is located in FEMA Zone X. The map is dated March 03, 2014.
Development Potential:	The subject is a large sized parcel located in the R – 15 zoning district. There is potential to further develop the site.
Improvements:	The subject is improved by three (3) buildings totaling approximately 21,111 sqft. of Gross Building Area. The subject's improvements do contribute to the overall value of the site.

NEIGHBORHOOD MAPS & CHARACTERISTICS

COUNTY



Rockland County is a suburban county in the U.S. state of New York. Located 15 miles northwest of Manhattan and part of the New York City Metropolitan Area, it is the southernmost county in New York west of the Hudson River, and the smallest county by area in New York outside of New York City. The population, as of the 2010 census, was 311,687. The name derives from "rocky land", as the area was described by early Dutch and English settlers. Rockland's county seat is the hamlet of New City.

The county comprises five towns and nineteen incorporated villages, with numerous unincorporated villages (16) and hamlets. Rockland County is designated as a Preserve America Community, and roughly one-third of the county is parkland.

Rockland County lies just north of the New Jersey-New York border, west of Westchester County across the Hudson River, and south of Orange County.

According to the U.S. Census Bureau, the county has a total area of 199 square miles, of which 174 square miles is land and 25 square miles (12.60%) is water. It is the smallest county in the state outside of New York City. The county's elevations range from 1,283 feet atop Rockhouse Mountain to sea level along the Hudson River.

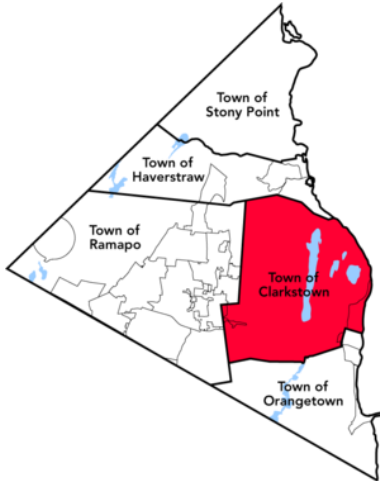
As of the census of 2000, there were 286,753 people, 92,675 households, and 70,989 families residing in the county. The population density was 1,646 people per square mile. There were 94,973 housing units at an average density of 545 per square mile. However, residents live closer together than the census numbers indicate, as 30% of the county is reserved as parkland.

The median income for a household in the county was \$68,000 and the median income for a family was \$80,000. Males had a median income of \$58,000 versus \$39,000 for females. The per capita income for the county was \$28,000. The mean, or average, income for a family in Rockland County is \$73,500 according to the 2004 census. About 6% of families and 10% of the population were below the poverty line, including 14% of those under age 18 and 8% of those age 65 or over.

There are five towns in Rockland County. The most populous is Ramapo, with 126,595 people, while the least populous is Stony Point, with 15,059 people. Clarkstown has 84,187, Orangetown has 49,212 and Haverstraw has 36,634, for a total population of 311,687 people, according to the 2010 US Census.

The county is served by several major highways, including Interstate 87/287 (the New York Thruway), opening from Suffern to Yonkers in 1955. The Tappan Zee Bridge also opened the same year, finally connecting Rockland and Westchester, allowing the population in Rockland to grow rapidly over the next several decades. The Palisades Interstate Parkway, built by master planner Robert Moses between 1947 and 1958, connects the county directly to the George Washington Bridge due south. Another vital artery, the Garden State Parkway, opened in 1955, connecting New Jersey to I-87/287.

TOWN



Clarkstown is a town in Rockland County, New York, United States. The town is on the eastern border of the county, located north of the town of Orangetown, east of the town of Ramapo, south of the town of Haverstraw, and west of the Hudson River. As of the 2010 census, the town had a total population of 84,187. The community of New City, the county seat of Rockland County, is also the seat of town government and of the Clarkstown Police Department, the county sheriff's police office, and the county correctional facility. New City makes up about 41.47% of the town's population.

The Hudson River defines the eastern border of the town, which is opposite the town of Mount Pleasant in Westchester County.

According to the United States Census Bureau, the town has a total area of 46.9 square miles, of which 38.5 square miles is land and 8.4 square miles (17.87%) is water. The New York State Thruway (Interstate 87/Interstate 287) intersects the Palisades Interstate Parkway in the town.

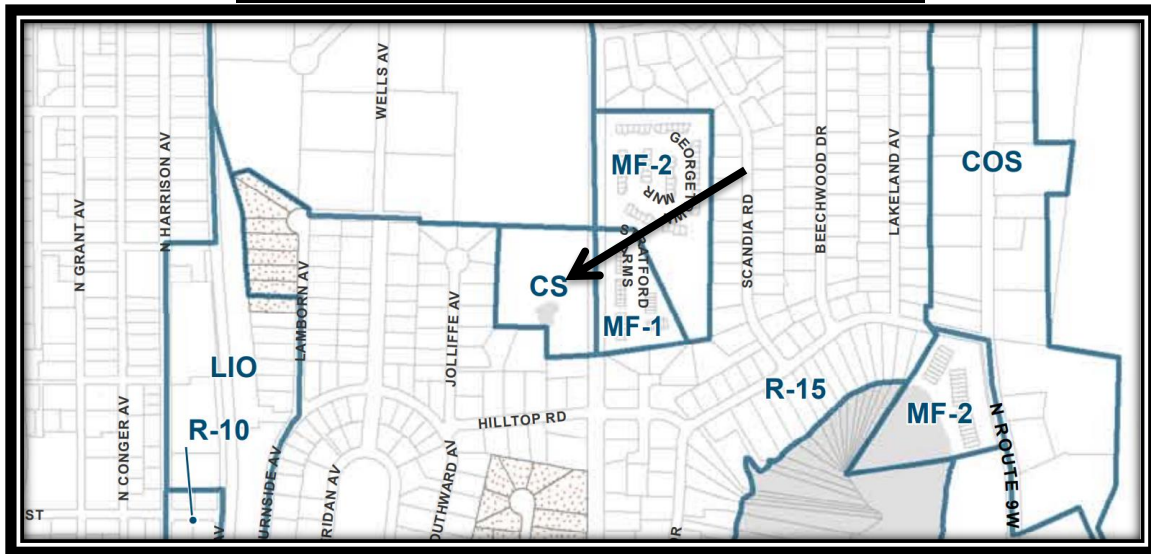
As of the census of 2000, there were 82,082 people, 27,697 households, and 21,991 families residing in the town. The population density was 2,129.7 people per square mile. There were 28,220 housing units at an average density of 732.2 per square mile. The racial makeup of the town was 79.97% White, 7.87% African American, 0.13% Native American, 7.90% Asian, 0.10% Pacific Islander, 1.99% from other races, and 2.03% from two or more races. Hispanic or Latino of any race were 6.92% of the population. The average household size was 2.90 and the average family size was 3.27. The median age was 39 years. For every 100 females there were 94.3 males. For every 100 females age 18 and over, there were 90.3 males.

According to a 2007 estimate, the median income for a household in the town was \$92,121, and the median income for a family was \$104,909. Males had a median income of \$57,773 versus \$40,805 for females. The per capita income for the town was \$34,430. About 2.5% of families and 3.8% of the population were below the poverty line, including 4.5% of those under age 18 and 3.4% of those age 65 or over.

Clarkstown is the most densely populated town in Rockland County and is home to New City, which is the county seat. Clarkstown has more business districts in it than any other town in Rockland County, including the Palisades Center, which is among the largest malls in the world.

*from Wikipedia

ZONING MAP & REQUIREMENTS



CS – Community Shopping District

1	2	3	4
District	Uses Permitted by Right	Uses Permitted by Special Permit of the Board of Appeals, Town Board, or the Planning Board, Where Specified (Subject to § 290-15 and to Section Listed Use, Where Applicable)	Permitted General Accessory Uses
CS	<ol style="list-style-type: none"> 1. Churches and similar places of worship, Sunday school buildings, parish houses and rectories. 2. Public parks and playgrounds. 3. Schools, except nursery schools. 4. Fire, police and similar public buildings. 5. Offices for professional, governmental and business uses. 6. Retail drug, dry goods and variety, food, hardware, stationary and tobacco stores, newsstands; and pickup and delivery stores for dry-cleaning, laundry, laundrette, laundromat and shoe repair establishments. 7. Other retail stores and service establishments, such as banks, package liquor stores and personal service shops dealing directly with consumers (such as barbers and beauty parlors, tailor shops, pet shops, photographic studios and restaurants, tearooms, taverns and outdoor cafes), except that drive-in restaurants shall be located only along major roads as classified on the Official Map (See § 290-4.) 8. Community centers, libraries, museums, art galleries and similar facilities and ambulance stations. 9. Other retail stores and service establishments, such as automobile salesrooms, auto-supply stores, home appliance stores, jewelry and art shops, upholsterers and commercial printing shops, provided that no auto repairs or installation of auto parts shall be permitted in this district except on lots with more than 20,000 sq. ft. with access from a major road as classified on the Official Map and not adjoining properties zoned for residential use. 10. (Reserved) 11. Animal hospitals. 12. Bowling alleys and billiard parlors. 13. Carnivals and circuses, subject to § 290-17E and L.L. No. 4-1976. (Ch. 117) as amended by L.L. No. 2-1978. 14. Motels and hotels. 15. Pet care services with all facilities and amenities within an enclosed building. 	<p style="text-align: center;">A. BOARD OF APPEALS</p> <ol style="list-style-type: none"> 1. Public housing substations or pumping stations and telephone exchanges, housed in a structure that harmonizes with the character of the neighborhood and having adequate fences and other safety devices and adequate screening and landscaping, and subject to performance standards procedure § 290-13B, provided that they provide service to the surrounding area. 2. (Reserved) 3. Public utility right-of-way, towers and lines, provided it is necessary for the general welfare; neighborhood character and surrounding property values are reasonably safeguarded; and that the towers and poles conform to the height restrictions of the district. 4. Floodplain uses within areas designated on the Official Map as a floodplain, swamp, drainage way or drainage easement as follows: parking spaces, driveways, open recreation in landscaped areas, signs and fences, provided that said uses do not block, impede or interfere with the natural drainage of the area so as to increase the danger of flooding down- or upstream from the lot. 5. (Reserved) 6. (Reserved) 7. Funeral homes, subject to all the conditions of § 290-17P. 8. Pet care services with outdoor areas for pets, subject to the conditions of § 290-17DD. <p style="text-align: center;">B. TOWN BOARD</p> <ol style="list-style-type: none"> 1. Reservoirs on lots of 3 acres or more and water towers and water tanks owned and operated by a public utility, which water tank or water tower is located at or above ground, on plots of 3 acres or more. 2. Sandpits, gravel pits, removal of topsoil and landfill or excavation operations, for a period not to exceed 5 years, subject to § 290-17L. 3. (Reserved) 4. Agency boarding homes, agency group homes, agency community residences and residential care facilities for victims of domestic violence. 5. Theaters, except drive-in theaters, subject to the additional following conditions: <ol style="list-style-type: none"> (a) No theater, whether standard or mini, shall be located within 500 feet of any residential district or within 1,000 feet of any church or school or similar place of education or worship, said measurement to be from property line to property line. 6. (Reserved) 7. Railroad passenger stations or bus stations subject to § 290-17K. 8. Railroad right-of-way, provided that all brush and cut timber are disposed of in accord with approved forestry practices. 9. Gasoline pumps with kiosks only, subject to § 290-17F. 10. Child day-care center pursuant to § 290-17Z and subject to site plan approval by the Planning Board, which approved site plan shall accompany the application for special permit. <p style="text-align: center;">C. PLANNING BOARD</p> <ol style="list-style-type: none"> 1. Senior citizen housing subject to § 290-17O(A). 	<ol style="list-style-type: none"> 1. Keeping of not more than 1 unoccupied trailer or commercial vehicle, provided that it is parked in the rear yard only. 2. Accessory production and servicing of goods subject to No. 10 in Column 8. 3. Accessory storage subject to No. 11 in Column 8. 4. Accessory parking, subject to § 290-22. 5. Accessory loading, subject to § 290-23. 6. (Reserved) 7. Recreation facilities, indoor and outdoor, incidental to churches and similar places of worship or to schools. 8. Temporary structures for storage of equipment and materials used in connection with the construction of residential development, and temporary sales offices, not to exceed 2 years.

6 Minimum Required Off-Street Parking Spaces (Subject to Article VI)		7 Minimum Required Accessory Off-Street Loading Berths (Subject to Article VI)	8 Additional Use Regulations (For Regulations Governing All Nonconforming Uses, See Article VII)
For:	At Least One Parking Space for Each:		
1. Churches, public buildings, libraries, community and recreational buildings	200 sq. ft. of floor area, but not less than 1 space for each 5 seats where provided.	1. For a public library, museum, art gallery or similar institution or governmental building, community center, hospital or sanitarium, nursing or convalescent home, institution for children or the aged, or school with floor area of 10,000 sq. ft., 1 berth; for each additional 25,000 sq. ft. or fraction thereof, 1 additional berth.	1. All new residential uses are subject to continued enforcement of performance standards procedure (§ 290-13B).
2. Schools of general instruction, nursery schools, private schools or schools of special instruction	12 seats or students for schools of elementary or nursery grades and 6 seats or students for other schools.	2. For buildings with offices and retail sales and service establishments, 1 berth for 8,000 to 25,000 sq. ft. of gross floor area, and 1 additional for each 25,000 sq. ft. or major fraction thereof so used.	2. In addition to the particular requirements for any use listed in Column 3, the Board of Appeals or Town Board, as specified in Column 3 for a particular use, where reasonable and appropriate, may require fences and other safety devices, landscaping, screening and access roads and buffer areas as required.
3. Sanitariums, convalescent or nursing homes	4 beds plus 1 for each employee.	3. For undertakers, 1 berth for each chapel.	3. No use listed in Column 3 shall be permitted for which access shall not be sufficient and suitably located to accommodate prospective traffic in a manner which will not create traffic congestion or hazard on adjacent highways.
4. Restaurants (a) Standard (b) Fast-food	100 gross sq. ft. 75 gross sq. ft.		4. Buffer areas of 75 ft. shall be required for special permit uses, except Board of Appeals or Town Board or Planning Board as specified in Column 3 for particular use may reduce width of buffer areas no more than 50 ft. where local conditions and substitute appropriate protection for neighboring properties is reasonably indicated. Such buffer areas shall be permanently landscaped and maintained in harmony with the landscaping or natural growths in the neighborhood.
5. Telephone exchanges	2 employees or 300 sq. ft. of floor area, whichever is less.		5. All uses other than one- or two-family residence shall obtain site plan approval subject to § 290-31C.
6. (a) Banks (b) Offices (c) Retail and service stores and establishments	200 sq. ft. of gross floor area. 150 sq. ft. of gross floor area. 200 gross sq. ft.		6. All uses other than single-family residences shall obtain approval of the Architectural Historic Review Board.
7. Undertakers, funeral homes	2 employees, plus 5 spaces for each chapel.		7. All uses, accessory storage and loading berths shall be within completely enclosed buildings, except garden supplies, lumber, building and masonry materials.
8. Theaters	5 seats.		8. No primary business or vehicular entrances, show windows or signs shall be located within 50 ft. of any residential district boundary along any residential street.
9. Animal hospitals	150 sq. ft. of gross floor area		9. Any use first permitted in this district and located on a plot, any plot line of which lies within 25 ft. of an R District boundary shall be screened along such plot line.
10. Bowling alleys	½ alley.		10. All accessory production and servicing of goods shall conform to the following restrictions: (a) All such goods shall be sold or delivered to customers on the premises. (b) The floor area used for such production and servicing shall be limited to 10% of the floor area of the establishment or 3,000 sq. ft. whichever is greater. (c) Nor more than 5 employees shall be engaged in such production or servicing. (d) Only electrically driven machinery shall be used.
11. Billiard parlors	½ table.		11. Accessory outdoor storage areas of vehicles, equipment or other materials shall be permanently screened from adjoining residential districts and streets.
12. Motels and hotels	Guest room or dwelling unit.		12. Notwithstanding any other buffer requirement, a buffer area of at least 30 ft. shall be provided along residential districts.
13. Auto repairs or installation of auto parts	At least 3 parking spaces for each service bay.		13. No restaurant, limited menu or otherwise, drive-in or food dispensing establishment shall be permitted within 200 ft. of any church, school, synagogue, or similar place of assembly. (The 200-foot prohibition herein shall be measured from the nearest property line.)
			14. For auto repairs or installation of auto parts, all work shall be performed indoors.

THE APPRAISAL PROCESS

There are three generally recognized approaches to value, which may be utilized in estimating the value of real estate.

The Cost Approach involves estimating the replacement cost, as if new, of a structure and deducting the estimated depreciation, if any, from all sources (physical, functional, and economic). To the result is added the land value, derived from market data, to arrive at a value estimate for the appraised property. This approach is based on the principle of substitution, which assumes that a knowledgeable purchaser relates value to cost and will not pay more for an existing structure than the cost of creating a similar structure in a comparable location.

The Cost Approach reflects the value of the land as if vacant and utilized as its highest and best use, and the separate valuation of the improvements depreciated for physical, functional, and external factors. The Cost Approach can be most useful and effective when dealing with newer structures or with special use properties. The reliability of this approach greatly diminishes when appraising an older property as the estimation of depreciation becomes increasingly speculative.

Cost is not necessarily synonymous with value, therefore, the Cost Approach can rarely stand on its own, i.e., and the value indicated by this approach must be supported by one of the other approaches. As the sales of vacant sites are rare, this approach does not provide a reliable estimate of value. Therefore, this approach was considered, but deemed not applicable and a value conclusion was not presented as a part of this analysis.

The Income Approach is a procedure in appraisal analysis which converts anticipated benefits (dollar income or amenities) to be derived from the ownership of a property into a value estimate. The Income Approach is widely applied in appraising income-producing properties. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process.

The Sales Comparison Approach is based on the principle of substitution. The theory is based on the premise that an informed buyer will not pay more for a particular property than the cost of acquiring an equal or substitute property with similar salient features and characteristics. The subject property is compared to similar properties that have sold recently. Verifiable data for generally compatible properties is utilized and comparisons, as well as, market derived value adjustments are applied to achieve maximum equalization with the subject property in order to arrive at a probable price at which the subject property would sell if offered on the market for a reasonable period of time. The Sales Comparison

Approach involves the gathering and analysis of comparable sales data. Each of these sales are compared to both each other, to derive market related values and trends through paired sales analysis as well as economic and financial data, and to the subject property where supportable and meaningful adjustments are applied to reflect dissimilar characteristics. The amount of adjustment is determined by the contribution to value made by the presence or absence of each item or factor considered. A thorough analysis was performed to gather comparable sales having similar usage or similar marketable residential characteristics.

In order to arrive at an estimate of market value for the property being appraised, it is necessary to assemble from the marketplace as much information as is considered pertinent to the appraisal problem. This information is then utilized in the three different appraisal approaches.

After arriving at an indication of value by each of the three approaches, they are reconciled into a single estimate of value based upon the approach which has the highest quantity and quality of data available, and the one in which the market participant typically has the greatest confidence.

In this instance, the **Sales Comparison Approach** was deemed to be the most reliable indicator of the subject property's current market value. The Income Approach was developed & consistent with the Sales Comparison Approach. The Income Approach was also considered to be a reliable indicator of value due to the income producing nature of the subject property. The Cost Approach was considered, but developed.

HIGHEST AND BEST USE

The Appraisal Institute defines Highest and Best Use as follows:

“That reasonable and probable use that will support the highest present value, as defined, as of the effective date of appraisal. Alternatively, that use, from among reasonable probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value. The most profitable, likely use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. However, elements affecting value which, are within the realm of possibility, but are not shown to be reasonably probable, should be excluded from consideration. Also if the intended use is dependent upon an uncertain act of another person, the intention cannot be considered. The use of land which may reasonably be expected to produce the greatest net return or will result in the highest present value, sometimes called optimum use”.

For a use to be considered the Highest and Best Use, it must meet the test of being physically possible, legally permitted by zoning and deed restrictions, economically feasible and that single use which provides the highest net return or the highest present worth. The Highest and Best Use is analyzed in two ways: Land as though vacant and ready for development and the property as it is currently improved. The Highest and Best Use of the site is influenced by public and private economic forces in the market in proximity to its location. In the following analysis, each of the criteria is considered as the optimal productivity of the subject property is addressed under both assumptions:

Criteria in Highest & Best Use Analysis

The Highest and Best Use of both land as though vacant and property as improved must meet four criteria. The Highest & Best Use must be legally permissible, physically possible, financially feasible, and maximally productive.

Legally Permissible

Factors such as private restrictions, zoning, building codes, deed restrictions, and environmental regulations need to be considered in both cases.

Physically Possible

The size, shape, terrain of the parcel of land, among other factors affects the uses for which the land can be developed.

Financially Feasible

After determining what is legally permissible and physically possible, a use that produces a net profit is considered feasible.

Maximally Productive

Among the financially feasible uses, the use that produces the highest residual land value consistent with the warranted rate of return is considered maximally productive.

Highest and Best Use Conclusions

The above definitions apply specifically to the Highest & Best Use of the land. It is to be recognized that in cases where a site has existing improvements on it, the Highest & Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until the land value in its Highest & Best Use exceeds the total value of the property. The subject's current land value does not exceed the total value of the property.

As Vacant

The subject site is a 5.3 acre lot located in the R-15, Medium Density Residence zoning district. The Highest & Best Use of the subject, 'if vacant' is considered to be "Residentially developed to the maximum allowances of the local zoning ordinances". This would most likely be as a residential subdivision.

As Improved

The subject property is currently improved with three (3) buildings; a restaurant, a single family residence and a two (2) family residence. The subject's current use is considered to be the Highest & Best Use of the property.

Sales Comparison Approach

The Sales Comparison Approach to estimating market value reflects the market's perception that the value of a property is directly related to the prices of comparable competitive properties; it analyzes the subject's market value based on prices paid in actual market transactions involving properties that have a similar highest and best use to that of the subject.

The reliability of this technique depends on (a) the degree of comparability of the property appraised with each sale, (b) the length of time since the sale, (c) the accuracy of the sales data, and (d) the absence of unusual conditions affecting the sale. The steps of the Sales Comparison Approach are as follows:

1. Research the market to find sales of properties that are comparable to the subject property; this includes the verification of all relevant sales data.
2. Analyze the comparable sales to derive market supported adjustments that reflect the significant differences between the comparable sales and the subject; general adjustment categories include buyer expenditures, property rights conveyed, finance terms, conditions of sale, market conditions, location and physical characteristics.
3. Formulate an opinion of the price or unit price for which each comparable property would have sold had it possessed all of the important attributes of the subject property, by applying the market derived adjustments to the comparable sales.
4. Reconcile the adjusted sale or unit prices into an indication of value for the subject property.

The comparable sales used to estimate the market value of the subject are presented within this report.

Collection and Analysis of Sale Data

Comparable sales were researched through leads found on through various resources & databases including: CoStar database, LoopNet, the Hudson Gateway MLS, and research from various departments in the Clarkstown Town Hall. Potential comparables were then analyzed based on a physical inspection of the property, information at the assessor's office, and a review of the recorded deeds and mortgages. The respective grantor, grantee, real estate broker, or attorney of the grantor or grantee verified each of the sales used in this analysis.

The research yielded recent sales & listings of comparable properties in the market area of the subject property; the properties that were considered most comparable to the subject have been used as the basis of this analysis.

Characteristics Affecting Sale Prices

Factors that can affect the sale prices, which include some of the following:

- Property rights conveyed
- Finance terms
- Conditions of sale
- Market conditions
- Location
- Physical characteristics (size, unit location, condition, etc.)

Therefore, the comparable sales used in this report will be analyzed based on their possession of these specific characteristics relative to those of the subject.

Units of Comparison

For the purpose of the following analyses, sale price per sqft. is the selected unit of comparison; it is calculated by dividing the sale price by the total sqft. of the property's improvements.

On the following page we will begin our Sales Comparison Approach Analysis by displaying the pertinent features & information related to each of the comparables.

Sales Comparison Approach

As previously discussed, the subject is a 5.3 acre property improved three (3) buildings totaling 21,111 square feet. The comparable search focused on properties located in the subject's immediate marketing area having similar overall appeal & potential uses as the subject. Historical & recent sales were researched & reviewed with the most compatible properties being utilized in this appraisal.

The three (3) comparables found on the following pages were considered to be the most definitive of the subject's market value amongst a number of sales & listings reviewed. The comparables are a mixture of properties actively listed on the open market or properties that have sold within two (2) years of the effective date of appraisal.

COMPARABLE #1



13 Orchard Street Nanuet, NY

Proximity to Subject:	6.09 miles SW
Sale Price:	\$2,050,000
Closing Date:	02/20/2018
Seller:	MJV Properties, LLC
Buyer:	13 Orchard, LLC
Deeded Book/ Page:	2018/ 5772
Data Sources:	CoStar, HGMLS
Verification Sources:	Assessor's Records, Realist
Deed Type:	Bargain & Sale Deed
Gross Square Feet (Building):	17,475+/- Sqft.
Lot Size:	0.69 acres
Usage:	Mixed, Commercial/ Residential
Location:	Nanuet (Similar)
Visibility/ Access:	Average+ (Inferior)
Overall Condition:	Average (Similar)
Quality of Construction:	Average (Similar)
Overall Appeal:	Good (Similar)
Price per Sqft.:	\$117

COMPARABLE #2



211 Main Street Nanuet, NY

Proximity to Subject:	6.11 miles SW
Sale Price:	\$1,200,000
Closing Date:	01/26/2018
Seller:	Fiorino, Victor & Donna
Buyer:	Balley Boys Real Estates LLC
Deeded Book/ Page:	2018/ 3933
Data Sources:	CoStar, HGMLS
Verification Sources:	Assessor's Records, Realist
Deed Type:	Bargain & Sale Deed
Gross Square Feet (Building):	6,928+/- Sqft.
Lot Size:	0.39 acres
Usage:	Restaurant/ Bar
Location:	Nanuet (Similar)
Visibility/ Access:	Good+ (Superior)
Overall Condition:	Average (Similar)
Quality of Construction:	Average (Similar)
Overall Appeal:	Good (Similar)
Price per Sqft.:	\$173

COMPARABLE #3



185 West Clarkstown Road New City, NY

Proximity to Subject:	4.73 miles W
Sale Price:	\$825,000
Closing Date:	10/27/2016
Seller:	West Clarkstown Road, Ltd
Buyer:	185 West LLC
Deeded Book/ Page:	2016/ 34392
Data Sources:	CoStar, HGMLS
Verification Sources:	Assessor's Records, Realist
Deed Type:	Bargain & Sale Deed
Gross Square Feet (Building):	4,073+/- Sqft.
Lot Size:	1.9 acres
Usage:	Mixed, Residential/ Retail
Location:	New City (Similar)
Visibility/ Access:	Good (Similar)
Overall Condition:	Average (Similar)
Quality of Construction:	Average (Similar)
Overall Appeal:	Good (Similar)
Price per Sqft.:	\$203

COMPARABLE #4



78 North Route 303 West Nyack, NY

Proximity to Subject:	4.14 miles S
Sale Price:	\$1,200,000
Closing Date:	02/10/2016
Seller:	Wbc Realty Group, LLC
Buyer:	Wnydr Property Group, LLC
Deeded Book/ Page:	2016/ 5026
Data Sources:	CoStar, HGMLS
Verification Sources:	Assessor's Records, Realist
Deed Type:	Bargain & Sale Deed
Gross Square Feet (Building):	11,530+/- Sqft.
Lot Size:	0.9 acre
Usage:	Restaurant
Location:	West Nyack (Similar)
Visibility/ Access:	Good (Similar)
Overall Condition:	Average (Similar)
Quality of Construction:	Average (Similar)
Overall Appeal:	Good (Similar)
Price per Sqft.:	\$104

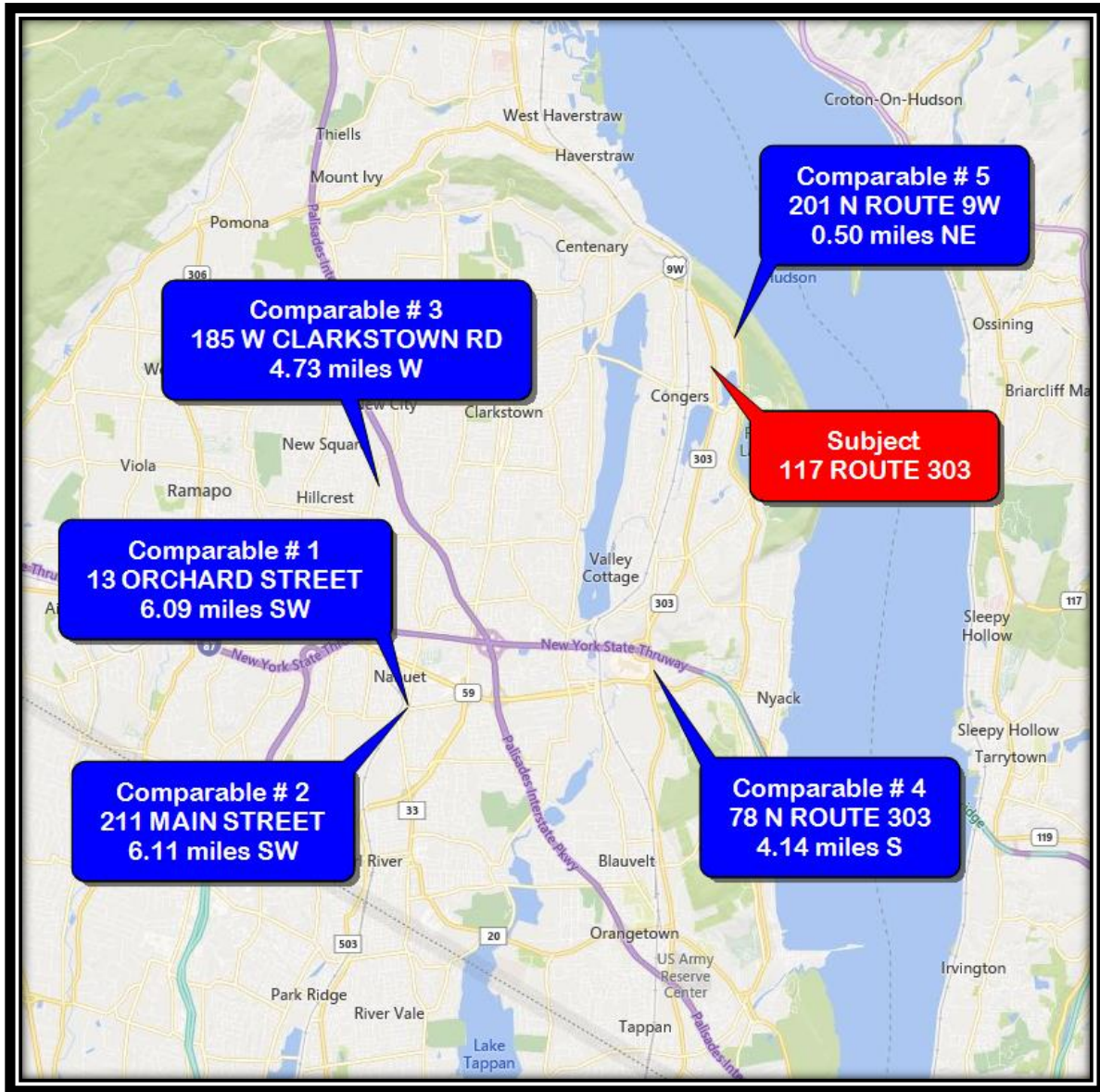
COMPARABLE #5



201 North Route 9W Congers, NY

Proximity to Subject:	0.50 miles NE
Offering Price:	\$1,150,000
Days on Market:	104 days
Original Asking Price:	\$1,200,000
Listing Agency:	Keller Williams NYC
Data Sources:	CoStar, HGMLS
Verification Sources:	Assessor's Records, Realist
Deed Type:	Bargain & Sale Deed
Gross Square Feet (Building):	4,820+/- Sqft.
Lot Size:	0.86 acre
Permitted Use:	Restaurant, Lt Ind, Retail
Location:	Congers (Similar)
Visibility/ Access:	Good+ (Superior)
Overall Condition:	Good (Superior)
Quality of Construction:	Average (Similar)
Overall Appeal:	Good (Similar)
Price per Sqft.:	\$239

COMPARABLE PROPERTIES MAP



SALES COMPARISON GRID

Comparable #	Subject	1	2	3	4	5
Address	117 Route 303	13 Orchard Street	211 Main Street	185 West Clarkstown Road	78 North Route 303	201 N Route 9W
Date of Sale		02/20/2018	01/26/2018	10/27/2016	02/10/2016	active
Sale Price		\$2,050,000	\$1,200,000	\$825,000	\$1,200,000	\$1,150,000
Gross Building Area (sqft)	21,111	17,475	6,928	4,073	11,530	4,820
Price/ sqft.		\$117	\$173	\$203	\$104	\$239
Property Rights		0%	0%	0%	0%	0%
Adjusted Price/ sq. ft.		\$117	\$173	\$203	\$104	\$239
Financing Terms		0%	0%	0%	0%	0%
Adjusted Price/ sq. ft.		\$117	\$173	\$203	\$104	\$239
Conditions of Sale		0%	0%	0%	0%	-15%
Adjusted Price/ sq. ft.		\$117	\$173	\$203	\$104	\$203
Market Conditions		0%	0%	0%	0%	0%
Adjusted Price/ sq. ft.		\$117	\$173	\$203	\$104	\$203
Physical Adjustments						
Location		0%	0%	0%	0%	0%
Building Size		-10%	-30%	-40%	-20%	-40%
Lot Size/ Utility		+5%	+10%	+10%	+20%	+10%
Condition		-0%	0%	0%	0%	0%
Visibility/ Exposure		+5%	-10%	-15%	0%	-5%
Overall Appeal		0%	0%	0%	0%	0%
Net Adjustments		0%	-30%	-45%	0%	-35%
Adjusted Value/ sqft.		\$117	\$121	\$111	\$104	\$132
Weighting		35%	25%	15%	15%	10%
Avg Value/ sqft	\$117					
Median Value/ sqft	\$117					
Weighted Avg Value/ sf	\$117					

SUMMARY OF SALES COMPARISON ANALYSIS

The comparable sales found within this appraisal were selected from a larger sampling of comparable properties. The most compatible & reliable indicators of value were compared to the subject accounting for differences in the salient, marketable features of the properties.

All sales are properties located within the subject's extended marketing area. There was a scarcity of sales & listings having similar size, appeal, location & condition as the subject. Sales were taken from the past two (2) years. Actively listed properties were also researched and reviewed. Market Condition adjustments were applied based upon yearly changes in market trends, specifically median and average sale prices.

- Location:** All sales were found to have a similar overall locational influence as the subject property. There were no adjustments applied in this field.
- Building Size:** It is common on the area for price per square foot paid to decline as the size of a building increases or vice versa when building sizes decrease. Positive adjustments were applied to larger properties with negative adjustments being made to smaller properties.
- Lot Size:** The subject is situated on an average sized lot for the area. All sales were set on lots having a similar overall appeal & size as the subject, some still requiring adjustments.
- Condition:** Sales #1 - #4 all had an overall similar conditional state when compared to the subject property. Comparable #5 had a superior conditional state when compared to the subject property. Conditional adjustments were applied in 5% increments dependent on the level of variance.
- Visibility:** Similar type properties typically benefit from higher levels of visibility due to Commercial presences. Adjustments were applied to the comparables based upon their levels of exposure & traffic (foot & vehicle). Comparable #4 is situated on the subject's street having a compatible overall visibility & exposure as the subject. Sale #1's location has an inferior level of visibility & exposure when compared to the subject. Comparables #2 & #5 have a higher level of visibility & exposure.
- Overall Appeal:** Adjustments in these fields account for the remaining marketable features that influence the subject & the comparable sales' value & appeal including corner influences, parking, unit count, topography, quality of construction, accessibility, zoning, etc.

Sale #1 is Mixed Use property equipped with Retail, Office and Residential units. The buildings total almost 17,500 square feet, which is slightly smaller than the total size of the subject's improvements. This property is set on a smaller parcel within the Nanuet area of Clarkstown. Sale #1 has an overall average conditional state, compatible to the subject's current condition. Sale #1 is one of the few Mixed Use sales within the Town of Clarkstown transferring over the prior two (2) years.

Sale #2 is a smaller commercial property being utilized as a restaurant. This property sits on Main Street in Nanuet, which has a superior overall locational influence when compared to the subject. The restaurant provides a 60+/- seat capacity, bar entertainment area, and a 100+/- seat capacity for daily dining and special event banquets. The restaurant building is situated on a much smaller .39 acre lot with 30+/- open parking spaces available. Sale #2 is equipped with a full basement with access from the interior or exterior of the building.

Sale #3 is a mixed usage property containing three (3) residential buildings and a small retail building. This is a very similar usage as the subject property with multiple buildings onsite and a partial commercial use. This property is located on West Clarkstown Road which affords a compatible level of visibility & exposure as the subject property. Sale #2's improvements are much smaller than the subject's improvements, but have an overall similar conditional state.

Sale #4 is a .9 acre parcel improved with an 11,000 square foot restaurant. This property lacks the residential component that the subject has, and is set on a smaller parcel. It has an overall similar conditional state and is equipped with a superior locational influence when compared to the subject.

Comparable #5 is a .86 acre parcel improved with a 4,820 square foot dwelling previously utilized as a funeral home. This property is situated on 9W, which affords a higher level of visibility than the subject's location. This property lacks the residential component that the subject has, and is set on a smaller parcel. This building was renovated in 2017 having a superior overall conditional state when compared to the subject.

There was a scarcity of sales within Rockland County having similar appeal and usage as the subject property. Comparables #1 - #5 were selected from a larger sampling of comparables & are considered to be reliable indicators of the subject property's current market value. Most consideration was placed on comparables #1 and #2, due to their marketable similarities to the subject.

The comparables ranged in sale prices from **\$825,000 - \$2,050,000** or **\$104/ sqft. – \$239/ sqft.** The comparables' adjusted prices per sqft. produced a range of **\$104/sqft – \$132/sqft.** The average adjusted price per square foot was **\$117**, the median adjusted price per square foot was **\$117**, and the weighted average adjusted price per square foot was **\$117**. Based on the similarities & differences in the sales, a market derived price/ SF of **\$115** has been reconciled.

Therefore:

Gross Building Area (SF)	x	Price/ SF	=	Indicated Market Value
21,111 SF	x	\$115/ SF	=	\$2,425,000

THE INCOME APPROACH

The Income Approach is based on the concept of the present worth of anticipated future benefits resulting from the ownership rights in real property. In income producing realty, these rights of ownership are most evident in the present and anticipated future income, which is then capitalized to reflect present value. Investors in income producing properties expect to receive a reasonable return on their investment, tax benefits and increased equity at the time of reversion at the end of a holding period. Gross income is based on actual income data, if available, as well as estimates extracted from the specific submarket. Operating expenses are derived from actual subject data, if available, and typical expense ratios of other similar use properties in the area. Net operating income (NOI) is the gross scheduled income less vacancy and credit loss, reserves and operating expenses. Mortgage payments and depreciation are not considered operating expenses, so the NOI is essentially the net income that might be realized if the property was purchased for all cash. An investor is most likely to use capitalization of income as the method of estimating value, referred to as a "Cap Rate" method. It assumes that an investment property's value bears a direct relation to the property's ability to throw off net income. Mathematically, a property's simple capitalization rate is the ratio between its net operating income (NOI) and its present value:

$$\text{Cap. Rate} = \text{NOI} / \text{Present Value}$$

The use of capitalization to estimate value requires just a transposition of the formula:

$$\text{Present Value} = \text{NOI} / \text{Cap. Rate}$$

The capitalization rate is market based and selected to reflect the potential return on investment and proportionate compensation considering risk factors, effort and illiquidity on competitive investments, as extracted from the market. "Capitalization rates are often controversial and misunderstood variables in commercial real estate valuation equations" according to John Simpson of CCIM. "To value properties, most buyers and sellers prefer an income approach, which analyzes cash flows to determine debt service and investor return — typically the internal rate of return — so it's easy to see why cap rates are scrutinized. In fact, no other valuation aspect is debated as heavily as cap rates because unsupported data often leads to inaccurate commercial property valuations. The importance of the cap rate to a property's value conclusion using the income approach is significant.

DERIVATION AND FORMULATION OF THE CAPITALIZATION RATE

The 'cap' rates utilized in determining a reasonable and probable capitalization rate for the subject were primarily extracted from various sources including, but not limited to, overall market data and anticipated return by investors in this specific submarket, financial data sources, including the Appraisal Institute, which specialize in the compilation, analysis and development of current capitalization rates for rental, leasehold, commercial properties in the metro New York region, commercial banks and other financial institutions in the area. An extensive review of verifiable leases, sales of similar income producing, commercial properties, which have taken place over the last five years along with current listings, provided additional data, which was also considered in the formulation of the 'cap' rate utilized in this analysis. The prevailing capitalization rates for similar type properties in this specific submarket range from a low of .04 to a high of .11 and reflect investor expectations in this submarket. Investors in the area expect an equity dividend rate of 5% to 10% (within a broader range of 3% to 15%) for property types similar to the subject. The higher rates of return comprise a safe rate and an additional premium for risk factors, illiquidity and management effort. A review of sales, many of which were not used in this report, indicated an overall market 'cap' rate range of .05 to .07 dependent on the condition of the properties and their risk factors. Other similar properties, which were reviewed, provided an overview of the overall parameters for "cap" rates in the subject's specific submarket. The Cap Rate utilized has been developed from sales and considers the band of investment and mortgage equity approaches. The New York metro area is experiencing low mortgage interest rates and fluctuations in these rates can have a profound and significant impact on the development of timely and appropriate capitalization rates. Risk levels are very difficult to measure in this unstable environment. Empirical data from leading analysts suggest that capitalization rates have remained stable yet economic conditions have deteriorated on nearly all fronts. This analysis does consider, but does not rely solely on the capitalization technique for valuation of the subject property.

PROPERTY ADDRESS	PROPERTY TYPE	SALE PRICE	NOI	DATE	CAP RATE	DATA SOURCES
368 New Hempstead Rd	Retail	\$2,900,000	\$184,900	Feb-17	6.38%	HGMLS
747 W Nyack Road	Mixed Use	\$1,450,000	\$98,400	Jun-17	6.80%	HGMLS
285 N Route 303	Retail	\$5,830,000	\$335,225	Feb-17	5.75%	LoopNet
130 West Route 59	Retail	\$5,275,000	\$316,500	Feb-17	6.00%	LoopNet
185 West Clarkstown Rd	Mixed	\$825,000	\$49,500	Oct-16	6.00%	HGMLS

The Cap Rates above ranged from 5.75% - 7.00%, with an average Cap Rate of 6.19%. Based on the analysis of all available, current market data along with information obtained from a variety of financial institutions, private investors and appraisal files indicating capitalization rates in the area, a 'cap' rate of .06 (6.0 %) was selected to be applied to the subject.

6.0% Capitalization Rate

SUBJECT'S ACTUAL RENTS

The client has provided a summary of the actual income and expenses for the subject property. The subject's current rental income is shown below.

Unit	Usage	Size	Monthly Rent Amount	Yearly Rent Amount	Rent/ Sqft.
Main Building	Restaurant	16,247 sqft	owner	n/a	n/a
Single Family	Residential	2,840 sqft	vacant	n/a	n/a
Unit #1 Two Family	Residential	1,212 sqft	\$1,000	\$12,000	\$ 9.90
Unit 2 Two Family	Residential	832 sqft	\$1,000	\$12,000	\$ 14.42

Most two (2) bedroom units in Congers having similar size as the subject ranged in monthly rent from \$1,000 - \$2,500 depending on size, condition, appeal and location.

Single family properties having an average overall conditional state and similar size as the subject's single family typically rent from \$2,800 - \$3,500 depending on size, condition, appeal and location.

A number of rentals were reviewed having current or potential uses as restaurants. These type rentals ranged in yearly leases from \$15/ sqft - \$30/ sqft.

Based on the similarities and differences found between the various rent comparables researched and the subject property, the following chart shows the appraiser's opinion of market rents for the subject property. The subject's single family market rent is reflective of the building being in a rentable state.

Unit	Usage	Size	Monthly Market Rent	Yearly Market Rent	Rent/ Sqft.
Main Building	Restaurant	16,247 sqft	\$21,500	\$258,000	\$ 15.88
Single Family	Residential	2,840 sqft	\$ 3,000	\$36,000	\$ 12.68
Unit #1 Two Family	Residential	1,212 sqft	\$ 1,300	\$15,600	\$ 12.87
Unit 2 Two Family	Residential	832 sqft	\$ 1,000	\$12,000	\$ 14.42
TOTALS		21,111 sqft	\$26,800	\$321,600	\$ 15.23

EXPLANATION OF EXPENSES

The subject property has an overall average conditional state and appeal when compared to other similar sized retail strips in the area. The property's actual expenses were provided and found to be fairly consistent with other similar properties in the area. Some of the expenses utilized within the Income Approach have been estimated from actual expenses of similar type properties within the subject's marketing area.

Vacancies & Losses

Residential vacancy rates averaged at approximately 5% within the market area for similar properties. This estimate has been utilized within the Income Approach.

Real Estate Taxes

The subject's 2018-2019 taxes were verified with Clarkstown's Receiver of Taxes. The subject's taxes are based off of the assessment which has a market value equivalent of \$1,838,095.

Insurance

Actual Insurance related costs were not provided and utilized within the Income Approach. Typical insurance expenses for similar type properties generally range from 2% - 6% of a property's Effective Gross Income (EGI). The subject's insurance expenses were estimated at 3% of the property's EGI.

Utilities

The subject's actual utility expenses were not provided. Typical utility expenses for similar type properties generally range from 4% - 8% of a property's Effective Gross Income (EGI). The subject's utility expenses were estimated at 5% of the property's EGI.

Repairs & Maintenance

Actual repairs & maintenance expenses were not provided for the subject. The subject's repairs were based upon a calculation of \$.50 per square foot of Gross Building Area.

Management & Professional Fees

Typically management & professional fees range from 2% - 6% within the subject's area. The management fees utilized in this Income Approach were calculated at to 3% of the Effective Gross Income of the property.

Reserves

Most income producing properties have reserves factored into their expenses to accommodate for the replacement of both short & long lived items including roof replacement, mechanical repairs, and replacement of appliances. The reserves expenses were calculated at 2% of the Effective Gross Income.

INCOME APPROACH VALUATION

The estimated value of the subject property, by the Income Approach, is based on income data obtained from the area commercial, submarket and supplemented by expense items, projected expense ratios extracted from the market, and knowledge of the operation of comparable rental properties. The capitalization rate applied to the net operating income reflects the appraisers' estimate and judgment of the expectations of investors in competing properties in this specific submarket, reflecting comparable physical characteristics and amenities similar to the subject. Physical condition and other value related items were also considered in the formulation of this value estimate.

Gross and Net Annual Income & Expenses are based upon market derived factors & are consistent with market expenses of similar type units in the area.

Income

Monthly Rental Income Potential:	\$26,800
	<u>X 12</u>
Gross Annual Income Potential	\$ 321,600
Vacancies & Losses (5%)	<u>- 16,080</u>
Effective Gross Income	\$ 305,520

Expenses

Real Estate Taxes	\$ 90,264
Insurance	9,165
Utilities	15,276
Repairs	10,555
Management Fees	9,165
Reserves	<u>6,110</u>
Projected Annual Expense	140,535

Effective Net Income	\$ 164,985
Net Operating Income Rounded to	\$ 165,000

The value of the subject is estimated to be as follows:

$$\begin{aligned} \text{Value} &= \text{Income divided by Rate} \\ \text{Value} &= \$165,000 / .06 = \end{aligned}$$

\$ 2,750,000 (rounded)

RECONCILIATION OF FINAL VALUE ESTIMATE

Reconciliation is the step in the appraisal process in which the relative significance, applicability, and defensibility of each approach is weighed. The final conclusion of value is based upon the appropriateness, accuracy, and quality of evidence contained in the appraisal.

The Sales Comparison Approach best reflects the actions and attitudes of the typical buyer and seller in this market and was given the most consideration as a value indicator. This approach best expresses what a normal buyer would pay for a property if listed on the open market for a reasonable period of time and, thus represents the strongest and most reliable indication of value.

The Income Approach was based upon market data gathered from similar type properties in the subject's marketing area. This approach was deemed reliable due to the availability of expense & income information within the area. As mentioned, the Income Approach includes income from the single family reflective of this building being in a rentable state. This structure was not habitable at the time of inspection. Due to this consideration, the results of the Income Approach are found at the top end of the subject's valuation range.

The comparable properties found in this appraisal were chosen from a rather small sampling. Data was considered in addition to the data displayed in the report. Due to the conditional state of the subject property, primary weight was placed on the Sales Comparison Approach. The Income Approach has been fully developed and provides support to the Sales Comparison Approach.

<u>Income Approach</u>	\$2,425,000
<u>Sales Comparison Approach</u>	\$2,750,000

It is the appraiser's opinion that the estimated market value of the subject property, in its condition defined within this appraisal, as of the date of valuation, September 23rd, 2019 to be:

**TWO MILLION & FIVE HUNDRED
THOUSAND DOLLARS
(\$2,500,000)**

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions, and subject to the following limiting conditions.

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any and all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative materials in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent environmental or physical conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering environmental studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Possession of this report, or a copy thereof, does not carry with it the right of publication.

CERTIFICATIONS

The Appraiser certifies and agrees that:

1. The Appraiser has no present or contemplated future interest in the property appraised; and neither the employment to make the appraisal, nor is the compensation for it, contingent upon the appraised value of the property.
2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the clients. The "Estimate of Market Value" in the appraisal report is not based in whole or part upon the race, color, or national origin of the present owners or occupants of the properties on the vicinity of the property appraised.
3. Ronald McInerney Jr. personally inspected the property. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraiser has not knowingly withheld any significant information.
4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analysis, opinions, and conclusion contained in the report).
5. The appraiser completed an appraisal of the subject in January of 2017. The appraiser has not performed any additional appraisal services associated with the subject within the prior 36 months.
6. The exposure time for the subject property is similar to the marketing time noted within this report & is estimated between 3-12 months.
7. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct.
8. All conclusion and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the report. No change of any item in the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.
9. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Ronald McInerney Jr. has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

Respectfully Submitted,



Ronald McInerney Jr.
NYS Certified General Appraiser
License# 46000050432

UNIQUE ID NUMBER 46000050432	State of New York Department of State DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 109603
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO: 08 DAY: 20 YR: 18
MCINERNEY RONALD W JR C/O DOMUS APPRAISALS 15 HANCOCK AVE YONKERS, NY 10705		EXPIRATION DATE MO: 08 DAY: 19 YR: 20
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		
<small>In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.</small> ROSSANA ROSADO SECRETARY OF STATE		
<small>DOCS-1096 (Rev. 3/01)</small>		