



HILCO REAL ESTATE APPRAISAL | VALUATION OF
Portion of TechCity

Portion of TechCity

Enterprise Drive/Boices Lane
Kingston (T/O Ulster), Ulster County, NY 12401

Hilco File # 22AL013

Client:

Ulster County Economic Development Alliance, Inc.

Report Date: February 17, 2022

As of: January 21, 2022

LENDING • FINANCIAL REPORTING • STRATEGIC PLANNING • INSURANCE/RISK MANAGEMENT
ESTATE/TAX MANAGEMENT • PORTFOLIO VALUATION • DISPUTE RESOLUTION • FINANCIAL OPINIONS

Hilco Real Estate Appraisal / 77 Miller Road, Suite 202 / Castleton, NY 12033

February 17, 2022

Mr. Tim Weidemann
 Director of Economic Development
 Ulster County Economic Development Alliance, Inc.
 Office of the Ulster County Executive
 6th Floor County Office Building
 244 Fair Street
 Kingston, NY 12401

RE: Portion of TechCity
 Enterprise Drive/Boices Lane
 Kingston (T/O Ulster), NY 12401
 Hilco File # 22AL013

Dear Mr. Weidemann,

At your request, we have conducted the inspections, investigations and analyses necessary to prepare an Appraisal Report of the above referenced real property. The purpose of this appraisal report is to develop an opinion of market value for the subject property in the *Fee Simple Estate, as is* as of January 21, 2022, the date of inspection. The client and intended user of this report is the Ulster County Economic Development Alliance, Inc. The intended use is to assist the client with internal decision making in relation to a potential sale of the property.

The subject of this report consists of seventeen (17) tax parcels identified by the town of Ulster Assessor as tax map numbers 48.7-1-29.110, -29.120, -29.130, -29.140, -29.150, -29.160, -29.170, -29.240, -29.250, -29.260, -29.270, -29.300, -29.400, -29.500, -29.700, -29.800 and -29.900. The subject site includes a combined 157.17± acres and encompasses the majority of the TechCity Commerce Park, former IBM-Kingston campus. The campus was subdivided in 1997 leaving the majority of the parcels as building footprints only. Access to all parcels and parking is provided by the master parcel for the campus, 48.7-1-29.270, which is subject to a management agreement requiring maintenance of the roadways, common area utilities, etc. According to the agreement, all expenses incurred are distributed proportionately to the recipient parcels according to the percentage of total assessment. However, as the properties have been operating as one economic unit for several decades and are being purchased together, our analysis has analyzed the subject as such.

The following chart summarizes the subject parcels and improvements on site:

PROPERTY DESCRIPTION							
Parcel ID	Address	Acreage	Description	Size (SF)	Year Built	Condition	
48.7-1-29.110	Enterprise Drive/Boices Lane	5.84	Building 1 - Asbestos	274,928	1975	Poor	
48.7-1-29.120	1000-1098 Enterprise Drive	1.00	Former Building 2	-	N/A	Removed	
48.7-1-29.130	900-998 Enterprise Drive	0.38	Former Building 34	-	N/A	Removed	
48.7-1-29.140	300-398 Boices Lane	0.43	Former Building 35	-	N/A	Removed	
48.7-1-29.150	Enterprise Drive/Boices Lane	5.80	Former Building 3	-	N/A	Removed	
48.7-1-29.160	1200-1298 Enterprise Drive	0.84	Former Building 4	-	N/A	Removed	

PROPERTY DESCRIPTION - CONTINUED							
48.7-1-29.170	100-198 Boices Lane	2.70	Former Building 5S	-	N/A	Debris Pile	
48.7-1-29.240	1800-1898 Enterprise Drive	0.28	Building 29	13,120	1980	Fair	
48.7-1-29.250	500-798 Boices Lane	2.10	Former Building 25	-	N/A	Debris Pile	
48.7-1-29.260	460 Old Neighborhood Drive	0.87	Vacant Land	-	N/A	N/A	
48.7-1-29.270	Enterprise Drive/Boices Lane	95.50	Master Parcel	-	N/A	N/A	
48.7-1-29.300	901-949 Enterprise Drive	36.10	Former Sewage Treatment Plant	-	N/A	Poor	
48.7-1-29.400	700-798 Enterprise Drive	0.65	Building 21 - Roof Leak	37,314	1980	Fair	
48.7-1-29.500	1300-1598 Enterprise Drive	3.00	Building 5N - Mold	325,372	1990	Poor	
48.7-1-29.700	500-698 Enterprise Drive	0.49	Building 23 - Roof Leak	41,764	1975	Fair	
48.7-1-29.800	300-498 Enterprise Drive	0.64	Building 22 - Roof Leak	48,804	1975	Fair	
48.7-1-29.900	100-298 Enterprise Drive	0.55	Building 24 - Roof Leak	41,764	1975	Fair	
		157.17	Total (Acres)	783,066	Total (SF)		

Source: Public Record

The improvements were constructed in various phases for IBM who utilized the subject as an office, manufacturing, and research and development center until approximately 1995. IBM vacated the property in 1995 due to a decrease in business associated with the construction and **development of the "mainframe computer."** Since that time, much of the property has been left vacant and significant deferred maintenance has occurred. As shown by the chart above, with exception to Building 29, all improvements on-site would require major capital improvements be made to bring the buildings to average condition. Considering the level of investment required, the contributory value of the improvements is questionable at best.

The reputed owner is the County of Ulster. The subject property is subject to a purchase and sale agreement between the Ulster County Economic Development Alliance, Inc. (seller) and I.Park 87 LLC (purchaser) for a consideration of \$12 million or \$76,350 per acre, which is approximately equivalent to the amount owed in back taxes on the property.

According to the seller's representative, the property became eligible for foreclosure in July 2019. At that time, the purchaser came to the county with a deal to clear the property of all encumbrances and liens for a total payment of \$4 million. This payment was completed by the purchaser prior to the county filing for summary judgement. Therefore, the true cost of acquisition is \$16 million or \$101,801 per acre.

Included in the purchase contract is an **"Environmental Clean-Up Credit"** of \$7 million to be used towards the costs incurred to remediate the above surface contamination on-site. It should be noted, the purchaser is required to provide documentation of the clean-up costs and if the costs fall short of the \$7 million credit provided, the purchaser must promptly repay the difference to the seller. According to verbal estimates provided by the USEPA, removal of the asbestos piles (former Buildings 5S and 25) and remediation of Building 1 is in the range of \$7 to \$9 million.

Lastly, the balance of the purchase price, \$5 million, is to be paid to the seller in equal annual principal payments of \$1 million plus interest (4.0 percent per annum) commencing on January 2, 2023. While the seller is financing the purchase, the financing appears to be at or near market rate. As such, we do not believe the seller financing had an impact on the purchase price.

Per the above discussion, the net acquisition cost is \$9 million or \$57,263 per acre. While there were various factors which limited the marketability of the subject, the pending transfer of the property appears to be an **arm's length transaction** supported by market evidence.

It should be noted, environmental investigations on the TechCity campus have been on-going since 1980 due to the presence of subsurface contamination from the former IBM operations. It is our understanding that as IBM is the responsible party for the subsurface contamination, all subsurface monitoring, subsurface investigations and required clean-up (if necessary) is to be funded by IBM. While this does remove the financial burden and risk from the subsurface contamination, the New York State Department of Environmental Conservation (NYSDEC) has implemented an Interim Site Management Plan (ISMP) which incorporates various Environmental Easements (EEs) on the campus to restrict certain uses, and mandate operation, maintenance, monitoring, and reporting measures. According to the "**Final Statement of Basis**," see Addenda B, the restrictions in place include restricting the use of groundwater, compliance with the various EEs, **restricting the site's use** to restricted residential and/or commercial and compliance with an ISMP. In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are re-occupied and/or renovated for use.

While we are not environmental professionals, it is our interpretation that the restrictions in place limit potential development and any future excavation/development would need to be completed under the guidance of the NYSDEC. Along with the known environmental concerns, the sheer size of the property and the required investment needed has limited the pool of investors interested in undertaking the project. Furthermore, the environmental concerns on-site will likely limit the borrowing power for the property through typical commercial lending institutions.

As such, we have attempted to account for these restrictions and limitations along with the apparent stigma from the known environmental conditions on-site within our analysis.

The property is more fully described, legally and physically, within the following report.

Based on the analysis contained in the following report, the market value conclusion for the subject is detailed below:

VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value – As Is	Fee Simple Estate	January 21, 2022	\$9,300,000
Source: Hilco Real Estate Appraisal, LLC			

Our concluded opinion of value is subject to the Assumptions, Limiting Conditions and Certification in this appraisal report. Assuming competent and normal marketing conditions, it is our opinion that the subject property could be sold within 60 months at the above-indicated market value.

The following extraordinary assumptions are applicable to our opinion of value developed for the subject.

Our value conclusion assumes any leases in place are short term and/or could be terminated upon sale of the property. Our value conclusion assumes the verbal estimates provided by the USEPA for the removal of the asbestos piles (former Buildings 5S and 25) and remediation of Building 1 are accurate. Our value conclusions assume all subsurface monitoring, subsurface investigations and required clean-up (if necessary) is to be funded by the responsible party, IBM.

These assumptions are directly related to this specific assignment, as of the effective date of the assignment results which, if found to be false, could alter our opinions or conclusions.

According to the 2021 *Dictionary of Real Estate Appraisal, Seventh Edition*, an extraordinary **assumption is "An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property, or conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis."** An extraordinary assumption may be used in an assignment only if: 1) It is required to properly develop credible opinions and conclusions; 2) The appraiser has a reasonable basis for the extraordinary assumption; 3) Use of the extraordinary assumption results in a credible analysis; and 4) The appraiser complies with the disclosure requirements set for in USPAP for extraordinary assumptions.

The following appraisal sets forth the most pertinent data gathered, methodology and reasoning leading to our opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. Furthermore, this report has been prepared in conformance with our interpretation of the appropriate regulations and guidelines set forth by the client.

To develop the opinion of value, we performed an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. The following report presents a summarized description of the data, reasoning, and analyses used in the appraisal process to develop our opinion of value. In addition, at the request of the client, this report is consistent with the previous USPAP reporting requirements for a Summary Appraisal Report.

The user of this report should note that this appraisal was completed during the tail end of an economically volatile period with macroeconomic conditions stabilizing. A resumption in consumer confidence and buying patterns is anticipated as CDC guidelines recommend reopening of most businesses closed during the pandemic; however, significant unknowns in the global economy and pandemic containment linger. Considering the macroeconomic environment, the user of this report may wish to consider a collateral review at more frequent intervals, depending on the company's policies as significant changes in the national or global economy could have a significant impact on the value conclusion reported within this appraisal.

The appraisers are not qualified to determine environmental issues. If a more detailed analysis is needed in relation to the environmental concerns on-site, we recommend a qualified

Mr. Weidemann
Ulster County Economic Development Alliance, Inc.
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environmental engineer perform an assessment on the property. We reserve the right to amend our estimate of value if additional environmental concerns are discovered at the subject property.

Respectfully Submitted,
Hilco Real Estate Appraisal LLC
by:



Chris L. Harland, MAI
Managing Director – Northeast Region
New York State Certification #46000026600



Dan Dickinson
Real Estate Appraiser

CERTIFICATION OF THE APPRAISERS

We certify that to the best of our knowledge and belief:

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 our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest or bias with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, this report conforms to the requirements of the Financial Institution 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. Chris L. Harland, MAI has completed the requirements of the continuing education program for designated members of the Appraisal Institute.
10. Dan Dickinson made a personal inspection of the property that is the subject of this report. Chris L. Harland, MAI has not made a personal inspection.
11. No one provided significant real property appraisal assistance to the persons signing this certification.
12. Chris L. Harland, MAI and Dan Dickinson have extensive experience in the appraisal/review of similar property types.
13. Chris L. Harland, MAI is certified in the state where the subject is located.
14. We have performed no prior services for the subject property, appraisal or otherwise, within the three years preceding the appraisal date.



Chris L. Harland, MAI
Managing Director – Northeast Region
New York State Certification #46000026600



Dan Dickinson
Real Estate Appraiser

SUBJECT PHOTOGRAPHS

ENTERPRISE DRIVE/BOICES LANE – KINGSTON (T/O ULSTER), NY



Enterprise Drive Facing South



Enterprise Drive Facing North



Exterior View – Bldg. 22



Interior View – Bldg. 22



Interior View – Bldg. 22

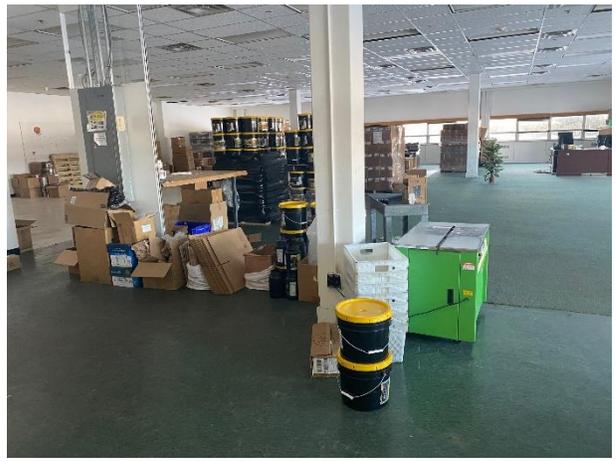


Exterior View – Bldg. 23

ENTERPRISE DRIVE/BOICES LANE – KINGSTON (T/O ULSTER), NY



Interior View – Bldg. 23



Interior View – Bldg. 23



Exterior View – Bldg. 24



Interior – Bldg. 24



Interior – Bldg. 24



Interior – Bldg. 21

ENTERPRISE DRIVE/BOICES LANE – KINGSTON (T/O ULSTER), NY



Exterior View – Bldg. 1



One of many monitoring wells on-site



Exterior View – Bldg. 5N



Exterior View – Bldg. 29



Interior – Bldg. 29



Debris Pile – Former Bldg. 25

ENTERPRISE DRIVE/BOICES LANE – KINGSTON (T/O ULSTER), NY



Debris Pile – Former Bldg. 5S



Helicopter Pad



Overall view



Exterior View – Bldg. 1



Exterior – Former Sewage Treatment Facility



460 Old Neighborhood Drive

SUMMARY OF SALIENT FACTS

Location:	Enterprise Drive/Boices Lane Kingston (T/O Ulster), Ulster County, NY 12401
Assessor's Parcel Number(s):	48.7-1-29.110, -29.120, -29.130, -29.140, -29.150, -29.160, -29.170, -29.240, -29.250, -29.260, -29.270, -29.300, -29.400, -29.500, -29.700, -29.800 and -29.900
Site Description:	The site consists of 157.17± acres. Access to the majority of the parcels and parking is provided by the master parcel for the TechCity campus, 48.7-1-29.270. The property is more fully described in the Site Analysis section of this report.
Improvements:	<p>The subject is improved with a total of seven (7) buildings which combine for 783,066± square feet and are in various conditions ranging from poor to fair. The improvements were constructed in various phases for IBM who utilized the subject as an office, manufacturing, and research and development center until approximately 1995. IBM vacated the property in 1995 due to a decrease in business associated with the construction and development of the "mainframe computer." Since that time, much of the property has been left vacant and significant deferred maintenance has occurred. With exception for Building 29, all improvements on-site would require major capital improvements be made to bring the buildings to average condition. Considering the level of investment required, the contributory value of the improvements is questionable at best.</p> <p>The improvements are further detailed within the Improvement Analysis section of this report.</p>
Parking:	Adequate parking provided via the master parcel for the TechCity campus, 48.7-1-29.270.
Zoning:	OM – Office Manufacturing District. According to our cursory review of the zoning ordinance the subject is legally conforming. See zoning analysis.
Highest and Best Use	
As Vacant:	Office/industrial development.
As Improved:	Office/industrial complex.
Occupancy:	Any leases in place are assumed to be short term and/or could be terminated upon sale of the property.

Valuation	<u>As Is</u>
Property Rights Appraised:	Fee Simple Estate
Date of Value:	January 21, 2022
Cost Approach:	Not Applicable
Sales Comparison Approach:	\$9,300,000
Income Capitalization Approach:	Not Applicable
Final Value	\$9,300,000
Per Acre	\$57,263
Estimated Marketing Time:	Within 60 months

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INTRODUCTION

PROPERTY DESCRIPTION

Location:

Enterprise Drive/Boices Lane
Kingston (T/O Ulster), Ulster County, NY 12401

The subject property is located within the town of Ulster and has a mailing address of Kingston.

Assessor's Parcel Number(s):

48.7-1-29.110, -29.120, -29.130, -29.140, -29.150, -29.160, -29.170, -29.240, -29.250, -29.260, -29.270, -29.300, -29.400, -29.500, -29.700, -29.800 and -29.900

Land Area:

157.17± acres

OWNERSHIP & PROPERTY HISTORY

Owner:

County of Ulster

Sold Within Past Three Years:

Yes, see comments below.

Currently Listed for Sale:

No

Comments:

The subject property is subject to a purchase and sale agreement between the Ulster County Economic Development Alliance, Inc. (seller) and I.Park 87 LLC (purchaser) for a consideration of \$12 million or \$76,350 per acre which is approximately equivalent to the amount owed in back taxes on the property.

According to the seller's representative, the property became eligible for foreclosure in July 2019. At that time, the purchaser came to the county with a deal to clear the property of all encumbrances and liens for a total payment of \$4 million. This payment was completed by the purchaser prior to the county filing for summary judgement. Therefore, the true cost of acquisition is \$16 million or \$101,801 per acre.

Included in the purchase contract is an **"Environmental Clean-Up Credit" of \$7 million to be used towards the costs** incurred to remediate the above surface contamination on-site. It should be noted, the purchaser is required to provide documentation of the clean-up costs and if the costs fall short of the \$7 million credit provided, the purchaser must promptly repay the difference to the seller. According to verbal estimates provided by the USEPA, removal of the asbestos piles (former Buildings 5S and 25) and remediation of Building 1 is in the range of \$7 to \$9 million.

Lastly, the balance of the purchase price, \$5 million, is to be paid to the seller in equal annual principal payments of \$1 million plus interest (4.0 percent per annum) commencing on January 2, 2023. While the seller is financing the purchase, the financing appears to be at or near market rate. As such, we do not believe the seller financing had an impact on the purchase price.

Per the above discussion, the net acquisition cost is \$9 million or \$57,263 per acre. While there were various factors which limited the marketability of the subject, the pending **transfer of the property appears to be an arm's length** transaction supported by market evidence.

The purchaser, I.Park 87 LLC (National Resources) has significant experience in revitalizing former industrial campuses around the Hudson Valley, including another former IBM campus in East Fishkill, known as IPark 84, which houses businesses in the film, technology, manufacturing, food and beverage and other sectors. Subsequent to the sale, the purchaser plans to implement a similar redevelopment plan for the subject.

Our opinion of value of \$9,300,000 is based on recent comparable sales from the market. The pending net acquisition price of \$9,000,000 is within five percent of our opinion of market value and is supportive of our conclusion.

PROPERTY INSPECTION AND VALUATION

<i>Inspection Date:</i>	January 21, 2022
<i>Present at Inspection:</i>	Dan Dickinson of Hilco Real Estate Appraisal inspected the subject property.
<i>Date of Valuation:</i>	January 21, 2022
<i>Intended User(s)</i>	The intended user of this report is the client, Ulster County Economic Development Alliance, Inc.
<i>Intended Use of Report:</i>	The intended use is to assist the client with internal decision making in relation to a potential sale of the property.
<i>Purpose of Appraisal:</i>	To develop an opinion of market value for the subject property in the <i>Fee Simple Estate, as is</i> as of January 21, 2022, the date of inspection.
<i>Property Rights Appraised:</i>	Fee Simple Estate

Definition of Market Value:

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price that 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:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
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.¹

SCOPE OF WORK

Steps Completed by Appraisers for this Assignment:

1. Identified and inspected the subject property, as well as its surrounding environs; identified and considered those characteristics that may have a legal, economic or physical impact on the subject;
2. Investigated the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process; interviewed regional and local market participants; reviewed available published data and other various resources;
3. Conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, and other information that could affect the value of the subject property;

¹ This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS). National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Sixth Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 2015 edition. This definition is also referenced in regulation jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

4. Verified and analyzed comparable sales and listings. Primary sources used for verification include deeds, tax records, the grantor or grantee, attorneys, brokers, appraisers, property managers, lenders, real estate periodicals and listing/reporting services. Verification is also used to elicit additional information about the market.
5. Prepared the Sales Comparison Approach.
6. Estimated a reasonable exposure time associated with the value estimates.

To develop our opinion(s) of value, we performed an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniforms Standards of Professional Appraisal Practice. The following report presents a summarized description of the data, reasoning, and analyses used in the appraisal process to develop our opinion of value. In addition, at the request of the client, this report is consistent with the previous USPAP reporting requirements for a Summary Appraisal Report.

Special Appraisal Instructions:

None

Extraordinary Assumptions:

Our value conclusion assumes any leases in place are short term and/or could be terminated upon sale of the property. Our value conclusion assumes the verbal estimates provided by the USEPA for the removal of the asbestos piles (former Buildings 5S and 25) and remediation of Building 1 are accurate. Our value conclusions assume all subsurface monitoring, subsurface investigations and required clean-up (if necessary) is to be funded by the responsible party, IBM.

These assumptions are directly related to this specific assignment, as of the effective date of the assignment results which, if found to be false, could alter our opinions or conclusions.

Hypothetical Conditions:

None

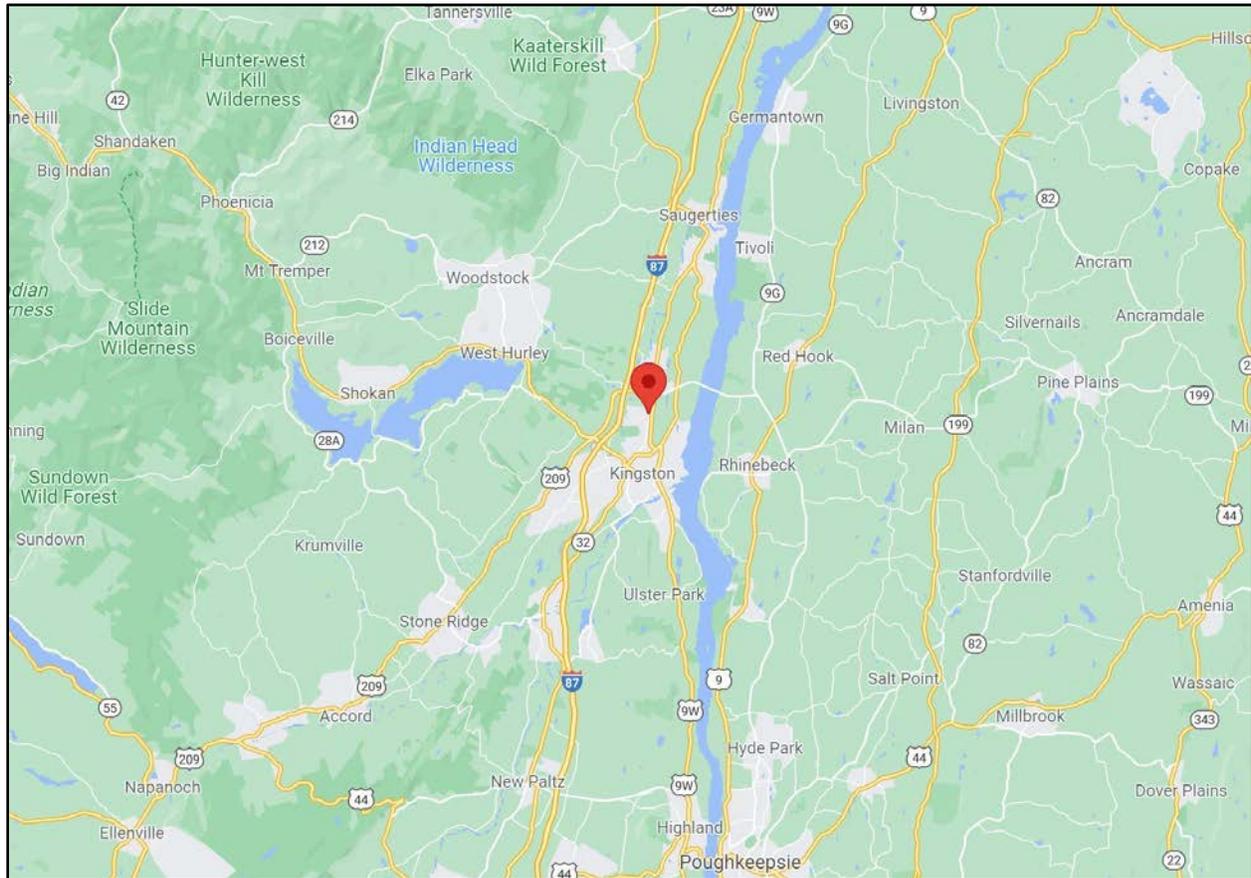
Exposure Time:

Within 60 months

Marketing Time:

Within 60 months

REGIONAL ANALYSIS



This section of the report is designed to isolate and examine the discernible economic trends in the region that influence and create value for the subject property.

LOCATION

The subject property is located in Ulster County, New York. Ulster County is bordered by Greene County to the north, Orange County to the south, Sullivan and Delaware Counties to the west, and Columbia and Dutchess Counties to the east. Ulster County is part of the Hudson Valley Region. The area consists of Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester Counties. In addition, Ulster County is part of the Kingston, New York MSA.

KINGSTON NEW YORK MSA ECONOMIC HIGHLIGHTS

(As outlined by Economy.com, see following pages.)

Moody's ANALYTICS

UNITED STATES

EMPLOYMENT GROWTH RATE		GROSS DOMESTIC PRODUCT	
2020-2022	2020-2025	2020-2022	2020-2025
3.4%	1.9%	5.2%	3.6%

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2011=100)

— U.S.

Source: Moody's Analytics

STRENGTHS & WEAKNESSES

STRENGTHS

- » Very productive workforce.
- » Labor market attracts skilled and unskilled immigrants.
- » High innovation and entrepreneurship.
- » Mobile labor force, flexible labor system.

WEAKNESSES

- » Large budget, current account deficits.
- » Skewed income and wealth distribution.
- » Polarized and fractured political system.
- » Demographic challenges.

ANALYSIS

Recent Performance. The Delta variant of COVID-19 is doing damage to the economic recovery. However, we expect this wave of the pandemic to soon subside, and though there may be future waves, we expect them to be successively less disruptive and look for the economy to return to full employment by spring 2023. It has been 18 months since the pandemic struck the U.S., and it will take another 18 months for the economy to be back into full swing. This is a painfully long time, but if so, the economic recovery from the pandemic will be among the quickest in history.

Supply and demand. Delta has hit both the demand side and the supply side of the economy. Evidence of the demand-side blow is the slide in consumer sentiment (see Chart 1). The long-running University of Michigan and Conference Board consumer surveys have fallen sharply as rising infections and hospitalizations this summer have been unnerving. When the vaccines were rolled out in the spring, there was a widespread feeling that the pandemic was over. Not so. Consumer spending has flagged as worried households suddenly turned more cautious getting on airplanes and going to restaurants. Retail sales have gone nowhere since March, when the economy received a sizable boost from the fiscal support provided by the American Rescue Plan.

On the supply side, Delta has further scrambled global supply chains, as factories have shut down in Southeast Asia when workers got sick, and China has intermittently locked down port activity in an effort to contain the virus. The vehicle industry has been especially disrupted, as the severe shortage of semiconductors coming from Asia has forced vehicle plants to close. With few vehicles to sell—inventories are at record lows—sales have plunged and vehicle prices have gone parabolic. Homebuilders, struggling with shortages and higher prices for everything from

lumber and paint to fixtures and appliances, have had no choice but to pull back on construction despite vacancy rates that are about as low as they have been since World War II and headed lower as well as soaring house prices and rents.

Reduced GDP. Given the economic fallout from Delta, we have reduced our forecast for real GDP growth this year by about a percentage point to near 6%. Most of this is due to much weaker growth in the third quarter, which, according to our current-quarter tracking model that translates the monthly economic statistics into an estimate of GDP, has slumped to below 4% annualized. Just a few weeks ago, growth was tracking almost double this. And given what likely will be a raft of weak August data that will be released in the next couple of weeks, it is likely that growth for the quarter will be marked down further. Hurricane Ida, which slammed Louisiana and the Northeast a couple of weeks ago, has also dinged growth.

Delta is a reminder, as if we needed one, that the pandemic is still raging and that the economy's fortunes are closely tethered to it. But infections appear to have peaked, and with vaccinations picking up over renewed fears of getting sick and expected to pick up even more given vaccine mandates from the federal government and businesses, this wave of the virus should fade. Indeed, our continued optimism regarding the recovery's prospects hinges on the expectation that while there will almost surely be more waves of the pandemic, each successive wave will lead to fewer hospitalizations and deaths and be less disruptive to the economy.

Businesses are optimistic. While Delta has done meaningful economic damage, businesses appear to be largely looking through it as they continue to put up more proverbial help-wanted signs. The number of open job positions surged

(Continued next page)

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Aug 20	Feb 21	Aug 21
Total	-7.6	-6.2	5.1
Construction	-4.1	-2.9	3.0
Manufacturing	-6.1	-4.4	2.9
Trade	-5.5	-3.3	3.8
Trans/Utilities	-4.6	-1.9	6.6
Information	-9.2	-8.2	5.5
Financial Activities	-1.2	-0.9	2.0
Prof & Business Svcs.	-7.3	-3.7	6.0
Edu & Health Svcs.	-5.4	-5.1	3.2
Leisure & Hospitality	-23.6	-21.4	19.2
Other Services	-10.4	-7.5	8.0
Government	-4.2	-5.6	1.4

FORECAST RISKS

SHORT TERM	LONG TERM
↓	↑

UPSIDE

- » Rising equity prices lift consumer spending more than expected.
- » Fiscal stimulus boosts economy sooner.

DOWNSIDE

- » New COVID-19 strain and resistance to vaccination extend pandemic.
- » Higher interest rates result in equity market correction and defaults for struggling highly indebted corporations.
- » Weak global recovery weighs on trade.

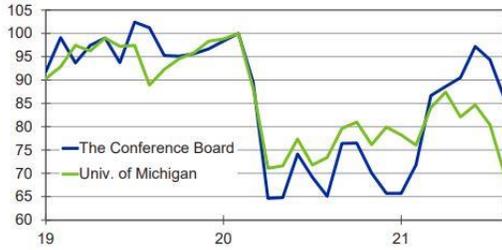
MOODY'S RATING

Aaa

PRÉCIS® U.S. METRO • United States

Delta Unnerves Consumers

Consumer confidence index, Feb 2020=100



Sources: The Conference Board, Univ. of Michigan, Moody's Analytics

Openings, Hiring and Quits Soar

Ths, SA



Sources: BLS, Moody's Analytics

to a record-shattering almost 11 million in July (see Chart 2). For context, just prior to the pandemic when the job market was near full employment, there were closer to 7 million unfilled positions. There have never been so many open positions across every industry and government, but the need for more workers is especially acute in manufacturing, transportation, educational services, healthcare, and leisure and hospitality. This augurs well for continued robust job growth as the pandemic winds down and the record open job positions are matched with all those currently not working because of the virus.

Based on the late-August Household Pulse Survey from the Census Bureau, there are still 5.6 million workers unemployed because of the virus and an additional 7.2 million who are sidelined from even looking for work because they are sick with the virus, taking care of someone who was, or scared of contracting or spreading the virus. Then there are 7.5 million more who say they are not working because they are taking care of children or elderly parents, of which a fair share is likely because of the virus. Over the next 18 months, when the economy is expected to return to full employment, we expect average monthly job gains of close to 500,000.

Policymakers play their part. This sanguine outlook also relies on continued deft policymaking. The Federal Reserve recently signaled that it will begin to wind down its long-term bond buying, or quantitative easing, before the end of this year. This caused hardly a ripple in financial markets, as Fed Chairman Jerome Powell masterfully calmed investor nerves by disconnecting the decision around QE with its interest rate policy. That is, even if the Fed begins to taper QE soon, this has no bearing on the timing of the first interest rate hike. Lifting short-term rates off the zero lower bound depends on the economy returning to full employment and inflation settling in at just over its 2% through-the-business cycle target.

It is critical that the Fed sticks to this script. The Fed's forecasts, which are consistent with ours, suggest that the first interest rate hike will be in spring 2023. But the Fed will need to remain nimble. If Delta reintensifies or there is another wave of a more contagious and virulent variant of the virus and the economy flags, the Fed will need to extend the timing of its tapering and first rate hike. The Fed will also need adjust to whatever the Biden administration and Congress decide to do, or not do, on fiscal policy in the next couple of months.

We expect lawmakers to pass some version of President Biden's Build Back Better agenda. Over the next decade, the legislation will provide more than \$500 billion in additional public infrastructure spending, passed with bipartisan support, and close to \$2.5 trillion in additional spending and various tax breaks for a range of social programs, passed via the budget reconciliation process requiring all 50 Democratic senators to vote for it (see Table 1).

This reconciliation package would be a compromise between the \$3.5 trillion package in the current budget resolution and the \$1.5 trillion that Democratic West Virginia Senator Joe Manchin, who is shaping up to be the most critical swing vote, has publicly endorsed. There will be enough tax increases on the well-to-do and large corporations in the legislation that there will be about \$1 trillion in additional static budget deficits over the next decade, but on a dynamic basis and over a 15-year horizon, the legislation will be paid for. This seems a reasonable way to assess the fiscal implications of the legislation, as the investments in the legislation will pay returns over several decades and will provide a meaningful boost to long-term growth, reducing the ultimate fiscal costs, which are not captured in the static budget deficit but are in the dynamic deficit.

Macroeconomic Impact of American Jobs Plan

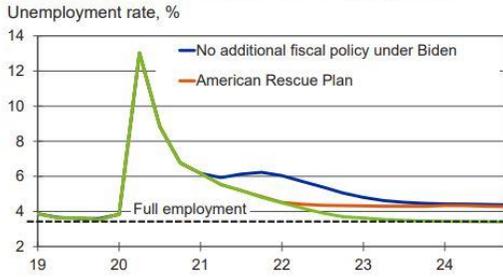
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg annual 2021-2030
Real GDP, % change												
With AJP	-3.5	7.2	3.9	2.3	3.8	2.9	1.9	1.6	2.0	2.2	2.2	3.0
Without AJP	-3.5	7.2	3.9	1.9	2.2	1.8	1.8	2.0	2.1	2.1	2.1	2.7
Difference	0.0	0.0	-0.0	0.4	1.5	1.0	0.1	-0.4	-0.1	0.2	0.2	0.3
Nonfarm employment, mil												
With AJP	142.3	146.4	150.9	152.5	155.1	156.9	157.8	158.6	159.5	160.4	161.2	
Without AJP	142.3	146.4	150.9	152.5	153.7	154.4	155.0	155.7	156.6	157.6	158.6	
Difference (ths)	0	0	-23	19	1,472	2,514	2,818	2,869	2,843	2,780	2,690	
Unemployment rate, %												
With AJP	8.1	5.6	4.4	4.4	3.8	3.6	3.7	3.8	3.8	3.8	3.8	
Without AJP	8.1	5.6	4.4	4.4	4.3	4.4	4.5	4.5	4.5	4.4	4.4	
Difference	0.0	0.0	0.0	-0.0	-0.5	-0.7	-0.8	-0.7	-0.6	-0.6	-0.6	

Sources: BEA, BLS, Moody's Analytics

MOODY'S ANALYTICS / Précis® U.S. Metro / September 2021

PRÉCIS® U.S. METRO • United States

BBB Helps Return to Full Employment



Sources: BLS, Moody's Analytics

Though this legislation is largely about lifting the economy's longer-term growth, it would begin to boost the economy toward the end of 2022 and go a long way to ensure a full economic recovery from the pandemic (see Chart 3). Prospects are that the recovery will be stuttering about then, as the fiscal

new federal fiscal year begins at the start of October and legislation that suspends or increases the Treasury debt limit before the Treasury runs out of cash sometime in October. Not funding the government, even through a short-term so-called continuing resolution, would lead to a govern-

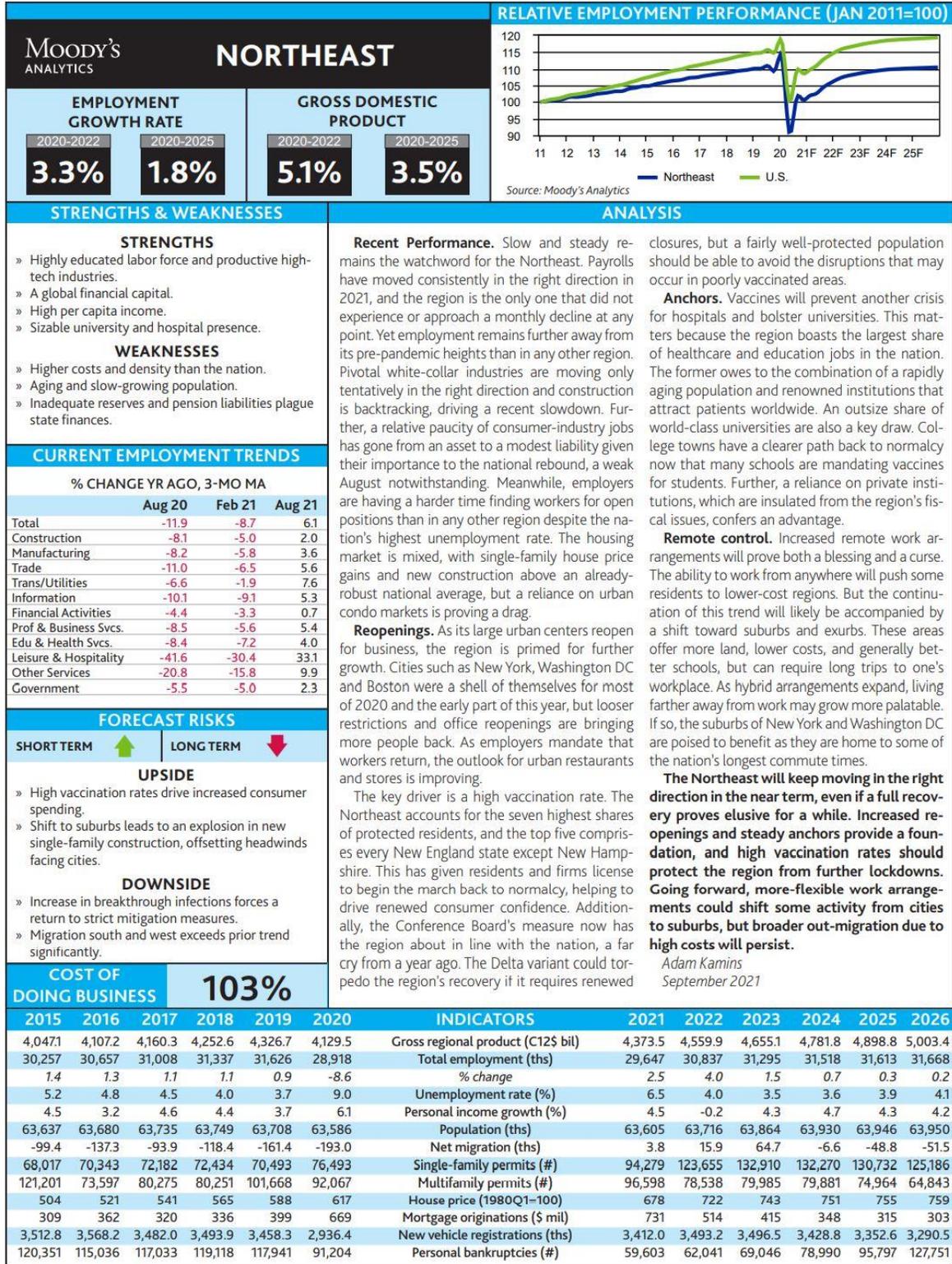
ment shutdown, and not suspending or increasing the debt limit, an anachronistic law that restricts the Treasury from issuing more debt than the stipulated amount, means the Treasury will be unable to pay all its bills on time because it needs to borrow to pay them all.

We have been through several government shutdowns since the financial crisis, which are disruptive to the economy, but the Treasury has never missed a payment—aside from a computer error in 1979 that caused payments on Treasury bills to be late—which would be an economic catastrophe. Given the enormous economic and political costs of shutting the government down or paying its bills late, we expect lawmakers to come to terms at the last minute. But there is still no clear legislative mechanism for doing this, and given how little time is left for lawmakers to get this done, it is time to consider more carefully what would happen if lawmakers do not get it done in time.

support already provided will have faded, as will have other sources of growth, including the unleashing of pent-up consumer demand created while households sheltered in place and the rebuilding of inventories depleted because of the global supply-chain problems.

Keeping the lights on. Even before lawmakers vote on this sweeping legislation, they will need to pass legislation funding the government when the new federal fiscal year begins at the start of October and legislation that suspends or increases the Treasury debt limit before the Treasury runs out of cash sometime in October. Not funding the government, even through a short-term so-called continuing resolution, would lead to a govern-

Mark Zandi
September 2021



COST OF DOING BUSINESS 103%

							INDICATORS					
2015	2016	2017	2018	2019	2020		2021	2022	2023	2024	2025	2026
4,047.1	4,107.2	4,160.3	4,252.6	4,326.7	4,129.5	Gross regional product (C12\$ bil)	4,373.5	4,559.9	4,655.1	4,781.8	4,898.8	5,003.4
30,257	30,657	31,008	31,337	31,626	28,918	Total employment (ths)	29,647	30,837	31,295	31,518	31,613	31,668
1.4	1.3	1.1	1.1	0.9	-8.6	% change	2.5	4.0	1.5	0.7	0.3	0.2
5.2	4.8	4.5	4.0	3.7	9.0	Unemployment rate (%)	6.5	4.0	3.5	3.6	3.9	4.1
4.5	3.2	4.6	4.4	3.7	6.1	Personal income growth (%)	4.5	-0.2	4.3	4.7	4.3	4.2
63,637	63,680	63,735	63,749	63,708	63,586	Population (ths)	63,605	63,716	63,864	63,930	63,946	63,950
-99.4	-137.3	-93.9	-118.4	-161.4	-193.0	Net migration (ths)	3.8	15.9	64.7	-6.6	-48.8	-51.5
68,017	70,343	72,182	72,434	70,493	76,493	Single-family permits (#)	94,279	123,655	132,910	132,270	130,732	125,186
121,201	73,597	80,275	80,251	101,668	92,067	Multifamily permits (#)	96,598	78,538	79,985	79,881	74,964	64,843
504	521	541	565	588	617	House price (1980Q1=100)	678	722	743	751	755	759
309	362	320	336	399	669	Mortgage originations (\$ mil)	731	514	415	348	315	303
3,512.8	3,568.2	3,482.0	3,493.9	3,458.3	2,936.4	New vehicle registrations (ths)	3,412.0	3,493.2	3,496.5	3,428.8	3,352.6	3,290.5
120,351	115,036	117,033	119,118	117,941	91,204	Personal bankruptcies (#)	59,603	62,041	69,046	78,990	95,797	127,751

MOODY'S ANALYTICS / Précis® U.S. Metro / September 2021 4



KINGSTON NY

Data Buffet® MSA code: IUSA_MKIS

ECONOMIC DRIVERS

TOURIST
DESTINATION



MEDICAL
CENTER



EMPLOYMENT GROWTH RANK

2020-2022
150
2nd quintile

Best=1, Worst=410

2020-2025
186
3rd quintile

RELATIVE COSTS

LIVING
99%

U.S.=100%

BUSINESS
88%

VITALITY

RELATIVE
-0.17
Rank: 247

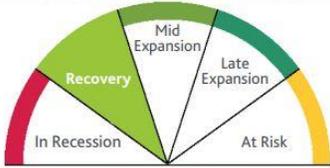
Best=1, Worst=403

QUALITY

OF LIFE
145

Best=1, Worst=378

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

- » Proximity to New York City.
- » Low business costs for the Northeast.
- » Below-average employment volatility.

WEAKNESSES

- » Exposure to hard-hit small businesses.
- » Below-average share of high-wage jobs.
- » Overreliance on government coupled with few private-sector growth drivers.
- » Shrinking working-age population.
- » High poverty rate.

Recent Performance. Kingston's recovery is stuck in neutral. On net, employment has not budged in the past eight months, underperforming New York's upward trend. KIS has recovered just over half of the jobs lost due to the pandemic, compared with the two-thirds recovered nationally. Although leisure/hospitality and retail are rebounding at an above-average pace, KIS's key healthcare industry and government sector continue to shed jobs. The unemployment rate is only 2 percentage points above its pre-pandemic level, but recent progress is due to declines in the labor force. Meanwhile, the housing market is hot. House prices are appreciating at double the state's pace, causing affordability to drop below the U.S. average.

Healthcare. The outside healthcare industry will slowly regain its footing as demand for health services returns, but hospital consolidations pose downside risk to the forecast. Lower infection rates and broad vaccine availability will gradually rebuild residents' confidence in seeking health services. As a result, demand for elective procedures will climb in the coming quarters. However, weak demographic trends, including persistent out-migration and subpar growth in the senior cohort, will limit growth in demand and weigh on the recovery. Payrolls are forecast to hit precrisis levels by late 2023, nearly two years after the U.S. average. Furthermore, top employer Health Alliance is consolidating hospital operations to its Mary's Avenue Campus. The potential elimination of redundant positions as the hospitals merge adds downside risk to the forecast.

Tourists. Leisure/hospitality will be a key source of near-term job growth as tourism rebounds, but shifting preferences toward short-term rentals will be a double-edged sword. The Catskills provide an escape from nearby New York City and the area will see an increase in out-of-state tourists this summer, now that restrictions on travel have been lifted. The influx of visitors and accompanying spending will push leisure/hospitality to rebound at an above-average pace over the coming quarters. The industry will recoup 85% of lost jobs by the end of 2022. Despite these tailwinds, KIS will benefit less than it has in the past from tourism, as COVID-19 accelerated the shift in consumer preferences toward short-term rentals and home-sharing rather than traditional hotels. Although these smaller establishments helped to boost tourism during the pandemic, they employ fewer residents than hotels and will weigh on leisure/hospitality job growth longer term.

SUNY. State University of New York at New Paltz will benefit from the return of in-person instruction, but budget and enrollment hurdles will limit the rebound in government employment. KIS's share of jobs in state government is double that of the U.S. and the university is one of the metro area's main sources of well-paying jobs. SUNY will reopen on-campus classes this fall, helping government payrolls recover throughout late 2021 and 2022. Shrinking enrollment and budget shortfalls will prevent payrolls from rebounding to pre-pandemic levels soon, however. Fewer students will also reduce demand for housing, while budget challenges may force further cost-cutting, generating downside risk to the forecast.

Kingston will take longer than the state or nation to recover from the pandemic. Leisure/hospitality will continue to lead the recovery as the contributions of healthcare and government remain limited. Longer term, poor demographic trends and a lack of high-value drivers will keep KIS a below-average performer.

Shannon Brobst
May 2021

1-866-275-3266
help@economy.com

FORECAST RISKS

SHORT TERM ↓

LONG TERM ↓

COVID-19 EXPOSURE MAY 2021 31 1st quintile Most=1
Least=403

UPSIDE

- » Population growth is stronger as more people work from home for longer.
- » Baby boomers retire more slowly, a plus for the labor force and potential growth.

DOWNSIDE

- » New COVID-19 cases rise and again slam leisure/hospitality.
- » Budget shortfalls at SUNY lead to cost cutting.
- » Hospital consolidation slows job growth.

MOODY'S RATING

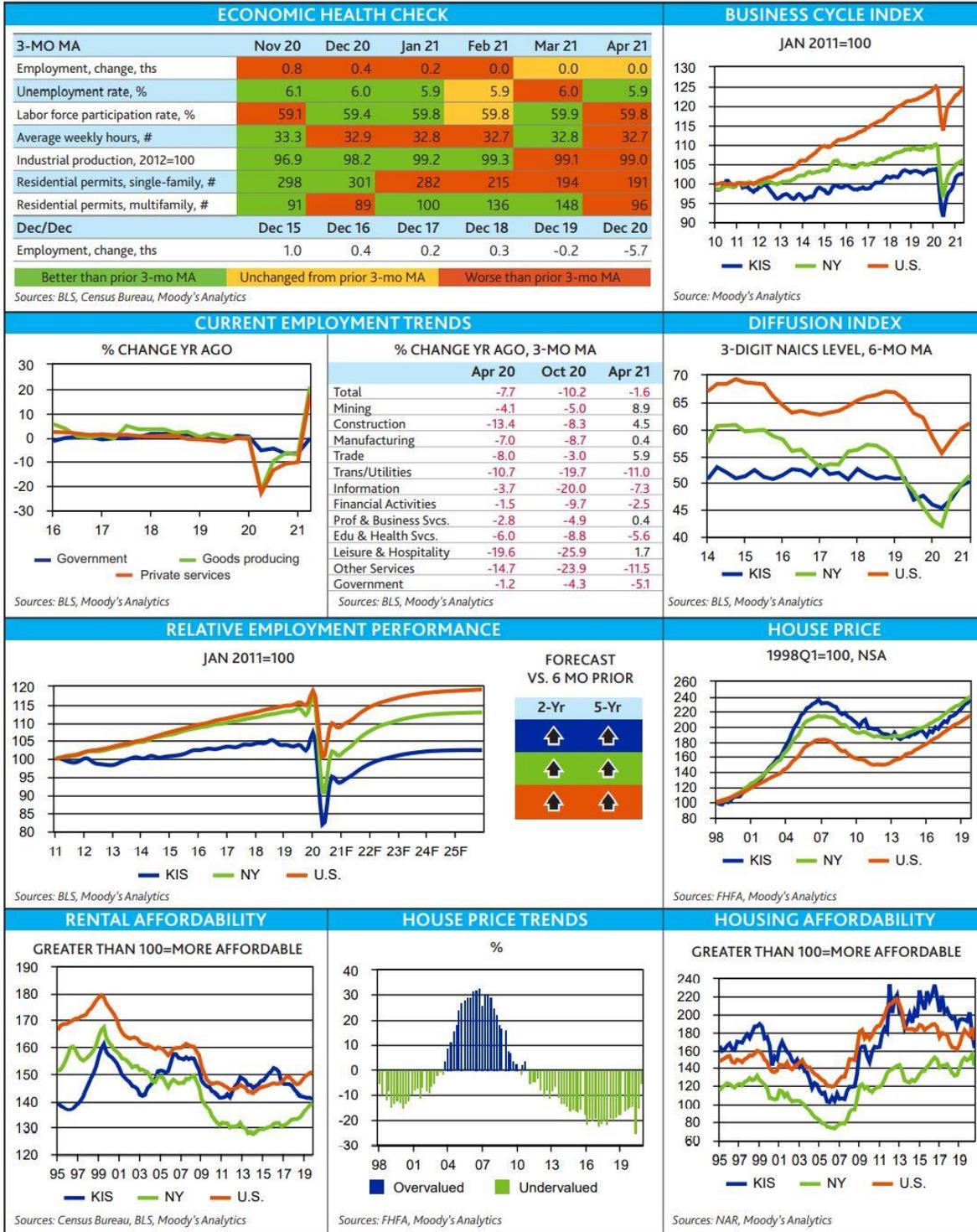
NR

COUNTY AS OF MAY 24, 2017

2015	2016	2017	2018	2019	2020	INDICATORS	2021	2022	2023	2024	2025	2026
7.4	7.4	7.6	7.8	7.8	7.2	Gross metro product (C12\$ bil)	7.7	8.0	8.2	8.4	8.6	8.7
1.9	0.7	2.7	2.5	-0.5	-8.1	% change	7.2	4.8	2.0	2.6	2.2	1.7
60.9	61.7	62.2	62.7	62.2	56.0	Total employment (ths)	57.6	59.9	61.0	61.4	61.5	61.5
1.0	1.3	0.8	0.8	-0.8	-9.9	% change	2.9	4.0	1.7	0.7	0.2	0.0
4.8	4.5	4.5	3.9	3.6	8.1	Unemployment rate (%)	5.5	3.9	3.5	3.6	3.9	4.0
3.7	3.3	4.7	4.0	4.3	6.7	Personal income growth (%)	0.8	-2.6	3.7	3.5	2.9	2.6
60.0	61.8	63.3	64.2	64.1	65.9	Median household income (\$ ths)	66.8	65.4	67.5	69.6	71.6	73.5
179.7	179.0	178.6	178.4	177.6	176.2	Population (ths)	175.2	174.3	173.5	172.7	171.8	170.9
-0.4	-0.3	-0.2	-0.1	-0.5	-0.8	% change	-0.6	-0.5	-0.4	-0.5	-0.5	-0.5
-0.6	-0.4	-0.1	0.1	-0.5	-0.9	Net migration (ths)	-0.5	-0.5	-0.4	-0.4	-0.4	-0.4
148	148	201	193	188	209	Single-family permits (#)	401	570	597	598	592	548
159	104	135	59	201	94	Multifamily permits (#)	138	132	144	149	146	138
220.7	221.5	232.9	247.9	264.1	282.8	FHFA house price (1995Q1=100)	317.1	334.0	348.6	353.3	353.4	353.2

MOODY'S ANALYTICS / Precis® U.S. Metro / May 2021

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EMPLOYMENT AND INDUSTRY

TOP EMPLOYERS

Health Alliance of the Hudson Valley	2,400
State University of New York at New Paltz	>1,000
Eastern New York Correctional Facility	500-999
Northeast Center for Special Care	500-999
Ulster-Greene ARC	500-999
United Cerebral Palsy of Ulster County	500-999
UnitedHealth Group	500-999
Ametek-Rotron	200-499
Fair-Rite Products	200-499
Bank of America Libris Information Solutions	200-499
Gateway Community Industries	200-499
Hannaford	200-499
Hudson Valley Resort & Spa	200-499
Mid-Hudson Family Health Institute	200-499
Mohonk Mountain House	200-499
Pilot Industries	200-499
Shawangunk Correctional Facility	200-499
Ten Broeck Commons	200-499
Ulster Correctional Facility	200-499
Wallkill Correctional Facility	200-499

Sources: Hudson Valley Economic Development Corporation, January 2013, Ulster Chamber of Commerce, August 2009

PUBLIC

Federal	441
State	4,690
Local	8,516

2020

INDUSTRIAL DIVERSITY

Most Diverse (U.S.)

0.63

Least Diverse

EMPLOYMENT VOLATILITY

Due to U.S. fluctuations: 84% (KIS), 100% (U.S.)

Relative to U.S.: 143 (KIS), 100 (U.S.)

Sources: BLS, Moody's Analytics, 2020

ENTREPRENEURSHIP

BROAD-BASED START-UP RATE

U.S.=100, 4-QTR MA 2019

0 20 40 60 80 100 120

■ KIS ■ NY

Sources: Census Bureau, Moody's Analytics

EXPORTS

Product	\$ mil
Food and kindred products	ND
Chemicals	ND
Primary metal manufacturing	ND
Fabricated metal products	ND
Machinery, except electrical	60.7
Computer and electronic products	20.8
Transportation equipment	ND
Miscellaneous manufacturing	ND
Other products	ND
Total	183.9

Destination	\$ mil
Africa	7.2
Asia	63.7
European Union	37.7
Canada & Mexico	47.0
South America	10.0
Rest of world	18.3
Total	183.9

Sources: BEA, International Trade Administration, Moody's Analytics, 2019

COMPARATIVE EMPLOYMENT AND INCOME

Sector	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
	KIS	NY	U.S.	KIS	NY	U.S.
Mining	0.2	0.1	0.4	\$56,125	nd	\$152,860
Construction	4.5	4.1	5.1	\$54,647	\$82,824	\$71,226
Manufacturing	5.5	4.6	8.6	\$77,721	\$85,697	\$87,452
Durable	61.9	57.7	62.2	nd	\$91,239	\$90,347
Nondurable	38.1	42.3	37.8	nd	\$78,222	\$82,632
Transportation/Utilities	2.4	3.1	4.3	nd	\$64,786	\$65,743
Wholesale Trade	2.5	3.4	4.0	nd	\$101,997	\$92,590
Retail Trade	14.4	9.1	10.4	\$33,790	\$44,051	\$38,405
Information	1.5	3.0	1.9	\$51,790	\$191,685	\$136,729
Financial Activities	3.9	8.1	6.1	\$27,403	\$106,643	\$59,335
Prof. and Bus. Services	7.9	14.2	14.2	\$42,697	\$102,250	\$76,266
Educ. and Health Services	17.3	22.8	16.3	\$48,766	\$63,165	\$59,504
Leisure and Hosp. Services	11.2	7.2	9.4	\$26,456	\$44,724	\$31,046
Other Services	4.3	3.9	3.8	\$47,644	\$45,405	\$39,932
Government	24.4	16.4	15.4	\$99,698	\$109,827	\$83,178

Sources: Percent of total employment — BLS, Moody's Analytics, 2020, Average annual earnings — BEA, Moody's Analytics, 2019

PRODUCTIVITY

REAL OUTPUT PER WORKER, \$

83,962 115,794 93,674

■ KIS ■ NY ■ U.S.

Sources: BEA, Moody's Analytics, 2019

BUSINESS COSTS

U.S.=100

0 50 100 150 200

■ 2013 ■ 2018

Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
KIS	1.5	2.6
U.S.	7,540.4	5.3

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
KIS	5.1	9.1
U.S.	14,373.7	10.1

Source: Moody's Analytics, 2020

LEADING INDUSTRIES BY WAGE TIER

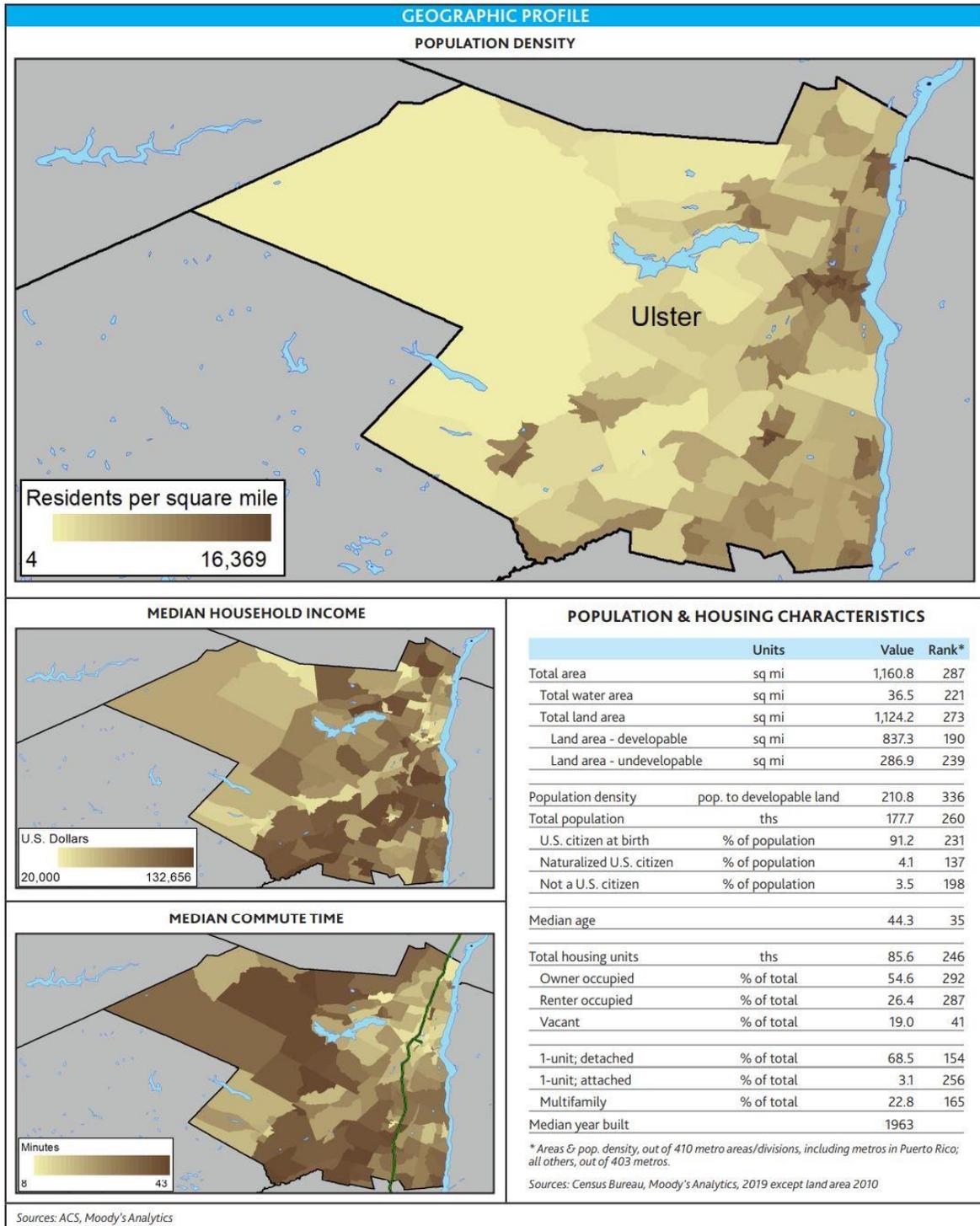
NAICS Industry	Location Quotient	Employees (ths)
GVF Federal Government	0.4	0.5
5242 Agencies, brokerages & other insur. rel. acts.	0.8	0.4
3339 Other general purpose machinery manuf.	2.1	0.2
2211 Electric power generation, trans. & distrib.	1.2	0.2
GVL Local Government	1.4	8.7
GVS State Government	2.2	4.8
6221 General medical and surgical hospitals	0.8	1.5
6211 Offices of physicians	0.9	0.9
7225 Restaurants and other eating places	1.0	4.1
7211 Traveler accommodation	2.4	1.9
4451 Grocery stores	1.6	1.9
6232 Res. mental retardation, health & subst. abuse	5.5	1.4

Source: Moody's Analytics, 2020

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KEY COMPARISONS AND PROJECTIONS

The following information is taken from the previously presented economic and statistical data provided Economy.com as of May 2021. The subject is located in Ulster County, which is part of the Kingston, NY MSA as determined by economy.com.

UNITED STATES	NORTHEAST	KINGSTON
<i>Total Employment</i>		
146,200,000	29,647,000	57,600
<i>Employment Change %</i>		
2.8	2.5	2.9
<i>Unemployment Rate %</i>		
5.5	6.5	5.5
<i>Personal Income Growth</i>		
6.2	4.5	0.8
<i>Strengths</i>		
<ul style="list-style-type: none"> • Very productive workforce. • Labor market attracts skilled and unskilled immigrants. • High innovation and entrepreneurship. • Mobile labor force, flexible labor system. 	<ul style="list-style-type: none"> • Highly educated labor force and productive high-tech industries. • A global financial capital. • High per capita income. • Sizable university and hospital presence. 	<ul style="list-style-type: none"> • Proximity to New York City. • Low business costs for the Northeast. • Below-average employment volatility.
<i>Weaknesses</i>		
<ul style="list-style-type: none"> • Large budget, current account deficits. • Skewed income and wealth distribution. • Polarized and fractured political system. • Demographic challenges. 	<ul style="list-style-type: none"> • Higher costs and density than the nation. • Aging and slow-growing population. • Inadequate reserves and pension liabilities plague state finances. 	<ul style="list-style-type: none"> • Exposure to hard-hit small businesses. • Below-average share of high-wage jobs. • Overreliance on government coupled with few private-sector growth drivers. • Shrinking working-age population. • High poverty rate.

NORTHEAST REGION OUTLOOK

"The forecast for the Northeast is the brightest it has been since before the pandemic, but many dark clouds remain. The COVID-19 vaccine provides a pathway back to normalcy, but increased remote work could hold back gains. Longer term, cost disadvantages and out-migration will drive **continued underperformance."** (*Precis: Metro May 2021 Moody's Analytics*)

LOCAL AREA OUTLOOK

"Kingston's recovery is stuck in neutral. On net, employment has not budged in the past eight months, underperforming New York's upward trend. KIS has recovered just over half of the jobs lost due to the pandemic, compared with the two-thirds recovered nationally. Although leisure/hospitality and retail are rebounding at an above-average pace, **KIS's key healthcare industry and government sector continue to shed jobs.** The unemployment rate is only 2 percentage points above its pre-pandemic level, but recent progress is due to declines in the labor force. **Meanwhile, the housing market is hot. House prices are appreciating at double the state's pace,** causing affordability to drop below the U.S. average.

Kingston will take longer than the state or nation to recover from the pandemic. Leisure/hospitality will continue to lead the recovery as the contributions of healthcare and government remain limited. Longer term, poor demographic trends and a lack of high-value drivers will keep KIS a below-average performer." (*Precis: Metro May 2021 Moody's Analytics*)

MARKET ANALYSIS

INTRODUCTION

The subject is a large-scale office/industrial complex slated for redevelopment. While the purchaser has plans to redevelop the property into a mixed-use development, given the strength of the current industrial market, the historic use of the property for office/industrial and the overall similarity of the subject with properties purchased for office/industrial development, we believe the highest and best use of the property is for office/industrial.

The following analysis has been developed with information provided by CoStar Market Reports, discussions with brokers active in the region, observations at the time of inspection, and our knowledge of the market.

INDUSTRIAL INVENTORY & NEW CONSTRUCTION

According to *CoStar's Current Kingston Industrial Market Report*, the current industrial inventory in the Kingston MSA is 9,775,786 square feet. Development remains minimal: Nothing has delivered over the past three years, and no projects are currently underway.

INDUSTRIAL VACANCY RATES

The chart below shows the historical vacancy rates for the Kingston Industrial market since 2016.

INDUSTRIAL VACANCY RATES							
	2022 YTD	2021	2020	2019	2018	2017	2016
Kingston MSA	3.1%	3.8%	3.6%	3.3%	2.7%	9.3%	11.6%
Source: CoStar's Current Kingston Industrial Market Report							

CoStar's reported average vacancy rate shows fairly stable rates dating back to 2018, hovering around 3.0 percent.

INDUSTRIAL RENTAL RATES

The following table shows the average asking industrial rental rates for the Kingston MSA based on a triple net lease structure.

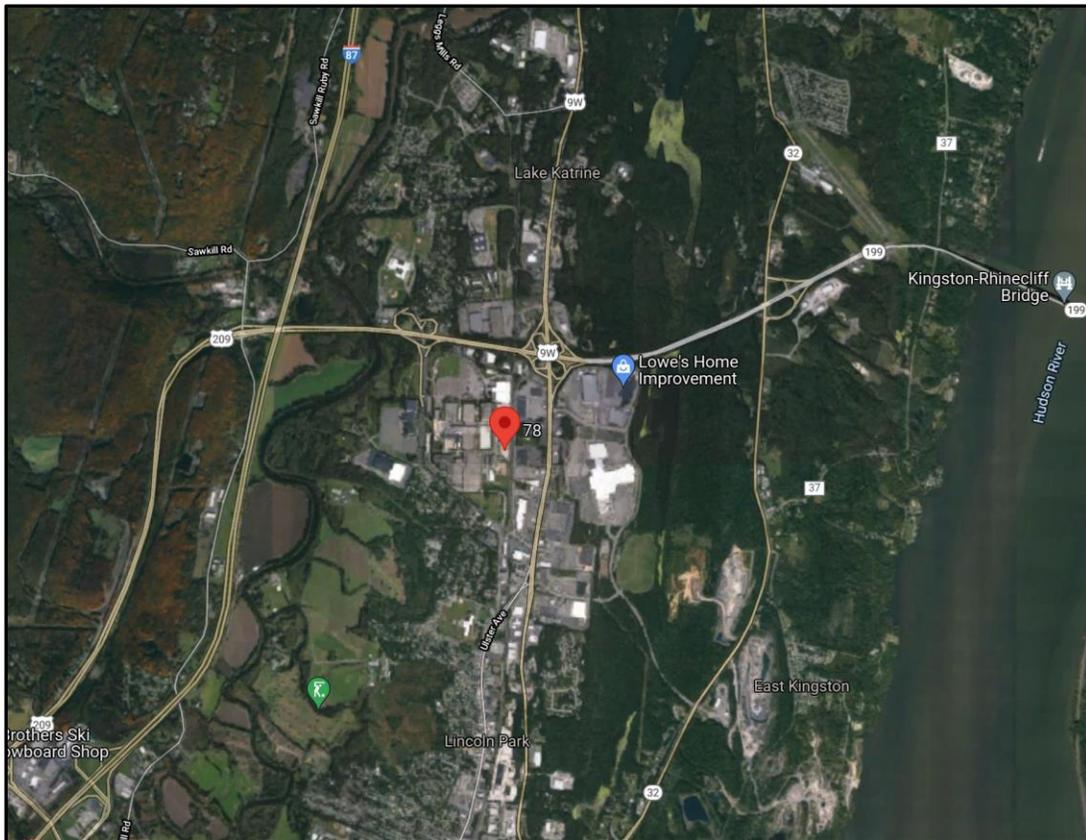
INDUSTRIAL AVERAGE ASKING RENTAL RATES							
	2022 YTD	2021	2020	2019	2018	2017	2016
Kingston MSA	\$8.00	\$7.96	\$7.33	\$6.95	\$6.59	\$6.42	\$5.94
Source: CoStar's Current Kingston Industrial Market Report							

As shown within the chart, average industrial rental rates have been increasing over the 6 plus years shown.

CONCLUSION

Overall, demand for industrial and warehouse space is high. Vacancy rates for industrial properties are relatively low and market rents show positive trends. Given the minimal levels of new **construction and the increasing demand for industrial space, the subject's market is expected to** continue to tighten with decreasing vacancy rates and increasing rental rates.

NEIGHBORHOOD ANALYSIS



LOCATION

The subject neighborhood is located in the town of Ulster, New York. The neighborhood boundaries are generally delineated by the map shown above.

ADJACENT PROPERTIES

The subject is situated within the TechCity Commerce Park, former IBM-Kingston campus. The subject is surrounded by industrial properties. To the north, south and west are industrial properties. To the east is an active rail line.

ACCESS

Accessibility to the neighborhood is considered good. The TechCity Commerce Park is situated at the southwest corner of the intersection of US Routes 9W and 209. Additionally, I-87 is located approximately one mile west of the subject. The Hudson River is located approximately 2 miles east of the subject.

DEMOGRAPHICS

NEIGHBORHOOD DEMOGRAPHICS ENTERPRISE DRIVE/BOICES LANE, KINGSTON (T/O ULSTER), NY			
	1-Mile	3-Mile	5-Mile
Population			
2027 Projection	2,085	27,062	48,779
2022 Estimate*	1,988	25,876	46,766
2010 Census	1,958	25,732	46,827
2010-2022 % Change	1.53%	0.56%	-0.13%
2022-2027 % Change	4.88%	4.58%	4.30%
Households			
2027 Projection	1,035	11,633	21,083
2022 Estimate*	979	11,055	20,060
2010 Census	942	10,791	19,640
2010-2022 % Change	3.93%	2.45%	2.14%
2022-2027 % Change	5.72%	5.23%	5.10%
2022 Median Household Income	\$41,404	\$55,147	\$63,222
2022 Average Household Income	\$62,648	\$78,294	\$90,174
2022 Median Housing Value	\$216,990	\$232,502	\$258,454
* 2022 Estimates are based upon actual 2010 Census figures.			
Source: Environics Analytics (Claritas)			
Compiled by: Hilco Real Estate Appraisal, LLC			

CONCLUSION

The subject property is situated within the TechCity Commerce Park in the town of Ulster, New York. The location has good access to interstates; however, in addition to the subsurface contamination which has been monitored for decades, many of the properties within the park have not been maintained and include significant deferred maintenance. There are multiple areas within the park where remnants of demolished buildings exist. According to property representatives, the debris from the demolished buildings include asbestos and requires specialized removal.

Population and total household figures show positive trends overall. We expect the character of **the subject's neighborhood to** improve as redevelopment of the TechCity Commerce Park begins.

SITE ANALYSIS

ENTERPRISE DRIVE/BOICES LANE – KINGSTON (T/O ULSTER), NY			
Gross Site Area:	157.17± acres	Shape:	Irregular
Excess Land:	None	Topography:	Generally level
Surplus Land:	None	Historical Use:	Former IBM-Kingston
Access:	Enterprise Drive and Boices Lane	Zoning District:	OM – Office Manufacturing District
Road Frontage:	Enterprise Drive and Boices Lane	Current Use:	Largely unused
Other Frontage:	Railroad	Flood Panel No.:	36111C0480E
Soil Conditions:	Known subsurface contamination	Flood Panel Date:	09/25/2009
		Flood Zone:	Zone X
		Flood Insurance Required:	No

Characteristic	Rating	Characteristic	Rating
Access	Average	Adequacy of Utilities	Good
Visibility	Average	Landscaping	Minimal
Functional Utility	Average	Drainage	Assumed adequate
Traffic Volume	Light	Adjacent Land Uses	Industrial

Utility	Provider	Adequate	Other	Yes	No	Unknown
Water	Municipal	Yes	Toxic Hazards	X		
Sewer	Municipal	Yes	Detrimental Easements	X		
Natural Gas	National Grid	Yes	Encroachments		X	
Electricity	National Grid	Yes	Deed Restrictions			X
Telephone	Various	Yes	Reciprocal Parking	X		
			Common Ingress-Egress	X		

SITE SUMMARY & CONCLUSION

The subject of this report consists of seventeen (17) tax parcels identified by the town of Ulster assessor as tax map numbers 48.7-1-29.110, -29.120, -29.130, -29.140, -29.150, -29.160, -29.170, -29.240, -29.250, -29.260, -29.270, -29.300, -29.400, -29.500, -29.700, -29.800 and -29.900. The subject site includes a combined 157.17± acres and encompasses the majority of the TechCity Commerce Park, former IBM-Kingston campus. The campus was subdivided in 1997 leaving the majority of the parcels as building footprints only. Access to all parcels and parking is provided by the master parcel for the campus, 48.7-1-29.270, which is subject to a management agreement requiring maintenance of the roadways, common area utilities, etc. According to the agreement, all expenses incurred are distributed proportionately to the recipient parcels according to the percentage of total assessment. However, as the properties have been operating as one economic unit for several decades and are being purchased together, our analysis has analyzed the subject as such.

It should be noted, environmental investigations on the TechCity campus have been on-going since 1980 due to the presence of subsurface contamination from the former IBM operations. It is our understanding that as IBM is the responsible party for the subsurface contamination, all subsurface monitoring, subsurface investigations and required clean-up (if necessary) is to be funded by IBM. While this does remove the financial burden and risk from the subsurface contamination, the New York State Department of Environmental Conservation (NYSDEC) has implemented an Interim Site Management Plan (ISMP) which incorporates various Environmental Easements (EEs) on the campus to restrict certain uses, and mandate operation, maintenance, **monitoring, and reporting measures. According to the "Final Statement of Basis," see Addenda B,** the restrictions in place include restricting the use of groundwater, compliance with the various **EEs, restricting the site's use** to restricted residential and/or commercial and compliance with an ISMP. In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are re-occupied and/or renovated for use.

While we are not environmental professionals, it is our interpretation that the restrictions in place limits potential development and any future excavation/development would need to be completed under the guidance of the NYSDEC. Along with the known environmental concerns, the sheer size of the property and the required investment needed has limited the pool of investors interested in undertaking the project. Furthermore, the environmental concerns on-site will likely limit the borrowing power for the property through typical commercial lending institutions.

As such, we have attempted to account for these restrictions and limitations along with the apparent stigma from the known environmental conditions on-site within our analysis.

Overall, the site is adequately sized for large scale redevelopment.

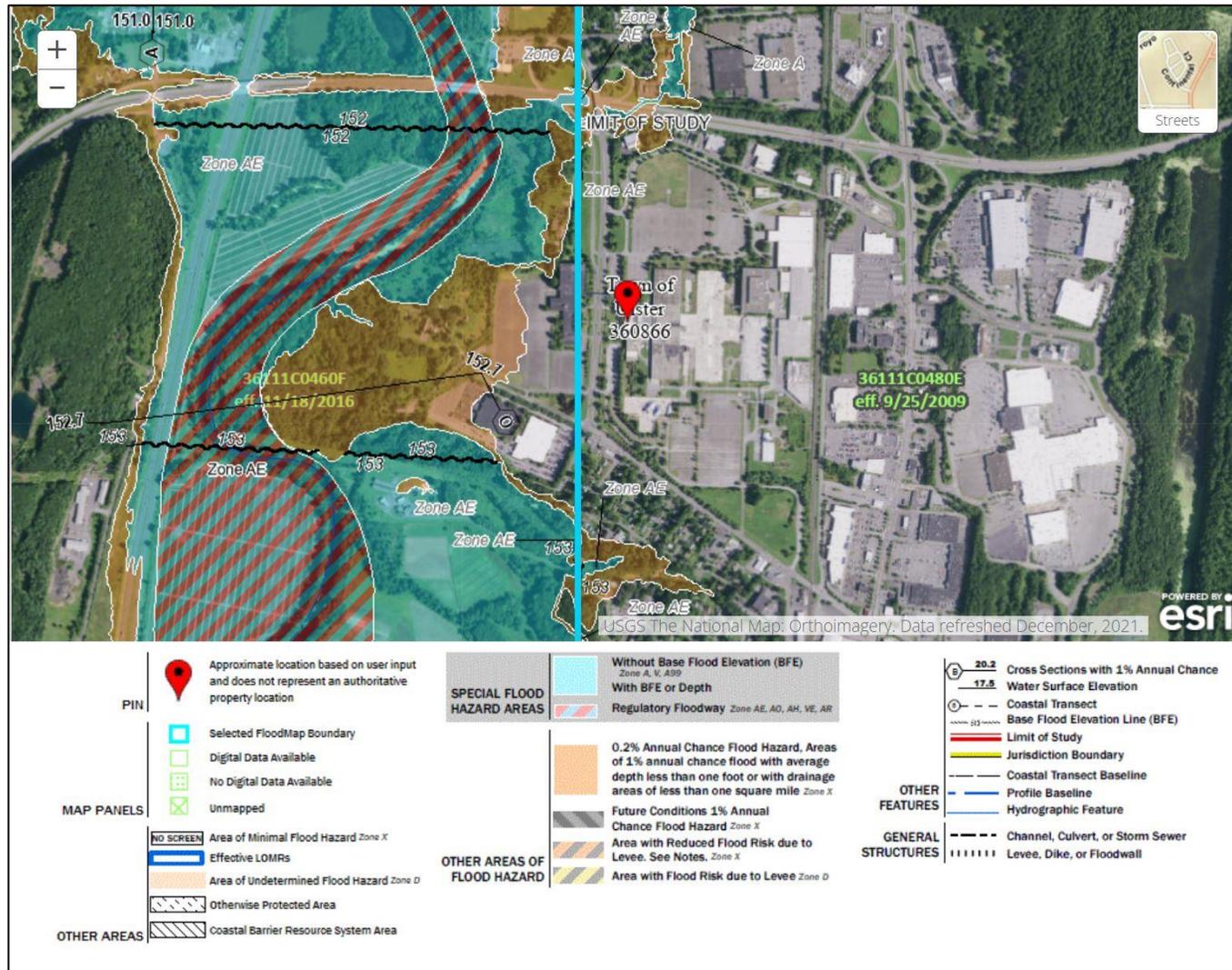
AERIAL MAP



OVERHEAD FROM FORMER MARKETING BROCHURE



FLOOD MAP



IMPROVEMENT ANALYSIS

ENTERPRISE DRIVE/BOICES LANE – KINGSTON (T/O ULSTER), NY					
Gross Building Area:	783,066± square feet	Year Built:	1975-1990		
Net Rentable Area:	Same as above	Actual Age:	32-47 years		
Construction Type:	Steel & Masonry	Effective Age:	30-35 years		
Construction Class:	Class C – Avg	Total Economic Life:	40 years		
Ceiling Height:	9-20 Feet	Deferred Maintenance:	See below		
Parking	Adequate	Functional Obsolescence:	See below		
Number of Stories:	1-3	External Obsolescence:	None Noted		
		Estimated Depreciation:	75.0-87.5%		
Construction Details	Description	Good	Avg.	Fair	Poor
Foundation	Slab.		X		
Frame	Masonry and steel framed.		X		
Exterior Walls	Masonry and metal.		X		
Roof	With exception for Building 29, roof leaks are present within all buildings on site.				X
Interior Partitions	Drywall walls within the office spaces.			X	
Electrical System	Assumed adequate.		X		
HVAC System	Buildings 21, 22, 23 and 24 include split heating and air-conditioning systems.			X	
Ceiling/Lighting	Ceilings within Buildings 5N, 21, 22, 23 and 24 are 9 feet. Building 1 includes 16-foot ceilings. Building 29 includes 20-foot ceilings. Lighting was adequate throughout buildings 21, 22, 23 and 24.		X	X	
Flooring	Flooring is a mix of unfinished concrete and vct flooring.		X	X	
Windows - Doors	The buildings have aluminum framed windows and entry doors.		X		
Loading	The buildings include a total of fourteen (14) overhead doors at dock height.		X	X	
Finished Space	Buildings 22, 23 and 24 are primarily fit-up for office space. The finished spaces are of poor to fair quality grade and condition material.			X	X
Sprinkler	100.0 percent, wet system.		X		
Restrooms	Restrooms are of fair quality.			X	
Plumbing	Assumed adequate; public sewer and public water.		X		
Other Improvements	None.		N/A		

PROPERTY OVERVIEW AND CONCLUSION

The subject is improved with a total of seven (7) buildings which combine for 783,066± square feet and are in various conditions ranging from poor to fair. The improvements were constructed in various phases for IBM who utilized the subject as an office, manufacturing, and research and development center until approximately 1995. IBM vacated the property in 1995 due to a **decrease in business associated with the construction and development of the "mainframe computer."** Since that time, much of the property has been left vacant and significant deferred

maintenance has occurred. With exception for Building 29, all improvements on-site would require major capital improvements be made to bring the buildings to average condition. Considering the level of investment required, the contributory value of the improvements is questionable at best. Additionally, as the buildings were originally constructed for a single user, IBM, the buildings include significant functional obsolescence such as low ceiling heights, limited and/or shared loading docks and unseparated utilities.

The following chart summarizes the improvements on-site:

IMPROVEMENTS SUMMARY								
Parcel ID	Address	Description	Size (SF)	Stories	Ceiling Height	Loading Doors	Year Built	Condition
48.7-1-29.110	Enterprise Drive/Boices Lane	Building 1 - Asbestos	274,928	1	16'	6	1975	Poor
48.7-1-29.170	100-198 Boices Lane	Former Building 5S	-	N/A	N/A	N/A	N/A	Debris Pile
48.7-1-29.240	1800-1898 Enterprise Drive	Building 29	13,120	1	20'	2	1980	Fair
48.7-1-29.250	500-798 Boices Lane	Former Building 25	-	N/A	N/A	N/A	N/A	Debris Pile
48.7-1-29.300	901-949 Enterprise Drive	Former Sewage Treatment Plant	-	N/A	N/A	N/A	N/A	Poor
48.7-1-29.400	700-798 Enterprise Drive	Building 21 - Roof Leak	37,314	1	9'	3	1980	Fair
48.7-1-29.500	1300-1598 Enterprise Drive	Building 5N - Mold	325,372	3	9'	3	1990	Poor
48.7-1-29.700	500-698 Enterprise Drive	Building 23 - Roof Leak	41,764	2	9'	0	1975	Fair
48.7-1-29.800	300-498 Enterprise Drive	Building 22 - Roof Leak	48,804	2	9'	0	1975	Fair
48.7-1-29.900	100-298 Enterprise Drive	Building 24 - Roof Leak	41,764	2	9'	0	1975	Fair
			783,066	Total (SF)				

Source: Public Record

On the date of inspection, the interiors of Buildings 1 and 5N were not able to be inspected due to the asbestos within Building 1 and a significant mold issue within Building 5N. These buildings will reportedly be renovated and restored as part of the redevelopment.

Additionally, the former sewage treatment plant buildings were not safe to be inspected. These buildings are not part of the redevelopment.

Buildings 21, 22, 23 and 24 include significant roof leaks which need repair/replacement. The roof leaks have reportedly been ongoing for years and prevent much of the second floors of Buildings 22, 23 and 24 from being used. The buildings will reportedly be renovated and restored as part of the redevelopment; however, there is significant functional obsolescence present.

As previously noted, **included in the purchase contract is an "Environmental Clean-Up Credit" of \$7 million** to be used towards the costs incurred to remediate the above surface contamination on-site. It should be noted, the purchaser is required to provide documentation of the clean-up costs and if the costs fall short of the \$7 million credit provided, the purchaser must promptly repay the difference to the seller. According to verbal estimates provided by the USEPA, removal of the asbestos piles (former Buildings 5S and 25) and remediation of Building 1 is in the range of \$7 to \$9 million.

Overall, the improvements on-site are in poor to fair condition and require a significant investment be made to bring the buildings to average condition. Considering the level of investment required, as well as the functional obsolescence of the buildings, it is questionable if renovating/restoring

one or more of the buildings is economically feasible or if demolishing the existing buildings and building new is the best approach to redevelopment.

ZONING AND TAX ANALYSIS

ZONING

The subject property is situated within the OM – Office Manufacturing District zoning district within the town of Ulster. These zoning regulations are summarized below.

ZONING SUMMARY	
Current zoning:	OM – Office Manufacturing District
Legally conforming?:	Yes
Uses permitted:	1) Industry, light; 2) Industrial Park; 3) Manufacture small, medium and large; 4) Marinas, boat launch and boat repair; 5) Research office complex (w/limited manufacturing); 6) Self-storage facility; 7) Warehouses; 8) Wholesale business; along with others.
Uses requiring a special use permit and site plan review:	1) Airports and air facilities; 2) Contractors storage yard; 3) Excavation and processing, commercial; 4) Junkyards; 5) Mining; 6) Recycling yards; 7) Trucking companies; along with others.
Zoning change	Not likely
Category	Zoning Requirements
Minimum Lot Area:	N/A
Minimum Lot Width:	N/A
Minimum Setback:	Front – 40 Feet Side – 10 Feet Rear – 10 Feet
Maximum Building Height:	75 Feet
Max. Bldg. Lot Coverage:	50%
Minimum Green Space:	10%
Source: Town of Ulster Zoning Ordinance	
Compiled by: Hilco Real Estate Appraisal LLC	

Based on our cursory review of the current zoning ordinance, the subject is a legally conforming. The zoning regulations are included in the Addenda.

TAX AND ASSESSMENT DATA

Based on our review of the current tax bills, there are no known tax exemptions applicable to the subject property. The equalization rate within the town of Ulster is 63.5 percent. The tax rate illustrated in the chart below includes all applicable tax rates. The property's taxes are calculated as follows:

CURRENT ASSESSMENT AND TAX INFORMATION (2021-2022)					
ULSTER, NEW YORK					
Tax ID	Land	Improvements	Total	Rate Per \$1,000	Gross Taxes
48.7-1-29.110	\$500,000	\$1,219,080	\$1,719,080	\$58.70	\$100,910
48.7-1-29.120	\$100,000	\$0	\$100,000	\$58.70	\$5,870
48.7-1-29.130	\$50,000	\$0	\$50,000	\$58.70	\$2,935
48.7-1-29.140	\$50,000	\$0	\$50,000	\$58.70	\$2,935
48.7-1-29.150	\$550,000	\$0	\$550,000	\$58.70	\$32,285
48.7-1-29.160	\$90,000	\$10,000	\$100,000	\$58.70	\$5,870
48.7-1-29.170	\$242,234	\$0	\$242,234	\$58.70	\$14,219
48.7-1-29.240	\$50,000	\$175,000	\$225,000	\$58.70	\$13,208
48.7-1-29.250	\$500,000	\$0	\$500,000	\$58.70	\$29,350
48.7-1-29.260	\$22,000	\$0	\$22,000	\$58.70	\$1,291
48.7-1-29.270	\$3,500,000	\$1,275,000	\$4,775,000	\$58.70	\$280,293
48.7-1-29.300	\$350,000	\$75,000	\$425,000	\$58.70	\$24,948
48.7-1-29.400	\$75,000	\$325,000	\$400,000	\$58.70	\$23,480
48.7-1-29.500	\$500,000	\$2,625,600	\$3,125,600	\$58.70	\$183,473
48.7-1-29.700	\$350,000	\$587,680	\$937,680	\$58.70	\$55,042
48.7-1-29.800	\$350,000	\$783,030	\$1,133,030	\$58.70	\$66,509
48.7-1-29.900	\$350,000	\$509,540	\$859,540	\$58.70	\$50,455
Total	\$7,629,234	\$7,584,930	\$15,214,164	\$58.70	\$893,071

Source: Calculated based on the current tax rate
 Compiled by: Hilco Real Estate Appraisal, LLC

The subject's total tax obligation (excluding relevys) for the 2021-2022 tax year is \$893,071. Based on an equalization rate of 63.5 percent, the Assessor's estimated market value for the subject as one economic unit is \$23,959,313. Our concluded As /s market value of \$9,000,000 is significantly lower than the Assessor's estimated market value.

HIGHEST AND BEST USE

DEFINITION

According to the Sixth Edition of The Dictionary of Real Estate Appraisal (Appraisal Institute, 2015), **"highest and best use' is defined as "the reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."**

DISCUSSION OF CONCEPT

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria that the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use analysis involves evaluating the subject as if vacant and as improved.

AS VACANT

The physical and legal aspects of the site impose the first constraints on any possible use of the property. Given the dimensions and topography of the site, its configuration would not constrain development. The subject is located within the OM – Office Manufacturing District zoning district. This district permits a variety of different uses including office/industrial.

Financial feasibility is the next step in estimating the highest and best use of the property. A **wide variety of permitted uses are possible. Given the subject's** location, and surrounding uses, the site appears to be best suited for office/industrial use.

SUMMARY OF SITE CHARACTERISTICS	
Characteristic	Notes
Visibility	Average
Accessibility to Site	Average
Traffic Count	Light
Access to Transportation Network	Good
Surrounding Uses	Industrial
Recent Construction in Area	Minimal
Trends	Generally Positive
Zoning	OM – Office Manufacturing District
Compiled by: Hilco Real Estate Appraisal, LLC	

Based on the zoning and surrounding uses, the most likely financially feasible use is for office/industrial development.

AS IMPROVED

The subject is improved with seven (7) buildings which combine for 783,066± square feet. However, these buildings are in varying condition from poor to fair and include functional obsolescence as they were originally constructed for a single user, IBM. Considering the significant investment required to bring the buildings to average condition, it is questionable if renovating/restoring one or more of the buildings is economically feasible or if demolishing the existing buildings and building new is the best approach to redevelopment.

While the purchaser has plans to redevelop the property into a mixed-use development, given the strength of the current industrial market, the historic use of the property for office/industrial and the overall similarity of the subject property with properties purchased for office/industrial development, we believe the highest and best use of the property is for office/industrial.

Therefore, redevelopment of the property consistent with the existing use as an office/industrial complex appears to represent the highest and best use as improved.

As evidenced by the pending sale of the subject, the most likely purchaser is a developer.

APPRAISAL METHODOLOGY

INTRODUCTION

The appraisal process is defined as an orderly program by which the appraisal problem is identified, the appraisal process is planned, and the data involved is acquired, classified, analyzed and interpreted into an estimate of value. In this process three basic approaches to value are considered: Income Capitalization Approach, Sales Comparison Approach, and Cost Approach. In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

THE COST APPROACH

The Cost Approach is based upon the principle of substitution, which infers that a prudent purchaser would pay no more for the subject property than the cost of producing an equally desirable substitute product with comparable utility. It is also based on the premise that market participants relate value to cost. Using the Sales Comparison Approach, the appraiser must first estimate the market value of the land, assuming it were vacant and available for development, to its highest and best use. The appraiser must then calculate the reproduction cost new of the subject. From the reproduction cost new, deductions for the physical deterioration, functional obsolescence and external obsolescence are made. The resulting estimate of depreciated reproduction cost of the improvements is added to the value of the underlying land. Cost Approach techniques are often employed to derive information needed in the Sales Comparison and Income Capitalization Approaches.

SALES COMPARISON APPROACH

Using the Sales Comparison Approach, the appraiser produces a value indication by comparing the subject property to similar properties referred to as comparable sales. After consideration of various elements of comparison, adjustments are applied to the sale prices of these properties for differences between the subject and the comparable sales. This approach is considered to be most useful for owner-user type properties and when many similar properties have recently sold and there are similar properties currently for sale in the subject market area.

INCOME CAPITALIZATION APPROACH

Using the Income Capitalization Approach, the appraiser measures the present value of future **benefits of property ownership by estimating a property's income potential and converting the** income into value. The approach is based upon the principle that value in income producing properties is created upon the expectation of monetary benefits to be derived in the future. In determining value through the Income Capitalization Approach, the appraiser can employ two valuation methods: Direct Capitalization and Discounted Cash Flow (DCF) analysis. Direct

Capitalization converts an estimate of a single year's income stream into value in one step, either dividing the income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Using the Discounted Cash Flow analysis, the appraiser converts future income streams over a projected holding period, and the reversionary value of the property, to present value by discounting each future benefit at an appropriate discount rate.

RECONCILIATION AND VALUE CONCLUSIONS

The final step in the appraisal process is reconciliation, whereby the appraiser analyzes alternative conclusions and selects a final value estimate. In this section, the appraiser weighs the relative significance, applicability and defensibility of each approach as it relates to the type of property being appraised.

All three traditional approaches to value, Income, Sales Comparison, and Cost were considered in preparing this appraisal.

The Cost Approach is not typically employed by sophisticated real estate investors when pricing properties of this type and age; therefore, we have rejected this approach to value.

Considering the overall vacancy of the property and the level of investment required to bring the existing buildings to tenable condition, developing the Income Capitalization Approach would be speculative. Therefore, the Income Capitalization Approach has been omitted from this analysis.

In valuing the subject property, the Sales Comparison Approaches has been fully developed.

SALES COMPARISON APPROACH

Using the Sales Comparison Approach, the appraiser produces a value indication by comparing the subject property to similar properties referred to as comparable sales. After consideration of various elements of comparison, adjustments are applied to the sale prices of these properties for differences between the subject and the comparable sales. This approach is considered to be most useful when many similar properties have recently sold and there are similar properties currently for sale in the subject market area.

Proper application of this approach requires that a degree of comparability of each sale to the subject be considered, that differences in physical, functional and economic characteristics be noted, and that adjustments for these differences be made. Also, only market transactions should be considered in the analysis. For a conveyance to qualify as a market transaction, the following factors must be present:

MARKET TRANSACTION CRITERIA

1. **The conveyance must be "arm's length;" that is, it must be made between two non-related parties, each acting in self-interest.**
2. Neither the buyer nor the seller should have been under compulsion to act. In situations where non-market conditions of sale are present (i.e. when a purchaser pays more than market value for a lot needed in site assemblage), the circumstances of the sale must be thoroughly researched by the appraiser so that appropriate adjustments can be made.
3. The property should be available for a reasonable period of time to the class of purchasers best able to utilize the property.
4. The price must be expressed in cash or terms equivalent to cash, adjusted for any special financing, concessions, or special terms.

VERIFICATION

The appraiser must verify factual information regarding property characteristics, financing terms, conditions of sale, and property rights conveyed. Primary sources used for verification include deeds, tax records, the grantor or grantee, attorneys, brokers, appraisers, property managers, lenders, real estate periodicals and listing/reporting services. Verification is also used to elicit additional information about the market.

UNITS OF COMPARISON

There are various units of comparison available in the evaluation of sales data in this approach. The units of comparison selected depend upon the appraisal problem and the nature of the property. Examples of physical units of comparison include price per square foot of gross building

area or gross leasable area, price per apartment unit, price per guestroom, price per seat, and price per acre. As part of our selection of sale comparables we considered (1) the sale price per square foot of gross building area, (2) the sale price per square foot of developable building area and (3) the sale price per acre for all comparable sales analyzed.

The sale price per acre is the most used for redevelopment properties similar to the subject. As such, the following adjustment grid analysis has been completed based on the sale price per acre basis.

ELEMENTS OF COMPARISON

Elements of comparison are the characteristics of properties and transactions that cause prices paid for real estate to vary. Basic elements of comparison that should be considered in sales comparison analysis include property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase such as capital costs, market conditions, location, physical characteristics (size, construction quality and condition), economic characteristics (occupancy, operating expenses, lease provisions management, tenant mix), use (zoning), and non-realty components of value.

DEGREE OF COMPARABILITY GUIDELINES

1. Choose sales considered to be in the same competitive market as the subject. For properties that are particularly large, unique or when local comparables are scarce, it may be necessary to expand the search criteria to include regional comparables.
2. Choose sales whose sale dates are as close as possible in time to the appraisal date in order to minimize the effect of varying market conditions. The boundaries of a market are consequently economic in character, and not purely physical or geographical.
3. Choose sales that are reasonably similar to the subject with respect to physical characteristics.
4. Choose sales whose functional adequacy compared with the subject are competitive in terms of the ability of each to support similar, although not necessarily identical, uses.

COMPARABLE SALES

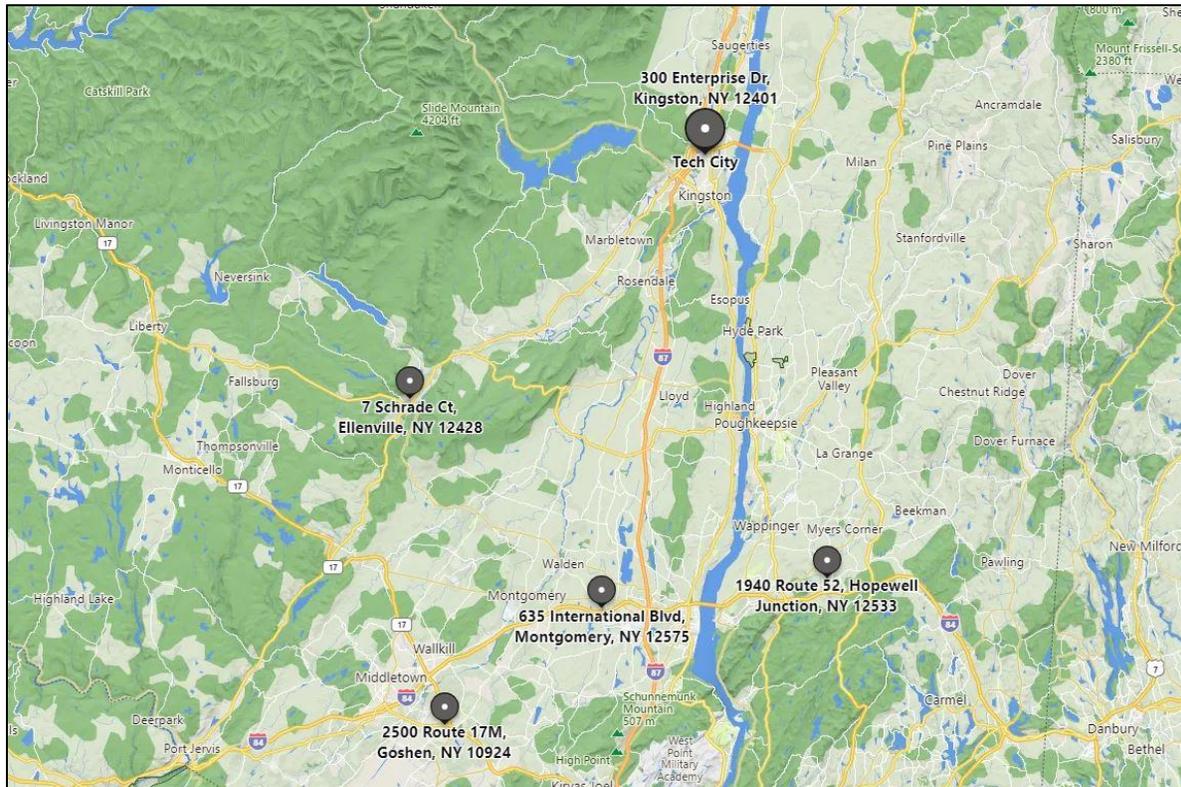
The subject is a large-scale office/industrial complex slated for redevelopment. While the property is currently improved with seven (7) buildings which combine for 783,066± square feet, considering the poor to fair condition of the buildings, level of investment required, as well as the functional obsolescence of the existing buildings, it is questionable if renovating/restoring one or more of the buildings is economically feasible or if demolishing the existing buildings and building new is the best approach to redevelopment. As such, in our opinion the contributory value of the improvements is limited, and the market value of the property is driven by the land.

Our research yielded several recent sales in the subject's greater market area. The following comparable sales are considered the most relevant to the valuation of the subject property.

SALES SUMMARY					
No.	Name & Location	Sale Date	Sale Price	Acreage	Price/Acre
1	1940 Route 52	Mar-21	\$18,000,000	123.85	\$145,337
	East Fishkill, NY				
2	2500 Route 17M	Mar-20	\$4,200,000	83.10	\$50,542
	Goshen, NY				
3	635 International Blvd.	Feb-20	\$6,912,500	107.20	\$64,482
	Montgomery, NY				
4	7 Schrade Court	Pending	\$4,644,000	75.00	\$61,920
	Ellenville, NY				

Compiled by Hilco Real Estate Appraisal, LLC

SALES LOCATION MAP



LAND SALE NO. 1



LOCATION DATA

Property Name:	The Campus at East Fish	County:	Dutchess
Address:	1940 Route 52 East Fishkill, NY 12533	Tax ID Number (s):	3 parcels
Property Type:	Vacant Land	Subcategory:	Industrial

PHYSICAL DATA

Size of Property:	123.85 Acres 1,500,000 Buildable SF	Zoning:	Industrial or Similar
Frontage (Feet):		Shape:	Irregular
Front. /Depth Ratio:		Average Lot Depth:	
Primary Frontage:		Traffic Count:	
Topography:	Mostly Level	Secondary Frontage:	
View:	Commercial	Drainage:	Adequate
Utilities Available:	Public	Envir. Conditions	None Apparent
Land Features/Other:	None		

SALE DATA

Transaction Type:	Sale	Sale Date:	3/5/2021
Grantor(s):	RWHPA, LLC	Grantee(s):	Usef Tioranda LLC
Sale Price:	\$18,000,000.00	Deed Reference:	22021/1184
Financing:		Financing Adjust:	
Site/Demo Cost:		Adjusted Sale Price:	\$18,000,000.00
Verification:	Listing Broker (Rob Buyakowski of McGrath Realty, Inc.), Public Record		

ANALYSIS

Sale Indicator One:	\$145,337.11 Per Acre
Sale Indicator Two:	\$12.00

COMMENTS

This comparable represents the sale of The Campus at East Fishkill, a portion of a former IBM campus. The property was improved with three (3) office buildings totaling 526,000 square feet. According to the listing broker, the buildings on-site had no impact on the purchase price as the property was purchased as developable industrial land with 1.5 million buildable square feet. The property was first purchased in June 2018 for a recorded sale price of \$8.5 million. The sale was in contract for over 2.5 years and the buyer saw an increase in demand for industrial land. In March 2021 Amazon purchased the property and plans to develop a 630,000 square foot distribution facility. No environmental concerns on-site.

LAND SALE NO. 2



LOCATION DATA

Property Name:		County:	Orange
Address:	2500 Route 17M Goshen, NY 10924	Tax ID Number (s):	117-1-1.222
Property Type:	Vacant Land	Subcategory:	Industrial

PHYSICAL DATA

Size of Property:	83.10 Acres 516,724 Buildable SF	Zoning:	Industrial or Similar
Frontage (Feet):	Adequate	Shape:	Irregular
Front. /Depth Ratio:		Average Lot Depth:	
Primary Frontage:		Traffic Count:	
Topography:	Comm. & River	Secondary Frontage:	
View:	Commercial	Drainage:	Assumed Adequate
Utilities Available:	Public	Envir. Conditions	None Apparent
Land Features/Other:	None		

SALE DATA

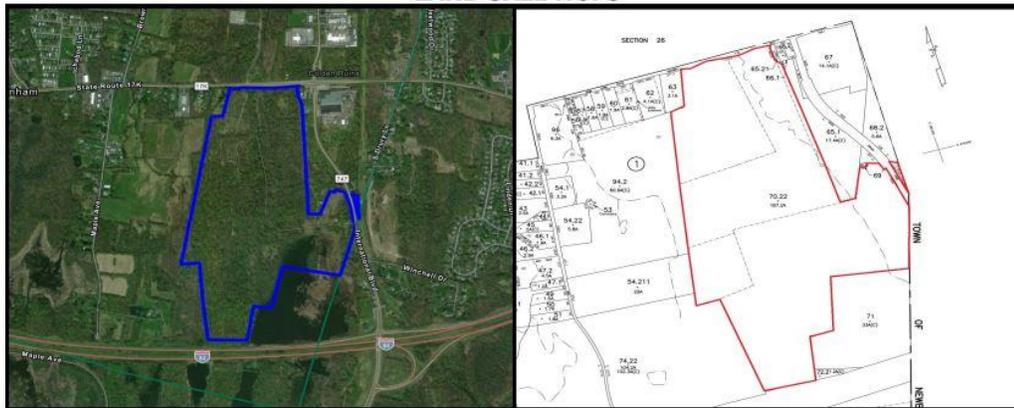
Transaction Type:	Sale	Sale Date:	3/31/2020
Grantor(s):	Kikkerfrosh LLC	Grantee(s):	Yebt Settlers Run LLC
Sale Price:	\$4,200,000.00	Deed Reference:	14730-1222
Financing:		Financing Adjust:	
Site/Demo Cost:		Adjusted Sale Price:	\$4,200,000.00
Verification:	Listing Broker (John Lavelle of Rand Commercial)		

ANALYSIS

Sale Indicator One:	\$50,541.52 Per Acre
Sale Indicator Two:	\$8.13

COMMENTS

This comparable represents the sale of 83.10-acre industrial site located along Route 17M. The property was purchased as developable industrial land with plans for a 516,724 square foot distribution facility. The listing broker reported the property had no environmental concerns on-site.

LAND SALE NO. 3**LOCATION DATA**

Property Name:		County:	Orange
Address:	635 International Blvd. Montgomery, NY 12549	Tax ID Number (s):	31-1-64, 65.22, 70.2, 89
Property Type:	Vacant Land	Subcategory:	Industrial

PHYSICAL DATA

Size of Property:	107.20 Acres (Usable) 1,010,880 Buildable SF	Zoning:	Industrial or Similar
Frontage (Feet):	1,172	Shape:	Irregular
Front. /Depth Ratio:		Average Lot Depth:	
Primary Frontage:	Route 17K	Traffic Count:	Low
Topography:	Level to Moderate	Secondary Frontage:	Drury Lane
View:	Open and Wooded	Drainage:	Assumed Adequate
Utilities Available:	Private - Required to build sewer plant and water system with drilled wells	Envir. Conditions	Yes - See Below
Land Features/Other:	Broker reported approx. 80 of the 187.20 acres are not usable due to wetlands and slope.		

SALE DATA

Transaction Type:	Sale	Sale Date:	2/20/2020
Grantor(s):	Multiple	Grantee(s):	USEF Sailfish LLC
Sale Price:	\$6,912,500.00	Deed Reference:	14710/1474, 1482, 1495, 14
Financing:		Financing Adjust:	
Site/Demo Cost:		Adjusted Sale Price:	\$6,912,500.00
Verification:	Listing Broker (RJ Smith of Rand Commercial)		

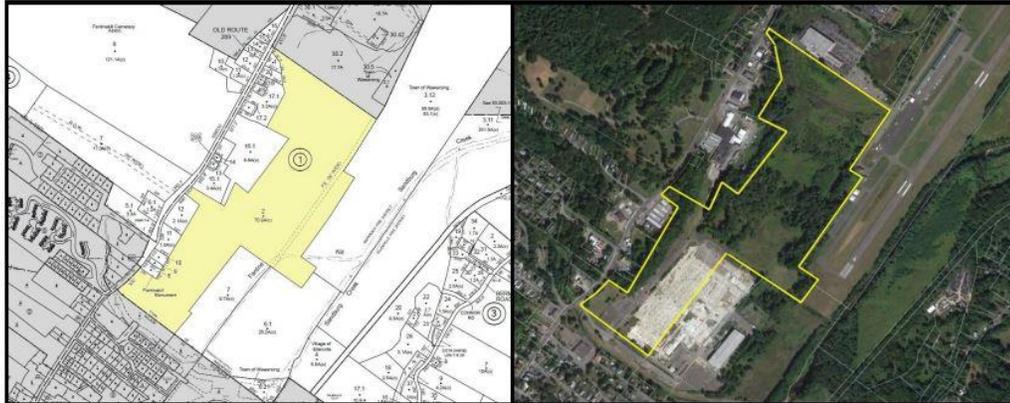
ANALYSIS

Sale Indicator One:	\$64,482.28 Per Acre (Usable)
Sale Indicator Two:	\$6.84

COMMENTS

This comparable represents the assemblage of four adjacent tax parcels now known as 31-1-70.22. The site was purchased for a new 1,010,880 SF distribution warehouse for Amazon. The listing broker reported Amazon will be leasing the building from USAA Insurance. The sale was under contract in January 2018 and 2019 subject to receiving approvals which required a zoning change. Approvals were obtained on February 14, 2020.

LAND SALE NO. 4



LOCATION DATA

Property Name:		County:	Ulster
Address:	7 Schrade Court Ellenville, NY 12428	Tax ID Number (s):	83.3-1-2
Property Type:	Vacant Land	Subcategory:	Industrial

PHYSICAL DATA

Size of Property:	75.00 Acres 380,000 Buildable SF	Zoning:	Industrial or Similar
Frontage (Feet):		Shape:	Irregular
Front. /Depth Ratio:		Average Lot Depth:	
Primary Frontage:		Traffic Count:	
Topography:	Mostly Level	Secondary Frontage:	
View:	Commercial	Drainage:	Assumed Adequate
Utilities Available:	Public	Envir. Conditions	Yes - See Below
Land Features/Other:	Listing broker reported the property is a known brownfield; however, the site was nearly remediated and the brownfield status had minimal impact.		

SALE DATA

Transaction Type:	In Contract	Sale Date:	2/17/2022
Grantor(s):	Ellenville Development	Grantee(s):	TBD
Sale Price:	\$4,644,000.00	Deed Reference:	TBD
Financing:		Financing Adjust:	
Site/Demo Cost:		Adjusted Sale Price:	\$4,644,000.00
Verification:	Listing Broker (John Lavelle of Rand Commercial)		

ANALYSIS

Sale Indicator One:	\$61,920.00 Per Acre
Sale Indicator Two:	\$12.22

COMMENTS

This comparable represents the pending sale of 75.0-acre industrial site located directly adjacent to the Joseph Y. Resnick Airport in the town of Wawarsing and village of Ellenville. The property is a known brownfield which reportedly has been nearly remediated. The broker reported that the brownfield status had minimal impact on the agreed upon contract price. The pending contract is contingent on receiving approvals to build a 380,000 square foot cannabis manufacturing facility. The contract price was not disclosed; however, the listing broker reported a slight discount to listing price of \$4,644,000 (shown above) was required to close the deal.

ANALYSIS OF COMPARABLE SALES

In estimating the subject's market value using the Sales Comparison Approach methodology, we have analyzed four sales located within the subject's market. Numerous sales were researched, and the sales utilized are believed to be the most comparable and relevant to the valuation of the subject property.

ADJUSTMENT GRID PROCESS

To account for relevant differences that exist between the subject and each of the comparable sales presented, appropriate adjustments must be made. The following paragraphs summarize this process.

Initial adjustments (property rights, financing terms, conditions of sale, and market conditions) are made on a dollar (\$) basis while physical and economic adjustments are made on a percentage basis. Each initial item is adjusted independently, and then summed to arrive at a base amount for each comparable sale. Physical and economic adjustments are also adjusted independently, and then summed to arrive at a final adjustment to the previously adjusted base determined in the first phase of the adjustment process. Adjustments are of three types and are explained below.

Each element of comparison with no adjustment indicates a degree of similarity or equality between the comparable and the subject property, sufficient to justify no numerical adjustment.

Each element of comparison with a positive (+) adjustment indicates a degree of inferiority of the property when compared to the subject property. In this case, the subject could be expected to sell for more on a square foot basis than the comparable property if that factor alone were considered.

Each element of comparison with a negative (-) adjustment indicates a degree of superiority of the property when compared to the subject property. In this case, the subject could be expected to sell for less on a square foot basis than the comparable property if that factor alone were considered.

The adjustment grid can be found following the summary of adjustments and conclusion.

SUMMARY OF ADJUSTMENTS AND CONCLUSIONS

*Initial Adjustments**Property Rights, Financing Terms, Conditions of Sale and Market Conditions*

The subject and all sales represent fee simple property interests. No adjustments are warranted for property rights. There were no atypical financing terms of which we are aware. The appraisers are unaware of any atypical sale conditions. Based on our research and data presented within the Market Analysis, we believe the direct market has remained relatively stable during the timeframe analyzed, the past approximately two years based on the comparable sales used. Therefore, no market condition adjustments are applied. However, Sale 4 is a pending sale. To account for typical negotiations a 10.0 percent downward adjustment has been applied to the listing price.

Physical Adjustments

Location—The subject is located in Ulster County and includes good interstate access. Sale 1 is located within Dutchess County and has superior interstate access to the subject. As such, a negative adjustment has been applied. Sale 2 is located within Orange County and has inferior interstate access to the subject. As such, a positive adjustment has been applied. Sale 3 is also located within Orange County but has superior interstate access to the subject. As such, a negative adjustment has been applied. Sale 4 is located within Ulster County and has inferior interstate access to the subject. As such, a positive adjustment has been applied.

Size - The subject includes 157.17± acres. Typically, size adjustments are applied based on the economies of scale principle, which indicates that all else being equal, larger properties tend to sell for less on a per acre basis compared to smaller properties. Slight adjustments have been made to Sales 2 and 4 based on this principle. It is important to note, while Sale 3 includes 187.20 acres total, the listing broker reported approximately 80.0 acres of the site are not usable due to wetlands and slope. As such, we have utilized 107.20 acres for our analysis.

Other Physical Factors

Other factors (frontage/access, shape, topography, utilities and zoning) are relatively straightforward and obvious with respect to comparison. For example, buyers would typically desire the availability of public utilities over private well and septic. Sale 3 required a positive adjustment based on the availability of utilities. No other adjustments were warranted.

Improvements —As noted previously, the subject property is currently improved with seven (7) structures totaling 783,066 square feet. However, based on the condition and functional obsolescence of the buildings, their contributory values are questionable. It is noted that the

redevelopment plans currently in place are to renovate and restore the buildings. As such, we have not deducted for demolition costs.

Other — As noted previously, there is known subsurface contamination on-site from the former IBM operations. It is our understanding that as IBM is the responsible party for the subsurface contamination, all subsurface monitoring, subsurface investigations and required clean-up (if necessary) is to be funded by IBM. While this does remove the financial burden and risk from the subsurface contamination, the New York State Department of Environmental Conservation (NYSDEC) has implemented an Interim Site Management Plan (ISMP) which incorporates various Environmental Easements (EEs) on the campus to restrict certain uses, and mandate operation, **maintenance, monitoring, and reporting measures. According to the "Final Statement of Basis,"** see Addenda B, the restrictions in place include restricting the use of groundwater, compliance **with the various EEs, restricting the site's use to restricted residential and/or commercial and** compliance with an ISMP. In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are re-occupied and/or renovated for use.

While we are not environmental professionals, it is our interpretation that the restrictions in place limits potential development and any future excavation/development would need to be completed under the guidance of the NYSDEC. Along with the known environmental concerns, the sheer size of the property and the required investment needed has limited the pool of investors interested in undertaking the project. Furthermore, the environmental concerns on-site will likely limit the borrowing power for the property through typical commercial lending institutions.

In our opinion a typical purchaser/investor of the subject would account for the added risk from the known contamination on-site by applying a discount to the overall purchase price.

The appraisers are aware of one recent improved sale within the TechCity property which included similar environmental concerns. The sale transferred on August 17, 2021, for a recorded sale price of \$12,733,346 or \$29.76 per square foot of building area. The property transferred included 5 tax parcels addressed as 70-78, 80-88 and 90-98 Boices Lane and 1600-1678 and 1700-1798 Enterprise Drive. According to the **purchaser's** representative, the known environmental concerns impacted the marketability of the subject significantly and a discount was paid due to the known concerns. While the property representative indicated a discount of 57.6 percent, this figure was based on an appraised value assuming no impact from contamination of \$30 million or \$70.25 per square feet which appears high. Based on several sales we have analyzed; we believe an appraised value in the range of \$35.79 to \$49.31 per square foot of building area is reasonable assuming no environmental concerns. This range indicates a discount ranging from 16.7 to 39.5 percent.

Based on such, we will apply a 25.0 percent deduction to Sales 1, 2 and 3 to account for the subject **property's** known environmental concerns on-site as these sales reportedly had no similar

concerns. Similar to the subject, Sale 4 is a brownfield with known subsurface contamination. As such, no adjustment is warranted.

The adjustment grid is located on the following page. Our value conclusions are show below.

Conclusion – Prior to adjustments, the comparables ranged from \$50,542 to \$145,337 per acre. After adjustments, the indicated values for the subject range from \$45,138 to \$87,202 per acre, with an average of \$59,717. All four sales appear to be good representatives of the subject **property’s overall value**. Sale 4 is considered most comparable to the subject given the brownfield status of the site and being located in Ulster County. As such, greatest emphasis has been placed on Sale 4 and we reconcile at \$59,000 per acre.

Our value conclusion via the Sales Comparison Approach is illustrated in the chart below.

AS IS SALES COMPARISON APPROACH	
As Is	
Size (Acres)	157.17± acres
Value per Acre	\$59,000
Indicated Value	\$9,273,030
Concluded Rounded Value	\$9,300,000
Compiled by: Hilco Real Estate Appraisal	

LAND SALE ADJUSTMENT GRID - PRICE PER ACRE ANALYSIS					
	SUBJECT	SALE NO. 1	SALE NO. 2	SALE NO. 3	SALE NO. 4
Location:	Enterprise Drive/Boices Lane T/O Ulster, NY Ulster County	1940 Route 52 East Fishkill, NY Dutchess County	2500 Route 17M Goshen, NY Orange County	635 International Blvd. Montgomery, NY Orange County	7 Schrade Court Ellenville, NY Ulster County
Sale Price	N/A	\$18,000,000	\$4,200,000	\$6,912,500	\$4,644,000
Unadjusted Price/Acre	N/A	\$145,337	\$50,542	\$64,482	\$61,920
Property Rights:	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment:	N/A	\$0	\$0	\$0	\$0
Adjusted Price/Acre:	N/A	\$145,337	\$50,542	\$64,482	\$61,920
Financing Terms:	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.
Adjustment:	N/A	\$0	\$0	\$0	\$0
Adjusted Price/Acre:	N/A	\$145,337	\$50,542	\$64,482	\$61,920
Conditions of Sale:	Normal	Normal	Normal	Normal	Normal
Adjustment:	N/A	\$0	\$0	\$0	\$0
Adjusted Price/Acre	N/A	\$145,337	\$50,542	\$64,482	\$61,920
Market Conditions:	Jan-22	Mar-21	Mar-20	Feb-20	Pending
Adjustment:	N/A	\$0	\$0	\$0	(\$6,192)
Adjusted Price/Acre:	N/A	\$145,337	\$50,542	\$64,482	\$55,728
Physical Adjustments					
Location:	Average	Superior	Inferior	Superior	Inferior
Adjustment:		-15.0%	25.0%	-15.0%	10.0%
Size (Acres):	157.17	123.85	83.10	107.20	75.00
Adjustment:		0.0%	-5.0%	0.0%	-5.0%
Frontage/Access:	Good/Good	Similar	Similar	Similar	Similar
Adjustment:		0.0%	0.0%	0.0%	0.0%
Shape	Irregular; Not Limiting	Similar	Similar	Similar	Similar
Adjustment:		0.0%	0.0%	0.0%	0.0%
Topography:	Generally Level	Similar	Similar	Similar	Similar
Adjustment:		0.0%	0.0%	0.0%	0.0%
Utilities:	Public	Similar	Similar	Private	Similar
Adjustment:		0.0%	0.0%	10.0%	0.0%
Zoning:	OM - Manufacturing District	Similar	Similar	Similar	Similar
Adjustment:		0.0%	0.0%	0.0%	0.0%
Improvements:	Seven (7) Buildings, 783,066 SF	Three (3) Buildings, 526,000 SF	None	One (1) SFR	None
Adjustment:		0.0%	0.0%	0.0%	0.0%
Other:	Environmental Concerns	None	None	None	Brownfield with known subsurface contamination
Adjustment:		-25.0%	-25.0%	-25.0%	0.0%
Subtotal	N/A	-40.0%	-5.0%	-30.0%	5.0%
Final Adjusted Price/Acre	N/A	\$87,202	\$48,014	\$45,138	\$58,514
				Avg	\$59,717
Prepared by Hilco Real Estate Appraisal					

RECONCILIATION OF VALUE

SUMMARY OF VALUE CONCLUSIONS	
	As Is
Cost Approach	Not Applicable
Sales Comparison Approach	\$9,300,000
Income Capitalization Approach	Not Applicable
Source: Hilco Real Estate Appraisal, LLC	

COST APPROACH

The Cost Approach is predicated on the principle that an investor would pay no more for an existing property than it would cost to acquire land and construct a building with similar utility. **Based on our analysis of the subject's area, market participants are** generally not buying, selling, investing, or lending with reliance placed on the methodology of the Cost Approach to establish value. As such, the Cost Approach has been omitted from this analysis.

SALES COMPARISON APPROACH

The Sales Comparison Approach is predicated on the principle that an investor would pay no more for an existing property than for a comparable property with similar utility. The applicability of this approach is contingent on the reliability and comparability of available data. Overall, the quality and quantity of sales data is good and has been developed in this analysis.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is considered the most persuasive method for valuing income producing properties. This approach is predicated on the principle of anticipated economic benefits and best reflects the investment characteristics of a property. Investors typically purchase leased properties based on this approach. Considering the overall vacancy of the property and the level of investment required to bring the existing buildings to tenable condition, developing the Income Capitalization Approach would be speculative. Therefore, the Income Capitalization Approach has been omitted from this analysis.

RECONCILIATION

We have relied on the Sales Comparison Approach for the purpose of this analysis. Our concluded opinion of value is as follows:

VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value – As Is	Fee Simple Estate	January 21, 2022	\$9,300,000
Source: Hilco Real Estate Appraisal, LLC			

Our value opinion was formed on our experience in the field of real property valuation, as well as the research and analysis set forth in this appraisal. Our value conclusion is subject to the Assumptions and Limiting Conditions and Certification in this appraisal report.

PENDING CONTRACT

The pending net acquisition price of \$9,000,000 is within five percent of our opinion of market value and is supportive of our conclusion.

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Hilco Real Estate Appraisal, LLC is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. Hilco Real Estate Appraisal, LLC, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the **subject property's title should be sought** from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. Hilco Real Estate Appraisal, LLC professionals are not engineers and are not competent to judge matters of an engineering nature. Hilco Real Estate Appraisal, LLC has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of Hilco Real Estate Appraisal, LLC by ownership or management; Hilco Real Estate Appraisal, LLC inspected less than 100% of the entire interior and exterior portions of the improvements; and Hilco Real Estate Appraisal, LLC was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if engineering consultants report negative findings, Hilco Real Estate Appraisal, LLC reserves the right to amend the appraisal conclusions reported herein.
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 appraisers. Hilco Real Estate Appraisal, LLC has no knowledge of the existence of such materials on or in the property. Hilco Real Estate Appraisal, LLC, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate 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. We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
5. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to Hilco Real Estate Appraisal, LLC. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
6. **It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report.** Unless otherwise specifically noted in the appraisal report, Hilco Real Estate Appraisal, LLC

has no reason to believe that any of the data furnished contain any material error. Information and data referred **to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data.** Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, Hilco Real Estate Appraisal, LLC reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify Hilco Real Estate Appraisal, LLC of any questions or errors.

7. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of the appraisal. However, Hilco Real Estate Appraisal, LLC will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
8. Hilco Real Estate Appraisal, LLC assumes no private deed restrictions, limiting the use of the subject property in any way.
9. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
10. Hilco Real Estate Appraisal, LLC is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
11. The estimate of market value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
12. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. Hilco Real Estate Appraisal, LLC does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of Hilco Real Estate Appraisal, LLC.
13. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of Hilco Real Estate Appraisal, LLC to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
14. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
15. This study may not be duplicated in whole or in part without the specific written consent of Hilco Real Estate Appraisal, LLC nor may this report or copies hereof be transmitted to third parties without said consent, which consent Hilco Real Estate Appraisal, LLC reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the

express written consent of Hilco Real Estate Appraisal, LLC which consent Hilco Real Estate Appraisal, LLC reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. Hilco Real Estate Appraisal, LLC shall have no accountability or responsibility to any such third party.

16. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
17. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
18. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
19. No opinion is intended to be expressed on matters that may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to Hilco Real Estate Appraisal, LLC unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. Hilco Real Estate Appraisal, LLC assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
20. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and **special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor Hilco Real Estate Appraisal, LLC assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same.** The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
21. Hilco Real Estate Appraisal, LLC assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
22. 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.
23. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
24. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, Hilco Real Estate Appraisal, LLC has not made a specific compliance survey and analysis of this property to determine whether it is in conformance 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 ADA. If so, this fact could have a negative effect on the value estimated herein. Since Hilco Real Estate Appraisal, LLC has no specific information relating to this issue, nor is Hilco Real Estate Appraisal, LLC qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.
25. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any

claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.

26. The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by Hilco Real Estate Appraisal, LLC or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

ADDENDA

- A. Letter of Engagement
- B. NYSDEC Statement of Basis
 - C. Zoning Ordinance
 - D. NYS Certifications
- E. Summary of Qualifications

Addendum A
Letter of Engagement

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is entered into by and between the **ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC.**, a local development corporation formed under the laws of the State of New York, with offices at 244 Fair Street, Kingston, New York 12401 (the "**UCEDA**"), and **HILCO REAL ESTATE APPRAISAL, LLC**, a Delaware limited liability company with offices at 77 Miller Road, Suite 202, Castleton, New York 12033 (the "**Firm**"), (each, a "**Party**;" together, the "**Parties**").

RECITALS

WHEREAS, the UCEDA desires to enter into an agreement for real estate appraisal and related services pertaining to certain properties located in the Town of Ulster, County of Ulster and State of New York identified as SBL Nos. 48.7-1-29.110, 48.7-1-29.120, 48.7-1-29.130, 48.7-1-29.140, 48.7-1-29.150, 48.7-1-29.160, 48.7-1-29.170, 48.7-1-29.240, 48.7-1-29.250, 48.7-1-29.260, 48.7-1-29.270, 48.7-1-29.300, 48.7-1-29.400, 48.7-1-29.500, 48.7-1-29.700, 48.7-1-29.800, 48.7-1-29.900 (collectively referred to herein as the "**Premises**"); and

WHEREAS, the UCEDA has agreed to engage the Firm, and the Firm has agreed to contract with the UCEDA, to provide a real estate appraisal and related services for the Premises, in accordance with the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the promises and covenants set forth below, the Parties hereby agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The Firm agrees to perform the services identified in Schedule A, the Scope of Services (the "**Services**"), which is attached hereto and is hereby made a part of this Agreement. The Firm agrees to perform the Services in accordance with the terms and conditions of this Agreement. It is specifically agreed to by the Firm that the UCEDA will not compensate the Firm for any services not included in Schedule A without prior authorization, evidenced only by a written Change Order, Amendment, or Addendum to this Agreement, which is executed by the UCEDA.

ARTICLE 2 - TERM OF AGREEMENT

The Firm agrees to perform the Services beginning as of the date of the last signature below (the "**Effective Date**") and continuing for a period of four (4) weeks from the Effective Date.

ARTICLE 3 - COMPENSATION

For satisfactory performance of the Services, or as such Services may be modified mutually by a written Change Order, Amendment, or Addendum to this Agreement, the UCEDA agrees to compensate the Firm in accordance with "**Schedule B, FEES, EXPENSES AND SUBMISSIONS FOR PAYMENT**" which is attached hereto and is hereby made a part of this Agreement.

A **not-to-exceed** amount of **SEVENTEEN THOUSAND FIVE HUNDRED AND 00/100 (\$17,500.00) DOLLARS** has been established for the Services to be rendered by the Firm. Costs in excess of the above-noted amount may not be incurred without the prior written authorization of the UCEDA, evidenced only by a written Change Order, Amendment or Addendum to this Agreement. It is specifically agreed to by the Firm that the UCEDA shall not be responsible for any additional costs, or costs in excess of the above-noted cost, if authorization by the UCEDA is not given in writing prior to the performance of the services giving rise to such excess or additional costs.

ARTICLE 4 - INDEPENDENT CONTRACTOR

In performing the Services and incurring expenses under this Agreement, the Firm shall operate as and have the status of an

independent contractor, and shall not act as or be an agent of the UCEDA. As an independent contractor, the Firm shall be solely responsible for determining the means and methods of performing the Services and shall have complete charge and responsibility for the Firm's personnel engaged in the performance of the same.

ARTICLE 5 - ASSIGNMENT

The Firm shall not assign any of its rights, interests, or obligations under this Agreement, or assign any of the Services to be performed by it under this Agreement.

ARTICLE 6 – SUBCONTRACTING

The Firm agrees to include the following provisions in any and all subcontract agreements for Services to be performed pursuant to this Agreement:

- A. That the work performed by the subcontractor must be in accordance with the terms and conditions of this Agreement between the UCEDA and the Firm, including but not limited to the insurance requirements set forth in Schedule C; and
- B. That nothing contained in the subcontractor agreement shall impair the rights of the UCEDA; and
- C. That nothing contained in the subcontractor agreement, or under this Agreement between the UCEDA and the Firm, shall create any contractual relation in law or equity, between the subcontractor and the UCEDA; and
- D. That the subcontractor specifically agrees to be bound by the Confidentiality provision as set forth in Article 8 of this Agreement between the UCEDA and the Firm.

Upon signing this Agreement, the Firm shall provide the UCEDA with the names and scopes of work of any and all subcontractors to be used in the performance of the Firm's obligations pursuant to this Agreement. Furthermore, upon request by the UCEDA, the Firm shall provide copies of any and all subcontract agreements for Services to be performed pursuant to this Agreement.

The Firm agrees that it is fully responsible to the UCEDA for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, to the same extent as it is for the acts and omissions of persons employed by the Firm. The Firm shall not in any way be relieved of any responsibility under this Agreement by any subcontract.

ARTICLE 7 - PERFORMANCE

In performing the Services, the Firm shall assign qualified personnel and perform such Services in accordance with the professional standards and with the skill, diligence and quality control/quality assurance measures expected of a reputable company performing Services of a similar nature. The Firm is hereby given notice that the UCEDA shall be relying upon the accuracy, competence, and completeness of the Firm's performance in using the results achieved by the Firm's performance of these Services. The Firm shall at all times comply with all applicable Federal, New York State and local laws, ordinances, statutes, rules and regulations.

ARTICLE 8 - CONFIDENTIALITY

For purposes of this Article:

- A. The term "Confidential Information" as used herein, means all material and information, whether written or oral, received by the Firm from or through the UCEDA or any other person connected with the UCEDA, or developed, produced, or obtained by the Firm in connection with its performance of Services under this Agreement. Confidential Information shall include, but not be limited to: samples, substances and other materials, conversations, correspondence, records, notes, reports, plans, drawings, specifications and other documents in draft or final form, including any documentation or data relating to the results of any investigation, testing, sampling in laboratory or other analysis, and all conclusions, interpretations, recommendations, and/or comments relating thereto.
- B. The term "Firm" as used herein includes all officers, directors, employees, agents, subcontractors, assignees or

representatives of the Firm.

The Firm shall keep all Confidential Information in a secure location within the Firm's offices. The UCEDA shall have the right, but not the obligation, to enter the Firm's offices in order to inspect the arrangements of the Firm for keeping Confidential Information secure. The UCEDA's inspection, or its failure to inspect, shall not relieve the Firm of its responsibilities pursuant to this Article 8.

The Firm shall hold Confidential Information in trust and confidence, and shall not disclose Confidential Information, or any portion thereof, to anyone other than the UCEDA, without the prior written consent of the Board of Directors, and shall not use Confidential Information, or any portion thereof, for any purpose whatsoever except in connection with its performance of the Services under this Agreement.

The Firm shall notify the UCEDA immediately upon its receipt of any request by anyone other than the UCEDA for, or any inquiry related to, Confidential Information. The Firm is not prohibited from disclosing portions of Confidential Information if, and to the extent that: (i) such portions have become generally available to the public other than by an act or omission of the Firm, or (ii) disclosure of such portions is required by subpoena, warrant or court order; provided, however, that in the event anyone other than the UCEDA requests all or a portion of Confidential Information, the Firm shall oppose such request and cooperate with the UCEDA in obtaining a protective order or other appropriate remedy, unless and until the Board of Directors, upon consultation with UCEDA's counsel, in writing, waives compliance with the provisions of this Article 8, or determines that disclosure is legally required. In the event that such protective order or other remedy is not obtained, or the UCEDA waives compliance with this Article 8 or determines that such disclosure is legally required, the Firm shall disclose only such portions of Confidential Information that, in the opinion of the UCEDA's counsel, the Firm is legally required to disclose, and the Firm shall use its best efforts to obtain from the party to whom Confidential Information is disclosed, written assurance that confidential treatment will be given to any such Confidential Information disclosed, to the extent permitted by law.

ARTICLE 9 – OWNERSHIP OF CONFIDENTIAL INFORMATION

Notwithstanding any other provision herein to the contrary:

- A. All Confidential Information, as defined in Article 8, including all copies thereof, is the exclusive property of the UCEDA regardless of whether or not it is delivered to the UCEDA. The Firm shall deliver Confidential Information and all copies thereof to the UCEDA upon request.
- B. To the extent that copies of Confidential Information are authorized by the UCEDA to be retained by the Firm, such information shall be retained in a secure location in the Firm's office for a period of six (6) years after completion of the Services, or termination of this Agreement, whichever later occurs, and thereafter disposed of at the UCEDA's direction.

ARTICLE 10 – INTELLECTUAL PROPERTY

All "Intellectual Property," meaning all graphics, fonts, computer code (with the exception of open source code), photographs, brochures, videos, web pages, trademarks, databases, reports, plans, drawings, names and logos, or the copyright in any portion of the works issued by the UCEDA or developed or produced for the UCEDA shall at all times be proprietary to the UCEDA, and shall be the exclusive property of the UCEDA. Upon termination of this Agreement, the Firm's right or license to use the intellectual property shall terminate.

The Firm warrants it has full authority to sell, assign and transfer the rights to all graphics, fonts, computer code (with the exception of open source code), photographs, brochures, videos, web pages, trademarks, databases, reports, plans, drawings, names and logos, or the copyright in any portion of the works, developed or produced for the UCEDA free and clear of any material encumbrances, liens or claims.

The Firm agrees, at its own expense, to defend, indemnify and hold harmless the UCEDA from and against any losses, damages, expenses, liabilities and costs (including without limitation, legal fees) incurred by the UCEDA as a result of any claims brought against the UCEDA by third parties arising from any infringement or misappropriation of any Intellectual Property right arising out of or relating to the UCEDA's use of the Firm's Services.

ARTICLE 11 – PUBLICITY

The prior written approval of the UCEDA is required before the Firm, or any of its employees, representatives, servants, agents, assignees, or subcontractors may, at any time, either during or after completion or termination of this Agreement, make any statement to the media or issue any material for publication bearing on the Services performed or data collected in connection with this Agreement.

If the Firm, or any of its employees, representatives, servants, agents, assignees or subcontractors desires to publish a work dealing with any aspect of this Agreement, or of the results or accomplishments attained by its performance, they must first obtain the prior written permission of the Board of Directors which, unless otherwise agreed to in said written permission, will entitle the UCEDA to a royalty fee, and a non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use such publication.

ARTICLE 12 - BOOKS AND RECORDS

The Firm agrees to maintain separate and accurate books, records, documents and other evidence, and to employ accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Agreement.

ARTICLE 13 - RETENTION OF RECORDS

The Firm agrees to retain all books, records, and other documents relevant to this Agreement for six (6) years after the final payment or termination of this Agreement, whichever later occurs. The UCEDA, any New York State and/or Federal auditors, and any other persons duly authorized by the UCEDA, shall have full access and the right to examine any of said materials during said period.

ARTICLE 14 – AUDITING AND REPORTS

All forms or invoices presented for payment to be made hereunder, and the books, records, and accounts upon which said forms or invoices are based, are subject to audit by the UCEDA. The Firm shall submit any and all documentation and justification in support of expenditures or fees under this Agreement as may be required by the UCEDA, so that it may evaluate the reasonableness of the charges, and the Firm shall make its records available to the UCEDA upon request. All books, forms, records, reports, cancelled checks, and any and all similar material may be subject to periodic inspection, review, and audit by the UCEDA and/or other persons duly authorized by the UCEDA. Such audits may include examination and review of the source and application of all funds, whether from the UCEDA, private sources, or otherwise. The Firm shall not be entitled to any interim or final payment under this Agreement if any audit requirements and/or requests have not been satisfactorily met.

ARTICLE 15 – NO DISCRIMINATION

As required by Article 16 of the New York State Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, including the Civil Rights Act, the Firm will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition, carrier status, military status, domestic violence victim status, or marital status.

ARTICLE 16 - INSURANCE

For provision of the Services set forth herein and as may be hereinafter amended, the Firm shall maintain or cause to be maintained, in full force and effect during the term of this Agreement, at its expense, insurance with stated minimum coverage as set forth in "Schedule C", which is attached hereto and is hereby made a part of this Agreement. Such policies are to be in the broadest form available on usual commercial terms and shall be written by insurers who have been fully informed as to the nature of Services to be performed by the Firm pursuant to this Agreement. Such insurers shall be of recognized financial standing, satisfactory to the UCEDA. The UCEDA shall be named as an additional insured on all commercial general liability policies with the understanding that any obligations imposed upon the insured (including, without limitation, the obligation to pay premiums) shall be the sole obligation of the Firm and not those of the UCEDA. Notwithstanding anything to the contrary in this Agreement, the Firm irrevocably waives all claims against the UCEDA for

all losses, damages, claims or expenses resulting from risks commercially insurable under the insurance described in Schedule C and this Article 16. The provision of insurance by the Firm shall not in any way limit the Firm's liability under this Agreement.

At the time the Firm submits two (2) original executed copies of this Agreement, the Firm shall include certificates of insurance evidencing its compliance with these requirements and those set forth in Schedule C.

Each policy of insurance shall contain clauses to the effect that (i) such insurance shall be primary, without right of contribution of any other insurance carried by or on behalf of the UCEDA, with respect to its interests, (ii) it shall not be cancelled or materially amended, without thirty (30) days prior written notice to the UCEDA (except in the case of cancellation for non-payment of premium, which requires fifteen (15) days prior written notice), directed to the UCEDA, and (iii) the UCEDA shall have the option to pay any necessary premiums to keep such insurance in effect, and charge the cost back to the Firm.

To the extent it is commercially available, each policy of insurance shall be provided on an "occurrence" basis. If any insurance is not so commercially available on an "occurrence" basis, it shall be provided on a "claims made" basis, and all such "claims made" policies shall provide that:

- A. Policy retroactive dates coincide with or precede the Firm's start of the performance of Services (including subsequent policies purchased as renewals or replacements); and
- B. The Firm shall maintain similar insurance for a minimum of three (3) years following final acceptance of the Services; and
- C. If the insurance is terminated for any reason, the Firm agrees to purchase for the UCEDA, an unlimited, extended reporting provision to report claims arising from the Services performed under this Agreement; and
- D. Immediate notice shall be given to the UCEDA of circumstances or incidents that might give rise to future claims with respect to the Services performed under this Agreement.

ARTICLE 17 - INDEMNIFICATION

The Firm agrees to defend, indemnify and hold harmless the UCEDA, including its officials, employees and agents, against all claims, losses, damages, liabilities, costs or expenses (including without limitation, reasonable attorney fees and costs of litigation and/or settlement), whether incurred as a result of a claim by a third party or any other person or entity, arising out of the Services performed by the Firm, its employees, representatives, subcontractors, assignees, or agents pursuant to this Agreement, which the UCEDA, or its officials, employees, or agents may suffer by reason of any negligence, fault, act, or omission of the Firm, its employees, representatives, subcontractors, assignees, or agents. The Firm agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demands, or suits at its sole expense, and agrees to bear all other costs and expenses related thereto, even if such claims, demands, or suits are groundless, false, or fraudulent.

UCEDA will defend at its expense, and indemnify the Firm with respect to any claims, actions, or proceedings arising out of representations, information, or materials supplied by UCEDA to the Firm, and approved by UCEDA for inclusion relative to the Services provided by the Firm, pursuant to this Agreement.

ARTICLE 18 - RESPONSIBILITY TO CORRECT DEFICIENCIES

It shall be the Firm's responsibility to correct, in a timely fashion and at the Firm's sole expense, any deficiencies in its Services resulting from the Firm's failure to act in accordance with the standards set forth in Article 7 (Performance) and Schedule A, provided such deficiencies are reported to the Firm within one hundred twenty (120) days after completion and final acceptance of the Services. If the Firm fails to correct such deficiencies in a timely and proper manner, the UCEDA may elect to have others perform such corrections, and the UCEDA may charge any related cost of such corrections to the Firm and/or set-off such amount against any sums otherwise due to the Firm. These remedies, if effected, shall not constitute the sole or exclusive remedies afforded to the UCEDA for such deficiencies, nor shall they constitute a waiver of the UCEDA's right to claim damages or otherwise refuse payment, or to take any other action provided for by law, in equity, or pursuant to this Agreement.

ARTICLE 19 – FORCE MAJEURE

Neither Party hereto will be considered in default in the performance of its obligations hereunder, to the extent that performance of any such obligation is prevented and/or delayed by any cause, existing or future, beyond the control of such Party, and which by that Party's exercise of due diligence and foresight could not reasonably have been avoided ("Impacted Party") including, without limitation, the following force majeure events ("Force Majeure Events"): (a) acts of God; (b) flood, fire, earthquake, other potential disaster(s) or catastrophe(s), such as epidemics or pandemics, or explosion; (c) war, invasion, hostilities (whether war is declared or not); (d) national or regional emergencies; and (c) other similar events beyond the reasonable control of the Impacted Party.

The Impacted Party shall give written notice within thirty (30) days of the Force Majeure Event to the other Party and the Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized.

Upon removal of such cause, the Impacted Party affected shall resume its performance as soon as reasonably possible. The Firm's financial inability to perform will not be deemed to be a Force Majeure Event regardless of the source causing such financial inability. If the Firm is so delayed in the timely performance of the Services, the Firm's sole and exclusive remedy is to request that a Change Order, Amendment, or Addendum to this Agreement be issued by the UCEDA and signed by the President of the UCEDA, permitting an extension of time to perform the Services in an amount equal to the time lost due to such delay. Such request shall be based upon written notice only, stating the specific nature of the claim, delivered to the President of the UCEDA promptly, but not later than thirty (30) days after the initial occurrence of the event giving rise to such claim. An extension of time to perform the Services may only be granted by a written Change Order, Amendment, or Addendum to this Agreement, signed by the President of the UCEDA. In no event will the UCEDA be liable to the Firm or to its subcontractors, agents, assignees, or any other person or entity for damages arising out of, or resulting from, any such delays.

ARTICLE 20 - TERMINATION

The Agreement may be terminated by either Party upon thirty (30) days written notice to the other Party. Upon termination, the Firm will turn over all files, lists, or other work product requested by the UCEDA, provided that all Services performed by the Firm have been invoiced and said invoices have been paid in full.

ARTICLE 21 - NO ARBITRATION

Any and all disputes involving this Agreement, including the breach or alleged breach thereof, may not be submitted to arbitration unless specifically agreed to in writing by the Board of Directors after consultation with the UCEDA's counsel, but must instead only be heard in the Supreme Court of the State of New York, with venue in Ulster County, or if appropriate, in the Federal District Court, with venue in the Northern District of New York, Albany Division.

ARTICLE 22 - GOVERNING LAW

This Agreement shall be governed by the laws of the State of New York, except where the Federal Supremacy Clause requires otherwise. The Firm shall render all Services under this Agreement in accordance with applicable provisions of all Federal, State, and local laws, rules and regulations as are in effect at the time such Services are rendered.

ARTICLE 23 - WAIVER AND SEVERABILITY

The failure of either Party to enforce at any time, any provision of this Agreement, does not constitute a waiver of such provision in any way or waive the right of either Party at any time to avail itself of such remedies as it may have for any breach or breaches of such provision. None of the conditions of this Agreement shall be considered waived by the UCEDA unless such waiver is explicitly given in writing by the President of the UCEDA. No such waiver shall be a waiver of any past or future default, breach, or modification of any of the terms or conditions of this Agreement, unless expressly stipulated in such waiver as executed by the President of the UCEDA.

The invalidity or invalid application of any provision of this Agreement shall not affect the validity of any other provision, or the application of any other provision of this Agreement.

ARTICLE 24 - GENERAL RELEASE

Acceptance by the Firm or its assignees, of the final payment under this Agreement, whether by voucher, judgment of any court of competent jurisdiction, administrative or other means, shall constitute and operate as a general release to the UCEDA from any and all claims of the Firm arising out of the performance of this Agreement.

ARTICLE 25 – INTENTIONALLY LEFT BLANK

ARTICLE 26 - NO CLAIM AGAINST OFFICERS, AGENTS OR EMPLOYEES

No claim whatsoever shall be made by the Firm against any officer, agent, or employee of the UCEDA, for or on account of any act or omission in connection with this Agreement.

ARTICLE 27 - ENTIRE AGREEMENT

The rights and obligations of the Parties and their respective agents, successors and assignees shall be subject to and governed by this Agreement, including Schedules A, B, and C, which supersedes any other understandings or writings between or among the Parties to this Agreement.

ARTICLE 28 - SURVIVING OBLIGATIONS

The Firm's obligations, and those of the Firm's employees, representatives, agents, subcontractors, successors and assignees, assumed pursuant to Article 7 (Performance), Article 8 (Confidentiality), Article 9 (Ownership of Confidential Information), Article 10 (Intellectual Property), Article 11 (Publicity), Article 13 (Retention of Records), Article 17 (Indemnification), and Article 18 (Responsibility to Correct Deficiencies), shall survive completion of the Services and/or the expiration or termination of this Agreement.

ARTICLE 29 - NOTICES

Except as expressly provided otherwise in this Agreement, all notices given to any of the Parties pursuant to or in connection with this Agreement shall be in writing, shall be delivered by hand, by certified or registered mail, return receipt requested, or by Federal Express, Express Mail, or other nationally recognized overnight carrier. Except where otherwise specifically defined within this Agreement, notices shall be effective when received. Notice addresses are as follows:

Firm:
HILCO REAL ESTATE APPRAISAL, LLC
Attn: Chris L. Harland, MAI
77 Miller Road, Suite 202
Castleton, New York 12033

UCEDA:
ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC.
Attn: Board Chair, Sarah Haley
244 Fair Street
Kingston, New York 12401

Any communication or notice regarding indemnification, termination, litigation or proposed changes to the terms and conditions of this Agreement shall be deemed to have been duly made upon receipt by the Parties at the addresses set forth herein, or such other addresses as may have been specified in writing by one Party to the other Party.

Either Party may, by written notice to the other Party given in accordance with the foregoing, change its address for notices.

ARTICLE 30 - MODIFICATION

No changes, amendments, or modifications of any of the terms and/or conditions of this Agreement shall be valid unless reduced to writing and signed by the Parties to this Agreement. Changes to Schedule A, the Scope of Services, in this Agreement shall not be binding, and no payment shall be due in connection therewith, unless prior to the performance of

any such Services, the President of the UCEDA, executes an Addendum, Amendment or Change Order to this Agreement. The aforesaid Addendum, Amendment or Change Order shall specifically set forth the scope of such extra or additional services, the amount of compensation, and the extension of time for performance, if any, for any such extra or additional services. Unless otherwise specifically provided for therein, the provisions of this Agreement shall apply with full force and effect to the terms and conditions contained in such Addendum, Amendment or Change Order.

ARTICLE 31 - HEADINGS AND DEFINED TERMS

The Article headings used in this Agreement are for reference and convenience only, and shall not in any way limit or amplify the terms, conditions, and provisions hereof. All capitalized terms, acronyms, and/or abbreviations shall have the meanings ascribed to them by this Agreement.

ARTICLE 32 – COUNTERPARTS

The Parties may execute this Agreement in counterparts, each of which shall be deemed an original, and all of which taken together constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile, email in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document has the same effect as delivery of an executed original of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to enter into this Agreement as of the dates set forth below, effective as of the beginning date set forth in Article 2 above.

ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC.

By: _____
NAME: Sarah Haley
TITLE: Board Chair
DATE: _____

HILCO REAL ESTATE APPRAISAL, LLC

By: 
NAME: Chris L. Harland, MAI
TITLE: *Managing Director - Northeast Region*
DATE: *1/4/22*

SCHEDULE A
SCOPE OF SERVICES

1. The Firm shall prepare and furnish to the UCEDA a written real estate appraisal and related services, pertaining to certain properties located in the Town of Ulster, County of Ulster and State of New York identified as SBL Nos. 48.7-1-29.110, 48.7-1-29.120, 48.7-1-29.130, 48.7-1-29.140, 48.7-1-29.150, 48.7-1-29.160, 48.7-1-29.170, 48.7-1-29.240, 48.7-1-29.250, 48.7-1-29.260, 48.7-1-29.270, 48.7-1-29.300, 48.7-1-29.400, 48.7-1-29.500, 48.7-1-29.700, 48.7-1-29.800, 48.7-1-29.900 (collectively referred to herein as the "Premises").
2. The Firm shall determine the market value of the Premises with supporting information and documentation as required to establish said value as fair and reasonable.
3. The Firm shall prepare the appraisal in conformance with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation, and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
4. The appraisal must contain the following:
 - a. An adequate description of the physical characteristics of the property being appraised, including items identified as personal property; a statement of the known and observed encumbrances, if any; title information; location; zoning; present use; an analysis of highest and best use; and at least a 5-year sales history of the property.
 - b. All relevant and reliable approaches to value consistent with established appraisal practice.
 - c. A description of comparable sales, including a description of all relevant physical, legal, and economic factors.
 - d. The effective date of the valuation, date of appraisal, signature, and certification of the appraiser.
5. The Firm shall provide the appraisal of the Premises in writing no later than four (4) weeks after the Effective Date and shall include all valuation data along with the appraiser's analysis of that data.
6. The Firm shall provide any up-dates or supplemental valuations of the Premises as required by the UCEDA.
7. If the services of the Firm are required on behalf of the UCEDA for any litigation involving said appraisal, such services are not included in the fee herein, but shall instead be negotiated separately.

SCHEDULE B
FEES, EXPENSES, AND SUBMISSIONS FOR PAYMENT

1. The Firm's fee for Services is a not-to-exceed fee of SEVENTEEN THOUSAND FIVE HUNDRED AND 00/100 (\$17,500.00) DOLLARS for the Term of this Agreement.
2. The Firm shall invoice the UCEDA one time for the services requested.
3. The Firm's invoice must contain, or have attached, sufficient supporting detail, as reasonably required by the UCEDA, to verify the claim.
4. In no event shall claims be submitted in advance or accrued prior to expenditure or services being rendered.
5. The UCEDA will remit payment to the Firm within sixty (60) days of approval of the invoice by the UCEDA's Chief Financial Officer.
6. Notwithstanding any other term or provision of this Agreement, including this Schedule B, Firm's invoice, together with all documentation required, must be promptly and timely submitted. The UCEDA reserves the right to reject payment of any invoice that is submitted more than one hundred twenty (120) days after the required submission date set forth above, regardless of whether the service, work, or delivery was rendered.
7. The Firm agrees to meet any additional invoicing requirements that the UCEDA may from time to time require, with reasonable notice to the Firm.

(Rev 6.01.19)

PLEASE BRING THESE INSURANCE REQUIREMENTS TO YOUR INSURANCE AGENT TO ENSURE PROPER COVERAGE AND LIMITS ARE IN PLACE. FAILURE TO PROVIDE CERTIFICATE(S) OF INSURANCE EVIDENCING REQUIREMENTS BELOW, SHALL DELAY CONTRACT EXECUTION.

SCHEDULE C
UCEDA CONTRACT INSURANCE REQUIREMENTS

I. CONDITIONS OF INSURANCE

Unless otherwise authorized by the UCEDA Board of Directors, strict adherence to this schedule is required. Any deviation without prior authorization from the UCEDA Board of Directors will result in a delay in the finalization of this Agreement.

The Firm shall submit copies of any or all required insurance policies as and when requested by the UCEDA.

II. CERTIFICATES OF INSURANCE

The Firm shall file with UCEDA, prior to commencing work under this Agreement, all proper Certificates of Insurance.

The Certificates of Insurance shall include:

- a. Name and address of Insured
- b. Issue date of certificate
- c. Insurance company name
- d. Type of coverage in effect
- e. Policy number
- f. Inception and expiration dates of policies included on the certificate
- g. Limits of liability for all policies included on the certificate
- h. "Certificate Holder" shall be the Ulster County Economic Development Alliance, Inc., P.O. Box 1800, Kingston, New York 12402-1800.

If the Firm's insurance policies should be non-renewed or canceled, or should expire during the life of this Agreement, the UCEDA shall be provided with a new certificate indicating the replacement policy information as requested above. The UCEDA requires thirty (30) days prior written notice of cancellation [fifteen (15) days for non-payment of premium] from the Insurer, its agents or representatives.

III. WORKERS' COMPENSATION AND DISABILITY INSURANCE

The Firm shall take out and maintain during the life of this Agreement, Workers' Compensation (WC) Insurance and Disability Benefits (DB) Insurance, for all of its employees employed at the site of the project, and shall provide Certificates of Insurance evidencing this coverage to the UCEDA.

If the Firm is not required to carry such insurance, the Firm must submit form CE-200 attesting to the fact that it is exempt from providing WC and/or DB Insurance coverage for all of its employees.

The manner of proof related to WC and DB Insurance is controlled by New York State Laws, Rules and Regulations. "ACORD" forms are not acceptable proof of WC and/or DB Insurance.

IV. WORKERS' COMPENSATION REQUIREMENTS

To assist the State of New York and municipal entities in enforcing WCL Section 57, a business entity (the Firm) seeking to enter into a contract with a municipality (the UCEDA) must provide one of the following forms to the municipal entity it is entering into a contract with. The Firm should contact its insurance agent to obtain acceptable proof of WC coverage:

- Form C-105.2 – “Certificate of NYS Workers’ Compensation Insurance” or
- Form U-26.3 – “Certificate of Workers’ Compensation Insurance” issued by the New York State Insurance Fund or
- Form SI-12 – “Affidavit Certifying that Compensation has Been Secured” issued by the Self-Insurance Office of the Workers’ Compensation Board if the Firm is self-insured or
- Form GSI-105.2 – “Certificate of Participation in Workers’ Compensation Group Self-Insurance” issued by the Self-Insurance administrator of the group or
- Form GSI-12 – “Certificate of Group Workers’ Compensation Group Self-Insurance” issued by the Self-Insurance Office of the Workers’ Compensation Board if the Firm is self-insured.

If the Firm is not required to carry WC coverage, it must submit Form CE-200, “Certificate of Attestation of Exemption” from New York State Workers’ Compensation and/or Disability Benefits Insurance Coverage. This form and the instructions for completing it are available at <http://www.wcb.ny.gov>

V. DISABILITY BENEFITS REQUIREMENTS

To assist the State of New York and municipal entities in enforcing WCL Section 220(8), a business entity (the Firm) seeking to enter into a contract with a municipality (the UCEDA) must provide one of the following forms to the municipal entity it is entering into a contract with. The Firm should contact its insurance agent to obtain acceptable proof of DB Insurance Coverage:

- Form DB-120.1 – “Certificate of Insurance Coverage Under the NYS Disability Benefits Law” or
- Form DB-155 – “Compliance with Disability Benefits Law” issued by the Self-Insurance Office of the Workers’ Compensation Board if the Firm is self-insured.

If the Firm is not required to carry DB Insurance coverage, it must submit Form CE-200, “Certificate of Attestation of Exemption” from New York State Workers’ Compensation and/or Disability Benefits Insurance Coverage. This form and the instructions for completing it are available at <http://www.wcb.ny.gov>.

VI. COMMERCIAL GENERAL LIABILITY INSURANCE

The Firm shall take out and maintain during the life of this Agreement, such bodily injury liability and property damage liability insurance as shall protect it and the UCEDA from claims for damages for bodily injury including accidental death, as well as from claims for property damage that may arise from operations under this Agreement, whether such operations be by the Firm, by any subcontractor, or by anyone directly or indirectly employed by either of them.

It shall be the responsibility of the Firm to maintain such insurance in amounts sufficient to fully protect itself and the UCEDA, but in no instance shall amounts be less than the minimum acceptable levels of coverage set forth below:

- Bodily Injury Liability and Property Damage Liability Insurance in an amount not less than **TWO MILLION AND 00/100 (\$2,000,000.00) DOLLARS** for each occurrence, and in an amount not less than **FOUR MILLION AND 00/100 (\$4,000,000.00) DOLLARS** general aggregate.

Other Conditions of Commercial General Liability Insurance:

- a. Coverage shall be written on Commercial General Liability form.
- b. Coverage shall include:
 1. Contractual Liability
 2. Independent Contractors
 3. Products and Completed Operations
- c. “Additional Insured” status shall be granted to “Ulster County Economic Development Alliance, Inc., P.O. Box 1800, Kingston, New York, 12402-1800”, shown on the Commercial General Liability policy, further stating that this insurance shall be primary and non-contributory with any other valid and collectable insurance.

VII. AUTOMOBILE LIABILITY INSURANCE

Automobile Bodily Injury Liability and Property Damage Liability Insurance shall be provided by the Firm, with a minimum Combined Single Limit (CSL) of **ONE MILLION AND 00/100 (\$1,000,000.00) DOLLARS**.

Coverage shall include:

- a. All owned vehicles
- b. Hired car and non-ownership liability coverage
- c. Statutory No-Fault coverage

Addendum B
NYSDEC Statement of Basis

Statement of Basis

IBM-Kingston
Town of Ulster, Ulster County
EPA ID No. NYD001359694
Site No. 356002
Statement of Basis
February 2013



Prepared by
Division of Environmental Remediation
New York State Department of Environmental Conservation

STATEMENT OF BASIS

IBM-Kingston
Town of Ulster, Ulster County
EPA ID No. NYD 001359694
Site No. 356002
February 2013

SECTION 1: SUMMARY AND PURPOSE OF THE STATEMENT OF BASIS

This Statement of Basis (SB) has been developed by the New York State Department of Environmental Conservation (the Department) in consultation with the New York State Department of Health (NYSDOH) under the authority of the Solid Waste Disposal Act, as amended, and more commonly referred to as the Resource Conservation and Recovery Act (RCRA), and the authority of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The SB provides background information on the facility, including a summary of investigative findings pertinent to the potential source areas. When available, both soil and groundwater results are summarized and a rationale to support the closure of each SWMU is provided. Various remedial actions proposed throughout the site include No Action, No Further Action, groundwater monitoring, and vapor intrusion evaluation. In accordance with the Order on Consent, environmental easements (EEs) and an Interim Site Management Plan (ISMP) are proposed for all portions of the site.

The purpose of this Statement of Basis (SB) is to inform and provide the public an opportunity to review and comment on the closure of twelve Solid Waste Management Units (SWMUs) and three Areas of Concern (AOCs) at the IBM Kingston site in the Town of Ulster, New York. The releases of hazardous waste or hazardous constituents from regulated units, solid waste management units, and other sources or areas at the facility were addressed by actions known as interim corrective measures (ICMs). An ICM is used whenever possible to achieve the initial goals of controlling the migration of contaminated groundwater and controlling current human and ecological exposure to contaminated media and can be effectively addressed before completion of the RCRA Facility Investigation (RFI) or Corrective Measure Study (CMS).

This SB describes closure conditions identified by various site investigations from the late 1970s to 2012. IBM has conducted these Corrective Action activities with the oversight of the Department from 1988-2011 under a 6 NYCRR Part 373 permit and from July 2011 to present under an Order on Consent.

The Department has issued this document in accordance with the requirements of New York State Environmental Conservation Law and Title 6 of the Official Compilation of

Codes, Rules and Regulations of the State of New York; (6 NYCRR) Part 373 and, where applicable, Part 375 Regulations. This document is a summary of the information that can be found in the site-related reports, the current Order on Consent and documents in the document repository identified below.

The Department welcomes public comment on this SB. Public comments can influence the Department's final approval for a remedial action. If new substantive information and information is presented to the Department through public comments, the Department may integrate these comments and so modify the final decision. Therefore, the public is encouraged to review and provide comments on this SB.

SECTION 2: CITIZEN PARTICIPATION

The Department encourages input from the community on the proposed remedial actions. The Department has set a public comment period from February 28, 2013 to March 29, 2013 to solicit public participation in the remedy selection process.

The administrative record is available at the following locations:

Town of Ulster Public Library
860 Ulster Avenue
Kingston, NY 12401
Phone: 845-338-7881
Fax: 845-338-7884
Email: ulsterdirector@hvc.rr.com

Web site: <http://townofulsterlibrary.org/>

Monday, Wednesday, and Friday 10:00 am -5:00 pm
Tuesday and Thursday 12:00 pm - 8:00 pm
Saturday 10:00am - 3:00 pm

New York State Department of Environmental Conservation
Division of Environmental Remediation
625 Broadway
Albany, NY 12233-7014

Comments will be summarized and responses provided in the "Response to Comments" document. The Response to Comments will be drafted at the conclusion of the public comment period and incorporated into the administrative record. To send written comments or obtain further information, contact:

Wayne Mizerak, Project Manager
New York State Department of Environmental Conservation
Division of Environmental Remediation
625 Broadway

Albany, NY 12233-7014
wjmizera@gw.dec.state.ny.us

Receive Site Citizen Participation Information by e-mail

Please note that the Department's Division of Environmental Remediation (DER) is "going paperless" relative to citizen participation information. The ultimate goal is to distribute citizen participation information about contaminated sites electronically by way of county email listservs. Information will be distributed for all sites that are being investigated and cleaned up in a particular county under the State Superfund Program, Environmental Restoration Program, Brownfield Cleanup Program, Voluntary Cleanup Program, and Resource Conservation and Recovery Act Program. We encourage the public to sign up for one or more county listservs at <http://www.dec.ny.gov/chemical/61092.html>

SECTION 3: SITE DESCRIPTION AND HISTORY

Location: The site is located approximately four miles north of the city of Kingston in the Town of Ulster, Ulster County. The site is bounded to the east by retail properties along John M. Clark Drive; to the north by Old Neighborhood Road, to the northwest and southwest by Esopus Creek, to the west by a residential private property, and to the south by residential private properties, a commercial development and Boices Lane. A stand-alone parcel (OU-8) also exists (0.886 acre) between Old Neighborhood Road and U. S. Route 209.

Site Features: The site is located within a 258-acre property owned by Tech City, Inc. The majority of the site is relatively flat, consisting of several buildings and several asphalt parking areas. Constitution Drive runs north-south through the approximate center of the property and along the western boundary of the site. A 60-inch storm water drain cuts along the northern portion of the site and a 42-inch storm water drain cuts along the southern portion of the site. Many of the buildings are vacant. Others are occupied by commercial tenants. The Class 4 site consists of Operable Units 3, 3a, and 5, with a total acreage of 66.3 acres. The 258-acre property is the subject of an Order on Consent to define RCRA Corrective Action and inactive hazardous waste program requirements, where necessary. A Class 4 site is an inactive hazardous waste disposal site that has been properly closed but requires continued site management consisting of operation, maintenance, and monitoring.

Current Zoning/Uses: The site is zoned as the Tech City Redevelopment Overlay District which was implemented by the Town of Ulster to facilitate the redevelopment of Tech City. This specialized zoning precludes certain uses such as heavy industrial. A wide range of businesses operate at the site: general office space, data processing, data warehousing, research and development, light-industry, manufacturing, call centers, internet and e-commerce businesses, and distribution center operations.

Historical Uses: Prior to 1953, the site was used as a farm, including a hanger to house a

plane for crop dusting. After purchases of property by IBM in 1953 and 1980, various uses of the site included a powerhouse building, a sewage disposal facility, warehouse facilities, a salt barn, and temporary storage of hazardous waste. Manufacturing activities included computer and display manufacturing, computer programming, engineering laboratory, communications systems, mainframe computer components, software development, metal plating, electronic card etching, and paint shops. Starting in 1991, IBM began to transfer various activities to other facilities and in 1994, announced its intention to move all remaining personnel and operations and close the facility. In 1989, the site was bought by Tech City, the current owner.

Site Geology and Hydrogeology: Throughout the site, a surficial sand unit overlays a varved clay layer. At various locations throughout the site, a transition zone of intermediate permeability exists between the surficial sand and the varved clay layers. The depth to bedrock varies from a few feet within the vicinity of Constitution Drive to over a hundred feet in the east campus area. The thickness of the sand unit varies from a few feet to approximately 35 feet. The varved clay layer acts as an aquitard and is contiguous throughout the site. The sand unit aquifer and the transition zone have permeabilities which allow those aquifers to be routes of migration for groundwater contamination. The transition zone is not contiguous throughout the site and only has localized impact. In general, overburden groundwater flows towards Esopus Creek.

3.1: Solid Waste Management Units and Areas of Concern

The site is divided into ten operable units (OUs). An OU is an administrative term used to identify a portion of a site that can be addressed by a distinct investigation and/or cleanup approach. See Figure 2 for the boundaries of each operable unit. Seven operable units are referenced in this SB. Three operable units (OUs 2, 4a, and 8) have no areas proposed for closure at this time and are not further referenced in this SB.

A "Solid Waste Management Unit (SWMU)" includes any discernible unit at which solid wastes have been placed at any time, irrespective of whether the unit was intended for the management of hazardous or solid wastes. Such units include any area at the facility at which solid wastes have been routinely and systematically released. These units include certain areas associated with production processes which have potentially become contaminated as a result of routine and systematic releases. See Table 1 for a list of all SWMUs for this site and Figure 1 for the location of each SWMU. Sixteen SWMUs were closed, with public comment, under the October 10, 1996 RCRA Permit No. NYD001359694 (Table 2). No further public comments will be accepted for these SWMUs. Public comment is requested for the 12 of the remaining 16 SWMUs and for the 3 Areas of Concern (AOCs).

An Area of Concern (AOC) is a term used in conjunction with facility-wide corrective action at hazardous waste management facilities. Any area at a facility having a probable release of a hazardous waste or hazardous constituent which may or may not be from a solid waste management unit (SWMU) and is determined by the Department of Environmental Quality to pose a current or potential threat to human health or the

environment. AOCs include areas that have been contaminated by routine and systematic releases of hazardous waste or hazardous constituents, excluding one-time accidental spills that are immediately remediated and cannot be linked to solid waste management activities. AOCs are considered equivalent to SWMUs for the purposes of facility-wide corrective action.

SECTION 4: LAND USE AND PHYSICAL SETTING

The Department may consider the current, intended, and reasonably anticipated future land use of the site and its surroundings when evaluating a remedy for soil remediation. Current use of the land is for mixed industrial and commercial purposes. Under proposed redevelopment plans portions of the site may also be used for restricted residential uses.

SECTION 5: SITE RESPONSIBILITY AND LEGAL INSTRUMENT

The IBM Kingston facility was operated in accordance with a 6NYCRR Part 373 Hazardous Waste Management Permit until 2011. This permit addressed: (1) the storage and management of hazardous waste in containers; (2) the operation and maintenance of the Interim Corrective Measures (ICMs) for contaminated groundwater; (3) the monitoring and maintenance of the groundwater monitoring network used to assess the performance of the interim corrective measures; and (4) financial assurance for closure and corrective action.

In July of 2011 an Order on Consent, which incorporated the requirements of the Part 373 permit, was executed. The Order on Consent addresses: (1) closure requirements for all open Solid Waste Management Units and Areas of Concern; (2) the operation and maintenance of the Interim Corrective Measures (ICMs) for contaminated groundwater; (3) the monitoring and maintenance of the groundwater monitoring network used to assess the performance of the interim corrective measures; (4) requirements for implementation of Institutional and Engineering Controls; and (5) requirements for development and implementation of a Site Management Plan.

SECTION 6: SITE CONTAMINATION

6.1: Summary of the RCRA Facility Investigation

A RCRA Facility Investigation (RFI) has been conducted. The purpose of the RFI was to define the nature and extent of any contamination resulting from previous activities at the site. The field activities and findings of the investigation are described in the RFI Reports.

The following general activities are conducted during an RFI:

- Research of historical information,
- Geophysical survey to determine the lateral extent of wastes,

- Test pits, soil borings, and monitoring well installations,
- Sampling of waste, surface and subsurface soils, groundwater, and soil vapor,
- Sampling of surface water and sediment,
- Ecological and Human Health Exposure Assessments.

The analytical data collected on this site includes data for:

- groundwater
- soil
- soil vapor/indoor air

6.1.1: Standards, Criteria, and Guidance (SCGs)

The remedy must conform to promulgated standards and criteria that are directly applicable or that are relevant and appropriate. The selection of a remedy must also take into consideration guidance, as appropriate. Standards, Criteria and Guidance are hereafter called SCGs.

To determine whether the contaminants identified in various media are present at levels of concern, the data from the RFI were compared to media-specific SCGs. The Department has developed SCGs for groundwater, surface water, sediments, and soil. The NYSDOH has developed SCGs for drinking water and soil vapor intrusion. The tables found in Exhibit A list the applicable SCGs in the footnotes. For a full listing of all SCGs see: <http://www.dec.ny.gov/regulations/61794.html>

6.1.2: RFI Results

In a number of the SWMUs, tanks and associated, visually contaminated soils were removed and properly disposed. As a general rule, information regarding the level of contaminants which may have been present before removal is not available. After removal, soil samples at all AOCs and all but one of the SWMUs indicate that no residual soil contamination above unrestricted SCGs remains. Residually contaminated soil, above unrestricted SCGs, remains at SWMU AA.

In SWMU AA, five semi-volatile organic compounds (SVOCs) were detected above SCGs for commercial use in subsurface soil: benzo(a)pyrene (1,200 ppb, SCG 61ppb), benz(a)anthracene (1,300 ppb, SCG 224 ppb), benzo(b)fluoranthene, (1,500 ppb, SCG 1,100 ppb), chrysene (1,200 ppb, SCG 1,200 ppb) and dibenzo(a,h)anthracene (200 ppb, SCG 14 ppb). Four chlorinated solvents were detected at levels slightly above SCGs in groundwater: 1,1,1-trichloroethane (8.4 ppb, SCG 5 ppb), 1,1-dichloroethane (9.3 ppb, SCG 5 ppb), trichloroethene (31 ppb, SCG 5 ppb), and total 1,2-dichloroethene (17 ppb, SCG 5 ppb).

There is no reason to suspect that any of these SWMUs are an ongoing source of groundwater contamination at this site. The site monitoring program indicates that the ongoing pumping and treatment of the groundwater continue to effectively control groundwater contamination.

6.2: Interim Corrective Measures

Investigations and monitoring have been ongoing since 1978 to characterize groundwater flow and quality beneath this site. Results of these investigations in the early 1980s indicated that groundwater containing dissolved chemicals might be flowing off the IBM Kingston site to the north and northwest from an area known as the North Parking Lot Area (NPLA). In mid-1985, IBM Kingston installed and began operating a Groundwater Collection System (GWCS) in OU-3a, consisting of a set of groundwater cutoff trenches parallel to Enterprise Drive and Old Neighborhood Road. From December 1986 through the end of June 1994, water recovered from these trenches was passed through the on-site Industrial Waste Treatment Facility (IWTF) for removal of volatile organic compounds using counter-current air stripping towers. During early 1994, upgrades to the GWCS included the installation of new pumps in the associated trench manholes, the construction of a new treatment building and the installation of tray aerator units. On July 8, 1994, these units were put on line and any groundwater collected by the GWCS was conveyed to the treatment building, treated by aeration and discharged to the sanitary sewer. Additionally, the northwest leg of the GWCS was extended approximately 240 feet with three additional trench manholes and one additional pump station installed. The trench extension project was completed in May 1995. Also in 1995, a clay berm was installed to the top of bedrock (varies from 5 to 16 feet deep) within the vicinity of where the industrial and sanitary sewer lines passed through the western border of the East Campus. The purpose of the clay berm was to prevent migration of groundwater contamination along the bedding planes of the industrial waste, storm water, and sanitary sewer lines. On July 10, 1996, the discharge from the aerators was connected to the storm sewer system under a State Pollutant Discharge Elimination System (SPDES) permit.

In April 1987, an additional groundwater extraction operation began at well MW-504S at the southern end of Building 005 (B005) in OU-3. Initially, the extracted groundwater was run through the IWTF. In July 1994, this groundwater extraction point was upgraded to its own dual-tray aerator unit and the treated water was discharged to the sanitary sewer. In 2007, this system was turned off because the building was vacant and unheated and the system was freezing and became inoperable. A significant decrease in localized groundwater contaminant concentrations at MW-504S was achieved and has been maintained since the shutdown of this system.

6.3: Summary of Environmental Assessment

Nature and Extent of contamination: Groundwater is contaminated within the main production area, primarily by volatile organic compounds (VOCs), including chlorinated solvents, their degradation products, and Freon. Investigations dating back to the late

1970s found contravention of groundwater standards. Initially, Freon was a groundwater contaminant that exceeded groundwater SCGs, but has not been detected in the groundwater for several years. To date, two potential source areas in OU-3 (see Appendix A) have yet to be fully characterized because of their inaccessibility.

A localized source of bedrock groundwater contamination is present within the vicinity of Building 202 (located in OU-1) where hydraulic fluid containing polychlorinated biphenyls (PCBs) leaked into the bedrock from an elevator shaft.

A small quantity of waste was stabilized and left in place during closure of the surface impoundment identified as the Industrial Waste Sludge Lagoon (IWSL) (OU-5). Some VOC groundwater contamination has been identified in the adjacent Wastewater Treatment Area; however, this contamination is up gradient of the impoundment and appears to have come from the main campus plume (located in OU-3 and OU-3a) to the east. No significant groundwater contamination is associated with the IWSL.

Vapor intrusion investigations and evaluations for all occupied buildings at this site have been completed. The conclusions and recommended actions are presented in Section 7.

6.4: Summary of Human Exposure Pathways

The intent of the RCRA Corrective Action program is to reduce or eliminate the potential exposure of site contamination to people and the environment. The level of potential exposure reduction to be achieved at any given site should address the protection of human and environmental receptors that currently exist or may exist in the future.

Groundwater at this site is not used for drinking water. Municipal water serves the local residents and the businesses on site. All groundwater contamination is on site. There is a potential for exposure to site-related contaminants through dermal contact with contaminated groundwater by workers installing footings for new-building construction or installing/repairing utilities within the confines of or in close proximity to the areal extent of the groundwater plume. Exposures to workers by vapors potentially released during these invasive activities and exposure to workers or building occupants by vapor intrusion into occupied buildings are also potential threats. Throughout the site, with the exception of OU-4, invasive activities below 1 foot have the potential to result in dermal contact with contaminated soils and in inhalation of contaminated soil particles by the workers. In OU-4, invasive activities below 2 feet have the potential to result in dermal contact with contaminated soil and in inhalation of contaminated soil particles by workers. The site management plan will specify air monitoring protocols and working procedures for all invasive activities to insure the workers and the community are protected.

The groundwater pump and treat system has proven to be effective at reducing and containing the contaminant plume. This system has reduced the potential for human exposure by preventing the contaminated groundwater from flowing off-site.

Some impacted soils have been excavated and removed from the site during or prior to the investigations of the SWMUs. These areas were then backfilled and covered with clean soil, however, some residual contamination may remain. At two locations (SWMU –S and –T in Appendix A), IBM has identified contaminated subsurface soils that require removal, but has not developed a remedial alternatives report. A third potential source area (SWMU M in Appendix A) requires investigation. To date, this third area has been inaccessible. Accessibility is expected by the summer of 2013. The SWMUs noted in Appendix A are not part of this SB, but will be addressed in a future SB.

Since mid-1985, IBM has treated contaminated groundwater to levels that comply with groundwater standards. All discharges associated with the treatment of contaminated groundwater are effectively controlled and do not present any risk to human health or the environment.

Investigations in January and March of 2012 and in March 2009 evaluated the potential for soil vapor intrusion. The investigations included sampling of indoor air, outdoor air, and sub-slab soil vapor. Based upon these investigations the following buildings have no vapor intrusion impacts that require either mitigation or continued monitoring: B005N, B023, B042, B043, B052, B064, B201, B202, and B203. The following buildings require continued monitoring for at least three years: B021, B022, and B024. Buildings B001, B002, B003, B004, and B025 are unoccupied and require a vapor-intrusion assessment before occupancy. Based on historical use and the findings of the investigations at this site, Buildings B031, B032, B033, B051 do not have contamination below them or in close proximity. Therefore, these buildings do not require an investigation for vapor intrusion impacts.

6.5: Summary of Remedial Objectives

Cleanup goals have been established for the surface soil, subsurface soil, and groundwater beneath the site. The goals of these remedial actions are to: (1) ensure surface and subsurface soils meet the SCOs for the intended end use of either: (a) restricted residential use, or (2) commercial use, for the corresponding portions of the site identified in the Order on Consent; (2) restore the groundwater at the site to New York State Groundwater Quality Standards.

SECTION 7: SUMMARY OF PROPOSED REMEDY

7.1: Summary of Proposed Remedy

This section describes the environmental conditions and recommended remedial actions for 12 SWMUs and 3 AOCs for which remedial actions were not documented in the 1996 permit. For each of these SWMUs and AOCs, the Department recommends continued site management and placement of Environmental Easements (EE) for the operable units and parcels in which they are located. The ISMP and OU-specific EEs will include provisions for vapor intrusion evaluations and mitigation, specifications for groundwater monitoring and use restrictions, and procedures for invasive activities. The procedures for

invasive activities will be implemented site-wide, for any excavation below 1 foot in those areas designated for commercial use and below 2 feet for those areas designated for restricted residential use. An ISMP is a plan that is developed and implemented for interim remedial measures and/or operable units of a site before a site is fully remediated. As explained below, the Department recommends No Action for four of these SWMUs and two AOCs. For the remaining eight SWMUs and one AOC, IBM or Tech City have implemented ICMs such as a tank removal, soil removal, or a groundwater pump and treat system. For these eight SWMUs and one AOC, the Department recommends No Further Action.

The descriptions of the SWMUs and AOCs are grouped according to the operable units in which they are located.

A. Operable Unit 1(1 SWMU and 1 AOC)

The SWMU and the AOC in OU-1 will be subject to an environmental easement that restricts future property use to commercial, provides a groundwater use restriction, and requires compliance with an ISMP.

In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are re-occupied and/or renovated for use. Additional information regarding specific requirements of the ISMP can be found in Exhibit C of the Order on Consent and in the first paragraph of Section VI of this SB.

a. SWMU AE - B202 Elevator Shaft

Background: In May 1996, a maintenance crew discovered a loss of hydraulic fluid from Elevator No. 2 in building B202. Subsequent environmental investigations detected hydraulic fluid (0.9 ppm) and PCBs (10.2 ppb) in a downgradient well in close proximity to the elevator shaft. Contamination was not detected in any other downgradient wells.

In October 2000, a maintenance crew discovered a leak in Elevator No. 1 in building B202. Once again, hydraulic fluid (45 ppm) and PCBs (13 ppb) were detected immediately downgradient. The most recent data (November 2006) did not find detectable levels of PCBs in this well.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

b. AOC - Triangle Plume Area

Background: The Triangle Plume Area is located in southeast corner of OU-1. Low-level groundwater VOC contaminated has been detected within the vicinity

of a 42-inch storm water pipe. Data provided in the 2011 Annual Report indicated that only one well, southwest of the 42-inch drain, contained VOC contamination above SCGs (Trichloroethene 5.5 - 18 ppb).

Recommended Action: No Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

B. Operable Unit 3 (8 SWMUs and 1 AOC)

All SWMUs and the AOC in OU-3 will be subject to an environmental easement that restricts future property use to commercial, provides a groundwater use restriction, and requires compliance with an ISMP.

In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are occupied and/or renovated for use. Additional information regarding specific requirements of the ISMP can be found in Exhibit C of the Order on Consent and in the first paragraph of Section VI of this SB.

Some localized portions of OU-3 require further investigation to evaluate the potential for source removal (see Appendix A).

a. SWMU G – Former Waste PCE Tank

Background: SWMU G includes a former tetrachloroethene (PCE) waste tank and an associated former PCE supply tank. A PCE release occurred in 1987. Both tanks were decommissioned in 1987 and removed in 1989. IBM also removed an estimated 45 cubic yards of PCE-impacted soil. Historically, PCE has been detected above SCGs in downgradient monitoring wells. Recent groundwater sampling shows continued low-level contamination (PCE 1.8 ppb and TCE 1.4 ppb), which is below the SCG of 5ppb for both PCE and TCE. A 2009 and 2010 MIP investigation did not identify any additional potential source areas associated with this SWMU.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

b. SWMU R – Building 005 South Former Waste TCA UST

This SWMU consists of a former underground waste tank and a former underground supply tank. The location of these underground storage tanks (USTs) is only approximately known. Soil gas samples indicated no elevated concentrations of trichloroethane (TCA) or its breakdown products. No TCA or its breakdown products were detected in the soil or groundwater at concentrations

above SCGs. A low-level TCA plume (5 ppb) persists in two downgradient wells.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

c. SWMU U – North Parking Lot Area Plume

Background: A groundwater divide within the confines of the site's groundwater plume causes the northern portion of the site's plume to migrate toward the northwest and the southern portion of the site's plume to migrate toward the south west. SWMU U is the northern portion of the site's plume and is intercepted by the GWTS implemented in 1985 (upgraded in 1994 and 1996). Ongoing groundwater extraction, treatment, and monitoring continue.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

d. SWMU V – Portions of B005 Plume

Background: In 1987, an additional groundwater treatment extraction system began at MW-504S near the southern portion of B005. Extracted groundwater was treated jointly with the water extracted by the GWTS implemented in 1985. In 1994, SWMU V was upgraded with its own aeration system in B005. In 2007, IBM shut down the extraction and treatment system because the water in the aeration system was freezing. Building B005 was unoccupied and has since been demolished. Low-level groundwater contamination (PCE 13 ppb and TCE 1.4 ppb) continues to be detected in downgradient wells.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

e. SWMU Y – Former Fluoride Wastewater Ejector Tank

Background: This is an underground fiberglass wastewater holding tank. In July 1994, the tank was closed in place by removing the top and filling with gravel. Subsequent groundwater monitoring did not detect fluoride in the groundwater.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as required by the Order on Consent, is recommended.

f. SWMU AA – Inactive Building 031 Septic System

Background: Building 031 was initially served by a septic system before B036 had the capacity to pre-treat sanitary waste. There are no reports of releases of hazardous constituents to the septic system and no known reason to believe that hazardous constituents were discharged to the septic system. When B036 developed the capacity to pre-treat septic wastes, the septic waste from B031 was rerouted to B036.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

g. SWMU AB – Former Waste TCA Recovery Unit

Background: SWMU AB is a former above-ground TCA recovery unit that was located in B001. The recoverable TCA was piped from an underground tank SWMU S. Most of the pipe used was in the ceiling of B001. In close proximity to SWMU S, the pipe went underground to access the tank. No groundwater contamination is associated with the above-ground structures. All TCA NAPL detected is associated with the underground tank and the underground pipe in close vicinity to the tank and will be addressed under SWMU S. The recovery unit has been removed. Some of the aboveground pipe may be in place. If so, this will be addressed under SWMU S (See Appendix A).

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

h. SWMU AC – Former B005S Solvent Recovery Process Unit

Background: This unit has been removed. This unit processed gaseous waste containing acetone and isopropyl alcohol (IPA). The aqueous waste was piped to two underground tanks SWMU H and SWMU I (both determined to be No Further Action under the 10/24/96 permit). IPA was detected in two soil samples at 84 ppb and 148 ppb. No acetone or IPA was detected in the groundwater.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

i. AOC - Sanitary Sewer Lines

Background: The sanitary sewer lines run parallel to the industrial waste sewer lines long the boundary between OU-3 and OU-3a. Portions of the sanitary sewer lines lie within the contaminated groundwater that is part of SWMU U – North Parking Lot Area Plume. Historical documentation of infiltration necessitated an assessment of the potential for the sanitary sewer line to act as a conduit for

offsite migration of infiltrated contaminated groundwater. An April 2012 sampling program indicated that the sanitary sewer line is not a transport mechanism for offsite migration of contaminated groundwater.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

C. Operable Unit 3a (1 SWMU)

The SWMU in OU-3a will be subject to an environmental easement that restricts future property use to commercial, provides a groundwater use restriction, and requires compliance with an ISMP.

In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are occupied and/or renovated for use. Additional information regarding specific requirements of the ISMP can be found in Exhibit C of the Order on Consent and in the first paragraph of Section VI of this SB.

a. SWMU U – North Parking Lot Area Plume

Background: See SWMU U in OU-3.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

D. Operable Unit 4 (1 SWMU and 1 AOC)

All SWMUs and the AOC in OU- 4 will be subject to an environmental easement that restricts future property use to restricted residential, provides a groundwater use restriction, and requires compliance with an ISMP. OU-4 is the only portion of this site for which remedial action is evaluated for a future use of restricted residential.

In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations: (1) for new buildings and (2) when currently vacant buildings are reoccupied and/or renovated for use. Additional information regarding specific requirements of the ISMP can be found in Exhibit C of the Order on Consent and in the first paragraph of Section V of this SB.

a. SWMU Z – Building 033 Septic System

Background: Building B033 was constructed in the mid-1950s and at that time a septic system was installed. From the 1950s through the 1980s, a degreaser was

used in the ambulance and fire truck garage area located in the southwest corner of this building

No VOCs, SVOCs, or PCBs were detected in the soil samples above soil cleanup guidance values. In groundwater, four VOCs (trichloroethene at 14 ppb, 1,2-dichloroethene, total, at 16 ppb, 1,1,1-trichloroethane at 6.8 ppb, and 1,1-dichloroethane at 18 ppb) were detected. The resulting groundwater plume is relatively small and appears to extend only a short distance down gradient of this SWMU.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as required by the Order on Consent, is recommended.

b. AOC - MOSF Demolition

Background: The major oil storage facility (MOSF) area consisted of three aboveground tanks for #6 fuel oil: two 500,000-gal tanks, one 150,000-gal tank and a concrete delivery station. The tanks have been removed and the retention berms were leveled. Nine soil samples at three locations show that the top 2 feet meet the soil cleanup objectives for restricted residential use for this operable unit.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

E. Operable Unit 6 (1 SWMU)

All SWMUs in OU-6 will be subject to an environmental easement, including: restricting future property use to commercial, a groundwater use restriction, and compliance with an ISMP.

In general the ISMP will include an excavation work plan and performance of a vapor intrusion evaluation as appropriate. Additional information regarding specific requires of the ISMP can be found in the Order on Consent and in the first paragraph of Section VI of this SB.

a. SWMU AD – Former Fire Training Area

Background: This unit contained a self-contained concrete structure consisting of a 500-gallon above ground steel tank containing flammable liquid, two steel tray-like burn basins, and a 1,500 gallon underground concrete holding tank for extinguished flammable liquids, water used in the training exercise, and possibly fire fighting chemicals. The base of this holding tank was 6.5 feet below grade. The discharge pipe was reportedly not used and the wastes were periodically

pumped out.

The training area was dismantled in 1985 and the holding tank removed. Four soil gas samples detected no VOCs. Nineteen soil samples were taken from eight borings. Two SVOCs were detected slightly above SCGs. At a depth of 2 feet, benzo(a)anthracene (61 ppb) and benzo(a)pyrene (48 ppb) were detected. In another boring, benzo(a)pyrene (63 ppb) was detected at 12-14 feet. At a third boring, benzo(a)pyrene (59 ppb) was detected at 14-16 feet. No VOCs or PCBs were detected above SCGs.

In groundwater, no SVOCs were detected above the guidance value. Phenol was detected at the guidance value of 1 ppb. No VOCs or PBCs were detected above their respective SCGs.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

F. Operable Unit 7 (1 SWMU)

The SWMU in OU-7 will be subject to an environmental easement that restricts future property use to commercial, provides a groundwater use restriction, and requires compliance with an ISMP.

In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are renovated for use. Additional information regarding specific requirements of the ISMP can be found in Exhibit C of the Order on Consent and in the first paragraph of Section VI of this SB.

a. SWMU W – Former B004 Separator Tank

Background: The concrete tank was designed to separate floating material from dissolved material in the Industrial Waste sewer lines. The base of the tank was approximately two feet below the top of groundwater. The tank has been removed. One soil gas sample was taken and no VOCs were detected. Likewise, no VOCs were detected in the soils at concentrations above SCGs. VOCs were detected in the groundwater at levels consistent with the area-wide plume which appears to originate from the northern portion of B005S. Groundwater contamination is being addressed as part of the GWTS described in Section V, B.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

Table 1 – All SWMUs and AOCs

PROPOSED STATEMENT OF BASIS
IBM-Kingston, EPA ID No. NYD 001359694, Site No. 356002

February 2013
Page 17

Operable Unit	Identification	Name
1	SWMU AE	B202 Elevator Shaft
	AOC	Triangle Plume Area
2	SWMU O	Parking Lot Sand Landfill
	SWMU AF	Inactive West Demolition Debris Area
3	SWMU D	Former Waste Acetone Storage Area
	SWMU E	Former Waste IPA Storage Tanks
	SWMU F	Former Waste Side Waste Tanks (2)
	SWMU G	Former Waste PCE Tank
	SWMU H	Former Waste Solvent Recovery Tanks
	SWMU I	Former Waste Solvent Recovery Tank
	SWMU M	Portions of Industrial Waste Sewer Lines
	SWMU P	Building 035 Former Dry Well
	SWMU R	Building 005 South Former Waste TCA UST
	SWMU S	Former Waste TCA Tanks (B001)
	SWMU T	Former Waste Oil Tank
	SWMU U	North Parking Lot Area Plume
	SWMU V	Portions of B005 Plume
	SWMU Y	Former Fluoride Wastewater Ejector Tank
	SWMU AA	Inactive Building 031 Septic System
	SWMU AB	Former Waste TCA Recovery Unit
	SWMU AC	Former B005S Solvent Recovery Process Unit
AOC	Sanitary Sewer Lines	
3a	SWMU U	North Parking Lot Area Plume
4	SWMU C	Former Building 058
	SWMU Q	Building 031 Former Lagoon
	SWMU X	Building 031 Separator Tank
	SWMU Z	Building 033 Septic System
	AOC	MOSF Demolition
4a	none	
5	SWMU L	Former Industrial Waste Sludge Lagoon
6	SWMU B	B-036 Container Storage Area
	SWMU J	Wastewater Treatment Tanks
	SWMU K	Emergency Wastewater Holding Tanks
	SWMU N	Inactive B039 Construction and Debris Landfill
	SWMU AD	Former Fire Training Area
7	SWMU A	B029 Chemical Distribution Center
	SWMU W	Former B004 Separator Tank
8	none	

Table 2 - SWMUs already closed - No Further Action per 10/4/96 Permit.

Operable Unit	Identification	Name
1	none	
2	SWMU O	Parking Lot Sand Landfill
	SWMU AF	Inactive West Demolition Debris Area
3	SWMU D	Former Waste Acetone Storage Area
	SWMU E	Former Waste IPA Storage Tanks
	SWMU F	Former Waste Side Waste Tanks (2)
	SWMU H	Former Waste Solvent Recovery Tanks
	SWMU I	Former Waste Solvent Recovery Tank
	SWMU P	Building 035 Former Dry Well
3a	none	
4	SWMU Q	Building 031 Former Lagoon
	SWMU C	Former Building 058
4a	none	
5	SWMU L	Former Industrial Waste Sludge Lagoon
6	SWMU B	B-036 Container Storage Area
	SWMU J	Wastewater Treatment Tanks
	SWMU K	Emergency Wastewater Holding Tanks
	SWMU N	Inactive B039 Construction and Debris Landfill
7	SWMU A	B029 Chemical Distribution Center
8	none	

Appendix A

SWMUs which will be the subject of future Statements of Basis.

a. SWMU M – Portions of the IW Sewer Lines

Not yet fully evaluated because parts of it is inaccessible. The remaining portions of this SWMU will soon be accessible for further investigation.

b. SWMU S – Former Waste TCA Tanks (B001)

SWMU S includes a former 4,000-gallon underground TCA waste storage tank and associated 1,000-gallon underground TCA supply tank. An October 2011 investigation followed by a March 2012 investigation identified a source zone with approximate size of 40 feet by 90 feet (region greater than 50 % solubility).

Source removal/remediation is under consideration. A Focused Remedial Alternatives Report is being developed. In-situ thermal desorption, chemical oxidation, and chemical reduction are among the options being evaluated.

c. SWMU T - Former Waste Oil Tank

A 2,000-gallon waste oil steel underground tank, located near the northwest corner of B003 was used for the collection of waste cutting oil generated during the mid-1950s through the early 1960s. In 1982 the tank failed a pressure test due to leaks at the fill neck. The tank was removed and was reportedly in good condition. The bottom of the tank is reported to have been approximately 6 feet below the water table. Subsequent subsurface soil sample analyses and MIP screening indicate that the fill line to the tank leaked. Maximum detected concentrations for chlorinated solvents were: 1,1,1-trichloroethane (69,000 ppb) 1,1-dichloroethene (440 ppb), tetrachloroethene (25,000 ppb), and trichloroethene (80,000 ppb) . Maximum detected concentrations for BTEX compounds were: toluene (10,000 ppb), ethylbenzene (27,000 ppb), and total xylene (140,000 ppm).

Source removal/remediation is under consideration. Further investigation and the development of a Remedial Alternatives Report will be pursued.

d. SWMU X – Building 031 Separator Tank

This tank was a subsurface oil/water separator. The base of the tank was at approximately the same elevation as the top of the groundwater. No chemicals were known to have been discharged to the separator. All constituents detected in soil and groundwater were detected at levels below SCGs.

The records contain no information concerning closure or removal of this tank. IBM will need to verify that this tank has been properly closed before this SWMU can be closed.



Addendum C
Zoning Ordinance

ULSTER COUNTY PARCEL VIEWER
search for an owner, SBL or address

Basemaps

Map Layers

Municipal Districts

- Municipal Boundaries
- Election Districts [\(info\)](#)
- Legislative Districts [\(info\)](#)
- School Districts [\(info\)](#)
- Agricultural Districts [\(info\)](#)
- Municipal Zoning [\(info\)](#)
- Census Block Groups [\(info\)](#)
- Census Tracts [\(info\)](#)

Water Resources

Official FEMA Maps

- FEMA Adopted Flood Hazards [\(info\)](#)
- Previous FEMA FIRM Q3 [\(info\)](#)
- MS4 Storm Water [\(info\)](#)

Measurements & Coordinates

Parcel Details

The map displays several zoning districts: OM Office Manufacturing (yellow), R-10 Residential (green), and RC Region Commercial (orange). A blue arrow points to a parcel boundary on the map. The interface includes zoom controls (+, -) and a search bar at the top.

ZONING

§ 190-69

§ 190-69

TOWN OF ULSTER, NEW YORK													
TABLE OF USE REGULATIONS													
KEY	R - Use permitted by right (site plan approval required)			R - Recommended additions to comply with the language and intent of Section 190-12.2									
	S - Use requiring a special use permit and site plan approval			S - Recommended additions subject to Special Permit Approval by Town Board									
R(E) - Use permitted by right, exempt from Site Plan Approval													
	R-60	R-30	R-10	LC	HC	RC	OM	I	Overlay Districts			Notes	
									TND	ROD	ROD 2/16/2012		
A. Agricultural uses													
Agricultural operations	R	R	R	R	R	R	R	R		\$190-12.1	\$190-12.2		
Farming operations	R	R		R	R	R	R	R					
Forestry operations	S				S	S	S	S				See § 190-25 E	
Horse stables	S					S	S						
Livestock keeping (commercial)	R						R						
Riding academies	S					S	S						
Vineyard	S					S	S	S					
B. Residential uses													
Assisted living facility	S			S	S	S	S						
Bed & breakfast establishment	S	S	S	S	S					R		See § 190-25 J	
Dwelling, 1-family (detached)	R(E)	R(E)	R(E)	R(E)	R(E)	R(E)	R(E)			R			
Dwelling, 2-family (duplex)	R(E)	R(E)	R(E)	S	S	S	S			R			
Dwelling, 3 family (triplex)	R	R	R										
Dwelling, live-work facility										R			
Dwelling, multi-family (4 or more units)	S					S	S			R		See § 190-25F & 12.2C9	
Dwelling, residence above non-residential				S	S	S	S			R	R	R	See § 190-12.1 & 12.2
Dwelling, townhouse (1-family attached)	S	S	S							R			
Group Home	S	S	S										
Manufactured homes (single-family)	S						S					See § 190-25 A	
Manufactured home parks	S	S	S				S					See § 190-25 H	
Nursing homes				S	S	S	S						
Senior citizen housing	S	S	S									See § 190-25 I	
C. General Community Facilities													
Cemeteries	S	S	S				S	S					
College or university	S	S	S	S	S	S	S			R	R	R	
Conservation preserves	R	R	R	R	R	R	R						
Country clubs	R	R	R	R	R	R	R						
Cultural institution										R			
Eleemosynary	R	R	R	R	R	R	R						
Flooding and protective structures										S			
Golf course and clubs	R	R	R	R	R	R	R						
Government buildings	S	S	S	S	R	R	R					R	
Home occupation	R(E)	R(E)	R(E)							S		See § 190-14A & 25.1	
Hospitals				R	R	R	R					S	
House of worship	S	S	S	R	R	R	R			R			
Library	S	S	R	R	R	R	R						
Mass transit										S		See § 190-12.1 E	
Membership clubs, private not-for-profit										S		See § 190-12.1	
Museums and galleries					R	R	R			R		R	
Parking facilities and structures												R	See § 190-12.2
Places of assembly				S	S	S	S						
Recreation facility	S	S	S			S	S	S		R	R	R	
School of learning	S	S	S	S	S	S	S				R	R	
D. Business Uses													
Adult Business							S					See § 190-16.1	
Art galleries and workshops					R	R	R			R		R	
Automotive garage and service center				S	R	R	R	R					
Automotive gasoline sales/convenience store				S	R	R	R						
Automotive sales and service				S	R	R	S						
Banks and lending institutions				R	R	R	R			R		R	
Bowling alleys					R	R	R					R	
Cafeterias & catering facilities				R	R	R	R					R	Accessory to ROD
Campground	S				S	S	S						
Carwash					R	R	R						
Conference centers and banquet facilities										R		R	

ZONING

§ 190-69

§ 190-69

TOWN OF ULSTER, NEW YORK												
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KEY	R - Use permitted by right (site plan approval required)										R - Recommended additions to comply with the language and intent of Section 190-12.2	
	S - Use requiring a special use permit and site plan approval										S - Recommended additions subject to Special Permit Approval by Town Board	
Overlay Districts												
	R-60	R-30	R-10	LC	HC	RC	OM	I	TND	ROD	ROD	Notes
									§190-12.1	§190-12.2	2/15/2012	
D. Business Uses												
Concert hall									R			
Convenience store				R	R	R						
Day care, adult				R	R	R	R				R	Accessory in ROD
Day care, center for children	R	R	R	R	R	R	R				R	Accessory in ROD
Farmers market				R	R	R						
Funeral homes	S			S	R	R	R					
Health club				R	R	R	R		R	R	R	
Hotels & motels					S	S	S		R	R	R	See §190-25 C
Kennel	S			S	S	R	R				S	Within existing building
Laboratories				R	R	R	R	R				R
Nursery, retail				R	R	R	R	R				
Nursery schools	S	S	S	S	S	S	S				R	Accessory in ROD
Nursery, wholesale	R			R	R	R	R	R				
Office complex				S	R	R	R					R
Office, medical or dentist				R	R	R	R		R		R	
Office, professional				R	R	R	R		R	R	R	
Pet boarding facilities				R	R	R	R				S	Within existing building
Pet grooming facilities				R	R	R	R				R	
Restaurant and eating & drinking establishments				R	R	R	R		R	R	R	
Restaurant within office complex						R	R				R	
Retail business				R	R	R	R		R	R	R	
Service business				R	R	R	R		R	R	R	
Shopping centers				R	R	R	R					
Sound Stage					R	R	S					
Theaters (indoor)				S	R	R			R			
Theaters (indoor with complex)						R	R					
Veterinarian clinics	S			R	R	R	R	R			S	
E. Industrial Uses												
Airports and air facilities							S					
Contractors storage yard					S	S	S	R				
Excavation and processing, commercial							S	S				See §190-25 D
Industry, light				S	S	R	R	R			R	
Industry, heavy								R			R	
Industrial park							R	R			R	
Junkyards							S	S				See §190-25 G
Manufacture, small (1-9 employees)				S	S	R	R	R		R	R	
Manufacture, medium (10-40 employees)					S	S	R	R		R	R	
Manufacture, large (41 employees and up)						S	R	R		R	R	
Marinas boat launch and boat repair	S	S	S	R			R		S			
Mining					S	S	S	S				
Recycling yards							S	S				
Research office complex (w/limited manufacturing)					R	R	R	R		R	R	
Self-storage facility					R	R	R	R			R	Within existing building
Temporary use subject to Town Board Approval											R	
Trucking companies					S	S	S	S				S
Utility company structure	S	S	S	S	S	S	R/S*	R/S*		R	R	
Warehouses					R	R	R	R		R	R	
Wholesale business				R	R	R	R	R			R	
F. Customary Accessory Uses												
In residential zoning districts												See §190-14 A
In non-residential zoning districts												See §190-14 B
Swimming pools												See §190-25 B & Chapter 165
In the event there is a conflict between the permitted or special permit uses listed in the Table of Permitted Uses and the permitted uses described in §190-12.1 §190-12.2, the text in the sections shall prevail.												
Prepared by Shuster/Planit 2/15/2012 . Updated by TOU 9/19/2019												

ZONING

§ 190-69

§ 190-69

§190-69 ZONING §190-69 Town of Ulster, New York Table of Lot and Bulk Requirements									
Zoning District	MIN. Lot Requirements			MIN Setback Requirements			Max. Bldg. Height (feet)	Max. Bldg. Lot Coverage (percent)	Minimum Green Space (percent)
	Minimum Area (square feet)	Minimum Width (feet)	Lot Area Per Dwelling (square feet)	Front (feet)	Side (feet)	Rear (feet)			
<i>R-60 Residential</i>	60,000	120	60,000	40	30	30	35	N.A.	40
<i>R-30 Residential</i>									
(1) Central water or sewer	30,000	100	30,000	30	20	25	35	N.A.	25
(2) No central water or sewer	40,000	100	40,000	30	20	25	35	N.A.	25
<i>R-10 Residential</i>									
(1) Municipal water & sewer	10,000	75	10,000	30	10	15	35	N.A.	15
(2) Central water & sewer	15,000	90	15,000	30	15	15	35	N.A.	15
(3) Central water or sewer	20,000	100	20,000	30	15	15	35	N.A.	15
(4) No central water or sewer	40,000	100	40,000	30	20	25	35	N.A.	25
<i>Local Commercial</i>									
	N.A.	N.A.	Same as R-10	30	10	10	35	50	5
<i>Highway Commercial</i>									
	N.A.	N.A.	Same as R-10	30	10	10	60	50	5
<i>Regional Commercial</i>									
	N.A.	N.A.	Same as R-10	50	10	10	60	50	5
<i>Office & Manufacturing</i>									
	N.A.	N.A.	Same as R-10	40	10	10	75	50	10
<i>Industrial</i>									
	N.A.	N.A.	N.A.	75	50	50	60	50	10

Notes: N.A. = not applicable

Revised 5/17/10

Addendum D
NYS Certifications

UNIQUE ID NUMBER 46000026600	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 1524976
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO DAY YR. 10 08 20
HARLAND CHRIS L C/O HILCO REAL ESTATE APPRAISA 668 COLUMBIA TPKE STE 3 EAST GREENBUSH, NY 12061		EXPIRATION DATE MO DAY YR. 10 07 22
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		
In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed. ROSSANA ROSADO SECRETARY OF STATE		
DOS-1098 (Rev. 3/01)		

Addendum E
Qualifications

Qualifications for Chris L. Harland, MAI

Hilco Real Estate Appraisal, LLC
Managing Director - Northeast Region

Scope of Experience:

Chris L. Harland, MAI has been engaged in the appraisal, underwriting and analysis of real estate throughout the northeast since 1990. Before joining Hilco Real Estate Appraisal, Mr. Harland was the President of Capstone Appraisal Group, a commercial appraisal company based in New York's Capital District, for 13 years. He was also employed at three national, multi-service real estate companies: Grubb & Ellis Landauer, CB Richard Ellis, and Holliday Fenoglio Fowler. He began his appraisal career at McGrath, Basciani & Associates in Briarcliff Manor, NY.

Mr. Harland holds the MAI (commercial) designation with the Appraisal Institute, the worldwide leader in commercial and residential real estate appraisal education, research, publishing, and professional membership designation programs. In 1994, Mr. Harland obtained a Master of Science in Real Estate (MS) degree from New York University with a concentration in Valuation and Analysis. He has held a variety of Appraisal Institute leadership positions and is actively involved in litigation support through court testimony as an expert witness.

Specialties:

Mr. Harland has performed studies and appraisals involving a wide range of property types including golf courses, hotels, resorts, and other hospitality-related assets, regional malls, shopping centers, big box stores, drug stores, student housing projects, mobile home parks, healthcare facilities, office buildings, industrial and distribution facilities, apartment and condominium projects, residential and commercial subdivisions, as well as special-use developments such as restaurants, banks, religious facilities, schools, cultural and entertainment facilities, camps, automobile dealerships, farms and marinas.

Professional Activities & Affiliations:

Appraisal Institute, Member (MAI) since 1997 – Certificate No. 11294
 Upstate NY Chapter – Appraisal Institute – Board of Directors (2002-2010, 2015-2017, 2020-2022)
 Upstate NY Chapter – Appraisal Institute – Regional Representative (2008-2019); Alternate Representative (2020)
 Upstate NY Chapter – Appraisal Institute – President (2007)
 Capital District Chapter – Appraisal Institute – District Chair (2002 & 2006)
 Nominating Committee – Appraisal Institute – Region IV (2011-2016)
 Grievance Committee Member – Ethics and Counseling Department – Appraisal Institute
 Instructor – Upstate NY Chapter - Appraisal Institute - Case Studies Seminars
 Sample Topics: "The Market Analysis Section", "Common Appraisal Errors", and "Repositioning Sears Space"
 Commercial and Industrial Real Estate Brokers (CIRES) – Principal Appraiser Member No. 13874
 GCAR (Greater Capital Association of Realtors) – Member No. 21309
 Institute of Real Estate Management (IREM) – Associate Member No. 06189448

Certifications/Licenses:

State Certified General Real Estate Appraiser (New York) – License No. 46000026600
 State Certified General Real Estate Appraiser (various states throughout the northeast)

Formal Education:

Master of Science in Real Estate (MS), New York University (The Real Estate Institute), New York, NY
 Bachelor of Arts Degree in History (BA), Franklin & Marshall College, Lancaster, PA
 Appraisal Institute – Fulfilled requirements of the Continuing Education Program (effective through 12/31/22).
 James Felt Scholarship – New York University (The Real Estate Institute), New York, NY
 2019 G. Richard Kelley Memorial Award (Upstate NY Chapter of the Appraisal Institute)

Qualified Before Courts & Administrative Bodies:

Mr. Harland has provided expert witness testimony in numerous counties throughout New York State, as well as Massachusetts, Connecticut, Vermont and London, England.

Hilco Real Estate Appraisal, LLC
 77 Miller Road, Suite 202
 Castleton, NY 12033
 518-472-0380 (Main) 518-472-0388 (Fax)
 charland@hilcoglobal.com

Qualifications for Dan Dickinson

Hilco Real Estate Appraisal, LLC
Real Estate Appraiser

Scope of Experience:

Dan Dickinson has been engaged in the appraisal, underwriting and analysis of real estate throughout Upstate New York for 5 years. Before joining Hilco Real Estate Appraisal, he was a Real Estate Appraiser for Hafner Valuation Group, Inc., a commercial real estate appraisal company based in New York's Capital District. He was also previously employed within the appraisal department at NBT Bank, NA.

Specialties:

Dan Dickinson has performed appraisals and appraisal reviews involving a wide range of property types including golf courses, hotels, marinas, big box stores, drug stores, student housing projects, mobile home parks, healthcare facilities, office buildings, industrial development, distribution facilities, apartment and condominium projects, residential and commercial subdivisions, as well as special-use developments such as restaurants, banks, cultural and entertainment facilities, camps, automobile dealerships, farms and airports.

Professional Activities & Affiliations:

Member, Village of Scotia Zoning Board of Appeals, 2018-2021

Previous Employment:

Hafner Valuation Group, Inc., Latham, New York, Real Estate Appraiser, October 2019 to February 2021

NBT Bank, NA, Schenectady, New York, Real Estate Review Appraiser, January 2017 to October 2019

Lender Consulting Services, Inc., Albany, New York, Environmental Analyst, November 2015 to January 2017

Formal Education:

Bachelor of Science (BS), University at Albany, SUNY, Albany, NY May 2014

Technical Training:

G-8 General Appraiser Report Writing, McKissock, 2021

Expert Witness for Commercial Appraisers, McKissock, 2021

G-4 General Appraiser Market Analysis Highest and Best Use, McKissock, 2020

G-6 Site Valuation and Cost Approach, McKissock, 2020

Fair Housing, Fair Lending and Environmental Issues, McKissock, 2020

Marketability Studies: Six-Step Process & Basic Applications, Appraisal Institute, 2019

G-7 General Appraiser Income Approach Part I and II, Appraisal Institute, 2019

G-5 General Appraiser Sales Comparison Approach, Manfred RELC, 2018

Real Estate Finance, Statistics and Valuation Modeling, Appraisal Institute, 2018

2016-2017 National USPAP Course, Manfred RELC, 2017

R-6 Basic Appraisal Procedures, Manfred RELC, 2017

R-5 Basic Appraisal Principles, Manfred RELC, 2017

Supervisory Appraiser/Trainee Appraiser, Manfred RELC, 2017

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DDickinson@hilcoglobal.com



HILCO REAL ESTATE APPRAISAL | VALUATION OF
TechCity - Building 32

TechCity – Building 32

60-64 Boices Lane
Kingston (T/O Ulster), Ulster County, NY 12401

Hilco File # 22AL013

Client:

Ulster County Economic Development Alliance, Inc.

Report Date: February 21, 2022

As of: January 21, 2022

LENDING • FINANCIAL REPORTING • STRATEGIC PLANNING • INSURANCE/RISK MANAGEMENT
ESTATE/TAX MANAGEMENT • PORTFOLIO VALUATION • DISPUTE RESOLUTION • FINANCIAL OPINIONS

February 21, 2022

Mr. Tim Weidemann
 Director of Economic Development
 Ulster County Economic Development Alliance, Inc.
 Office of the Ulster County Executive
 6th Floor County Office Building
 244 Fair Street
 Kingston, NY 12401

RE: TechCity – Building 32
 60-64 Boices Lane
 Kingston (T/O Ulster), NY 12401
 Hilco File # 22AL013

Dear Mr. Weidemann,

At your request, we have conducted the inspections, investigations and analyses necessary to prepare an Appraisal Report of the above referenced real property. The purpose of this appraisal report is to develop an opinion of market value for the subject property in the *Fee Simple Estate, as is* as of January 21, 2022, the date of inspection. The client and intended user of this report is the Ulster County Economic Development Alliance, Inc. The intended use is to assist the client with internal decision making in relation to a potential sale of the property.

The subject of this report consists of one (1) tax parcel identified by the town of Ulster Assessor as tax map number 48.7-1-29.600. The reputed owner is Ag Prop of Kingston LLC. The subject site encompasses 7.40± acres, located within the TechCity Commerce Park, former IBM-Kingston campus. The campus was subdivided in 1997 leaving the majority of the parcels as building footprints only. Access to all parcels within the campus is provided by the master parcel, 48.7-1-29.270, which is subject to a management agreement requiring maintenance of the roadways, common area utilities, etc. According to the agreement, all expenses incurred are distributed proportionately to the recipient parcels according to the percentage of total assessment. Therefore, the subject parcel is reliant on the owner of master parcel to clear roadways etc. to provide access to the site.

The following chart summarizes the improvements on site:

IMPROVEMENTS SUMMARY							
Building #	Description	Size (SF)	Stories	Ceiling Height	Loading Doors	Year Built	Condition
Building 31	Former Pumphouse - Asbestos and Flooding	21,699	1	24-30'	5	1970	Poor
Building 32	Multi-tenant Warehouse - Operational	20,029	1	14'	7	1970	Average
		20,029	Total (SF)				

Source: Public Record

As shown by the chart above, Building 31 is the former pumphouse for the TechCity campus. On the date of inspection, the building was in poor condition with a major flooding issue located

within the basement and according to the property representative, the building has asbestos containing material. While the building is a detriment to the subject property, demolition and removal is likely cost restrictive. As such, there is no contributory value to Building 31 and we have identified the subject of this appraisal as Building 32 throughout. However, we have accounted for the existence of Building 31 within our capitalization rate selection and by making a deduction within the Sales Comparison Approach.

Building 32 is currently an operational multi-tenant warehouse with four-tenant spaces. On the date of inspection, three of the four tenant spaces were tenant occupied. The fourth tenant space is utilized by on-site maintenance staff and is considered owner-occupied. As the leases for the existing tenants were not made available to the appraisers, we have been instructed to assume the leases in place are short term and/or could be terminated upon sale of the property. See extraordinary assumptions.

Lastly, the property includes a former water tower on-site which has remained unused for many years. Similar to Building 31, demolition and removal is likely cost restrictive. While the water tower is currently an eyesore, cleaning up and re-painting the tower could be completed at minimal cost and would lessen the adverse impact on the property.

It should be noted, environmental investigations on the TechCity campus have been on-going since 1980 due to the presence of subsurface contamination from the former IBM operations. It is our understanding that as IBM is the responsible party for the subsurface contamination, all subsurface monitoring, subsurface investigations and required clean-up (if necessary) is to be funded by IBM. While this does remove the financial burden and risk from the subsurface contamination, the New York State Department of Environmental Conservation (NYSDEC) has implemented an Interim Site Management Plan (ISMP) which incorporates various Environmental Easements (EEs) on the campus to restrict certain uses, and mandate operation, maintenance, monitoring, and reporting measures. According to the "**Final Statement of Basis**," see Addenda B, the restrictions in place include restricting the use of groundwater, compliance with the various EEs, **restricting the site's use** to restricted residential and/or commercial and compliance with an ISMP. In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are re-occupied and/or renovated for use.

While we are not environmental professionals, it is our interpretation that the restrictions in place limit potential development and any future excavation/development would need to be completed under the guidance of the NYSDEC. In our experience, known environmental concerns typically limits the pool of investors interested. Furthermore, the environmental concerns on-site will likely limit the borrowing power for the property through typical commercial lending institutions.

As such, we have attempted to account for these restrictions and limitations along with the apparent stigma from the known environmental conditions on-site within our analysis.

The property is more fully described, legally and physically, within the following report.

Based on the analysis contained in the following report, the market value conclusion for the subject is detailed within the following chart:

VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value – As Is	Fee Simple Estate	January 21, 2022	\$600,000
Source: Hilco Real Estate Appraisal, LLC			

Our concluded opinion of value is subject to the Assumptions, Limiting Conditions and Certification in this appraisal report. Assuming competent and normal marketing conditions, it is our opinion that the subject property could be sold within 12 months at the above-indicated market value.

The following extraordinary assumptions are applicable to our opinion of value developed for the subject.

Our value conclusion assumes any leases in place are short term and/or could be terminated upon sale of the property. Our value conclusions assume all subsurface monitoring, subsurface investigations and required clean-up (if necessary) is to be funded by the responsible party, IBM.

These assumptions are directly related to this specific assignment, as of the effective date of the assignment results which, if found to be false, could alter our opinions or conclusions.

According to the 2021 *Dictionary of Real Estate Appraisal, Seventh Edition*, an extraordinary **assumption is** "An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property, or conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis." An extraordinary assumption may be used in an assignment only if: 1) It is required to properly develop credible opinions and conclusions; 2) The appraiser has a reasonable basis for the extraordinary assumption; 3) Use of the extraordinary assumption results in a credible analysis; and 4) The appraiser complies with the disclosure requirements set for in USPAP for extraordinary assumptions.

The following appraisal sets forth the most pertinent data gathered, methodology and reasoning leading to our opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. Furthermore, this report has been prepared in conformance with our interpretation of the appropriate regulations and guidelines set forth by the client.

To develop the opinion of value, we performed an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniforms Standards of Professional Appraisal Practice. The following report presents a summarized description of the data, reasoning, and analyses used in the appraisal process to develop our opinion of value. In addition, at the request of the client, this report is consistent with the previous USPAP reporting requirements for a Summary Appraisal Report.

The user of this report should note that this appraisal was completed during the tail end of an economically volatile period with macroeconomic conditions stabilizing. A resumption in consumer confidence and buying patterns is anticipated as CDC guidelines recommend reopening of most businesses closed during the pandemic; however, significant unknowns in the global economy and pandemic containment linger. Considering the macroeconomic environment, the user of this report may wish to consider a collateral review at more frequent intervals, depending on the company's policies as significant changes in the national or global economy could have a significant impact on the value conclusion reported within this appraisal.

The appraisers are not qualified to determine environmental issues. If a more detailed analysis is needed in relation to the environmental concerns on-site, we recommend a qualified environmental engineer perform an assessment on the property. We reserve the right to amend our estimate of value if additional environmental concerns are discovered at the subject property.

Respectfully Submitted,
Hilco Real Estate Appraisal LLC
by:



Chris L. Harland, MAI
Managing Director – Northeast Region
New York State Certification #46000026600



Dan Dickinson
Real Estate Appraiser

CERTIFICATION OF THE APPRAISERS

We certify that to the best of our knowledge and belief:

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 our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest or bias with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, this report conforms to the requirements of the Financial Institution 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. Chris L. Harland, MAI has completed the requirements of the continuing education program for designated members of the Appraisal Institute.
10. Dan Dickinson made a personal inspection of the property that is the subject of this report. Chris L. Harland, MAI has not made a personal inspection.
11. No one provided significant real property appraisal assistance to the persons signing this certification.
12. Chris L. Harland, MAI and Dan Dickinson have extensive experience in the appraisal/review of similar property types.
13. Chris L. Harland, MAI is certified in the state where the subject is located.
14. We have performed no prior services for the subject property, appraisal or otherwise, within the three years preceding the appraisal date.



Chris L. Harland, MAI
Managing Director – Northeast Region
New York State Certification #46000026600



Dan Dickinson
Real Estate Appraiser

SUBJECT PHOTOGRAPHS

60-64 BOICES LANE – KINGSTON (T/O ULSTER), NY



Enterprise Drive Facing South



Enterprise Drive Facing North



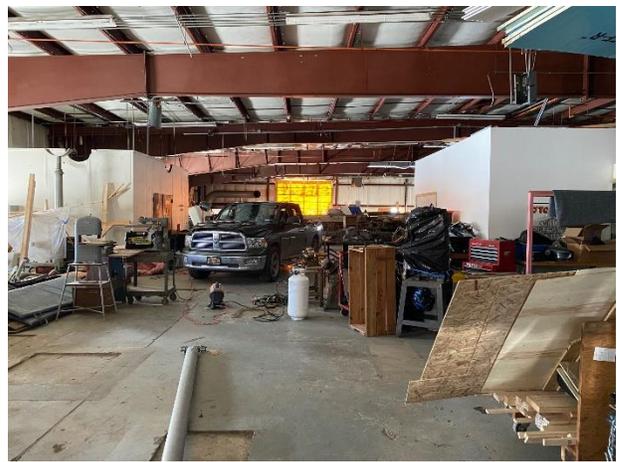
Exterior View – Bldg. 31



Interior View – Bldg. 31



Exterior View – Bldg. 32



Interior View – Bldg. 32

SUMMARY OF SALIENT FACTS

Location:	60-64 Boices Lane Kingston (T/O Ulster), Ulster County, NY 12401
Assessor's Parcel Number(s):	48.7-1-29.600
Site Description:	The site consists of 7.40± acres. Access to the property is provided by the master parcel for the TechCity campus, 48.7-1-29.270. The property is more fully described in the Site Analysis section of this report.
Improvements:	The subject is improved with one (1) operational building, known as Building 32. Building 32 is a 20,029± square foot multi-tenant warehouse with four-tenant spaces, 14-foot clear height ceilings and seven (7) drive-in overhead doors. The improvements are further detailed within the Improvement Analysis section of this report.
Parking:	Adequate on-site parking.
Zoning:	OM – Office Manufacturing District. According to our cursory review of the zoning ordinance the subject is legally conforming. See zoning analysis.
Highest and Best Use	
As Vacant:	Industrial development.
As Improved:	Continuation of the existing use for warehouse.
Occupancy:	Any leases in place are assumed to be short term and/or could be terminated upon sale of the property.
Valuation	<u>As Is</u>
Property Rights Appraised:	Fee Simple Estate
Date of Value:	January 21, 2022
Cost Approach:	Not Applicable
Sales Comparison Approach:	\$600,000
Income Capitalization Approach:	\$600,000
Final Value	\$600,000
Per Acre	\$57,263
Estimated Marketing Time:	Within 12 months

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INTRODUCTION

PROPERTY DESCRIPTION

Location: 60-64 Boices Lane
Kingston (T/O Ulster), Ulster County, NY 12401
The subject property is located within the town of Ulster and has a mailing address of Kingston.

Assessor's Parcel Number(s): 48.7-1-29.600

Land Area: 7.40± acres

OWNERSHIP & PROPERTY HISTORY

Owner: Ag Prop of Kingston LLC

Sold Within Past Three Years: No

Currently Listed for Sale: No

Comments: Our opinion of value of \$600,000 is based on our projected income/expense figures for the subject and recent comparable sales from the market.

PROPERTY INSPECTION AND VALUATION

Inspection Date: January 21, 2022

Present at Inspection: Dan Dickinson of Hilco Real Estate Appraisal inspected the subject property.

Date of Valuation: January 21, 2022

Intended User(s) The intended user of this report is the client, Ulster County Economic Development Alliance, Inc.

Intended Use of Report: The intended use is to assist the client with internal decision making in relation to a potential sale of the property.

Purpose of Appraisal: To develop an opinion of market value for the subject property in the *Fee Simple Estate, as is* as of January 21, 2022, the date of inspection.

Property Rights Appraised: Fee Simple Estate

Definition of Market Value: Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price that 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:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
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.¹

SCOPE OF WORK

Steps Completed by Appraisers for this Assignment:

1. Identified and inspected the subject property, as well as its surrounding environs; identified and considered those characteristics that may have a legal, economic or physical impact on the subject;
2. Investigated the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process; interviewed regional and local market participants; reviewed available published data and other various resources;
3. Conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, and other information that could affect the value of the subject property;
4. Verified and analyzed comparable sales and listings. Primary sources used for verification include deeds, tax records, the grantor or grantee, attorneys, brokers, appraisers, property managers, lenders, real estate periodicals and listing/reporting services. Verification is

¹ This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Sixth Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 2015 edition. This definition is also referenced in regulation jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

also used to elicit additional information about the market.

5. Obtained information on comparable rentals to determine an appropriate potential gross income. Deducted appropriate vacancy and collection loss and operating expenses to estimate the stabilized net operating income for the subject. Converted net operating income into value through a capitalization and/or discounting process.
6. Prepared the Sales Comparison and Income Capitalization Approaches.
7. Estimated a reasonable exposure time associated with the value estimates.

To develop our opinion(s) of value, we performed an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniforms Standards of Professional Appraisal Practice. The following report presents a summarized description of the data, reasoning, and analyses used in the appraisal process to develop our opinion of value. In addition, at the request of the client, this report is consistent with the previous USPAP reporting requirements for a Summary Appraisal Report.

Special Appraisal Instructions:

None

Extraordinary Assumptions:

Our value conclusion assumes any leases in place are short term and/or could be terminated upon sale of the property. Our value conclusions assume all subsurface monitoring, subsurface investigations and required clean-up (if necessary) is to be funded by the responsible party, IBM.

These assumptions are directly related to this specific assignment, as of the effective date of the assignment results which, if found to be false, could alter our opinions or conclusions.

Hypothetical Conditions:

None

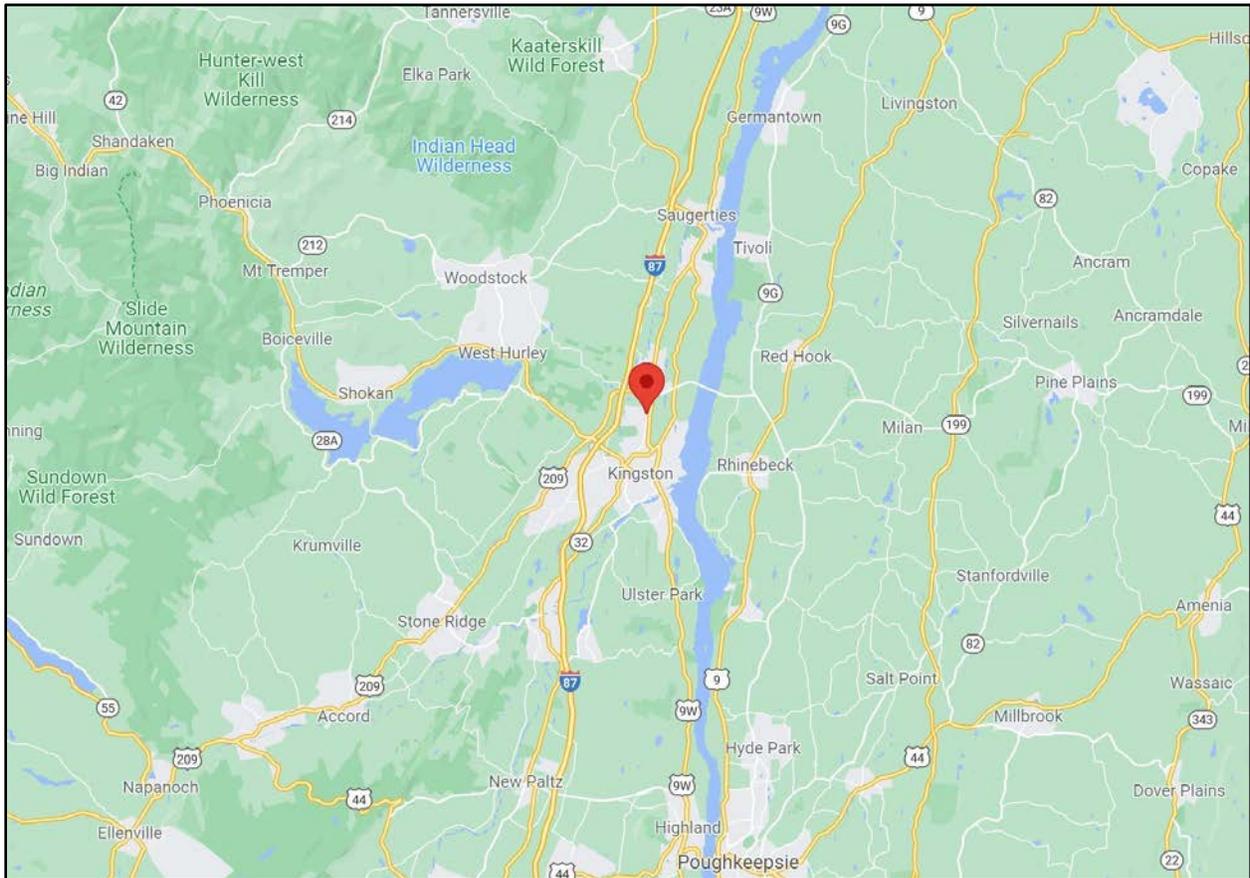
Exposure Time:

Within 12 months

Marketing Time:

Within 12 months

REGIONAL ANALYSIS



This section of the report is designed to isolate and examine the discernible economic trends in the region that influence and create value for the subject property.

LOCATION

The subject property is located in Ulster County, New York. Ulster County is bordered by Greene County to the north, Orange County to the south, Sullivan and Delaware Counties to the west, and Columbia and Dutchess Counties to the east. Ulster County is part of the Hudson Valley Region. The area consists of Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester Counties. In addition, Ulster County is part of the Kingston, New York MSA.

KINGSTON NEW YORK MSA ECONOMIC HIGHLIGHTS

(As outlined by Economy.com, see following pages.)



UNITED STATES

EMPLOYMENT GROWTH RATE

2020-2022: **3.4%**

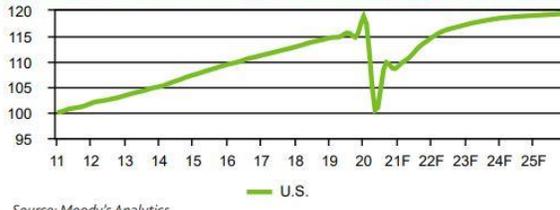
2020-2025: **1.9%**

GROSS DOMESTIC PRODUCT

2020-2022: **5.2%**

2020-2025: **3.6%**

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2011=100)



— U.S.

Source: Moody's Analytics

STRENGTHS & WEAKNESSES

STRENGTHS

- » Very productive workforce.
- » Labor market attracts skilled and unskilled immigrants.
- » High innovation and entrepreneurship.
- » Mobile labor force, flexible labor system.

WEAKNESSES

- » Large budget, current account deficits.
- » Skewed income and wealth distribution.
- » Polarized and fractured political system.
- » Demographic challenges.

ANALYSIS

Recent Performance. The Delta variant of COVID-19 is doing damage to the economic recovery. However, we expect this wave of the pandemic to soon subside, and though there may be future waves, we expect them to be successively less disruptive and look for the economy to return to full employment by spring 2023. It has been 18 months since the pandemic struck the U.S., and it will take another 18 months for the economy to be back into full swing. This is a painfully long time, but if so, the economic recovery from the pandemic will be among the quickest in history.

Supply and demand. Delta has hit both the demand side and the supply side of the economy. Evidence of the demand-side blow is the slide in consumer sentiment (see Chart 1). The long-running University of Michigan and Conference Board consumer surveys have fallen sharply as rising infections and hospitalizations this summer have been unnerving. When the vaccines were rolled out in the spring, there was a widespread feeling that the pandemic was over. Not so. Consumer spending has flagged as worried households suddenly turned more cautious getting on airplanes and going to restaurants. Retail sales have gone nowhere since March, when the economy received a sizable boost from the fiscal support provided by the American Rescue Plan.

On the supply side, Delta has further scrambled global supply chains, as factories have shut down in Southeast Asia when workers got sick, and China has intermittently locked down port activity in an effort to contain the virus. The vehicle industry has been especially disrupted, as the severe shortage of semiconductors coming from Asia has forced vehicle plants to close. With few vehicles to sell—inventories are at record lows—sales have plunged and vehicle prices have gone parabolic. Homebuilders, struggling with shortages and higher prices for everything from

lumber and paint to fixtures and appliances, have had no choice but to pull back on construction despite vacancy rates that are about as low as they have been since World War II and headed lower as well as soaring house prices and rents.

Reduced GDP. Given the economic fallout from Delta, we have reduced our forecast for real GDP growth this year by about a percentage point to near 6%. Most of this is due to much weaker growth in the third quarter, which, according to our current-quarter tracking model that translates the monthly economic statistics into an estimate of GDP, has slumped to below 4% annualized. Just a few weeks ago, growth was tracking almost double this. And given what likely will be a raft of weak August data that will be released in the next couple of weeks, it is likely that growth for the quarter will be marked down further. Hurricane Ida, which slammed Louisiana and the Northeast a couple of weeks ago, has also dinged growth.

Delta is a reminder, as if we needed one, that the pandemic is still raging and that the economy's fortunes are closely tethered to it. But infections appear to have peaked, and with vaccinations picking up over renewed fears of getting sick and expected to pick up even more given vaccine mandates from the federal government and businesses, this wave of the virus should fade. Indeed, our continued optimism regarding the recovery's prospects hinges on the expectation that while there will almost surely be more waves of the pandemic, each successive wave will lead to fewer hospitalizations and deaths and be less disruptive to the economy.

Businesses are optimistic. While Delta has done meaningful economic damage, businesses appear to be largely looking through it as they continue to put up more proverbial help-wanted signs. The number of open job positions surged

(Continued next page)

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Aug 20	Feb 21	Aug 21
Total	-7.6	-6.2	5.1
Construction	-4.1	-2.9	3.0
Manufacturing	-6.1	-4.4	2.9
Trade	-5.5	-3.3	3.8
Trans/Utilities	-4.6	-1.9	6.6
Information	-9.2	-8.2	5.5
Financial Activities	-1.2	-0.9	2.0
Prof & Business Svcs.	-7.3	-3.7	6.0
Edu & Health Svcs.	-5.4	-5.1	3.2
Leisure & Hospitality	-23.6	-21.4	19.2
Other Services	-10.4	-7.5	8.0
Government	-4.2	-5.6	1.4

FORECAST RISKS

SHORT TERM ▼

UPSIDE

- » Rising equity prices lift consumer spending more than expected.
- » Fiscal stimulus boosts economy sooner.

LONG TERM ▲

DOWNSIDE

- » New COVID-19 strain and resistance to vaccination extend pandemic.
- » Higher interest rates result in equity market correction and defaults for struggling highly indebted corporations.
- » Weak global recovery weighs on trade.

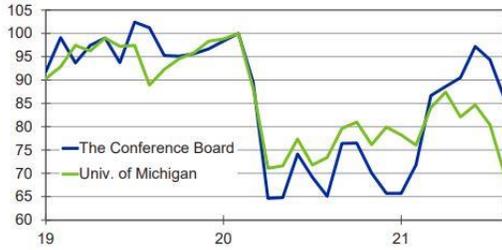
MOODY'S RATING	Aaa
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							INDICATORS					
2015	2016	2017	2018	2019	2020		2021	2022	2023	2024	2025	2026
17,390	17,680	18,079	18,607	19,033	18,385	Gross domestic product (C12\$ bil)	19,491	20,333	20,797	21,372	21,897	22,375
2.7	1.7	2.3	2.9	2.3	-3.4	% change	6.0	4.3	2.3	2.8	2.5	2.2
141.8	144.3	146.6	148.9	150.9	142.3	Total employment (mil)	146.2	152.0	154.3	155.5	156.1	156.7
2.1	1.8	1.6	1.6	1.3	-5.7	% change	2.8	4.0	1.5	0.8	0.4	0.4
5.3	4.9	4.4	3.9	3.7	8.1	Unemployment rate (%)	5.5	3.6	3.5	3.7	4.1	4.2
4.7	2.6	4.7	5.1	4.1	6.5	Personal income growth (%)	6.2	0.0	4.8	5.0	4.6	4.5
320.7	323.1	325.1	326.8	328.3	329.5	Population (mil)	330.6	332.4	334.3	335.9	337.3	338.6
0.7	0.8	0.8	0.9	0.9	1.0	Single-family starts (mil)	1.2	1.3	1.3	1.3	1.3	1.3
0.4	0.4	0.4	0.4	0.4	0.4	Multifamily starts (mil)	0.5	0.5	0.5	0.5	0.5	0.4
1,691	2,038	1,764	1,688	2,203	3,776	Mortgage originations (\$ bil)	4,071	2,837	2,267	1,887	1,709	1,646
820	771	766	751	752	523	Personal bankruptcies (ths)	422	455	518	595	752	979
0.1	0.3	0.9	1.9	2.1	0.4	91-day Treasury bill (%)	0.1	0.2	0.6	1.5	2.3	2.5
2.1	1.8	2.3	2.9	2.1	0.9	10-year Treasury bond (%)	1.5	2.2	2.8	3.4	3.7	4.0

PRÉCIS® U.S. METRO • United States

Delta Unnerves Consumers

Consumer confidence index, Feb 2020=100



Sources: The Conference Board, Univ. of Michigan, Moody's Analytics

Openings, Hiring and Quits Soar

Ths, SA



Sources: BLS, Moody's Analytics

to a record-shattering almost 11 million in July (see Chart 2). For context, just prior to the pandemic when the job market was near full employment, there were closer to 7 million unfilled positions. There have never been so many open positions across every industry and government, but the need for more workers is especially acute in manufacturing, transportation, educational services, healthcare, and leisure and hospitality. This augurs well for continued robust job growth as the pandemic winds down and the record open job positions are matched with all those currently not working because of the virus.

Based on the late-August Household Pulse Survey from the Census Bureau, there are still 5.6 million workers unemployed because of the virus and an additional 7.2 million who are sidelined from even looking for work because they are sick with the virus, taking care of someone who was, or scared of contracting or spreading the virus. Then there are 7.5 million more who say they are not working because they are taking care of children or elderly parents, of which a fair share is likely because of the virus. Over the next 18 months, when the economy is expected to return to full employment, we expect average monthly job gains of close to 500,000.

Policymakers play their part. This sanguine outlook also relies on continued deft policymaking. The Federal Reserve recently signaled that it will begin to wind down its long-term bond buying, or quantitative easing, before the end of this year. This caused hardly a ripple in financial markets, as Fed Chairman Jerome Powell masterfully calmed investor nerves by disconnecting the decision around QE with its interest rate policy. That is, even if the Fed begins to taper QE soon, this has no bearing on the timing of the first interest rate hike. Lifting short-term rates off the zero lower bound depends on the economy returning to full employment and inflation settling in at just over its 2% through-the-business cycle target.

It is critical that the Fed sticks to this script. The Fed's forecasts, which are consistent with ours, suggest that the first interest rate hike will be in spring 2023. But the Fed will need to remain nimble. If Delta reintensifies or there is another wave of a more contagious and virulent variant of the virus and the economy flags, the Fed will need to extend the timing of its tapering and first rate hike. The Fed will also need adjust to whatever the Biden administration and Congress decide to do, or not do, on fiscal policy in the next couple of months.

We expect lawmakers to pass some version of President Biden's Build Back Better agenda. Over the next decade, the legislation will provide more than \$500 billion in additional public infrastructure spending, passed with bipartisan support, and close to \$2.5 trillion in additional spending and various tax breaks for a range of social programs, passed via the budget reconciliation process requiring all 50 Democratic senators to vote for it (see Table 1).

This reconciliation package would be a compromise between the \$3.5 trillion package in the current budget resolution and the \$1.5 trillion that Democratic West Virginia Senator Joe Manchin, who is shaping up to be the most critical swing vote, has publicly endorsed. There will be enough tax increases on the well-to-do and large corporations in the legislation that there will be about \$1 trillion in additional static budget deficits over the next decade, but on a dynamic basis and over a 15-year horizon, the legislation will be paid for. This seems a reasonable way to assess the fiscal implications of the legislation, as the investments in the legislation will pay returns over several decades and will provide a meaningful boost to long-term growth, reducing the ultimate fiscal costs, which are not captured in the static budget deficit but are in the dynamic deficit.

Macroeconomic Impact of American Jobs Plan

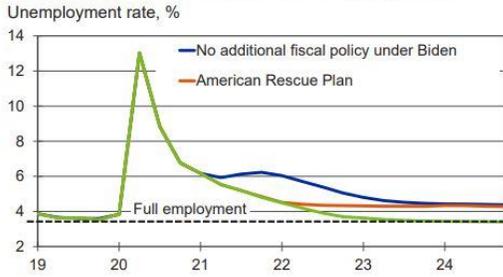
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg annual 2021-2030
Real GDP, % change												
With AJP	-3.5	7.2	3.9	2.3	3.8	2.9	1.9	1.6	2.0	2.2	2.2	3.0
Without AJP	-3.5	7.2	3.9	1.9	2.2	1.8	1.8	2.0	2.1	2.1	2.1	2.7
Difference	0.0	0.0	-0.0	0.4	1.5	1.0	0.1	-0.4	-0.1	0.2	0.2	0.3
Nonfarm employment, mil												
With AJP	142.3	146.4	150.9	152.5	155.1	156.9	157.8	158.6	159.5	160.4	161.2	
Without AJP	142.3	146.4	150.9	152.5	153.7	154.4	155.0	155.7	156.6	157.6	158.6	
Difference (ths)	0	0	-23	19	1,472	2,514	2,818	2,869	2,843	2,780	2,690	
Unemployment rate, %												
With AJP	8.1	5.6	4.4	4.4	3.8	3.6	3.7	3.8	3.8	3.8	3.8	
Without AJP	8.1	5.6	4.4	4.4	4.3	4.4	4.5	4.5	4.5	4.4	4.4	
Difference	0.0	0.0	0.0	-0.0	-0.5	-0.7	-0.8	-0.7	-0.6	-0.6	-0.6	

Sources: BEA, BLS, Moody's Analytics

MOODY'S ANALYTICS / Précis® U.S. Metro / September 2021

PRÉCIS® U.S. METRO • United States

BBB Helps Return to Full Employment



Sources: BLS, Moody's Analytics

Though this legislation is largely about lifting the economy's longer-term growth, it would begin to boost the economy toward the end of 2022 and go a long way to ensure a full economic recovery from the pandemic (see Chart 3). Prospects are that the recovery will be stuttering about then, as the fiscal

new federal fiscal year begins at the start of October and legislation that suspends or increases the Treasury debt limit before the Treasury runs out of cash sometime in October. Not funding the government, even through a short-term so-called continuing resolution, would lead to a govern-

ment shutdown, and not suspending or increasing the debt limit, an anachronistic law that restricts the Treasury from issuing more debt than the stipulated amount, means the Treasury will be unable to pay all its bills on time because it needs to borrow to pay them all.

We have been through several government shutdowns since the financial crisis, which are disruptive to the economy, but the Treasury has never missed a payment—aside from a computer error in 1979 that caused payments on Treasury bills to be late—which would be an economic catastrophe. Given the enormous economic and political costs of shutting the government down or paying its bills late, we expect lawmakers to come to terms at the last minute. But there is still no clear legislative mechanism for doing this, and given how little time is left for lawmakers to get this done, it is time to consider more carefully what would happen if lawmakers do not get it done in time.

Even before lawmakers vote on this sweeping legislation, they will need to pass legislation funding the government when the

support already provided will have faded, as will have other sources of growth, including the unleashing of pent-up consumer demand created while households sheltered in place and the rebuilding of inventories depleted because of the global supply-chain problems.

Keeping the lights on. Even before lawmakers vote on this sweeping legislation, they will need to pass legislation funding the government when the

*Mark Zandi
September 2021*



NORTHEAST

EMPLOYMENT GROWTH RATE

2020-2022: **3.3%**

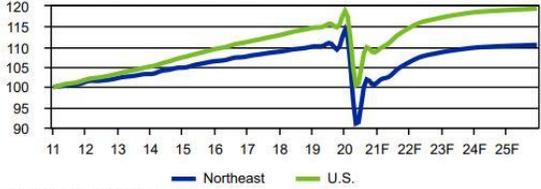
2020-2025: **1.8%**

GROSS DOMESTIC PRODUCT

2020-2022: **5.1%**

2020-2025: **3.5%**

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2011=100)



Source: Moody's Analytics

STRENGTHS & WEAKNESSES

STRENGTHS

- » Highly educated labor force and productive high-tech industries.
- » A global financial capital.
- » High per capita income.
- » Sizable university and hospital presence.

WEAKNESSES

- » Higher costs and density than the nation.
- » Aging and slow-growing population.
- » Inadequate reserves and pension liabilities plague state finances.

ANALYSIS

Recent Performance. Slow and steady remains the watchword for the Northeast. Payrolls have moved consistently in the right direction in 2021, and the region is the only one that did not experience or approach a monthly decline at any point. Yet employment remains further away from its pre-pandemic heights than in any other region. Pivotal white-collar industries are moving only tentatively in the right direction and construction is backtracking, driving a recent slowdown. Further, a relative paucity of consumer-industry jobs has gone from an asset to a modest liability given their importance to the national rebound, a weak August notwithstanding. Meanwhile, employers are having a harder time finding workers for open positions than in any other region despite the nation's highest unemployment rate. The housing market is mixed, with single-family house price gains and new construction above an already-robust national average, but a reliance on urban condo markets is proving a drag.

Reopenings. As its large urban centers reopen for business, the region is primed for further growth. Cities such as New York, Washington DC and Boston were a shell of themselves for most of 2020 and the early part of this year, but looser restrictions and office reopenings are bringing more people back. As employers mandate that workers return, the outlook for urban restaurants and stores is improving.

The key driver is a high vaccination rate. The Northeast accounts for the seven highest shares of protected residents, and the top five comprises every New England state except New Hampshire. This has given residents and firms license to begin the march back to normalcy, helping to drive renewed consumer confidence. Additionally, the Conference Board's measure now has the region about in line with the nation, a far cry from a year ago. The Delta variant could torpedo the region's recovery if it requires renewed

closures, but a fairly well-protected population should be able to avoid the disruptions that may occur in poorly vaccinated areas.

Anchors. Vaccines will prevent another crisis for hospitals and bolster universities. This matters because the region boasts the largest share of healthcare and education jobs in the nation. The former owes to the combination of a rapidly aging population and renowned institutions that attract patients worldwide. An outside share of world-class universities are also a key draw. College towns have a clearer path back to normalcy now that many schools are mandating vaccines for students. Further, a reliance on private institutions, which are insulated from the region's fiscal issues, confers an advantage.

Remote control. Increased remote work arrangements will prove both a blessing and a curse. The ability to work from anywhere will push some residents to lower-cost regions. But the continuation of this trend will likely be accompanied by a shift toward suburbs and exurbs. These areas offer more land, lower costs, and generally better schools, but can require long trips to one's workplace. As hybrid arrangements expand, living farther away from work may grow more palatable. If so, the suburbs of New York and Washington DC are poised to benefit as they are home to some of the nation's longest commute times.

The Northeast will keep moving in the right direction in the near term, even if a full recovery proves elusive for a while. Increased reopenings and steady anchors provide a foundation, and high vaccination rates should protect the region from further lockdowns. Going forward, more-flexible work arrangements could shift some activity from cities to suburbs, but broader out-migration due to high costs will persist.

Adam Kamins
September 2021

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Aug 20	Feb 21	Aug 21
Total	-11.9	-8.7	6.1
Construction	-8.1	-5.0	2.0
Manufacturing	-8.2	-5.8	3.6
Trade	-11.0	-6.5	5.6
Trans/Utilities	-6.6	-1.9	7.6
Information	-10.1	-9.1	5.3
Financial Activities	-4.4	-3.3	0.7
Prof & Business Svcs.	-8.5	-5.6	5.4
Edu & Health Svcs.	-8.4	-7.2	4.0
Leisure & Hospitality	-41.6	-30.4	33.1
Other Services	-20.8	-15.8	9.9
Government	-5.5	-5.0	2.3

FORECAST RISKS

SHORT TERM ▲

UPSIDE

- » High vaccination rates drive increased consumer spending.
- » Shift to suburbs leads to an explosion in new single-family construction, offsetting headwinds facing cities.

LONG TERM ▼

DOWNSIDE

- » Increase in breakthrough infections forces a return to strict mitigation measures.
- » Migration south and west exceeds prior trend significantly.

COST OF DOING BUSINESS

103%

2015	2016	2017	2018	2019	2020	INDICATORS	2021	2022	2023	2024	2025	2026
4,047.1	4,107.2	4,160.3	4,252.6	4,326.7	4,129.5	Gross regional product (C12\$ bil)	4,373.5	4,559.9	4,655.1	4,781.8	4,898.8	5,003.4
30,257	30,657	31,008	31,337	31,626	28,918	Total employment (ths)	29,647	30,837	31,295	31,518	31,613	31,668
1.4	1.3	1.1	1.1	0.9	-8.6	% change	2.5	4.0	1.5	0.7	0.3	0.2
5.2	4.8	4.5	4.0	3.7	9.0	Unemployment rate (%)	6.5	4.0	3.5	3.6	3.9	4.1
4.5	3.2	4.6	4.4	3.7	6.1	Personal income growth (%)	4.5	-0.2	4.3	4.7	4.3	4.2
63,637	63,680	63,735	63,749	63,708	63,586	Population (ths)	63,605	63,716	63,864	63,930	63,946	63,950
-99.4	-137.3	-93.9	-118.4	-161.4	-193.0	Net migration (ths)	3.8	15.9	64.7	-6.6	-48.8	-51.5
68,017	70,343	72,182	72,434	70,493	76,493	Single-family permits (#)	94,279	123,655	132,910	132,270	130,732	125,186
121,201	73,597	80,275	80,251	101,668	92,067	Multifamily permits (#)	96,598	78,538	79,985	79,881	74,964	64,843
504	521	541	565	588	617	House price (1980Q1=100)	678	722	743	751	755	759
309	362	320	336	399	669	Mortgage originations (\$ mil)	731	514	415	348	315	303
3,512.8	3,568.2	3,482.0	3,493.9	3,458.3	2,936.4	New vehicle registrations (ths)	3,412.0	3,493.2	3,496.5	3,428.8	3,352.6	3,290.5
120,351	115,036	117,033	119,118	117,941	91,204	Personal bankruptcies (#)	59,603	62,041	69,046	78,990	95,797	127,751

KINGSTON NY

Data Buffet® MSA code: IUSA_MKIS

ECONOMIC DRIVERS

TOURIST
DESTINATION

MEDICAL
CENTER

EMPLOYMENT GROWTH RANK

2020-2022	2020-2025
150	186
2nd quintile	3rd quintile
Best=1, Worst=410	

RELATIVE COSTS

LIVING	BUSINESS
99%	88%
U.S.=100%	

VITALITY

RELATIVE
-0.17
Rank: 247
Best=1, Worst=403

QUALITY

OF LIFE
145
Best=1, Worst=378

BUSINESS CYCLE STATUS

STRENGTHS & WEAKNESSES

STRENGTHS

- » Proximity to New York City.
- » Low business costs for the Northeast.
- » Below-average employment volatility.

WEAKNESSES

- » Exposure to hard-hit small businesses.
- » Below-average share of high-wage jobs.
- » Overreliance on government coupled with few private-sector growth drivers.
- » Shrinking working-age population.
- » High poverty rate.

RECENT PERFORMANCE

Kingston's recovery is stuck in neutral. On net, employment has not budged in the past eight months, underperforming New York's upward trend. KIS has recovered just over half of the jobs lost due to the pandemic, compared with the two-thirds recovered nationally. Although leisure/hospitality and retail are rebounding at an above-average pace, KIS's key healthcare industry and government sector continue to shed jobs. The unemployment rate is only 2 percentage points above its pre-pandemic level, but recent progress is due to declines in the labor force. Meanwhile, the housing market is hot. House prices are appreciating at double the state's pace, causing affordability to drop below the U.S. average.

HEALTHCARE

The outside healthcare industry will slowly regain its footing as demand for health services returns, but hospital consolidations pose downside risk to the forecast. Lower infection rates and broad vaccine availability will gradually rebuild residents' confidence in seeking health services. As a result, demand for elective procedures will climb in the coming quarters. However, weak demographic trends, including persistent out-migration and subpar growth in the senior cohort, will limit growth in demand and weigh on the recovery. Payrolls are forecast to hit precrisis levels by late 2023, nearly two years after the U.S. average. Furthermore, top employer Health Alliance is consolidating hospital operations to its Mary's Avenue Campus. The potential elimination of redundant positions as the hospitals merge adds downside risk to the forecast.

TOURISTS

Leisure/hospitality will be a key source of near-term job growth as tourism rebounds, but shifting preferences toward short-term rentals will be a double-edged sword. The Catskills provide an escape from nearby New York City and the area will see an increase in out-of-state tourists this summer, now that restrictions on travel have been lifted. The influx of visitors and accompanying spending will push leisure/hospitality to rebound at an above-average pace over the coming quarters. The industry will recoup 85% of lost jobs by the end of 2022. Despite these tailwinds, KIS will benefit less than it has in the past from tourism, as COVID-19 accelerated the shift in consumer preferences toward short-term rentals and home-sharing rather than traditional hotels. Although these smaller establishments helped to boost tourism during the pandemic, they employ fewer residents than hotels and will weigh on leisure/hospitality job growth longer term.

SUNY

State University of New York at New Paltz will benefit from the return of in-person instruction, but budget and enrollment hurdles will limit the rebound in government employment. KIS's share of jobs in state government is double that of the U.S. and the university is one of the metro area's main sources of well-paying jobs. SUNY will reopen on-campus classes this fall, helping government payrolls recover throughout late 2021 and 2022. Shrinking enrollment and budget shortfalls will prevent payrolls from rebounding to pre-pandemic levels soon, however. Fewer students will also reduce demand for housing, while budget challenges may force further cost-cutting, generating downside risk to the forecast.

Kingston will take longer than the state or nation to recover from the pandemic. Leisure/hospitality will continue to lead the recovery as the contributions of healthcare and government remain limited. Longer term, poor demographic trends and a lack of high-value drivers will keep KIS a below-average performer.

Shannon Brobst
May 2021

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help@economy.com

FORECAST RISKS

SHORT TERM	LONG TERM
31	31
1st quintile	1st quintile
Most=1	Most=1
Least=403	Least=403

UPSIDE

- » Population growth is stronger as more people work from home for longer.
- » Baby boomers retire more slowly, a plus for the labor force and potential growth.

DOWNSIDE

- » New COVID-19 cases rise and again slam leisure/hospitality.
- » Budget shortfalls at SUNY lead to cost cutting.
- » Hospital consolidation slows job growth.

MOODY'S RATING

NR

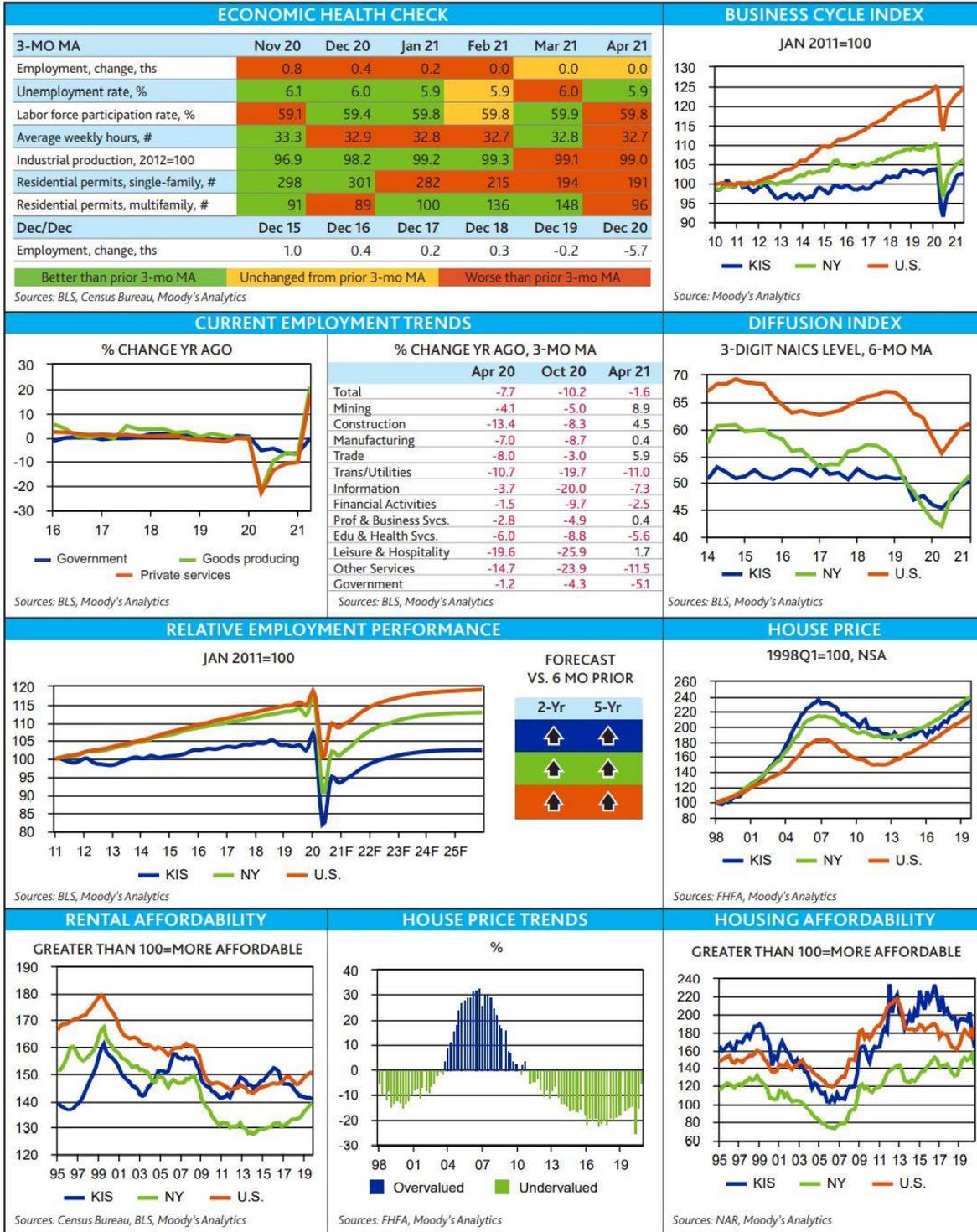
COUNTY
AS OF MAY 24, 2017

2015	2016	2017	2018	2019	2020	INDICATORS	2021	2022	2023	2024	2025	2026
7.4	7.4	7.6	7.8	7.8	7.2	Gross metro product (C12\$ bil)	7.7	8.0	8.2	8.4	8.6	8.7
1.9	0.7	2.7	2.5	-0.5	-8.1	% change	7.2	4.8	2.0	2.6	2.2	1.7
60.9	61.7	62.2	62.7	62.2	56.0	Total employment (ths)	57.6	59.9	61.0	61.4	61.5	61.5
1.0	1.3	0.8	0.8	-0.8	-9.9	% change	2.9	4.0	1.7	0.7	0.2	0.0
4.8	4.5	4.5	3.9	3.6	8.1	Unemployment rate (%)	5.5	3.9	3.5	3.6	3.9	4.0
3.7	3.3	4.7	4.0	4.3	6.7	Personal income growth (%)	0.8	-2.6	3.7	3.5	2.9	2.6
60.0	61.8	63.3	64.2	64.1	65.9	Median household income (\$ ths)	66.8	65.4	67.5	69.6	71.6	73.5
179.7	179.0	178.6	178.4	177.6	176.2	Population (ths)	175.2	174.3	173.5	172.7	171.8	170.9
-0.4	-0.3	-0.2	-0.1	-0.5	-0.8	% change	-0.6	-0.5	-0.4	-0.5	-0.5	-0.5
-0.6	-0.4	-0.1	0.1	-0.5	-0.9	Net migration (ths)	-0.5	-0.5	-0.4	-0.4	-0.4	-0.4
148	148	201	193	188	209	Single-family permits (#)	401	570	597	598	592	548
159	104	135	59	201	94	Multifamily permits (#)	138	132	144	149	146	138
220.7	221.5	232.9	247.9	264.1	282.8	FHFA house price (1995Q1=100)	317.1	334.0	348.6	353.3	353.4	353.2

MOODY'S ANALYTICS / Precis® U.S. Metro / May 2021

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EMPLOYMENT AND INDUSTRY

TOP EMPLOYERS

Health Alliance of the Hudson Valley	2,400
State University of New York at New Paltz	>1,000
Eastern New York Correctional Facility	500-999
Northeast Center for Special Care	500-999
Ulster-Greene ARC	500-999
United Cerebral Palsy of Ulster County	500-999
UnitedHealth Group	500-999
Ametek-Rotron	200-499
Fair-Rite Products	200-499
Bank of America Libris Information Solutions	200-499
Gateway Community Industries	200-499
Hannaford	200-499
Hudson Valley Resort & Spa	200-499
Mid-Hudson Family Health Institute	200-499
Mohonk Mountain House	200-499
Pilot Industries	200-499
Shawangunk Correctional Facility	200-499
Ten Broeck Commons	200-499
Ulster Correctional Facility	200-499
Wallkill Correctional Facility	200-499

Sources: Hudson Valley Economic Development Corporation, January 2013, Ulster Chamber of Commerce, August 2009

PUBLIC

Federal	441
State	4,690
Local	8,516

2020

INDUSTRIAL DIVERSITY

Most Diverse (U.S.)

Least Diverse

EMPLOYMENT VOLATILITY

Due to U.S. fluctuations: 84% (KIS), 100% (U.S.)

Relative to U.S.: 143 (KIS), 100 (U.S.)

Sources: BLS, Moody's Analytics, 2020

ENTREPRENEURSHIP

BROAD-BASED START-UP RATE

U.S.=100, 4-QTR MA 2019

Sources: Census Bureau, Moody's Analytics

EXPORTS

Product	\$ mil
Food and kindred products	ND
Chemicals	ND
Primary metal manufacturing	ND
Fabricated metal products	ND
Machinery, except electrical	60.7
Computer and electronic products	20.8
Transportation equipment	ND
Miscellaneous manufacturing	ND
Other products	ND
Total	183.9

Destination	\$ mil
Africa	7.2
Asia	63.7
European Union	37.7
Canada & Mexico	47.0
South America	10.0
Rest of world	18.3
Total	183.9

Sources: BEA, International Trade Administration, Moody's Analytics, 2019

COMPARATIVE EMPLOYMENT AND INCOME

Sector	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
	KIS	NY	U.S.	KIS	NY	U.S.
Mining	0.2	0.1	0.4	\$56,125	nd	\$152,860
Construction	4.5	4.1	5.1	\$54,647	\$82,824	\$71,226
Manufacturing	5.5	4.6	8.6	\$77,721	\$85,697	\$87,452
Durable	61.9	57.7	62.2	nd	\$91,239	\$90,347
Nondurable	38.1	42.3	37.8	nd	\$78,222	\$82,632
Transportation/Utilities	2.4	3.1	4.3	nd	\$64,786	\$65,743
Wholesale Trade	2.5	3.4	4.0	nd	\$101,997	\$92,590
Retail Trade	14.4	9.1	10.4	\$33,790	\$44,051	\$38,405
Information	1.5	3.0	1.9	\$51,790	\$191,685	\$136,729
Financial Activities	3.9	8.1	6.1	\$27,403	\$106,643	\$59,335
Prof. and Bus. Services	7.9	14.2	14.2	\$42,697	\$102,250	\$76,266
Educ. and Health Services	17.3	22.8	16.3	\$48,766	\$63,165	\$59,504
Leisure and Hosp. Services	11.2	7.2	9.4	\$26,456	\$44,724	\$31,046
Other Services	4.3	3.9	3.8	\$47,644	\$45,405	\$39,932
Government	24.4	16.4	15.4	\$99,698	\$109,827	\$83,178

Sources: Percent of total employment — BLS, Moody's Analytics, 2020, Average annual earnings — BEA, Moody's Analytics, 2019

PRODUCTIVITY

REAL OUTPUT PER WORKER, \$

Sources: BEA, Moody's Analytics, 2019

BUSINESS COSTS

U.S.=100

Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
KIS	1.5	2.6
U.S.	7,540.4	5.3

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
KIS	5.1	9.1
U.S.	14,373.7	10.1

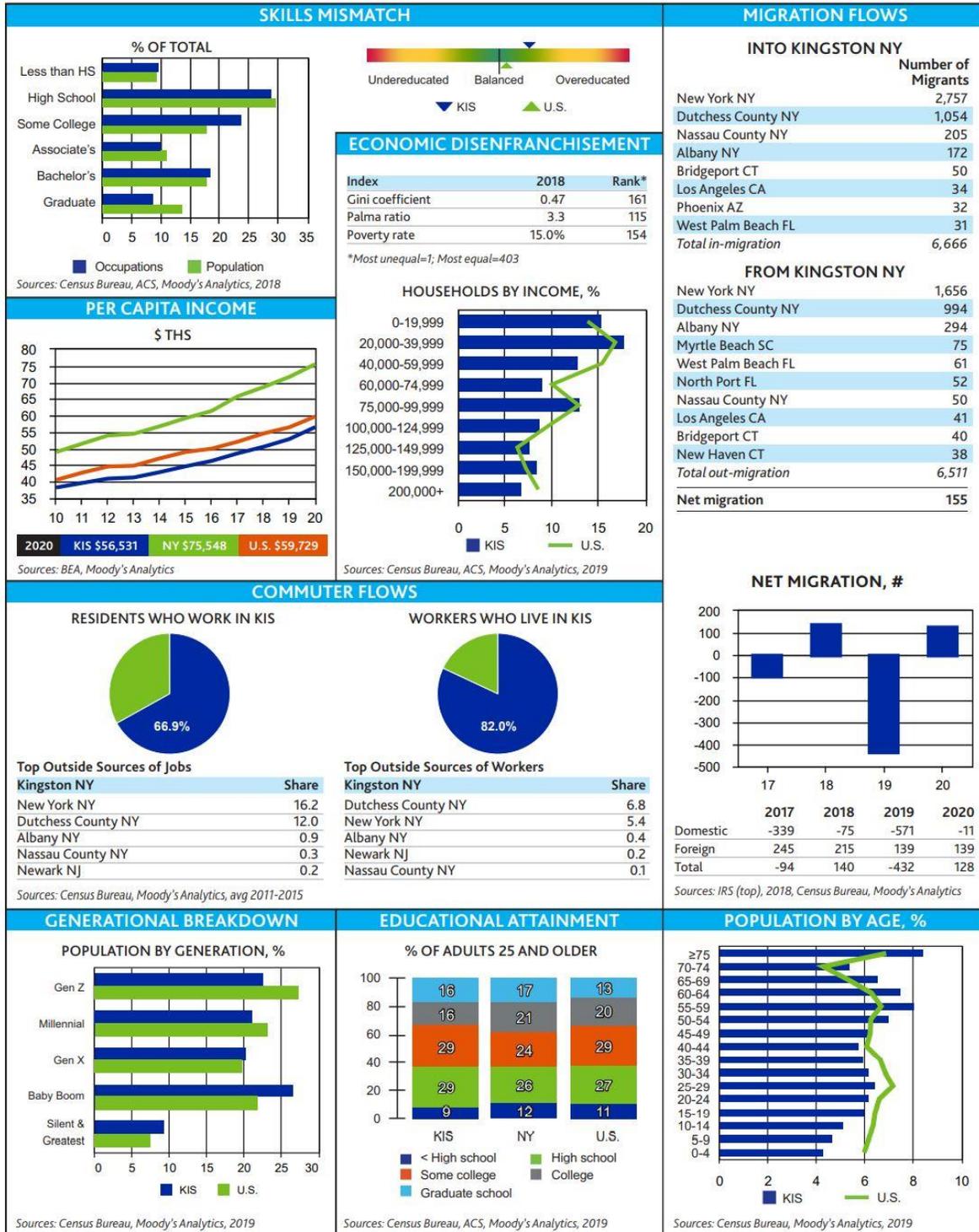
Source: Moody's Analytics, 2020

LEADING INDUSTRIES BY WAGE TIER

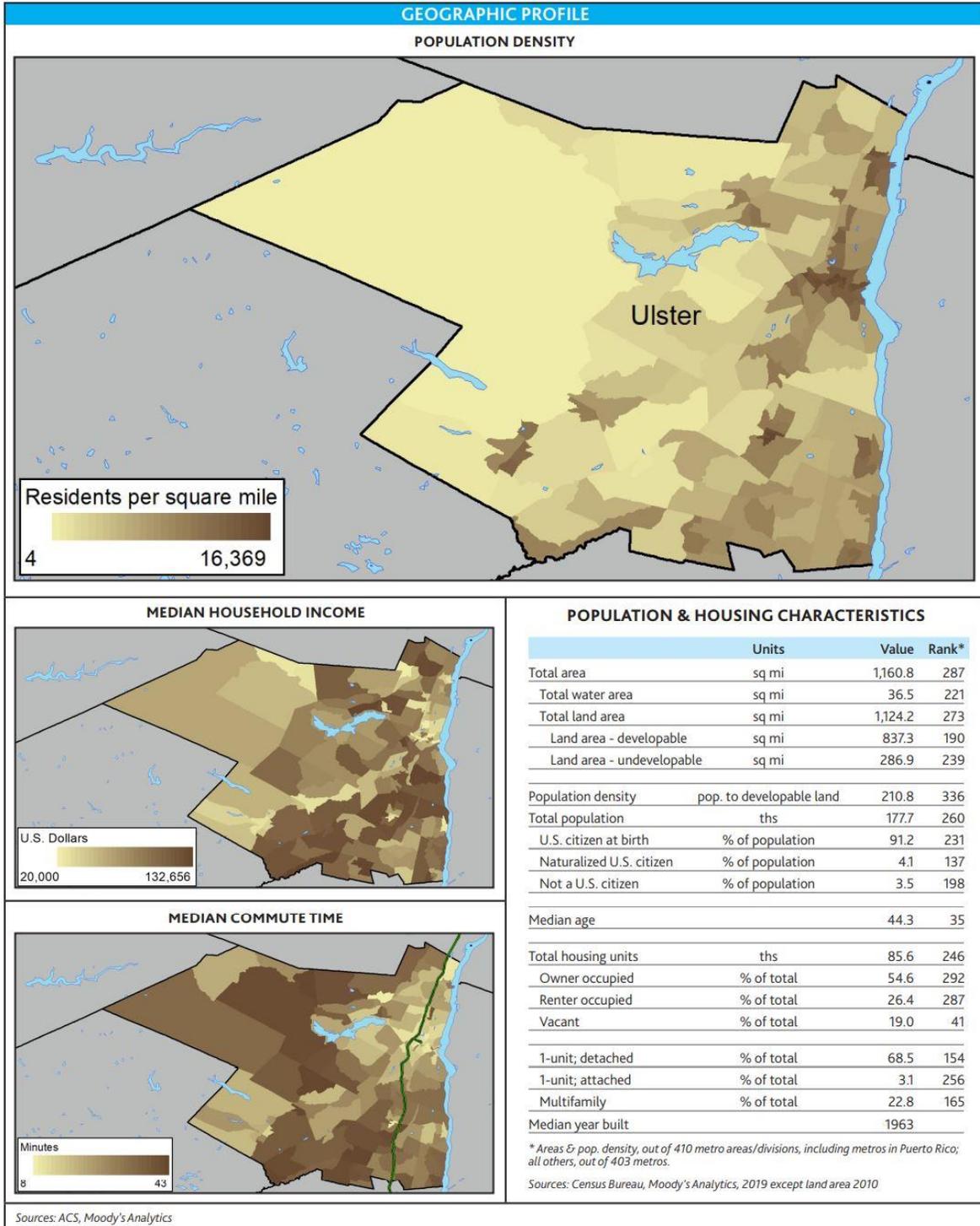
NAICS Industry	Location Quotient	Employees (ths)
HIGH		
GVF Federal Government	0.4	0.5
5242 Agencies, brokerages & other insur. rel. acts	0.8	0.4
3339 Other general purpose machinery manuf.	2.1	0.2
MID		
2211 Electric power generation, trans. & distrib.	1.2	0.2
GVL Local Government	1.4	8.7
GVS State Government	2.2	4.8
6221 General medical and surgical hospitals	0.8	1.5
6211 Offices of physicians	0.9	0.9
7225 Restaurants and other eating places	1.0	4.1
7211 Traveler accommodation	2.4	1.9
LOW		
4451 Grocery stores	1.6	1.9
6232 Res. mental retardation, health & subst. abuse	5.5	1.4

Source: Moody's Analytics, 2020

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KEY COMPARISONS AND PROJECTIONS

The following information is taken from the previously presented economic and statistical data provided Economy.com as of May 2021. The subject is located in Ulster County, which is part of the Kingston, NY MSA as determined by economy.com.

UNITED STATES	NORTHEAST	KINGSTON
<i>Total Employment</i>		
146,200,000	29,647,000	57,600
<i>Employment Change %</i>		
2.8	2.5	2.9
<i>Unemployment Rate %</i>		
5.5	6.5	5.5
<i>Personal Income Growth</i>		
6.2	4.5	0.8
<i>Strengths</i>		
<ul style="list-style-type: none"> • Very productive workforce. • Labor market attracts skilled and unskilled immigrants. • High innovation and entrepreneurship. • Mobile labor force, flexible labor system. 	<ul style="list-style-type: none"> • Highly educated labor force and productive high-tech industries. • A global financial capital. • High per capita income. • Sizable university and hospital presence. 	<ul style="list-style-type: none"> • Proximity to New York City. • Low business costs for the Northeast. • Below-average employment volatility.
<i>Weaknesses</i>		
<ul style="list-style-type: none"> • Large budget, current account deficits. • Skewed income and wealth distribution. • Polarized and fractured political system. • Demographic challenges. 	<ul style="list-style-type: none"> • Higher costs and density than the nation. • Aging and slow-growing population. • Inadequate reserves and pension liabilities plague state finances. 	<ul style="list-style-type: none"> • Exposure to hard-hit small businesses. • Below-average share of high-wage jobs. • Overreliance on government coupled with few private-sector growth drivers. • Shrinking working-age population. • High poverty rate.

NORTHEAST REGION OUTLOOK

"The forecast for the Northeast is the brightest it has been since before the pandemic, but many dark clouds remain. The COVID-19 vaccine provides a pathway back to normalcy, but increased remote work could hold back gains. Longer term, cost disadvantages and out-migration will drive **continued underperformance."** (*Precis: Metro May 2021 Moody's Analytics*)

LOCAL AREA OUTLOOK

"Kingston's recovery is stuck in neutral. On net, employment has not budged in the past eight months, underperforming New York's upward trend. KIS has recovered just over half of the jobs lost due to the pandemic, compared with the two-thirds recovered nationally. Although leisure/hospitality and retail are rebounding at an above-average pace, **KIS's key healthcare industry and government sector continue to shed jobs.** The unemployment rate is only 2 percentage points above its pre-pandemic level, but recent progress is due to declines in the labor force. **Meanwhile, the housing market is hot. House prices are appreciating at double the state's pace,** causing affordability to drop below the U.S. average.

Kingston will take longer than the state or nation to recover from the pandemic. Leisure/hospitality will continue to lead the recovery as the contributions of healthcare and government remain limited. Longer term, poor demographic trends and a lack of high-value drivers will keep KIS a below-average performer." (*Precis: Metro May 2021 Moody's Analytics*)

MARKET ANALYSIS

INTRODUCTION

The subject is a 20,029± square foot multi-tenant warehouse. The following analysis has been developed with information provided by CoStar Market Reports, discussions with brokers active in the region, observations at the time of inspection, and our knowledge of the market.

INDUSTRIAL INVENTORY & NEW CONSTRUCTION

According to *CoStar's Current Kingston Industrial Market Report*, the current industrial inventory in the Kingston MSA is 9,775,786 square feet. Development remains minimal: Nothing has delivered over the past three years, and no projects are currently underway.

INDUSTRIAL VACANCY RATES

The chart below shows the historical vacancy rates for the Kingston Industrial market since 2016.

INDUSTRIAL VACANCY RATES							
	2022 YTD	2021	2020	2019	2018	2017	2016
Kingston MSA	3.1%	3.8%	3.6%	3.3%	2.7%	9.3%	11.6%
Source: CoStar's Current Kingston Industrial Market Report							

CoStar's reported average vacancy rate shows fairly stable rates dating back to 2018, hovering around 3.0 percent.

INDUSTRIAL RENTAL RATES

The following table shows the average asking industrial rental rates for the Kingston MSA based on a triple net lease structure.

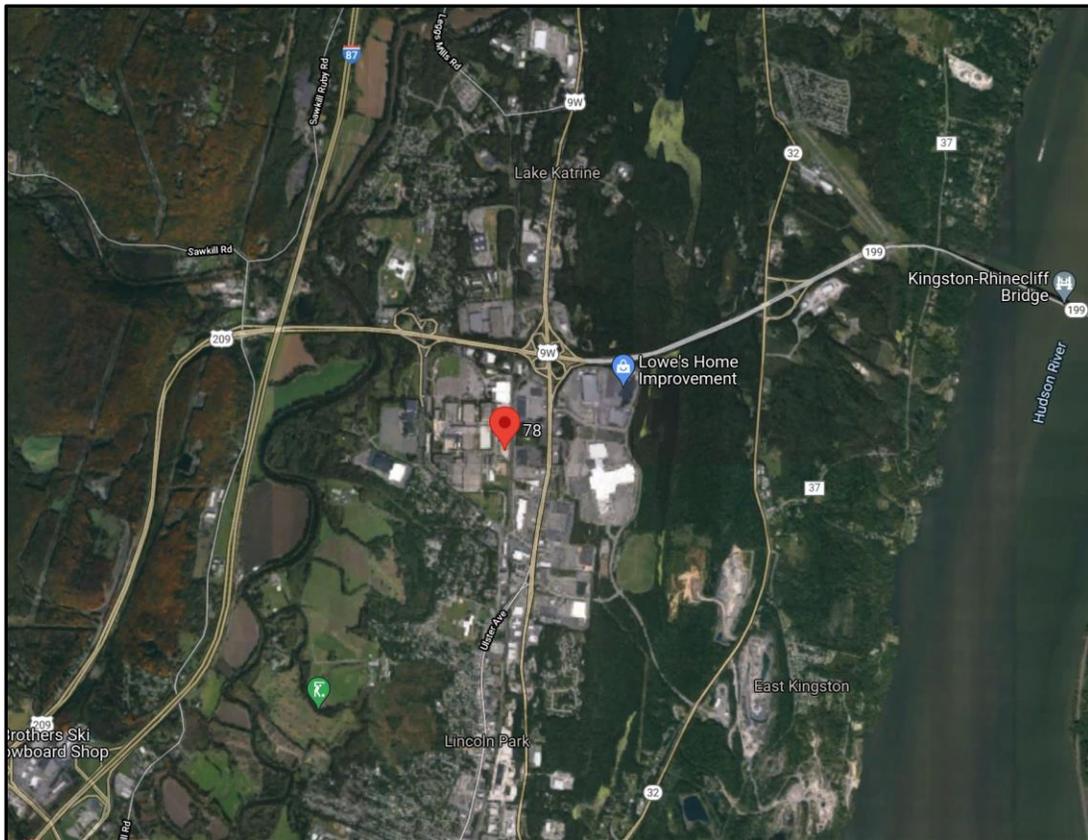
INDUSTRIAL AVERAGE ASKING RENTAL RATES							
	2022 YTD	2021	2020	2019	2018	2017	2016
Kingston MSA	\$8.00	\$7.96	\$7.33	\$6.95	\$6.59	\$6.42	\$5.94
Source: CoStar's Current Kingston Industrial Market Report							

As shown within the chart, average industrial rental rates have been increasing over the 6 plus years shown.

CONCLUSION

Overall, demand for industrial and warehouse space is high. Vacancy rates for industrial properties are relatively low and market rents show positive trends. Given the minimal levels of new **construction and the increasing demand for industrial space, the subject's market is expected to** continue to tighten with decreasing vacancy rates and increasing rental rates.

NEIGHBORHOOD ANALYSIS



LOCATION

The subject neighborhood is located in the town of Ulster, New York. The neighborhood boundaries are generally delineated by the map shown above.

ADJACENT PROPERTIES

The subject is situated within the TechCity Commerce Park, former IBM-Kingston campus on the southern side of Boices Lane. The subject is surrounded by industrial properties. To the north, south and west are industrial properties. To the east is an active rail line.

ACCESS

Accessibility to the neighborhood is considered good. The TechCity Commerce Park is situated at the southwest corner of the intersection of US Routes 9W and 209. Additionally, I-87 is located approximately one mile west of the subject. The Hudson River is located approximately 2 miles east of the subject.

DEMOGRAPHICS

NEIGHBORHOOD DEMOGRAPHICS 60-64 BOICES LANE, KINGSTON (T/O ULSTER), NY			
	1-Mile	3-Mile	5-Mile
Population			
2027 Projection	2,085	27,062	48,779
2022 Estimate*	1,988	25,876	46,766
2010 Census	1,958	25,732	46,827
2010-2022 % Change	1.53%	0.56%	-0.13%
2022-2027 % Change	4.88%	4.58%	4.30%
Households			
2027 Projection	1,035	11,633	21,083
2022 Estimate*	979	11,055	20,060
2010 Census	942	10,791	19,640
2010-2022 % Change	3.93%	2.45%	2.14%
2022-2027 % Change	5.72%	5.23%	5.10%
2022 Median Household Income	\$41,404	\$55,147	\$63,222
2022 Average Household Income	\$62,648	\$78,294	\$90,174
2022 Median Housing Value	\$216,990	\$232,502	\$258,454
* 2022 Estimates are based upon actual 2010 Census figures.			
Source: Environics Analytics (Claritas)			
Compiled by: Hilco Real Estate Appraisal, LLC			

CONCLUSION

The subject property is situated within the TechCity Commerce Park in the town of Ulster, New York. The location has good access to interstates; however, in addition to the subsurface contamination which has been monitored for decades, many of the properties within the park have not been maintained and include significant deferred maintenance. There are multiple areas within the park where remanence of demolished buildings exists. According to property representatives, the debris from the demolished buildings includes asbestos and requires specialized removal.

It was recently announced that a large portion of the TechCity Commerce Park is to be sold to a Greenwich-based developer, National Resources, who has significant experience in revitalizing former industrial campuses around the Hudson Valley, including another former IBM campus in East Fishkill. This is a positive indicator for the neighborhood; however, the current condition of the park is a detriment to the neighborhood.

Population and total household figures show positive trends overall. We expect the character of **the subject's neighborhood to** improve as redevelopment of the TechCity Commerce Park begins.

SITE ANALYSIS

60-64 BOICES LANE – KINGSTON (T/O ULSTER), NY			
Gross Site Area:	7.40± acres	Shape:	Irregular
Excess Land:	None	Topography:	Generally level
Surplus Land:	None	Historical Use:	Industrial
Access:	Boices Lane	Zoning District:	OM – Office Manufacturing District
Road Frontage:	Boices Lane	Current Use:	Industrial
Other Frontage:	Railroad	Flood Panel No.:	36111C0480E
Soil Conditions:	Known subsurface contamination	Flood Panel Date:	09/25/2009
		Flood Zone:	Zone X
		Flood Insurance Required:	No

Characteristic	Rating	Characteristic	Rating
Access	Below Average	Adequacy of Utilities	Good
Visibility	Average	Landscaping	Minimal
Functional Utility	Average	Drainage	Assumed adequate
Traffic Volume	Light	Adjacent Land Uses	Industrial

Utility	Provider	Adequate	Other	Yes	No	Unknown
Water	Municipal	Yes	Toxic Hazards	X		
Sewer	Municipal	Yes	Detrimental Easements	X		
Natural Gas	National Grid	Yes	Encroachments		X	
Electricity	National Grid	Yes	Deed Restrictions			X
Telephone	Various	Yes	Reciprocal Parking	X		
			Common Ingress-Egress	X		

SITE SUMMARY & CONCLUSION

The subject of this report consists of one (1) tax parcel identified by the town of Ulster Assessor as tax map number 48.7-1-29.600. The reputed owner is Ag Prop of Kingston LLC. The subject site encompasses 7.40± acres, located within the TechCity Commerce Park, former IBM-Kingston campus. The campus was subdivided in 1997 leaving the majority of the parcels as building footprints only. Access to all parcels within the campus is provided by the master parcel, 48.7-1-29.270, which is subject to a management agreement requiring maintenance of the roadways, common area utilities, etc. According to the agreement, all expenses incurred are distributed proportionately to the recipient parcels according to the percentage of total assessment. Therefore, the subject parcel is reliant on the owner of master parcel to clear roadways etc. to provide access to the site.

It should be noted, environmental investigations on the TechCity campus have been on-going since 1980 due to the presence of subsurface contamination from the former IBM operations. It is our understanding that as IBM is the responsible party for the subsurface contamination, all

subsurface monitoring, subsurface investigations and required clean-up (if necessary) is to be funded by IBM. While this does remove the financial burden and risk from the subsurface contamination, the New York State Department of Environmental Conservation (NYSDEC) has implemented an Interim Site Management Plan (ISMP) which incorporates various Environmental Easements (EEs) on the campus to restrict certain uses, and mandate operation, maintenance, monitoring, and reporting measures. **According to the "Final Statement of Basis," see Addenda B,** the restrictions in place include restricting the use of groundwater, compliance with the various **EEs, restricting the site's use to restricted residential and/or commercial and compliance with an** ISMP. In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are re-occupied and/or renovated for use.

While we are not environmental professionals, it is our interpretation that the restrictions in place limit potential development and any future excavation/development would need to be completed under the guidance of the NYSDEC. In our experience, known environmental concerns typically limits the pool of investors interested. Furthermore, the environmental concerns on-site will likely limit the borrowing power for the property through typical commercial lending institutions.

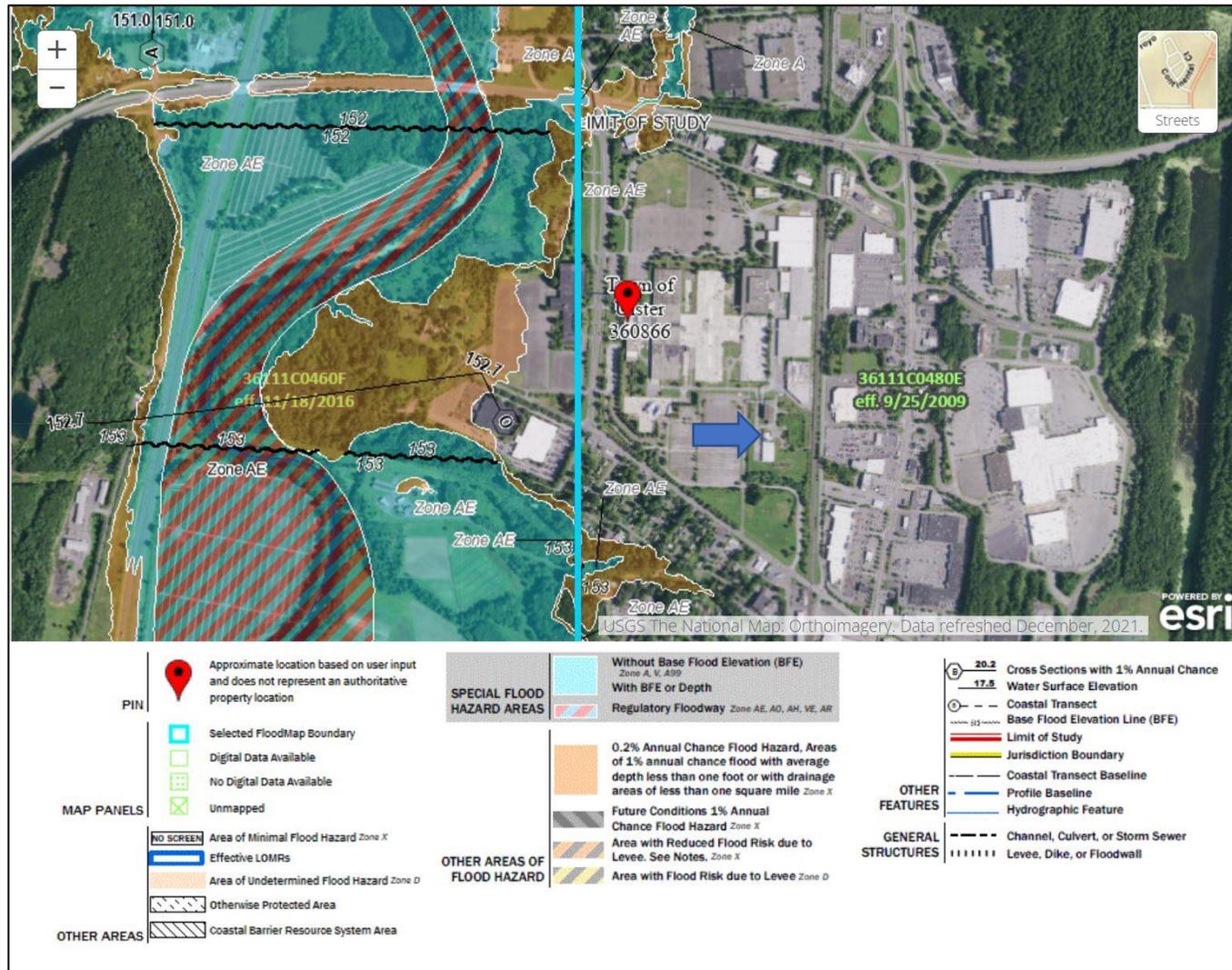
As such, we have attempted to account for these restrictions and limitations along with the apparent stigma from the known environmental conditions on-site within our analysis.

Overall, the site is adequate for its current use and is configured such that it is generally commensurate with other warehouse properties within the **subject's market of similar age and** size.

AERIAL MAP



FLOOD MAP



IMPROVEMENT ANALYSIS

60-64 BOICES LANE – KINGSTON (T/O ULSTER), NY					
Gross Building Area:	20,029± square feet	Year Built:	1970		
Net Rentable Area:	Same as above	Actual Age:	52 years		
Construction Type:	Steel	Effective Age:	20 years		
Construction Class:	Class S – Avg	Total Economic Life:	40 years		
Ceiling Height:	14 Feet	Deferred Maintenance:	None Noted		
Parking	Adequate	Functional Obsolescence:	None Noted		
Number of Stories:	1	External Obsolescence:	None Noted		
		Estimated Depreciation:	50.0%		
Construction Details	Description	Good	Avg.	Fair	Poor
Foundation	Slab.		X		
Frame	Steel framed.		X		
Exterior Walls	Metal.		X		
Roof	Adequate, no reported leaks.		X		
Interior Partitions	Drywall and metal.		X		
Electrical System	Assumed adequate.		X		
HVAC System	Natural gas fired ceiling hung space heaters.		X		
Ceiling/Lighting	Ceilings are 14-foot clear height. Lighting was adequate throughout building.		X		
Flooring	Flooring is unfinished concrete.		X		
Windows - Doors	The building has aluminum framed windows and entry doors.		X		
Loading	The building includes seven (7) overhead doors at grade.		X		
Finished Space	None.		X	X	
Sprinkler	100.0 percent, wet system.		X		
Restrooms	Restrooms are of fair quality.			X	
Plumbing	Assumed adequate; public sewer and public water.		X		
Other Improvements	Former Pumphouse and Water tower.				X

PROPERTY OVERVIEW AND CONCLUSION

The above chart details the operational building only, Building 32.

The following chart summarizes the improvements on site:

IMPROVEMENTS SUMMARY							
Building #	Description	Size (SF)	Stories	Ceiling Height	Loading Doors	Year Built	Condition
Building 31	Former Pumphouse - Asbestos and Flooding	21,699	1	24-30'	5	1970	Poor
Building 32	Multi-tenant Warehouse - Operational	20,029	1	14'	7	1970	Average
		20,029	Total (SF)				

Source: Public Record

As shown by the chart above, Building 31 is the former pumphouse for the TechCity campus. On the date of inspection, the building was in poor condition with a major flooding issue located within the basement and according to the property representative, the building has asbestos containing material. While the building is a detriment to the subject property, demolition and removal is likely cost restrictive. As such, there is no contributory value to building.

Building 32 is currently an operational multi-tenant warehouse with four-tenant spaces. On the date of inspection, three of the four tenant spaces were tenant occupied. The fourth tenant space is utilized by on-site maintenance staff and is considered owner-occupied. As the leases for the existing tenants were not made available to the appraisers, we have been instructed to assume the leases in place are short term and/or could be terminated upon sale of the property. See extraordinary assumptions.

Lastly, the property includes a former water tower on-site which has remained unused for many years. Similar to Building 31, demolition and removal is likely cost restrictive. While the water tower is currently an eyesore, cleaning up and re-painting the tower could be completed at minimal cost and would lessen the adverse impact on the property.

Overall, the operational building is in average condition. The former pumphouse, Building 31, and the former water tower are considered a detriment to the property which has been accounted for within our capitalization rate selection and by making a deduction within the Sales Comparison Approach.

ZONING AND TAX ANALYSIS

ZONING

The subject property is situated within the OM – Office Manufacturing District zoning district within the town of Ulster. These zoning regulations are summarized below.

ZONING SUMMARY	
Current zoning:	OM – Office Manufacturing District
Legally conforming?:	Yes
Uses permitted:	1) Industry, light; 2) Industrial Park; 3) Manufacture small, medium and large; 4) Marinas, boat launch and boat repair; 5) Research office complex (w/limited manufacturing); 6) Self-storage facility; 7) Warehouses; 8) Wholesale business; along with others.
Uses requiring a special use permit and site plan review:	1) Airports and air facilities; 2) Contractors storage yard; 3) Excavation and processing, commercial; 4) Junkyards; 5) Mining; 6) Recycling yards; 7) Trucking companies; along with others.
Zoning change	Not likely
Category	Zoning Requirements
Minimum Lot Area:	N/A
Minimum Lot Width:	N/A
Minimum Setback:	Front – 40 Feet Side – 10 Feet Rear – 10 Feet
Maximum Building Height:	75 Feet
Max. Bldg. Lot Coverage:	50%
Minimum Green Space:	10%
Source: Town of Ulster Zoning Ordinance	
Compiled by: Hilco Real Estate Appraisal LLC	

Based on our cursory review of the current zoning ordinance, the subject is legally conforming. The zoning regulations are included in the Addenda.

TAX AND ASSESSMENT DATA

Based on our review of the current tax bills, there are no known tax exemptions applicable to the subject property. The equalization rate within the town of Ulster is 63.5 percent. The tax rate illustrated in the chart below includes all applicable tax rates. The property's taxes are calculated as follows:

CURRENT ASSESSMENT AND TAX INFORMATION (2021-2022)					
ULSTER, NEW YORK					
Tax ID	Land	Improvements	Total	Rate Per \$1,000	Gross Taxes
48.7-1-29.600	\$150,000	\$50,000	\$200,000	\$58.70	\$11,740
Source: Calculated based on the current tax rate					
Compiled by: Hilco Real Estate Appraisal, LLC					

The subject's total tax obligation (excluding relevys) for the 2021-2022 tax year is \$11,740. Based on an equalization rate of 63.5 percent, the Assessor's estimated market value for the subject is \$314,961. Our concluded *As Is* market value of \$600,000 is significantly higher than the Assessor's estimated market value. While there is risk of future assessment increases, we do not believe the current under assessment adversely impacts the marketability or value of the subject property.

HIGHEST AND BEST USE

DEFINITION

According to the Sixth Edition of The Dictionary of Real Estate Appraisal (Appraisal Institute, 2015), **"highest and best use' is defined as "the reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."**

DISCUSSION OF CONCEPT

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria that the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use analysis involves evaluating the subject as if vacant and as improved.

AS VACANT

The physical and legal aspects of the site impose the first constraints on any possible use of the property. Given the dimensions and topography of the site, its configuration would not constrain development. The subject is located within the OM – Office Manufacturing District zoning district. This district permits a variety of different uses including industrial.

Financial feasibility is the next step in estimating the highest and best use of the property. A **wide variety of permitted uses are possible. Given the subject's** location, and surrounding uses, the site appears to be best suited for industrial use.

SUMMARY OF SITE CHARACTERISTICS	
Characteristic	Notes
Visibility	Average
Accessibility to Site	Average
Traffic Count	Light
Access to Transportation Network	Good
Surrounding Uses	Industrial
Recent Construction in Area	Minimal
Trends	Generally Positive
Zoning	OM – Office Manufacturing District
Compiled by: Hilco Real Estate Appraisal, LLC	

Based on the zoning and surrounding uses, the most likely financially feasible use is for industrial development.

AS IMPROVED

The subject is improved with a 20,029± square foot multi-tenant warehouse built in 1970. The subject property has been utilized as a warehouse for decades. The building is in average condition overall. In our opinion, the most likely purchaser of the subject would utilize the existing building rather than demolishing. There are no apparent alternative uses of the existing improvements that would produce a higher net income and/or value over time. The appraisers do not believe that demolition is warranted or financially feasible. Additionally, any new development could trigger additional subsurface investigation from the NYSDEC. Therefore, continued use in its current capacity as a multi-tenant warehouse appears to represent the highest and best use as improved.

In our opinion the most likely purchaser is a partial owner/user and/or investor.

APPRAISAL METHODOLOGY

INTRODUCTION

The appraisal process is defined as an orderly program by which the appraisal problem is identified, the appraisal process is planned, and the data involved is acquired, classified, analyzed and interpreted into an estimate of value. In this process three basic approaches to value are considered: Income Capitalization Approach, Sales Comparison Approach, and Cost Approach. In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

THE COST APPROACH

The Cost Approach is based upon the principle of substitution, which infers that a prudent purchaser would pay no more for the subject property than the cost of producing an equally desirable substitute product with comparable utility. It is also based on the premise that market participants relate value to cost. Using the Sales Comparison Approach, the appraiser must first estimate the market value of the land, assuming it were vacant and available for development, to its highest and best use. The appraiser must then calculate the reproduction cost new of the subject. From the reproduction cost new, deductions for the physical deterioration, functional obsolescence and external obsolescence are made. The resulting estimate of depreciated reproduction cost of the improvements is added to the value of the underlying land. Cost Approach techniques are often employed to derive information needed in the Sales Comparison and Income Capitalization Approaches.

SALES COMPARISON APPROACH

Using the Sales Comparison Approach, the appraiser produces a value indication by comparing the subject property to similar properties referred to as comparable sales. After consideration of various elements of comparison, adjustments are applied to the sale prices of these properties for differences between the subject and the comparable sales. This approach is considered to be most useful for owner-user type properties and when many similar properties have recently sold and there are similar properties currently for sale in the subject market area.

INCOME CAPITALIZATION APPROACH

Using the Income Capitalization Approach, the appraiser measures the present value of future benefits of property ownership by estimating **a property's income potential and converting the income into value**. The approach is based upon the principle that value in income producing properties is created upon the expectation of monetary benefits to be derived in the future. In determining value through the Income Capitalization Approach, the appraiser can employ two valuation methods: Direct Capitalization and Discounted Cash Flow (DCF) analysis. Direct

Capitalization converts an estimate of a single year's income stream into value in one step, either dividing the income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Using the Discounted Cash Flow analysis, the appraiser converts future income streams over a projected holding period, and the reversionary value of the property, to present value by discounting each future benefit at an appropriate discount rate.

RECONCILIATION AND VALUE CONCLUSIONS

The final step in the appraisal process is reconciliation, whereby the appraiser analyzes alternative conclusions and selects a final value estimate. In this section, the appraiser weighs the relative significance, applicability and defensibility of each approach as it relates to the type of property being appraised.

All three traditional approaches to value, Income, Sales Comparison, and Cost were considered in preparing this appraisal.

All three traditional approaches to value, Income, Sales Comparison, and Cost were considered in preparing this appraisal.

The Cost Approach is not typically employed by sophisticated real estate investors when pricing properties of this type and age; therefore, we have rejected this approach to value.

In valuing the subject property, the Sales Comparison and Income Capitalization Approaches have been fully analyzed in the subsequent sections.

SALES COMPARISON APPROACH

Using the Sales Comparison Approach, the appraiser produces a value indication by comparing the subject property to similar properties referred to as comparable sales. After consideration of various elements of comparison, adjustments are applied to the sale prices of these properties for differences between the subject and the comparable sales. This approach is considered to be most useful when many similar properties have recently sold and there are similar properties currently for sale in the subject market area.

Proper application of this approach requires that a degree of comparability of each sale to the subject be considered, that differences in physical, functional and economic characteristics be noted, and that adjustments for these differences be made. Also, only market transactions should be considered in the analysis. For a conveyance to qualify as a market transaction, the following factors must be present:

MARKET TRANSACTION CRITERIA

1. **The conveyance must be "arm's length;" that is, it must be made between two non-related parties, each acting in self-interest.**
2. Neither the buyer nor the seller should have been under compulsion to act. In situations where non-market conditions of sale are present (i.e. when a purchaser pays more than market value for a lot needed in site assemblage), the circumstances of the sale must be thoroughly researched by the appraiser so that appropriate adjustments can be made.
3. The property should be available for a reasonable period of time to the class of purchasers best able to utilize the property.
4. The price must be expressed in cash or terms equivalent to cash, adjusted for any special financing, concessions, or special terms.

VERIFICATION

The appraiser must verify factual information regarding property characteristics, financing terms, conditions of sale, and property rights conveyed. Primary sources used for verification include deeds, tax records, the grantor or grantee, attorneys, brokers, appraisers, property managers, lenders, real estate periodicals and listing/reporting services. Verification is also used to elicit additional information about the market.

UNITS OF COMPARISON

There are various units of comparison available in the evaluation of sales data in this approach. The units of comparison selected depend upon the appraisal problem and the nature of the property. Examples of physical units of comparison include price per square foot of gross building

area or gross leasable area, price per apartment unit, price per guestroom, price per seat, and price per acre. The sale price per square foot of gross building area is the most used for properties similar to the subject.

ELEMENTS OF COMPARISON

Elements of comparison are the characteristics of properties and transactions that cause prices paid for real estate to vary. Basic elements of comparison that should be considered in sales comparison analysis of include property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase such as capital costs, market conditions, location, physical characteristics (size, construction quality and condition), economic characteristics (occupancy, operating expenses, lease provisions management, tenant mix), use (zoning), and non-realty components of value.

DEGREE OF COMPARABILITY GUIDELINES

1. Choose sales considered to be in the same competitive market as the subject. For properties that are particularly large, unique or when local comparables are scarce, it may be necessary to expand the search criteria to include regional comparables.
2. Choose sales whose sale dates are as close as possible in time to the appraisal date in order to minimize the effect of varying market conditions. The boundaries of a market are consequently economic in character, and not purely physical or geographical.
3. Choose sales that are reasonably similar to the subject with respect to physical characteristics.
4. Choose sales whose functional adequacy compared with the subject are competitive in terms of the ability of each to support similar, although not necessarily identical, uses.

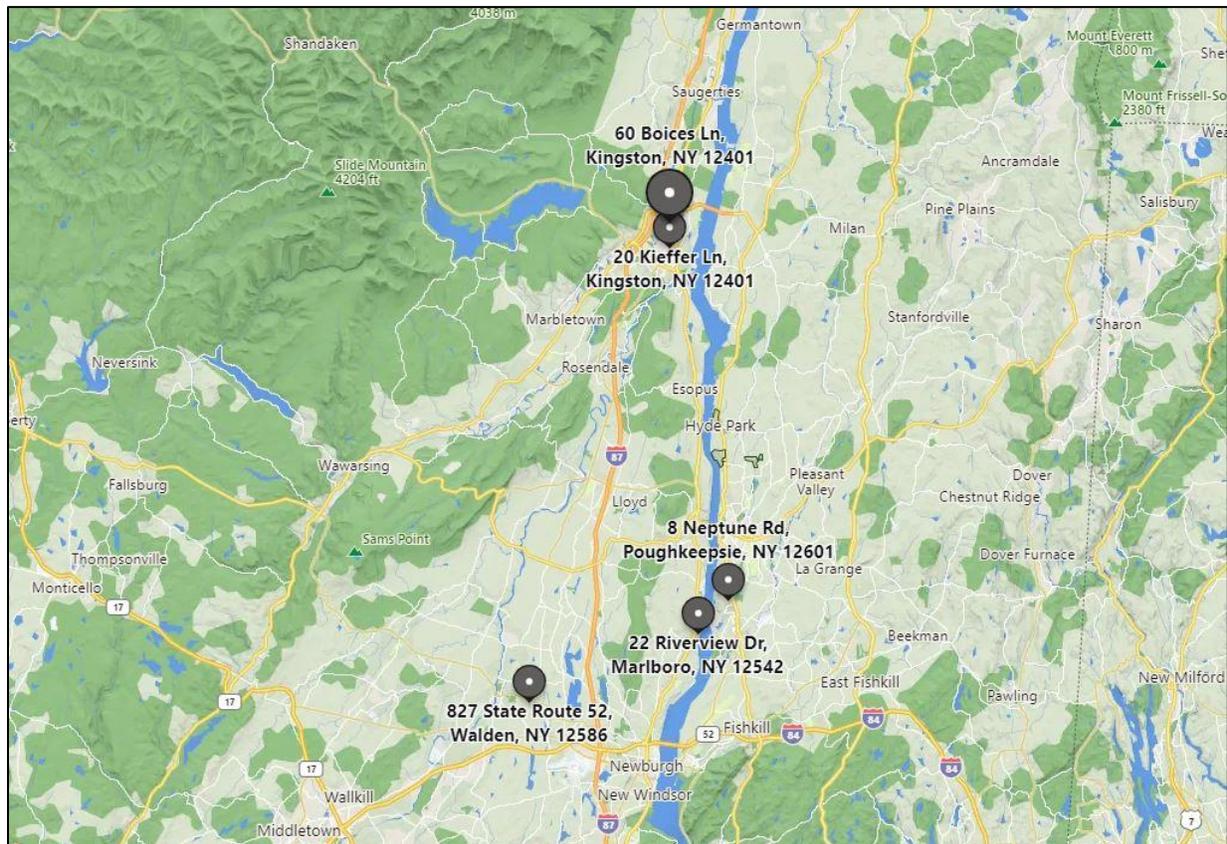
COMPARABLE SALES

The subject is a 20,029± square foot multi-tenant warehouse property located in the town of Ulster. Our research yielded numerous recent sales **in the subject's greater market area**. The following comparable sales are considered the most relevant to the valuation of the subject property.

IMPROVED SALES SUMMARY							
No.	Name & Location	Sale Date	Sale Price	Year Built / Condition	Size (SF)	Price/SF	OAR
1	70-78, 80-88, 90-98 Boices Ln. & 1600-1678, 1700-1798 Enterprise Dr. Kingston, NY	Aug-21	\$12,733,346	1970-1990 / Similar	427,018	\$29.82	N/A
2	8 Neptune Road Poughkeepsie, NY	Jul-21	\$3,050,000	1970 / Similar	53,952	\$56.53	N/A
3	827 State Route 52 Walden, NY	Apr-21	\$4,100,000	2005 / Superior	55,700	\$73.61	7.80%
4	20 Kieffer Lane Kingston, NY	Dec-20	\$1,550,000	1986 / Similar	32,000	\$48.44	N/A
5	22-24 Riverview Drive Marlborough, NY	May-19	\$2,100,000	1986 / Similar	32,500	\$64.62	10.00%

Compiled by Hilco Real Estate Appraisal, LLC

IMPROVED SALES LOCATION MAP





IMPROVED SALE NO. 1

Property Name: TechCity Portfolio
Address: 70-98 Boices Lane & 1600-1
 Ulster, NY 12401
County: Ulster
Tax ID Number (s): Multiple
Property Type: Industrial
Sub Category:

PHYSICAL DATA

Size of Building(s): 427,018 Sq. Ft.	Land Area: 9.27 Acres
Year Built: 1970	Parking: Adequate
No. of Stories: 1	Exterior: Metal and Masonry
Condition: Average	QualityAppeal: Average
Ceiling Height: 18 Feet	Percent Finished: 5.0%

SALE DATA

Transaction Type: Sale	Sale Date: 8/17/2021
Grantor(s): TechCity 33, 51 & 64	Grantee(s): BSD Realty NY LLC
Sale Price: \$12,733,346.00	Deed Reference: 6895/342
Financing:	Financing Adjust:
Site/Demo. Costs:	Adjusted Sale Price: \$12,733,346.00
Verification: Purchaser, Public Record	

FINANCIAL DATA

Occupancy at Sale: 5%	Purchaser Type: Investor
Pot'l Gross Income:	Eff. Gross Income:
Net Income:	Oper. Expense:

ANALYSIS

Per Unit Indicator 1: \$29.82 Per Sq. Ft. \$0.00	GIM: 0.00
Overall Rate (OAR): 0.00%	Expense/EGI %: 0.00
EGIM: 0.00	

COMMENTS

This comparable represents the sale of five adjacent properties located within the TechCity campus, former IBM. The properties were mostly vacant at the time of sale. The purchasers are investors who paid cash for the properties and plan to renovate the buildings in preparation for lease-up. Access is provided by the TechCity master parcel, 48.7-1-29.270, which is subject to a management agreement requiring maintenance of the roadways, common utilities, etc. Therefore, the properties are reliant on the owner of the master parcel to clear roadways etc. Additionally, the properties are impacted by use restrictions implemented by the NYSDEC and stigma from the known subsurface contamination. The purchaser's representative reported that prior to the sale, the property had been appraised for \$30 million assuming no environmental concerns. This indicates a discount of 57.6 percent which appears excessive; however, it is clear the environmental concerns impacted the sale price.



IMPROVED SALE NO. 2

Property Name:
Address: 8 Neptune Road
 Poughkeepsie, NY 12601
County: Dutchess
Tax ID Number (s): 134689-6159-01-123903-000
Property Type: Warehouse/Light Industrial
Sub Category:

PHYSICAL DATA

Size of Building(s): 53,952 Sq. Ft.	Land Area: 5.48 Acres
Year Built: 1970	Parking: Adequate
No. of Stories: 1	Exterior: Masonry
Condition: Average	Quality Appeal: Average
Land to Building 4.42:1	Ceiling Height: 16 Feet
Loading Dock Doors: 7	Percent Finished 11.1% (6,000 SF)

SALE DATA

Transaction Type: Sale	Sale Date: 7/6/2021
Grantor(s): Neptune Logistics Center	Grantee(s): Van Buren Stamford LLC
Sale Price: \$3,050,000.00	Deed Reference: 02202105450
Financing:	Financing Adjust:
Site/Demo. Costs:	Adjusted Sale Price: \$3,050,000.00
Verification: Listing Broker (Ryan LaLuna of McGrath Realty), CoStar	

FINANCIAL DATA

Occupancy at Sale: 0%	Purchaser Type: Owner User
Pot'l Gross Income:	Eff. Gross Income:
Net Income:	Oper. Expense:

ANALYSIS

Per Unit Indicator 1: \$56.53 Per Sq. Ft. \$0.00	GIM: 0.00
Overall Rate (OAR): 0.00%	Expense/EGI %: 0.00
EGIM: 0.00	

COMMENTS

This comparable represents the sale of a 53,952 square foot warehouse purchased by an owner-user. The property had previously been tenant occupied with a contract rent of \$9.00 per square foot triple net; however, prior to the purchase the tenant was unable to fulfill their lease and vacated the property. The listing broker reported the property was in average condition at the time of sale with no deferred maintenance.



IMPROVED SALE NO. 3

Property Name:
Address: 827 State Route 52
 Walden, NY 12586
County: Orange
Tax ID Number (s): 14-1-82.2 & 14-1-82.1
Property Type: Warehouse
Sub Category:

PHYSICAL DATA

Size of Building(s):	55,700 Sq. Ft.	Land Area:	8.20 Acres
Year Built:	2005	Parking:	Adequate
No. of Stories:	1	Exterior:	PEMB
Condition:	Average	Quality Appeal:	Average
Land to Building	6.41:1	Ceiling Height:	18-22 Feet
Loading Dock Doors:	8	# Drive-In Doors:	9
Percent Finished	5.0%		

SALE DATA

Transaction Type:	Sale	Sale Date:	4/21/2021
Grantor(s):	VAN NORSTRAND	Grantee(s):	659 FLUSHING LLC
Sale Price:	\$4,100,000.00	Deed Reference:	14955/855
Financing:		Financing Adjust:	
Site/Demo. Costs:		Adjusted Sale Price:	\$4,100,000.00
Verification:	Listing Broker (James DeSimone of Pyramid Brokerage), SalesWeb		

FINANCIAL DATA

Occupancy at Sale:	100%	Purchaser Type:	Investor
Pot'l Gross Income:		Eff. Gross Income:	
Net Income:	\$319,952.00	Oper. Expense:	

ANALYSIS

Per Unit Indicator 1:	\$73.61 Per Sq. Ft.		
	\$0.00		
Overall Rate (OAR):	7.80%	GIM:	0.00
EGIM:	0.00	Expense/EGI %:	0.00

COMMENTS

This comparable represents the sale of two warehouse buildings totaling 55,700 square feet purchased as an investment. The property was fully occupied at the time of sale by four (4) tenants, most of which were long-term. The lease rates were not disclosed however, the NOI was reported at \$319,952 indicating a capitalization rate of 7.80 percent. The listing broker reported the property was in average condition at the time of sale with no deferred maintenance.



IMPROVED SALE NO. 4

Property Name:
Address: 20 Kieffer Lane
 Ulster, NY 12401
County: Ulster
Tax ID Number (s): 48.66-2-20.500
Property Type: Warehouse
Sub Category:

PHYSICAL DATA

Size of Building(s):	32,000 Sq. Ft. GBA	Land Area:	3.10 Acres
Year Built:	1986	Parking:	Adequate
No. of Stories:	1	Exterior:	Masonry
Condition:	Average	Quality Appeal:	Average
Land to Building	4.22:1	Ceiling Height:	18-22 Feet
Percent Finished	12.5% (4,000 SF)	Loading Dock Doors:	4
# Drive-In Doors:	1		

SALE DATA

Transaction Type:	Sale	Sale Date:	12/23/2020
Grantor(s):	LUDWIG PROPERTIES	Grantee(s):	LLC 20 KIEFFER LANE
Sale Price:	\$1,550,000.00	Deed Reference:	6743/215
Financing:		Financing Adjust:	
Site/Demo. Costs:		Adjusted Sale Price:	\$1,550,000.00
Verification:	Listing Broker (Thomas Collins of SVN), SalesWeb, Public Record		

FINANCIAL DATA

Occupancy at Sale:	0%	Purchaser Type:	Owner User
Pot'l Gross Income:		Eff. Gross Income:	
Net Income:		Oper. Expense:	

ANALYSIS

Per Unit Indicator 1:	\$48.44 Per Sq. Ft.		
	\$0.00		
Overall Rate (OAR):	0.00%	GIM:	0.00
EGIM:	0.00	Expense/EGI %:	0.00

COMMENTS

This comparable represents the sale of a 32,000 square foot warehouse purchased by an owner-user. The building was fully sprinklered and included approximately 4,000 square feet of finished space (12.5 percent). The warehouse space included ceiling clear heights ranging from 18 to 22 feet. The listing broker reported the property was in average condition at the time of sale with no deferred maintenance.



IMPROVED SALE NO. 5

Property Name:

Address: 22-24 Riverview Road
Marlborough, NY 12542

County: Ulster

Tax ID Number (s): 109.1-2-5.220

Property Type: Warehouse

Sub Category:

PHYSICAL DATA

Size of Building(s):	32,500 Sq. Ft.	Land Area:	2.50 Acres
Year Built:	1986	Parking:	Adequate
No. of Stories:	1-2	Exterior:	Masonry & Steel
Condition:	Average	Quality Appeal:	Average
Land to Building	3.35:1	Ceiling Height:	24 Feet
Percent Finished	5.0%	Loading Dock Doors:	4
# Drive-In Doors:	2		

SALE DATA

Transaction Type:	Sale	Sale Date:	5/10/2019
Grantor(s):	WILLIAM, J.	Grantee(s):	22-24 RIVERVIEW DRIVE
Sale Price:	\$2,100,000.00	Deed Reference:	6435/249
Financing:		Financing Adjust:	
Site/Demo. Costs:		Adjusted Sale Price:	\$2,100,000.00
Verification:	Listing Broker (Samuel Finnerman of Hudson Commercial), SalesWeb, Public Record		

FINANCIAL DATA

Occupancy at Sale:	100%	Purchaser Type:	Investor
Pot'l Gross Income:	\$252,000.00	Eff. Gross Income:	
Net Income:	\$210,000.00		

ANALYSIS

Per Unit Indicator 1:	\$64.62 Per Sq. Ft.		
	\$0.00		
Overall Rate (OAR):	10.00%	GIM:	8.33
EGIM:	0.00		

COMMENTS

This comparable represents the sale of a 32,500 square foot warehouse purchased as an investment. The property was fully occupied at the time of sale by two (2) tenants, each with approximately five-year lease terms in place. The contract rents ranged from \$7.20 to \$8.40 per square foot triple net indicating a PGI of \$252,000. The cap rate was reported by the listing broker at 10.0 percent which indicates an NOI of \$210,000. The property was in average condition at the time of sale with no deferred maintenance.

ANALYSIS OF COMPARABLE SALES

In estimating the subject's market value using the Sales Comparison Approach methodology, we have analyzed four sales located within the subject's market. Numerous sales were researched and the sales utilized are believed to be the most comparable and relevant to the valuation of the subject property.

ADJUSTMENT GRID PROCESS

To account for relevant differences that exist between the subject and each of the comparable sales presented, appropriate adjustments must be made. The following paragraphs summarize this process.

Initial adjustments (property rights, financing terms, conditions of sale, and market conditions) are made on a dollar (\$) basis while physical and economic adjustments are made on a percentage basis. Each initial item is adjusted independently, and then summed to arrive at a base amount for each comparable sale. Physical and economic adjustments are also adjusted independently, and then summed to arrive at a final adjustment to the previously adjusted base determined in the first phase of the adjustment process. Adjustments are of three types and are explained below.

Each element of comparison with no adjustment indicates a degree of similarity or equality between the comparable and the subject property, sufficient to justify no numerical adjustment.

Each element of comparison with a positive (+) adjustment indicates a degree of inferiority of the property when compared to the subject property. In this case, the subject could be expected to sell for more on a square foot basis than the comparable property if that factor alone were considered.

Each element of comparison with a negative (-) adjustment indicates a degree of superiority of the property when compared to the subject property. In this case, the subject could be expected to sell for less on a square foot basis than the comparable property if that factor alone were considered.

The adjustment grid can be found following the summary of adjustments and conclusion.

SUMMARY OF ADJUSTMENTS AND CONCLUSIONS

*Initial Adjustments**Property Rights, Financing Terms, Conditions of Sale and Market Conditions*

The rights appraised are the fee simple interest. Similarly, Sales 1, 2 and 4 were fee simple transfers. Additionally, Sales 3 and 5 were reportedly leased at or near market rate. As such, an adjustment for property rights is not warranted.

There were no atypical financing terms or conditions of sale of which we are aware.

Based on our research and data presented within the Market Analysis, we believe the direct market has remained relatively stable during the timeframe analyzed, the past approximately two years based on the comparable sales used. Therefore, no market condition adjustments are applied.

Physical Adjustments

Location— The subject is located in Ulster County, within the TechCity campus which includes good interstate access. Sale 1 is also located within the TechCity campus. As such, no adjustment is warranted. Sales 2 and 3 are located within Dutchess and Orange Counties respectively which are rated superior locations. As such, negative adjustments have been applied. Sales 4 and 5 are also located within Ulster County and are rated generally similar in location and interstate access. Therefore, no adjustments are warranted to these comparables.

Size - The subject includes 20,029± square feet. Typically, size adjustments are applied based on the economies of scale principle, which indicates that all else being equal, larger properties tend to sell for less on a per square foot basis compared to smaller properties. Slight adjustments have been made to all five sales based on this principle.

Other Physical Factors

Other factors (age, construction quality, condition, ceiling heights, percentage of finished/office space, land-to-building ratio and loading ratios) are relatively straightforward and obvious with respect to comparison. For example, buyers would typically desire a newer building versus an older building due to a longer remaining economic life, lower maintenance costs, etc. Further, buildings with land-to-building ratios have greater area for vehicle maneuvering, parking and/or building expansion.

Other –

Environmental Concerns

As noted previously, there is known subsurface contamination on-site from the former IBM operations. It is our understanding that as IBM is the responsible party for the subsurface contamination, all subsurface monitoring, subsurface investigations and required clean-up (if necessary) is to be funded by IBM. While this does remove the financial burden and risk from the subsurface contamination, the New York State Department of Environmental Conservation (NYSDEC) has implemented an Interim Site Management Plan (ISMP) which incorporates various Environmental Easements (EEs) on the campus to restrict certain uses, and mandate operation, **maintenance, monitoring, and reporting measures. According to the "Final Statement of Basis,"** see Addenda B, the restrictions in place include restricting the use of groundwater, compliance **with the various EEs, restricting the site's use to restricted residential and/or commercial and** compliance with an ISMP. In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are re-occupied and/or renovated for use.

While we are not environmental professionals, it is our interpretation that the restrictions in place limits potential development and any future excavation/development would need to be completed under the guidance of the NYSDEC. Along with the known environmental concerns, the sheer size of the property and the required investment needed has limited the pool of investors interested in undertaking the project. Furthermore, the environmental concerns on-site will likely limit the borrowing power for the property through typical commercial lending institutions.

In our opinion a typical purchaser/investor of the subject would account for the added risk from the known contamination on-site by applying a discount to the overall purchase price.

As previously noted, Sale 1 is also located within the TechCity campus and includes similar restrictions and stigma in relation to the known environmental concerns. According to the **purchaser's representative, the known environmental concerns impacted the marketability of the** subject significantly and a discount was paid due to the known concerns. While the property representative indicated a discount of 57.6 percent, this figure was based on an appraised value assuming no impact from contamination of \$30 million or \$70.25 per square feet which appears high. Based on several sales we have analyzed; we believe an appraised value in the range of \$35.79 to \$49.31 per square foot of building area is reasonable assuming no environmental concerns. This range indicates a discount ranging from 16.7 to 39.5 percent.

Based on such, we will apply a 25.0 percent deduction to Sales 2, 3, 4 and 5 to account for the **subject property's known environmental concerns on-site** as these sales reportedly had no similar concerns. Sale 1 requires no adjustment.

Former Pumphouse and Water Tower

As noted previously, the presence of the former pumphouse and water tower is considered a detriment to the property; however, demolition and removal is likely cost restrictive. We believe the most likely purchaser would apply a discount to account for their presence. A 10.0 percent deduction has been applied to all five sales.

The adjustment grid and our conclusions are located on the following pages.

Conclusion — Prior to adjustments, the comparables ranged from \$29.82 to \$73.61 per square foot. After adjustments, the indicated values for the subject range from \$26.64 to \$35.54 per square foot, with an average of \$30.94. All five sales appear to be good representatives of the **subject property's overall value**. Considering the overall condition of the subject property, slightly lower than the average is reasonable. As such, we reconcile at \$30.00 per square foot.

Our value conclusion via the Sales Comparison Approach is illustrated in the chart below.

AS IS SALES COMPARISON APPROACH	
Size (Square Feet)	20,029± SF
Value per Square Foot	\$30.00
Indicated Value	\$600,870
Concluded Rounded Value	\$600,000
Compiled by: Hilco Real Estate Appraisal	

COMPARABLE SALES ADJUSTMENT GRID						
	SUBJECT	SALE #1	SALE #2	SALE #3	SALE #4	SALE #5
Location:	60-64 Boices Ln. Kingston, NY Ulster County	70-78, 80-88, 90-98 Boices Ln. & 1600-1678, 1700-1798 Enterprise Dr. Kingston, NY Ulster County	8 Neptune Road Poughkeepsie, NY Dutchess County	827 State Route 52 Walden, NY Orange County	20 Kieffer Lane Kingston, NY Ulster County	22-24 Riverview Drive Marlborough, NY Ulster County
Sale Price:	---	\$12,733,346	\$3,050,000	\$4,100,000	\$1,550,000	\$2,100,000
Price/SF:	---	\$29.82	\$56.53	\$73.61	\$48.44	\$64.62
Initial Adjustments						
Property Rights:	Leased Fee	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Leased Fee
Adjustment:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Price/SF:		\$29.82	\$56.53	\$73.61	\$48.44	\$64.62
Financing Terms:	Market	Market	Market	Market	Market	Market
Adjustment:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Price/SF:		\$29.82	\$56.53	\$73.61	\$48.44	\$64.62
Conditions of Sale:	Arms-Length	Arms-Length	Arms-Length	Arms-Length	Arms-Length	Arms-Length
Adjustment:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Price/SF:		\$29.82	\$56.53	\$73.61	\$48.44	\$64.62
Market Conditions:	Jan-22	Aug-21	Jul-21	Apr-21	Dec-20	May-19
Adjustment:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Price/SF:		\$29.82	\$56.53	\$73.61	\$48.44	\$64.62
Physical Adjustments						
Location:	Average	Similar	Superior	Superior	Similar	Similar
Adjustment:		0.0%	-5.0%	-10.0%	0.0%	0.0%
Size (SF):	20,029	427,018	53,952	55,700	32,000	32,500
Adjustment:		15.0%	5.0%	5.0%	2.5%	2.5%
Age/Condition:	1970 / Avg	1970-1990 / Similar	1970 / Similar	2005 / Superior	1986 / Similar	1986 / Similar
Adjustment:		0.0%	0.0%	-10.0%	0.0%	0.0%
Quality/Appeal:	Average	Similar	Similar	Similar	Similar	Similar
Adjustment:		0.0%	0.0%	0.0%	0.0%	0.0%
Ceiling Height:	14 Feet	18 Feet	16 Feet	18-22 Feet	18-22 Feet	24 Feet
Adjustment:		-5.0%	-2.5%	-7.5%	-7.5%	-10.0%
Percent Finished:	0.0%	5.0%	11.1%	5.0%	12.5%	5.0%
Adjustment:		-2.5%	-5.0%	-2.5%	-5.0%	-2.5%
Site Size (Acres):	7.40	9.27	5.48	8.20	3.10	2.50
Land-to-Building Ratio (:1)	16.09	0.95	4.42	6.41	4.22	3.35
Adjustment:		5.0%	0.0%	0.0%	0.0%	0.0%
Other:	Known Environmental Concerns, Former Pumphouse and Water Tower	Similar Known Environmental Concerns	None	None	None	None
Adjustment:		-10.0%	-35.0%	-35.0%	-35.0%	-35.0%
Subtotal	---	2.50%	-42.50%	-60.00%	-45.00%	-45.00%
Final Adjusted Price/SF	---	\$30.56	\$32.51	\$29.44	\$26.64	\$35.54
					Average:	\$30.94
Prepared by Hilco Real Estate Appraisal						

INCOME CAPITALIZATION APPROACH

INTRODUCTION

The Income Capitalization Approach reflects the subject's income-producing capabilities. This approach assumes that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the Income Capitalization Approach are direct capitalization and the discounted cash flow (DCF) analysis.

APPROPRIATE VALUATION TECHNIQUE

Several factors were considered in evaluating the appropriateness of using the direct capitalization method and/or the discounted cash flow analysis, including occupancy status, lease structure, above-market or below-market rent and typical buyer behavior. Based on the property type and as a result of considering the foregoing factors, the direct capitalization is considered most applicable and has been developed in the following analysis. The following process is typically employed for this method:

1. Estimate the Potential Gross Income (PGI) from all sources that a competent owner should be able to generate from a property based on existing and/or market rents.
2. Deduct an estimate of Vacancy and Collection Loss (VCL) to arrive at an Effective Gross Income (EGI) estimate.
3. Deduct operating expenses from the estimate of EGI. The result is an estimate of the stabilized Net Operating Income (NOI).
4. Estimate an Overall Capitalization Rate (R_o , or OAR).
5. Divide the NOI by R_o , resulting in a value estimate at stabilized occupancy.
6. **Adjust the stabilized value to account for "As Is" condition, if applicable.**

MARKET RENT CATEGORIES

The subject is a 20,029± square foot multi-tenant warehouse property located in the town of Ulster. We have researched various comparable leases in the surrounding communities to compare to the subject.

ESTIMATE OF MARKET RENT

The first step in the development of an estimate of net operating income is the determination of rent for the subject property. Rent analysis involves both a study of market (comparable) rentals **and the subject's existing rents (if any)**. **Market rent is the rent that a property would most probably command in the open market, indicated by the current rents paid and asked for comparable space.** In determining the market rent, numerous comparable leases were analyzed. Also, local brokers and other real estate professionals have been consulted concerning rental practice and rental rates for similar properties.

To judge the degree of comparability that exists between the subject and the leases selected for direct comparison, several guidelines have been applied.

1. Each lease is considered to be in the same competitive market as the subject. For space that is particularly large, unique or when local comparables are scarce, it may be necessary to expand the search criteria to include regional comparables.
2. Physical characteristics of the subject and the lease comparables are similar in as many respects as possible.
3. The functional adequacy of each of the leased facilities is comparable so each of the leased properties could support similar (although not necessarily identical) functions.

The appraiser has attempted to choose properties whose leases were negotiated at a time when market conditions were similar to market conditions as of the appraisal date.

SUMMARY COMPARABLE RENTALS

The appraisers surveyed real estate professionals and owners of competitive properties for lease transactions **to be analyzed in comparison to the subject's building** and unit types. While the subject is currently configured in four (4) tenant spaces, the tenant spaces are very similar and could be rented together. Therefore, **we've analyzed the property assuming** the property would be rented to one tenant. The selected comparable rentals range in size from 4,975 to 105,113 square feet. The most relevant comparable rentals analyzed are shown in the charts on the following pages, along with a location map.

COMPARABLE RENTALS



Rental Comp #1



Rental Comp #2

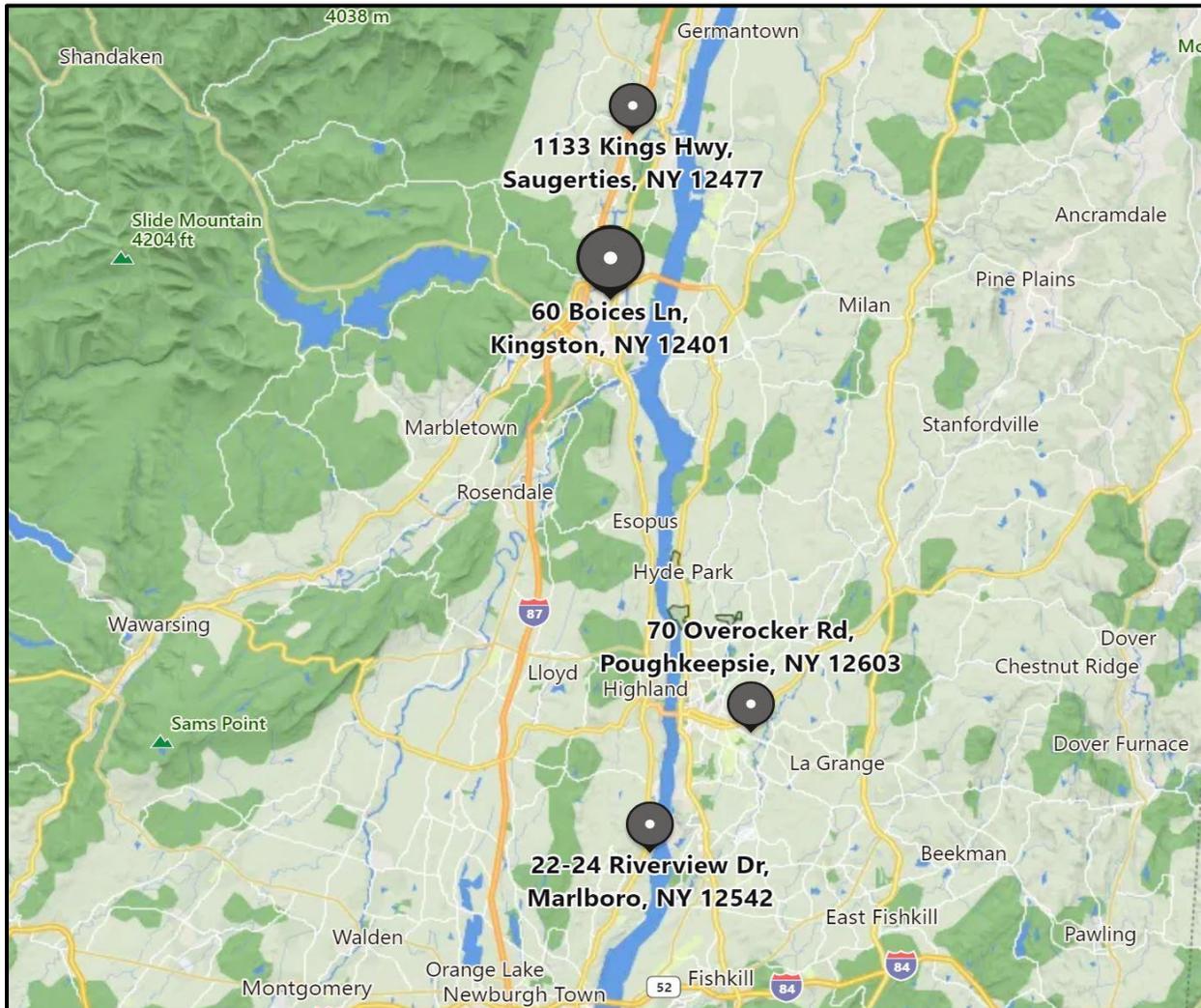


Rental Comp #3



Rental Comp #4

COMPARABLE RENTALS LOCATION MAP



SUMMARY OF COMPARABLE RENTALS							
#	Location	Leased Area (SF)	Yr Built/Condition	Date	Base Rent Per SF	Terms	Tenant / Term
1	22-24 Riverview Drive Marlborough, NY	17,500	1986/Similar	Nov-21	\$7.70	NNN	Tenant: Community Metal Works Term: 5 years
2	70 Overocker Road Poughkeepsie, NY	42,219	1986/Similar	Mar-20	\$6.50	NNN	Tenant: Acumen Term: 5 years
3	1133 Kings Hwy Saugerties, NY	33,000	1970/Similar	Jan-19	\$5.50	NNN	Tenant: North Park Middle Workers Inc. Term: 3 years
4	90-98 Boices Lane Kingston, NY	105,113	1977/Similar	Active	\$8.50	MG	Tenant: TBD Term: TBD

Compiled by Hilco Real Estate Appraisal, LLC

RENTAL ANALYSIS: MARKET RENT

As shown within the above chart, the rent comparables indicate a range of \$5.50 to \$8.50 per square foot with varied terms.

Rental 4 is located within the TechCity campus; however, this comparable is currently listed for lease under modified gross terms. Buildings such as the subject are typically rented under triple net terms. Additionally, as this comparable is still being marketed, it is reasonable to assume the executed rate will be slightly lower than the asking rate. Nonetheless, this comparable has been presented to set the upper limit of the range.

Focusing on Rentals 1, 2 and 3, the indicated range is \$5.50 to \$7.70 per square foot with an average of \$6.59.

Considering the condition of the subject property, slightly lower than the average indicated by the comparables is reasonable. As such, \$6.50 per square foot triple net has been concluded for market rent of the subject.

EXPENSE REIMBURSEMENTS

As indicated by the rent comparables, industrial leases for properties similar to the subject are largely written on a triple net basis, where the tenant is responsible for their pro rata share of real estate taxes, insurance, common area maintenance (CAM) and utilities. The landlord is responsible for general and administrative costs, management fees and structural repairs. The landlord also pays for all operating costs accrued during vacancy periods.

OTHER INCOME

This income category can be derived from several different sources including tenant service income, parking income, late fee income, short-term storage income, and professional services provided for the tenant(s) by the landlord/management, as well as other miscellaneous sources. There is no other income applicable to the subject.

POTENTIAL GROSS INCOME

The potential gross income for the subject property is summarized as follows.

STABILIZED POTENTIAL GROSS INCOME	
Base Rent Revenue:	
20,029± SF x \$6.50/SF	<u>\$130,189</u>
Total Rent Revenue	\$130,189
Plus: Expense Reimbursements*	\$ 30,768
Plus: Other Income	<u>\$ 0</u>
Potential Gross Income	\$160,956
*See Direct Capitalization Chart Summary page 55.	
Source: Hilco Real Estate Appraisal LLC	

VACANCY AND COLLECTION LOSS

Vacancy and collection losses are allowances for reductions in potential income attributable to vacancy, tenant turnover and non-payment of rent. In the direct capitalization process, a market-derived, stabilized vacancy and collection loss estimate is typically subtracted from the potential gross income in order to arrive at an estimate of effective gross income.

Based on information presented in the Market Analysis section of this report, industrial vacancy rates in the Kingston market have been hovering around 3.0 percent. However, vacancy rates within the TechCity campus have been significantly higher than indicated in the market overall. While it was announced that the majority of the campus will be sold to a developer who plans to clean-up the property and redevelop, the timeline for redevelopment is uncertain. Factoring for the high level of vacancy within the TechCity campus, a combined vacancy rate and credit loss factor of 15.0 percent is reasonable for the subject property and will be applied.

EFFECTIVE GROSS INCOME

Given our estimate of potential gross income, other income, and a vacancy and collection loss, the estimated effective gross income is derived as follows:

EFFECTIVE GROSS INCOME	
Potential Gross Income:	\$160,956
Less: Vacancy & Collection Loss (15.0%)	<u>(\$24,143)</u>
Effective Gross Income:	\$136,813
Source: Hilco Real Estate Appraisal	

OPERATING EXPENSE ANALYSIS

As historical income and expenses for the subject were not made available to the appraisers, in order to estimate the subject's expenses, we have analyzed the expenses of similar type properties within the marketplace.

Additionally, as shown within the following chart, we have also referenced the 4th Quarter 2021 RealtyRates.com Investor Survey to estimate replacement reserves, which we reconciled on the high end of the range considering the subject is an older facility.

According to market participants and brokers in the area, management fees are typically between 2.0 and 10.0 percent of the effective gross income. We have estimated 10.0 percent for the subject, towards the upper end of the range considering the high level of vacancy projected.

60-64 BOICES LANE, KINGSTON NY					
HISTORICAL & PROJECTED EXPENSES AND EXPENSE COMPARABLES					
CATEGORIES	OWNER PROJECTIONS			HILCO PROJECTIONS	
Square Feet (NRA)	Built 1970 20,029			Stabilized \$/SF	Stabilized Annual Expense
EGI				\$ 6.83	\$136,813
<u>Operating Expenses</u>					
Real Estate Taxes				\$ 0.59	\$ 11,740
Insurance				\$ 0.20	\$ 4,006
Repairs & Maint.				\$ 0.75	\$ 15,022
Utility Expense				\$ -	\$ -
General & Administrative				\$ 0.10	\$ 2,003
Management Fees				\$ 0.68	\$ 13,681
Replacement Reserves				\$ 0.75	\$ 15,022
Total Expenses				\$ 3.07	\$ 61,473.46
Operating Expense Ratio				44.93%	44.93%
CATEGORIES	EXPENSE COMPARABLES				
	Industrial Buffalo, NY	Industrial Saratoga Springs, NY	Industrial Colonie, NY	Industrial Colonie, NY	Industrial RealtyRates.com
Square Feet	276,553	143,083	85,000	64,945	
	2018	2020	2020	2019	2021 Q4
	\$/SF	\$/SF	\$/SF	\$/SF	\$/SF
EGI	\$ 4.84	\$ 9.34	\$ 6.27	\$ 9.55	
<u>Operating Expenses</u>					
Real Estate Taxes	\$ 0.46	\$ 0.88	\$ 0.80	\$ 1.77	---
Insurance	\$ 0.25	\$ 0.20	\$ 0.20	\$ 0.14	---
Repairs & Maint.	\$ 1.05	\$ 0.55	\$ 0.50	\$ 1.13	---
Utility Expense	\$ -	\$ -	\$ 0.35	\$ 0.15	---
General & Administrative	\$ 0.04	\$ 0.10	\$ 0.06	\$ 0.10	---
Management Fees	\$ 0.24	\$ 0.28	\$ 0.25	\$ 0.43	---
Replacement Reserves	\$ 0.10	\$ 0.25	\$ 0.35	\$ -	\$0.25-\$0.80
Total Expenses	\$ 2.13	\$ 2.26	\$ 2.51	\$ 3.72	N/A
Operating Expense Ratio	43.95%	24.20%	40.03%	38.95%	N/A
Prepared by: Hilco Real Estate Appraisal LLC					

TOTAL CONCLUDED OPERATING EXPENSES

The concluded stabilized operating expenses for the subject total an estimated \$3.07 per square foot with an operating expense ratio of 44.93 percent. Our projection is based primarily on the comparable expenses analyzed for similar properties and the surveys reviewed.

Overall, our stabilized operating expense projection is supported by the expense comparables analyzed.

DIRECT CAPITALIZATION

As previously discussed, direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. Once the net operating income has been estimated, this conversion is accomplished by dividing the NOI estimate by an appropriate rate.

In direct capitalization, no precise allocation is made between the return on and the return of capital because the method does not simulate investor assumptions or forecasts concerning the holding period, the pattern of income, or changes in the value of original investment. However, a satisfactory rate of return for the investor and recapture of the capital invested are implicit in the rates or factors used in direct capitalization because they are derived from similar investment properties.

CAPITALIZATION RATE

Comparable Sales

This is the preferred method when enough data exists. Data on each property's sale price, income, expenses, financing terms, and market conditions at the time of sale is needed. Dividing the net operating income by the sale price extracts the overall capitalization rate.

We were able to extract capitalization rates from two of the five sales analyzed within the sales comparison approach. The following exhibits these sales and the capitalization rates indicated.

SUMMARY OF CAPITALIZATION RATES FROM IMPROVED SALES							
No.	Location	Sale Date	Size (SF)	Year Built / Condition	Sale Price	Sale Price Per SF	Cap Rate
3	827 State Route 52 Walden, NY	Apr-21	55,700	2005 / Superior	\$4,100,000	\$73.61	7.80%
5	22-24 Riverview Drive Marlborough, NY	May-19	32,500	1986 / Similar	\$2,100,000	\$64.62	10.00%
Compiled by Hilco Real Estate Appraisal							

The capitalization rates above range from 7.80 to 10.0 percent, with an average of 8.90 percent. It should be noted, a prudent investor would likely account for the environmental concerns on-

site within the capitalization rate selected. Therefore, somewhat higher than the range indicated is reasonable for the subject.

Investor Surveys

Another method for establishing an overall capitalization rate is to review the criteria of major investors in the marketplace. This may serve as a check against other techniques or may be a primary source when ample data exists. The results of relevant published investor survey data are summarized below.

OVERALL CAPITALIZATION RATE – WAREHOUSE		
Investor Survey	OAR Range	Average
3 rd Quarter 2021	3.00% - 6.50%	4.43%
2 nd Quarter 2021	3.30% - 6.50%	4.77%
3 rd Quarter 2020	3.40% - 7.00%	4.84%
3 rd Quarter 2018	1.50% - 6.25%	4.62%
Source: PwC Real Estate Investor Survey		

As indicated in the above chart, capitalization rates for the National Warehouse Market generally range between 3.00 and 6.50 percent, with an average of 4.43 percent and on average, warehouse capitalization rates have been contracting. It is important to note, the National Investor Survey referenced above is based on major metropolitan areas, whereas the subject is located within a more secondary market. Generally, **capitalization rates within the subject's region** are 100 to 250 basis points higher than indicated by the investor survey. Therefore, somewhat higher than the national survey indication is reasonable for the subject.

In addition to the national survey, Rynne, Murphy & Associates, Inc. issues a quarterly survey of various types of properties in specifically in upstate New York and western New England which is **more similar to the subject's area. The most recent report published** was as of the 2nd Quarter 2021. The survey indicates capitalization rates for light industrial properties ranged from 6.50 to 14.25 percent, with an average of 8.25 percent.

The capitalization rate reflects the quality and duration of income stream as well as the physical and locational characteristics of the property. Again, factoring for the environmental concerns on-site, slightly higher than the range indicated by the Rynne, Murphy & Associates, Inc. survey is reasonable for the subject.

Debt Service Coverage Formula

Another method of estimating an overall capitalization rate is the debt coverage formula. Institutional lenders, who are generally fiduciaries, often employ this technique. They manage and lend money of others and therefore are particularly sensitive to the safety of loan investments. Therefore, when loans are underwritten on income producing properties, lenders

attempt to provide a buffer so that the borrower will be able to satisfy the debt coverage obligation to the loan even if the building income declines. By using the current financial terms available, an overall rate may be calculated through the following equation.

$$R_o = DCR \times RM \times M$$

Where: R_o is the Overall Rate of Return

DCR is the Debt Coverage Ratio

RM is the Mortgage Constant

M is the Loan-to-Value Ratio

In order to ascertain the above rates and ratios, we have analyzed market information provided by RealtyRates.com.

REALTYRATES.COM INVESTOR SURVEY				
Property Type	Amort. Term (Years)	Interest Rate	Loan to Value Ratio	Debt Service Coverage Ratio
Industrial – All Types	15 – 40	2.65% - 7.19%	50% - 80%	1.15 – 2.05
Industrial – Average	25	4.65%	69.7%	1.46

Source: RealtyRates.com Investor Survey (4th Quarter 2021)

Based on the previous survey, and considering the physical, location and economic characteristics of the subject property, we have chosen to utilize an amortization period of 20 years, an interest rate of 6.00 percent, a loan to value ratio of 70.0 percent and a Debt Coverage Ratio of 1.70. These criteria indicate a mortgage constant of 0.0860. With the variables determined, the overall rate can be determined using the debt coverage formula.

Debt Coverage Formula

$$R_o = (DCR \times RM) \times M$$

$$R_o = (1.70 \times 0.0860) \times 0.70$$

$$R_o = 0.1023$$

$$R_o = 10.23\%$$

The indicated overall capitalization rate using this method is 10.23 percent (rounded).

CAPITALIZATION RATE CONCLUSION

The following table summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE – CONCLUSION	
Source	Indicated OAR
Comparable Sales	7.80% - 10.00%
National Investor Survey	3.00% - 6.50%
Regional Investor Survey	6.50% - 14.25%
Debt Service Coverage Formula	10.23%
Conclusion	12.50%
Source: Hilco Real Estate Appraisal, LLC	

In estimating a capitalization rate for the subject, we have considered the subject's older construction, overall condition, size, ceiling heights, specific location in the market and current lease structure as primary factors. Typically, we believe the subject property would transfer in the 9.0 to 10.0 percent capitalization rate range; however, factoring for the known environmental concerns on-site which restrict future development and could trigger additional subsurface investigation, and the presence of Building 31 and the former water tower, we believe a risk level of an additional 250 to 350 basis points should be applied.

Based on the above discussion, we have estimated a capitalization rate of 12.50 percent.

DIRECT CAPITALIZATION SUMMARY

A summary of the direct capitalization method as applied to the subject property is illustrated on the following page.

DIRECT CAPITALIZATION SUMMARY			
60-64 BOICES LANE, KINGSTON NY			
		20,029 SF	
			Total \$/SF
Rental Income	SF		
TechCity	20,029		\$130,189 \$6.50
Stabilized Base Rental Income			\$130,189 \$6.50
Recoveries			
Total Reimbursement Revenue			\$30,768 \$1.54
Potential Gross Income			\$160,956 \$8.04
Gross Rental Income			
Less: Vacancy & Credit Loss		15.0%	(\$24,143) (\$1.21)
Effective Gross Income			\$136,813 \$6.83
Expenses		<u>Reimbursed?</u>	Total \$/SF
Real Estate Taxes		Yes	\$11,740 \$0.59
Insurance		Yes	\$4,006 \$0.20
Repairs & Maintenance		Yes	\$15,022 \$0.75
Utilities		Tenant Pays	\$0 \$0.00
General & Administrative		No	\$2,003 \$0.10
Management Fees	10.0%	No	\$13,681 \$0.68
Reserves for Replacement		No	\$15,022 \$0.75
Total Expenses			\$61,473 \$3.07
Operating Expense Ratio			44.93%
Net Operating Income			\$75,339 \$3.76
		OAR	Value \$/SF
Capitalization of NOI		12.50%	\$602,713 \$30.09
Indicated Value of Subject "As Is"			\$602,713 \$30.09
Opinion of Value "As Is"			\$600,000 \$29.96
* Represents Triple Net Lease			
Prepared by: Hilco Real Estate Appraisal			

RECONCILIATION OF VALUE

SUMMARY OF VALUE CONCLUSIONS	
	As Is
Cost Approach	Not Applicable
Sales Comparison Approach	\$600,000
Income Capitalization Approach	\$600,000
Source: Hilco Real Estate Appraisal, LLC	

COST APPROACH

The Cost Approach is predicated on the principle that an investor would pay no more for an existing property than it would cost to acquire land and construct a building with similar utility. **Based on our analysis of the subject's area, market participants** are generally not buying, selling, investing, or lending with reliance placed on the methodology of the Cost Approach to establish value. As such, the Cost Approach has been omitted from this analysis.

SALES COMPARISON APPROACH

The Sales Comparison Approach is predicated on the principle that an investor would pay no more for an existing property than for a comparable property with similar utility. The applicability of this approach is contingent on the reliability and comparability of available data. Overall, the quality and quantity of sales data is good and has been developed in this analysis.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is considered the most persuasive method for valuing income producing properties. This approach is predicated on the principle of anticipated economic benefits and best reflects the investment characteristics of a property. Investors typically purchase leased properties based on this approach. Considering that the property could be leased, the Income Capitalization Approach has been developed.

RECONCILIATION

We have relied on both the Sales Comparison and Income Capitalization Approaches for the purpose of this analysis. Our concluded opinion of value is as follows:

VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value – As Is	Fee Simple Estate	January 21, 2022	\$600,000
Source: Hilco Real Estate Appraisal, LLC			

Our value opinion was formed on our experience in the field of real property valuation, as well as the research and analysis set forth in this appraisal. Our value conclusion is subject to the Assumptions and Limiting Conditions and Certification in this appraisal report.

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Hilco Real Estate Appraisal, LLC is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. Hilco Real Estate Appraisal, LLC, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the **subject property's title should be sought from a qualified title company that issues or insures** title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. Hilco Real Estate Appraisal, LLC professionals are not engineers and are not competent to judge matters of an engineering nature. Hilco Real Estate Appraisal, LLC has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of Hilco Real Estate Appraisal, LLC by ownership or management; Hilco Real Estate Appraisal, LLC inspected less than 100% of the entire interior and exterior portions of the improvements; and Hilco Real Estate Appraisal, LLC was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if engineering consultants report negative findings, Hilco Real Estate Appraisal, LLC reserves the right to amend the appraisal conclusions reported herein.
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 appraisers. Hilco Real Estate Appraisal, LLC has no knowledge of the existence of such materials on or in the property. Hilco Real Estate Appraisal, LLC, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate 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. We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
5. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to Hilco Real Estate Appraisal, LLC. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
6. **It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons** designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, Hilco Real Estate Appraisal, LLC

has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without **being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data.** Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, Hilco Real Estate Appraisal, LLC reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify Hilco Real Estate Appraisal, LLC of any questions or errors.

7. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of the appraisal. However, Hilco Real Estate Appraisal, LLC will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
8. Hilco Real Estate Appraisal, LLC assumes no private deed restrictions, limiting the use of the subject property in any way.
9. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
10. Hilco Real Estate Appraisal, LLC is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
11. The estimate of market value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
12. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. Hilco Real Estate Appraisal, LLC does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of Hilco Real Estate Appraisal, LLC.
13. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of Hilco Real Estate Appraisal, LLC to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
14. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
15. This study may not be duplicated in whole or in part without the specific written consent of Hilco Real Estate Appraisal, LLC nor may this report or copies hereof be transmitted to third parties without said consent, which consent Hilco Real Estate Appraisal, LLC reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the

express written consent of Hilco Real Estate Appraisal, LLC which consent Hilco Real Estate Appraisal, LLC reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party **to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended.** Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. Hilco Real Estate Appraisal, LLC shall have no accountability or responsibility to any such third party.

16. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
17. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
18. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
19. No opinion is intended to be expressed on matters that may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to Hilco Real Estate Appraisal, LLC unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. Hilco Real Estate Appraisal, LLC assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
20. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and **special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions.** Neither **the Appraiser nor Hilco Real Estate Appraisal, LLC assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same.** The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
21. Hilco Real Estate Appraisal, LLC assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
22. 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.
23. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
24. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, Hilco Real Estate Appraisal, LLC has not made a specific compliance survey and analysis of this property to determine whether it is in conformance 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 ADA. If so, this fact could have a negative effect on the value estimated herein. Since Hilco Real Estate Appraisal, LLC has no specific information relating to this issue, nor is Hilco Real Estate Appraisal, LLC qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.
25. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any

claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.

26. The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by Hilco Real Estate Appraisal, LLC or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

ADDENDA

- A. Letter of Engagement
- B. NYSDEC Statement of Basis
 - C. Zoning Ordinance
 - D. NYS Certifications
- E. Summary of Qualifications

Addendum A
Letter of Engagement

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is entered into by and between the **ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC.**, a local development corporation formed under the laws of the State of New York, with offices at 244 Fair Street, Kingston, New York 12401 (the "**UCEDA**"), and **HILCO REAL ESTATE APPRAISAL, LLC**, a Delaware limited liability company with offices at 77 Miller Road, Suite 202, Castleton, New York 12033 (the "**Firm**"), (each, a "**Party**;" together, the "**Parties**").

RECITALS

WHEREAS, the UCEDA desires to enter into an agreement for real estate appraisal and related services pertaining to certain properties located in the Town of Ulster, County of Ulster and State of New York identified as SBL Nos. 48.7-1-29.110, 48.7-1-29.120, 48.7-1-29.130, 48.7-1-29.140, 48.7-1-29.150, 48.7-1-29.160, 48.7-1-29.170, 48.7-1-29.240, 48.7-1-29.250, 48.7-1-29.260, 48.7-1-29.270, 48.7-1-29.300, 48.7-1-29.400, 48.7-1-29.500, 48.7-1-29.700, 48.7-1-29.800, 48.7-1-29.900 (collectively referred to herein as the "**Premises**"); and

WHEREAS, the UCEDA has agreed to engage the Firm, and the Firm has agreed to contract with the UCEDA, to provide a real estate appraisal and related services for the Premises, in accordance with the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the promises and covenants set forth below, the Parties hereby agree as follows:

ARTICLE 1 - SCOPE OF SERVICES

The Firm agrees to perform the services identified in Schedule A, the Scope of Services (the "**Services**"), which is attached hereto and is hereby made a part of this Agreement. The Firm agrees to perform the Services in accordance with the terms and conditions of this Agreement. It is specifically agreed to by the Firm that the UCEDA will not compensate the Firm for any services not included in Schedule A without prior authorization, evidenced only by a written Change Order, Amendment, or Addendum to this Agreement, which is executed by the UCEDA.

ARTICLE 2 - TERM OF AGREEMENT

The Firm agrees to perform the Services beginning as of the date of the last signature below (the "**Effective Date**") and continuing for a period of four (4) weeks from the Effective Date.

ARTICLE 3 - COMPENSATION

For satisfactory performance of the Services, or as such Services may be modified mutually by a written Change Order, Amendment, or Addendum to this Agreement, the UCEDA agrees to compensate the Firm in accordance with "**Schedule B, FEES, EXPENSES AND SUBMISSIONS FOR PAYMENT**" which is attached hereto and is hereby made a part of this Agreement.

A **not-to-exceed** amount of **SEVENTEEN THOUSAND FIVE HUNDRED AND 00/100 (\$17,500.00) DOLLARS** has been established for the Services to be rendered by the Firm. Costs in excess of the above-noted amount may not be incurred without the prior written authorization of the UCEDA, evidenced only by a written Change Order, Amendment or Addendum to this Agreement. It is specifically agreed to by the Firm that the UCEDA shall not be responsible for any additional costs, or costs in excess of the above-noted cost, if authorization by the UCEDA is not given in writing prior to the performance of the services giving rise to such excess or additional costs.

ARTICLE 4 - INDEPENDENT CONTRACTOR

In performing the Services and incurring expenses under this Agreement, the Firm shall operate as and have the status of an

independent contractor, and shall not act as or be an agent of the UCEDA. As an independent contractor, the Firm shall be solely responsible for determining the means and methods of performing the Services and shall have complete charge and responsibility for the Firm's personnel engaged in the performance of the same.

ARTICLE 5 - ASSIGNMENT

The Firm shall not assign any of its rights, interests, or obligations under this Agreement, or assign any of the Services to be performed by it under this Agreement.

ARTICLE 6 – SUBCONTRACTING

The Firm agrees to include the following provisions in any and all subcontract agreements for Services to be performed pursuant to this Agreement:

- A. That the work performed by the subcontractor must be in accordance with the terms and conditions of this Agreement between the UCEDA and the Firm, including but not limited to the insurance requirements set forth in Schedule C; and
- B. That nothing contained in the subcontractor agreement shall impair the rights of the UCEDA; and
- C. That nothing contained in the subcontractor agreement, or under this Agreement between the UCEDA and the Firm, shall create any contractual relation in law or equity, between the subcontractor and the UCEDA; and
- D. That the subcontractor specifically agrees to be bound by the Confidentiality provision as set forth in Article 8 of this Agreement between the UCEDA and the Firm.

Upon signing this Agreement, the Firm shall provide the UCEDA with the names and scopes of work of any and all subcontractors to be used in the performance of the Firm's obligations pursuant to this Agreement. Furthermore, upon request by the UCEDA, the Firm shall provide copies of any and all subcontract agreements for Services to be performed pursuant to this Agreement.

The Firm agrees that it is fully responsible to the UCEDA for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, to the same extent as it is for the acts and omissions of persons employed by the Firm. The Firm shall not in any way be relieved of any responsibility under this Agreement by any subcontract.

ARTICLE 7 - PERFORMANCE

In performing the Services, the Firm shall assign qualified personnel and perform such Services in accordance with the professional standards and with the skill, diligence and quality control/quality assurance measures expected of a reputable company performing Services of a similar nature. The Firm is hereby given notice that the UCEDA shall be relying upon the accuracy, competence, and completeness of the Firm's performance in using the results achieved by the Firm's performance of these Services. The Firm shall at all times comply with all applicable Federal, New York State and local laws, ordinances, statutes, rules and regulations.

ARTICLE 8 - CONFIDENTIALITY

For purposes of this Article:

- A. The term "Confidential Information" as used herein, means all material and information, whether written or oral, received by the Firm from or through the UCEDA or any other person connected with the UCEDA, or developed, produced, or obtained by the Firm in connection with its performance of Services under this Agreement. Confidential Information shall include, but not be limited to: samples, substances and other materials, conversations, correspondence, records, notes, reports, plans, drawings, specifications and other documents in draft or final form, including any documentation or data relating to the results of any investigation, testing, sampling in laboratory or other analysis, and all conclusions, interpretations, recommendations, and/or comments relating thereto.
- B. The term "Firm" as used herein includes all officers, directors, employees, agents, subcontractors, assignees or

representatives of the Firm.

The Firm shall keep all Confidential Information in a secure location within the Firm's offices. The UCEDA shall have the right, but not the obligation, to enter the Firm's offices in order to inspect the arrangements of the Firm for keeping Confidential Information secure. The UCEDA's inspection, or its failure to inspect, shall not relieve the Firm of its responsibilities pursuant to this Article 8.

The Firm shall hold Confidential Information in trust and confidence, and shall not disclose Confidential Information, or any portion thereof, to anyone other than the UCEDA, without the prior written consent of the Board of Directors, and shall not use Confidential Information, or any portion thereof, for any purpose whatsoever except in connection with its performance of the Services under this Agreement.

The Firm shall notify the UCEDA immediately upon its receipt of any request by anyone other than the UCEDA for, or any inquiry related to, Confidential Information. The Firm is not prohibited from disclosing portions of Confidential Information if, and to the extent that: (i) such portions have become generally available to the public other than by an act or omission of the Firm, or (ii) disclosure of such portions is required by subpoena, warrant or court order; provided, however, that in the event anyone other than the UCEDA requests all or a portion of Confidential Information, the Firm shall oppose such request and cooperate with the UCEDA in obtaining a protective order or other appropriate remedy, unless and until the Board of Directors, upon consultation with UCEDA's counsel, in writing, waives compliance with the provisions of this Article 8, or determines that disclosure is legally required. In the event that such protective order or other remedy is not obtained, or the UCEDA waives compliance with this Article 8 or determines that such disclosure is legally required, the Firm shall disclose only such portions of Confidential Information that, in the opinion of the UCEDA's counsel, the Firm is legally required to disclose, and the Firm shall use its best efforts to obtain from the party to whom Confidential Information is disclosed, written assurance that confidential treatment will be given to any such Confidential Information disclosed, to the extent permitted by law.

ARTICLE 9 – OWNERSHIP OF CONFIDENTIAL INFORMATION

Notwithstanding any other provision herein to the contrary:

- A. All Confidential Information, as defined in Article 8, including all copies thereof, is the exclusive property of the UCEDA regardless of whether or not it is delivered to the UCEDA. The Firm shall deliver Confidential Information and all copies thereof to the UCEDA upon request.
- B. To the extent that copies of Confidential Information are authorized by the UCEDA to be retained by the Firm, such information shall be retained in a secure location in the Firm's office for a period of six (6) years after completion of the Services, or termination of this Agreement, whichever later occurs, and thereafter disposed of at the UCEDA's direction.

ARTICLE 10 – INTELLECTUAL PROPERTY

All "Intellectual Property," meaning all graphics, fonts, computer code (with the exception of open source code), photographs, brochures, videos, web pages, trademarks, databases, reports, plans, drawings, names and logos, or the copyright in any portion of the works issued by the UCEDA or developed or produced for the UCEDA shall at all times be proprietary to the UCEDA, and shall be the exclusive property of the UCEDA. Upon termination of this Agreement, the Firm's right or license to use the intellectual property shall terminate.

The Firm warrants it has full authority to sell, assign and transfer the rights to all graphics, fonts, computer code (with the exception of open source code), photographs, brochures, videos, web pages, trademarks, databases, reports, plans, drawings, names and logos, or the copyright in any portion of the works, developed or produced for the UCEDA free and clear of any material encumbrances, liens or claims.

The Firm agrees, at its own expense, to defend, indemnify and hold harmless the UCEDA from and against any losses, damages, expenses, liabilities and costs (including without limitation, legal fees) incurred by the UCEDA as a result of any claims brought against the UCEDA by third parties arising from any infringement or misappropriation of any Intellectual Property right arising out of or relating to the UCEDA's use of the Firm's Services.

ARTICLE 11 – PUBLICITY

The prior written approval of the UCEDA is required before the Firm, or any of its employees, representatives, servants, agents, assignees, or subcontractors may, at any time, either during or after completion or termination of this Agreement, make any statement to the media or issue any material for publication bearing on the Services performed or data collected in connection with this Agreement.

If the Firm, or any of its employees, representatives, servants, agents, assignees or subcontractors desires to publish a work dealing with any aspect of this Agreement, or of the results or accomplishments attained by its performance, they must first obtain the prior written permission of the Board of Directors which, unless otherwise agreed to in said written permission, will entitle the UCEDA to a royalty fee, and a non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use such publication.

ARTICLE 12 - BOOKS AND RECORDS

The Firm agrees to maintain separate and accurate books, records, documents and other evidence, and to employ accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Agreement.

ARTICLE 13 - RETENTION OF RECORDS

The Firm agrees to retain all books, records, and other documents relevant to this Agreement for six (6) years after the final payment or termination of this Agreement, whichever later occurs. The UCEDA, any New York State and/or Federal auditors, and any other persons duly authorized by the UCEDA, shall have full access and the right to examine any of said materials during said period.

ARTICLE 14 – AUDITING AND REPORTS

All forms or invoices presented for payment to be made hereunder, and the books, records, and accounts upon which said forms or invoices are based, are subject to audit by the UCEDA. The Firm shall submit any and all documentation and justification in support of expenditures or fees under this Agreement as may be required by the UCEDA, so that it may evaluate the reasonableness of the charges, and the Firm shall make its records available to the UCEDA upon request. All books, forms, records, reports, cancelled checks, and any and all similar material may be subject to periodic inspection, review, and audit by the UCEDA and/or other persons duly authorized by the UCEDA. Such audits may include examination and review of the source and application of all funds, whether from the UCEDA, private sources, or otherwise. The Firm shall not be entitled to any interim or final payment under this Agreement if any audit requirements and/or requests have not been satisfactorily met.

ARTICLE 15 – NO DISCRIMINATION

As required by Article 16 of the New York State Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, including the Civil Rights Act, the Firm will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition, carrier status, military status, domestic violence victim status, or marital status.

ARTICLE 16 - INSURANCE

For provision of the Services set forth herein and as may be hereinafter amended, the Firm shall maintain or cause to be maintained, in full force and effect during the term of this Agreement, at its expense, insurance with stated minimum coverage as set forth in "Schedule C", which is attached hereto and is hereby made a part of this Agreement. Such policies are to be in the broadest form available on usual commercial terms and shall be written by insurers who have been fully informed as to the nature of Services to be performed by the Firm pursuant to this Agreement. Such insurers shall be of recognized financial standing, satisfactory to the UCEDA. The UCEDA shall be named as an additional insured on all commercial general liability policies with the understanding that any obligations imposed upon the insured (including, without limitation, the obligation to pay premiums) shall be the sole obligation of the Firm and not those of the UCEDA. Notwithstanding anything to the contrary in this Agreement, the Firm irrevocably waives all claims against the UCEDA for

all losses, damages, claims or expenses resulting from risks commercially insurable under the insurance described in Schedule C and this Article 16. The provision of insurance by the Firm shall not in any way limit the Firm's liability under this Agreement.

At the time the Firm submits two (2) original executed copies of this Agreement, the Firm shall include certificates of insurance evidencing its compliance with these requirements and those set forth in Schedule C.

Each policy of insurance shall contain clauses to the effect that (i) such insurance shall be primary, without right of contribution of any other insurance carried by or on behalf of the UCEDA, with respect to its interests, (ii) it shall not be cancelled or materially amended, without thirty (30) days prior written notice to the UCEDA (except in the case of cancellation for non-payment of premium, which requires fifteen (15) days prior written notice), directed to the UCEDA, and (iii) the UCEDA shall have the option to pay any necessary premiums to keep such insurance in effect, and charge the cost back to the Firm.

To the extent it is commercially available, each policy of insurance shall be provided on an "occurrence" basis. If any insurance is not so commercially available on an "occurrence" basis, it shall be provided on a "claims made" basis, and all such "claims made" policies shall provide that:

- A. Policy retroactive dates coincide with or precede the Firm's start of the performance of Services (including subsequent policies purchased as renewals or replacements); and
- B. The Firm shall maintain similar insurance for a minimum of three (3) years following final acceptance of the Services; and
- C. If the insurance is terminated for any reason, the Firm agrees to purchase for the UCEDA, an unlimited, extended reporting provision to report claims arising from the Services performed under this Agreement; and
- D. Immediate notice shall be given to the UCEDA of circumstances or incidents that might give rise to future claims with respect to the Services performed under this Agreement.

ARTICLE 17 - INDEMNIFICATION

The Firm agrees to defend, indemnify and hold harmless the UCEDA, including its officials, employees and agents, against all claims, losses, damages, liabilities, costs or expenses (including without limitation, reasonable attorney fees and costs of litigation and/or settlement), whether incurred as a result of a claim by a third party or any other person or entity, arising out of the Services performed by the Firm, its employees, representatives, subcontractors, assignees, or agents pursuant to this Agreement, which the UCEDA, or its officials, employees, or agents may suffer by reason of any negligence, fault, act, or omission of the Firm, its employees, representatives, subcontractors, assignees, or agents. The Firm agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demands, or suits at its sole expense, and agrees to bear all other costs and expenses related thereto, even if such claims, demands, or suits are groundless, false, or fraudulent.

UCEDA will defend at its expense, and indemnify the Firm with respect to any claims, actions, or proceedings arising out of representations, information, or materials supplied by UCEDA to the Firm, and approved by UCEDA for inclusion relative to the Services provided by the Firm, pursuant to this Agreement.

ARTICLE 18 - RESPONSIBILITY TO CORRECT DEFICIENCIES

It shall be the Firm's responsibility to correct, in a timely fashion and at the Firm's sole expense, any deficiencies in its Services resulting from the Firm's failure to act in accordance with the standards set forth in Article 7 (Performance) and Schedule A, provided such deficiencies are reported to the Firm within one hundred twenty (120) days after completion and final acceptance of the Services. If the Firm fails to correct such deficiencies in a timely and proper manner, the UCEDA may elect to have others perform such corrections, and the UCEDA may charge any related cost of such corrections to the Firm and/or set-off such amount against any sums otherwise due to the Firm. These remedies, if effected, shall not constitute the sole or exclusive remedies afforded to the UCEDA for such deficiencies, nor shall they constitute a waiver of the UCEDA's right to claim damages or otherwise refuse payment, or to take any other action provided for by law, in equity, or pursuant to this Agreement.

ARTICLE 19 – FORCE MAJEURE

Neither Party hereto will be considered in default in the performance of its obligations hereunder, to the extent that performance of any such obligation is prevented and/or delayed by any cause, existing or future, beyond the control of such Party, and which by that Party's exercise of due diligence and foresight could not reasonably have been avoided ("Impacted Party") including, without limitation, the following force majeure events ("Force Majeure Events"): (a) acts of God; (b) flood, fire, earthquake, other potential disaster(s) or catastrophe(s), such as epidemics or pandemics, or explosion; (c) war, invasion, hostilities (whether war is declared or not); (d) national or regional emergencies; and (c) other similar events beyond the reasonable control of the Impacted Party.

The Impacted Party shall give written notice within thirty (30) days of the Force Majeure Event to the other Party and the Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized.

Upon removal of such cause, the Impacted Party affected shall resume its performance as soon as reasonably possible. The Firm's financial inability to perform will not be deemed to be a Force Majeure Event regardless of the source causing such financial inability. If the Firm is so delayed in the timely performance of the Services, the Firm's sole and exclusive remedy is to request that a Change Order, Amendment, or Addendum to this Agreement be issued by the UCEDA and signed by the President of the UCEDA, permitting an extension of time to perform the Services in an amount equal to the time lost due to such delay. Such request shall be based upon written notice only, stating the specific nature of the claim, delivered to the President of the UCEDA promptly, but not later than thirty (30) days after the initial occurrence of the event giving rise to such claim. An extension of time to perform the Services may only be granted by a written Change Order, Amendment, or Addendum to this Agreement, signed by the President of the UCEDA. In no event will the UCEDA be liable to the Firm or to its subcontractors, agents, assignees, or any other person or entity for damages arising out of, or resulting from, any such delays.

ARTICLE 20 - TERMINATION

The Agreement may be terminated by either Party upon thirty (30) days written notice to the other Party. Upon termination, the Firm will turn over all files, lists, or other work product requested by the UCEDA, provided that all Services performed by the Firm have been invoiced and said invoices have been paid in full.

ARTICLE 21 - NO ARBITRATION

Any and all disputes involving this Agreement, including the breach or alleged breach thereof, may not be submitted to arbitration unless specifically agreed to in writing by the Board of Directors after consultation with the UCEDA's counsel, but must instead only be heard in the Supreme Court of the State of New York, with venue in Ulster County, or if appropriate, in the Federal District Court, with venue in the Northern District of New York, Albany Division.

ARTICLE 22 - GOVERNING LAW

This Agreement shall be governed by the laws of the State of New York, except where the Federal Supremacy Clause requires otherwise. The Firm shall render all Services under this Agreement in accordance with applicable provisions of all Federal, State, and local laws, rules and regulations as are in effect at the time such Services are rendered.

ARTICLE 23 - WAIVER AND SEVERABILITY

The failure of either Party to enforce at any time, any provision of this Agreement, does not constitute a waiver of such provision in any way or waive the right of either Party at any time to avail itself of such remedies as it may have for any breach or breaches of such provision. None of the conditions of this Agreement shall be considered waived by the UCEDA unless such waiver is explicitly given in writing by the President of the UCEDA. No such waiver shall be a waiver of any past or future default, breach, or modification of any of the terms or conditions of this Agreement, unless expressly stipulated in such waiver as executed by the President of the UCEDA.

The invalidity or invalid application of any provision of this Agreement shall not affect the validity of any other provision, or the application of any other provision of this Agreement.

ARTICLE 24 - GENERAL RELEASE

Acceptance by the Firm or its assignees, of the final payment under this Agreement, whether by voucher, judgment of any court of competent jurisdiction, administrative or other means, shall constitute and operate as a general release to the UCEDA from any and all claims of the Firm arising out of the performance of this Agreement.

ARTICLE 25 – INTENTIONALLY LEFT BLANK

ARTICLE 26 - NO CLAIM AGAINST OFFICERS, AGENTS OR EMPLOYEES

No claim whatsoever shall be made by the Firm against any officer, agent, or employee of the UCEDA, for or on account of any act or omission in connection with this Agreement.

ARTICLE 27 - ENTIRE AGREEMENT

The rights and obligations of the Parties and their respective agents, successors and assignees shall be subject to and governed by this Agreement, including Schedules A, B, and C, which supersedes any other understandings or writings between or among the Parties to this Agreement.

ARTICLE 28 - SURVIVING OBLIGATIONS

The Firm's obligations, and those of the Firm's employees, representatives, agents, subcontractors, successors and assignees, assumed pursuant to Article 7 (Performance), Article 8 (Confidentiality), Article 9 (Ownership of Confidential Information), Article 10 (Intellectual Property), Article 11 (Publicity), Article 13 (Retention of Records), Article 17 (Indemnification), and Article 18 (Responsibility to Correct Deficiencies), shall survive completion of the Services and/or the expiration or termination of this Agreement.

ARTICLE 29 - NOTICES

Except as expressly provided otherwise in this Agreement, all notices given to any of the Parties pursuant to or in connection with this Agreement shall be in writing, shall be delivered by hand, by certified or registered mail, return receipt requested, or by Federal Express, Express Mail, or other nationally recognized overnight carrier. Except where otherwise specifically defined within this Agreement, notices shall be effective when received. Notice addresses are as follows:

Firm:
HILCO REAL ESTATE APPRAISAL, LLC
Attn: Chris L. Harland, MAI
77 Miller Road, Suite 202
Castleton, New York 12033

UCEDA:
ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC.
Attn: Board Chair, Sarah Haley
244 Fair Street
Kingston, New York 12401

Any communication or notice regarding indemnification, termination, litigation or proposed changes to the terms and conditions of this Agreement shall be deemed to have been duly made upon receipt by the Parties at the addresses set forth herein, or such other addresses as may have been specified in writing by one Party to the other Party.

Either Party may, by written notice to the other Party given in accordance with the foregoing, change its address for notices.

ARTICLE 30 - MODIFICATION

No changes, amendments, or modifications of any of the terms and/or conditions of this Agreement shall be valid unless reduced to writing and signed by the Parties to this Agreement. Changes to Schedule A, the Scope of Services, in this Agreement shall not be binding, and no payment shall be due in connection therewith, unless prior to the performance of

any such Services, the President of the UCEDA, executes an Addendum, Amendment or Change Order to this Agreement. The aforesaid Addendum, Amendment or Change Order shall specifically set forth the scope of such extra or additional services, the amount of compensation, and the extension of time for performance, if any, for any such extra or additional services. Unless otherwise specifically provided for therein, the provisions of this Agreement shall apply with full force and effect to the terms and conditions contained in such Addendum, Amendment or Change Order.

ARTICLE 31 - HEADINGS AND DEFINED TERMS

The Article headings used in this Agreement are for reference and convenience only, and shall not in any way limit or amplify the terms, conditions, and provisions hereof. All capitalized terms, acronyms, and/or abbreviations shall have the meanings ascribed to them by this Agreement.

ARTICLE 32 – COUNTERPARTS

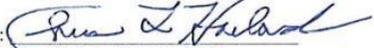
The Parties may execute this Agreement in counterparts, each of which shall be deemed an original, and all of which taken together constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile, email in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document has the same effect as delivery of an executed original of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to enter into this Agreement as of the dates set forth below, effective as of the beginning date set forth in Article 2 above.

ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC.

By: _____
NAME: Sarah Haley
TITLE: Board Chair
DATE: _____

HILCO REAL ESTATE APPRAISAL, LLC

By: 
NAME: Chris L. Harland, MAI
TITLE: *Managing Director - Northeast Region*
DATE: *1/4/22*

SCHEDULE A
SCOPE OF SERVICES

1. The Firm shall prepare and furnish to the UCEDA a written real estate appraisal and related services, pertaining to certain properties located in the Town of Ulster, County of Ulster and State of New York identified as SBL Nos. 48.7-1-29.110, 48.7-1-29.120, 48.7-1-29.130, 48.7-1-29.140, 48.7-1-29.150, 48.7-1-29.160, 48.7-1-29.170, 48.7-1-29.240, 48.7-1-29.250, 48.7-1-29.260, 48.7-1-29.270, 48.7-1-29.300, 48.7-1-29.400, 48.7-1-29.500, 48.7-1-29.700, 48.7-1-29.800, 48.7-1-29.900 (collectively referred to herein as the "Premises").
2. The Firm shall determine the market value of the Premises with supporting information and documentation as required to establish said value as fair and reasonable.
3. The Firm shall prepare the appraisal in conformance with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation, and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
4. The appraisal must contain the following:
 - a. An adequate description of the physical characteristics of the property being appraised, including items identified as personal property; a statement of the known and observed encumbrances, if any; title information; location; zoning; present use; an analysis of highest and best use; and at least a 5-year sales history of the property.
 - b. All relevant and reliable approaches to value consistent with established appraisal practice.
 - c. A description of comparable sales, including a description of all relevant physical, legal, and economic factors.
 - d. The effective date of the valuation, date of appraisal, signature, and certification of the appraiser.
5. The Firm shall provide the appraisal of the Premises in writing no later than four (4) weeks after the Effective Date and shall include all valuation data along with the appraiser's analysis of that data.
6. The Firm shall provide any up-dates or supplemental valuations of the Premises as required by the UCEDA.
7. If the services of the Firm are required on behalf of the UCEDA for any litigation involving said appraisal, such services are not included in the fee herein, but shall instead be negotiated separately.

SCHEDULE B
FEES, EXPENSES, AND SUBMISSIONS FOR PAYMENT

1. The Firm's fee for Services is a not-to-exceed fee of SEVENTEEN THOUSAND FIVE HUNDRED AND 00/100 (\$17,500.00) DOLLARS for the Term of this Agreement.
2. The Firm shall invoice the UCEDA one time for the services requested.
3. The Firm's invoice must contain, or have attached, sufficient supporting detail, as reasonably required by the UCEDA, to verify the claim.
4. In no event shall claims be submitted in advance or accrued prior to expenditure or services being rendered.
5. The UCEDA will remit payment to the Firm within sixty (60) days of approval of the invoice by the UCEDA's Chief Financial Officer.
6. Notwithstanding any other term or provision of this Agreement, including this Schedule B, Firm's invoice, together with all documentation required, must be promptly and timely submitted. The UCEDA reserves the right to reject payment of any invoice that is submitted more than one hundred twenty (120) days after the required submission date set forth above, regardless of whether the service, work, or delivery was rendered.
7. The Firm agrees to meet any additional invoicing requirements that the UCEDA may from time to time require, with reasonable notice to the Firm.

(Rev 6.01.19)

PLEASE BRING THESE INSURANCE REQUIREMENTS TO YOUR INSURANCE AGENT TO ENSURE PROPER COVERAGE AND LIMITS ARE IN PLACE. FAILURE TO PROVIDE CERTIFICATE(S) OF INSURANCE EVIDENCING REQUIREMENTS BELOW, SHALL DELAY CONTRACT EXECUTION.

SCHEDULE C
UCEDA CONTRACT INSURANCE REQUIREMENTS

I. CONDITIONS OF INSURANCE

Unless otherwise authorized by the UCEDA Board of Directors, strict adherence to this schedule is required. Any deviation without prior authorization from the UCEDA Board of Directors will result in a delay in the finalization of this Agreement.

The Firm shall submit copies of any or all required insurance policies as and when requested by the UCEDA.

II. CERTIFICATES OF INSURANCE

The Firm shall file with UCEDA, prior to commencing work under this Agreement, all proper Certificates of Insurance.

The Certificates of Insurance shall include:

- a. Name and address of Insured
- b. Issue date of certificate
- c. Insurance company name
- d. Type of coverage in effect
- e. Policy number
- f. Inception and expiration dates of policies included on the certificate
- g. Limits of liability for all policies included on the certificate
- h. "Certificate Holder" shall be the Ulster County Economic Development Alliance, Inc., P.O. Box 1800, Kingston, New York 12402-1800.

If the Firm's insurance policies should be non-renewed or canceled, or should expire during the life of this Agreement, the UCEDA shall be provided with a new certificate indicating the replacement policy information as requested above. The UCEDA requires thirty (30) days prior written notice of cancellation [fifteen (15) days for non-payment of premium] from the Insurer, its agents or representatives.

III. WORKERS' COMPENSATION AND DISABILITY INSURANCE

The Firm shall take out and maintain during the life of this Agreement, Workers' Compensation (WC) Insurance and Disability Benefits (DB) Insurance, for all of its employees employed at the site of the project, and shall provide Certificates of Insurance evidencing this coverage to the UCEDA.

If the Firm is not required to carry such insurance, the Firm must submit form CE-200 attesting to the fact that it is exempt from providing WC and/or DB Insurance coverage for all of its employees.

The manner of proof related to WC and DB Insurance is controlled by New York State Laws, Rules and Regulations. "ACORD" forms are not acceptable proof of WC and/or DB Insurance.

IV. WORKERS' COMPENSATION REQUIREMENTS

To assist the State of New York and municipal entities in enforcing WCL Section 57, a business entity (the Firm) seeking to enter into a contract with a municipality (the UCEDA) must provide one of the following forms to the municipal entity it is entering into a contract with. The Firm should contact its insurance agent to obtain acceptable proof of WC coverage:

- Form C-105.2 – “Certificate of NYS Workers’ Compensation Insurance” or
- Form U-26.3 – “Certificate of Workers’ Compensation Insurance” issued by the New York State Insurance Fund or
- Form SI-12 – “Affidavit Certifying that Compensation has Been Secured” issued by the Self-Insurance Office of the Workers’ Compensation Board if the Firm is self-insured or
- Form GSI-105.2 – “Certificate of Participation in Workers’ Compensation Group Self-Insurance” issued by the Self-Insurance administrator of the group or
- Form GSI-12 – “Certificate of Group Workers’ Compensation Group Self-Insurance” issued by the Self-Insurance Office of the Workers’ Compensation Board if the Firm is self-insured.

If the Firm is not required to carry WC coverage, it must submit Form CE-200, “Certificate of Attestation of Exemption” from New York State Workers’ Compensation and/or Disability Benefits Insurance Coverage. This form and the instructions for completing it are available at <http://www.wcb.ny.gov>

V. DISABILITY BENEFITS REQUIREMENTS

To assist the State of New York and municipal entities in enforcing WCL Section 220(8), a business entity (the Firm) seeking to enter into a contract with a municipality (the UCEDA) must provide one of the following forms to the municipal entity it is entering into a contract with. The Firm should contact its insurance agent to obtain acceptable proof of DB Insurance Coverage:

- Form DB-120.1 – “Certificate of Insurance Coverage Under the NYS Disability Benefits Law” or
- Form DB-155 – “Compliance with Disability Benefits Law” issued by the Self-Insurance Office of the Workers’ Compensation Board if the Firm is self-insured.

If the Firm is not required to carry DB Insurance coverage, it must submit Form CE-200, “Certificate of Attestation of Exemption” from New York State Workers’ Compensation and/or Disability Benefits Insurance Coverage. This form and the instructions for completing it are available at <http://www.wcb.ny.gov>.

VI. COMMERCIAL GENERAL LIABILITY INSURANCE

The Firm shall take out and maintain during the life of this Agreement, such bodily injury liability and property damage liability insurance as shall protect it and the UCEDA from claims for damages for bodily injury including accidental death, as well as from claims for property damage that may arise from operations under this Agreement, whether such operations be by the Firm, by any subcontractor, or by anyone directly or indirectly employed by either of them.

It shall be the responsibility of the Firm to maintain such insurance in amounts sufficient to fully protect itself and the UCEDA, but in no instance shall amounts be less than the minimum acceptable levels of coverage set forth below:

- Bodily Injury Liability and Property Damage Liability Insurance in an amount not less than **TWO MILLION AND 00/100 (\$2,000,000.00) DOLLARS** for each occurrence, and in an amount not less than **FOUR MILLION AND 00/100 (\$4,000,000.00) DOLLARS** general aggregate.

Other Conditions of Commercial General Liability Insurance:

- a. Coverage shall be written on Commercial General Liability form.
- b. Coverage shall include:
 1. Contractual Liability
 2. Independent Contractors
 3. Products and Completed Operations
- c. “Additional Insured” status shall be granted to “Ulster County Economic Development Alliance, Inc., P.O. Box 1800, Kingston, New York, 12402-1800”, shown on the Commercial General Liability policy, further stating that this insurance shall be primary and non-contributory with any other valid and collectable insurance.

VII. AUTOMOBILE LIABILITY INSURANCE

Automobile Bodily Injury Liability and Property Damage Liability Insurance shall be provided by the Firm, with a minimum Combined Single Limit (CSL) of **ONE MILLION AND 00/100 (\$1,000,000.00) DOLLARS**.

Coverage shall include:

- a. All owned vehicles
- b. Hired car and non-ownership liability coverage
- c. Statutory No-Fault coverage

Addendum B
NYSDEC Statement of Basis

Statement of Basis

IBM-Kingston
Town of Ulster, Ulster County
EPA ID No. NYD001359694
Site No. 356002
Statement of Basis
February 2013



Prepared by
Division of Environmental Remediation
New York State Department of Environmental Conservation

STATEMENT OF BASIS

IBM-Kingston
Town of Ulster, Ulster County
EPA ID No. NYD 001359694
Site No. 356002
February 2013

SECTION 1: SUMMARY AND PURPOSE OF THE STATEMENT OF BASIS

This Statement of Basis (SB) has been developed by the New York State Department of Environmental Conservation (the Department) in consultation with the New York State Department of Health (NYSDOH) under the authority of the Solid Waste Disposal Act, as amended, and more commonly referred to as the Resource Conservation and Recovery Act (RCRA), and the authority of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The SB provides background information on the facility, including a summary of investigative findings pertinent to the potential source areas. When available, both soil and groundwater results are summarized and a rationale to support the closure of each SWMU is provided. Various remedial actions proposed throughout the site include No Action, No Further Action, groundwater monitoring, and vapor intrusion evaluation. In accordance with the Order on Consent, environmental easements (EEs) and an Interim Site Management Plan (ISMP) are proposed for all portions of the site.

The purpose of this Statement of Basis (SB) is to inform and provide the public an opportunity to review and comment on the closure of twelve Solid Waste Management Units (SWMUs) and three Areas of Concern (AOCs) at the IBM Kingston site in the Town of Ulster, New York. The releases of hazardous waste or hazardous constituents from regulated units, solid waste management units, and other sources or areas at the facility were addressed by actions known as interim corrective measures (ICMs). An ICM is used whenever possible to achieve the initial goals of controlling the migration of contaminated groundwater and controlling current human and ecological exposure to contaminated media and can be effectively addressed before completion of the RCRA Facility Investigation (RFI) or Corrective Measure Study (CMS).

This SB describes closure conditions identified by various site investigations from the late 1970s to 2012. IBM has conducted these Corrective Action activities with the oversight of the Department from 1988-2011 under a 6 NYCRR Part 373 permit and from July 2011 to present under an Order on Consent.

The Department has issued this document in accordance with the requirements of New York State Environmental Conservation Law and Title 6 of the Official Compilation of

Codes, Rules and Regulations of the State of New York; (6 NYCRR) Part 373 and, where applicable, Part 375 Regulations. This document is a summary of the information that can be found in the site-related reports, the current Order on Consent and documents in the document repository identified below.

The Department welcomes public comment on this SB. Public comments can influence the Department's final approval for a remedial action. If new substantive information and information is presented to the Department through public comments, the Department may integrate these comments and so modify the final decision. Therefore, the public is encouraged to review and provide comments on this SB.

SECTION 2: CITIZEN PARTICIPATION

The Department encourages input from the community on the proposed remedial actions. The Department has set a public comment period from February 28, 2013 to March 29, 2013 to solicit public participation in the remedy selection process.

The administrative record is available at the following locations:

Town of Ulster Public Library
860 Ulster Avenue
Kingston, NY 12401
Phone: 845-338-7881
Fax: 845-338-7884
Email: ulsterdirector@hvc.rr.com

Web site: <http://townofulsterlibrary.org/>

Monday, Wednesday, and Friday 10:00 am -5:00 pm
Tuesday and Thursday 12:00 pm - 8:00 pm
Saturday 10:00am - 3:00 pm

New York State Department of Environmental Conservation
Division of Environmental Remediation
625 Broadway
Albany, NY 12233-7014

Comments will be summarized and responses provided in the "Response to Comments" document. The Response to Comments will be drafted at the conclusion of the public comment period and incorporated into the administrative record. To send written comments or obtain further information, contact:

Wayne Mizerak, Project Manager
New York State Department of Environmental Conservation
Division of Environmental Remediation
625 Broadway

Albany, NY 12233-7014
wjmizera@gw.dec.state.ny.us

Receive Site Citizen Participation Information by e-mail

Please note that the Department's Division of Environmental Remediation (DER) is "going paperless" relative to citizen participation information. The ultimate goal is to distribute citizen participation information about contaminated sites electronically by way of county email listservs. Information will be distributed for all sites that are being investigated and cleaned up in a particular county under the State Superfund Program, Environmental Restoration Program, Brownfield Cleanup Program, Voluntary Cleanup Program, and Resource Conservation and Recovery Act Program. We encourage the public to sign up for one or more county listservs at <http://www.dec.ny.gov/chemical/61092.html>

SECTION 3: SITE DESCRIPTION AND HISTORY

Location: The site is located approximately four miles north of the city of Kingston in the Town of Ulster, Ulster County. The site is bounded to the east by retail properties along John M. Clark Drive; to the north by Old Neighborhood Road, to the northwest and southwest by Esopus Creek, to the west by a residential private property, and to the south by residential private properties, a commercial development and Boices Lane. A stand-alone parcel (OU-8) also exists (0.886 acre) between Old Neighborhood Road and U. S. Route 209.

Site Features: The site is located within a 258-acre property owned by Tech City, Inc. The majority of the site is relatively flat, consisting of several buildings and several asphalt parking areas. Constitution Drive runs north-south through the approximate center of the property and along the western boundary of the site. A 60-inch storm water drain cuts along the northern portion of the site and a 42-inch storm water drain cuts along the southern portion of the site. Many of the buildings are vacant. Others are occupied by commercial tenants. The Class 4 site consists of Operable Units 3, 3a, and 5, with a total acreage of 66.3 acres. The 258-acre property is the subject of an Order on Consent to define RCRA Corrective Action and inactive hazardous waste program requirements, where necessary. A Class 4 site is an inactive hazardous waste disposal site that has been properly closed but requires continued site management consisting of operation, maintenance, and monitoring.

Current Zoning/Uses: The site is zoned as the Tech City Redevelopment Overlay District which was implemented by the Town of Ulster to facilitate the redevelopment of Tech City. This specialized zoning precludes certain uses such as heavy industrial. A wide range of businesses operate at the site: general office space, data processing, data warehousing, research and development, light-industry, manufacturing, call centers, internet and e-commerce businesses, and distribution center operations.

Historical Uses: Prior to 1953, the site was used as a farm, including a hanger to house a

plane for crop dusting. After purchases of property by IBM in 1953 and 1980, various uses of the site included a powerhouse building, a sewage disposal facility, warehouse facilities, a salt barn, and temporary storage of hazardous waste. Manufacturing activities included computer and display manufacturing, computer programming, engineering laboratory, communications systems, mainframe computer components, software development, metal plating, electronic card etching, and paint shops. Starting in 1991, IBM began to transfer various activities to other facilities and in 1994, announced its intention to move all remaining personnel and operations and close the facility. In 1989, the site was bought by Tech City, the current owner.

Site Geology and Hydrogeology: Throughout the site, a surficial sand unit overlays a varved clay layer. At various locations throughout the site, a transition zone of intermediate permeability exists between the surficial sand and the varved clay layers. The depth to bedrock varies from a few feet within the vicinity of Constitution Drive to over a hundred feet in the east campus area. The thickness of the sand unit varies from a few feet to approximately 35 feet. The varved clay layer acts as an aquitard and is contiguous throughout the site. The sand unit aquifer and the transition zone have permeabilities which allow those aquifers to be routes of migration for groundwater contamination. The transition zone is not contiguous throughout the site and only has localized impact. In general, overburden groundwater flows towards Esopus Creek.

3.1: Solid Waste Management Units and Areas of Concern

The site is divided into ten operable units (OUs). An OU is an administrative term used to identify a portion of a site that can be addressed by a distinct investigation and/or cleanup approach. See Figure 2 for the boundaries of each operable unit. Seven operable units are referenced in this SB. Three operable units (OUs 2, 4a, and 8) have no areas proposed for closure at this time and are not further referenced in this SB.

A "Solid Waste Management Unit (SWMU)" includes any discernible unit at which solid wastes have been placed at any time, irrespective of whether the unit was intended for the management of hazardous or solid wastes. Such units include any area at the facility at which solid wastes have been routinely and systematically released. These units include certain areas associated with production processes which have potentially become contaminated as a result of routine and systematic releases. See Table 1 for a list of all SWMUs for this site and Figure 1 for the location of each SWMU. Sixteen SWMUs were closed, with public comment, under the October 10, 1996 RCRA Permit No. NYD001359694 (Table 2). No further public comments will be accepted for these SWMUs. Public comment is requested for the 12 of the remaining 16 SWMUs and for the 3 Areas of Concern (AOCs).

An Area of Concern (AOC) is a term used in conjunction with facility-wide corrective action at hazardous waste management facilities. Any area at a facility having a probable release of a hazardous waste or hazardous constituent which may or may not be from a solid waste management unit (SWMU) and is determined by the Department of Environmental Quality to pose a current or potential threat to human health or the

environment. AOCs include areas that have been contaminated by routine and systematic releases of hazardous waste or hazardous constituents, excluding one-time accidental spills that are immediately remediated and cannot be linked to solid waste management activities. AOCs are considered equivalent to SWMUs for the purposes of facility-wide corrective action.

SECTION 4: LAND USE AND PHYSICAL SETTING

The Department may consider the current, intended, and reasonably anticipated future land use of the site and its surroundings when evaluating a remedy for soil remediation. Current use of the land is for mixed industrial and commercial purposes. Under proposed redevelopment plans portions of the site may also be used for restricted residential uses.

SECTION 5: SITE RESPONSIBILITY AND LEGAL INSTRUMENT

The IBM Kingston facility was operated in accordance with a 6NYCRR Part 373 Hazardous Waste Management Permit until 2011. This permit addressed: (1) the storage and management of hazardous waste in containers; (2) the operation and maintenance of the Interim Corrective Measures (ICMs) for contaminated groundwater; (3) the monitoring and maintenance of the groundwater monitoring network used to assess the performance of the interim corrective measures; and (4) financial assurance for closure and corrective action.

In July of 2011 an Order on Consent, which incorporated the requirements of the Part 373 permit, was executed. The Order on Consent addresses: (1) closure requirements for all open Solid Waste Management Units and Areas of Concern; (2) the operation and maintenance of the Interim Corrective Measures (ICMs) for contaminated groundwater; (3) the monitoring and maintenance of the groundwater monitoring network used to assess the performance of the interim corrective measures; (4) requirements for implementation of Institutional and Engineering Controls; and (5) requirements for development and implementation of a Site Management Plan.

SECTION 6: SITE CONTAMINATION

6.1: Summary of the RCRA Facility Investigation

A RCRA Facility Investigation (RFI) has been conducted. The purpose of the RFI was to define the nature and extent of any contamination resulting from previous activities at the site. The field activities and findings of the investigation are described in the RFI Reports.

The following general activities are conducted during an RFI:

- Research of historical information,
- Geophysical survey to determine the lateral extent of wastes,

- Test pits, soil borings, and monitoring well installations,
- Sampling of waste, surface and subsurface soils, groundwater, and soil vapor,
- Sampling of surface water and sediment,
- Ecological and Human Health Exposure Assessments.

The analytical data collected on this site includes data for:

- groundwater
- soil
- soil vapor/indoor air

6.1.1: Standards, Criteria, and Guidance (SCGs)

The remedy must conform to promulgated standards and criteria that are directly applicable or that are relevant and appropriate. The selection of a remedy must also take into consideration guidance, as appropriate. Standards, Criteria and Guidance are hereafter called SCGs.

To determine whether the contaminants identified in various media are present at levels of concern, the data from the RFI were compared to media-specific SCGs. The Department has developed SCGs for groundwater, surface water, sediments, and soil. The NYSDOH has developed SCGs for drinking water and soil vapor intrusion. The tables found in Exhibit A list the applicable SCGs in the footnotes. For a full listing of all SCGs see: <http://www.dec.ny.gov/regulations/61794.html>

6.1.2: RFI Results

In a number of the SWMUs, tanks and associated, visually contaminated soils were removed and properly disposed. As a general rule, information regarding the level of contaminants which may have been present before removal is not available. After removal, soil samples at all AOCs and all but one of the SWMUs indicate that no residual soil contamination above unrestricted SCGs remains. Residually contaminated soil, above unrestricted SCGs, remains at SWMU AA.

In SWMU AA, five semi-volatile organic compounds (SVOCs) were detected above SCGs for commercial use in subsurface soil: benzo(a)pyrene (1,200 ppb, SCG 61ppb), benz(a)anthracene (1,300 ppb, SCG 224 ppb), benzo(b)fluoranthene, (1,500 ppb, SCG 1,100 ppb), chrysene (1,200 ppb, SCG 1,200 ppb) and dibenzo(a,h)anthracene (200 ppb, SCG 14 ppb). Four chlorinated solvents were detected at levels slightly above SCGs in groundwater: 1,1,1-trichloroethane (8.4 ppb, SCG 5 ppb), 1,1-dichloroethane (9.3 ppb, SCG 5 ppb), trichloroethene (31 ppb, SCG 5 ppb), and total 1,2-dichloroethene (17 ppb, SCG 5 ppb).

There is no reason to suspect that any of these SWMUs are an ongoing source of groundwater contamination at this site. The site monitoring program indicates that the ongoing pumping and treatment of the groundwater continue to effectively control groundwater contamination.

6.2: Interim Corrective Measures

Investigations and monitoring have been ongoing since 1978 to characterize groundwater flow and quality beneath this site. Results of these investigations in the early 1980s indicated that groundwater containing dissolved chemicals might be flowing off the IBM Kingston site to the north and northwest from an area known as the North Parking Lot Area (NPLA). In mid-1985, IBM Kingston installed and began operating a Groundwater Collection System (GWCS) in OU-3a, consisting of a set of groundwater cutoff trenches parallel to Enterprise Drive and Old Neighborhood Road. From December 1986 through the end of June 1994, water recovered from these trenches was passed through the on-site Industrial Waste Treatment Facility (IWTF) for removal of volatile organic compounds using counter-current air stripping towers. During early 1994, upgrades to the GWCS included the installation of new pumps in the associated trench manholes, the construction of a new treatment building and the installation of tray aerator units. On July 8, 1994, these units were put on line and any groundwater collected by the GWCS was conveyed to the treatment building, treated by aeration and discharged to the sanitary sewer. Additionally, the northwest leg of the GWCS was extended approximately 240 feet with three additional trench manholes and one additional pump station installed. The trench extension project was completed in May 1995. Also in 1995, a clay berm was installed to the top of bedrock (varies from 5 to 16 feet deep) within the vicinity of where the industrial and sanitary sewer lines passed through the western border of the East Campus. The purpose of the clay berm was to prevent migration of groundwater contamination along the bedding planes of the industrial waste, storm water, and sanitary sewer lines. On July 10, 1996, the discharge from the aerators was connected to the storm sewer system under a State Pollutant Discharge Elimination System (SPDES) permit.

In April 1987, an additional groundwater extraction operation began at well MW-504S at the southern end of Building 005 (B005) in OU-3. Initially, the extracted groundwater was run through the IWTF. In July 1994, this groundwater extraction point was upgraded to its own dual-tray aerator unit and the treated water was discharged to the sanitary sewer. In 2007, this system was turned off because the building was vacant and unheated and the system was freezing and became inoperable. A significant decrease in localized groundwater contaminant concentrations at MW-504S was achieved and has been maintained since the shutdown of this system.

6.3: Summary of Environmental Assessment

Nature and Extent of contamination: Groundwater is contaminated within the main production area, primarily by volatile organic compounds (VOCs), including chlorinated solvents, their degradation products, and Freon. Investigations dating back to the late

1970s found contravention of groundwater standards. Initially, Freon was a groundwater contaminant that exceeded groundwater SCGs, but has not been detected in the groundwater for several years. To date, two potential source areas in OU-3 (see Appendix A) have yet to be fully characterized because of their inaccessibility.

A localized source of bedrock groundwater contamination is present within the vicinity of Building 202 (located in OU-1) where hydraulic fluid containing polychlorinated biphenyls (PCBs) leaked into the bedrock from an elevator shaft.

A small quantity of waste was stabilized and left in place during closure of the surface impoundment identified as the Industrial Waste Sludge Lagoon (IWSL) (OU-5). Some VOC groundwater contamination has been identified in the adjacent Wastewater Treatment Area; however, this contamination is up gradient of the impoundment and appears to have come from the main campus plume (located in OU-3 and OU-3a) to the east. No significant groundwater contamination is associated with the IWSL.

Vapor intrusion investigations and evaluations for all occupied buildings at this site have been completed. The conclusions and recommended actions are presented in Section 7.

6.4: Summary of Human Exposure Pathways

The intent of the RCRA Corrective Action program is to reduce or eliminate the potential exposure of site contamination to people and the environment. The level of potential exposure reduction to be achieved at any given site should address the protection of human and environmental receptors that currently exist or may exist in the future.

Groundwater at this site is not used for drinking water. Municipal water serves the local residents and the businesses on site. All groundwater contamination is on site. There is a potential for exposure to site-related contaminants through dermal contact with contaminated groundwater by workers installing footings for new-building construction or installing/repairing utilities within the confines of or in close proximity to the areal extent of the groundwater plume. Exposures to workers by vapors potentially released during these invasive activities and exposure to workers or building occupants by vapor intrusion into occupied buildings are also potential threats. Throughout the site, with the exception of OU-4, invasive activities below 1 foot have the potential to result in dermal contact with contaminated soils and in inhalation of contaminated soil particles by the workers. In OU-4, invasive activities below 2 feet have the potential to result in dermal contact with contaminated soil and in inhalation of contaminated soil particles by workers. The site management plan will specify air monitoring protocols and working procedures for all invasive activities to insure the workers and the community are protected.

The groundwater pump and treat system has proven to be effective at reducing and containing the contaminant plume. This system has reduced the potential for human exposure by preventing the contaminated groundwater from flowing off-site.

Some impacted soils have been excavated and removed from the site during or prior to the investigations of the SWMUs. These areas were then backfilled and covered with clean soil, however, some residual contamination may remain. At two locations (SWMU –S and –T in Appendix A), IBM has identified contaminated subsurface soils that require removal, but has not developed a remedial alternatives report. A third potential source area (SWMU M in Appendix A) requires investigation. To date, this third area has been inaccessible. Accessibility is expected by the summer of 2013. The SWMUs noted in Appendix A are not part of this SB, but will be addressed in a future SB.

Since mid-1985, IBM has treated contaminated groundwater to levels that comply with groundwater standards. All discharges associated with the treatment of contaminated groundwater are effectively controlled and do not present any risk to human health or the environment.

Investigations in January and March of 2012 and in March 2009 evaluated the potential for soil vapor intrusion. The investigations included sampling of indoor air, outdoor air, and sub-slab soil vapor. Based upon these investigations the following buildings have no vapor intrusion impacts that require either mitigation or continued monitoring: B005N, B023, B042, B043, B052, B064, B201, B202, and B203. The following buildings require continued monitoring for at least three years: B021, B022, and B024. Buildings B001, B002, B003, B004, and B025 are unoccupied and require a vapor-intrusion assessment before occupancy. Based on historical use and the findings of the investigations at this site, Buildings B031, B032, B033, B051 do not have contamination below them or in close proximity. Therefore, these buildings do not require an investigation for vapor intrusion impacts.

6.5: Summary of Remedial Objectives

Cleanup goals have been established for the surface soil, subsurface soil, and groundwater beneath the site. The goals of these remedial actions are to: (1) ensure surface and subsurface soils meet the SCOs for the intended end use of either: (a) restricted residential use, or (2) commercial use, for the corresponding portions of the site identified in the Order on Consent; (2) restore the groundwater at the site to New York State Groundwater Quality Standards.

SECTION 7: SUMMARY OF PROPOSED REMEDY

7.1: Summary of Proposed Remedy

This section describes the environmental conditions and recommended remedial actions for 12 SWMUs and 3 AOCs for which remedial actions were not documented in the 1996 permit. For each of these SWMUs and AOCs, the Department recommends continued site management and placement of Environmental Easements (EE) for the operable units and parcels in which they are located. The ISMP and OU-specific EEs will include provisions for vapor intrusion evaluations and mitigation, specifications for groundwater monitoring and use restrictions, and procedures for invasive activities. The procedures for

invasive activities will be implemented site-wide, for any excavation below 1 foot in those areas designated for commercial use and below 2 feet for those areas designated for restricted residential use. An ISMP is a plan that is developed and implemented for interim remedial measures and/or operable units of a site before a site is fully remediated. As explained below, the Department recommends No Action for four of these SWMUs and two AOCs. For the remaining eight SWMUs and one AOC, IBM or Tech City have implemented ICMs such as a tank removal, soil removal, or a groundwater pump and treat system. For these eight SWMUs and one AOC, the Department recommends No Further Action.

The descriptions of the SWMUs and AOCs are grouped according to the operable units in which they are located.

A. Operable Unit 1(1 SWMU and 1 AOC)

The SWMU and the AOC in OU-1 will be subject to an environmental easement that restricts future property use to commercial, provides a groundwater use restriction, and requires compliance with an ISMP.

In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are re-occupied and/or renovated for use. Additional information regarding specific requirements of the ISMP can be found in Exhibit C of the Order on Consent and in the first paragraph of Section VI of this SB.

a. SWMU AE - B202 Elevator Shaft

Background: In May 1996, a maintenance crew discovered a loss of hydraulic fluid from Elevator No. 2 in building B202. Subsequent environmental investigations detected hydraulic fluid (0.9 ppm) and PCBs (10.2 ppb) in a downgradient well in close proximity to the elevator shaft. Contamination was not detected in any other downgradient wells.

In October 2000, a maintenance crew discovered a leak in Elevator No. 1 in building B202. Once again, hydraulic fluid (45 ppm) and PCBs (13 ppb) were detected immediately downgradient. The most recent data (November 2006) did not find detectable levels of PCBs in this well.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

b. AOC - Triangle Plume Area

Background: The Triangle Plume Area is located in southeast corner of OU-1. Low-level groundwater VOC contaminated has been detected within the vicinity

of a 42-inch storm water pipe. Data provided in the 2011 Annual Report indicated that only one well, southwest of the 42-inch drain, contained VOC contamination above SCGs (Trichloroethene 5.5 - 18 ppb).

Recommended Action: No Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

B. Operable Unit 3 (8 SWMUs and 1 AOC)

All SWMUs and the AOC in OU-3 will be subject to an environmental easement that restricts future property use to commercial, provides a groundwater use restriction, and requires compliance with an ISMP.

In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are occupied and/or renovated for use. Additional information regarding specific requirements of the ISMP can be found in Exhibit C of the Order on Consent and in the first paragraph of Section VI of this SB.

Some localized portions of OU-3 require further investigation to evaluate the potential for source removal (see Appendix A).

a. SWMU G – Former Waste PCE Tank

Background: SWMU G includes a former tetrachloroethene (PCE) waste tank and an associated former PCE supply tank. A PCE release occurred in 1987. Both tanks were decommissioned in 1987 and removed in 1989. IBM also removed an estimated 45 cubic yards of PCE-impacted soil. Historically, PCE has been detected above SCGs in downgradient monitoring wells. Recent groundwater sampling shows continued low-level contamination (PCE 1.8 ppb and TCE 1.4 ppb), which is below the SCG of 5ppb for both PCE and TCE. A 2009 and 2010 MIP investigation did not identify any additional potential source areas associated with this SWMU.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

b. SWMU R – Building 005 South Former Waste TCA UST

This SWMU consists of a former underground waste tank and a former underground supply tank. The location of these underground storage tanks (USTs) is only approximately known. Soil gas samples indicated no elevated concentrations of trichloroethane (TCA) or its breakdown products. No TCA or its breakdown products were detected in the soil or groundwater at concentrations

above SCGs. A low-level TCA plume (5 ppb) persists in two downgradient wells.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

c. SWMU U – North Parking Lot Area Plume

Background: A groundwater divide within the confines of the site's groundwater plume causes the northern portion of the site's plume to migrate toward the northwest and the southern portion of the site's plume to migrate toward the south west. SWMU U is the northern portion of the site's plume and is intercepted by the GWTS implemented in 1985 (upgraded in 1994 and 1996). Ongoing groundwater extraction, treatment, and monitoring continue.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

d. SWMU V – Portions of B005 Plume

Background: In 1987, an additional groundwater treatment extraction system began at MW-504S near the southern portion of B005. Extracted groundwater was treated jointly with the water extracted by the GWTS implemented in 1985. In 1994, SWMU V was upgraded with its own aeration system in B005. In 2007, IBM shut down the extraction and treatment system because the water in the aeration system was freezing. Building B005 was unoccupied and has since been demolished. Low-level groundwater contamination (PCE 13 ppb and TCE 1.4 ppb) continues to be detected in downgradient wells.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

e. SWMU Y – Former Fluoride Wastewater Ejector Tank

Background: This is an underground fiberglass wastewater holding tank. In July 1994, the tank was closed in place by removing the top and filling with gravel. Subsequent groundwater monitoring did not detect fluoride in the groundwater.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as required by the Order on Consent, is recommended.

f. SWMU AA – Inactive Building 031 Septic System

Background: Building 031 was initially served by a septic system before B036 had the capacity to pre-treat sanitary waste. There are no reports of releases of hazardous constituents to the septic system and no known reason to believe that hazardous constituents were discharged to the septic system. When B036 developed the capacity to pre-treat septic wastes, the septic waste from B031 was rerouted to B036.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

g. SWMU AB – Former Waste TCA Recovery Unit

Background: SWMU AB is a former above-ground TCA recovery unit that was located in B001. The recoverable TCA was piped from an underground tank SWMU S. Most of the pipe used was in the ceiling of B001. In close proximity to SWMU S, the pipe went underground to access the tank. No groundwater contamination is associated with the above-ground structures. All TCA NAPL detected is associated with the underground tank and the underground pipe in close vicinity to the tank and will be addressed under SWMU S. The recovery unit has been removed. Some of the aboveground pipe may be in place. If so, this will be addressed under SWMU S (See Appendix A).

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

h. SWMU AC – Former B005S Solvent Recovery Process Unit

Background: This unit has been removed. This unit processed gaseous waste containing acetone and isopropyl alcohol (IPA). The aqueous waste was piped to two underground tanks SWMU H and SWMU I (both determined to be No Further Action under the 10/24/96 permit). IPA was detected in two soil samples at 84 ppb and 148 ppb. No acetone or IPA was detected in the groundwater.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

i. AOC - Sanitary Sewer Lines

Background: The sanitary sewer lines run parallel to the industrial waste sewer lines long the boundary between OU-3 and OU-3a. Portions of the sanitary sewer lines lie within the contaminated groundwater that is part of SWMU U – North Parking Lot Area Plume. Historical documentation of infiltration necessitated an assessment of the potential for the sanitary sewer line to act as a conduit for

offsite migration of infiltrated contaminated groundwater. An April 2012 sampling program indicated that the sanitary sewer line is not a transport mechanism for offsite migration of contaminated groundwater.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

C. Operable Unit 3a (1 SWMU)

The SWMU in OU-3a will be subject to an environmental easement that restricts future property use to commercial, provides a groundwater use restriction, and requires compliance with an ISMP.

In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are occupied and/or renovated for use. Additional information regarding specific requirements of the ISMP can be found in Exhibit C of the Order on Consent and in the first paragraph of Section VI of this SB.

a. SWMU U – North Parking Lot Area Plume

Background: See SWMU U in OU-3.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

D. Operable Unit 4 (1 SWMU and 1 AOC)

All SWMUs and the AOC in OU- 4 will be subject to an environmental easement that restricts future property use to restricted residential, provides a groundwater use restriction, and requires compliance with an ISMP. OU-4 is the only portion of this site for which remedial action is evaluated for a future use of restricted residential.

In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations: (1) for new buildings and (2) when currently vacant buildings are reoccupied and/or renovated for use. Additional information regarding specific requirements of the ISMP can be found in Exhibit C of the Order on Consent and in the first paragraph of Section V of this SB.

a. SWMU Z – Building 033 Septic System

Background: Building B033 was constructed in the mid-1950s and at that time a septic system was installed. From the 1950s through the 1980s, a degreaser was

used in the ambulance and fire truck garage area located in the southwest corner of this building

No VOCs, SVOCs, or PCBs were detected in the soil samples above soil cleanup guidance values. In groundwater, four VOCs (trichloroethene at 14 ppb, 1,2-dichloroethene, total, at 16 ppb, 1,1,1-trichloroethane at 6.8 ppb, and 1,1-dichloroethane at 18 ppb) were detected. The resulting groundwater plume is relatively small and appears to extend only a short distance down gradient of this SWMU.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as required by the Order on Consent, is recommended.

b. AOC - MOSF Demolition

Background: The major oil storage facility (MOSF) area consisted of three aboveground tanks for #6 fuel oil: two 500,000-gal tanks, one 150,000-gal tank and a concrete delivery station. The tanks have been removed and the retention berms were leveled. Nine soil samples at three locations show that the top 2 feet meet the soil cleanup objectives for restricted residential use for this operable unit.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

E. Operable Unit 6 (1 SWMU)

All SWMUs in OU-6 will be subject to an environmental easement, including: restricting future property use to commercial, a groundwater use restriction, and compliance with an ISMP.

In general the ISMP will include an excavation work plan and performance of a vapor intrusion evaluation as appropriate. Additional information regarding specific requires of the ISMP can be found in the Order on Consent and in the first paragraph of Section VI of this SB.

a. SWMU AD – Former Fire Training Area

Background: This unit contained a self-contained concrete structure consisting of a 500-gallon above ground steel tank containing flammable liquid, two steel tray-like burn basins, and a 1,500 gallon underground concrete holding tank for extinguished flammable liquids, water used in the training exercise, and possibly fire fighting chemicals. The base of this holding tank was 6.5 feet below grade. The discharge pipe was reportedly not used and the wastes were periodically

pumped out.

The training area was dismantled in 1985 and the holding tank removed. Four soil gas samples detected no VOCs. Nineteen soil samples were taken from eight borings. Two SVOCs were detected slightly above SCGs. At a depth of 2 feet, benzo(a)anthracene (61 ppb) and benzo(a)pyrene (48 ppb) were detected. In another boring, benzo(a)pyrene (63 ppb) was detected at 12-14 feet. At a third boring, benzo(a)pyrene (59 ppb) was detected at 14-16 feet. No VOCs or PCBs were detected above SCGs.

In groundwater, no SVOCs were detected above the guidance value. Phenol was detected at the guidance value of 1 ppb. No VOCs or PBCs were detected above their respective SCGs.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

F. Operable Unit 7 (1 SWMU)

The SWMU in OU-7 will be subject to an environmental easement that restricts future property use to commercial, provides a groundwater use restriction, and requires compliance with an ISMP.

In general, the ISMP will include an excavation work plan and provisions for vapor intrusion evaluations for new buildings and when currently vacant buildings are renovated for use. Additional information regarding specific requirements of the ISMP can be found in Exhibit C of the Order on Consent and in the first paragraph of Section VI of this SB.

a. SWMU W – Former B004 Separator Tank

Background: The concrete tank was designed to separate floating material from dissolved material in the Industrial Waste sewer lines. The base of the tank was approximately two feet below the top of groundwater. The tank has been removed. One soil gas sample was taken and no VOCs were detected. Likewise, no VOCs were detected in the soils at concentrations above SCGs. VOCs were detected in the groundwater at levels consistent with the area-wide plume which appears to originate from the northern portion of B005S. Groundwater contamination is being addressed as part of the GWTS described in Section V, B.

Recommended Action: No Further Action with placement of an EE and implementation of an ISMP, as described above and required by the Order on Consent, is recommended.

Table 1 – All SWMUs and AOCs

PROPOSED STATEMENT OF BASIS
IBM-Kingston, EPA ID No. NYD 001359694, Site No. 356002

February 2013
Page 17

Operable Unit	Identification	Name
1	SWMU AE	B202 Elevator Shaft
	AOC	Triangle Plume Area
2	SWMU O	Parking Lot Sand Landfill
	SWMU AF	Inactive West Demolition Debris Area
3	SWMU D	Former Waste Acetone Storage Area
	SWMU E	Former Waste IPA Storage Tanks
	SWMU F	Former Waste Side Waste Tanks (2)
	SWMU G	Former Waste PCE Tank
	SWMU H	Former Waste Solvent Recovery Tanks
	SWMU I	Former Waste Solvent Recovery Tank
	SWMU M	Portions of Industrial Waste Sewer Lines
	SWMU P	Building 035 Former Dry Well
	SWMU R	Building 005 South Former Waste TCA UST
	SWMU S	Former Waste TCA Tanks (B001)
	SWMU T	Former Waste Oil Tank
	SWMU U	North Parking Lot Area Plume
	SWMU V	Portions of B005 Plume
	SWMU Y	Former Fluoride Wastewater Ejector Tank
	SWMU AA	Inactive Building 031 Septic System
	SWMU AB	Former Waste TCA Recovery Unit
	SWMU AC	Former B005S Solvent Recovery Process Unit
AOC	Sanitary Sewer Lines	
3a	SWMU U	North Parking Lot Area Plume
4	SWMU C	Former Building 058
	SWMU Q	Building 031 Former Lagoon
	SWMU X	Building 031 Separator Tank
	SWMU Z	Building 033 Septic System
AOC	MOSF Demolition	
4a	none	
5	SWMU L	Former Industrial Waste Sludge Lagoon
6	SWMU B	B-036 Container Storage Area
	SWMU J	Wastewater Treatment Tanks
	SWMU K	Emergency Wastewater Holding Tanks
	SWMU N	Inactive B039 Construction and Debris Landfill
SWMU AD	Former Fire Training Area	
7	SWMU A	B029 Chemical Distribution Center
	SWMU W	Former B004 Separator Tank
8	none	

Table 2 - SWMUs already closed - No Further Action per 10/4/96 Permit.

Operable Unit	Identification	Name
1	none	
2	SWMU O	Parking Lot Sand Landfill
	SWMU AF	Inactive West Demolition Debris Area
3	SWMU D	Former Waste Acetone Storage Area
	SWMU E	Former Waste IPA Storage Tanks
	SWMU F	Former Waste Side Waste Tanks (2)
	SWMU H	Former Waste Solvent Recovery Tanks
	SWMU I	Former Waste Solvent Recovery Tank
	SWMU P	Building 035 Former Dry Well
3a	none	
4	SWMU Q	Building 031 Former Lagoon
	SWMU C	Former Building 058
4a	none	
5	SWMU L	Former Industrial Waste Sludge Lagoon
6	SWMU B	B-036 Container Storage Area
	SWMU J	Wastewater Treatment Tanks
	SWMU K	Emergency Wastewater Holding Tanks
	SWMU N	Inactive B039 Construction and Debris Landfill
7	SWMU A	B029 Chemical Distribution Center
8	none	

Appendix A

SWMUs which will be the subject of future Statements of Basis.

a. SWMU M – Portions of the IW Sewer Lines

Not yet fully evaluated because parts of it is inaccessible. The remaining portions of this SWMU will soon be accessible for further investigation.

b. SWMU S – Former Waste TCA Tanks (B001)

SWMU S includes a former 4,000-gallon underground TCA waste storage tank and associated 1,000-gallon underground TCA supply tank. An October 2011 investigation followed by a March 2012 investigation identified a source zone with approximate size of 40 feet by 90 feet (region greater than 50 % solubility).

Source removal/remediation is under consideration. A Focused Remedial Alternatives Report is being developed. In-situ thermal desorption, chemical oxidation, and chemical reduction are among the options being evaluated.

c. SWMU T - Former Waste Oil Tank

A 2,000-gallon waste oil steel underground tank, located near the northwest corner of B003 was used for the collection of waste cutting oil generated during the mid-1950s through the early 1960s. In 1982 the tank failed a pressure test due to leaks at the fill neck. The tank was removed and was reportedly in good condition. The bottom of the tank is reported to have been approximately 6 feet below the water table. Subsequent subsurface soil sample analyses and MIP screening indicate that the fill line to the tank leaked. Maximum detected concentrations for chlorinated solvents were: 1,1,1-trichloroethane (69,000 ppb) 1,1-dichloroethene (440 ppb), tetrachloroethene (25,000 ppb), and trichloroethene (80,000 ppb) . Maximum detected concentrations for BTEX compounds were: toluene (10,000 ppb), ethylbenzene (27,000 ppb), and total xylene (140,000 ppm).

Source removal/remediation is under consideration. Further investigation and the development of a Remedial Alternatives Report will be pursued.

d. SWMU X – Building 031 Separator Tank

This tank was a subsurface oil/water separator. The base of the tank was at approximately the same elevation as the top of the groundwater. No chemicals were known to have been discharged to the separator. All constituents detected in soil and groundwater were detected at levels below SCGs.

The records contain no information concerning closure or removal of this tank. IBM will need to verify that this tank has been properly closed before this SWMU can be closed.



Addendum C
Zoning Ordinance

ULSTER COUNTY PARCEL VIEWER
search for an owner, SBL or address

Basemaps

Map Layers

Municipal Districts

- Municipal Boundaries
- Election Districts [\(info\)](#)
- Legislative Districts [\(info\)](#)
- School Districts [\(info\)](#)
- Agricultural Districts [\(info\)](#)
- Municipal Zoning [\(info\)](#)
- Census Block Groups [\(info\)](#)
- Census Tracts [\(info\)](#)

Water Resources

Official FEMA Maps

- FEMA Adopted Flood Hazards [\(info\)](#)
- Previous FEMA FIRM Q3 [\(info\)](#)
- MS4 Storm Water [\(info\)](#)

Measurements & Coordinates

Parcel Details

The map displays several zoning districts: OM Office Manufacturing (yellow), R-10 Residential (green), and RC Region Commercial (orange). A blue arrow points to a parcel boundary on the map. The interface includes zoom controls (+, -) and a search bar at the top.

ZONING

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TOWN OF ULSTER, NEW YORK												
TABLE OF USE REGULATIONS												
KEY	R - Use permitted by right (site plan approval required)			R - Recommended additions to comply with the language and intent of Section 190-12.2								
	S - Use requiring a special use permit and site plan approval			S - Recommended additions subject to Special Permit Approval by Town Board								
	R(E) - Use permitted by right, exempt from Site Plan Approval											
	R-60	R-30	R-10	LC	HC	RC	OM	I	Overlay Districts			Notes
									TND	ROD	ROD 2/16/2012	
A. Agricultural uses												
Agricultural operations	R	R	R	R	R	R	R	R	\$190-12.1	\$190-12.2		
Farming operations	R	R		R	R	R	R	R				
Forestry operations	S				S	S	S	S				See § 190-25 E
Horse stables	S					S	S					
Livestock keeping (commercial)	R						R					
Riding academies	S					S	S					
Vineyard	S					S	S	S				
B. Residential uses												
Assisted living facility	S			S	S	S	S					
Bed & breakfast establishment	S	S	S	S	S				R			See § 190-25 J
Dwelling, 1-family (detached)	R(E)	R(E)	R(E)	R(E)	R(E)	R(E)	R(E)		R			
Dwelling, 2-family (duplex)	R(E)	R(E)	R(E)	S	S	S	S		R			
Dwelling, 3 family (triplex)	R	R	R									
Dwelling, live-work facility									R			
Dwelling, multi-family (4 or more units)	S					S	S		R		R	See § 190-25F & 12.2C9
Dwelling, residence above non-residential				S	S	S	S		R	R	R	See § 190-12.1 & 12.2
Dwelling, townhouse (1-family attached)	S	S	S						R			
Group Home	S	S	S									
Manufactured homes (single-family)	S						S					See § 190-25 A
Manufactured home parks	S	S	S				S					See § 190-25 H
Nursing homes				S	S	S	S					
Senior citizen housing	S	S	S									See § 190-25 I
C. General Community Facilities												
Cemeteries	S	S	S				S	S				
College or university	S	S	S	S	S	S	S	S	R	R	R	
Conservation preserves	R	R	R	R	R	R	R	R				
Country clubs	R	R	R	R	R	R	R	R				
Cultural institution									R			
Eleemosynary	R	R	R	R	R	R	R	R				
Flooding and protective structures									S			
Golf course and clubs	R	R	R	R	R	R	R	R				
Government buildings	S	S	S	S	R	R	R	R			R	
Home occupation	R(E)	R(E)	R(E)						S			See § 190-14A & 25.1
Hospitals				R	R	R	R	R			S	
House of worship	S	S	S	R	R	R	R	R	R			
Library	S	S	R	R	R	R	R	R				
Mass transit									S			See § 190-12.1 E
Membership clubs, private not-for-profit									S			See § 190-12.1
Museums and galleries					R	R	R	R	R			R
Parking facilities and structures												R
Places of assembly				S	S	S	S	S				
Recreation facility	S	S	S			S	S	S	R	R	R	
School of learning	S	S	S	S	S	S	S	S		R	R	
D. Business Uses												
Adult Business								S				See § 190-16.1
Art galleries and workshops					R	R	R	R	R		R	
Automotive garage and service center				S	R	R	R	R				
Automotive gasoline sales/convenience store				S	R	R	R	R				
Automotive sales and service				S	R	R	S					
Banks and lending institutions				R	R	R	R	R	R		R	
Bowling alleys					R	R	R	R			R	
Cafeterias & catering facilities				R	R	R	R	R			R	Accessory to ROD
Campground	S				S	S	S					
Carwash					R	R	R	R				
Conference centers and banquet facilities									R		R	

ZONING

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TOWN OF ULSTER, NEW YORK												
TABLE OF USE REGULATIONS												
KEY	R - Use permitted by right (site plan approval required)										R - Recommended additions to comply with the language and intent of Section 190-12.2	
	S - Use requiring a special use permit and site plan approval										S - Recommended additions subject to Special Permit Approval by Town Board	
R/E - Use permitted by right, exempt from Site Plan Approval												
	R-60	R-30	R-10	LC	HC	RC	OM	I	Overlay Districts			Notes
									TND	ROD	ROD 2/15/2012	
D. Business Uses									§190-12.1	§190-12.2		
Concert hall									R			
Convenience store				R	R	R						
Day care, adult				R	R	R	R				R	Accessory in ROD
Day care, center for children	R	R	R	R	R	R	R				R	Accessory in ROD
Farmers market				R	R	R						
Funeral homes	S			S	R	R	R					
Health club				R	R	R	R		R	R	R	
Hotels & motels					S	S	S		R	R	R	See §190-25 C
Kennel	S			S	S	R	R				S	Within existing building
Laboratories				R	R	R	R	R			R	
Nursery, retail				R	R	R	R	R				
Nursery schools	S	S	S	S	S	S	S				R	Accessory in ROD
Nursery, wholesale	R			R	R	R	R	R				
Office complex				S	R	R	R				R	
Office, medical or dentist				R	R	R	R		R		R	
Office, professional				R	R	R	R		R	R	R	
Pet boarding facilities				R	R	R	R				S	Within existing building
Pet grooming facilities				R	R	R	R				R	
Restaurant and eating & drinking establishments				R	R	R	R		R	R	R	
Restaurant within office complex						R	R				R	
Retail business				R	R	R	R		R	R	R	
Service business				R	R	R	R		R	R	R	
Shopping centers				R	R	R	R					
Sound Stage					R	R	S					
Theaters (indoor)				S	R	R			R			
Theaters (indoor with complex)						R	R					
Veterinarian clinics	S			R	R	R	R	R			S	
E. Industrial Uses												
Airports and air facilities								S				
Contractors storage yard					S	S	S	R				
Excavation and processing, commercial								S	S			See §190-25 D
Industry, light				S	S	R	R	R			R	
Industry, heavy								R			R	
Industrial park								R	R		R	
Junkyards								S	S			See §190-25 G
Manufacture, small (1-9 employees)				S	S	R	R	R		R	R	
Manufacture, medium (10-40 employees)						S	S	R	R		R	R
Manufacture, large (41 employees and up)						S	R	R		R	R	
Marinas boat launch and boat repair	S	S	S	R				R	S			
Mining					S	S	S	S				
Recycling yards								S	S			
Research office complex (w/limited manufacturing)					R	R	R	R		R	R	
Self-storage facility					R	R	R	R			R	Within existing building
Temporary use subject to Town Board Approval											R	
Trucking companies					S	S	S	S			S	
Utility company structure	S	S	S	S	S	S	R/S*	R/S*		R	R	
Warehouses					R	R	R	R		R	R	
Wholesale business				R	R	R	R	R			R	
F. Customary Accessory Uses												
In residential zoning districts												See §190-14 A
In non-residential zoning districts												See §190-14 B
Swimming pools												See §190-25 B & Chapter 165

In the event there is a conflict between the permitted or special permit uses listed in the Table of Permitted Uses and the permitted uses described in §190-12.1 §190-12.2, the text in the sections shall prevail.

Prepared by Shuster/Planit 2/15/2012 . Updated by TOU 9/19/2019

ZONING

§ 190-69

§ 190-69

§190-69 ZONING §190-69 Town of Ulster, New York Table of Lot and Bulk Requirements									
Zoning District	MIN. Lot Requirements			MIN Setback Requirements			Max. Bldg. Height (feet)	Max. Bldg. Lot Coverage (percent)	Minimum Green Space (percent)
	Minimum Area (square feet)	Minimum Width (feet)	Lot Area Per Dwelling (square feet)	Front (feet)	Side (feet)	Rear (feet)			
<i>R-60 Residential</i>	60,000	120	60,000	40	30	30	35	N.A.	40
<i>R-30 Residential</i>									
(1) Central water or sewer	30,000	100	30,000	30	20	25	35	N.A.	25
(2) No central water or sewer	40,000	100	40,000	30	20	25	35	N.A.	25
<i>R-10 Residential</i>									
(1) Municipal water & sewer	10,000	75	10,000	30	10	15	35	N.A.	15
(2) Central water & sewer	15,000	90	15,000	30	15	15	35	N.A.	15
(3) Central water or sewer	20,000	100	20,000	30	15	15	35	N.A.	15
(4) No central water or sewer	40,000	100	40,000	30	20	25	35	N.A.	25
<i>Local Commercial</i>									
	N.A.	N.A.	Same as R-10	30	10	10	35	50	5
<i>Highway Commercial</i>									
	N.A.	N.A.	Same as R-10	30	10	10	60	50	5
<i>Regional Commercial</i>									
	N.A.	N.A.	Same as R-10	50	10	10	60	50	5
<i>Office & Manufacturing</i>									
	N.A.	N.A.	Same as R-10	40	10	10	75	50	10
<i>Industrial</i>									
	N.A.	N.A.	N.A.	75	50	50	60	50	10

Notes: N.A. = not applicable

Revised 5/17/10

Addendum D
NYS Certifications

UNIQUE ID NUMBER 46000026600	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 1524976
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO DAY YR. 10 08 20
HARLAND CHRIS L C/O HILCO REAL ESTATE APPRAISA 668 COLUMBIA TPKE STE 3 EAST GREENBUSH, NY 12061		EXPIRATION DATE MO DAY YR. 10 07 22
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		
In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed. ROSSANA ROSADO SECRETARY OF STATE		
DOS-1098 (Rev. 3/01)		

Addendum E
Qualifications

Qualifications for Chris L. Harland, MAI

Hilco Real Estate Appraisal, LLC
Managing Director - Northeast Region

Scope of Experience:

Chris L. Harland, MAI has been engaged in the appraisal, underwriting and analysis of real estate throughout the northeast since 1990. Before joining Hilco Real Estate Appraisal, Mr. Harland was the President of Capstone Appraisal Group, a commercial appraisal company based in New York's Capital District, for 13 years. He was also employed at three national, multi-service real estate companies: Grubb & Ellis Landauer, CB Richard Ellis, and Holliday Fenoglio Fowler. He began his appraisal career at McGrath, Basciani & Associates in Briarcliff Manor, NY.

Mr. Harland holds the MAI (commercial) designation with the Appraisal Institute, the worldwide leader in commercial and residential real estate appraisal education, research, publishing, and professional membership designation programs. In 1994, Mr. Harland obtained a Master of Science in Real Estate (MS) degree from New York University with a concentration in Valuation and Analysis. He has held a variety of Appraisal Institute leadership positions and is actively involved in litigation support through court testimony as an expert witness.

Specialties:

Mr. Harland has performed studies and appraisals involving a wide range of property types including golf courses, hotels, resorts, and other hospitality-related assets, regional malls, shopping centers, big box stores, drug stores, student housing projects, mobile home parks, healthcare facilities, office buildings, industrial and distribution facilities, apartment and condominium projects, residential and commercial subdivisions, as well as special-use developments such as restaurants, banks, religious facilities, schools, cultural and entertainment facilities, camps, automobile dealerships, farms and marinas.

Professional Activities & Affiliations:

Appraisal Institute, Member (MAI) since 1997 – Certificate No. 11294
Upstate NY Chapter – Appraisal Institute – Board of Directors (2002-2010, 2015-2017, 2020-2022)
Upstate NY Chapter – Appraisal Institute – Regional Representative (2008-2019); Alternate Representative (2020)
Upstate NY Chapter – Appraisal Institute – President (2007)
Capital District Chapter – Appraisal Institute – District Chair (2002 & 2006)
Nominating Committee – Appraisal Institute – Region IV (2011-2016)
Grievance Committee Member – Ethics and Counseling Department – Appraisal Institute
Instructor – Upstate NY Chapter - Appraisal Institute - Case Studies Seminars
Sample Topics: "The Market Analysis Section", "Common Appraisal Errors", and "Repositioning Sears Space"
Commercial and Industrial Real Estate Brokers (CIRES) – Principal Appraiser Member No. 13874
GCAR (Greater Capital Association of Realtors) – Member No. 21309
Institute of Real Estate Management (IREM) – Associate Member No. 06189448

Certifications/Licenses:

State Certified General Real Estate Appraiser (New York) – License No. 46000026600
State Certified General Real Estate Appraiser (various states throughout the northeast)

Formal Education:

Master of Science in Real Estate (MS), New York University (The Real Estate Institute), New York, NY
Bachelor of Arts Degree in History (BA), Franklin & Marshall College, Lancaster, PA
Appraisal Institute – Fulfilled requirements of the Continuing Education Program (effective through 12/31/22).
James Felt Scholarship – New York University (The Real Estate Institute), New York, NY
2019 G. Richard Kelley Memorial Award (Upstate NY Chapter of the Appraisal Institute)

Qualified Before Courts & Administrative Bodies:

Mr. Harland has provided expert witness testimony in numerous counties throughout New York State, as well as Massachusetts, Connecticut, Vermont and London, England.

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Qualifications for Dan Dickinson

Hilco Real Estate Appraisal, LLC
Real Estate Appraiser

Scope of Experience:

Dan Dickinson has been engaged in the appraisal, underwriting and analysis of real estate throughout Upstate New York for 5 years. Before joining Hilco Real Estate Appraisal, he was a Real Estate Appraiser for Hafner Valuation Group, Inc., a commercial real estate appraisal company based in New York's Capital District. He was also previously employed within the appraisal department at NBT Bank, NA.

Specialties:

Dan Dickinson has performed appraisals and appraisal reviews involving a wide range of property types including golf courses, hotels, marinas, big box stores, drug stores, student housing projects, mobile home parks, healthcare facilities, office buildings, industrial development, distribution facilities, apartment and condominium projects, residential and commercial subdivisions, as well as special-use developments such as restaurants, banks, cultural and entertainment facilities, camps, automobile dealerships, farms and airports.

Professional Activities & Affiliations:

Member, Village of Scotia Zoning Board of Appeals, 2018-2021

Previous Employment:

Hafner Valuation Group, Inc., Latham, New York, Real Estate Appraiser, October 2019 to February 2021

NBT Bank, NA, Schenectady, New York, Real Estate Review Appraiser, January 2017 to October 2019

Lender Consulting Services, Inc., Albany, New York, Environmental Analyst, November 2015 to January 2017

Formal Education:

Bachelor of Science (BS), University at Albany, SUNY, Albany, NY May 2014

Technical Training:

G-8 General Appraiser Report Writing, McKissock, 2021

Expert Witness for Commercial Appraisers, McKissock, 2021

G-4 General Appraiser Market Analysis Highest and Best Use, McKissock, 2020

G-6 Site Valuation and Cost Approach, McKissock, 2020

Fair Housing, Fair Lending and Environmental Issues, McKissock, 2020

Marketability Studies: Six-Step Process & Basic Applications, Appraisal Institute, 2019

G-7 General Appraiser Income Approach Part I and II, Appraisal Institute, 2019

G-5 General Appraiser Sales Comparison Approach, Manfred RELC, 2018

Real Estate Finance, Statistics and Valuation Modeling, Appraisal Institute, 2018

2016-2017 National USPAP Course, Manfred RELC, 2017

R-6 Basic Appraisal Procedures, Manfred RELC, 2017

R-5 Basic Appraisal Principles, Manfred RELC, 2017

Supervisory Appraiser/Trainee Appraiser, Manfred RELC, 2017

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