



616 NORTH FRENCH ROAD, SUITE 200
AMHERST, NEW YORK 14228
PHONE: (716) 634-8970 FAX: (716) 565-2024

CLIENT: **COR Development Co., LLC**
540 Towne Drive
Fayetteville, New York 13066

Attention: Mr. Anthony Pugliese
Director of Finance

APPRAISER: Michael Gluc, MAI
President, Principal Appraiser

NEAC FILE NO.: 15-134

PROPERTY TYPE: Ground Lease

RESTRICTED
REAL ESTATE APPRAISAL OF:

Collamer Crossings
24 Aspen Park Boulevard
Dewitt, New York 13057
(Ground Lease)

DATE OF VALUATION: January 2, 2015 (Ground Lease)

**THE "AS IS" MARKET VALUE OF THE
LEASED FEE INTEREST IN THE GROUND
LEASE AS OF JANUARY 2, 2015, IS:**

\$3,600,000



**616 NORTH FRENCH ROAD, SUITE 200
AMHERST, NEW YORK 14228
PHONE: (716) 634-8970 FAX: (716) 565-2024**

January 2, 2015

Mr. Anthony Pugliese
Director of Finance
COR Development Co., LLC
540 Towne Drive
Fayetteville, New York 13066

Re: Collamer Crossings
24 Aspen Park Boulevard
Dewitt, New York

Dear Mr. Pugliese:

Pursuant to your request, the following is a Restricted Report, which is intended to comply with the reporting requirements set forth under the Uniform Standard of Professional Appraisal Practice (USPAP). As such, it presents limited discussions of the data, reasoning, and analyses that were utilized in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file.

The subject property consists of a ground lease for 7.64± acres of land situated on Aspen Park Boulevard within the Collamer Crossings office park.

The subject site is situated on the north side of Aspen Park Boulevard in the Town of Dewitt, County of Onondaga and State of New York.

The ground lease is for (20) years with (2) five-year options. The property will be improved with a 52,000± square foot office building which is not part of this report.

The lease has an option for the tenant to purchase the demised premise at fair market value.

Mr. Anthony Pugliese
January 2, 2015
Page 2

It is my opinion, based on the data collected and analyzed and subject to the limiting conditions set forth herein, that the “as is” market value of the leased fee interest in the ground lease as of January 2, 2015, is:

\$3,600,000



Michael Gluc, MAI
President/Principal Appraiser
New York State Certified
General Real Estate Appraiser
ID #: 46-4723
PA Certified General
Real Estate Appraiser
Certification No. GA003447

MG/nw/dj

CERTIFICATION:

I hereby certify that, to the best of my knowledge and belief, except as otherwise stated in this appraisal report:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. I have performed no services as an appraiser, or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, as well as the standards of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. The Principal Appraiser, Michael Gluc, MAI, has made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this report.
11. The appraiser prepared the report in conformity with the Client's Scope of Work, the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the Appraisal Institute. The report complies with the Competency Rule of the Uniform Standards.
12. The appraisal assignment has not been based on approval of the loan and/or reporting of a minimum or specific market value conclusion.
13. The appraiser is competent to undertake the appraisal assignment that is the subject of this report based on his achievement of voluntary certification as General Real Estate Appraiser within the State of New York, and his previous experience in valuing similar properties. The Principal Appraiser is a Member of the Appraisal Institute and has taken courses from the Appraisal Institute and the former Society of Real Estate Appraisers. As of the date of this report, Mr. Gluc has completed the continuing education program for Designated Members of the Appraisal Institute.

CERTIFICATION: (Continued)

Based upon my inspection of the property and the investigation and analysis undertaken, I have formed an opinion that as of January 2, 2015 and subject to the assumptions and limiting conditions set forth in the report, the “as is” market value of the leased fee interest in the ground lease as of January 2, 2015, is:

\$3,600,000

The appraiser has estimated the exposure/marketing time for the subject property to be between 9-12± months.



Michael Gluc, MAI
President/Principal Appraiser
New York State Certified
General Real Estate Appraiser
ID #: 46-4723
PA Certified General
Real Estate Appraiser
Certification No. GA003447

EXECUTIVE SUMMARY

ADDRESS	24 Aspen Park Boulevard Dewitt, New York
SBL NO.	21.000-01-011.004
REPUTED OWNER	COR Collamer Rd. Co., LLC
INTEREST BEING APPRAISED	Leased Fee
LAND SIZE/AREA	7.64± acres
BUILDING AREA	N/A – Ground Lease
ZONING	Commercial
ASSESSMENT	\$535,000
FULL VALUE ASSESSMENT	\$535,000
REAL ESTATE TAXES	TBD
ACTUAL AGE	N/A – Vacant Land
EFFECTIVE AGE	N/A – Vacant Land
REMAINING ECONOMIC LIFE	N/A – Vacant Land
HIGHEST & BEST USE AS VACANT	See "Highest & Best Use" Section
HIGHEST & BEST USE AS IMPROVED	See "Highest & Best Use" Section
DATE OF PROPERTY VALUATION	January 2, 2015

EXECUTIVE SUMMARY: (Continued)

VALUE INDICATORS

	<u>“As Is” Ground Lease</u>
COST APPROACH	N/A
SALES COMPARISON APPROACH	N/A
INCOME APPROACH	\$3,600,000

**FINAL OPINION OF “AS IS” VALUE
OF THE LEASED FEE INTEREST
IN THE GROUND LEASE IS:**

\$3,600,000

INTENDED USE AND USER OF APPRAISAL REPORT:

The intended use of this appraisal is to render an opinion of value for the “as is” market value of the ground lease for internal information. The intended user is the client, COR Development Co., LLC, its successors and/or assigns. *This report has no other purpose and should not be relied upon by any other person or entity.* This report cannot be used for a mortgage with any financial institution.

EXTRAORDINARY ASSUMPTIONS:

No extraordinary assumptions were made in this appraisal.

HYPOTHETICAL CONDITIONS:

This appraisal does not utilize any hypothetical conditions.

PROPERTY RIGHTS APPRAISED:

The market value rendered herein reflects leased fee interest. The appraiser has rendered an opinion of the market value of the leased fee interest based on the actual lease in place and supported by market level rents.

COMPETENCY STATEMENT:

The principal appraiser recognizes the intended use, the appraisal problem and the scope of work to be performed based on the complexity and the physical nature of the subject property. The appraiser holds the practical experience, proficiency and is well qualified to accept and complete the assignment in a manner which facilitates credible results.

EFFECTIVE DATE OF VALUATION:

The effective date of this value opinion is January 2, 2015. Unforeseen changes in the future economic conditions or dynamic changes in any of the financial markets or U.S. tax laws that may occur after the effective date, could have a material effect on the range of property value. As in all economic studies of this type, the value range presumes a stable economy with no significant change in the local marketplace. No responsibility is assumed for changes in market conditions.

SALES HISTORY:

The subject has not sold within the past (5) years. There is no current listing or pending sale. The subject is a ground lease whereby the tenant has exercised their option to purchase the property based on fair market value. The intended use of this appraisal is to establish the market value of the ground lease.

TAXES AND ASSESSED VALUATION:

Assessed Value:

Tax Map No.	Land	Improvements	Total
21.000-01-011.004	\$535,000	\$0	\$535,000

Equalization Rate	Equalized Value
100%	\$535,000

Taxes: The lessee is tax exempt therefore there are no real estate taxes.

SCOPE OF THE APPRAISAL:

Type of Appraisal:

This is a **Restricted** Appraisal, therefore some of the supporting data is contained in our files.

The scope of the appraisal is to render an opinion of the "as is" market value of the leased fee interest of the ground lease as of January 2, 2015.

The scope of this appraisal includes the necessary research and analysis to prepare the report in accordance with its intended use, the "Standards of Professional Practice of the Appraisal Institute", and the "Uniformed Standards of Professional Appraisal Practice (USPAP)" of the Appraisal Foundation.

The appraisal will consider the Cost, Sales Comparison and Income (Discounted Cash Flow Analysis) Approaches to arrive at a final value estimate. The appraiser will analyze the current economic conditions, supply and demand factors, potential buyers for the subject property as well as a review of the competing facilities in determining the appropriate methods utilized in the appraisal. In addition, the quality, reliability and availability of confirmed data is also important in choosing the appropriate methods of valuation.

The scope of work is acceptable when it meets or exceeds both the expectations of parties who are regularly intended users for similar assignments and what other appraisers' actions would be in performing a similar assignment. The appraiser also recognizes the client's assistance in shaping the full range of the scope of the work.

The Sales Comparison Approach will not be used to support the market value of the subject since a restricted report was requested and the Income Approach is deemed the best indicator of value.

Since the appraisal assignment is to value the ground lease, the Income Approach will be used and will be given full consideration. Therefore, the Income Approach is deemed the best indicator to value. It is my opinion that the Income Approach supports a credible value.

SCOPE OF THE APPRAISAL: (Continued)

The scope of the appraisal is to gather current data from the marketplace to support an opinion of market value.

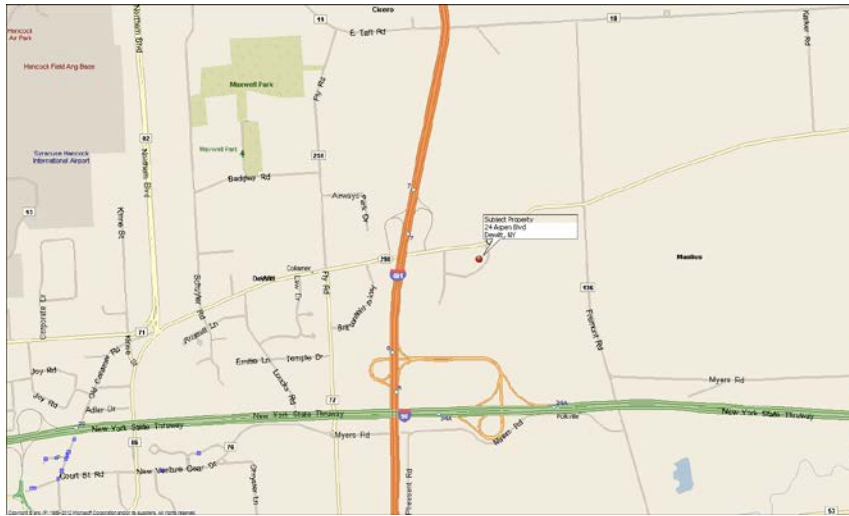
In preparing the appraisal report, the following steps were undertaken:

- The property was not inspected. The appraiser was supplied with a survey and general subject property information.
- Research was completed at the Assessor's office in the Town of Dewitt.
- County and municipal data was taken from the previously compiled database of Northeastern Appraisal Associates Commercial Inc. and the Internet. Neighborhood data was based on the appraiser's inspection and survey of the subject's immediate area.
- The subject property data was based on the appraiser's inspections. Certain other data was obtained and verified through the City's Assessment, Planning and Zoning offices.
- In estimating the highest and best use of the subject, an analysis was made of data compiled in the previously described steps. In addition, a survey of similarly zoned and configured properties in the subject market area was compiled to help determine the economic feasibility.
- In developing the approaches to value the market data was collected from files of Northeastern Appraisal Associates Commercial Inc., Assessor's Records, other appraisers, realtors and other persons knowledgeable of the subject property and other municipal offices.
- Various persons active in the local real estate market were interviewed including realtors specializing in the sale and lease of similar facilities and owners and renters of the comparable properties.
- The comparable data selected was physically inspected and all sales and rental data was confirmed by either the broker, Grantee, Grantor, Lessee, Lessor or lease documents. All sales were confirmed to the deeds at County Hall.
- After assembling and analyzing data defined in this scope of the appraisal, a final opinion of market value was derived.

MARKET AREA DEMAND:

The same locational, social, economic and governmental influences which act on a regional basis also operate on individual market areas. The term “market area” here is being defined as an area with complementary land use and accessibility. Although the area boundaries often coincide with physical features, the concept of the market area is more importantly related to economic and land use patterns.

Market Area Map

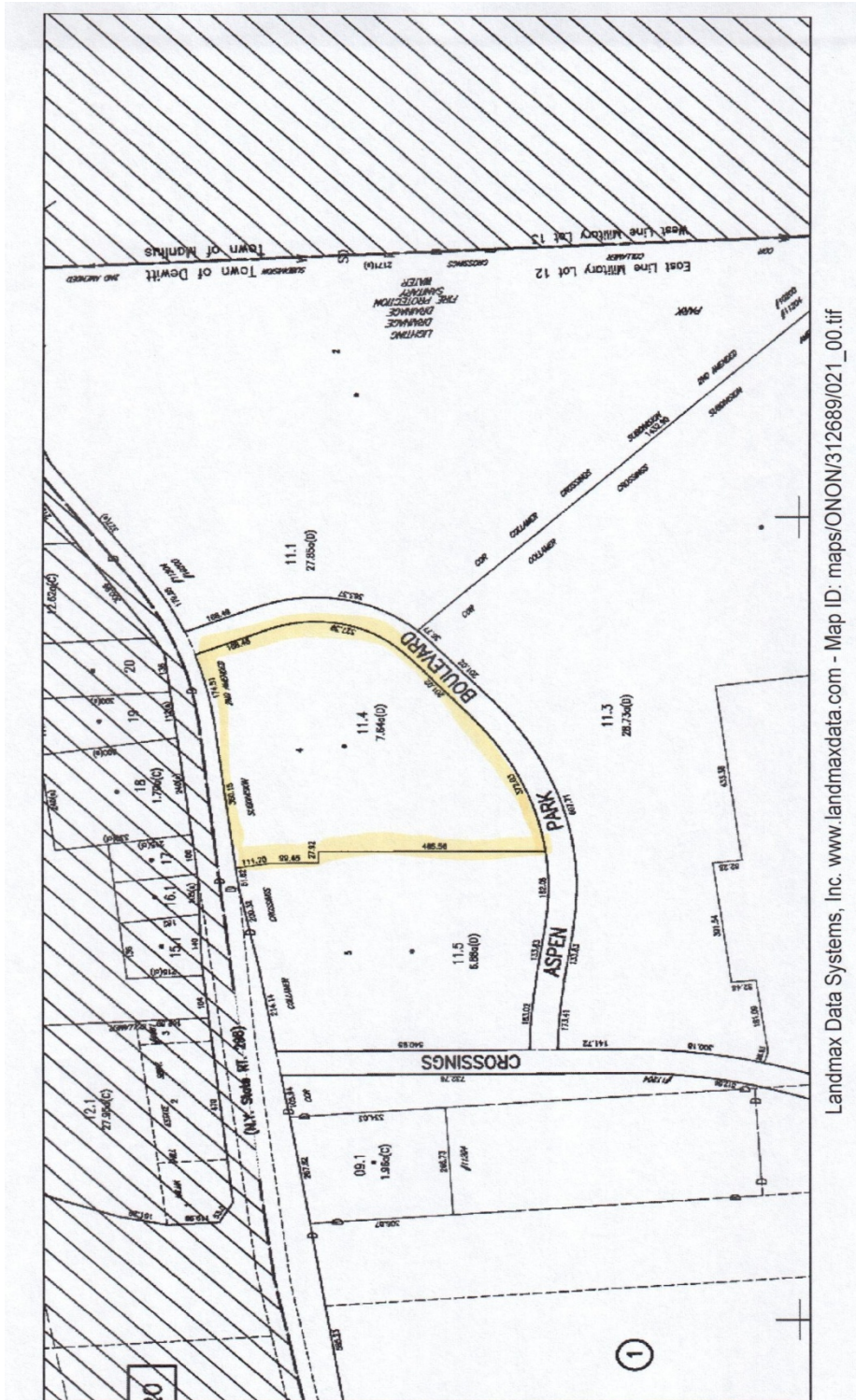


Location: The subject property is located on Aspen Park Boulevard in the Town of Dewitt, County of Onondaga and State of New York. The subject is located in the northern quadrant of Onondaga County.

Boundaries: The neighborhood boundaries are detailed as follows:

- North: Route 16
- South: I-90
- East: Minoa Road
- West: Northern Blvd

Land Use: The subject neighborhood is deemed conducive for the subject's prospective development of an office building due to its location within an office park and just north of the City of Syracuse and the close proximity to the major thruway.



Landmax Data Systems, Inc. www.landmaxdata.com - Map ID: maps/ONON/312689/021_00.tif

24 Aspen Park Blvd., Dewitt, NY
NEAC 15-134

SUMMARY DESCRIPTION OF SITE:

The subject site is irregular in shape containing 7.60± acres of Commercial zoned land. The site is located in the Town of Dewitt, County of Onondaga and State of New York.

HIGHEST AND BEST USE:

The highest and best use of land as though vacant and property as improved must meet four criteria. The highest and best use must be legally permissible, physically possible, financially feasible and maximally productive. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A use may be financially feasible, but this is irrelevant if it is legally prohibited or physically impossible.

Highest and Best Use as Though Vacant:

The subject property is currently situated in a Commercial Zoning District. According to verbal information supplied by the Town's Zoning Department and a review of the local zoning ordinance, the subject property is a legal conforming use. Zoning is the means by which communities regulate the use of land and buildings to protect and promote the quality of life within their boundaries. Zoning regulations are also an important means of implementing the goals of the comprehensive plan. An ordinance limiting and restricting the specified districts and regulating therein, buildings and other structures according to their construction and the nature and extent of their use and the nature and extent of the use of land, so as to promote and preserve the health, safety, character and general welfare of the community. The permitted uses for the subject site include, but are not limited to:

1. Medical office
2. Professional office
3. Other similar uses of the same general character

The likelihood of a zoning change is remote. The legally possible uses that are also physically possible and financially feasible include all of the above-mentioned permitted uses. Thus, the maximally productive and highest and best use of the subject site as though vacant would include the above mentioned uses.

Highest and Best Use as Improved:

Neither demolition of the existing improvement and redevelopment of the subject site nor modification of the existing improvement would result in a higher return to the land than is currently being achieved. The current use is therefore concluded to be the highest and best use as improved.

Appraisal Development and Reporting Process: In preparing this appraisal, the appraiser:

- Applied the Income Approach to arrive at an indication of value.

INCOME APPROACH TO VALUE

INCOME APPROACH TO VALUE:

INTRODUCTION:

The Income Capitalization Approach to Value consists of methods, techniques and mathematical procedures that appraiser uses to analyze a property's capacity to generate benefits (i.e. usually monetary benefits of income and reversion) which are then converted into an indication of present value. The Income Capitalization Approach has its greatest usefulness in the valuation of a property's income producing potential, recognizing the present worth of future benefits of ownership.

The benefits of owning specific rights in income producing real estate include the right to receive all revenue generated by the real property during the holding period (i.e. term of ownership) plus the proceeds from resale on reversion of the property at the termination of the investment.

The Potential Gross Income (PGI) for the subject property will be forecasted. PGI "is the total income attributable to the real property at full occupancy before operating expenses are deducted".¹

Losses expected due to non-occupancy, turnover, and non-payment of rent by tenants are deducted from PGI to arrive at the Effective Gross Income (EGI).

The appraiser will stabilize and deduct operating expenses from EGI to arrive at the Net Operating Income (NOI). Net Operating Income is defined as "the anticipated income from all operations of the real property adjusted for vacancy and collection losses."²

To arrive at the subject's PGI, comparable rentals must be analyzed and adjusted for items of differences as compared to the subject property. Market rent is defined as "the rental income that a property would most probably command in the open market."³

¹The Appraisal of Real Estate

²The Appraisal of Real Estate

³The Appraisal of Real Estate

INCOME APPROACH TO VALUE: (Continued)

Any projections, direct or implied, that were made in the report were utilized to assist the appraiser and are based on current market conditions, anticipated short term supply and demand factors, and a continued relatively stable economy. Therefore the projections are subject to change in future conditions that cannot be accurately predicted by the appraiser and could affect the rent that is currently being achieved by the subject property and/or the comparable rental properties that were utilized in this report.

Introduction:

The subject property consists of a 7.64± acre parcel of land that is encumbered by a long-term ground lease. Following are the details of the lease.

Lessor:	COR Aspen Park Boulevard Company II
Lessee:	Fort Schuyler Management Corp.
Land Size:	7.64± acres
Annual Rent:	Years 1-20 - \$217,000
	Years 21-25 - \$315,000
	Years 26-30 - \$330,750
Lease Type:	Absolute net
Option to Purchase:	Yes, at fair market value.

It is the appraiser's opinion that the subject property is an income producing property.

Market rent is defined as "the rental income that a property would most probably command in the open market as indicated by current rentals being paid for comparable space, as of the effective date of the appraisal."¹

¹The Appraisal of Real Estate

INCOME APPROACH TO VALUE: (Continued)

INCOME ANALYSIS

Potential Gross Income: The appraiser will utilize the contract rent in place of \$217,000 per year.

Gross Income

\$217,000/year

Vacancy and Collection Analysis: Vacancy and collection loss is an allowance for reductions in potential gross income attributable to vacancies, tenant turnover and nonpayment of rent or other income. The two components of this consider physical vacancy as a loss in income and collection loss caused by either concessions or default by tenant(s).

Since this is a 20 year land lease with (2) 5 year options and will be improved with a 52,000± square foot office building, no vacancy is anticipated.

Expenses: This is an absolute net ground lease, therefore there are no fixed or variable expenses.

RECONCILIATION AND FINAL VALUE CONCLUSION:

The appraiser has identified, gathered and analyzed general and specific data. In addition, the appraiser has determined the property's highest and best use and has considered the Cost Approach, Sales Comparison Approach and Income Approach to arrive at the final value estimate.

The appraiser has utilized one approach to arrive at the "as is" market value of the ground lease.

Reconciliation is "the analysis of alternative conclusions to arrive at a final value estimate".¹ Resolving the differences among the various value indicators is called Reconciliation.

Reconciliation requires judgment based on careful, logical analysis of the procedures that lead to the final value conclusion. Appropriateness, accuracy and quantity of evidence are the three basic criteria utilized by an appraiser to form a meaningful and defensible final value estimate.

COST APPROACH:

Since a restricted appraisal was requested with the Income Approach deemed to support a credible value, the Cost Approach was not utilized. In addition, since the subject property consists of a ground lease, the Cost Approach is not applicable.

SALES COMPARISON APPROACH:

Since a restricted appraisal was requested, and based on the Income Approach being considered the most appropriate method of valuation according to the data collected and analyzed, the Sales Comparison Approach was not developed.

INCOME APPROACH:

Since the subject property is an income producing property, the appraiser used the actual contract rent to arrive at the potential gross income. No expenses are anticipated, therefore the contract rent is considered net operating income. Utilizing an overall rate of 6.00%, a final "as is" value of \$3,600,000 was concluded.

The Income Approach will be given full consideration.

¹ The Appraisal of Real Estate

RECONCILIATION OF FINAL VALUE:

The appraiser has employed the Income Approach to Value in rendering an opinion of the “as is” market value in the subject property.

	<u>“As Is” Ground Lease</u>
COST APPROACH	N/A
SALES COMPARISON APPROACH	N/A
INCOME APPROACH	\$3,600,000

After considering all of the evidence and indications of value shown in this report and weighing the reliability of each, it is the appraiser's opinion that the “as is” market value of the ground lease as of January 2, 2015, is:

\$3,600,000

ESTIMATE OF EXPOSURE/MARKETING TIME:

The appraiser has estimated the exposure/marketing time for the subject property to be between 9-12± months.

ADDENDUM

ASSUMPTIONS AND LIMITING CONDITIONS

DEFINITIONS AND SIGNIFICANT TERMS

QUALIFICATIONS OF APPRAISER

ASSUMPTIONS AND LIMITING CONDITIONS:

This appraisal report has been completed based upon the following general underlying assumptions:

1. That the date of value to which the opinions expressed in this report apply is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.
2. That no opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
3. That no opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
4. That no engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
5. The maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
6. That the projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
7. That testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made a reasonable time in advance.
8. That, because no title report was made available to the appraiser, he assumes no responsibility for such items of record not disclosed by his normal investigation.
9. That possession of this report, or a copy thereof, does not carry with it the right of publication.
10. That no consideration has been given in this appraisal to personal property located on the premises.

ASSUMPTIONS AND LIMITING CONDITIONS: (Continued)

11. That the appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in our analysis to any potential diminution in value should such hazardous materials be found. We urge the client to retain an expert in the field before making a business decision regarding the property.
12. Neither all nor any part of the contents of this report (particularly any value conclusions, the identity of the appraiser, or the firm with which the appraiser is affiliated) shall be disseminated to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the appraiser.
13. That no opinion is expressed as to the value of sub-surface oil, gas or mineral rights and that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.
14. It is assumed that the subject property is in full compliance with all applicable zoning and use regulations and restrictions, unless a non-conformity has been stated, defined and considered in the report.
15. It is assumed that all required licenses, certificate of occupancy, consents or other legislative or administrative authority from any local, state or national governmental 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.
16. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.

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DEFINITIONS AND SIGNIFICANT TERMS:

Market Value: Market value is defined as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and 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:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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.

(12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Prospective Value: A forecast of the value expected to occur at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under construction, under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

Going-Concern Value: The value created by a proven property operation; considered as a separate entity to be valued with a specific business establishment.

Insurable Value: That portion of the value of an asset or asset group that is acknowledged or recognized under the provisions of an applicable loss insurance policy.

Capitalization Rate: A rate of return used to derive the capital value of an income stream.

Operating Expenses: The periodic expenditures necessary to maintain the real property and continue the production of the effective gross income, assuming prudent and competent management.

Fee Simple: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Leased Fee: A leased fee estate is an ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others; the rights of the lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease.

DEFINITIONS AND SIGNIFICANT TERMS: (continued)

Summary Appraisal: A written report prepared under Standard Rule 2-2(b) of a Summary Appraisal performed under Standard 1. (USPAP 2002 edition).

Self-Contained Appraisal: A written appraisal report prepared under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP, 2002 ed.). A self-contained appraisal report sets forth the data considered, the appraisal procedures followed, and the reasoning employed in the appraisal, addressing each item in the depth and detail required by its significance to the appraisal and providing sufficient information so that the client and the users of the report will understand the appraisal and not be misled or confused.

Intended Use: The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusion, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended Users: The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of assignment.

Confidential Information: Information that is either identified by the client as confidential when providing it to an appraiser and is not available from any other source; or classified as confidential or private by applicable law or regulation. Pursuant to the passage of the Gramm-Leach-Bliley Act of 1999, some public agencies have adopted privacy regulations that affect appraisers. As a result, The Federal Trade Commission (FTC) issued a rule focused on the protection of "*non-public personal information*" provided by consumers to those involved in financial activities "*found to be closely related to banking or usual in the connection with the transaction of banking*" These activities have been deemed to include "*appraising real or personal property*". (Federal Trade Commission, Privacy of Consumer Financial Information; Final Rule, 16 CFR Part 313).

Credible: Worthy of belief. Credible assignment results require support, by relevant evidence and logic, to the degree necessary for the intended use.

Scope of Work: The type and extent of research and analysis in an assignment.

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

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

QUALIFICATIONS OF MICHAEL GLUC, MAI

Mr. Gluc is currently President and Shareholder of Northeastern Appraisal Associates, Commercial Inc., located at 616 N. French Rd., Suite 200, Amherst, New York 14228.

APPRAISAL COURSES ATTENDED AND SUCCESSFULLY COMPLETED:

Appraisal Institute –
Appraising the Appraisal
April 2012, Ft. Lauderdale, FL

PA-Law
March 27, 2014, Erie, PA

Appraisal Institute –
USPAP 7 Hour Update Course
December 4, 2013, Amherst, NY

Appraisal Institute –
“Commercial Appraisal Engagement & Review Seminar”
September 17, 2010, Buffalo, NY

Appraisal Institute – Course 420
“Business Practices & Ethics”
February 26, 2010, Orlando, FL

Appraisal Institute –
Appraisal Curriculum Overview
February 25-26, 2009, Orlando, FL

Valuation Case Studies
January 26, 2009, Ellicottville, NY

Appraisal Institute Symposium
"Environmental & Property Damages: Standards, Due Diligence, Valuation & Strategy
April 4-6, 2002, Toronto, Ontario, Canada

LICENSES/DESIGNATIONS:

MAI, Member, Appraisal Institute (Certificate #9820)

PROFESSIONAL AFFILIATIONS:

President: WNY-Ontario Chapter Appraisal Institute, 1999

CERTIFICATIONS:

- Certified New York State General Real Estate Appraiser, ID# 46-4723
- Certified New York State Department of Transportation General Real Estate Appraiser.
- Certified Pennsylvania General Real Estate Appraiser, ID# GA003447

EXPERT WITNESS:

Mr. Gluc has appeared as an expert witness regarding real estate evaluation in the State of New York and New Jersey.

SEMINARS & COURSES ATTENDED:

- "State of the Appraisal Profession" and "NYS Dept. of Transportation Acquisition Process"
Appraisal Institute-WNY/Ontario Int'l Chapter
Williamsville, NY 14221, no exam, April 21, 2001
- "Multi-Family Accelerated Processing (MAP)"
US Department of Housing and Urban Development (HUD)
Williamsville, NY 14221, no exam, September 27, 2000
- "What You Should Know About Building Inspections"
Williamsville, NY 14221, March 13, 2000
- The Comprehensive Appraisal Workshop Income, Cost, Sales, General Concepts and Highest and Best Use, Orlando, Florida - January 25-29, 1999
- Appraisal Institute - Course 668, "Internet Search Strategies for Real Estate Appraising", March 12, 1998, Secaucus, New Jersey
- Board of Assessment Review Training Session, County of Erie Division of Budget, Management and Finance, June 27, 1996, Amherst, New York
- American Institute of Real Estate Appraisers "Real Estate Evaluations and the Appraisal Industry", March 13, 1995, Amherst, NY
- Easements and Encroachments, November, 1994 - Amherst, NY
- Appraisal Institute - Course 520, Highest & Best Use and Market Analysis, February 13-18, 1994 - West Palm, Florida
- Maximizing the Value of an Appraisal Practice, June, 1993 - Amherst, NY
- Discounted Cash Flow Analysis, June, 1993 - Amherst, NY
- MAI Experience Review Seminar, March, 1993 - Ohio
- Income Property Valuation for the 1990s, September 18, 1992, Strongsville, Ohio
- Comprehensive Appraisal Workshop Parts A and B, July 18 - 21, 1991, Chicago, Illinois
- Professional Practice Seminar given by the Society of Real Estate Appraisers, May, 1989, Kingston, New York - no exam
- Marshall & Swift Cost Valuation Seminars, Calculator Cost Method, June, 1988 - no exam

WORK HISTORY:

- 2/97 - Present **Northeastern Appraisal Associates, Commercial, Inc.**
President and Shareholder of Commercial Division
- 11/92 - 2/97 **Northeastern Appraisal Associates, Commercial, Inc.**
Vice President and Shareholder of Commercial Division
- 01/91 - 10/92 **Queen City Appraisal, Inc.**
Vice President of Commercial Division
- 09/85 - 11/88 **Northeastern Appraisal Associates, Inc.**
Staff Appraiser of Commercial Division
- 02/85 - 08/85 **Northeastern Appraisal Associates, Inc.**
Staff Appraiser of Residential Division
- 10/78 - 01/85 **Century 21, Vacanti Division**
Real Estate Salesperson

PROFESSIONAL TERRITORY COVERED:


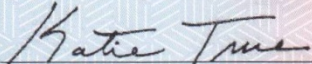

Mr. Gluc has appraised property in the states of Alabama, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and Wisconsin.

PREPARED AND PARTICIPATED IN APPRAISALS FOR:

AAA	Kenmore Mercy Hospital
Acquest Development	Key Bank, N.A.
AllFirst Mortgage Corp.	KPMG Peat Marwick
American Express Financial	Largo Capital Group
Arbor Capital	Legg Mason Real Estate Services
AT&T Capital Corp.	Liberty Bank
Bank of America	M & T Bank
Benchmark Financial Group, Inc	Merrill Lynch Credit Corporation
Benderson Development Co., Inc.	NFTA
Buffalo Urban Renewal Agency	NY Quadel
Canandaigua National Bank & Trust Co.	Northwest Savings Bank
Canada Life	PNC Bank
Chrysler Corporation	Pepsi Bottling Group
Ciminelli Development Co.	Phillips, Lytle, Hitchcock, Blaine & Huber
Citibank (New York State, N.A.)	Pizza Hut of America
Citizens Bank	Rich Products
City of Buffalo	Rockville Bank
Community Preservation Corp. (CPC)	Sanwa Business Credit Corporation
DuPont	Savings Bank of Utica
Embanque Capital Corporation	Sovran Companies
Evans Bank, N.A.	Small Business Administration (SBA)
Five Star Bank	St. Bonaventure College
First Niagara Bank	StanCorp Mortgage Investors, LLC
GMAC	Trocaire College
Hodgson Russ	Uniland Development Co., Inc.
H.W.D. Funding Corporation	US Dept. of Housing & Urban Development (HUD)
HSBC	United States Post Office
Interbay Funding	UPS Capital Business Credit
Iskalo Development	Wells Fargo

Mr. Gluc has performed LIHTC (Low Income Housing Tax Credits) appraisals and has performed work for HUD including HUD Form 92273

UNIQUE ID NUMBER 46000004723	State of New York Department of State DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 72177
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 11 19 13
GLUC MICHAEL C/O NORTHEASTERN APPRAISAL ASS 616 N FRENCH RD STE 200 AMHERST, NY 14228		EXPIRATION DATE MO. DAY YR. 11 18 15
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> CESAR A. PERALES SECRETARY OF STATE		
<small>DOS-1098 (Rev. 3/01)</small>		

<small>DISPLAY THIS CERTIFICATE PROMINENTLY • NOTIFY AGENCY WITHIN 10 DAYS OF ANY CHANGE</small>		
Commonwealth of Pennsylvania Department of State Bureau of Professional and Occupational Affairs PO Box 2649 Harrisburg PA 17105-2649		12 0078036
Certificate Type Certified General Appraiser		Certificate Status Active
MICHAEL GLUC 616 North French Road SUITE 200 Amherst NY 14228	Certificate Number GA003447	Initial Certification Date 10/20/2004
		Expiration Date 06/30/2015
Commissioner of Professional and Occupational Affairs	 Signature	
<small>ALTERATION OF THIS DOCUMENT IS A CRIMINAL OFFENSE UNDER 18 PA.C.S. §. 4911</small>		



MEMBERSHIP CERTIFICATE

This Certifies That

Michael Gluc

has been admitted to membership as an

MAI Member 9820

in the Appraisal Institute and is entitled to all the rights and privileges of membership subject only to the limiting conditions set forth from time to time in the Bylaws and Regulations of the Appraisal Institute.

In Witness Whereof, the Board of Directors of the Appraisal Institute has authorized this certificate to be signed in its behalf by the President, and the Corporate Seal to be hereunto affixed on this 5th day of February 1925



Ronald J. Lom + Co. MAI, SIA
PRESIDENT

THIS CERTIFICATE IS THE PROPERTY OF THE APPRAISAL INSTITUTE AND MUST BE RETURNED TO US ON RECEIPT OF OUR REGISTRATION OR RENEWAL OF MEMBERSHIP. THE MAI DESIGNATION WAS CONTINUED BY THE APPRAISAL INSTITUTE OF REAL ESTATE APPRAISERS AND IS SUBJECT TO ITS LIMITING CONDITIONS.