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Hilco Real Estate Appraisal, LLC

Valuation of

Two Adjacent Vacant Land Parcels

Broadway, (a.k.a. NYS Route 86)
Saranac Lake, Franklin County, NY 12983

Report Date:	September 12, 2018
As of:	August 15, 2018
HRA File:	18AL136
Prepared For:	Mr. John M. Sweeney Village Manager Village of Saranac Lake 39 Main St., 2nd Floor, Ste. 9 Saranac Lake, NY 12983-2294
	Purchase Order: 047723

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Hilco
Real Estate Appraisal

September 12, 2018

Mr. John M. Sweeney
Village Manager
Village of Saranac Lake
39 Main Street, 2nd Floor, Suite 9
Saranac Lake, NY 12983-2294

RE: Purchase Order: 047723
Two Vacant Land Parcels
Broadway, (a.k.a. NYS Route 86)
Town of Saranac Lake, Franklin County, New York

Dear Mr. Sweeney:

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 is to estimate the *as is* market value of the fee simple interest as of August 15, 2018, the date of inspection.

The subject consists of two unimproved land parcels situated on Broadway, (a.k.a. NYS Route 86) in the Village of Saranac Lake, New York. The parcels are identified as:

1) Section 446.43, Block 2, Lot 3 containing 1.39 acres

2) Section 446.43, Block 2, Lot 4 containing 1.75 acres

The sites have access to municipal water and sewer and are situated within a "G" zoning district. Lot 3 is associated with an environmental easement due to contamination found at the site at one time. Remediation at the site has occurred and a Certification of Completion (COC) has been issued by the New York State Department of Environmental Conservation (NYSDEC), as of November 2011. The COC includes an ongoing site management plan (SMP) for the site. According to the statement, "the SMP, which may be amended from time to time, may include sampling, monitoring, and/or operating a treatment system on the property, providing certified reports to the NYSDEC, and generally provides for the management of any and all plans and limitations on the property." The easement indicates that acceptable site uses are: a) Restricted Residential, b) Commercial, and c) Industrial. The SMP requires that the Grantor and any successors and assigns assume the burden of complying with the SMP and obtaining an up-to-date version of the SMP from the DEC. Lot 4 has not been identified as having any easements. The sites are more fully described within the report.

Assuming competent and normal marketing conditions, it is our opinion that the subject property could be sold within approximately 12 months at the below-indicated value(s).

Our concluded opinion(s) of value is (are) subject to the Assumptions, Limiting Conditions and Certification in this appraisal report. Based on the analysis contained in the following report, the market value conclusions for the subject are detailed below.

AS IS MARKET VALUE CONCLUSIONS			
Property	**Interest Appraised**	**Dates of Value**	**Value Conclusions (Rounded)**
SBL 446.43-2-3	Fee Simple	August 15, 2018	$70,000
SBL 446.43-2-4	Fee Simple	August 15, 2018	$100,000
Source: Hilco Real Estate Appraisal, LLC			

The size of the subject was obtained by the Franklin County Real Property Services. We note that the Certificate of Completion issued by the NYS DEC references the subject parcel 446.43-2-3, but that it indicates a site size of 2.60 acres. According to the tax map, parcel identified is 1.39 acres. Based on our understanding of the material referenced above, the parcel identified as 446.43-2-4, which is also the subject of this report, does not contain an environmental easement. This parcel is 1.75 acres. We have made the extraordinary assumption that the two parcels we have identified as the subject of this report are 1.39 and 1.75 acres respectively and that there are no environmental easements on Lot 4. Should information be presented to the Appraisers indicating otherwise, we reserve the right to amend this report.

According to the 2015 Dictionary of Real Estate Appraisal, Sixth Edition, an extraordinary assumption is "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of the 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 forth in USPAP for extraordinary assumptions.

In reaching the opinions expressed herein, we have assumed that such information is accurate and make no warranty or representation as to the accuracy of such information. Additional information with regards to the easement associated with Lot 3 was provided by a property representative. We reserve the right to amend our opinion of value expressed in this report if a survey discloses that the size or area of the above real property, including improvements, differs from that used in this report.

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.

In developing an opinion of value, Hilco Real Estate Appraisal 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.

Thank you for the opportunity to provide the outlined services. We look forward to working with you again in the near future.

Respectfully submitted,

HILCO REAL ESTATE APPRAISAL, LLC
by:

Chris L. Harland, MAI
Managing Director, Northeast Region
NYS Certification No. 46000026600

Stacey L. Godlewski
Appraiser Northeast Region
NYS Certification No. 46000051521

CERTIFICATION OF THE APPRAISERS

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

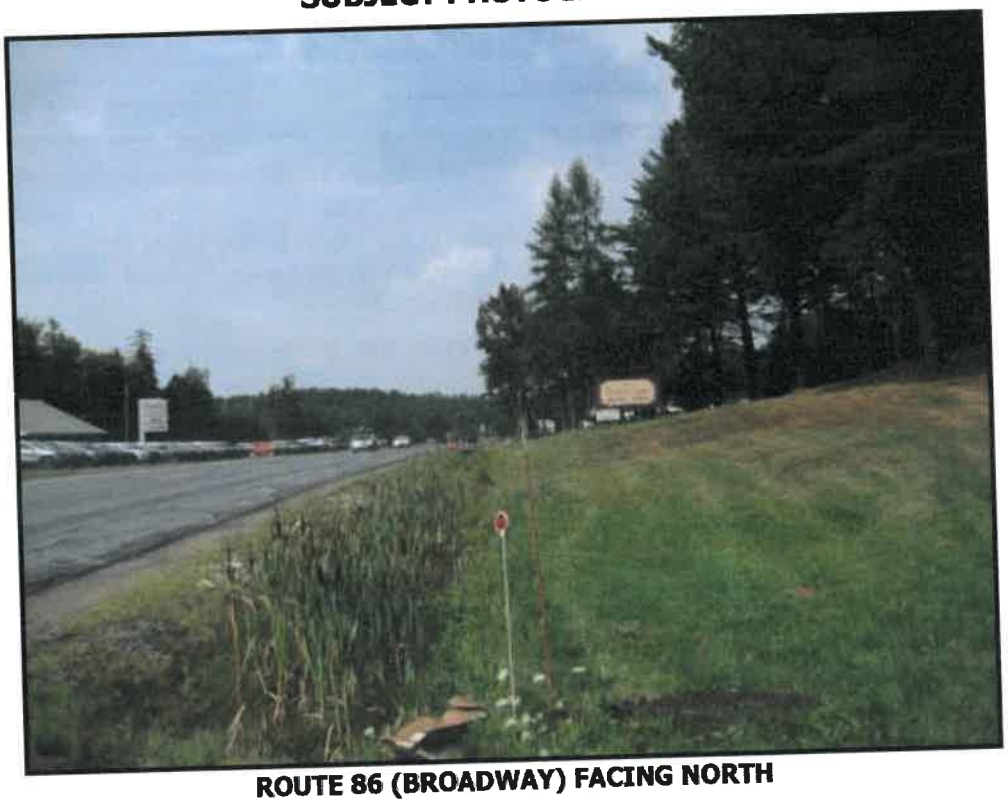
1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest or bias with respect to the parties involved. We have no direct or indirect interest in the property, financially or otherwise.
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 estimate, 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 of the Appraisal Institute.
10. Stacey L. Godlewski made a personal inspection of the subject property. Chris L. Harland, MAI did not inspect the property.
11. Chris L. Harland, MAI and Stacey L. Godlewski have extensive experience in the appraisal/review of similar property types.
12. Chris L. Harland, MAI and Stacey L. Godlewski are certified in the state where the subject is located.
13. No one provided real property assistance to the persons signing this certification.
14. We have not previously appraised this property or provided any appraisal related services within the past three years.

By:

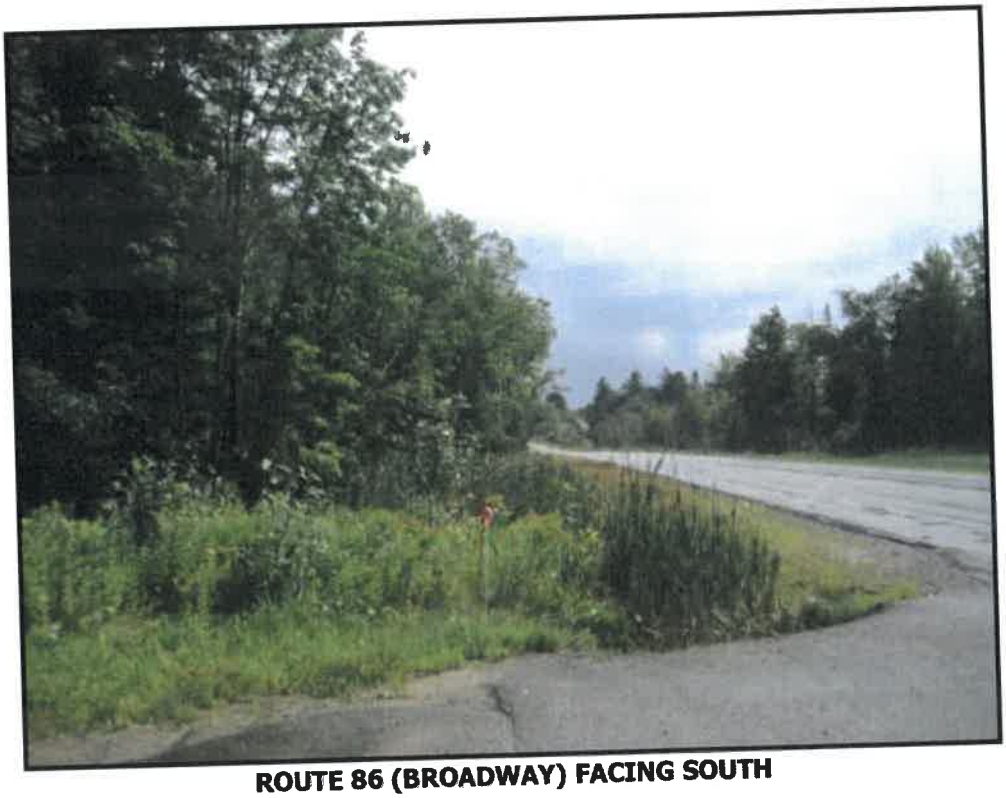
Chris L. Harland, MAI
Managing Director, Northeast Region
NYS Certification No. 46000026600

Stacey L. Godlewski
Senior Real Estate Appraiser – NE Region
NYS Certification No. 46000051521

SUBJECT PHOTOGRAPHS



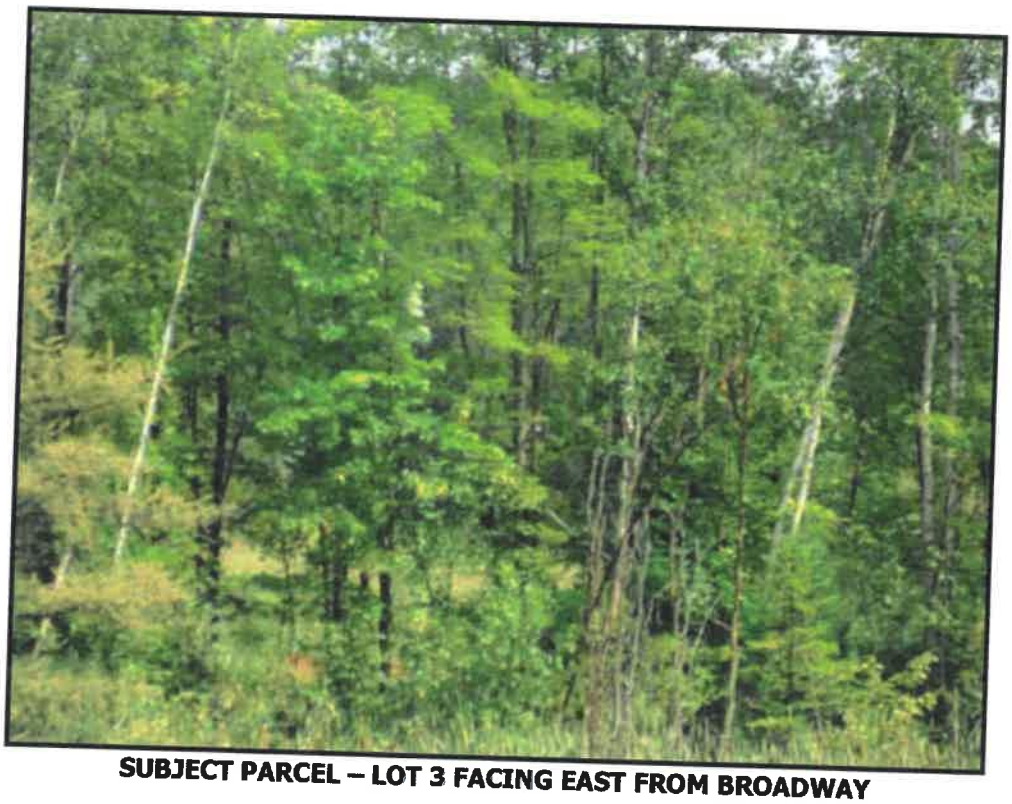
ROUTE 86 (BROADWAY) FACING NORTH



ROUTE 86 (BROADWAY) FACING SOUTH

Subject Photographs

SUBJECT PARCEL – LOT 3 & 4 FACING SOUTHEAST FROM BROADWAY



SUBJECT PARCEL – LOT 3 FACING EAST FROM BROADWAY

Subject Photographs

OLD LAKE COLBY ROAD FACING NORTH – LOT 3 AT LEFT

OLD LAKE COLBY ROAD FACING SOUTH – LOT 3 & 4 AT RIGHT

Subject Photographs

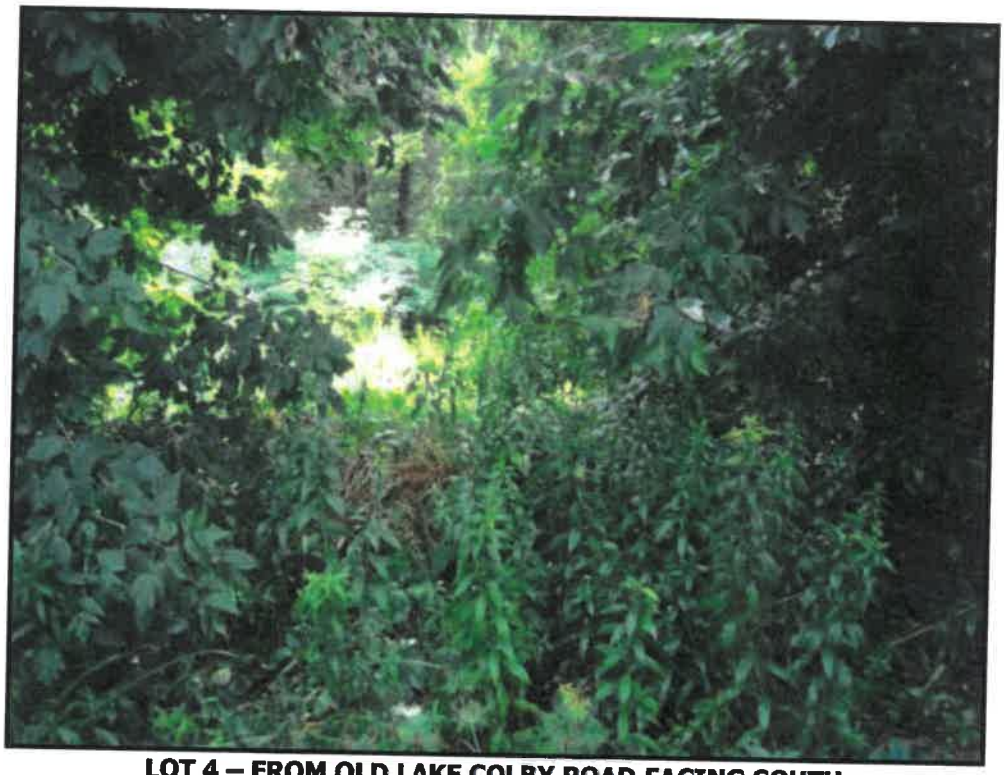
LOT 3 FROM OLD LAKE COLBY ROAD FACING WEST

LOT 3 FROM OLD LAKE COLBY ROAD FACING WEST

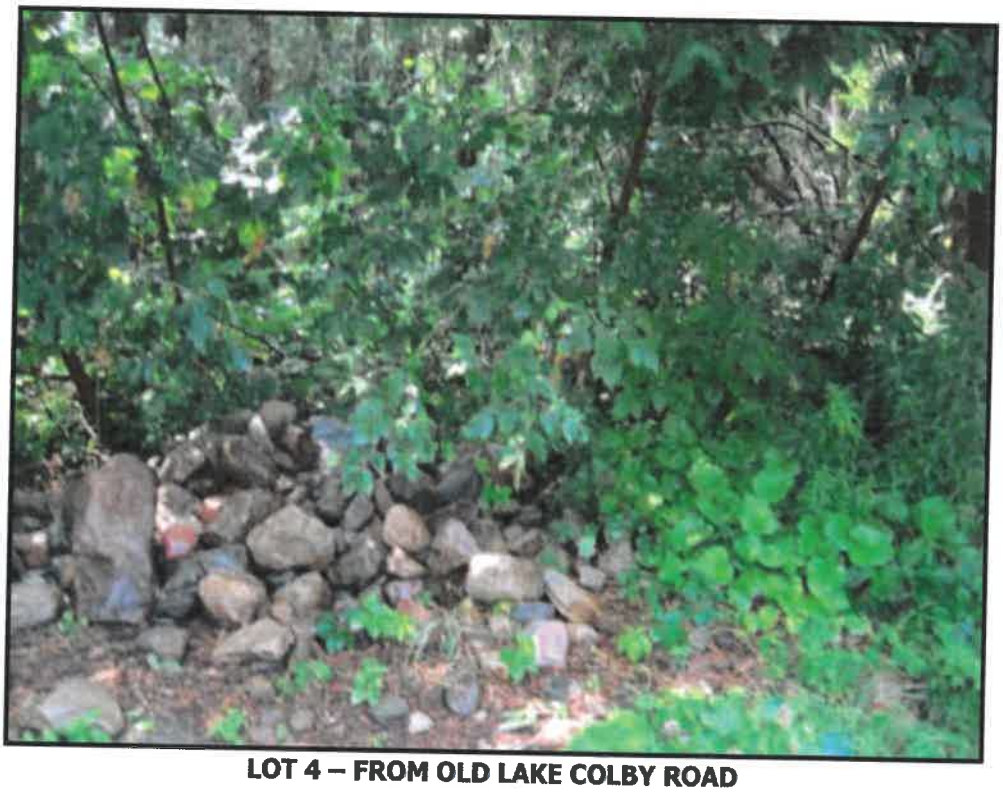
Subject Photographs

LOT 4 FROM OLD LAKE COLBY ROAD FACING WEST

LOT 4 – FROM OLD LAKE COLBY ROAD FACING WEST



LOT 4 – FROM OLD LAKE COLBY ROAD FACING SOUTH



LOT 4 – FROM OLD LAKE COLBY ROAD

SUMMARY OF SALIENT FACTS

Location:	Broadway, (a.k.a. NYS Route 86) Town of Saranac Lake, Franklin County, New York	
Assessor's Parcel Number(s):	Section 446.43, Block 2, Lots 3 and 4	
Site Description:	The sites consist of two parcels containing 1.39 and 1.75 acres respectively. The parcels are unimproved and have access to municipal water and sewer. Lot 3 is associated with an environmental easement, which requires a site management plan as determined by the NYS Department of Environmental Conservation. This does not apply to Lot 4. The sites are more fully described in the Site Analysis section of this report.	
Improvements:	There are no improvements at either of the sites with the exception of a gate in front of Lot 3.	
Zoning:	District G	
Real Estate Taxes:	As both parcels are owned by the Village of Saranac Lake, they are exempt from taxes.	
Highest and Best Use		
As Vacant:	Commercial development if owner occupied, built to suit, or substantially pre-leased. Otherwise, hold for future commercial development.	
As Improved:	N/A	
Property Rights Appraised:	Fee simple	
Date of Value:	August 15, 2018	
Estimated Marketing Time:	Within 12 months	
Valuation – AS IS	**SBL 446.43-2-3**	**SBL 446.43-2-4**
Cost Approach:	Not Applicable	Not Applicable
Sales Comparison Approach:	$70,000	$100,000
Income Capitalization Approach:	Not Applicable	Not Applicable
Final Values	**$70,000**	**$100,000**

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A. Zoning Ordinance
B. NYS DEC Certificate of Completion
C. Environmental Easement
D. Cedar Eden Environmental Report As of August 23, 2017
E. NYS Certifications
F. Summary of Qualifications

INTRODUCTION

PROPERTY DESCRIPTION

Location:	Broadway, (a.k.a. NYS Route 86) Town of Saranac Lake, Franklin County, New York
Assessor's Parcel Number(s):	Section 446.43, Block 2, Lots 3 and 4
Land Area:	1.39 and 1.75 acres respectively

OWNERSHIP & PROPERTY HISTORY

Owner:	Village of Saranac Lake, LLC
Sale Within Past Three Years:	No
Currently Listed for Sale:	No. The property has not been listed for sale within three years prior to the valuation date of this report.
Comments:	The Village of Saranac Lake has requested an appraisal of the vacant land parcels that are the subject of this report because they have had persons express an interest in the property. However, there have been no official offers on either of the parcels. As noted previously, Lot 3 is associated with an environmental easement requiring periodic environmental testing of the lot in perpetuity. The site has undergone remediation to address contaminants that had existed on the property as a result of a former use, and it has been given a certificate of completion by the NYS DEC. However, the easement mandates allowable uses, development requirements and periodic testing, which may be perceived as an inhibiting factor in purchasing and developing the land. The easement is discussed in further detail within the Site Analysis section of this report. Our values of $70,000 for Lot 3 and $100,000 for Lot 4 are fully supported in the Sales Comparison Approach analysis developed herein.

PROPERTY INSPECTION AND VALUATION

Inspection Date:	August 15, 2018
Present at Inspection:	Stacey L. Godlewski of Hilco Real Estate
Date of Valuation:	August 15, 2018

Intended Use of Report: The intended use of this report is for internal decision making purposes.

Intended User The intended user(s) of this report is for the Village of Saranac Lake and its assigns.

Purpose of Appraisal: Provide an opinion of the *as is* market value.

Property Rights Appraised: Fee Simple.

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 whereby:

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

1. Identified and inspected the subject, as well as its surrounding environs; identified and considered

[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*, Fifth Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 2010 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.

this Assignment:

those characteristics that may have a legal, economic or physical impact on the subject;

2. Investigated the micro and macro market trends 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 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 improved 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 estimate.

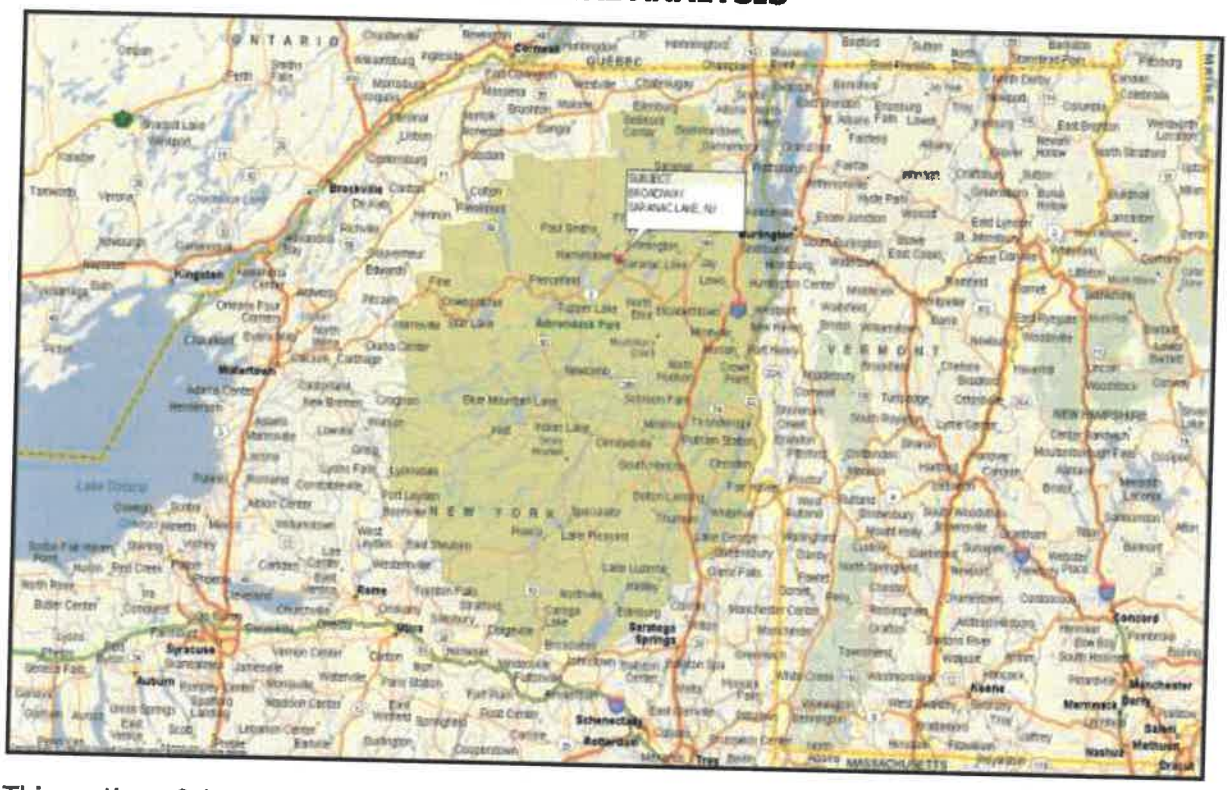
In developing an opinion of value, Hilco Real Estate Appraisal performed an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. The following report presents a summarized description of the data, reasoning and analyses used in the appraisal process to develop our opinion of value.

Special Appraisal Instructions: 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 Franklin County, New York. Franklin County is bordered by Canada to the north, Clinton County to the east, Essex and Hamilton Counties to the south and St. Lawrence County to the west. Franklin County is part of what is known as the "North Country" in New York, which includes St. Lawrence, Jefferson, Lewis, Hamilton, Clinton and Essex Counties. It is not associated with a particular metropolitan statistical area.

UNITED STATES, NORTHEAST REGION AND NORTH COUNTY, NEW YORK

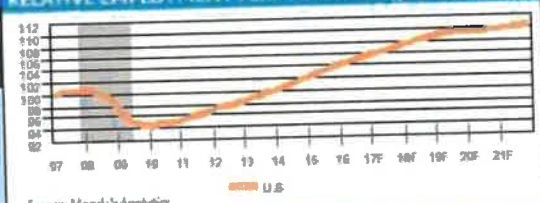
(As presented by Economy.com)

MOODY'S ANALYTICS

UNITED STATES

EMPLOYMENT GROWTH RATE		GROSS DOMESTIC PRODUCT	
2016-2018	2016-2021	2016-2018	2016-2021
1.5%	1.0%	2.5%	2.1%

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2007=100)



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

- Many labor market nonparticipants.
- Large budget, current account deficits.
- Skewed income and wealth distribution.
- Polarized and fractured political system.

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Dec 16	Apr 17	Aug 17
Total	1.6	1.5	1.5
Construction	2.8	2.7	3.0
Manufacturing	0.2	0.2	0.8
Trade	1.1	0.6	0.2
Trans/Utilities	1.8	1.6	1.6
Information	0.3	-1.4	-2.2
Financial Activities	2.1	2.1	1.9
Prof & Business Svcs.	2.8	3.1	3.0
Edu & Health Svcs.	2.5	2.4	2.2
Leisure & Hospitality	2.3	1.9	2.1
Other Services	1.2	1.0	1.5
Government	1.0	0.8	0.2

FORECAST RISKS

SHORT TERM ↑ | LONG TERM ↑

UPSIDE

- Low energy prices and rising wages act as tailwinds for consumer spending.
- Long-term interest rates remain low for much longer, fueling housing's recovery and spurring more business investment.

DOWNSIDE

- Weak global demand and high dollar detract from exports longer than expected.
- Household formation remains subdued, hurting the housing recovery.

MOODY'S RATING **Aaa**

ANALYSIS

Recent Performance. The U.S. economy is powering forward. Despite the uncertainty created by Hurricanes Harvey and Irma, Washington brinkmanship over almost everything, and North Korean nuclear threats, the expansion remains firmly intact (see Chart 1). Real GDP is on track to come in just over 2% this year and well over 2 million jobs will be created.

This is about the same growth seen since the expansion began over eight years ago and is above the economy's current growth potential. Unemployment and underemployment continue to steadily decline—a half and full percentage point per annum, respectively—and are now consistent with most estimates of full employment.

Fannie and Freddie. But the cleanup from the Great Recession remains unfinished. Mortgage giants Fannie Mae and Freddie Mac marked their ninth year in conservatorship this month. Few thought they would still be under government control, and while the housing finance system is functioning reasonably well, it makes little sense to keep these institutions in limbo.

However, given the difficult economics and politics around how to resolve Fannie and Freddie's predicament, that resolution likely will not be in the foreseeable future. Stakeholders in the housing finance system, from lenders and originators to progressive groups looking out for underserved communities, understandably do not want to give anything up in any future system. Most proposals to reform the system and get Fannie and Freddie out of conservatorship fall short in this regard. And with Washington embroiled in battles over numerous other issues, including the federal budget, immigration, infrastructure spending and tax reform, there is not much political oxygen left for the housing finance system.

Normalizing monetary policy. Normalizing monetary policy from the emergency measures taken during the financial crisis is also critical unfinished business. The next step in the normalization process is the right-sizing of the Federal Reserve's balance sheet. The Fed dramatically expanded its balance sheet through several rounds of so-called quantitative easing by purchasing trillions of dollars in longer-term Treasury securities, Fannie and Freddie's debt, and mortgage securities backed by Fan, Fred and Ginnie Mae. The Fed's ownership of these securities ballooned from less than $1 trillion before the crisis, equal to just over 5% of GDP, to $4.5 trillion today, some 25% of GDP.

While there has been much debate about the economic efficacy of QE, we estimate that at its peak impact, QE reduced the yield on the 10-year Treasury bond by approximately 100 basis points. This occurred partly through a signaling effect, in which QE signaled that the Fed would keep short-term rates low long into the future. This effect was most potent in the first couple of rounds of QE. It also occurred through a portfolio balance effect, resulting from the reduced supply of these risk-free securities, for which investor demand has been supercharged given the heightened uncertainty and greater post-crisis regulatory need for liquidity at global financial institutions (see Chart 2).

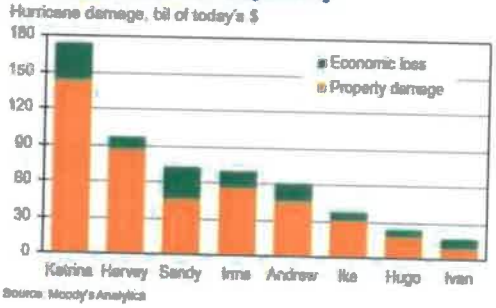
QE-induced low long-term rates have been critical to jump-starting and supporting the expansion. They have facilitated several mortgage refinancing waves that eased pressure on hard-pressed homeowners and fueled housing demand, helping to end the housing collapse. They have also been behind the raging bull market in stocks, which has lifted household wealth, and thus consumer spending via the wealth effect. More broadly, the very low rates have incented greater risk-taking, which is key to growth, but was severely depressed by the crisis.

(Continued next page)

2011	2012	2013	2014	2015	2016	INDICATORS	2017	2018	2019	2020	2021	2022
15,021	15,355	15,612	16,013	16,472	16,716	Gross domestic product (C09$ bil)	17,082	17,578	17,940	18,148	18,571	19,013
1.6	2.2	1.7	2.6	2.9	1.5	% change	2.2	2.9	2.1	1.2	2.3	2.4
131.9	134.2	136.4	138.9	141.8	144.3	Total employment (mil)	146.5	148.6	150.1	150.6	151.4	152.9
1.2	1.7	1.6	1.9	2.1	1.8	% change	1.5	1.5	1.0	0.3	0.5	1.0
8.9	8.1	7.4	6.2	5.3	4.9	Unemployment rate (%)	4.4	4.1	4.0	4.6	4.9	4.9
6.2	5.0	1.1	5.3	5.0	2.4	Personal income growth (%)	3.6	4.8	5.3	4.4	3.9	4.0
311.7	314.0	316.2	318.6	320.9	323.1	Population (mil)	325.4	327.7	330.0	332.0	334.1	336.3
0.434	0.537	0.620	0.647	0.712	0.784	Single-family starts (mil)	0.867	1.176	1.391	1.371	1.376	1.392
0.178	0.247	0.308	0.355	0.395	0.393	Multifamily starts (mil)	0.371	0.385	0.391	0.342	0.366	0.410
1,428	2,051	1,844	1,267	1,677	1,894	Mortgage originations ($ bil)	1,607	1,512	1,434	1,350	1,472	1,593
1,363	1,181	1,039	910	820	771	Personal bankruptcies (ths)	775	776	777	858	1,006	1,184
0.1	0.1	0.1	0.0	0.3	0.3	91-day Treasury bill (%)	0.9	1.7	3.0	3.4	3.1	2.6
2.8	1.8	2.3	2.5	2.1	1.8	10-year Treasury bond (%)	2.4	3.3	4.2	4.3	4.1	4.2

Harvey and Irma Are Very Costly

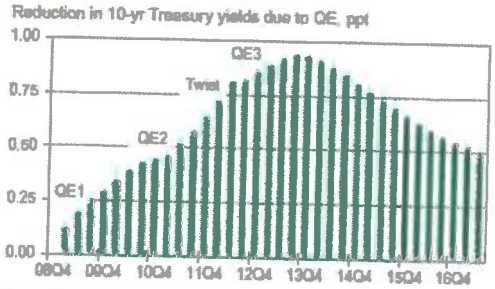
Hurricane damage, bil of today's $



Source: Moody's Analytics

QE Worked

Reduction in 10-yr Treasury yields due to QE, ppt



Sources: Federal Reserve, Moody's Analytics

QE wind-down. The Fed appropriately believes the U.S. economy is in a good enough place to slowly end QE and reduce its security holdings. In the Fed's script, the QE wind-down will occur as the securities it owns mature and prepay, ramping up from $10 billion a month initially to a peak of $50 billion a month. We expect the Fed will continue with this script until it owns approximately $3 trillion in securities, not quite 15% of GDP, which is where policymakers will hold the balance sheet (see Chart 3). Given changes in the way it manages short-term rates post-crisis, the Fed needs to maintain a bigger balance sheet than prior to the crisis. It should take the Fed approximately five years to right-size its balance sheet.

Whither short-term rates. There is little debate among investors over the wind-down of QE given the Fed's transparency on how it will go, but there is heated debate over the future path of short-term interest rates. The sentiment of policymakers as represented by the median of the dot-plot of their future interest rate expectations is for a quarter-point rate hike in December, three hikes in 2018, and a 3% equilibrium rate—the rate that prevails in the long run when the economy is at full employment and growing at its potential and inflation is at the Fed's 2% target (see Chart 4).

This seems a reasonable outlook given that while the economy is already at full employment and growing above its potential, inflation remains stubbornly below the Fed's target and has moderated so far this year. But if past business cycles are a guide, given the tightening labor market, wage and price pressures will soon develop, and the Fed will find itself scrambling to catch up a year or two from now, raising rates more quickly than policymakers currently anticipate. This would be consistent with our outlook for short-term rates.

Investors' perspective. Investors have a very different perspective on the future path of short-term rates. According to futures markets, investors think there are less than even odds of another rate hike this year, perhaps one or two at most next year, and an equilibrium rate that is closer to 2%. Behind this outlook is the expectation that inflation will remain stubbornly below the Fed's target for broader structural reasons such as heightened competition from internet retailers, and that the economy's growth potential is much lower than the Fed or we believe. Investors appear to have bought into this secular stagnation view of the economy, in which the U.S. economy has become more like the moribund Japanese economy.

If investors are wrong, and we think they are, they will soon need to shift up their expectations for future short-term rates. This will likely ignite a spike in financial market volatility, characterized by weaker stock prices, wider credit spreads, a stronger U.S. dollar, and weaker commodity prices. This is the most serious near-term threat to the expansion. That is, the volatility in markets proves much greater and its fallout on the economy much bigger than anticipated.

Washington wild card. The catalyst for a change in investor expectations may emanate from Washington. The widely held view is that the Trump administration and Congress will fail to get anything done on taxes and infrastructure and government spending—the status quo on fiscal policy will prevail.

Perhaps. But there are powerful political incentives for the administration and Republican-controlled Congress to pass something—if not tax reform, then tax relief for U.S. corporations. Given that this will likely add to future deficits, conservative Republicans may not go along, thus requiring a few Democratic votes in the Senate. Some Democrats might go along if as part of the package there was a meaningful step-up in infrastructure spending. There are lots of different directions all of this could go, but it is premature to rule out the passage of a modest package of tax and spending changes.

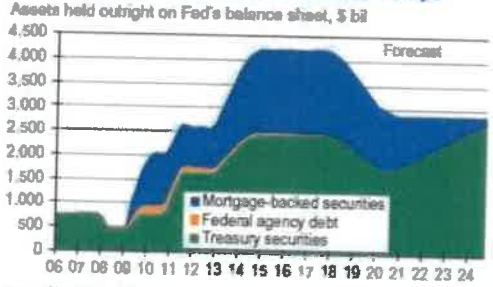
Of course, deficit-financed tax cuts and spending increases, also known as fiscal stimulus, will pump-up growth, at least temporarily, which in a full-employment economy will create greater wage and price pressures. Investors will rightly figure that the Fed will respond by normalizing interest rates more quickly.

Regardless of how all this plays out, it is clear that fully cleaning up from the Great Recession is still a long way off and rife with risk. It is important that policymakers get the job done before the next recession hits.

Mark Zandi
September 2017

Fed Will Stick to This QE Wind-Down Script

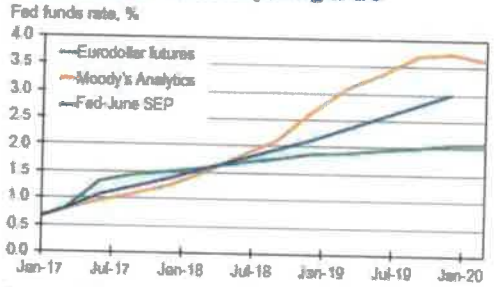
Assets held outright on Fed's balance sheet, $ bil



Source: Moody's Analytics

Investors Have Some Adjusting to Do

Fed funds rate, %



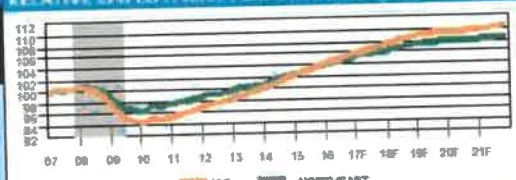
Sources: Federal Reserve, Bloomberg L.P., Moody's Analytics

MOODY'S ANALYTICS

NORTHEAST

EMPLOYMENT GROWTH RATE		GROSS DOMESTIC PRODUCT	
2016-2018	2016-2021	2016-2018	2016-2021
1.1%	0.7%	1.9%	1.6%

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2007=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 business and living costs than in other regions.
- Weak population growth and an aging workforce.

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Dec 16	Apr 17	Aug 17
Total	1.2	1.2	1.4
Construction	0.5	1.9	2.1
Manufacturing	-1.1	-1.6	-1.2
Trade	-0.9	-0.1	-0.2
Trans/Utilities	2.9	2.7	2.1
Information	-0.1	-0.4	-1.4
Financial Activities	0.4	0.7	0.6
Prof & Business Svcs.	1.9	2.2	2.4
Edu & Health Svcs.	2.7	2.6	2.7
Leisure & Hospitality	2.1	1.7	3.3
Other Services	1.3	1.0	1.8
Government	0.5	0.3	0.1

FORECAST RISKS

SHORT TERM ↓ | LONG TERM ↓

UPSIDE

- Worker shortages put more upward pressure on wages than expected.
- Positive sentiment among manufacturers powers a broader turnaround for factories.

DOWNSIDE

- Tighter border controls cause outright population losses due to out-migration.
- Aging of millennial cohort shifts more growth toward suburbs, weighing on the region's big cities.

ANALYSIS

Recent Performance. The Northeast's performance is hardly the stuff of inspiration, but its trajectory remains solid. The gap between regional and national employment growth is about as narrow as it has been in six years. Still, hiring cannot keep up with the number of open positions, indicating a shortage of qualified workers. Rapid growth in healthcare and a resilient tourism sector have kept the region moving in the right direction despite softness in manufacturing and a slowdown in construction. Meanwhile, with numerous states facing major budget challenges—chief among them Connecticut, New Jersey and Pennsylvania—the Northeast is the only region where public sector payrolls have contracted on a year-over-year basis.

White-collar. Office-using job growth will remain solid over the next year, helping the Northeast close the gap with the U.S. Strength in professional services, especially in New York, Massachusetts and Washington DC, helped income growth return to form to begin 2017. This signals that regional gateway markets remain a draw for lucrative industries and skilled workers, powering the nation's largest share of high-wage jobs.

Tech positions are providing a major boost, especially in the absence of more dynamic financial services growth. Venture capital in New York picked up during the second quarter, and while funds into Massachusetts slowed, Greater Boston remains a hotbed of activity. Further, cybersecurity plays an increasingly important role around the nation's capital, especially in Maryland.

Trade. Weakness in trade will weigh on factories. Exports in the first half of 2017 were down from a year ago, making the Northeast the only region where this happened. Shipments to Canada and the euro zone have fallen, with transportation equipment and chemical products, including pharmaceuticals, hit hardest. While the dollar has weakened somewhat of late, providing a bit of relief, its continued strength relative to the euro and the loonie has kept overseas shipments in check. This is preventing factories from escaping the doldrums that have plagued them throughout this cycle, with the Northeast the only region to shed manufacturing jobs.

However, the news is not all bad. The so-called soft data paint a more encouraging picture, with respondents to Federal Reserve manufacturing surveys in New York and Philadelphia indicating that conditions are rapidly improving. And import growth is solid, supporting robust gains in transportation and logistics over the past year. A strong stock market and high incomes have been particularly beneficial to the tri-state area of New York, New Jersey and Connecticut, partially offsetting those states' demographic challenges.

Housing. Weak demographics, however, will plague the housing market. With population growing at a snail's pace, household formation as a share of housing starts is far below that of any other region. This marks the continuation of a trend that owes in part to a surge in multifamily building in the Northeast's big cities. On the demand side, residents are largely migrating West and South due to lower costs and more vibrant economies. In addition, a persistent foreclosure overhang is keeping a lid on prices and leaving builders sidelined. This is especially so in New Jersey and New York, the two states with the most foreclosed homes per household nationally, although inventories are finally beginning to decline in each state. Put it together and construction growth will remain subpar.

The Northeast will slide further behind the nation's other regions in the short run. While strength in high-wage industries will provide a boost, flat population growth will hold back housing and contribute to worker shortages. Longer term, high costs and an elevated share of retirees will keep the region at bay.

Adam Kamins
September 2017

COST OF DOING BUSINESS 106%

2011	2012	2013	2014	2015	2016	INDICATORS	2017	2018	2019	2020	2021	2022
3,576.4	3,641.4	3,650.4	3,700.3	3,772.8	3,816.9	Gross regional product (C09$ bil)	3,875.0	3,966.6	4,030.5	4,061.6	4,146.3	4,232.8
28,767	29,102	29,430	29,810	30,238	30,647	Total employment (ths)	31,007	31,329	31,563	31,619	31,745	31,984
1.0	1.2	1.1	1.3	1.4	1.3	% change	1.2	1.0	0.7	0.2	0.4	0.8
8.1	8.0	7.3	6.1	5.2	4.8	Unemployment rate (%)	4.4	4.4	4.3	4.8	5.1	5.1
5.3	4.5	0.8	4.3	4.1	3.1	Personal income growth (%)	2.7	4.2	4.6	3.9	3.8	3.9
63,005	63,271	63,494	63,678	63,794	63,859	Population (ths)	63,941	64,022	64,082	64,112	64,138	64,202
120.1	55.7	49.4	-4.4	-42.9	-79.0	Net migration (ths)	-118.4	-120.1	-143.1	-171.9	-173.9	-133.0
50,017	56,570	67,389	69,514	68,017	70,343	Single-family permits (#)	76,896	107,488	128,877	128,195	130,622	132,752
39,511	51,277	65,686	74,658	121,201	73,597	Multifamily permits (#)	76,913	74,655	72,329	67,915	71,069	74,321
478	472	478	490	507	526	House price (1980Q1=100)	547	568	585	600	618	641
311	417	373	237	298	362	Mortgage originations ($ mil)	310	293	280	263	287	311
2,813.2	3,034.2	3,211.4	3,364.3	3,511.9	3,576.2	New vehicle registrations (ths)	3,470.4	3,590.4	3,489.3	3,393.6	3,461.3	3,679.0
200,617	171,212	147,706	134,024	120,351	115,036	Personal bankruptcies (#)	115,484	115,120	119,693	129,831	152,477	154,058

RECENT ECONOMIC DEVELOPMENT – NORTH COUNTRY, NEW YORK

- Bombardier, Inc. a manufacturing facility in the Northgate Industrial Park, City of Plattsburgh recently completed an addition to their facility, which increased the plant's size to roughly 149,000 SF. Adding 80,000 SF to the existing building. Two large contracts were also recently secured; New York City Transit, 300 subway cars and San Francisco Bay Area Rapid Transit for 410 rail cars with options for another 365 cars. These new contracts guarantee employment to the 465 employees well into the future.
- Additionally, Bombardier had previously constructed a rail car testing facility at the Champlain Valley International Trade PARC (CVIT). CVIT is the former Plattsburgh Air Force Base. An additional testing facility was originally built in 2001, also at CVIT. The company manufactures transit rail cars. The company's operation created a "ripple" effect, as a number of its suppliers and manufacturers established facilities in and around Plattsburgh.
- The Laurentian Aerospace Corporation revealed that they were proposing to build an aircraft maintenance, repair and overhaul facility on the former Air Force Base (PARC). Construction of the aircraft maintenance, repair and overhaul facility on the former Air Force Base (PARC) is still stalled due to financing. The proposed 2-bay hangar facility will be constructed at a cost of about $175 million and will contain approximately 262,000 square feet of area. Employment estimates range from 900 - 1,200 jobs (900 to overhaul jets and 300 administrative staff) that will be created within the next five years.
- In its 2016 Progress Report, the North Country Economic Development Council (NCEDC) reported that the number of retail establishments across the region remained stable from 2010 to 2015, while the average annual employment for the same period fell by 1.5 percent. By comparison, the average annual employment for New York State during the same period grew by 5.2 percent. The U.S. economy expanded at a rate similar to New York State during that period.
- One of the NCEDC's 2016-2017 projects was to construct a 33,000 square foot state-of-the-art center of health to be utilized by Adirondack Medical's nationally recognized team-based approach to creating health plans for its patients. This facility will ensure all necessary services are in one place to support this approach. The center will be the official hospital for the Lake Placid Olympic Training Center and will become an integral part of the community's ability to sponsor world-class sporting events. The project cost is over $13 million, with public investment funding of $3 million and other investments of $10 million.
- Another NCEDC project is to modernize the Olympic Venus along with other sporting assets to compete for future Winter Olympic bids. The Adirondack/Thousand Islands Sports and Events Commission will use the pursuit of a 2026 or 2030 Winter Olympic Bid as a catalyst to create the Sustainable Olympic Venues Global Center of Sports Excellence in Lake Placid. The project cost is $6 million of which $4.5 million will be funded through public investment and $1.5 million will be funded through other investment.
- Prevost was awarded a contract for up to 360 motor coaches from Greyhound Lines, Inc. The three-year deal specifies the delivery of the first 60 coaches in 2017 with the

option to purchase the balance over a three-year period. This is the single largest contract in Prevost history.

- Biotech Energy, a full-service technology company that specializes in biomass thermal energy systems opened its new corporate headquarters at Clinton Community College in May of 2017.
- In May of 2017, Plattsburgh International Airport's new terminal opened. Construction took more than two-years and cost $55.0 million.
- In spring of 2017, 13 years after entering into an agreement with the Oval Wood Dish Corporation Liquidating Trust, 5,800 acres of land was purchased by Preserve Associates for $5,200,000. These 5,800 acres is the bulk of the Adirondack Club and Resort site, and will be added to Big Tupper Ski Area, the marina, and Cranberry Pond. In the first phase of the project there are 18 "great camp" lots, of which several are under contract. These lots range from approximately 30 acres to more than 700 acres. As part of the sale of these lots, 7.5 percent of the gross sale price of each lot will be used for operation and maintenance of, and capital improvements to the Big Tupper Ski Area, around which the resort has been planned.
- In May of 2017, through New York State's Downtown Revitalization Initiative, the State of New York announced it is giving the City of Plattsburgh, $10.0 million toward 10 different projects to revitalize the city's downtown. Some of the projects include making the streets more walkable by improving the streetscapes on five central downtown streets. Another project is improving waterfront access to downtown and developing the Dock Street Waterfront by requesting proposals from developers for new uses that will connect residents and visitors at the waterfront with the city's historic center. The Durkee Street Mixed-Use Development project is a public-private partnership and may include approximately 45 residential units and almost 47,000 square feet of commercial space that will complement the character of downtown Plattsburgh.
- In February of 2017, the Adirondack Park Agency (APA) approved a permit for the Lake Flower Resort and Spa along with a variance for several features that fall within 50 feet of Lake Flower's mean high water mark. Saranac Lake Resort, LLC has purchased the Adirondack Motel, the Lake Flower Inn, and the Lakeside Motel at the north end of Lake Flower Avenue. These motels will be demolished so the four-story, 32,000 square foot resort could be constructed. The resort will feature 93-room, two restaurants, a bar, conference/meeting facilities and an indoor-outdoor spa. The buildings fourth floor would rise to 66 feet at the ridgeline, with a 69-foot tall turret at the building's highest point. The property would have a 100-car pervious paved parking area. However, in May of 2017, the owner of Lakeside Motel terminated their contract with Saranac Lake Resort, LLC. The contracts with all three motels had been extended three times over the past year without closing. Now the Saranac Lake Resort, LLC is taking the owner to court. If Saranac Lake Resort, LLC cannot purchase the motel, the project could not move forward.

- Saranac Lake was awarded $10 million for the revitalization of the downtown area from Governor Cuomo's economic development Council. Plans are to spend up to $300,000 to develop a planning committee that will analyze a strategy to spend the funds.

TRANSPORTATION

The following chart details the regional transportation network within Clinton County.

Transportation – Franklin County			
Roadways			
Interstate	U.S Route	State Route	Secondary
None	Route 11: NE-SW	Route 30: N-S	Various
		Routes 37 & 99: NW-SE	
		Route 3: NE-SW	
Other			
Airports	Plattsburgh International Airport (Plattsburgh-Clinton County)		
	Watertown International Airport (Jefferson County)		
Railroad	Amtrak (Plattsburgh-Clinton County)		
Bus	Adirondack Trailways (Plattsburgh & Massena), & Franklin County Public Transp.		

EMPLOYMENT

The following chart details the employment characteristics within Franklin County, the North Country Region and New York State.

Employment (Franklin County)				
Unemployment				
Geographic Area	Average 2015	Average 2016	Average 2017	July 2018
Franklin County	6.5%	5.7%	6.1%	4.6%
North Country	6.6%	6.0%	6.2%	4.8%
New York State	5.3%	4.8%	4.7%	4.2%
Largest Employers*				
Rank	Organization		Industry	
1	Sunmount Development Center		Intermediate Care Facility	
2	North Star Industries		Social Services	
3	NYS Dept. of Corrections – Barre Hill		Government	
4	NYS Dept. of Corrections - Franklin		Government	
5	Akwesasne Mohawk Casino		Entertainment/Leisure	
6	Franklin County		Government	
7	NYD Dept. of Correction - Upstate		Government	
8	Alice Hyde Medical Center		Health Care	
9	St. Regis Mohawk Tribe Council		Government	
10	Paul Smiths College		Education	

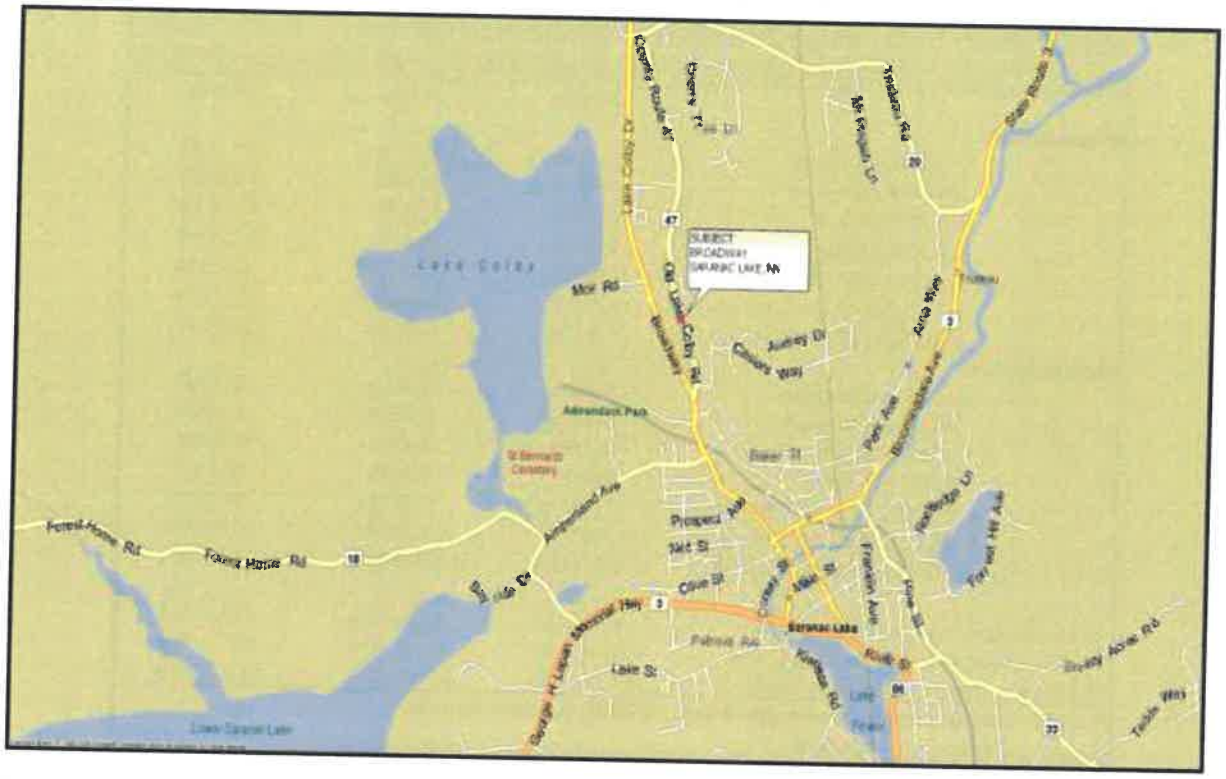
* Source: North Country Chamber of Commerce
Complied by: Hilco Real Estate Appraisal

CONCLUSION

There are a handful of projects happening in the North Country that aid with improving the area's economy. The influx of funds from governmental agencies has sparked a momentum in the larger towns encouraging new development. Transportation within the area is considered to be average to good depending on the location. Unemployment rates in the county and region are fairly consistent, and have always been higher than that of the State as a whole.

The North County's largest urban area is Plattsburgh; otherwise is it is made up of small cities and rural communities within seven counties. The North Country region is highly dependent on the tourism industry. Because the North Country is primarily rural, the loss of population to basic institutions, such as schools, grocery stores, and hospitals, is significant.

NEIGHBORHOOD ANALYSIS



LOCATION

The subject is located within the Adirondack Forest, specifically on the eastern side of Broadway and the western side of Old Lake Colby Road in the Village of Saranac Lake, Franklin County, New York. Saranac Lake is situated on the border of Franklin and Essex Counties. The neighborhood is generally delineated by the Trudeau Road to the north, Bloomingdale Avenue to the east, (also known as Route 3), Route 3, also known as the George H. Lapart Memorial Highway in this area, is to the south and Lake Colby sits to the west.

ADJACENT PROPERTIES

Immediately north of the subject are some single-family residences, along with a church. To the east are single-family residential uses, followed by vacant land. To the south is vacant land, followed by Taylor Rental Party Plus Farm & Family Supplies, and an urgent care center. Immediately to the west is vacant land and an automobile dealership.

ACCESS

The property is considered to have average access to local and regional transportation networks. Access to the sites is available via Broadway or Old Lake Colby Road, as the properties border each to the west and east. Lot 3 has a dirt pathway that is somewhat overgrown that provides access into the center of the lot. There are no other development means of ingress or egress to either site.

DEMOGRAPHICS

NEIGHBORHOOD DEMOGRAPHICS BROADWAY, SARANAC LAKE, NY			
	3-Mile	5-Mile	7-Mile
Population			
2023 Projection	6,268	8,774	15,739
2018 Estimate*	6,392	8,947	15,985
2010 Census	6,728	9,420	16,615
2000 Census	6,264	8,773	16,359
2018-2023 % Change	-1.94%	-1.93%	-1.54%
2010-2018 % Change	-4.99%	-5.02%	-3.79%
2000-2010 % Change	7.41%	7.37%	1.56%
Households			
2023 Projection	3,026	3,519	6,540
2018 Estimate*	3,066	3,554	6,545
2010 Census	3,185	3,666	6,580
2000 Census	2,836	3,235	6,117
2018-2023 % Change	-1.30%	-0.98%	-0.08%
2010-2018 % Change	-3.74%	-3.06%	-0.53%
2000-2010 % Change	12.31%	13.32%	7.57%
2018 Median Household Income	$56,399	$58,425	$60,423
2018 Average Household Income	$74,895	$76,399	$78,793
2018 Est. Median Housing Value	$173,704	$173,531	$194,278

* 2018 Estimates are based upon actual 2010 Census figures.
Source: Environics / Claritas

CONCLUSIONS

The subject is located on the outskirts of the Village, in a somewhat rural area. After experiencing healthy growth between 2000 and 2010 population and households have declined since 2010 and are anticipated to continue that trend into the future, but at a slower pace. Aside from the few development projects mentioned within the Regional Analysis, which are based within the central area of the Village, there are no other known large projects underway. Overall, we do not expect the general character and uses in the area to change significantly within the near future.

MARKET ANALYSIS

INTRODUCTION

The subject property represents two vacant land parcels on the outskirts of the village of Saranac Lake. There are primarily residential uses to the north and east and commercial uses to the west. The parcels are zoned for limited residential use and a variety of commercial uses with approvals. As the housing market in a given area often provides an indication of the health of the economy in a given area, we have provided market data on the housing market and information on historical land sales within the subject's market below.

HOUSING SALES

According to statistics provided by the New York Association of Realtors as of the December 2017, there were 344 closed sales in Franklin County for the year, which represents a decline of 2.5% from 2016, but a 34.4% increase from 2013. There was reportedly an 11.5 months' supply of inventory and sellers were receiving 91.6% of the list price. Median sale prices ranged from $90,000 to $106,000 between 2013 through 2017. The 2017 median sale price was $101,500, which represents a 12.8% increase from 2016, but a 4.2% decrease from 2013.

Year to date figures for 2018 show a decrease in listings and closed sale, but an increase in median sale prices of 8.8% as of July 2017 as compared to July 2018. According to the NYS Department of Taxation and Finance, There have been 363 homes sold in Franklin County as of May 1, 2018, with a median sale price of $100,000.

VACANT COMMERCIAL LAND SALES

A search of vacant commercial land sales within the New York State Office of Real Property Services (ORPS) database yielded six entries since January 1 of 2015. ORPS is often a few months behind on recording sales to the database, and the most recent entry was as of May 25, 2018. Because the subject sits on the border of Franklin and Essex Counties, we included both in our query. In addition, we requested only arm's length transactions be included. The sales are summarized below:

VACANT COMMERCIAL LAND SALES -ESSEX & FRANKLIN COUNTIES 1/1/15 – 8/30/2018							
No.	Address	SBL	Acres	Sale Date	Sale Price	Price Per Acre	Comments
1	West Main St., Chateauguay, Franklin County	61.13-3-12.2	0.13	3/1/17	$2,000	$15,385	Purchased by adjacent land owner.
2	Front St., Chesterfield, Essex County	4.37-3-27.00	0.5	10/20/16	$20,000	$40,000	Purchaser owns land across the street. This is a narrow lot between two buildings on the primary roadway in town.
3	14 North St., Chesterfield, Essex County	1.67-1-11.01	2.3	9/24/15	$150,000	$65,217	Mostly residential neighborhood ½ block from Lake Champlain.
4	Broadway, Saranac Lake, Franklin County	446.76-7-9	0.13	3/20/18	$70,000	$538,462	Small lot once improved; rubble on from old foundation; steep hill
5	Union St, Malone, Franklin County	98.71-2-1	164.16	12/1/17	$25,000	$152.29	Price per acre suspect. Large tract in primarily commercial area.
6	NYS Route 22 Willsboro, Essex County	30.12-3-1.0	5.0	5/25/18	$8,840	$1,768	Was vacant com'l; now coded as industrial. On hill across from junk yard.

The limited inventory of sales prevents any strong conclusions about the price of a vacant commercial lot. Nor can a conclusion be formed about increasing or decreasing prices over the timeframe analyzed. Based on the above, it was necessary to expand our search for comparable land sales to compare to the subject by extending the sales timeframe and the regional area.

RECENT CONSTRUCTION

Construction within Saranac Lake has been minimal over the past decade. As noted within the Market Analysis section of this report, there is one major development in the works on Broadway within the downtown area of the Village which involves demolishing three existing motel/hotel properties and creating a larger hotel that sits on the edge of Lake Flower. A search using Landmax.com for any new construction since 2010 yielded only single-family homes.

CONCLUSION

The subject property is located within a semi-rural village in Franklin County. Development has been minimal over the past decade, although there is a large new project online, which may add to the area draws. While surrounding areas such as Tupper Lake, Malone and the Plattsburgh areas are showing progress towards recovering from the great recession, Saranac Lake appears to be fairly stable in recent history, with most of the existing businesses remaining in place.

SITE ANALYSIS

LOTS 3 AND 4 - BROADWAY, (A.K.A. NYS ROUTE 86) SARANAC LAKE, NEW YORK			
Gross Site Area:	Lot 3: 1.39 Acres Lot 4: 1.75 Acres	Shape:	Lot 3: Irregular; Somewhat Limiting Lot 4: Irregular; Not Limiting
Excess Land:	No	Topography:	Lot 3: Generally level to gently sloping from east to west. Lot 4: Gently to moderately sloping from east to west.
Surplus Land:	Depending on use	Historical Use:	Maintenance Shop / Vacant Land
Road Frontage:	Lot 3 – 150 Ft. Lot 4 – 136 Ft.	Zoning District:	G
Other Frontage:	Lot 3 – 42.8 Ft. on Old Lake Colby Rd. Lot 4 – 136 Ft. on Old Lake Colby Rd.	Current Use:	Vacant Land
Average Depth:	N/A	Flood Panel No.:	360273 0001C
Front-Depth Ratio:	N/A	Flood Panel Date:	January 2, 1992
Soil Conditions:	Assumed Stable. Wetlands noted on the western side of each parcel. See wetlands maps.	Flood Zone:	Zone C
		Flood Insurance Required:	No

Characteristic	Rating	Characteristic	Rating
Access	Average	Adequacy of Utilities	Average
Visibility	Average	Landscaping	Natural
Functional Utility	Average	Drainage	Assumed adequate
Traffic Volume	10,140 (AADT 2015)	Adjacent Land Uses	Residential; Vacant Land; Commercial, Religious

Utility	Provider	Adequate	Other	Yes	No	Unknown
Water	Municipal	Yes	Toxic Hazards	See Below		
Sewer	Municipal	Yes	Detrimental Easements		See Below	
Natural Gas	None	N/A	Encroachments		X	
Electricity	Various	Yes	Deed Restrictions	X		
Telephone	Various	Yes	Reciprocal Parking		X	
			Common Ingress-Egress		X	

SITE SUMMARY

The subject consists of two vacant land parcels identified as Lot 3 and Lot 4. As noted previously, Lot 3 is associated with an environmental easement requiring periodic environmental testing and reporting until it is deemed unnecessary by the NYS Department of Environmental.

Lot 3 – Overview

Lot 3 is an open and wooded lot that slopes downward from the east to the west. There is a former point of ingress along Old Lake Colby Road that has a metal fence in front with a "STOP" sign. The ingress is dirt with vegetation. There is no pavement. The parcel slopes downward slightly and levels out into a large cleared area before sloping downward again. There is no current access from Broadway.

Lot 3 was once used in affiliation with an automobile sales and repair shop, manufacturing of war related items involving aircraft landing gear and land mine fuses, storage of 20,000 to 55,000-gallon drums (containing sand, sludge, grease), utility trucks and equipment, and the disposal of solid waste. After environmental testing, contaminants were identified at the site. The site has undergone remediation to address contaminants, and a Certificate of Completion was issued on November 16, 2011 by the NYS DEC.

However, as there is concern that some levels of contaminants may still exist, a Site Management Plan and Environmental Easement was mandated. In addition, allowable uses were identified as follows:

- Restricted Residential – limited to common ownership or a single owner/managing entity of the site. Apartment buildings and town houses are permitted, but single family housing is not.
- Active recreational park
- Commercial or Industrial purposes as local zoning laws allow.

The Site Management Plan also indicates that "any future disturbance and development will require a cover system consisting of a two-foot soil cover....Site development related asphalt pavement, concrete sidewalks, and concrete building slabs may be utilized in place of the soil cover." In lieu of providing a soil cover, contaminated surface soils may be excavated and disposed of off-site.

An evaluation and report must be submitted annually until the NYSDEC determines otherwise. While we are not qualified to determine the existing condition of the subject's environment, we have considered the information provided by property representatives, the NYSDEC, CT Male & Associates and the Cedar Eden Environmental report as of August 23, 2017. A copy of these documents is being kept in the Appraiser's file.

Based on our understanding of the information, the remediation efforts are considered complete to a certain level. If the ground is disturbed, (i.e. developed as permitted as outlined above), then additional testing will be completed. The entity who owns the land must submit periodic reports and perform periodic testing until such time as the NYS DEC determines it is no longer necessary. We acknowledge that should the land be developed and a ground covering system is put in place, (such as a concrete pad), testing may no longer be necessary. Because the easement poses a potential stigma and risk to any owning entity, we considered it, as well as the potential additional expenses that may be associated with the testing and reporting, within our adjustment grid in the Sales Comparison Approach. Depending on the type of testing, expenses may range from $10 to $6,000 per test based on our research.

We note that the Certificate of Completion issued by the NYS DEC references the subject parcel 446.43-2-3, but that it indicates a site size of 2.60 acres. According to the tax map, parcel identified is 1.39 acres. Based on our understanding of the material referenced above, the parcel identified as 446.43-2-4, which is also the subject of this report, does not contain an

environmental easement. This parcel is 1.75 acres. We have made the extraordinary assumption that the two parcels we have identified as the subject of this report are 1.39 and 1.75 acres respectively and that there are no environmental easements on Lot 4. Should information be presented to the Appraisers that indicates otherwise, we reserve the right to amend this report.

Lot 4 Overview

As noted above, this lot is not associated with an environmental easement. The topography on this lot appears to be more moderately sloped and rolling on the eastern portion as compared to Lot 3. Lot 4 is heavily wooded. Like Lot 3, there are Freshwater Forested/Shrub Wetlands on approximately 0.20 acres of the western most portion of each lot. Measurements were taken using the National Wetlands Inventory mapping tool. There were no signs of entry points from either the east (Broadway) or west (Old Lake Colby) sides.

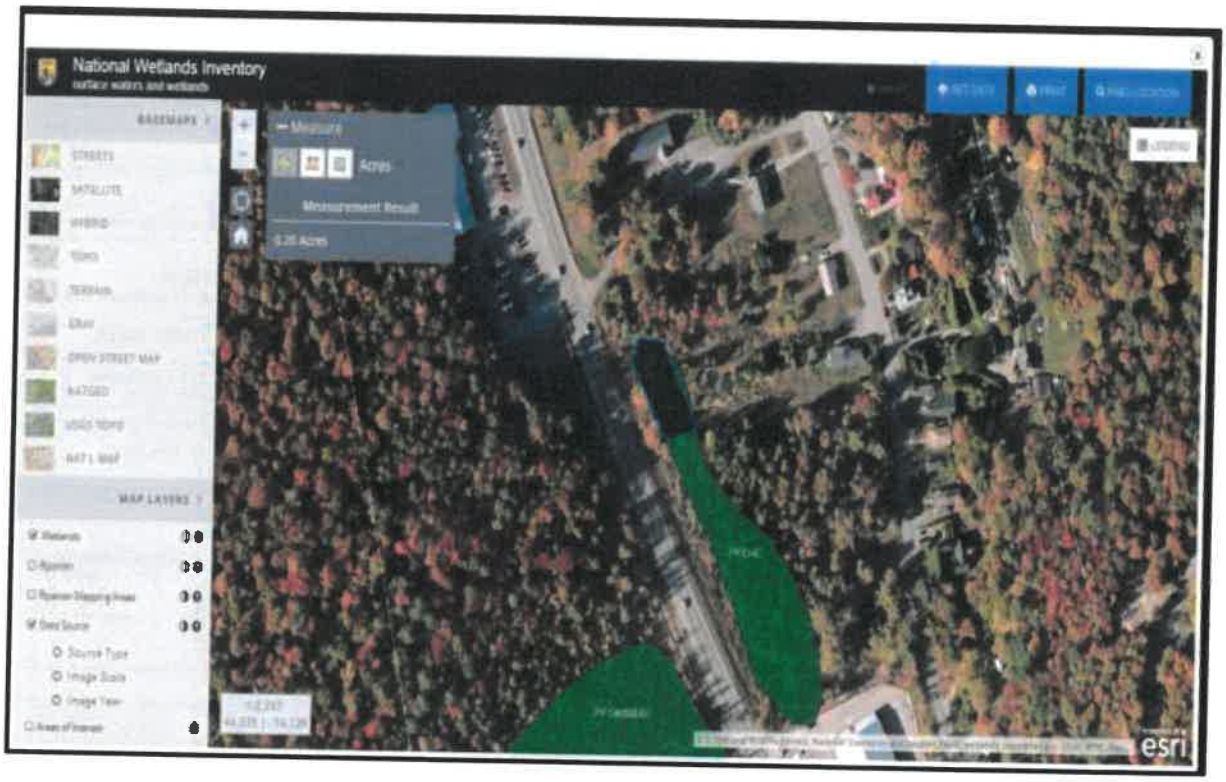
Overall, we see no significant limitations to developing either lot to its highest and best use.

SUBJECT TAX MAPS

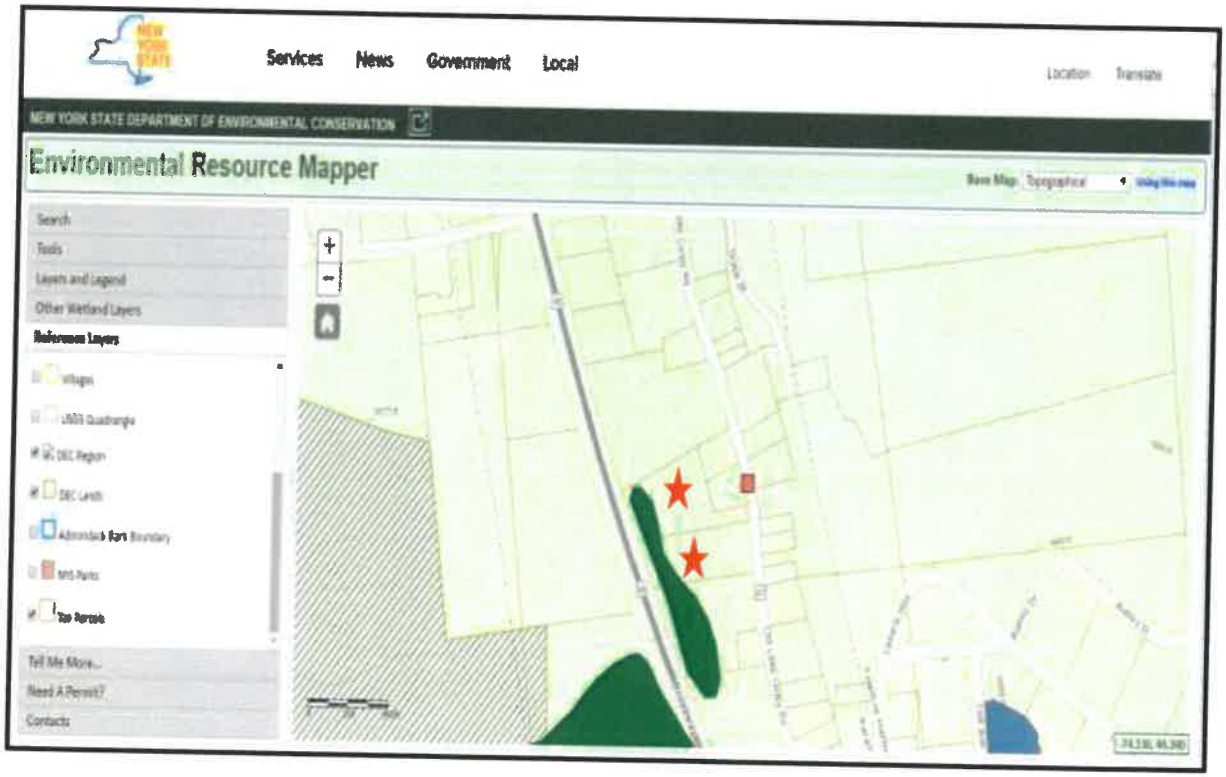
SBL 446.43-2-3

446.43-2-4

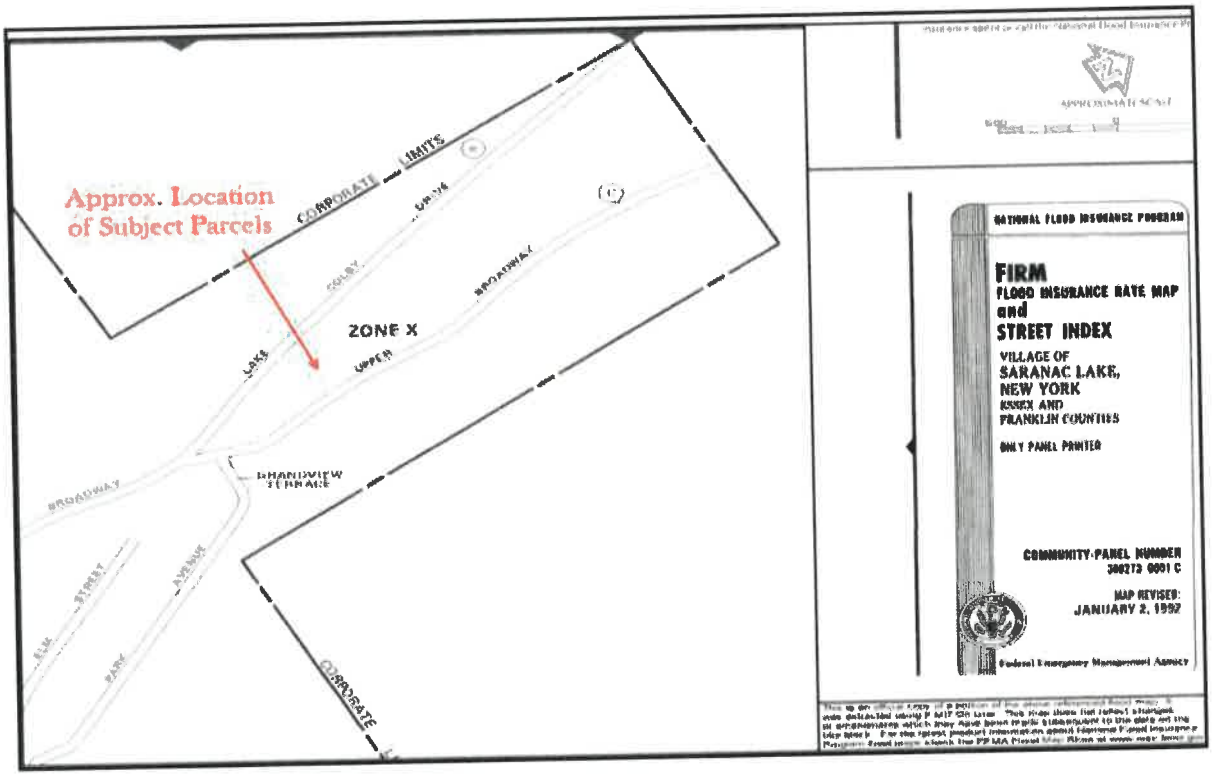
NATIONAL WETLANDS MAP



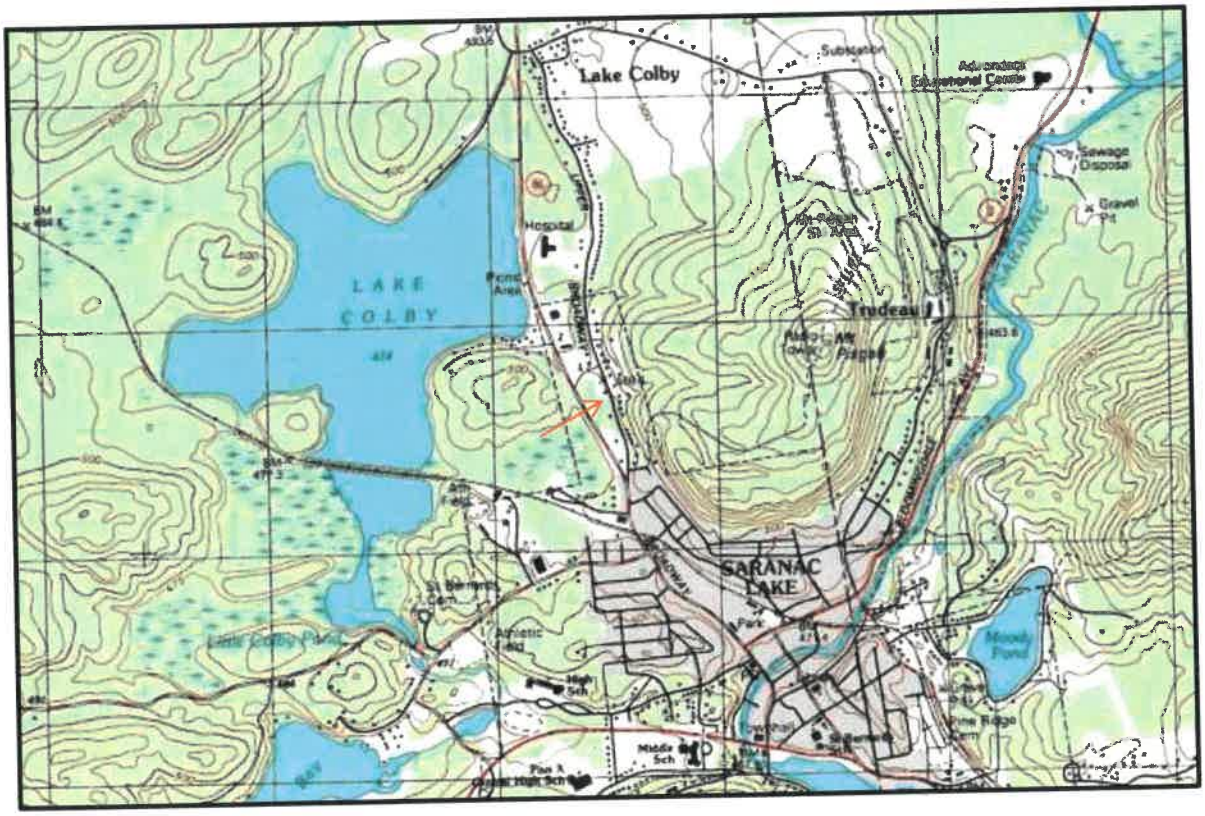
NYS WETLANDS MAP



FLOOD MAP



TOPOGRAPHIC MAP OF AREA



ZONING AND TAX ANALYSIS

ZONING

The subject is located in zoning district "G" according to the Village of Saranac Lake zoning map. The only permitted use by right in this district is a community garden up to one acre. Otherwise, there are a variety of residential, institutional, commercial and industrial uses allowed with a site plan review or administrative permit.

Dimensional standards for district "G" are as follows:

ZONING BULK AND SETBACK REQUIREMENTS	
Minimum Lot Size	5,000 SF
Max Lot Coverage	40%
Max Lot Coverage – Impervious Surface	30%
Front Yard	30 Feet
Rear Yard	20 Feet
Side Yard	15 Feet
Max Height	40 Feet or Site Plan Review Approval
Source: Saranac Lake Building & Codes	

As the subject represents vacant land, it represents a legally conforming use. A copy of the zoning permitted uses, bulk and setback requirements are included in the Addenda.

TAX AND ASSESSMENT DATA

The subject is located in the Village of Saranac Lake, which has a 100 percent equalization rate. As the parcels are owned by the Village, they are exempt. Based on their current assessments and tax rates (school, library, County, Airport, Board of Election, and Village) property taxes would be as follows if the parcels were taxable.

CURRENT ASSESSMENT AND TAX INFORMATION (2017-2018) VILLAGE OF SARANAC LAKE, NEW YORK					
Tax ID	Land	Improvements	Total	Rate Per $1,000	Gross Taxes
446.43-2-3	$31,200	$0	$31,200	$28.125349	$878
446.43-2-4	$48,300	$0	$48,300	$28.125349	$1,358
Source: Franklin County Real Property Tax Services					

Our estimate of market value of $70,000 and $100,000 respectively is higher than the Assessor's estimate of value. However, we note that based on our experience, it is not uncommon for undeveloped land to be assessed at lower levels until such time as they are improved.

HIGHEST AND BEST USE

DEFINITION

According to the Fifth Edition of The Dictionary of Real Estate Appraisal (Appraisal Institute, 2010), 'highest and best use' is defined as "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

The chart below summarizes the subject's highest and best use as vacant and as improved.

HIGHEST AND BEST USE SUMMARY		
	As Vacant	**As Improved**
Legal Permissibility	Based on the zoning district, a variety of residential, commercial or industrial uses are permitted with either site plan review and approval or administrative approval.	N/A
Physical Possibility	Based on the size, shape, topography, and frontage, a wide range of uses are physically possible.	N/A
Financial Feasibility	Based on the subject's physical characteristics and specific location with frontage along Broadway (a.k.a. Route 86), a primary roadway in the area, future development of the site with commercial or retail uses that are complimentary to the surrounding area would represent the most likely financially feasible option. As the current economic climate in the area does not indicate a significant demand for such uses, the most likely financial feasible use would be for an owner occupied, built-to-suit, or significantly preleased commercial or retail property, or it should be held for future development.	N/A
Maximum Profitability	The use for the subject should conform to the neighborhood trends and be consistent with existing land uses, which may include commercial/retail and/or residential uses.	N/A
Compiled by Hilco Real Estate Appraisal		

CONCLUSION: HIGHEST AND BEST USE AS VACANT

Based on the foregoing, the highest and best use of the sites as vacant would be for commercial or retail use if owner occupied, built to suit, or substantially preleased. Otherwise, the highest and best use would be to hold for future commercial and/or retail development.

CONCLUSION: HIGHEST AND BEST USE AS IMPROVED

As the subject represents vacant land, the highest and best use as improved is not applicable.

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, where 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.

As there are no improvements to analyze, the Cost Approach is not applicable. Additionally, as there is no demand for leasing vacant land in the subject's market, the Income Capitalization Approach has been omitted. The Sales Comparison Approach is considered the most reliable analysis for this type of property and has been fully developed within this report.

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 price per acre is the most commonly 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.

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.

ANALYSIS OF COMPARABLE SALES

The inventory of recent commercial land sales within the subject's immediate market was limited. Therefore, it was necessary to expand our search to the subject's regional market in areas that could be considered similar to the subject and include sales of similar properties that occurred beyond the typical three year timeframe. In developing the Sales Comparison Approach, as we have determined that the highest and best use of the property would be for commercial use, we have selected commercially zoned sales within the subject's region.

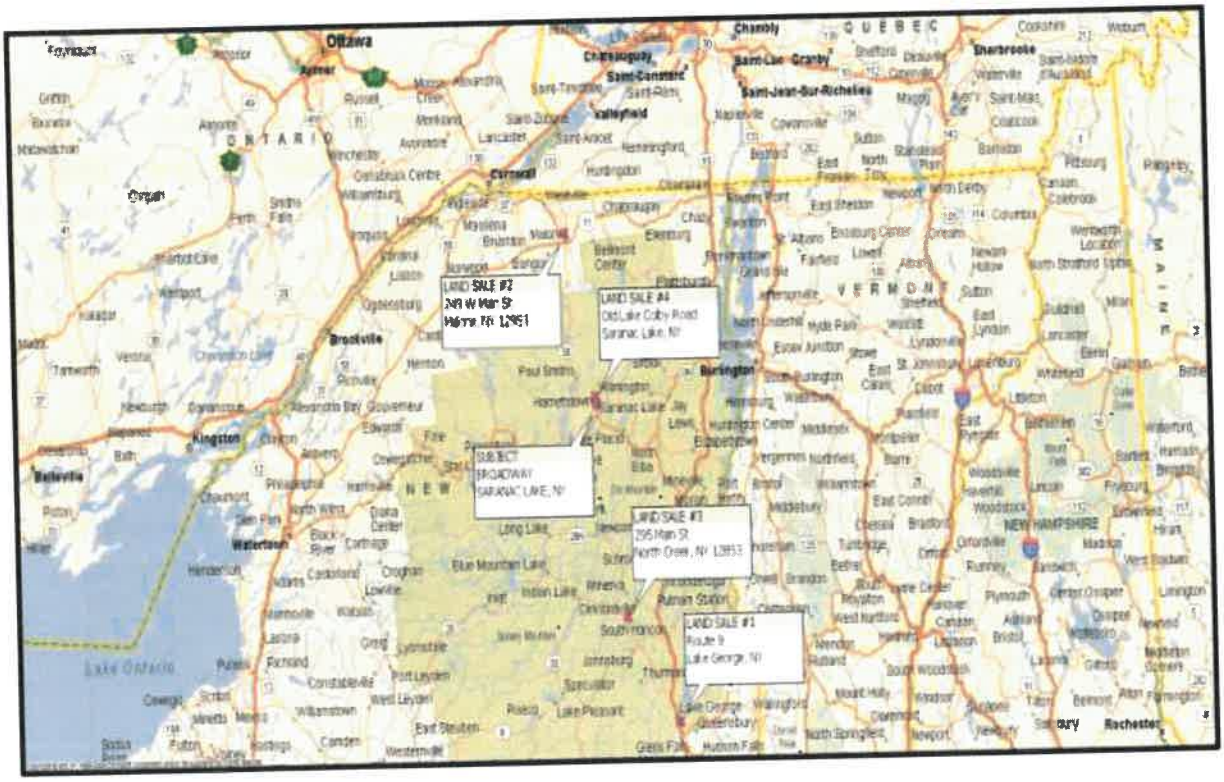
Our analysis includes four vacant land sales within Franklin County and Warren Counties. The sales occurred between November 2011 and May 2016. The sale prices range from $37,500 to $136,719 per acre. Data summaries for each of the selected sales are provided in the chart below, followed by a map illustrating the location of each property in relation to the subject.

VACANT LAND SALES SUMMARY

No.	Name & Location	Sale Date	Sale Price	Acreage	Price/Acre
1	Route 9 Lake George Warren County	May-16	$95,000	2.0	$47,500
2	249 W. Main St. Malone, NY Franklin County	Dec-15	$175,000	1.28	$136,719
3	295 W Main St. North Creek, NY Warren County	Jun-15	$100,000	1.54	$64,516
4	Old Lake Colby Rd. Saranac Lake Franklin County	Nov-11	$30,000	0.80	$37,500

Compiled by Hilco Real Estate Appraisal

VACANT COMMERCIAL LAND SALES LOCATION MAP



Additional Sales

We note that our research yielded two sales within Saranac Lake worth mentioning here. These sales were not utilized within our analysis as they were considered less comparable, or actually represent sales associated with other properties. The sales are summarized as follows:

ADDITIONAL SALES – SARANAC LAKE, NY

No.	Name & Location	Acreage	Sale Date	Sale Price	Price Per Acre	Comments
1	135 Broadway SBL: 446.68-7-5.1	0.68	Oct-14	$295,000	$435,824	This parcel sold with an adjacent apartment building. This parcel was improved with a parking lot for the apartment building.
2	Broadway SBL: 446.76-7-9	0.13	Mar-18	$70,000	$538,462	This parcel appears to have been improved at one time as it has remnants of a structure on it. It is next to a retail use. A portion of the lot is level at the road; otherwise, there is a steep hill at the rear. ORPS shows it sold with 446.68-7-5.10, at 135 Broadway (above) which is improved with apartments.

Compiled by Hilco Real Estate Appraisal

LAND SALE NO. 1

LOCATION DATA

Property Name:		**County:**	Warren
Address:	Route 9 Lake George, NY	**Tax ID Number (s):**	277.04-2-19
		Subcategory:	Commercial
Property Type:	Vacant Land		

PHYSICAL DATA

Size of Property:	2.00 Acres	**Zoning:**	TC-A
		Shape:	Irregular/Not Limiting
Frontage (Feet):	557 Feet	**Average Lot Depth:**	N/A
Front. /Depth Ratio:	N/A	**Traffic Count:**	7,038 AADT
Primary Frontage:	Route 9	**Secondary Frontage**	None
Topography:	Generally Level	**Drainage:**	Assumed Adequate
View:	Open, Wooded, & Mtn.	**Envir. Conditions**	Assumed None
Utilities Available:	Private		
Land Features/Other:	None		

SALE DATA

Transaction Type:	Sale	**Sale Date:**	5/19/2016
Grantor(s):	Anthony Tomasovic	**Grantee(s):**	Bruce Mowery
Sale Price:	$95,000.00	**Deed Reference:**	5358/134
Financing:	Cash Equivalent	**Financing Adjust:**	$0.00
Site/Demo Cost:	$0.00	**Adjusted Sale Price**	$95,000.00
Verification:	Public Record, Lake George Planning Board Mtg.		

ANALYSIS

Sale Indicator One	$47,500.00 Per Acre
Sale Indicator Two	$0.00

COMMENTS

This comparable represents the sale of a two acre parcel of land in the Town of Lake George, NY. The property is situated just north of a retail strip center and further to the south of a handful of motels and commercial uses. The owner has petitioned the town to be able to sell travel trailers on the site as of May 2018. A site plan had been reviewed and there were no indications the approvals would not be granted.

LAND SALE NO. 2

LOCATION DATA

Property Name:		**County:**	Franklin
Address:	249 W. Main Street Malone, NY	**Tax ID Number (s):**	112.31-1-1
		Subcategory:	Commercial
Property Type:	Vacant Land		

PHYSICAL DATA

Size of Property:	1.28 Acres	**Zoning:**	Commercial
		Shape:	Irregular/Not Limiting
Frontage (Feet):	227 Feet	**Average Lot Depth:**	N/A
Front. /Depth Ratio:	N/A	**Traffic Count:**	18,228 AADT
Primary Frontage:	Main Street	**Secondary Frontage**	Sawyer Ave.
Topography:	Generally Level	**Drainage:**	Assumed Adequate
View:	Commercial	**Envir. Conditions**	Assumed None
Utilities Available:	All		
Land Features/Other:	None		

SALE DATA

Transaction Type:	Sale	**Sale Date:**	7/31/2014
Grantor(s):	Border Distributing	**Grantee(s):**	Malone FDS
Sale Price:	$175,000.00	**Deed Reference:**	2014/3756
Financing:	Cash Equivalent	**Financing Adjust:**	$0.00
Site/Demo Cost:	$0.00	**Adjusted Sale Price**	$175,000.00
Verification:	Public Record; Town of Malone Building Department		

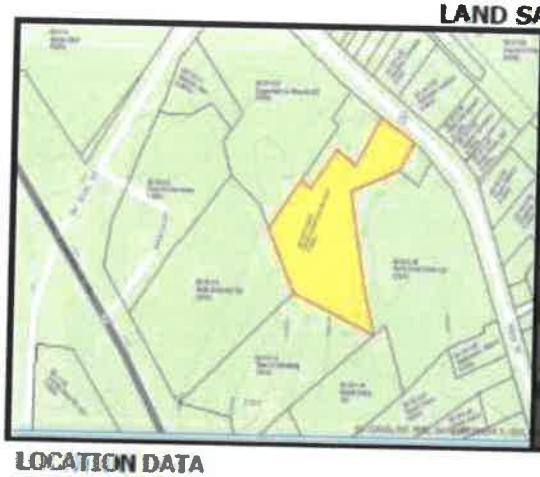
ANALYSIS

Sale Indicator One	$136,718.75 Per Acre
Sale Indicator Two	

COMMENTS

This comparable represents the sale of a parcel situated on the corner of W. Main Street and Sawyer Avenue. There are primarily commercial and retail uses in the immediate area, with some residential intermixed. Main Street is a primary roadway through the area. The developer had full approvals to develop the property into a Family Dollar store prior to the sale.

LAND SALE NO. 3



LOCATION DATA

Property Name:		**County:**	Warren
Address:	295 Main Street North Creek, NY	**Tax ID Number (s):**	66.10-1-49.2
		Subcategory:	Commercial
Property Type:	Vacant Land		

PHYSICAL DATA

Size of Property:	1.54 Acres	**Zoning:**	H02 - Hamlet, business
		Shape:	Irregular
Frontage (Feet):	99.72	**Average Lot Depth:**	N/A
Front. /Depth Ratio:	N/A	**Traffic Count:**	3,000
Primary Frontage:	Main Street	**Secondary Frontage**	None
Topography:	Level to Gently Sloping	**Drainage:**	Assumed Adequate
View:	Residential & Comm.	**Envir. Conditions**	Assumed None
Utilities Available:	All		
Land Features/Other:	Open & Wooded		

SALE DATA

Transaction Type:	Sale	**Sale Date:**	6/25/2015
Grantor(s):	Elliot Monter	**Grantee(s):**	North Creek Center LLC
Sale Price:	$100,000.00	**Deed Reference:**	5186/282
Financing:	Cash Equivalent	**Financing Adjust:**	$0.00
Site/Demo Cost:	$0.00	**Adjusted Sale Price**	$100,000.00
Verification:	Public Record		

ANALYSIS

Sale Indicator One	$64,935.07 Per Acre
Sale Indicator Two	

COMMENTS

This comparable represents the sale of a 1.55 acre parcel of land with frontage along Main Street in the Hamlet of North Creek, Town of Johnsburg, New York. This property was purchased by an adjacent land owner (TOPS) to the south. It is generally surrounded by commercial and retail properties and is situated within the retail hub of the Hamlet.

LAND SALE NO. 4

LOCATION DATA

Property Name:		**County:**	Franklin
Address:	Old Lake Colby Road Saranac Lake, NY	**Tax ID Number (s):**	446.43-2-2.3
		Subcategory:	Comm/Res.
Property Type:	Vacant Land		

PHYSICAL DATA

Size of Property:	0.80 Acre	**Zoning:**	G - Primarily Business
		Shape:	Square
Frontage (Feet):	156.33	**Average Lot Depth:**	N/A
Front. /Depth Ratio:	N/A	**Traffic Count:**	N/A
Primary Frontage:	Old Lake Colby Rd.	**Secondary Frontage**	N/A
Topography:	Level to Gently Sloping	**Drainage:**	Assumed Adequate
View:	Residential & Comm.	**Envir. Conditions**	
Utilities Available:	All		
Land Features/Other:	Open and Wooded		

SALE DATA

Transaction Type:	Sale	**Sale Date:**	11/7/2011
Grantor(s):	John S. Moody	**Grantee(s):**	Sunday LOJ LLC
Sale Price:	$30,000.00	**Deed Reference:**	2011/5755
Financing:	Cash Equivalent	**Financing Adjust:**	$0.00
Site/Demo Cost:	$0.00	**Adjusted Sale Price**	$30,000.00
Verification:	Public Record, Inspection		

ANALYSIS

Sale Indicator One	$37,500.00 Per Acre
Sale Indicator Two	

COMMENTS

This comparable represents the sale of a vacant parcel of land in Saranac Lake, NY. The parcel is identified as Vacant Residential, but is situated within a "G" Zoning District, which is primarily commercial. The eastern portion of the parcel faces a primarily residential neighborhood, while the western portion faces commercial uses. This purchase was by an adjacent land owner.

SUMMARY OF ADJUSTMENTS AND CONCLUSIONS

The adjustment grid following the land sale summary sheet summarizes the reasoning and magnitude of the adjustments. The subject and all four comparables are located within in rural or semi-rural areas. Prior to adjustments, the sale prices ranged from $37,500 to $136,719 per acre and occurred between November 2011 and May 2016. We have utilized the same set of sales to analyze both Lot 3 and Lot 4, but have prepared separate adjustment grids in order to adjust for the specific characteristics of each.

Initial Adjustments

The subject and all of the comparables represent fee simple interests. There were no atypical financing terms of which we are aware. Based on our research and conversations with local brokers, market conditions have remained relatively stable in the subject's area over the timeframe analyzed. Thus, there were no adjustments for market conditions required.

Physical Adjustments

Location -

Similar to the subject, all of the sales are situated in a semi-rural or rural area of New York in the North Country. In determining adjustments for location, we have considered surrounding uses, growth trends in the neighborhood, specific location, access to major transportation systems and traffic counts. The subject's location is considered to be average to good overall. According to the NYS Department of transportation, traffic along Broadway is 10,140 AADT as of 2015 (the most recent survey available). Sale #1 is situated to the southeast in the town of Lake George, which, like the subject's area is a tourist destination. Lake George is a much larger town and draws a larger share of the tourism industry due to the various services and amenities offered; however in this specific area, traffic counts are lower as compared to the subject. Overall, we consider it similar overall and did not apply a location adjustment.

Sale #2 is situated within the Village of Malone, New York. This specific location is along the primary business corridor in the area where there are numerous other retail, commercial and hospitality services. It also has higher traffic counts as compared to the subject's location. We have applied a moderate downward adjustment for its superior location.

Sale #3 is situated in the Hamlet of North Creek, which is also situated within Warren County. The specific location of this parcel is along a roadway with commercial uses, but the area in general is less developed as compared to the subject and traffic counts are lower. We have applied an upward adjustment to this comparable for its inferior location as compared to the subject.

Sale #4 is situated in the Village of Saranac, like to the subject. It has frontage on Old Lake Colby Road, as do the subject parcels. Traffic counts were not available on this road. Although

identified in public record as Residential Vacant land, this parcel is situated in as the same zoning district as the subject, which allows for residential, commercial and industrial uses. It was purchased by an adjacent land lower who owns a business bordering this lot to the west. The lot improved with a business has access along Broadway. Because Old Lake Colby Road is considered a secondary roadway and there is no access from this parcel by itself to Broadway, we have applied an upward adjustment for location.

Size (Acres) -

The subject parcels contain 1.39 and 1.75 acres each. Size adjustments are typically applied based on the economies of scale principal, which indicates that generally, larger parcels sell for a lower price per acre than smaller parcels. Although not supported by the comparable sales chosen, they represent a very small sample, and the principle generally holds true in larger sale samplings. Further, this adjustment is widely accepted and applied within the appraisal industry. The comparables range from 0.80 to 2.0 acres.

For Lot 3, with 1.39 acres, we have applied a slight upward adjustment to Sale #1, with 2.0 acres and a slight downward adjustment to Sale #4, with 0.80 acres. No adjustments were applied to Sales #2 and #3 as they are considered similar overall with 1.28 and 1.54 acres respectively.

For Lot 4, which has 1.75 acres, we have applied slight downward adjustments to Sales #2 and #4 for their smaller parcel sizes.

Frontage/Access -

Both of the subject parcels are considered to have average frontage with good access in that they are accessible from roadways on both the east and west borders. Sale #1 and #4 have adequate frontage and are accessible via one primary roadway. We have adjusted them upward slightly. Sales #2 and #3 are similar to the subject with two points of access. They were not adjusted.

Shape –

As the shape of a parcel may limit development, we have researched this feature on each of the comparables. Lot 3 is considered to be irregularly shaped and somewhat limiting in that it has a narrow entry way at the current access point on Old Lake Colby Road. Sales #1, #2 and #4 do not have any limitations and were adjusted downward slightly. Sale #3 is considered to be similar to the subject and was not adjusted.

Lot 4 is slightly irregular in shape, but not considered limiting. A small upward adjustment was applied to Sale #3 for its somewhat limiting shape. No other adjustments were required.

Topography –

A parcel's topography can impact the cost to develop the land as there are costs associated with clearing, leveling and, or filling a parcel that are not necessary with open lots. Lot 3 is a lot that is gently sloping to the west from Old Lake Colby Road, before leveling out in the center and gently sloping downwards towards Broadway again. It consists of both open and wooded areas. Sale #1 and Sale #2 were adjusted downward slightly due to superior conditions. Sales #3 and #4 are considered similar and were not adjusted.

Lot 4 appears to be gently to moderately sloped and it is heavily wooded. All of the comparables were adjusted downward for superior conditions.

Utilities -

The subject has access to municipal water and sewer as do all of the sales except Sale #1. Sale #1 requires private well and septic systems which are less desirable in the market and often result in higher costs to install and maintain. We have applied an upward adjustment to Sale #1.

Approvals -

As there are always costs associated with obtaining development approvals on a parcel for such things as site surveys, environmental assessments, permit fees, etc., we have researched whether any of the comparables had approvals at the time of sale. Neither of the subject parcels have approvals for development. The same was true of Sales #1, #3 and #4. Sale #2; however, had full approvals at the time of sale. As such, we have applied a significant downward adjustment.

Other -

Both of the subject parcels contain approximately 0.20 acre of forested/shrub wetlands on their western border towards Broadway. It is not uncommon for developers to have additional expenses when dealing with monitored wetlands. Therefore, we have researched the sale comparables for similar characteristics.

In addition, as was discussed in detail within the Site Analysis section of this report, the subject's Lot 3 is associated with an environmental easement. Although the environmental issues have been generally remediated, there is additional reporting and potential testing requirements associated with the cleanup should the ground be disturbed (developed). A potential purchaser of this lot would likely perceive the easement terms as a risk with expenses associated. We did not locate any wetlands on any of the comparable sales; and we are not aware of any detrimental easements that would affect their overall value. We have applied downward adjustments to each of the comparables when analyzing Lot 3 to account for the lack of any development constraints.

Lot 4 also has approximately 0.20 acre of forested/shrub wetlands on its western border towards Broadway, but there are no detrimental easements associated with this parcel. We have applied a slight downward adjustment to each of the comparables for the lack of any wetlands.

Summary and Conclusions

Prior to adjustments the sale prices of the comparables ranged from $37,500 to $136,719 per acre.

Lot 3 - After adjustments, the comparable sales range from $38,438 to $75,195 per acre, with an average of $57,409 per acre. We have placed slightly less weight on Sale #2, as it required the greatest number of adjustments overall and have estimated $52,000 per acre for the subject's Lot 3, which is slightly below the middle of the adjusted range.

Lot 4 – After adjustments, the comparable sales range from $37,500 to $71,777 per acre, with an average of $56,724 per acre. We have placed slightly more weight on Sales #1 and #3, as they required the fewest adjustments overall and have estimated $58,000 per acre for Lot 4, which is towards the middle of the adjusted range.

Over value conclusion is summarized below:

VALUE INDICATED BY SALES COMPARISON APPROACH	
Lot 3 Acreage	1.39
Estimated Price Per Acre	$52,000
Estimated Preliminary Value	$72,280
Lot 3 Concluded Value (Rounded)	**$70,000**
Lot 4 Acreage	1.75
Estimated Price Per Acre	$58,000
Estimated Preliminary Value	$101,500
Lot 4 Concluded Value (Rounded)	**$100,000**
Compiled by: Hilco Real Estate Appraisal, LLC	

LAND SALES ADJUSTMENT GRID - SBL 446.43-2-3

	SUBJECT	SALE NO. 1	SALE NO. 2	SALE NO. 3	SALE NO. 4
Location:	Broadway	Trailer Sales Route 9	Family Dollar 249 W Main St.	Unkown Use 295 Main Street	Unkown Use Old Lake Colby Rd.
Tax Map Identification:	Saranac Lake, NY 446.-43-2-3	Lake George, NY 277.04-2-19	V. of Malone, NY 112.31-1-1	North Creek, NY 66.10-1-49.2	Saranac Lake, NY 446.43-2-2.3
Unadjusted Price/Acre	---	**$47,500**	**$136,719**	**$64,516**	**$37,500**
Initial Adjustments					
Property Rights:	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment:		$0	$0	$0	$0
Adjusted Price:		$47,500	$136,719	$64,516	$37,500
Financing Terms:	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent
Adjustment:		$0	$0	$0	$0
Adjusted Price:		$47,500	$136,719	$64,516	$37,500
Conditions of Sale:	Normal	Normal	Normal	Normal	Normal
Adjustment:		$0	$0	$0	$0
Adjusted Price:		$47,500	$136,719	$64,516	$37,500
Market Conditions:	Aug-18	May-16	Jul-14	Jun-15	Nov-11
Adjustment:		$0	$0	$0	$0
Adjusted Price:		$47,500	$136,719	$64,516	$37,500
Physical Adjustments					
Location/Traffic Count:	Avg.-Good/10,140 AADT	Avg.-Good/7,038	Good/18,228	Average/±3,000	Average/Not Avail.
Adjustment:		0.0%	-10.0%	10.0%	15.0%
Size (Acres):	1.39	2.00	1.28	1.54	0.80
Adjustment:		5.0%	0.0%	0.0%	-5.0%
Frontage/Access:	Average-Good	Average	Average-Good	Average-Good	Average
Adjustment:		2.5%	0.0%	0.0%	2.5%
Shape:	Irregular; Slightly Limiting	Irregular - Not Limiting	Irregular - Not Limiting	Irregular - Somewhat Limiting	Irregular -Not Limiting
Adjustment:		-2.5%	-2.5%	0.0%	-2.5%
Topography	Gen. Level to Gently Sloped; Open & Wooded	Gen. Level to Gent. Slope; Open & Shrubbed	Gen. Level to Gently Sloping; Open	Gen. Level to Gently Sloping; Open & Wooded	Gen. Level to Gently Sloping; Open & Wooded
Adjustment:		-2.5%	-5.0%	0.0%	0.0%
Utilities	Municipal	Private	Municipal	Municipal	Municipal
Adjustment:		10.0%	0.0%	0.0%	0.0%
Approvals:	None	None	Full	None	None
Adjustment:		0.0%	-20.0%	0.0%	0.0%
Other:	0.20 Acre in Forested/Shrub Wetlands, Environmental Easement	None	None	None	None
Adjustment:		-7.5%	-7.5%	-7.5%	-7.5%
Subtotal	---	5.0%	-45.0%	2.5%	2.5%
Unadjusted Price/Acre	---	**$49,875**	**$75,195**	**$66,129**	**$38,438**

Prepared by Hilco Real Estate Appraisal, LLC

Average: **$57,409**

LAND SALES ADJUSTMENT GRID - SBL 446.43-2-4

	SUBJECT	SALE NO. 1	SALE NO. 2	SALE NO. 3	SALE NO. 4
Location:	Broadway Saranac Lake, NY	Trailer Sales Route 9 Lake George, NY	Family Dollar 249 W Main St. Malone, NY	Unkown Use 295 Main Street North Creek, NY	Unkown Use Old Lake Colby Rd. Saranac Lake, NY
Tax Map Identification:	446.-43-2-4	277.04-2-19	112.31-1-1	66.10-1-49.2	446.43-2-2.3
Unadjusted Price/Acre	---	**$47,500**	**$136,719**	**$64,516**	**$37,500**
Initial Adjustments					
Property Rights:	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment:		$0	$0	$0	$0
Adjusted Price:		$47,500	$136,719	$64,516	$37,500
Financing Terms:	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent
Adjustment:		$0	$0	$0	$0
Adjusted Price:		$47,500	$136,719	$64,516	$37,500
Conditions of Sale:	Normal	Normal	Normal	Normal	Normal
Adjustment:		$0	$0	$0	$0
Adjusted Price:		$47,500	$136,719	$64,516	$37,500
Market Conditions:	Aug-18	May-16	Dec-15	Jun-15	Nov-11
Adjustment:		$0	$0	$0	$0
Adjusted Price:		$47,500	$136,719	$64,516	$37,500
Physical Adjustments					
Location/Traffic Count:	Avg.-Good/10,140 AADT	Avg.-Good/7,038	Good/18,228	Average/±3,000	Average/Not Avail.
Adjustment:		0.0%	-10.0%	10.0%	15.0%
Size (Acres):	1.75	2.00	1.28	1.54	0.80
Adjustment:		0.0%	-5.0%	0.0%	-10.0%
Frontage/Access:	Average-Good	Average	Average-Good	Average-Good	Average
Adjustment:		2.5%	0.0%	0.0%	2.5%
Shape:	Slightly Irregular/ Not Limiting	Irregular - Not Limiting	Irregular - Not Limiting	Irregular - Somewhat Limiting	Irregular -Not Limiting
Adjustment:		0.0%	0.0%	2.5%	0.0%
Topography	Gently and Mod. Sloped; Wooded	Gen. Level to Gent. Slope; Open & Shrubbed	Gen. Level to Gently Sloping; Open	Gen. Level to Gently Sloping; Open & Wooded	Gen. Level to Gently Sloping; Open & Wooded
Adjustment:		-5.0%	-10.0%	-5.0%	-5.0%
Utilities	Municipal	Private	Municipal	Municipal	Municipal
Adjustment:		10.0%	0.0%	0.0%	0.0%
Approvals:	None	None	Full	None	None
Adjustment:		0.0%	-20.0%	0.0%	0.0%
Other:	0.20 Acre in Forested/Shrub Wetlands	None	None	None	None
Adjustment:		-2.5%	-2.5%	-2.5%	-2.5%
Subtotal	---	5.0%	-47.5%	5.0%	0.0%
Unadjusted Price/Acre	---	**$49,875**	**$71,777**	**$67,742**	**$37,500**
				Average:	**$56,724**

Prepared by Hilco Real Estate Appraisal, LLC

RECONCILIATION OF VALUE

SUMMARY OF VALUE CONCLUSION	
	As Is
Cost Approach	Not Applicable
Sales Comparison Approach	$170,000
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. Because the subject represents vacant land, the Cost Approach is not applicable for 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 based upon the principle that value in income producing properties is created on the expectation of monetary benefits to be derived in the future. As the subject represents vacant land, this approach is not applicable.

RECONCILIATION

We have relied on the Sales Comparison Approach for this analysis and our value conclusion is summarized below.

AS IS MARKET VALUE CONCLUSIONS			
Property	**Interest Appraised**	**Dates of Value**	**Value Conclusions (Rounded)**
SBL 446.43-2-3	Fee Simple	August 15, 2018	$70,000
SBL 446.43-2-4	Fee Simple	August 15, 2018	$100,000
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. Zoning Ordinance

B. NYS DEC Certificate of Completion

C. Environmental Easement

D. Cedar Eden Environmental Report As of August 23, 2017

E. NY Certifications

F. Summary of Qualifications

Addendum A
Zoning Ordinance

Addenda

DEVELOPMENT CODE

Village of Saranac Lake - Unified Development Code:
Schedule #1 - Allowed Uses

Districts:

	Land Use Type:	1 District A-1	2 District A-2	3 District A-3	4 District A-4	5 District A-5	6 District B-1	7 District B-2	8 District B-3	9 District B-4	10 District C-1	11 District C-2	12 District C-3	13 District C-4	14 District D-1	15 District D-2	16 District D-3	17 District E-1	18 District E-2	19 District E-3	20 District F-1	21 District F-2	22 District G	23 District H-1	24 District H-2	25 District H-3	26 District I	27 District J-1	28 District J-2	29 District K-1	30 District K-2	31 District K-3	32 District K-4	33 District L-1	34 District L-2	35 District L-3
	Residential																																			
1	Community House																	S	S	S									S							
2	Dwelling, Manufactured Home	A																					A													
3	Dwelling, Multi-Family					SP	S		S			S	SP	SP	SP			SP	SP[1]	SP	S	S	SP	S			S	SP	S		S		S		SP	SP
4	Dwelling, Single Family	P	P	P	P	P			P		P	P		P	P	P				S	P	P	SP	P	P	P	SP	P	S	P	P	P		P	P	SP
5	Dwelling, Townhouse	SP	S	S		SP	S	SP	S		S	S	SP	SP	SP	S		SP	SP[1]	SP	S	SP	SP	SP			S	SP	S	S	S				SP	SP
6	Dwelling, Two Family	A	A	A		A	A	A	A		A	A	A	A	A	A				A	A	A	A	A	A	S	A	A	A	A	A	S		A	A	A
7	Group Home	P	P	P	P	P			P		P	P		P	S	P				S	P	P	SP	P	P	P	SP	P	S	P	P	P			P	P	SP
8	Manufactured Home Community	S																																		
9	Rooming House					SP	SP		S	SP		S	SP	SP	S			SP	SP[1]	SP		S	SP	S				S			S				S	S
	Public/Institutional																																			
1	Assisted Living Residence					SP		S	S	S	S			S	S			SP	SP[1]	SP			SP						S				S			S
2	Athletic Facility					SP				S	S		S	S				SP	SP	SP	SP		SP				SP		S				S			SP
3	Cemetery														SP																					
4	Club/Lodge		S			SP	SP						SP	SP	S			SP	SP	SP		S	SP						S				S		SP	SP
5	College, Private					SP	S				S		S	S	S			SP	SP	SP									S						SP	SP
6	Community Garden, Up to One (1) Acre	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
7	Community Garden, Over One (1) Acre	SP	SP	SP	SP	SP				SP	SP	SP	SP	SP	SP	SP	SP				SP	SP	SP	SP	SP	SP	SP	SP	S	SP	SP	SP	SP	SP	SP	SP
8	Garage, Public Parking					SP												SP	SP	SP																
9	Government Office					SP							S					SP	SP	SP	SP		SP						S						SP	SP
10	Hospital																	SP	SP	SP			SP						S						SP	SP
11	Library						S	S	S	S	S		S	S	S	S		SP	SP	SP	SP		SP						S				S			SP
12	Multi-Modal Trail	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP
13	Museum					SP	S	S	S	S			S	S	S	S		SP	SP	SP			SP						S				S		SP	SP
14	Nursing/Convalescent Home					SP					S	S	S	S	S			SP	SP[1]	SP			SP						S				S		SP	SP
15	Park	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	S	SP	SP	SP	S	SP	SP	SP
16	Parking Lot, Public					SP	SP											SP	SP	SP							SP		S							
17	Place of Worship					SP	SP	SP		SP	SP		SP	SP	SP	SP		SP	SP	SP	SP	SP	SP					SP	S							SP
18	Public Utility Facility	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP
19	Railroad Depot																	SP																		
20	Railway					SP				SP			SP	SP	SP	SP		SP	SP				SP													SP
21	Recreation Facility, Public					SP	SP			SP				SP				SP	SP	SP	SP		SP	SP	SP		SP	SP	S							SP
22	Rehabilitation Center					SP							S		S			SP	SP	SP	S							S	S				S		S	SP
23	School																	SP	SP	SP	SP		SP						S							SP

Symbol Legend: P Permitted SP Site Plan Review Required A Administrative Permit Required S Special Use Permit Required Note: Blank cells indicate use is not permitted.

Notes: 1. Residential uses in buildings within the E-2 District are not allowed on the first floor.

Addenda

SARANAC LAKE CODE

Village of Saranac Lake - Unified Development Code:
Schedule #1 - Allowed Uses

	Districts:																																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Land Use Type:	District A-1	District A-2	District A-3	District A-4	District A-5	District B-1	District B-2	District B-3	District B-4	District C-1	District C-2	District C-3	District C-4	District D-1	District D-2	District D-3	District E-1	District E-2	District E-3	District F-1	District F-2	District G	District H-1	District H-2	District H-3	District I	District J-1	District J-2	District K-1	District K-2	District K-3	District K-4	District L-1	District L-2	District L-3
Commercial																																				
1 Amusement and Recreation Services						S	S		S								SP	S				S				S		S							S
2 Antique Shop						A	A	A	A								A	SP	A			A				S		S						A	A
3 Agri-Business						SP	S		S													SP				S		S							S
4 Artisan Workshop	SP	SP	SP	SP	SP	A	A	A	A	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	A	SP	SP	S	S	SP	S	SP	SP			S	A	A
5 Arts Spaces	SP	SP	SP	SP	SP	A	A	A	A	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	A	SP	SP	S	S	SP	S	SP	SP			S	A	A
6 Automotive Dealer									SP													SP													
7 Automotive Repair/Service									S													S						S							
8 Bank						A	A	SP	A								A	SP				A						S							S
9 Bank, Drive-Through						SP	SP	SP	SP								SP	S				SP						S							S
10 Bed and Breakfast	SP	SP	SP	SP	SP	A	A	A	A	SP	SP	SP	SP	SP	SP		A	SP[1]	A	SP	SP	A	SP	SP	S		SP	S	SP	SP	S		S	SP	SP
11 Boat Storage, Commercial							SP		SP													S													S
12 Building Material Supply									SP							S	S	S				SP						S							S
13 Car wash									SP								S					SP						S							S
14 Cinema						SP	SP	SP	A								SP	SP	SP			SP						S							S
15 Driving Range																						S						S							S
16 Farmer's Market						SP	SP		SP								SP	SP	SP			S					S	S							S
17 Funeral Home						S		S									SP	SP	SP			S					S	S							S
18 Gasoline Station									SP													S						S							
19 Gasoline Station/Auto Repair/Service									SP													SP						S							
20 Gasoline Station/Retail Sales									SP								S					SP						S							
21 Greenhouse, Commercial						S	S		SP			SP				S	S	S	S			S					S	S							S
22 Hotel/Motel						SP	SP	S	SP					S			SP	SP	SP		S	S					S	S							S
23 Housekeeping Cottage	SP	SP	SP	SP	SP	A	A	A	A	SP	SP	SP	SP	SP	SP		A	SP[1]	A	SP	SP	S	SP	SP	S		SP	SP	SP	SP			S	SP	S
24 Kennel																S	SP					S					S								S
25 Marina, Type I		SP				SP	SP																												
26 Marina, Type II		SP				SP	SP	SP	SP																										
27 Medical Clinic						A	A	S	A								A	SP	A			SP					S	S				S			S

Symbol Legend: P Permitted SP Site Plan Review Required A Administrative Permit Required S Special Use Permit Required Note: Blank cells indicate use is not permitted.

DEVELOPMENT CODE

Village of Saranac Lake - Unified Development Code:
Schedule #1 - Allowed Uses

	Land Use Type:	1 District A-1	2 District A-2	3 District A-3	4 District A-4	5 District A-5	6 District B-1	7 District B-2	8 District B-3	9 District B-4	10 District C-1	11 District C-2	12 District C-3	13 District C-4	14 District D-1	15 District D-2	District D-3	16 District E-1	17 District E-2	18 District E-3	19 District F-1	20 District F-2	21 District G	22 District H-1	23 District H-2	24 District H-3	25 District I	26 District J-1	27 District J-2	28 District K-1	29 District K-2	30 District K-3	31 District K-4	32 District L-1	33 District L-2	34 District L-3
	Commercial (continued)																																			
28	Mixed Use						A	A	S	A								A	SP	A			A					S	S				S		S	SP
28	Multi-Use Building						SP		S	SP								SP	SP	SP			S					S							S	S
29	Office						A	A	S	A								A	SP	A			A					S	S						SP	SP
30	Outdoor Storage, Type II									S							S						S												S	S
31	Personal Services						A	A	A	A								A	SP	A			A						S						SP	SP
32	Recreation Facility, Private						SP	SP		SP							S	SP	SP	SP			SP					SP								SP
33	Research and Development Facility						A	A	A	A							SP	A	SP	A			A					S	S							SP
34	Restaurant						A	A	A	A								A	SP	A			A						S							
35	Restaurant, Drive Through									SP													S						S							S
36	Restaurant, Fast Food						A	SP	SP	SP								SP	SP	SP			SP						S						SP	SP
37	Retail Sales, Type I						A	A	A	A								A	SP	A			A					S	S							S
38	Retail Sales, Type II						S			S								S	S				S						S							S
39	Retail Sales, Outdoors						S	S	S	S							S	S	S				S													S
40	Retail Store, Convenience						SP	SP		SP								SP	SP				SP													
41	Sawmill																						S													
42	Self-Service Storage Facility																S						S													
43	Shopping Center									SP													S						S							S
44	Tavern						SP	SP	S	SP								SP	SP	SP			S						S							S
45	Tourist Attraction						SP	S	SP	SP								SP	SP	S			SP						S							SP
46	Veterinary Clinic/Hospital						SP	SP	S	SP								SP	SP	S			SP						S							
	Industrial																																			
1	Chemical and Petroleum Storage																S						S													S
2	Contractor Storage Yard																S						S													
3	Heavy Equipment Repair																S	S					S					S								S
4	Industry, Type I																S						S													S
5	Industry, Type II																						S													
6	Mining					SP																	S													
7	Transfer Station																S						S													S
8	Warehouse																																			

Accessory Uses

For All Districts and Sub-Districts: Allowed accessory uses are those uses that are customarily subordinate and incidental to allowed principal uses.

Symbol Legend: P Permitted SP Site Plan Review Required A Administrative Permit Required S Special Use Permit Required Note: Blank cells indicate use is not permitted.

Addenda B
NYS DEC Certification of Completion

New York State Department of Environmental Conservation
Division of Environmental Remediation
Office of the Director, 12th Floor
625 Broadway, Albany, New York 12233-7011
Phone: (518) 402-9706 • Fax: (518) 402-9020
Website: www.dec.ny.gov

Joe Martens
Commissioner

Honorable Clyde Rabideau
Mayor
Village of Saranac Lake
3 Main Street
Saranac Lake, NY 12983

NOV 18 2011

COPY

Re: Certificate of Completion,
Site Name: 400 Upper Broadway Site
Site No. E517007
State Assistance Contract No.: C3033219
Village of Saranac Lake
Franklin County

Dear Mayor Rabideau:

Congratulations on having satisfactorily completed the Remediation phase of the environmental restoration project that the Village of Saranac Lake undertook with State Assistance funds provided pursuant to the 1996 Clean Water/Clean Air Bond Act. The New York State Department of Environmental Conservation (Department) has determined, based upon our inspection of the above-referenced site and upon our review of the documents you have submitted, that you completed the project in accordance with the terms and conditions of the above-referenced State Assistance Contract (SAC).

As a result, the Department is pleased to inform you that the Final Engineering Report is hereby approved, allowing the Certificate of Completion (COC) to be issued for the above referenced site. Enclosed please find an original, signed COC. The Village of Saranac Lake is hereby entitled to the benefit of the liability limitation provisions described in the New York State Environmental Conservation Law (ECL) 56-0509.

Please be advised that the significant benefits described in ECL 56-0509 are contingent upon the Village of Saranac Lake fulfilling all continuing obligations set forth in ECL Article 56, Title 5, accompanying regulations, and the above-referenced SAC, including but not limited to, the obligations involving reimbursement to the State if the municipality receives payments or other consideration with respect to the project; disposition of proceeds upon the sale, transfer, or lease of the property; ensuring that Department has access to the property; and providing complete notice of any proposed change of use, as defined in ECL 56-0511.

Please note that in addition to the requirements discussed above, you are required to perform the following tasks:

- Record a notice of the COC in the recording office for the County (or Counties) where any portion of the site is located within 30 days of issuance of the COC. A standard notice form is attached to this letter;

NYSDEC ENVIRONMENTAL RESTORATION PROGRAM (ERP)

CERTIFICATE OF COMPLETION

CERTIFICATE HOLDER(S):

Name
Village of Saranac Lake

Address
3 Main Street, Saranac Lake, NY 12983

SITE INFORMATION

Site No.: E517007 **Site Name:** 400 Upper Broadway Site
State Assistance Contract No.: C303219
Site Owner: Village Of Saranac Lake
Street Address: State Route 86
Municipality: Saranac Lake **County:** Franklin **DEC Region:** 5
Site Size: 2.600 Acres
Tax Map Identification Number(s): 446.43-2-3

A description of the property subject to this Certificate is attached as Exhibit A and a site survey is attached as Exhibit B.

CERTIFICATE ISSUANCE

This Certificate of Completion, hereinafter referred to as the "Certificate," is issued pursuant to Article 56, Title 5 of the New York State Environmental Conservation Law ("ECL") and 6NYCRR 375.

This Certificate has been issued upon satisfaction of the Commissioner, following review by the Department of the final engineering report and data submitted pursuant to the State Assistance Contract, as well as any other relevant information regarding the Site, that the applicable remediation requirements set forth in the ECL have been or will be achieved in accordance with the time frames, if any, established in the approved remedial work plan.

The remedial program for the Site has achieved a cleanup level that would be consistent with the following categories of uses (actual site use is subject to local zoning requirements):

Allowable Uses under the ERP: Restricted-Residential, Commercial, and Industrial

The Remedial Program includes use restrictions or reliance on the long term employment of institutional or engineering controls which are contained in the approved Site Management Plan and an Environmental Easement granted pursuant to ECL Article 71, Title 36 which has been duly recorded in the Recording Office for Franklin County with recording identifier 446.43-2-3.

LIABILITY LIMITATION

Upon issuance of this Certificate of Completion, and subject to the terms and conditions set forth herein, the Certificate holder(s) shall be entitled to the liability limitation provided in ECL Section 56-0509. The liability limitation shall run with the land, extending to the Certificate holder's successors or assigns through acquisition of title to the Site and to a person who develops or otherwise occupies the Site, subject to certain limitations as set forth in ECL Section 56-0509. The liability limitation shall be subject to all rights reserved to the State by ECL Section 56-0509 and any other applicable provision of law.

NOTICE OF CERTIFICATE OF COMPLETION
Environmental Restoration Program
Pursuant to 6 NYCRR Part 375-1.9(d)

400 Upper Broadway Site, Site ID No. E517007
Village of Saranac Lake, Franklin County

PLEASE TAKE NOTICE, the New York State Department of Environmental Conservation (Department) has issued a Certificate of Completion (Certificate) pursuant to 6 NYCRR Part 375 to the Village of Saranac Lake for a parcel approximately 2.61 acres located at 400 Upper Broadway in the Village of Saranac Lake, Franklin County.

PLEASE TAKE NOTICE, the Certificate was issued upon satisfaction of the Commissioner, following review by the Department of the final engineering report and data submitted pursuant to the State Assistance Contract, as well as any other relevant information regarding the Site, that the remediation requirements set forth in ECL Article 56, Title 5 have been or will be achieved in accordance with the time frames, if any, established in the remedial work plan.

PLEASE TAKE NOTICE, the remedial program for the Site has achieved a cleanup level that would be consistent with the following categories of uses (actual site use is subject to local zoning requirements):

- ☐ Residential Use, as set forth in 6 NYCRR 375-1.8(g)(2)i.
- ■ Restricted Residential Use, as set forth in 6 NYCRR 375-1.8(g)(2)ii.
- ■ Commercial Use, as set forth in 6 NYCRR 375-1.8(g)(2)iii.
- ■ Industrial Use, as set forth in 6 NYCRR 375-1.8(g)(2)iv.

Further, the use of groundwater is restricted and may not be used, unless treated in accordance with the requirements provided by the New York State Department of Health, or a local County Health Department with jurisdiction in such matters and such is approved by the Department as not inconsistent with the remedy.

PLEASE TAKE NOTICE, since the remedial program relies upon use restrictions or the long term employment of institutional or engineering controls; such institutional or engineering controls are contained in an Environmental Easement granted pursuant to ECL Article 71, Title 36 which has been duly recorded in the Recording Office for Franklin County as the Village of Saranac Lake Tax Map Parcel I.D. number 446.43-2-3.

PLEASE TAKE NOTICE, the Environmental Easement requires that the approved site management plan (SMP) for this property be adhered to. The SMP, which may be amended from time to time, may include sampling, monitoring, and/or operating a treatment system on the property, providing certified reports to the NYSDEC, and generally provides for the management of any and all plans and limitations on the property. A copy of the SMP is available upon request by writing to the Department's Division of Environmental Remediation, Site Control Section, 625 Broadway, Albany, New York 12233.

PLEASE TAKE NOTICE, provided that the Environmental Easement, SMP and Certificate are complied with, the Certificate holder(s) shall be entitled to the liability limitation provided in ECL Section 56-0509. The liability limitation shall run with the land, extending to the Certificate holder's successors or assigns through acquisition of title to the Site and to a person who develops or otherwise occupies the Site, subject to certain limitations as set forth in ECL Section 56-0509. The liability limitation shall be subject to all rights reserved to the State by ECL Section 56-0509 and any other applicable provision of law.

PLEASE TAKE NOTICE, any change of use of the site, as defined in 6 NYCRR 375, must be proceeded by notice to the Department in accordance with 6 NYCRR 375-1.11(d). A transfer of any or all of

NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION
Site Management Form
11/16/2011

SITE NO. E517007

SITE DESCRIPTION

SITE NAME 400 Upper Broadway Site

SITE ADDRESS: State Route 86 ZIP CODE: 12983

CITY/TOWN: Saranac Lake

COUNTY: Franklin

ALLOWABLE USE: Restricted-Residential, Commercial, and Industrial

SITE MANAGEMENT DESCRIPTION

SITE MANAGEMENT PLAN INCLUDES:	YES	NO
IC/EC Certification Plan	■	□
Monitoring Plan	■	□
Operation and Maintenance (O&M) Plan	■	□

Periodic Review Frequency: 1 year

First Periodic Review Date: 06/01/2013

Description of Institutional Control

Village of Saranac Lake
State Route 86
Environmental Easement
Block:
Lot:
Sublot:
Section:
Subsection:
S_B_L Image: 446.43-2-3
Ground Water Use Restriction
IC/EC Plan
Monitoring Plan
Site Management Plan
Soil Management Plan

Exhibit A Legal Description

Address: 400 Upper Broadway, Saranac Lake, NY
Franklin County
Tax Map: 446.43-2-3

EASEMENT D.E.C. SITE No. E617007
METES & BOUNDS DESCRIPTION

All that certain parcel of land being situate in Township No. 21, Great Tract One, Macomb's Purchase, Village of Saranac Lake, Town of Harrietstown, County of Franklin, and State of New York: being more particularly bounded and described as follows:

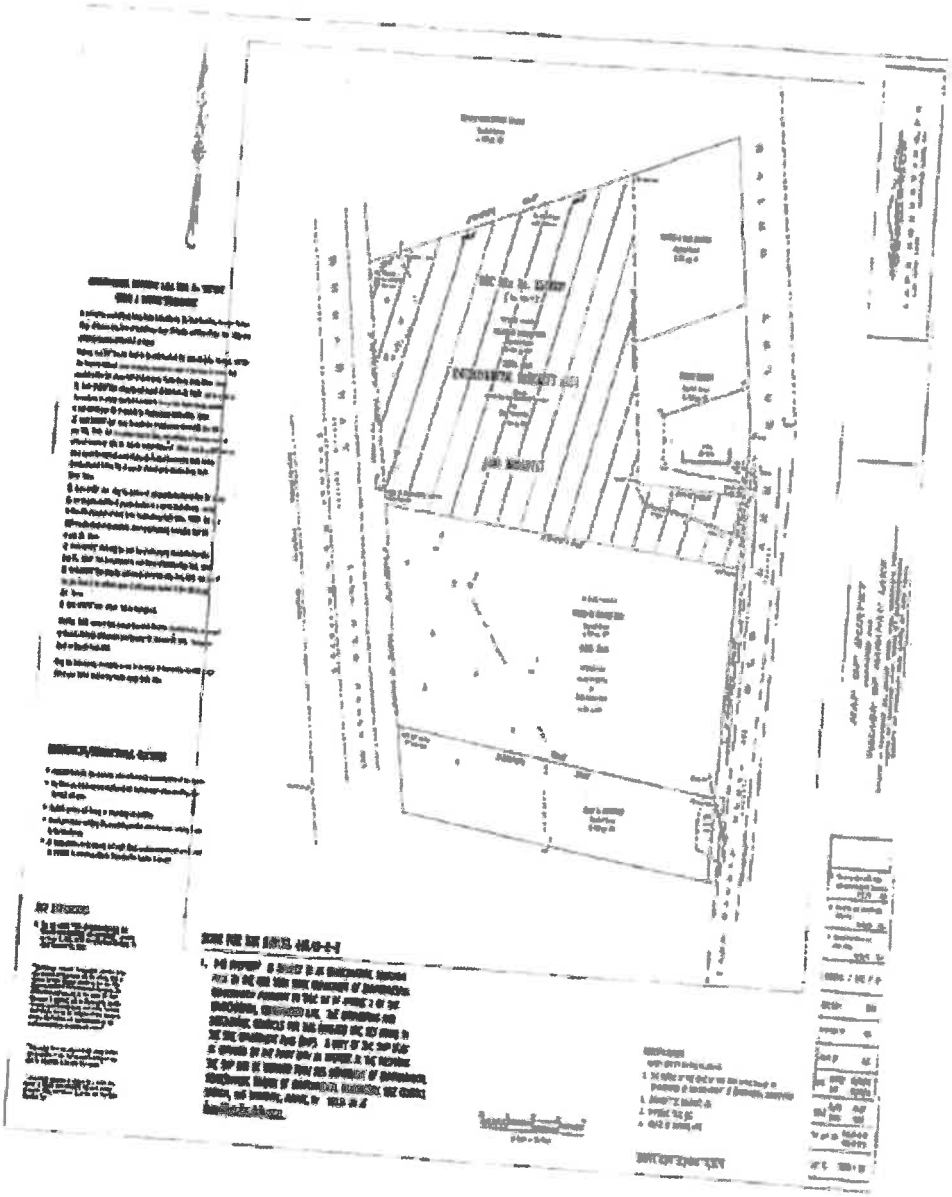
Beginning at a 3/4" pipe found on the east bounds of NYS Route 86 (a.k.a. Broadway), said pipe also being the northwest corner of property described in a deed to the Village of Saranac Lake, recorded in Liber 805 at page 297 of deeds in the Franklin County Clerk's Office; thence

1) North 15°15'23" West along the east bounds of NYS Route 86, 147.82 feet to a point on the south line of property described in a deed to Saranac Lake Baptist Church, recorded in Liber 852 at page 132 of deeds in the Franklin County Clerk's Office; thence
2) North 78°12'05" East along the south line of said property described in Liber 852 at page 132, 36.19 feet to a drillhole found in stone, and continuing on the same course an additional distance of 270.66 feet, for a total distance of 306.85 feet, to a 5/8" rebar set with a cap at the northwest corner of property described in a deed to Shellie & Gary Manning, recorded in Liber 781 at page 21 of deeds in the Franklin County Clerk's Office; thence
3) South 9°41'35" East along the west line of said property described in Liber 781 at page 21, and along the west line of property described in a deed to Shellie Manning, recorded in Liber 618 at page 51 of deeds in the Franklin County Clerk's Office, 185.59 feet to a ½" iron pipe found at the southwest corner of said property described in Liber 618 at page 51; thence
4) South 88°20'51" East along the south line of said property described in Liber 618 at page 51, 124.97 to a point on the west bounds of Old Lake Colby Road; thence
5) South 3°15'21" West along the west bounds of Old Lake Colby Road, 42.44 feet to a 1" iron pipe found at the southeast corner of said property described in Liber 805 at page 297; thence
6) North 86°45'10" West 415.89 feet to the beginning.

Containing 1.388 acres of land, more or less, within the above described bounds, as surveyed by Stacey L. Allott, LS of Geomatics Land Surveying, PC, November 22, 2010. Bearings are based on Magnetic North, 1964.

Being the same property described in a deed to the Village of Saranac Lake recorded in Liber 805 at page 294 of deeds in the Franklin County Clerk's Office

Exhibit B Survey



Addendum C
Conservation Easement

FRANKLIN COUNTY – STATE OF NEW YORK
WANDA D. MURTAGH COUNTY CLERK
P.O. BOX 70, 355 W. MAIN ST, STE 248, MALONE, NEW YORK 12953

COUNTY CLERK'S RECORDING PAGE
THIS PAGE IS PART OF THE DOCUMENT – DO NOT DETACH

RECEIPT NO. : 201194968

Clerk: LH
Instr #: 2011-1158
Rec Date: 03/04/2011 02:25:15 PM
Doc Grp: RP
Descrip: EASEMENT
Num Pgs: 10
Rec'd Frm: CHARLES J NOTH

Party1: SARANAC LAKE VILLAGE OF
Party2: N Y S PEOPLE OF
Town: HARRIETSTOWN

Recording:

Cover Page	
Recording Fee	0.00
Cultural Ed	0.00
Records Management - Coun	0.00
Records Management - Stat	0.00
Sub Total:	0.00
Transfer Tax	
Transfer Tax	0.00
Sub Total:	0.00
Total:	0.00

**** NOTICE: THIS IS NOT A BILL ****

***** Transfer Tax *****

Transfer Tax# : 880

Consideration: 0.00
Transfer Tax: 0.00

COPY

I hereby certify that the within and foregoing was recorded in the Franklin County Clerk's Office

Wanda D. Murtagh

Record and Return To:

CHARLES J NOTH
145 PARK AVE
STE 1
SARANAC LAKE NY 12983

County: Franklin Site No: E 517007 SAC Index No: C303219

ENVIRONMENTAL EASEMENT GRANTED PURSUANT TO ARTICLE 71, TITLE 36 OF THE NEW YORK STATE ENVIRONMENTAL CONSERVATION LAW

THIS INDENTURE made this 17th day of February, 2011, between Owner(s) Village of Saranac Lake, having an office at 3 Main Street, Saranac Lake, NY 12983, (the "Grantor"), and The People of the State of New York (the "Grantee."), acting through their Commissioner of the Department of Environmental Conservation (the "Commissioner", or "NYSDEC" or "Department" as the context requires) with its headquarters located at 625 Broadway, Albany, New York 12233,

WHEREAS, the Legislature of the State of New York has declared that it is in the public interest to encourage the remediation of abandoned and likely contaminated properties ("sites") that threaten the health and vitality of the communities they burden while at the same time ensuring the protection of public health and the environment; and

WHEREAS, the Legislature of the State of New York has declared that it is in the public interest to establish within the Department a statutory environmental remediation program that includes the use of Environmental Easements as an enforceable means of ensuring the performance of operation, maintenance, and/or monitoring requirements and the restriction of future uses of the land, when an environmental remediation project leaves residual contamination at levels that have been determined to be safe for a specific use, but not all uses, or which includes engineered structures that must be maintained or protected against damage to perform properly and be effective, or which requires groundwater use or soil management restrictions; and

WHEREAS, the Legislature of the State of New York has declared that Environmental Easement shall mean an interest in real property, created under and subject to the provisions of Article 71, Title 36 of the New York State Environmental Conservation Law ("ECL") which contains a use restriction and/or a prohibition on the use of land in a manner inconsistent with engineering controls which are intended to ensure the long term effectiveness of a site remedial program or eliminate potential exposure pathways to hazardous waste or petroleum; and

WHEREAS, Grantor, is the owner of real property located at the address of 400 Upper Broadway in the Village of Saranac Lake, County of Franklin and State of New York, known and designated on the tax map of the County Clerk of Franklin as tax map parcel numbers: Section 446.43 Block 2 Lot 3, being the same as that property conveyed to Grantor by deed dated June 6, 2002 and recorded in the Franklin County Clerk's Office in Book 805 at Page 294 comprising approximately 1.388 ± acres, and hereinafter more fully described in the Land Title Survey dated September 28, 2010, revised October 6, 2010, November 22, 2010 and January 31, 2011 prepared by Stacy L. Allott, LS # 49670, which will be attached to the Site Management Plan. The property description and survey (the "Controlled Property") is set forth in and attached hereto as Schedule A; and

WHEREAS, the Department accepts this Environmental Easement in order to ensure the protection of human health and the environment and to achieve the requirements for remediation established for the Controlled Property until such time as this Environmental Easement is extinguished pursuant to ECL Article 71, Title 36; and

County: Franklin Site No: E 517007 SAC Index No: C303219

NOW THEREFORE, in consideration of the mutual covenants contained herein and the terms and conditions of State Assistance Contract Number: C303219, Grantor conveys to Grantee a permanent Environmental Easement pursuant to ECL Article 71, Title 36 in, on, over, under, and upon the Controlled Property as more fully described herein ("Environmental Easement")

1. Purposes. Grantor and Grantee acknowledge that the Purposes of this Environmental Easement are: to convey to Grantee real property rights and interests that will run with the land in perpetuity in order to provide an effective and enforceable means of encouraging the reuse and redevelopment of this Controlled Property at a level that has been determined to be safe for a specific use while ensuring the performance of operation, maintenance, and/or monitoring requirements; and to ensure the restriction of future uses of the land that are inconsistent with the above-stated purpose.

2. Institutional and Engineering Controls. The controls and requirements listed in the Department approved Site Management Plan ("SMP") including any and all Department approved amendments to the SMP are incorporated into and made part of this Environmental Easement. These controls and requirements apply to the use of the Controlled Property, run with the land, are binding on the Grantor and the Grantor's successors and assigns, and are enforceable in law or equity against any owner of the Controlled Property, any lessees and any person using the Controlled Property.

A. (1) The Controlled Property may be used for:

Restricted Residential as described in 6 NYCRR Part 375-1.8(g)(2)(ii), Commercial as described in 6 NYCRR Part 375-1.8(g)(2)(iii) and Industrial as described in 6 NYCRR Part 375-1.8(g)(2)(iv)

(2) All Engineering Controls must be operated and maintained as specified in the Site Management Plan (SMP);

(3) All Engineering Controls must be inspected at a frequency and in a manner defined in the SMP.

(4) Groundwater and other environmental or public health monitoring must be performed as defined in the SMP;

(5) Data and information pertinent to Site Management of the Controlled Property must be reported at the frequency and in a manner defined in the SMP;

(6) All future activities on the property that will disturb remaining contaminated material must be conducted in accordance with the SMP;

(7) Monitoring to assess the performance and effectiveness of the remedy must be performed as defined in the SMP.

(8) Operation, maintenance, monitoring, inspection, and reporting of any mechanical or physical components of the remedy shall be performed as defined in the SMP.

County: Franklin Site No: E 517007 SAC Index No: C303219

(9) Access to the site must be provided to agents, employees or other representatives of the State of New York with reasonable prior notice to the property owner to assure compliance with the restrictions identified by this Environmental Easement.

B. The Controlled Property shall not be used for Residential purposes, and the above-stated engineering controls may not be discontinued without an amendment or extinguishment of this Environmental Easement.

C. The SMP describes obligations that the Grantor assumes on behalf of Grantor, its successors and assigns. The Grantor's assumption of the obligations contained in the SMP which may include sampling, monitoring, and/or operating a treatment system, and providing certified reports to the NYSDEC, is and remains a fundamental element of the Department's determination that the Controlled Property is safe for a specific use, but not all uses. The SMP may be modified in accordance with the Department's statutory and regulatory authority. The Grantor and all successors and assigns, assume the burden of complying with the SMP and obtaining an up-to-date version of the SMP from:

NYSDEC - Region 5
Division of Environmental Remediation
1115 NYS Route 86, P.O. Box 296
Ray Brook, NY 12977-0296,
Phone: (518) 897-1227

or

Site Control Section
Division of Environmental Remediation
NYSDEC
625 Broadway
Albany, New York 12233
Phone: (518) 402-9553

D. Grantor must provide all persons who acquire any interest in the Controlled Property a true and complete copy of the SMP that the Department approves for the Controlled Property and all Department-approved amendments to that SMP.

E. Grantor covenants and agrees that until such time as the Environmental Easement is extinguished in accordance with the requirements of ECL Article 71, Title 36 of the ECL, the property deed and all subsequent instruments of conveyance relating to the Controlled Property shall state in at least fifteen-point bold-faced type:

This property is subject to an Environmental Easement held by the New York State Department of Environmental Conservation pursuant to Title 36 of Article 71 of the Environmental Conservation Law.

County: Franklin Site No: E 517007 SAC Index No: C303219

F. Grantor covenants and agrees that this Environmental Easement shall be incorporated in full or by reference in any leases, licenses, or other instruments granting a right to use the Controlled Property.

G. Grantor covenants and agrees that it shall annually, or such time as NYSDEC may allow, submit to NYSDEC a written statement by an expert the NYSDEC may find acceptable certifying under penalty of perjury, in such form and manner as the Department may require, that:

(1) the inspection of the site to confirm the effectiveness of the institutional and engineering controls required by the remedial program was performed under the direction of the individual set forth at 6 NYCRR Part 375-1.8(h)(3).

(2) the institutional controls and/or engineering controls employed at such site:

(i) are in-place;

(ii) are unchanged from the previous certification, or that any identified changes to the controls employed were approved b the NYSDEC and that all controls are in the Department-approved format; and

(iii) that nothing has occurred that would impair the ability of such control to protect the public health and environment;

(3) the owner will continue to allow access to such real property to evaluate the continued maintenance of such controls;

(4) nothing has occurred that would constitute a violation or failure to comply with any site management plan for such controls;

(5 the report and all attachments were prepared under the direction of, and reviewed by, the party making the certification;

(6) to the best of his/her knowledge and belief, the work and conclusions described in this certification are in accordance with the requirements of the site remedial program, and generally accepted engineering practices; and

(7) the information presented is accurate and complete.

3. Right to Enter and Inspect. Grantee, its agents, employees, or other representatives of the State may enter and inspect the Controlled Property in a reasonable manner and at reasonable times to assure compliance with the above-stated restrictions.

4. Reserved Grantor's Rights. Grantor reserves for itself, its assigns, representatives, and successors in interest with respect to the Property, all rights as fee owner of the Property, including:

A. Use of the Controlled Property for all purposes not inconsistent with, or limited by the terms of this Environmental Easement;

B. The right to give, sell, assign, or otherwise transfer part or all of the underlying fee interest to the Controlled Property, subject and subordinate to this Environmental Easement;

5. Enforcement

A. This Environmental Easement is enforceable in law or equity in perpetuity by Grantor, Grantee, or any affected local government, as defined in ECL Section 71-3603, against the owner of the Property, any lessees, and any person using the land. Enforcement shall not be defeated because of any subsequent adverse possession, laches, estoppel, or waiver. It is not a

County: Franklin Site No: E 517007 SAC Index No: C303219

defense in any action to enforce this Environmental Easement that: it is not appurtenant to an interest in real property; it is not of a character that has been recognized traditionally at common law; it imposes a negative burden; it imposes affirmative obligations upon the owner of any interest in the burdened property; the benefit does not touch or concern real property; there is no privity of estate or of contract; or it imposes an unreasonable restraint on alienation.

B. If any person violates this Environmental Easement, the Grantee may revoke the Certificate of Completion with respect to the Controlled Property.

C. Grantee shall notify Grantor of a breach or suspected breach of any of the terms of this Environmental Easement. Such notice shall set forth how Grantor can cure such breach or suspected breach and give Grantor a reasonable amount of time from the date of receipt of notice in which to cure. At the expiration of such period of time to cure, or any extensions granted by Grantee, the Grantee shall notify Grantor of any failure to adequately cure the breach or suspected breach, and Grantee may take any other appropriate action reasonably necessary to remedy any breach of this Environmental Easement, including the commencement of any proceedings in accordance with applicable law.

D. The failure of Grantee to enforce any of the terms contained herein shall not be deemed a waiver of any such term nor bar any enforcement rights.

6 Notice. Whenever notice to the Grantee (other than the annual certification) or approval from the Grantee is required, the Party providing such notice or seeking such approval shall identify the Controlled Property by referencing the following information:

County, NYSDEC Site Number, NYSDEC Brownfield Cleanup Agreement, State Assistance Contract or Order Number, and the County tax map number or the Liber and Page or computerized system identification number.

Parties shall address correspondence to:

Site Number: E 517007
Office of General Counsel
NYSDEC
625 Broadway
Albany New York 12233-5500

With a copy to:

Site Control Section
Division of Environmental Remediation
NYSDEC
625 Broadway
Albany, NY 12233

All notices and correspondence shall be delivered by hand, by registered mail or by Certified mail and return receipt requested. The Parties may provide for other means of receiving and communicating notices and responses to requests for approval.

7. Recordation. Grantor shall record this instrument, within thirty (30) days of execution of this instrument by the Commissioner or her/his authorized representative in the office of the recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.

County: Franklin Site No: E 517007 SAC Index No: C303219

8. Amendment. Any amendment to this Environmental Easement may only be executed by the Commissioner of the New York State Department of Environmental Conservation or the Commissioner's Designee, and filed with the office of the recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.

9. Extinguishment. This Environmental Easement may be extinguished only by a release by the Commissioner of the New York State Department of Environmental Conservation, or the Commissioner's Designee, and filed with the office of the recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.

10. Joint Obligation. If there are two or more parties identified as Grantor herein, the obligations imposed by this instrument upon them shall be joint and several.

IN WITNESS WHEREOF, Grantor has caused this instrument to be signed in its name.

Grantor: Village of Saranac Lake

By: Clyde Rabideau

Print Name: Clyde Rabideau

Title: MAYOR Date:

Grantor's Acknowledgment

STATE OF NEW YORK)
) ss:
COUNTY OF Franklin)

Christine M. Krebbiel
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01KR6233036
Qualified in Franklin County
Commission expires December 13, 2014

On the 7th day of February in the year 20 11, before me, the undersigned, personally appeared Clyde Rabideau, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Christine M. Krebbiel
Notary Public - State of New York

County: Franklin Site No: E 517007 SAC Index No: C303219

THIS ENVIRONMENTAL EASEMENT IS HEREBY ACCEPTED BY THE PEOPLE OF THE STATE OF NEW YORK, Acting By and Through the Department of Environmental Conservation as Designee of the Commissioner,

By: _____
Dale A. Desnoyers, Director
Division of Remediation

Grantee's Acknowledgment

STATE OF NEW YORK)
) ss:
COUNTY OF Albany)

On the 17th day of February in the year 2011, before me, the undersigned, personally appeared Dale Desnoyers personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is (are) subscribed to the within instrument and acknowledged to me that he/she/ executed the same in his/her/ capacity as Designee of the Commissioner of the State of New York Department of Environmental Conservation, and that by his/her/ signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public - State of New York

David J. Chiusano
Notary Public, State of New York
No. 01CH6032146
Qualified in Schenectady County
Commission Expires August 23, 2014

County: Franklin Site No: E 517007 SAC Index No: C303219

SCHEDULE "A" PROPERTY DESCRIPTION

Address: 400 Upper Broadway, Saranac Lake, NY
Franklin County
Tax Map: 446.43-2-3

EASEMENT D.E.C. SITE No. E517007
METES & BOUNDS DESCRIPTION

All that certain parcel of land, being situate in Township No. 21, Great Tract One, Macomb's Purchase, Village of Saranac Lake, Town of Harrietstown, County of Franklin, and State of New York; being more particularly bounded and described as follows:

Beginning at a 3/4" pipe found on the east bounds of NYS Route 86 (a.k.a. Broadway), said pipe also being the northwest corner of property described in a deed to the Village of Saranac Lake, recorded in Liber 805 at page 297 of deeds in the Franklin County Clerk's Office, thence

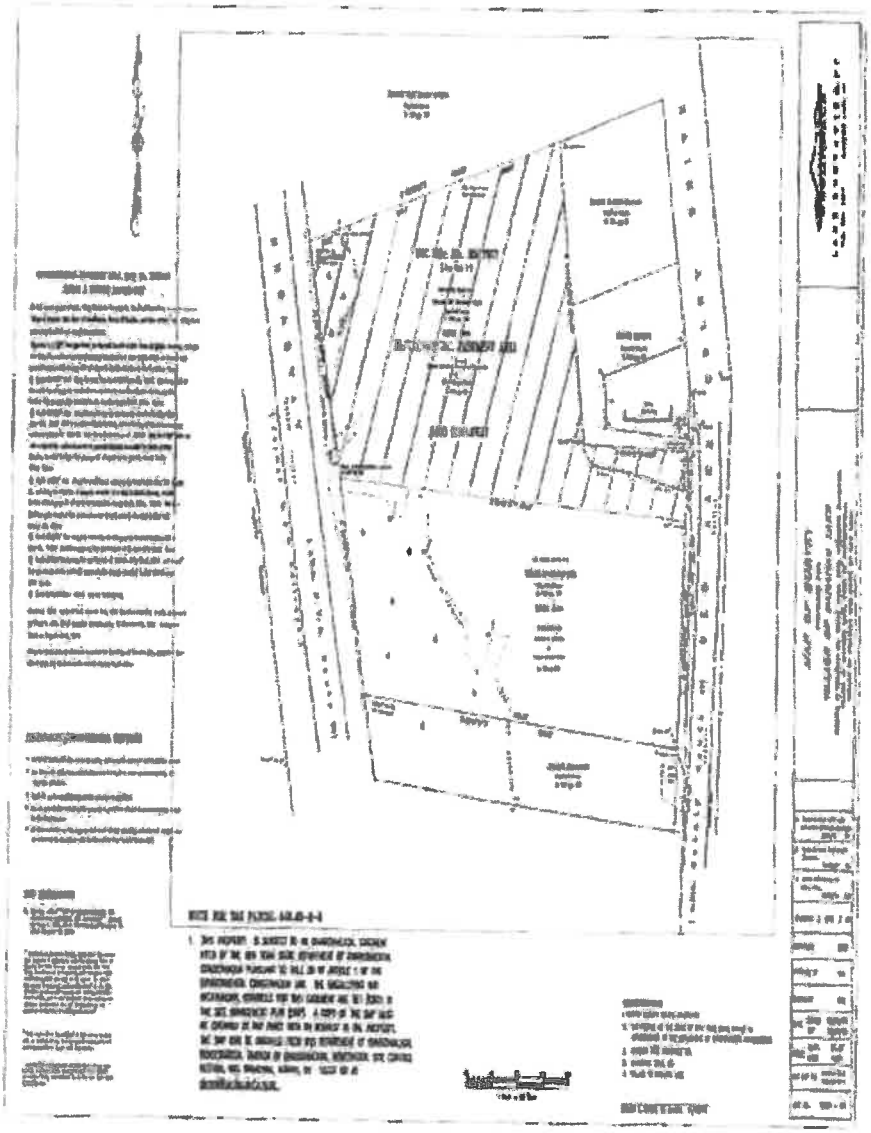
1) North 15°15'23" West along the east bounds of NYS Route 86, 147.82 feet to a point on the south line of property described in a deed to Saranac Lake Baptist Church, recorded in Liber 852 at page 132 of deeds in the Franklin County Clerk's Office; thence
2) North 78°12'00" East along the south line of said property described in Liber 852 at page 132, 36.19 feet to a drillhole found in stone, and continuing on the same course an additional distance of 270.86 feet, for a total distance of 306.85 feet, to a 5/8" rebar set with a cap at the northwest corner of property described in a deed to Shellie & Gary Manning, recorded in Liber 781 at page 21 of deeds in the Franklin County Clerk's Office; thence
3) South 7°41'35" East along the west line of said property described in Liber 781 at page 21, and along the west line of property described in a deed to Shellie Manning, recorded in Liber 618 at page 51 of deeds in the Franklin County Clerk's Office, 115.30 feet to a 3/4" iron pipe found at the southwest corner of said property described in Liber 618 at page 51; thence
4) South 88°29'51" East along the south line of said property described in Liber 618 at page 51, 124.97 to a point on the west bounds of Old Lake Colby Road; thence
5) South 3°25'21" West along the west bounds of Old Lake Colby Road, 42.84 feet to a 1" iron pipe found at the southeast corner of said property described in Liber 805 at page 297; thence
6) North 86°45'10" West 415.89 feet to the beginning.

Containing 1.388 acres of land, more or less, within the above described bounds, as surveyed by Stacey L. Allatt, LS of Geometics Land Surveying, PC, November 22, 2010. Bearings are based on Magnetic North, 1964.

Being the same property described in a deed to the Village of Saranac Lake, recorded in Liber 805 at page 294 of deeds in the Franklin County Clerk's Office.

County: Franklin Site No: E 517007 SAC Index No: C303219

SURVEY



Addendum E

Cedar Eden Environmental Report As of August 23, 2017

400 Upper Broadway Periodic Review Report
NYSDEC Site Number: E517007
Village of Saranac Lake, Franklin County, NY

Prepared for:

Village of Saranac Lake
Attn: John Sweeney, Village Manager
39 Main Street
Saranac Lake, NY 12983
518.891.4150 • [illegible]

COPY

Prepared by:

Cedar Eden Environmental, LLC
1519 State Route 86
Saranac Lake, NY 12983
518.304.3697 • mmartin@cedareden.com

http://cedareden.com
Established 2001

July 5, 2017 – Revised August 23, 2017

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Attachments:

- Site Location and Boundary Map
- ESS17007 Institutional and Engineering Controls Certification Form

Cedar Eden Environmental, LLC
Saranac Lake, NY

I. Executive Summary

This report presents the findings of the annual Periodic Review of 400 Broadway, DEC Site E517007. The property was inspected by Michael R. Martin of Cedar Eden Environmental (CEE) on November 5, 2016 and July 3, 2017 and by Michael R. Martin of CEE and Dominic Fontana, P.E. of Saranac Engineering on August 23, 2017.

The site is located in the Village of Saranac Lake, Franklin County, New York and is identified as Block 2, Lot 3 on the Village of Saranac Lake Tax Map. The site is approximately 1.39 acres in size and bounded by a church and landscaped areas to the north, wooded undeveloped land to the south, Upper Broadway (Old Lake Colby Road) and residential dwellings to the east and NYS SR86 (Lake Colby Drive) to the west[1]. A Remedial Investigation[2] determined that historic commercial and manufacturing activities resulted in impacts to soils and groundwater from volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), polychlorinated biphenyls (PCBs), pesticides and metals.

Remedial actions were completed in two phases. The first phase involved cleaning up the site (removal of waste materials) and was completed August & September, 2007. The second phase involved stabilizing the site to address the remaining contamination and took place in 2012, with additional work conducted in 2014 and 2017.

Minor elements of non-compliance during this reporting period included failure of some silt fence and lack of vegetated cover over the entire site. The remediation will be 100% complete and these non-compliance issues was resolved with the placement of additional topsoil followed by seeding and mulching, completed in August 2017. This work has achieved the objectives of the SMP as no further development is planned for the property.

No changes are recommended for the SMP. It is recommended that Site Closeout be granted after the installation of these measures following a final inspection and submission of a Final Engineering Report (FER) to be undertaken on or before July 1, 2018.

[1] Site Management Plan: 400 Upper Broadway Site, C. T. Male Associates. June 2010.

[2] Site Investigation Report for the 400 Broadway ERP Site, C.T. Male Associates October 2008 (revised January 2009); Record of Decision, NYS DEC. March 2010.

II. Site Overview

The site is located in the Village of Saranac Lake, Franklin County, New York and is identified as Block 2, Lot 3 on the Village of Saranac Lake Tax Map (see Site Location and Boundary Map). The site is approximately 1.39 acres in size and bounded by a church and landscaped areas to the north, wooded undeveloped land to the south, Upper Broadway (Old Lake Colby Road) and residential dwellings to the east and NYS SR86 (Lake Colby Drive) to the west.

A Remedial Investigation determined that historic commercial and manufacturing activities resulted in impacts to soils and groundwater from volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), polychlorinated biphenyls (PCBs), pesticides and metals.

Site cleanup goals were to remove waste materials and stabilize/seal the remaining contamination using a soil cover. Remedial actions were completed in two phases. The first phase involved cleaning up the site, was completed August & September, 2007 and included:

1. Removal of waste materials from the site, including several 55 gallon and 20 gallon drums and their contents (predominantly sand, sludge and grease) and a 1000 gallon above ground tank containing hazardous, high-lead content tar-like sludge.
2. Execution and recording of an Environmental Easement to restrict land use and prevent future exposure to any remaining contamination
3. Development of Site Management Plan for Lot 3 including Institutional and Engineering Controls, Monitoring Plan, O&M Plan and Reporting.

The second phase involved stabilizing the site to address the remaining contamination in accordance with the SMP, SWWP[3] and EC/IC and included[4]:

1. 2012: Placement of a geomembrane to serve as visual demarcation layer, 2+ feet of cover material, seed & mulch lower portion
2. 2014: Additional stabilization, creation of soil berm to prevent material movement
3. 2017: regrade entrance to minimize flow of road onto site (complete); repair perimeter silt fence (complete); removal of berm and placement of topsoil, seed and mulch to stabilize entire site (complete)

[3] Stormwater Pollution Prevention Plan: 400 Broadway. AES Northeast. July 13, 2012

[4] Jeff Dora, Village of Saranac Lake DPW Superintendent, personal communication, July 5, 2017

III. Evaluation of Remedy Performance, Effectiveness and Protectiveness

The remedial goals were achieved by implementing the following:

1. Removal of waste materials on-site
2. Creation of an environmental easement on the property to protect future use
3. Creation of required site documents, including SMP, EC/IC and O&M Plan
4. Creating a vegetated soil cover over remaining contamination
5. Monitoring and Periodic Review Reporting

As of August 2017, all objectives have been met and are in place.

Results of Site Inspection During Current Reporting Period

Overall, the ECS was functioning as planned and stated in the SMP. Several deficiencies were noted for corrective action primarily dealing with controlling runoff onto and from the site and stabilizing the cover system. Those deficiencies and recommendations included:

1. The upper property (east, above the berm) cover system should be further stabilized, which should include topsoil and seeding. (Completed August 2017) (Photograph 1)
2. The silt fence along the west and south sides of the property was laying down flat in a number of places, although still buried at the base. Corrective measures would include setting of new stakes where necessary. (Completed July 2017) (Photograph 2)
3. The existing berm that divides the property should be removed during the placement of topsoil and seeding/mulching. (Completed August 2017)
4. There was some gully erosion occurring along the driveway, indicating concentrated flows. Flow should be diverted at Old Lake Colby Road so it doesn't run down the property driveway and add more stabilizing rock on the driveway. This will minimize the amount of water that runs onto the property. (Completed July 2017)
5. Cover access road with topsoil, mulch and seed (Completed August 2017)

IV. IE/EC Plan Compliance Report

The Engineering Control System on the site consists of a cover system created through the placement of filter fabric over the surface soils which has been topped by a minimum of two feet of clean soil fill. The cover system is a permanent control and is acting to contain and protect the contaminated surface soils. Additional top soil and seeding/mulching was completed in August 2017 to further stabilize the cover system.

Institutional Controls have been implemented by the execution and recording of an Environmental Easement to restrict land use and prevent future exposure to any remaining contamination.

V. Monitoring Plan Compliance Report

There is no Monitoring Plan requiring physical testing. Periodic visual inspections are conducted of all remedial components installed at the site and the findings are incorporated into the annual PRR.

VI. O&M Plan Compliance Report

The site remedy does not rely on any mechanical systems. Therefore, the operation and maintenance of such components is not included in the SMP.

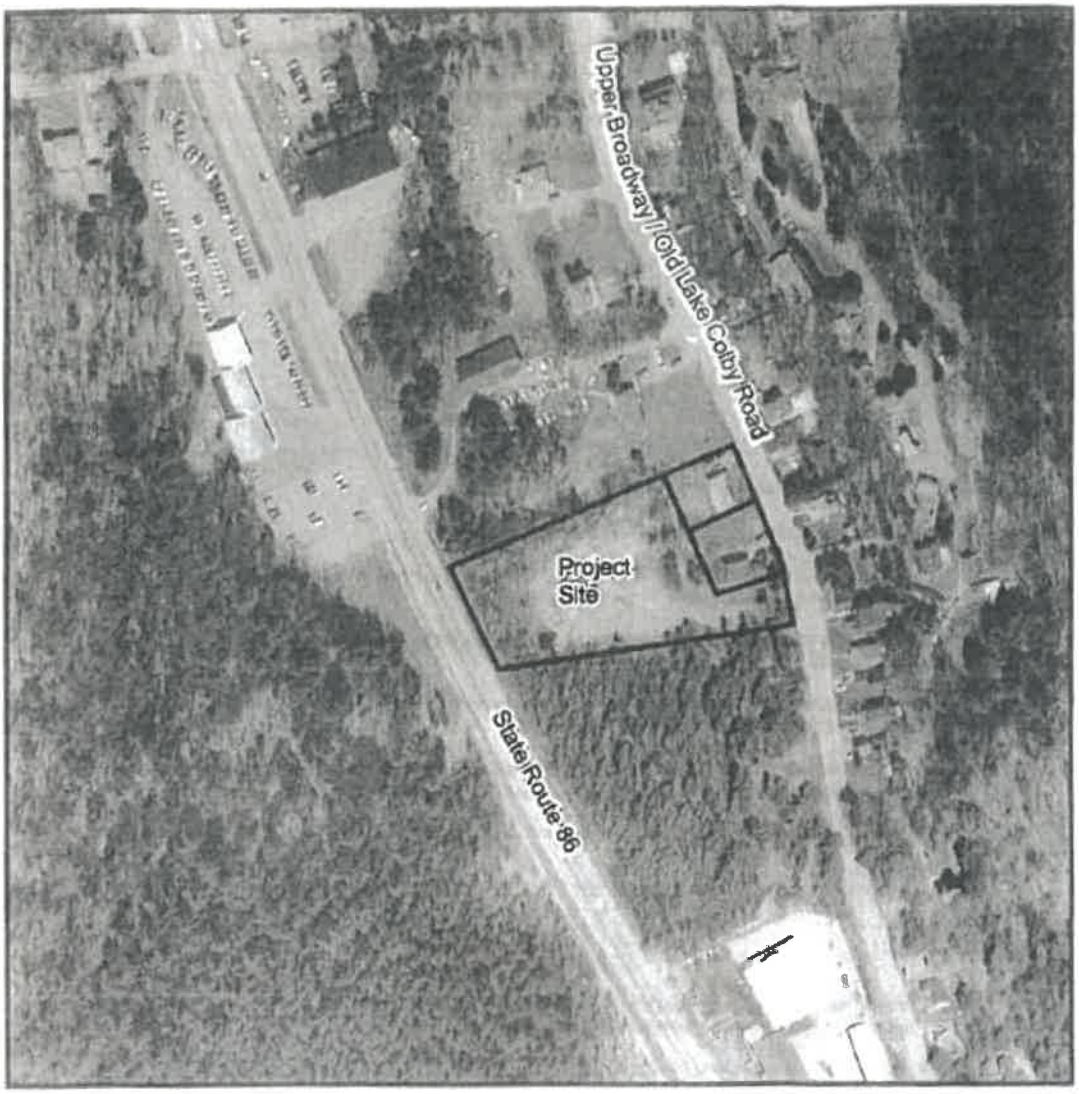
VII. Overall PRR Conclusions and Recommendations

Each component of the SMP has been implemented and are operating fully as intended. Recommended site maintenance during this reporting period included fixing silt fences (completed July 5), fully stabilizing the cover system with topsoil, seed and mulch (completed August 2017) and rerouting stormwater runoff from Upper Broadway away from the property driveway (completed July 5). With the completion of these recommendations the remedial measures achieve the remedial objectives for the site. Further, it is believed that the requirements for site closure will be achieved and a determination to discontinue site management is requested. It is recommended that a final site inspection and reporting be conducted upon completion of all recommended site activities. A final inspection is planned for Spring 2018, followed by the preparation of a Final Engineering Report (FER) to be submitted for NYS DEC review on or before July 1, 2018. The FER will detail the site cover system and requirements for proper maintenance.

Photograph 1 Upper (east) side of property. Area needs topsoil and establishment of cover

Cedar Eden Environmental, LLC
Saranac Lake, NY

Photograph 2 Area of downed silt fence along south edge of property



Legend

Approx. Property Boundary

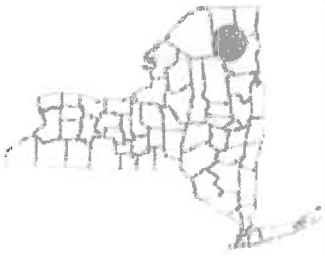
N

Site Location and Boundary Map

Project: 400 Upper Broadway Site Remediation
Town: Village of Saranac Lake
County: Franklin County

Notes:
Digital orthophoto: April 2014, NYS Orthos Online

Cedar Eden Environmental, LLC
1519 State Route 86
Saranac Lake, NY 12983
518.304.3697
http://cedareden.com



Enclosure 2

NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION
Site Management Periodic Review Report Notice
Institutional and Engineering Controls Certification Form

Site Details — Box 1

Site No. E817007

Site Name 400 Upper Broadway Site

Site Address: State Route 86 **Zip Code:** 12983
City/Town: Saranac Lake
County: Franklin
Site Acreage: 2.6

Reporting Period: June 01, 2016 to June 01, 2017

	YES	NO
1. Is the information above correct?	☒	☐
If NO, include handwritten above or on a separate sheet.		
2. Has some or all of the site property been sold, subdivided, merged, or undergone a tax map amendment during this Reporting Period?	☐	☒
3. Has there been any change of use at the site during this Reporting Period (see 6NYCRR 375-1.11(d))?	☐	☒
4. Have any federal, state, and/or local permits (e.g., building, discharge) been issued for or at the property during this Reporting Period?	☐	☒
If you answered YES to questions 2 thru 4, include documentation or evidence that documentation has been previously submitted with this certification form.		
5. Is the site currently undergoing development?	☐	☒

Box 2

	YES	NO
6. Is the current site use consistent with the use(s) listed below? Restricted-Residential, Commercial, and Industrial	☒	☐
7. Are all ICs/ECs in place and functioning as designed?	☒	☐

IF THE ANSWER TO EITHER QUESTION 6 OR 7 IS NO, sign and date below and DO NOT COMPLETE THE REST OF THIS FORM. Otherwise continue.

A Corrective Measures Work Plan must be submitted along with this form to address these issues.

Signature of Owner, Remedial Party or Designated Representative _____ Date _____

SITE NO. E617007

Box 3

Description of Institutional Controls

Parcel	Owner	Institutional Control
446.43-2-3	Village of Saranac Lake	Monitoring Plan IC/EC Plan Ground Water Use Restriction Soil Management Plan Site Management Plan

The institutional controls are: Compliance with the EE by the Grantor and the Grantor's successors and assigns with all elements of the SMP; all engineering controls must be operated and maintained as specified in the SMP; all engineering controls on the controlled property (LOT 3)must be inspected and certified at a frequency and in the manner defined in the SMP; data and information pertinent to site management for the controlled property must be reported at a frequency and in a manner described in the SMP; all future activities on the property that will disturb the remaining contaminated material are prohibited unless they are conducted in accordance with the SMP; the property may be used for restricted residential use provided that EC/ICs included in the SMP are employed; the property may not be used for a less restictive use; and, the site owner must submit to the NYSDEC a written statement that certifies that (1) controls employed at the controlled property are unchanged from the previous certification or that any changes to the controls were approved by the NYSDEC; and, nothing has occurred that impairs the ability to protect public health and the environment or that constitutes a violation with the SMP

Box 4

Description of Engineering Controls

Parcel	Engineering Control
446.43-2-3	Cover System

A cover system will be installed should the site undergo development or disturbance. Any cover must adhere to specifications described in the site specific SMP. The cover system must be comprised of one of the following: minimum of 24" of clean soil, asphalt pavement, concrete covered sidewalks, and concret building slabs. As of 2013, a partial cover has been established at the site. Procedures for inspection and maintenance of the cover is included in Section 4 of the site specific SMP

Box 5

Periodic Review Report (PRR) Certification Statements

1. I certify by checking "YES" below that:

   a) the Periodic Review report and all attachments were prepared under the direction of, and reviewed by, the party making the certification;

   b) to the best of my knowledge and belief, the work and conclusions described in this certification are in accordance with the requirements of the site remedial program, and generally accepted engineering practices; and the information presented is accurate and complete.

YES	NO
☒	☐

2. If this site has an IC/EC Plan (or equivalent as required in the Decision Document), for each Institutional or Engineering control listed in Boxes 3 and/or 4, I certify by checking "YES" below that all of the following statements are true:

   (a) the Institutional Control and/or Engineering Control(s) employed at this site is unchanged since the date that the Control was put in-place, or was last approved by the Department;

   (b) nothing has occurred that would impair the ability of such Control, to protect public health and the environment;

   (c) access to the site will continue to be provided to the Department, to evaluate the remedy, including access to evaluate the continued maintenance of this Control;

   (d) nothing has occurred that would constitute a violation or failure to comply with the Site Management Plan for this Control; and

   (e) if a financial assurance mechanism is required by the oversight document for the site, the mechanism remains valid and sufficient for its intended purpose established in the document.

YES	NO
☒	☐

IF THE ANSWER TO QUESTION 2 IS NO, sign and date below and DO NOT COMPLETE THE REST OF THIS FORM. Otherwise continue.

A Corrective Measures Work Plan must be submitted along with this form to address these issues.

Signature of Owner, Remedial Party or Designated Representative _____ Date _____

IC CERTIFICATIONS
SITE NO. E517007

Box 6

SITE OWNER OR DESIGNATED REPRESENTATIVE SIGNATURE

I certify that all information and statements in Boxes 1,2, and 3 are true. I understand that a false statement made herein is punishable as a Class "A" misdemeanor, pursuant to Section 210.45 of the Penal Law.

I Jeffrey D. Dero at 39 Main Street Dorset Lake, NY
print name print business address

am certifying as Owner (Owner or Remedial Party)

for the Site named in the Site Details Section of this form.

Signature of Owner, Remedial Party, or Designated Representative Rendering Certification

9/30/19
Date

IC/EC CERTIFICATIONS

Box 7

Professional Engineer Signature

I certify that all information in Boxes 4 and 5 are true. I understand that a false statement made herein is punishable as a Class "A" misdemeanor, pursuant to Section 210.45 of the Penal Law.

I Dominic C. Fontana 164 Kuwassa Rd Saranac Lake NY
print name print business address

am certifying as a Professional Engineer for the Village of Saranac Lake
(Owner or Remedial Party)

STATE OF NEW YORK
DOMINIC C. FONTANA
052416-1
PROFESSIONAL ENGINEER

Signature of Professional Engineer, for the Owner or Remedial Party, Rendering Certification

Stamp (Required for PE)

8-26-17
Date

Addendum F
NYS Certifications

UNIQUE ID NUMBER
46000026600

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 93438

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R.E. APPRAISERS.

EFFECTIVE DATE
MO 10 DAY 08 YR 16

EXPIRATION DATE
MO 10 DAY 07 YR 18

HARLAND CHRIS L
C/O HILCO REAL ESTATE APPRAISA
668 COLUMBIA TPKE
STE 3
EAST GREENBUSH, NY 12061

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-1296 (Rev. 3/01)

UNIQUE ID NUMBER
46000051521

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 97839

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R.E. APPRAISERS.

EFFECTIVE DATE
MO 01 DAY 26 YR 17

EXPIRATION DATE
MO 01 DAY 25 YR 19

GODLEWSKI STACEY L
C/O HILCO REAL ESTATE APPRAISA
668 COLUMBIA TPKE
EAST GREENBUSH, NY 12061

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-1296 (Rev. 3/01)

Addendum E
Summary of 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 real estate 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 1990.

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 – Regional Representative (2008-2018)
Upstate NY Chapter – Appraisal Institute – President (2007)
Upstate NY Chapter – Appraisal Institute – Board of Directors (2002-2010 and 2015-2017)
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 (CIREB) – Principal Appraiser Member
GCAR (Greater Capital Association of Realtors) – Member #21309

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

Qualified Before Courts & Administrative Bodies:

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

Hilco Real Estate Appraisal, LLC
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East Greenbush, NY 12061
518-472-0380 (Main) 518-472-0388 (Fax)
charland@hilcoglobal.com

Qualifications for Stacey L. Godlewski

Hilco Real Estate Appraisal, LLC
Senior Real Estate Appraiser – Northeast Region

Scope of Experience:

Ms. Godlewski provides real estate valuations encompassing all aspects of the appraisal process. Her experience is primarily associated with commercial properties, including single-and multi-tenant retail, commercial and industrial properties, hospitality, recreational, and institutional properties throughout Upstate New York and surrounding states. She is also experienced with preparing valuations of single-family residential and multi-family residential properties. Her appraisal reports have been written for various purposes including lending and credit decisioning by national and local financial institutions, litigation proceedings, internal business decisions and personal uses. Reports have included market and going concern valuations. Ms. Godlewski has been writing appraisals since June 2009 to the present.

Education:

Ms. Godlewski is a graduate of Portland State University, Portland Oregon where she received a Bachelor of Science degree in Social Sciences in June of 1988. Additionally, Ms. Godlewski completed the Secondary Education Program and passed the CBEST (California Basic Educational Skills Test), which qualified her to teach the Social Sciences to secondary education students as of July 1988.

Ms. Godlewski is a New York State Certified General Real Estate Appraiser - License Number 46000051521.

Prior Experience

Key Bank N.A. – Ms. Godlewski began working at Key Bank in Portland, Oregon in 1988. Her career at Key Bank included administrative responsibilities within the commercial lending arena initially. She was promoted several times through 1996, when she was asked to relocate to Albany, New York to assist in establishing a systems and programming commercial lending department within the corporate headquarters of the bank. Upon relocating to Albany, she was promoted to a Senior Business Analyst, with the bulk of her duties performing as a liaison between the business and programming departments. This required understanding the functions and processes of various lines of business, capturing their system requirements and then translating them into technical specifications used by programmers. During this time, Ms. Godlewski served as Project Manager for various high profile projects within the bank. Upon leaving the bank in 2007, Ms. Godlewski's final job title was Business Systems Consultant and Subject Matter Expert (SME) in the commercial lending technology environment.

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