

RESTRICTED USE APPRAISAL REPORT

Vacant Land

along South Allen Street & Onderdonk Avenue
within the City & County of Albany
New York State

Date of Valuation

December 21, 2010

Prepared by

John A. D'Anna
NYS Certified General
Real Estate Appraiser
ID # 46000020466

Prepared for

Mr. James J. Googas
12 Googas Road
Slingerlands, New York 12159

with copy to

Mr. Bradford D. Burns, Esq.
Assistant Corporation Counsel
City of Albany, Department of Law
City Hall – Room 106
Albany, New York 12207

JOHN A. D'ANNA
New York State Certified
General Real Estate Appraiser
6801 Holliston Circle
Fayetteville, New York 13066

March 4, 2011

Mr. James J. Googas
12 Googas Road
Slingerlands, New York 12159

Mr. Bradford D. Burns, Esq.
Assistant Corporation Counsel
City of Albany, Department of Law
City Hall – Room 106
Albany, New York 12207

RE: **Restricted Use Appraisal Report**
Vacant Land located along South Allen Street and Onderdonk Avenue, including
the 'paper street' known as Dale Place, all within the City & County of Albany,
New York State

Dear Messrs. Googas & Burns:

In accordance with the request of Mr. Googas a careful inspection of the above referenced properties, that are more particularly described elsewhere in this report, and a market analysis of economic conditions presently affecting their value have been completed.

The results of my analysis are communicated as a Restricted – Use Appraisal Report, according to the reporting options promulgated by the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. Accordingly, it is incumbent upon me to limit the use and reliance of this appraisal report to Mr. James J. Googas and Mr. Bradford D. Burns, Esq., with the specific warning that the proper understanding of the conclusions may be limited without the benefit of additional information, contained as file memoranda.

The subject property consists of 17 separate, contiguous parcels of vacant and unimproved land, located within the City and County of Albany, New York State.

The purpose of the appraisal is to render an opinion of the market value of the fee simple interest of the subject property, according to two separate scenarios; (i) the property is considered according to a '**Hypothetical Conditions**', and (ii) the property is considered '**As Is**', each consistent with the contingent and limiting conditions expressed herein, and as of the date of inspection, December 21, 2010.

The function of the appraisal is to provide information utilized in the possible acquisition of the subject property.

The effective date of the appraisal is December 21, 2010.

As a result of the analysis, I have formed an opinion that the market value of the fee simple interest in the subject property, subject to the definitions, certifications, and contingent and limiting conditions set forth in the attached report, as of December 21, 2010, is as follows;

according to the following '**Hypothetical Conditions**' (i) the area of the 'paper street' identified as Dale Place is abandoned as a public right of way, and combined, unencumbered with the 17 parcels to collectively comprise the subject property; (ii) the assembled parcels and area of the 'paper street' is appraised as a single economic unit, completely engineered and mapped; (iii) the fencing and playground equipment located upon the two northern most parcels along South Allen Street are removed, the park abandoned; and (iv) the subject property as assembled is entirely zoned R-3A, as defined in the zoning code of the city of Albany currently in effect, as of the date of this report:

ONE HUNDRED TWENTY THOUSAND (\$120,000) DOLLARS;

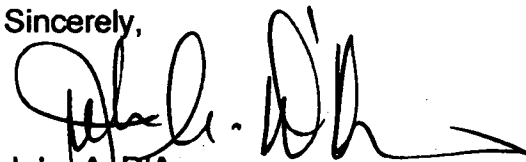
and;

according to the current '**As Is**' condition:

FIFTY THOUSAND (\$50,000) DOLLARS;

THIS LETTER MUST REMAIN ATTACHED TO THE REPORT, WHICH CONTAINS TWELVE PAGES PLUS RELATED EXHIBITS AND ADDENDA, FOR THE VALUE OPINION SET FORTH TO BE CONSIDERED VALID.

Sincerely,



John A. D'Anna
NYS Certified General Real Estate Appraiser
ID# 46000020466

UNDERLYING ASSUMPTIONS AND CONTINGENT CONDITIONS

For the purposes of this appraisal, except as otherwise stated in the appraisal report, it is assumed;

1. That the following '**Hypothetical Conditions**' exist: (i) the area of the 'paper street' identified as Dale Place is abandoned as a public right of way, and combined, unencumbered with the 17 parcels to collectively comprise the subject property; (ii) the assembled parcels and area of the 'paper street' is appraised as a single economic unit, completely engineered and mapped; (iii) the fencing and playground equipment located upon the two northern most parcels along South Allen Street are removed, the park abandoned; and (iv) the subject property as assembled is entirely zoned R-3A, as defined in the zoning code of the city of Albany currently in effect, as of the date of this report.
2. That the legal description is correct as referenced by tax map.
3. That the title to the property is legally sufficient.
4. That there are no encumbrances or defects of title.
5. That the property is free and clear of all liens.
6. That the property will be efficiently managed and properly maintained.
7. That there are no sub-surface soil conditions which would cause extraordinary development costs.

The appraisal is made subject to the following contingent conditions:

1. That no liability is assumed due to inaccuracies or errors in information furnished by others.
2. That no liability is assumed as a result of matters of legal character affecting the property, such as title defects, encroachments, liens, overlapping boundaries, and easements.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser, and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. Except as otherwise stated in the appraisal report, the value indication is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
4. The appraisal is to be used in whole not in part. The appraisal is invalid if so used.
5. That no survey, structural or sub-surface soil investigation was made of the property by the appraiser.

6. The appraiser herein by reason of this appraisal is not required to give testimony in court with reference to the subject property unless otherwise previously arranged.
7. Possession of this report, or copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the client without the previous written consent of the appraiser.
8. Present worth of the purchasing power of the dollar.
9. This appraisal was made for the purpose stated and should not be used for any unrelated purpose.
10. Each finding, predication, assumption or conclusion contained in the appraisal report is the appraiser's personal opinion and is not an assurance that an event will or will not occur. Except as otherwise stated in the appraisal report, I assume that there are no conditions relating to the real estate, sub-soil or structures located on the real estate which would affect the appraisers analyses, opinions or conclusions with respect to the real estate that are not apparent.
11. It is assumed that all required licenses, certificates 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 continued in this report is based.
12. Neither all nor any part of the contents of the appraisal report shall be disseminated to the public through advertising media, public relations media, news media, sales media or other public means of communication without the prior written consent of the appraiser.
13. This is a Restricted Use Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Use Appraisal Report. As such, it does not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

HIGHEST AND BEST USE

In consideration of the existing site characteristics, specifically the R3-A zoning district and criteria, the highest and best use of the subject property is considered Multi Family Low Density Residential development.

VALUATION

Sales Comparison Approach

From among a number of sales of properties similar in market appeal when related to the subject property, the following data is cited and analyzed to arrive at an estimate of value, according to the '*Hypothetical Conditions*' established herein.

Sale 1			
<i>Location:</i>	McCarty & First Avenues City & County of Albany	<i>Sale Dates:</i>	12-17-2009 & 8-11-2010
<i>Sale Price:</i>	\$225,000	<i>Sale Price/Acre:</i>	\$51,487
<i>Site Size:</i>	4.37 Acres	<i>Zoning:</i>	R-2A
<i>Utilities:</i>	All Municipal Available	<i>Shape:</i>	Rectangular
<i>Topography:</i>	Level to Sloping	<i>Property Rights Conveyed:</i>	Fee Simple Estate
<i>Seller 1:</i>	K. Wieland	<i>Purchaser:</i>	Addictions Care Fndt
<i>Seller 2:</i>	M. Beno		
<i>Seller 3:</i>	City of Albany		
<i>Deed Books:</i>	2967 & 2985	<i>Page(s):</i>	79, 88 & 962
<i>Comments:</i>	This conveyance is an assemblage of multiple parcels located at the north side of McCarty Avenue at its intersection Browne Street. The site also features partial frontage along the south side of First Avenue. The area along McCarty Avenue is generally level to a depth of approximately 80', after which the site descends abruptly to the level of First Avenue. The site is being developed as a substance abuse counseling center. The site was conveyed as vacant land. The transaction was arms length.		

Sale 2			
<i>Location:</i>	New Scotland & Whitehall Roads City & County of Albany	<i>Sale Date:</i>	12-27-2007
<i>Sale Price:</i>	\$535,000	<i>Sale Price/Acre:</i>	\$72,789
<i>Site Size:</i>	7.35 Acres	<i>Zoning:</i>	C-1
<i>Utilities:</i>	All Municipal Available	<i>Shape:</i>	Rectangular
<i>Topography:</i>	Generally Level	<i>Property Rights Conveyed:</i>	Fee Simple Estate
<i>Seller 1:</i>	City of Albany	<i>Purchaser:</i>	Amedore Quantum LLC
<i>Seller 2:</i>	J. Grossman & R. Ball		
<i>Deed Book:</i>	2907	<i>Page(s):</i>	427 & 432
<i>Comments:</i>	This conveyance is an assemblage of multiple parcels located at the south western corner of New Scotland and Whitehall Roads. The site also fronts, without access to, Interstate 87. The site is being developed as a residential subdivision of detached and partially attached single family dwellings. A residual commercial site exists at the corner of New Scotland and Whitehall Roads. The site was conveyed as vacant land. The transaction was arms length.		

Sale 3			
Location:	Livingston Avenue & Quail Street City & County of Albany	Sale Date:	11-26-2007
Sale Price:	\$340,000	Sale Price/Acre:	\$52,308
Site Size:	6.50 Acres	Zoning:	M-1
Utilities:	All Municipal Available	Shape:	Irregular
Topography:	Generally Level	Property Rights Conveyed:	Fee Simple Estate
Seller:	R. DeSantis & M. Mataraso	Purchaser:	Hope House, Inc
Deed Book:	2904	Page:	167
Comments:	Located at the north west corner of Livingston Avenue and Quail Street, this parcel has been developed as a Hope House, whose mission is to respond to needs in the community to provide education, intervention and treatment to persons whose lives have been affected by any form of chemical dependency or family dysfunction. The site was conveyed as vacant land. The transaction was arms length.		

Address	Subject South Allen St C/O Albany	Sale 1 McCarty Avenue C/O Albany	Sale 2 New Scotland Road C/O Albany	Sale 3 Livingston Avenue C/O Albany
Sale Price		\$225,000	\$535,000	\$340,000
Sale Date		12/2009 & 8/2010	12/2007	11/2007
Sale/Fin Concessions	None	None	None	None
Site Area	2.17 Acres	4.37 Acres	7.35 Acres	6.50 Acres
Sale Price/Acre		\$51,487	\$72,789	\$52,308
Zoning	R-3A	R-2A	C-1	M-1
Utility Availability	All Municipal	All Municipal	All Municipal	All Municipal
Topography	Uneven	Level to Sloping	Level	Level
Shape	Rectangular	Rectangular	Rectangular	Irregular

The sales analyzed suggest a range of value from \$51,487 to 72,789 per acre. The location, zoning topography and additional commercial site prospect of Sale 2 is superior to the subject, and overall requires downward adjustment. Limiting the positive adjustment to Sale 3 for its inferior location and size, is the level topography. The location of Sale 1 is inferior to the subject. Combined with inferior zoning and overall size the positive adjustment to Sale 1 is tempered for its slightly superior topography.

Accordingly, considering the composite results of the sales cited, with specific emphasis on Sale 1, **\$55,000/Acre** is indicated and supported as the proper market position of the subject property, according to the **'Hypothetical Conditions'** established herein.

$$2.17 \text{ Acres at } \$55,000/\text{Acre} = \$119,350$$

$$\text{Rounded } \$120,000$$

The sales data previously cited are analyzed to arrive at an estimate of value of the subject property according to the current 'As Is' condition.

With emphasis on that portion of Sale 1 conveyed by the City of Albany, in 8/2010, for \$25,000, and that portion of Sale 2 conveyed by the City of Albany, in 12/2007, for \$18,000, together with additional data contained as file memoranda; **\$50,000** is indicated and supported as the proper market position of the subject property, according to the current 'As Is' condition.

RECONCILIATION AND FINAL VALUE ESTIMATE

The Sales Comparison Approach is considered the most reliable valuation technique of the fee simple interest in the subject property. Additionally, the Cost & Income Approaches to value are eliminated according to the limited scope of the appraisal assignment, as agreed to with the client prior to my engagement. Accordingly, the current market value of the fee simple interest in the subject property, as of **December 21, 2010**, is as follows:

according to the following '**Hypothetical Conditions**' (i) the area of the 'paper street' identified as Dale Place is abandoned as a public right of way, and combined, unencumbered with the 17 parcels to collectively comprise the subject property; (ii) the assembled parcels and area of the 'paper street' is appraised as a single economic unit, completely engineered and mapped; (iii) the fencing and playground equipment located upon the two northern most parcels along South Allen Street are removed, the park abandoned; and (iv) the subject property as assembled is entirely zoned R-3A, as defined in the zoning code of the city of Albany currently in effect, as of the date of this report:

ONE HUNDRED TWENTY THOUSAND (\$120,000) DOLLARS;

and;

according to the current '**As Is**' condition:

FIFTY THOUSAND (\$50,000) DOLLARS;