APPRAISAL REPORT

15 Leroy Place
New Rochelle, NY 10805

Mixed-Use Building

REQUESTED BY

Kieran O'Meara

CV Capital Funding
800 Third Avenue, 15th Floor
New York, NY 10022

DATES OF VALUE

As Stabilized: April 30, 2020

As Is: July 30, 2019

PREPARED BY



Helen Peng, MAI, MRICS, AI-GRS

Brandon Gollotti

Katie Schlager

625 Broadway, 3rd Floor
New York, NY 10012

August 15, 2019

Kieran O'Meara
CV Capital Funding
800 Third Avenue, 15th Floor
New York, NY 10022

Re: Appraisal File No. JOB-1907231495
Mixed-Use Building
15 Leroy Place
New Rochelle, NY 10805

Dear Mr. O'Meara,

In accordance with your request, we have completed an appraisal of 15 Leroy Place for the purpose of advancing an opinion of the As Is market value of the Fee Simple Interest in the subject.

The subject is currently a single story, single tenant commercial building. It contains 3,000 square feet of gross building area. It is fitted out as a catering hall with kitchen facility. We note that the subject is currently owner occupied and thus we forecast and apply market rent to the subject.

The subject is situated on a 4,356 square foot parcel in an DB: Downtown Business zone. It is identified in New Rochelle County tax maps as 04130032. The subject property is located in New Rochelle, NY. Based on the subject property's zoning, physical characteristics, location, and forecasted economic conditions, continued retail space use is concluded to be the highest and best use as improved.

Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformance with the Standards of Professional Practice and Code of Professional Ethics of the Appraisal Institute, the Uniform Standard of Professional Appraisal Practice (USPAP), and Title XI (with amendments) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), and applicable state appraisal regulations. To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP.

This appraisal is prepared in compliance with CV Capital Funding 's appraisal guidelines as well as the Interagency Appraisal and Evaluation Guidelines dated December 2, 2010.

After carefully considering all available information and factors affecting value, our opinion is:

Final Value Conclusion

Value	Date	Interest Appraised	Conclusion
Prospective Market Value As Stabilized	April 30, 2020	Leased Fee Interest	$880,000
Market Value As Is	July 30, 2019	Fee Simple Interest	$810,000

625 Broadway, 3rd Floor
New York, NY 10012

The value conclusions are subject to the following **Extraordinary Assumptions**[1] that may affect the assignment results. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions:

- None.

The value conclusions are based on the following **Hypothetical Conditions**[2] that may affect the assignment results:

- None.

The opinion of value expressed herein is subject to the certification, assumptions and limiting conditions, and all other information contained in the following written appraisal report.

Thank you for the opportunity to serve you.

Sincerely,

Helen Peng, MAI, MRICS, AI-GRS
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[1] *The definition of Extraordinary Assumptions can be found in the Glossary of Terms, which is located in the Addenda.*

[2] *The definition of Hypothetical Conditions can be found in the Glossary of Terms, which is located in the Addenda.*

Summary of Salient Facts & Conclusions

15 Leroy Place

The subject is currently a single story, single tenant commercial building. It contains 3,000 square feet of gross building area. It is fitted out as a catering hall with kitchen facility. We note that the subject is currently owner occupied and thus we forecast and apply market rent to the subject.

Salient Facts

Residential Units	0	**Zoning**	DB: Downtown Business
Commercial Units	1	**Flood Hazard Zone**	Zone X
Block/Lot	Block 0, Lot 0	**Occupancy Rate**	94%
Site Area	4,356 square feet	**Census Tract**	58
GBA	3,000 square feet	**Date of Inspection**	July 30, 2019
Year Built	1900	**Exposure Time**	6 to 9 months

Financial Indicators – Final Value

Financial Indicators	**Total**	**Per SF-GBA**
Effective Gross Income	$91,232	$30.41
Stabilized Blended Occupancy	94%	-
Expense Ratio	27.33%	-
Net Operating Income	$66,297	$22.10
Capitalization Rate	7.50%	-
Income Capitalization Approach As Stabilized	$880,000	$293.33
Income Capitalization Approach As Is	$810,000	$270.00
Sales Comparison Approach As Stabilized	$900,000	$300.00
Sales Comparison Approach As Is	$830,000	$276.67

SWOT

Strengths

- The subject property is in close proximity to schools, parks, shopping centers, and employment. Additionally, New Rochelle has a master redevelopment plan currently underway in partnership with RXR Realty. There are several new developments in the area planned. The subject is in close proximity to RXR Realty's development site on main street, which will be a 28 story tower featuring 280 residential apartments, 14,000 square feet of retail, parking, and a theatre. In addition, the subject benefits from the parking available across the street at the Municipal parking lot which has 174 permit parking and 160 meter parking.

Weaknesses

- The subject property is in satisfactory condition and risks the need of unscheduled capital improvements.
- The subject property is located on a side street with limited frontage.

Opportunities

- There has been increased demand for similar assets as investors from prime New York Metro submarkets seek higher returns increasing pricing for similar assets.
- It appears the owner is creating an assemblage on the block as he owns three lots adjacent to the subject.

Threats

- Future economic uncertainty.

Final Value Conclusion

Value	Date	Interest Appraised	Conclusion
Prospective Market Value As Stabilized	April 30, 2020	Leased Fee Interest	$880,000
Market Value As Is	July 30, 2019	Fee Simple Interest	$810,000

The value conclusions are subject to the following **Extraordinary Assumptions**[3] that may affect the assignment results. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions:

- None.

The value conclusions are based on the following **Hypothetical Conditions**[4] that may affect the assignment results:

- None.

[3] *The definition of Extraordinary Assumptions can be found in the Glossary of Terms, which is located in the Addenda.*

[4] *The definition of Hypothetical Conditions can be found in the Glossary of Terms, which is located in the Addenda.*

Table of Contents

Introduction

Purpose & Date of Value

The purpose of the appraisal is to provide an opinion of As Is market value of the fee simple interest as of July 30, 2019, and the prospective market value as stabilized of the leased fee interest as of April 30, 2020.

Identification of the Client

CV Capital Funding has engaged Bowery Valuation and is Bowery Valuation's client for this assignment.

Intended Use & User

The Intended User is CV Capital Funding . The Intended Use is for loan underwriting. This appraisal is not intended for any other use or user. No party or parties other than the intended user may use or rely on the information, opinions and conclusions contained in this report.

Property Rights Appraised[5]

In this appraisal we provide an opinion of As Is market value of the fee simple interest.

Property History

The subject property has not sold within the past three years.

We are not aware of any current bids, offers, or options to purchase for this asset.

Exposure Time[6]

It is our opinion that a normal exposure time for the subject property is between 6 months and 9 months. This conclusion is predicated on interviews with local brokers and other real estate industry sources, on information obtained in the verification process of recent sale transactions for similar properties, and our analysis of supply and demand forces in the local market. The value reported herein presumes such an exposure time.

General Assumptions

Various estimates of gross building area, number of apartments, and total livable area were furnished by the owner, client, and/or their agents. This opinion of value reported herein assumes that the data provided are the most recent and accurate.

We note that our appraisers are not experts in the following domains:

- Technical Environmental Inspections: No Environmental Site Assessment report was provided in conjunction with this appraisal. If a report is commissioned and there are any environmental issues uncovered, they could affect our opinion of value reported. We recommend the services of a professional engineer for this purpose.
- Zoning Ordinances: We recommend an appropriately qualified land use attorney if a definitive determination of compliance is required.

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[5] *The definitions of the various interests appraised can be found in the Glossary of Terms, which is located in the Addenda.*

[6] *The definition of Exposure Time can be found in the Glossary of Terms, which is located in the Addenda.*

- Building Inspections: We recommend a building engineer or professional property inspector for the inspection. Any immediate expenditures that a trained professional may determine are needed, could affect our opinion of value reported.
- Easements, Encroachments, and Restrictions: We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.
- Building Health and Fire Codes: Our valuation assumes there are no known code violations.

Definition of Market Value[7]

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, 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 each acting in what he or she considers his or her own best interest;
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.

Scope of the Appraisal

Within the course of this assignment, we have:

- Inspected the full exterior and interior, common areas, mechanical systems, any units we were granted access to, and roof of the subject property, if accessible.
- Researched and investigated the location in terms of its economic activity, development patterns, and future trends and related their impact in the market.
- Determined the Highest and Best Use of the subject property based on an analysis of all relevant factors.
- Conducted a market survey of rent and vacancy levels of similar buildings.
- Analyzed the subject's operating expense history and projections, as well as expense reports of comparable properties, in order to accurately project the stabilized cash flow.
- Projected the net operating income under stabilized operation and applied a market-derived capitalization rate to develop an opinion of value by the income approach.
- Researched and analyzed sales of competitive assets and applied the techniques of the sales comparison approach in providing an opinion of value.
- Advanced an opinion of the As Is and As Stabilized market value of the identified interest.

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[7] *Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472*

Data Sources

The data contained within this appraisal was compiled from market analysis utilizing the following sources (unless otherwise noted): New Rochelle Tax Assessors Office, New Rochelle Department of Buildings, New Rochelle Zoning Office, Claritas, CoStar, Federal Reserve, and FEMA. The subject photos were taken by Helen Peng on 07/30/2019, while those used for the comparable rentals and sales were sourced from the public domain. When possible, we have confirmed the reported data with parties to the transactions or those who are intimately familiar with their critical details.

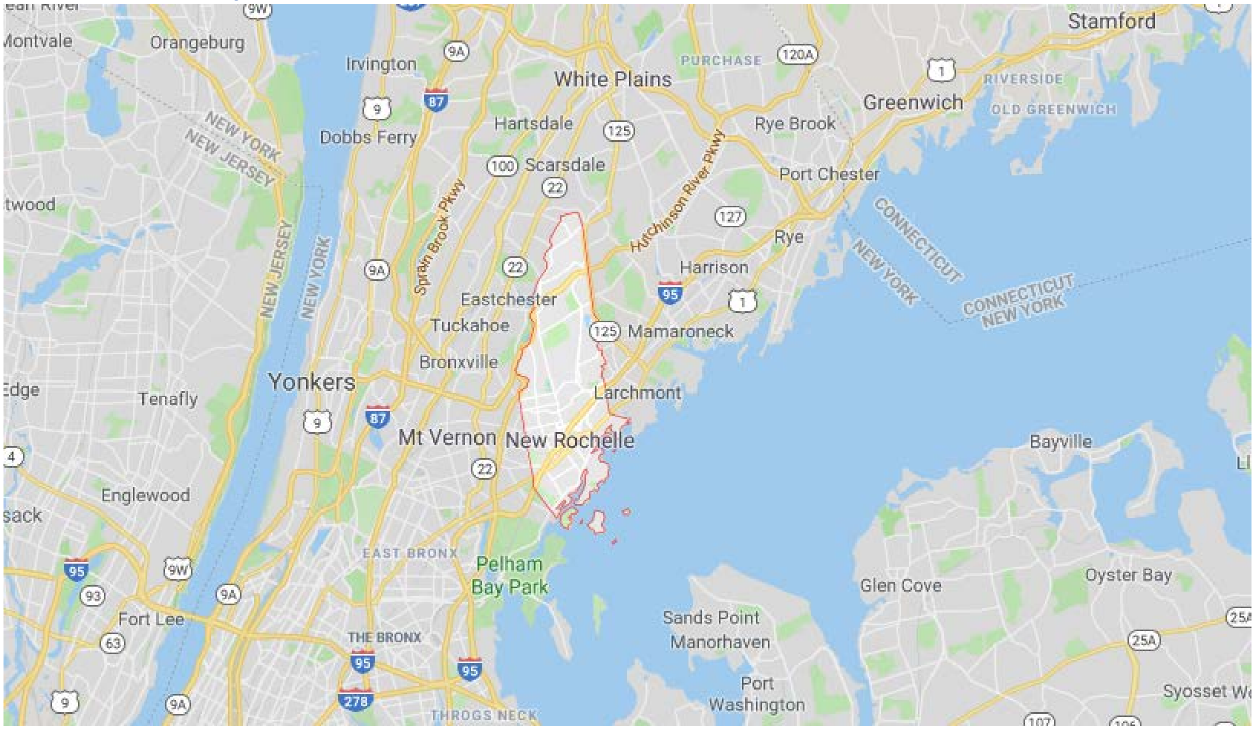
Resource Verification

Data	Source/Verification
Site Size	Public Record
Excess/Surplus Land	Tax Map
Gross Size/Units	Public Record
Commercial SF	Owner; Inspection
Number of Buildings	Inspection
Amenities	Inspection
Deferred Maintenance	Inspection
Income Data	Owner; Market Forecast
Expense Data	Owner; Expense Comparables

Neighborhood & Demographic Overview

New Rochelle At a Glance

Defined Boundary



New Rochelle is a city in Westchester County, New York. It lies on the Long Island Sound and is bordered by Pelham, Pelham Manor, and Eastchester to the west, Scarsdale to the north and east, and Mamaroneck and Larchmont to the east.

Summary

There is a range of homes in the area including massive private homes in certain sections of the city, several gated communities with property along the Long Island Sound, and rental apartments in many of the city's subsections. The downtown section of New Rochelle has high-rise condos and apartments, offices, shopping centers, a medical center, and train station, while yacht and beach clubs are on the Long Island Sound shore. Nature centers are through the residential neighborhoods in the north part of the city.

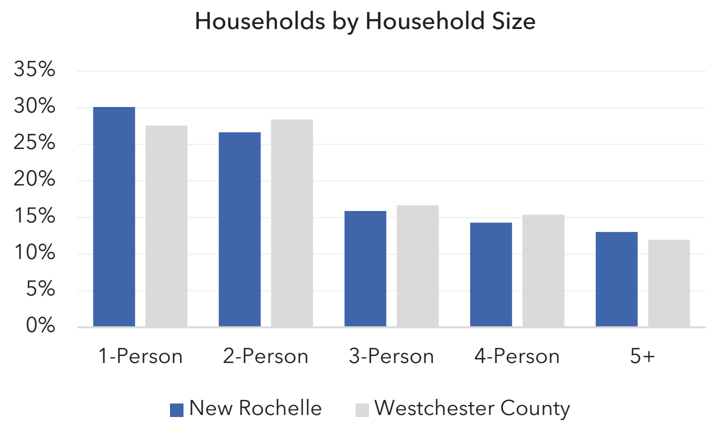
The following demographic profile, assembled by Environics Analytics, a nationally recognized compiler of demographic data, reflects the subject's municipality (New Rochelle) and market (Westchester County). All values presented herein are estimates for 2019 and all figures presented are for the subject neighborhood unless stated otherwise.

Key Neighborhood and Demographic Trends

	Area	2000 Census	2010 Census	Change	2019 Est.	Change	2024 Projected	Change
Population	New Rochelle	72,142	77,062	6.82%	79,494	3.16%	80,782	1.62%
	Westchester County	923,460	949,113	2.78%	984,709	3.75%	1,003,537	1.91%
Households	New Rochelle	26,175	27,953	6.79%	28,973	3.65%	29,506	1.84%
	Westchester County	337,137	347,232	2.99%	362,568	4.42%	370,501	2.19%
Family Households	New Rochelle	17,532	18,179	3.69%	18,803	3.43%	19,132	1.75%
	Westchester County	235,201	236,419	0.52%	246,343	4.20%	251,512	2.10%

Neighborhood

Housing

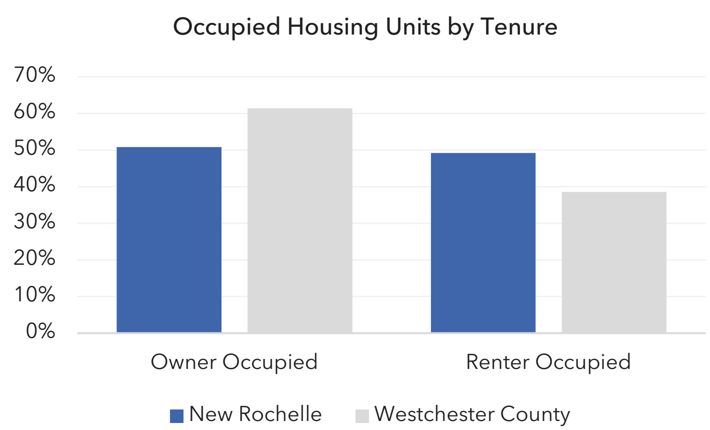


HOUSEHOLDS

28,973

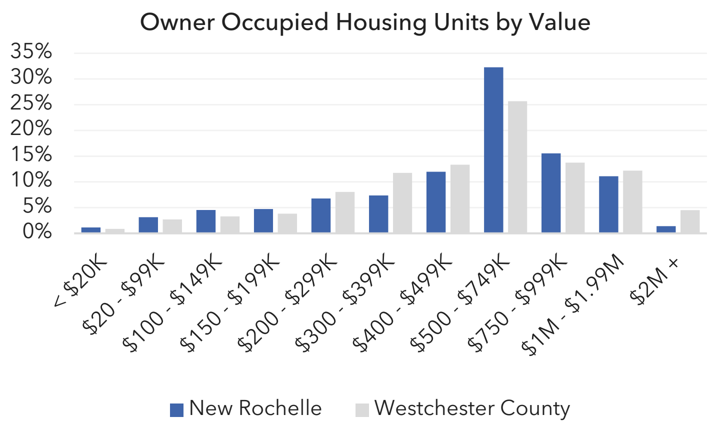
AVERAGE HOUSEHOLD SIZE

2.64



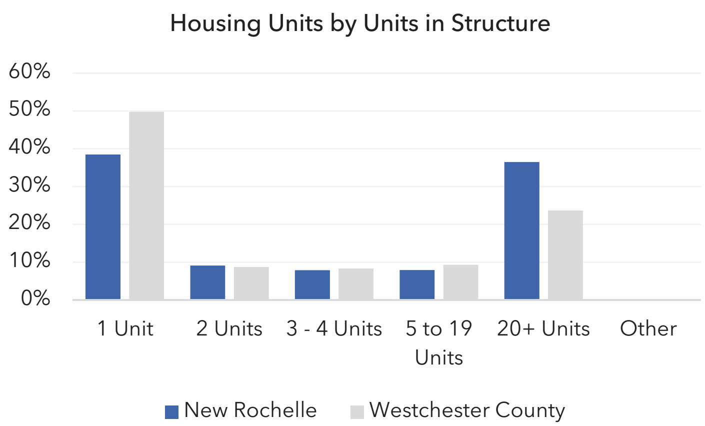
MAJORITY OCCUPIED HOUSING UNITS

51% Owner



MEDIAN OWNER-OCCUPIED HOUSING VALUE

$576,526

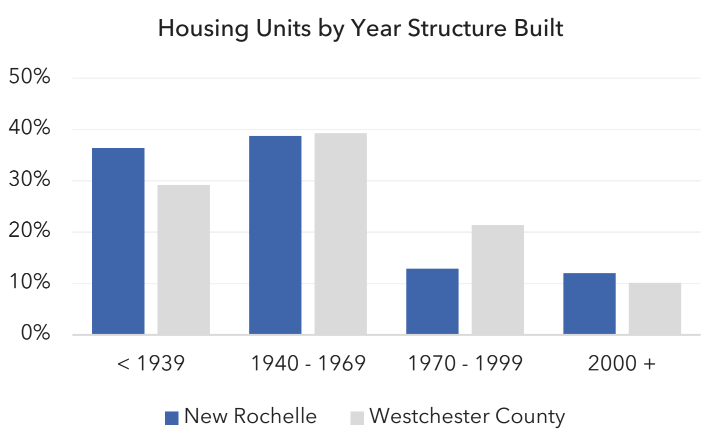


NEIGHBORHOOD HOUSING UNITS

30,645

COUNTY/CITY HOUSING UNITS

387,102



NEIGHBORHOOD MEDIAN YEAR STRUCTURE BUILT

1942

COUNTY/CITY MEDIAN YEAR STRUCTURE BUILT

1957

Local Commerce & Recent Development

Downtown New Rochelle, which is about eight blocks by three blocks- family-owned-and-operated businesses, diverse stores and supermarkets and a variety of restaurants, cafes, delis, and pubs.

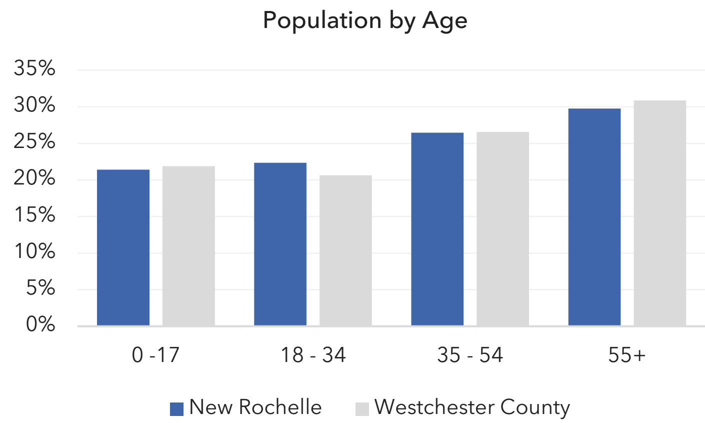
There is a major redevelopment plan for downtown New Rochelle. There are 15 projects underway as part of the city's fast-track growth plan. This plan could comprise of more than 12 million square feet of new construction including 6,370 housing units.

587 Main Street is one building in this redevelopment plan that is a $122 million, 28-story building with 280 rental apartments (one-tenth of the units at below-market rates). Additionally, there is 17,000 square feet of street-level commercial space and a 294-space parking garage. 26 S Division Street is taking place of a parking garage. It is 28-story towers with a combined 730 rental units and 25,000 square feet of street-level retail and 698 parking spots.

14 Le Count is comprised of 500 units in two 27-story projects with the creation of243 apartments. 500 Main is 16-story project with 243 apartments that will start construction in 2019. 227 North Ave is a proposed 28-story construction with no more than 400 apartments and is located just across from the train station. 45 Harrison is a $120 million mixed-use tower expected to be fully approved by the end of this year. It will create 238 apartments, 6,700 square feet of ground-floor retail space, and will include a 4-story parking garage.

Demographics

Population



POPULATION

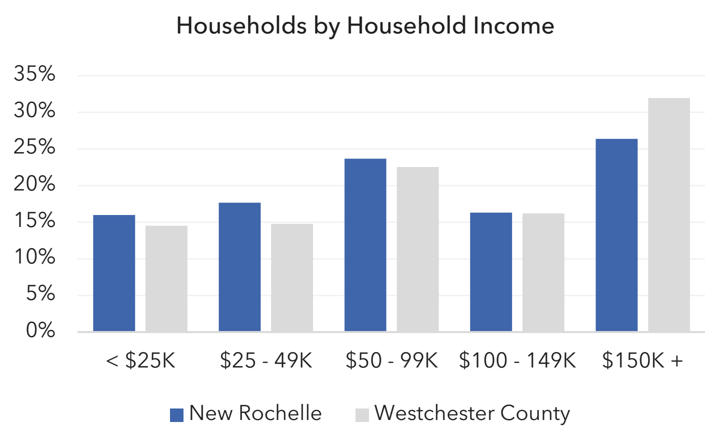
79,494

MEDIAN AGE

40

AVERAGE AGE

40



MEDIAN HOUSEHOLD INCOME

$81,908

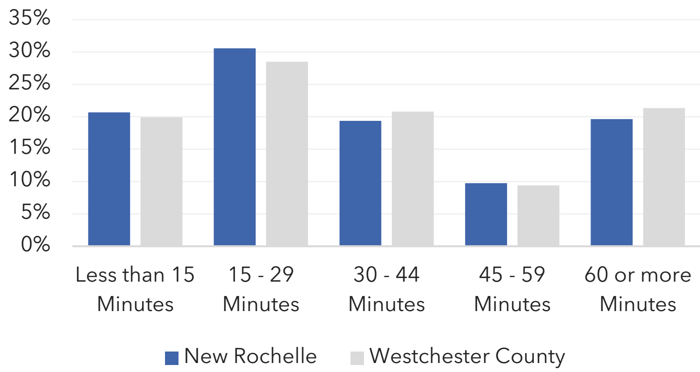
AVERAGE HOUSEHOLD INCOME

$126,713

Employment & Transportation

Top 5 Employment Occupations in Neighborhood

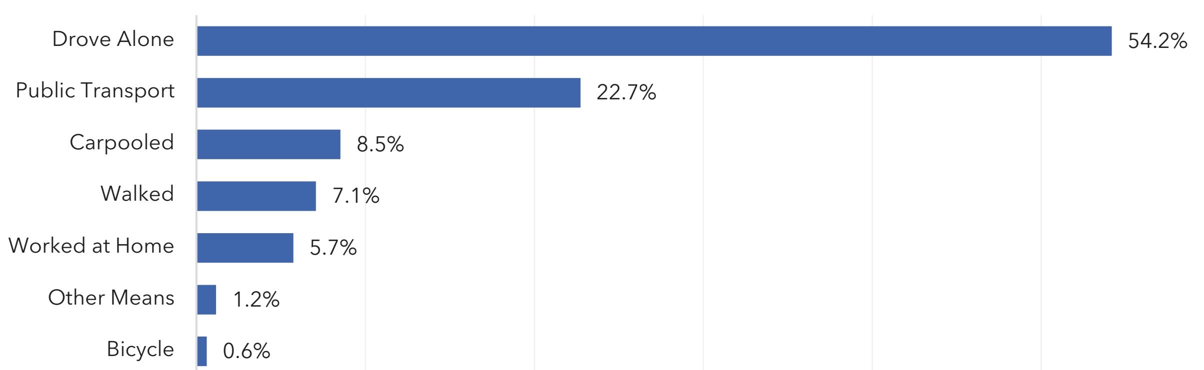
Travel Time to Work



AVERAGE TRAVEL TIME TO WORK

36 minutes

Transport Mode to Work in Neighborhood



Transport Modes and Access

Major highways include Interstate 95, which is the main route through New Rochelle with four exits directly serving the city. The other is the Hutchinson River Parkway that runs through much of the city.

The Bee-Line Bus routes 7, 30, 42, 45/45Q, 60, 61, 62, 66, 450/460 serve New Rochelle.

Metro North takes passengers to Grand Central in about 30 minutes.

The nearest major airports are LaGuardia Airport (16 mi), and John F. Kennedy International Airport (22 mi.).

On December 8, 2015, the New Rochelle City Council approved a new zoning plan to generate significant economic development in the City's historic downtown. The city adopted a Downtown Overlay Zone and Community Benefits Policy. This new zoning hopes to create a thriving and sustainable city center. A new Fair Share Mitigation Fund will help ensure that development covers any public costs associated with growth and that taxpayers receive a net benefit. It permits construction of up to 12 million square feet of new development, including 2.4 million square feet of prime office space, 1 million square feet of retail, 6,370 housing units and 1,200 hotel rooms.

RXR Realty was named "Master Developer" of Downtown New Rochelle. XR estimates that approximately 40% of the development potential under the Revitalization Plan, or about 4 million square feet, can be developed on the sites controlled by RXR.

Per RXR's website regarding the master development, The Revitalization Plan will help transform downtown New Rochelle into a center for job generation, quality, affordable housing for young professionals, empty nesters and others, dining, retail and arts and culture. The mix of uses now entitled across the downtown, including on the sites controlled by RXR includes the following:

- Commercial: 2.2MSF of medical and non-medical office space
- Residential: 5,500 units
- Retail: 1.1MSF of retail and restaurant use
- Hotel: 300KSF of hospitality space
- Other: 2.3MSF of student housing, adult care and institutional space

Conclusion

New Rochelle is a city in Westchester County that attracts people for its community-oriented environment, waterfront location, and easy commute into Manhattan. The downtown area is undergoing major redevelopment that will further enhance and attract people to the area.

Zoning Summary

15 Leroy Place is in a DB: Downtown Business zone. Below is a summary of the subject property's compliance with regard to use and bulk regulations.

Zoning Summary

Authority	Classification
Property Jurisdiction	New Rochelle[8]
Existing Zoning Classification	DB: Downtown Business
Special Permitting or Condition(s) (i.e., site plan approval, PUD, or other variance)	None known

Summary of Use and Bulk Regulations

	Required	Actual	Status
Current Use		Residential and commercial	Conforming
Max. Density (FAR)	2.00	0.69	Complying

	Required	Actual	Complying Status
Current Use	Stores and shops; dwelling units on the second floor and above only; business, professional of governmental offices; banks; business or trade schools; restuarants; catering halls; danc studios; health clubs; medical care facilities; house of worship	Commercial	Complying
FAR	2.0	0.69	Complying
Maximum lot coverage	100%		Complying
Minimum Parking Required	1 per 400 square feet of gross floor area	None	Non-complying
Maximum Height	6 stories or 70 feet	1 story	Complying
Front/Street Setback	0 feet	5 feet	Complying
Landscape Buffers	Not applicable	Not applicable	Not applicable
Appraiser's Conclusion on Conformity	**Conforming in terms of use, pre-exisiting non-complying in terms of bulk requirements**		

Based on the maximum effective FAR of 2.00 and a lot area of 4,356 square feet, 8,712 square feet of buildable area is permitted on site. The subject contains 3,000 square feet of gross building area above grade. The subject is pre-existing, non- complying with regards to bulk regulations.

The commercial property is in an DB: Downtown Business zone, which permits use as of right. The subject is conforming with regards to the allowable uses.

[8] *The zoning map can be found in the Map Gallery, which is located in the Addenda.*

Assessed Value & Real Estate Taxes

Current Tax Liability

15 Leroy Place is located in New Rochelle, NY. It is designated on the tax maps as parcel 04130032. The property class is a tax class New Rochelle Class. We have applied the 2019 tax rate of 122.528% to the most recent assessed value of the property to determine its current tax liability.

Final Tax Assessment

The total assessed value of the subject for the current tax year is $18,000.

Tax Liability

		Total	PSF
Taxable Assessed Value		$18,000	$6.00
Tax Rate (New Rochelle - New Rochelle Class, 2019)	×	122.528%	122.528%
Tax Liability		**$22,055**	**$7.35**

Comparable Tax Liability

Address		Year Built	Square Feet	Taxes/SF
479	Main Street	1900	2,751	$9.26
149	North Avenue	1942	5,200	$4.71
185	Union Avenue	1906	8,824	$4.71
254	Union Avenue	1905	6,000	$4.34
264	Union Avenue	1925	2,312	$7.21
519	Main Street	1910 (est.)	5,500	$4.48
			Min:	$4.34
			Average:	$5.78
			Max:	$9.26

Conclusion

The subject's tax liability falls within the comparable range and thus is reasonable and applied in our analysis.

Site Description

Location	The subject property is located in New Rochelle, NY.
Surrounding Uses	It is located on a primarily mixed use block. he subject is one block from downtown Main Street. Additionally, New Rochelle has a master redevelopment plan currently underway in partnership with RXR Realty. There are several new developments in the area planned. The subject is in close proximity to RXR Realty's development site on main street, which will be a 28 story tower featuring 280 residential apartments, 14,000 square feet of retail, parking, and a theatre. In addition, the subject benefits from the parking available across the street at the Municipal parking lot which has 174 permit parking and 160 meter parking.
Transportation	There are no train stations within a half of a mile.
Site Area	4,356 square feet
Shape	Rectangular
Frontage	Leroy Place: 72.72 feet
Access	The primary access is from S Division St
Topography	Generally level at street grade
Drainage	Assumed adequate
Paving	All roads are paved with asphalt and are in satisfactory condition.
Street Lighting	Adequate
Hazardous Substances	We observed no evidence of toxic or hazardous substances during our inspection of the site.

Utilities & Services	Water/Sewer and Refuse – City Police & Fire Protection – City Gas – Con Edison Electricity – Con Edison
Flood Hazard Status[9]	According to National Flood Insurance Program Rate Map dated September 28, 2007 Community Panel #36119C0341F the subject is located within a Zone X flood zone. Zone X is an area of minimal flooding. These areas are determined to be outside the 500-year floodplain and are determined to be outside the 1% and 0.2% annual chance floodplains.
Conclusion	The site is similar to others in the vicinity, and there are no negative external factors. Based on its current use, it is functionally adequate.

[9] *The flood map can be found in the Map Gallery, which is located in the Addenda.*

Description of Improvements

The subject is currently a single story, single tenant commercial building. It contains 3,000 square feet of gross building area. It was built in 1900. The following is a summary of the construction characteristics of the improvements[10].

Structural, Utilities & Mechanicals

The following is a summary of the construction characteristics of the structural, utility, and mechanical improvements.

Structural

Foundation	Poured concrete
Structural System	Brick/masonry
Exterior Walls	Brick and Masonry
Windows	Double-hung
Roof	Flat built-up roof; based on our inspection, the roof appeared to be in Satisfactory condition, though we recommend a roof inspection by a qualified professional.

Utilities

Heating/ Cooling Systems/ Hot water	Gas fired boiler located in the basement. Tenant supplied window A/C units. The gas meters are located in the basement.
Electricity	The tenants is directly metered for electric. The electric meter is located in the basement.

Mechanicals

Elevators	None
Plumbing	PVC, copper, and iron
Sprinklers	None

Layout & Finishes

The following is a summary of the construction characteristics of the layout and finished improvements.

Basement	The basement is accessed from the exterior of the building and is unfinished.
Lobby/Common Areas	The entryway and interior hallways are in satisfactory condition.
Laundry	None
Stairwells	There are 2 interior staircase that runs from the ground floor to the basement.
Security	Door locks.

[10] *The subject property photos can be found in the Addenda.*

Amenities

The following is a summary of the construction characteristics of the amenities.

Building Amenities

Amenities	The subject property does not feature any amenities.
Parking	None

Commercial Unit Distribution Summary

Unit Number	Tenant Name	Floor	SF
1	Owner Occupied	Ground Floor	3,000
Total			**3,000**

The subject contains 1 commercial unit spanning 3,000 square feet. This space is currently owner occupied, thus we apply market rent to the unit. The subject is built out for a single tenant and contains a kitchen facility.

Condition & Maintenance

Condition

Based on our inspection, the subject is in satisfactory condition. Constructed in 1900, periodic maintenance has occurred as necessary. Additionally, mechanical/electrical and structural systems are modern. Thus, the asset is in satisfactory condition relative to similar buildings in the area.

Deferred Maintenance

The subject is in satisfactory condition. However, during our visit to the building, we noticed the following items of deferred maintenance. No Property Condition Report was submitted to us in conjunction with this appraisal.

Remaining Economic Life

While 15 Leroy Place was originally constructed in 1900, we estimate the effective age to be 15 years (given the site improvements), and, given a usable life of 60 years, the remaining economic life of the building is 45 years.

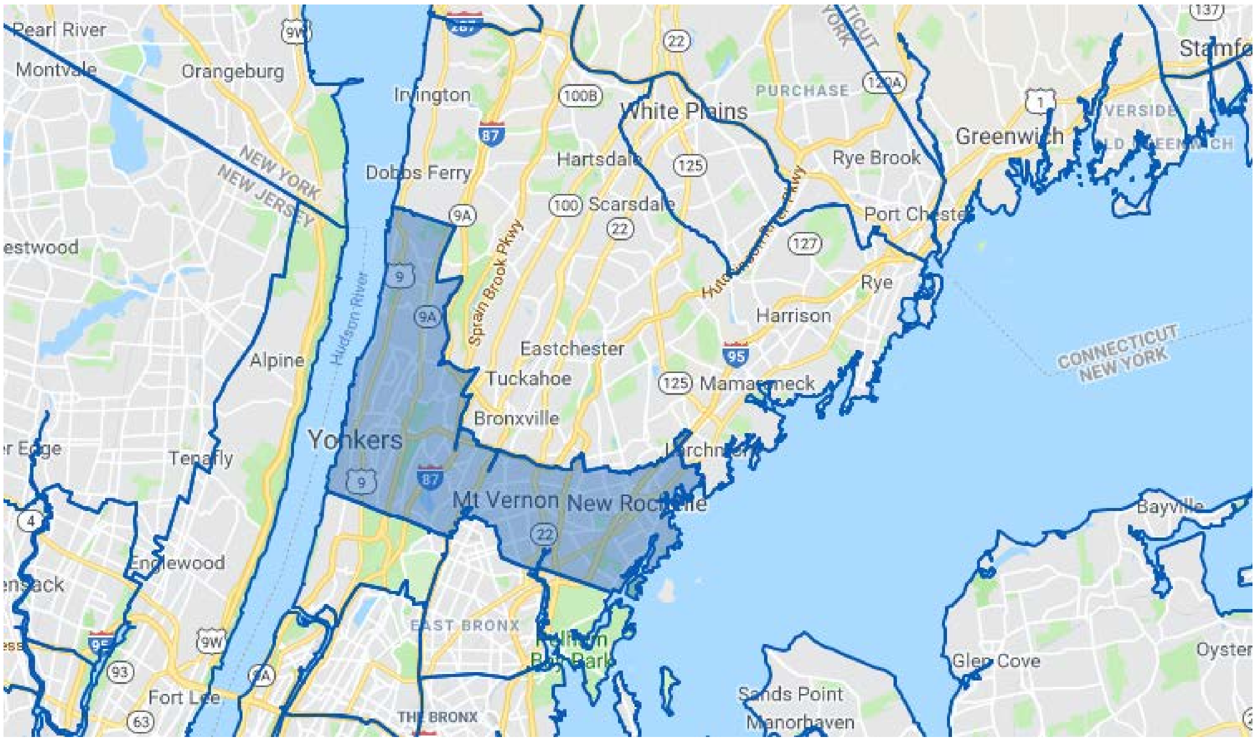
Summary

The subject is currently a single story, single tenant commercial building. It contains 3,000 square feet of gross building area. Overall, the building appears to be in satisfactory condition. The information contained in the sections entitled "Site Description" and "Description of Improvements" was obtained from our field inspection on July 30, 2019, information provided by ownership, and municipal planning, zoning, and assessment records.

Submarket Analyses

Yonkers/Mt Vernon/New Rochelle Multifamily Market Analysis

The following is excerpt from the 2019 Q1 Yonkers/Mt Vernon/New Rochelle Multifamily Submarket Report.



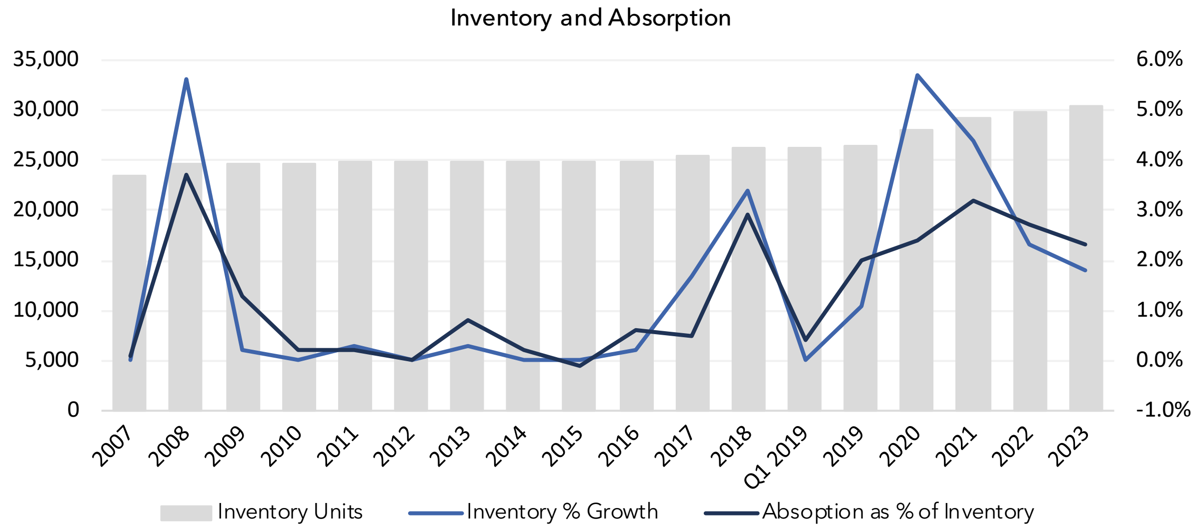
Source: CoStar

Overview

Yonkers/Mount Vernon/New Rochelle is one of the most economically diverse submarkets in New York. A predominately middle-class and blue-collar community, it generates apartment demand from large local employers such as the Empire City Casino and three area hospitals. Demand is also driven by ease of access to employment in Manhattan—40 minutes to Midtown and an hour to Downtown—and White Plains. Just like the metro, the area is getting older, with all of its population and renter growth—2%—coming from residents over 35 years old.

With a historical average of about 3%, vacancies are naturally tight here. Only 200 units delivered from 2009- 2016, but construction activity has resurfaced, with more than 1,000 units delivered over the past two years. Absorption struggled in this time, however, and vacancies have jumped above their historical average. Occupancies will face more challenges in the near term, as the supply wave has only just started. More than 3,500 units were under construction in 19Q1.

Rent levels rank in the middle of the pack for New York while rent growth has ranked towards the bottom of the metro in this cycle. Performance did improve last year, however, with 3% growth overall and more than 4% growth in Class A and B inventory. Investment also had a strong year in 2018, with sales volume reaching a peak above $300 million.



Source: CoStar

Key Metrics	Yonkers/Mt Vernon/New Rochelle	Annual Trend	New York Metro	Annual Trend
Market Rent/Unit	$1,915	Increase	$2,785	Increase
Studio Market Rent	$1,553	Increase	$2,329	Increase
1-Bedroom Market Rent	$1,766	Increase	$2,410	Increase
2-Bedroom Market Rent	$2,256	Increase	$3,132	Increase
3-Bedroom Market Rent	$2,349	Increase	$4,437	Increase
Vacancy Rate	3.9%	Decrease	2.2%	Decrease

Source: CoStar

Vacancy

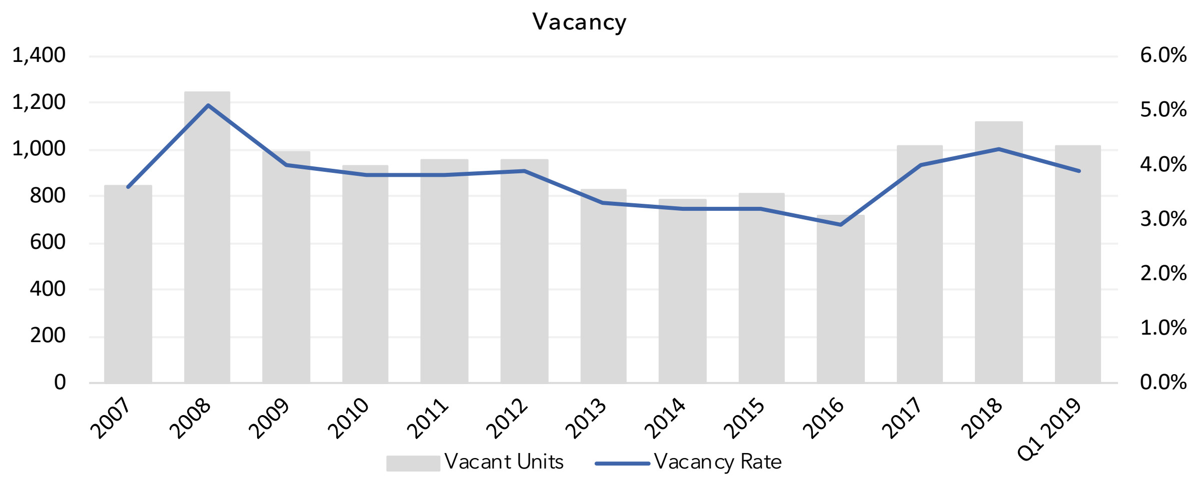
Yonkers/Mount Vernon/New Rochelle includes both ends of the economic spectrum. Since pockets of income and wealth can vary from neighborhood to neighborhood, this submarket is one of the more demographically diverse parts of the metro. Its population grew by nearly 2% in the last five years, but growth isn't originating from the typical renter cohort, Millennials. In fact, the Millennial population has declined by 1%, or 1,500 people, since 2010. Instead, more than 6,000 seniors, Baby Boomers, and people aged 35–44 moved here over the last five years. Still, towns within the submarket like New Rochelle are adding amenities such as free Wi-Fi and cell phone charging stations in public parks to woo back Millennials.

While Westchester County is considered more of a homeowners' market, the number of owner-occupied homes has grown by only about 300 since 2010, while the number of renter-occupied homes has increased by more than 1,700. Older demographic groups are renting more here partly because of the mortgage crisis created by the 2008 global recession. Westchester Residential Opportunities, a nonprofit housing agency, has reported a growing number of mortgage defaults extending from the crisis. The agency believes that this area has still not fully recovered from the crisis and that the mortgage phenomenon is proof. As a result, defaulters have likely turned to rentals.

The largest employment sector is healthcare and includes the three hospitals here: St. John's Riverside and St. Joseph's Medical Center in Yonkers, and Sound Shore Medical Center of Westchester in New Rochelle. These hospitals employ a total of more than 3,400 people and are likely some of the biggest drivers for apartment demand in the submarket because of their downtown locations in Yonkers and in New Rochelle.

The largest single employer here is the Empire City Casino at Yonkers Raceway, which employs roughly 3,400 workers. But Empire City is licensed to operate only slot-machine-type games, which could hurt if fullservice casinos proposed for nearby Orange County are approved. The industry has been rocked in this region, particularly in Atlantic City, where several full-service casinos have closed in the last year. Analysts point to convenience casinos like Empire City popping up and stealing gamblers, who no longer have to travel to New Jersey, as a big reason for Atlantic City's decline. Empire City officials are lobbying hard for state officials to allow for full-service expansion of their casino, while arguing against the full-service casinos proposed in nearby Orange County. If the full-service casinos are built to the north, Empire City could go the way of Atlantic City, which would be a big loss for the submarket's economy.

Even though New Rochelle hasn't been the brightest demand spot of late, the city recently launched a downtown redevelopment plan that could add 5,500 residential units. The mixed-use plan seeks rezoning approval for two downtown clusters that the city hopes will spur other redevelopment in the area. The proposed density would allow buildings to reach 20 stories and possibly more, while creating a walkable downtown, an upgraded library, and a park. The city is also planning the redevelopment of the Echo Bay waterfront, which is expected to create 130,000 SF of retail space and 938,000 SF of housing. The first phase includes 430,000 SF of housing, a hotel, and 55,000 SF of retail space. These two projects are still in the early planning stages, though, with construction timelines not yet determined.



Source: CoStar

Rent

Average rents in the Yonkers/Mt. Vernon/New Rochelle Submarket rank near the bottom of New York, trailing the metrowide average by about 30%. Cumulative rent growth in this cycle also trails the metrowide performance, but gains have picked up more recently. Overall rent growth was 3% 2018, one of the best rates in the metro, and Class A and B rent growth topped 4%. Rising rents in New York City have provided opportunity for rent growth to spread to the suburbs.

Rent growth for Class A and B properties may struggle to repeat last year's performance in the near term. More than 3,500 units are under construction and the majority will be rated in this segment. This supply wave will intensify competition for renters and could spur increased concessions.

Source: CoStar

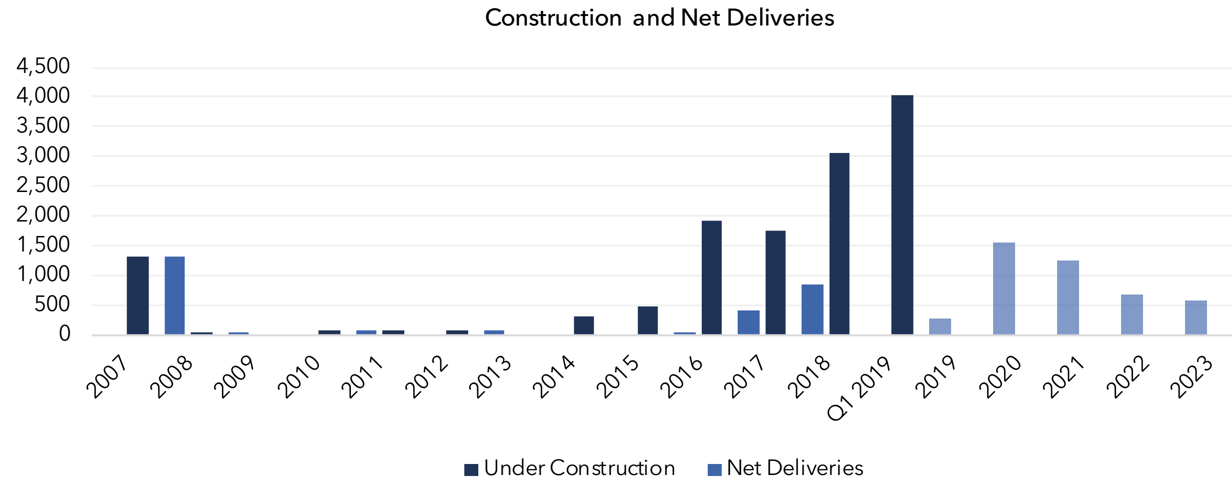
Construction

Construction has picked up in recent years, after sporadic deliveries characterized the beginning of this cycle. More than 1,000 units opened over the last two years, and more than 3,500 were underway in 19Q1. Many recent developments are in Yonkers, where new supply radiates outward from St. Joseph's Medical Center, which employs roughly 1,300 people.

In January 2018, the 324-unit Modera Hudson Riverfront completed its first units. With a mix of studio, one-, and two-bedroom apartments, the Modera focuses on combining city living with the relaxing landscape. This is another transit-oriented property, with only a six-minute walk to Yonkers Station and a 30 minute commute to New York City. With 25 units/month, leasing is surpassing other new construction projects in the submarket.

River Tides at Greystone, a $100 million, 330-unit Class B rental complex, broke ground in October 2014 and completed in June 2017. Overlooking the Hudson River on the upper east banks of Yonkers, it is the largest development in recent years. With transit-oriented renters in mind, River Tides will have its own walkway to the Greystone Metro-North station. Amenities include a full-service concierge and fitness and wellness center with personal trainers, yoga classes, a spa, and a resort-style swimming pool. Developers hope to target a diverse spectrum of renters: singles, young couples, NYC rail commuters, and empty nesters. The property was 85% occupied in 18Q4.

At 44 Wells Ave. in Yonkers, UNO delivered 100 microunits to the submarket in October 2017. This 4 Star midrise (four stories added to the existing five) is less than a five-minute walk from Yonkers Station, and in the heart of downtown Yonkers. At the end of 18Q3, the project reached 90% occupancy, leasing about 10 units/month and offering one month free on a thirteen-month lease.



Source: CoStar

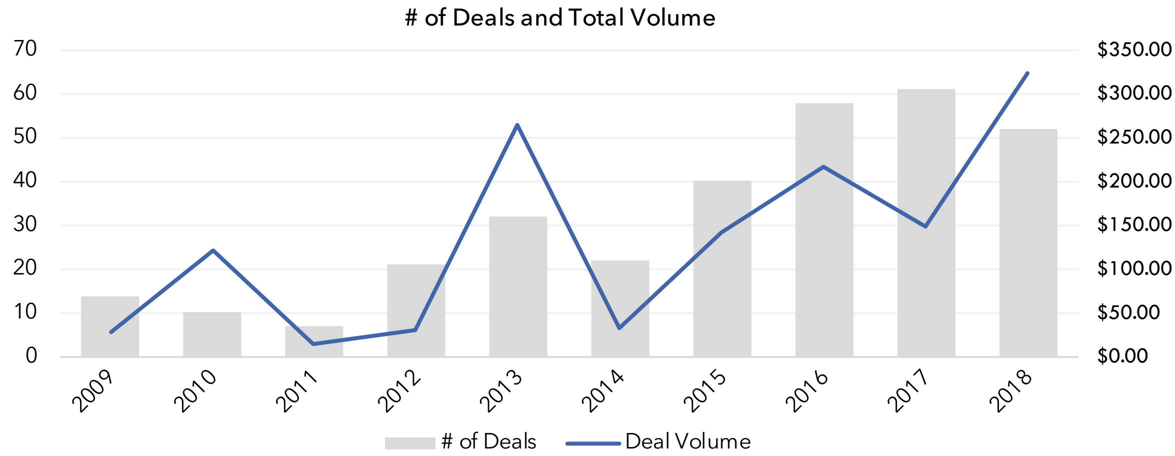
Sales

Investment has picked up in recent years, topping $100 million in each of the last four years. Sales volume reached a peak in 2018, with more than $300 million traded. Pricing has greatly appreciated in this cycle and more than doubled prerecession levels in 2018. Deals in the submarket rarely go for north of $10 million, but a few institutional deals have boosted transaction levels in recent years.

More than 80% of last year's transaction volume was attributable to one deal: the December sale of the 588- unit Skyline New Rochelle. Harbor Group International, LLC and Azure Partners, LLC acquired the high-rise property from The DSF Group for $259.4 million ($441,000/unit). The property previously traded in 2013 for $210 million. The Class A asset delivered in 2008 and is the largest property in the submarket.

A more typical trade in the submarket looks like the May 2018 sale of Green Towers on 245 N Broadway in Getty Square. Milio Management purchased the 32-unit apartment for $6.825 million or $213,000/unit from a private individual. One of the largest deals in 2017 was the $17.5 million sale of the 40-unit Metro 92. AMS Acquisitions purchased the property from Kohl Partners in January for $437,500/unit at a 5.83% cap rate, which is significantly above the submarket's average price per unit.

Another boost to investment volume came by way of the October 2016 sale of the La Rochelle for $148.5 million or $360,000/unit and a 5.1% cap rate. The 5 Star asset was built in 2001 and features 412 units. The DSF Group purchased the property to expand their presence in the New Rochelle submarket after having already enjoyed tremendous success in the market with the purchase of the adjacent 588-unit, 40-story Halstead New Rochelle property.



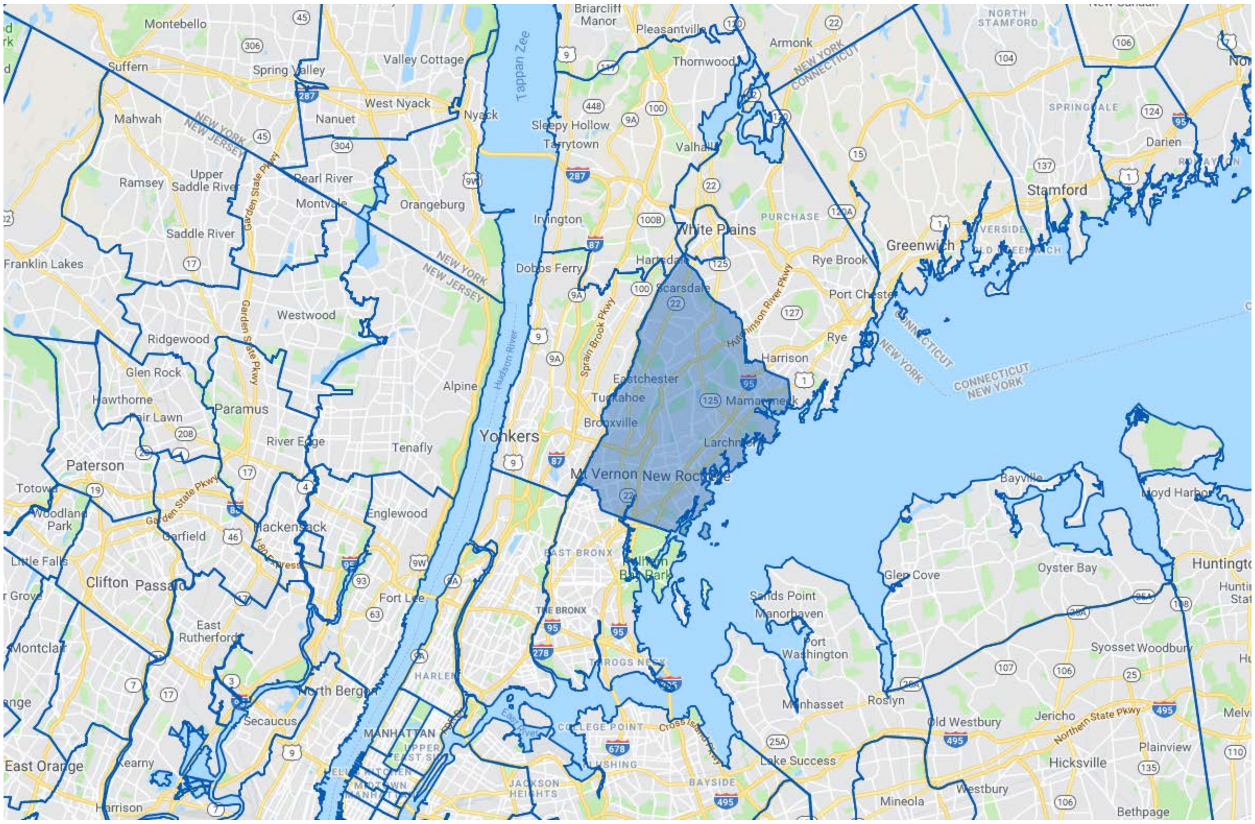
Source: CoStar

Conclusion

The subject is in the Yonkers/Mt Vernon/New Rochelle submarket, which has been experiencing low vacancy rates this quarter, however it is projected to increase over the next five years. Asking rent and effect rent has been moderately increasing and this trend is expected to continue. There were no new deliveries, however there are buildings under construction, which will add to total inventory. Overall, we expect the Yonkers/Mt Vernon/New Rochelle submarket to be in a good position for future growth.

Southeast Westchester Retail Market Analysis

The following information is from the CoStar 2019 Q1 Retail submarket report.



Source: CoStar

Key Metrics

Key Metrics	Southeast	Annual Trend	New York Metro	Annual Trend
Buildings	1,506	No Change	68,852	Increase
Inventory SF	12.9 M	Increase	590 M	Increase
Market Rent/SF	$33.60	Decrease	$40.77	Decrease
Vacancy Rate	3.0%	Increase	3.9%	Increase
Months on Market	8.9	-	7.9	-

Source: CoStar

Submarket Data

Period	Vacancy Rate	Availability Rate	Market Rent/SF	Annual Rent Growth	Inventory SF	Under Construction SF	Under Construction % of Inventory	12 Month Net Absorption SF
2019 Q1	2.9%	4.9%	$33.56	-1.1%	12,934,757	14,000	0.1%	76,079
2018 4Q	3.2%	5.3%	$33.77	-0.3%	12,933,833	24,170	0.2%	61,935
2018 3Q	3.3%	5.8%	$33.86	0.1%	12,927,333	30,670	0.2%	106,112
2018 2Q	3.1%	5.5%	$33.87	0.5%	12,927,333	30,670	0.2%	93,729
2018 1Q	3.5%	5.8%	$33.95	1.2%	12,927,333	30,670	0.2%	114,063
2017 4Q	3.6%	6.5%	$33.88	1.2%	12,927,333	30,670	0.2%	93,293
2017 3Q	3.7%	6.3%	$33.82	1.4%	12,864,333	93,670	0.7%	220,233
2017 2Q	3.4%	6.3%	$33.69	1.3%	12,864,333	79,670	0.6%	333,386
2017 1Q	3.7%	6.0%	$33.55	1.9%	12,839,250	95,083	0.7%	323,038
2016 4Q	4.0%	6.0%	$33.47	1.6%	12,886,850	100,483	0.8%	306,529
2016 3Q	5.4%	7.6%	$33.36	1.9%	12,873,850	46,983	0.4%	104,355
2016 2Q	5.8%	7.7%	$33.25	2.1%	12,840,350	85,883	0.7%	50,817
2016 1Q	6.2%	8.5%	$32.92	1.8%	12,840,350	70,600	0.5%	15,259
2015 4Q	6.1%	9.3%	$32.94	2.3%	12,843,676	18,700	0.1%	73,407
2015 3Q	6.0%	9.5%	$32.74	2.2%	12,843,676	18,700	0.1%	90,197
2015 2Q	6.2%	9.9%	$32.58	2.6%	12,843,676	18,700	0.1%	112,109
2015 1Q	6.4%	9.4%	$32.34	2.8%	12,843,676	0	0.0%	138,627

Source: CoStar

The current vacancy rate is reported at 2.9%, which is demonstrating a decrease from last quarter but is projected to increase over the next few years. Market rent per square foot is currently $33.56 in the submarket, which is a slight decline from last quarter and is projected to continue to decrease through 2021. Construction decreased this quarter to 14,000 square feet currently under construction.

Sales

Submarket Sales

Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate
Q1 2019	19	$28.0 M	1.0%	$1,649,500	$217	7.1%
2018	48	$83.8 M	4.4%	$2,149,948	$214	8.0%
2017	31	$46.7 M	1.2%	$1,179,600	$314	7.9%
2016	31	$40.9 M	2.3%	$1,858,455	$226	7.7%
2015	37	$36.4 M	1.9%	$1,174,594	$182	6.4%
2014	42	$33.0 M	3.2%	$1,375,817	$216	7.3%
2013	31	$93.4 M	3.7%	$3,460,197	$220	6.7%
2012	20	$13.2 M	1.1%	$942,721	$163	9.0%
2011	43	$44.7 M	3.6%	$1,442,790	$134	7.7%
2010	16	$12.0 M	0.5%	$855,488	$188	8.0%
2009	18	$36.0 M	1.8%	$1,999,839	$160	5.7%
2008	31	$42.6 M	1.7%	$1,468,741	$241	6.2%

Source: CoStar

There were 48 sales in 2018 with a sales volume of $83.8 million with an average price of $2,149,948 and an average price per square foot of $214. Average price per square foot decreased from 2017 to 2018, but has been stable in 2019. Thus far in 2019, the average price per square foot of the 19 sales that have occurred is $217.

Conclusion

The subject is part of the Southeast Westchester retail submarket, which has seen a decline in rent growth and a decrease in vacancy rate. However, rent is lower in the submarket compared to the New York metro market. There is currently construction in the area, which will add to total inventory. As such, the submarket is in a position for future growth.

Highest & Best Use

In determining highest and best use, we have considered the current trends of supply and demand on the market, current zoning regulations and other possible restrictions, and neighboring land uses.

It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

In estimating highest and best use, alternative uses[11], such as the legally permissible use, the physically possible use, the financially feasibility, and the highest and best use, are considered and tested for the subject site.

As Vacant

Legally Permissible	The subject is in zone DB: Downtown Business, which permits residential and commercial use as of right. Based on the maximum effective FAR of 2.00 and a lot area of 4,356 square feet, 8,712 square feet of max buildable area is permitted on site. There are no zoning changes anticipated and no easements or encroachments that preclude development.
Physically Possible	The site contains 4,356 square feet with 73 feet of frontage along Leroy Place. The size falls within the range of improved sites in the area. All necessary utilities are available and the site appears functional for a variety of permitted uses.
Financially Feasible	The subject is located within a mixed-use neighborhood. Based on our analysis of the market, there is sufficient demand for retail space properties. Market conditions are such that new retail space construction is feasible, as the value would sufficiently exceed the cost plus developer's profit. New construction in the neighborhood is currently underway and new developed retail spaces in the subject's submarket are selling, an indication of feasibility.
Maximally Productive/ Highest and Best Use	There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than to develop a mixed-use use. Based on the normal market density level permitted by zoning, this is considered the maximally productive use of the site.
Conclusion	Based on the subject property's zoning, physical characteristics, location, and forecasted economic conditions, it is our opinion that the highest and best use of the site as if vacant is to develop a mixed-use building.

As Improved

Legally Permissible	The subject is in zone DB: Downtown Business, which permits residential and commercial use as of right. Based on the maximum effective FAR of 2.00 and a lot area of 4,356 square feet, 8,712 square feet of max buildable area is permitted on site. There are no zoning changes anticipated and no easements or encroachments that preclude development.

[11] *The definitions of these alternative uses can be found in the Glossary of Terms, which is located in the Addenda.*

Physically Possible

The subject is currently a single story, single tenant commercial building. It contains 3,000 square feet of gross building area. The subject currently includes one commercial unit and is considered to be in satisfactory condition, being functional for its use. As previously indicated within the zoning section, the subject appears to be complying to the bulk requirements and as per the zoning ordinance can continue as its current use.

Financially Feasible

The subject property is located within a desirable mixed-use neighborhood exhibiting low vacancy rates and increasing rental rates. As improved, the subject will reflect 100% occupancy, and will generating a positive net cash flow, and an adequate return to the owners. Therefore, the use as a retail space is financially feasible.

Maximally Productive/ Highest and Best Use

There does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the existing use exceeds the value of the site as if vacant. Continued retail space use is concluded to be maximally productive. The highest and best use of this property is its current use. The site has significant value as part of larger assemblage however economies of scale limit its full development potential.

Conclusion

Based on the subject property's zoning, physical characteristics, location, and forecasted economic conditions, continued retail space use is concluded to be the highest and best use as improved.

Most Probable Buyer

Taking into account the size and characteristics of the property and its commercial occupancy, the likely buyer is a local investor/developer.

Appraisal Valuation Process

In providing an opinion of the value of the subject, we consider the following three approaches to real estate valuation:

The Cost Approach is traditionally a good indicator of value when properties being appraised are new or close to new. The difficulty in credibly isolating the influence of physical and economic depreciation on value affects the reliability of this approach. Investors typically give nominal weight to this analysis if the asset is operating on a stabilized basis and its cost bears little relationship to the value. 15 Leroy Pl was constructed in 1900 and has notable physical and economic depreciation, therefore we chose not to use this approach.

The Income Approach is a strong indicator of value when market rents, vacancy rates, stabilized expenses, capitalization/discount rates are based on reliable market data. In this case, given the depth of the market, there are numerous transactions from which to glean points of analysis, lending credibility to the results of the approach. Multifamily and mixed-use assets are generally acquired for their capacity to generate a return on and of capital, which is why this is the methodology primarily applied by investors. Balancing these two factors, most weight is placed on the opinion developed by the Income Approach.

The Sales Comparison Approach is reliable when few differences exist between the comparable sales and the subject, and the sales data collected is credible and accurate. Similar property types in competitive locations tend to sell within a consistent range, and this factor makes valuation on a per square foot and per unit basis a strong predictor of value. The Sales Comparison Approach is largely used as a secondary support for our opinion developed in the application of the Income Approach.

Income Capitalization Approach

In the Income Capitalization Approach, a property's capacity to generate future benefits is analyzed; the forecasted income is capitalized into an indication of present value. Definitions of commonly used measures of anticipated benefits are defined in the Glossary of Terms within the Addenda.

The income capitalization approach supports two methodologies: direct and yield capitalization. Investors in the local market typically utilize a direct capitalization when making investment decisions for this asset class, therefore we conclude that the direct capitalization method is appropriate to apply to the subject.

Income Analysis

Commercial Income

The subject is single story, single tenant commercial building, which is currently owner occupied. We have forecasted market rent and market lease terms for this unit based on the comparables below and our knowledge of the subject's retail market.

Commercial Rent Comparables

In order to determine the reasonableness of the contract rents, we have conducted a survey of the recently signed commercial leases in the subject's neighborhood. Our research is summarized below:

Retail Rent Comparables Map

	Address	Tenant	Start Date	Sq. Ft.	Base Rent	Lease Terms
1	8 Division St	Retail	Mar-18	4,000	$23	Modified gross
2	704 North Avenue	Retail	Jul-17	3,800	$24	Triple net
3	41 Columbus Avenue	Clear Channel Outdoor	Oct-17	6,500	$11	Modified gross
4	34 Weyman Avenue	Kitchen & Bath	Nov-17	6,000	$24	Modified gross
5	606 Main Street	Triple A Kids Gym	May-19	3,000	$27	Modified gross
			Min	**3,000**	**$11**	
			Avg	**4,660**	**$22**	
			Max	**6,500**	**$27**	

Retail Rent Reconciliation Adjustment Grid

Details	Subject Base Unit	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Tenant Name	Shirleys Event Space	Retail	Retail	Clear Channel Outdoor	Kitchen & Bath	Triple A Kids Gym
Address	15 Leroy Place	8 Division St	704 North Avenue	41 Columbus Avenue	34 Weyman Avenue	606 Main Street
Date Signed	7/1/18	3/15/18	7/23/17	10/5/17	11/1/17	5/29/19
Square Feet	3,000	4,000	3,800	6,500	6,000	3,000
Corner	mid block	mid block	mid block	mid block	mid block	mid block
Lease Terms	triple net	modified gross	triple net	modified gross	modified gross	modified gross
Rent /SF		**$23.00**	**$23.68**	**$11.44**	**$24.00**	**$26.80**
Market Conditions (Time)		0.00%	0.00%	0.00%	0.00%	0.00%
Trended Price/SF		**$23.00**	**$23.68**	**$11.44**	**$24.00**	**$26.80**
SF Adjustment		0.00%	-5.00%	0.00%	0.00%	-5.00%
Neighborhood Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Location Adjustment		-5.00%	-5.00%	0.00%	-5.00%	-5.00%
Frontage Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Ceiling Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Corner Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Condition Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Lease Terms Adjustment		-5.00%	0.00%	-5.00%	-5.00%	-5.00%
Total Adjustment		**-10.00%**	**-10.00%**	**-5.00%**	**-10.00%**	**-15.00%**
Adjusted Rent/SF		**$20.70**	**$21.31**	**$10.87**	**$21.60**	**$22.78**
Market Rent Conclusion	**$25.00**					

Adjustments for the comparable units have been considered based on comparison to the subject for market, size, location, utility, condition, and lease terms. All adjustments are percentages. A positive adjustment indicates an inferior characteristic to subject. A negative adjustment indicates a superior characteristic to subject

Retail Discussion

The indicated unadjusted range of the comparable commercial units is from $11 per square foot to $27 per square foot, with an average of $22 per square foot and a median of $24 per square foot. After adjustments, the comparable commercial units exhibited a range between $11 per square foot to $23 per square foot, with an average of $19 per square foot and a median of $21 per square foot. Based on the subject property's location, size and condition, we conclude to a market rent of $25 per square foot, modified gross, for the subject.

Net Effective Rent

Net Effective Rent

Effective Rent	**Annual**	**PSF**
Base Rent	$75,000	$25
Total Effective Rent	**$75,000**	**$25**

Commercial Reimbursements

We forecast a triple net lease for the subject, meaning the tenants will be responsible for paying all utilities directly but will reimburse the owner for taxes. The full tax reimbursement is $22,055.

Commercial Vacancy & Collection Loss

As indicated, commercial vacancy in the subject's submarket is currently at approximately 2.40%. We also note the subject's specific location is well suited for commercial space. Considering these factors, as well as investor expectations for commercial vacancy and collection loss, we have applied a 6.00% vacancy and collection allowance to the commercial income. This conclusion also considers the fact that the tenant may vacate at some point during a five or ten year leasing cycle. Therefore a 6.00% vacancy and collection loss reflects a stabilized income stream.

Effective Gross Income Summary

Effective Gross Income

Commercial Income	$75,000
Commercial Tax Reimbursements	$22,055
Potential Gross Income	**$97,055**
Less Commercial V/C Loss @ 6%	-$4,500
Less Reimbursement V/C Loss	-$1,323
Effective Gross Income	**$91,232**

Operating Expense Analysis

We were solely provided with the owner's pro forma for the subject property. Therefore, we analyzed the subject's operating expense projections, as well as expense reports of comparable properties, in developing our forecast of operating expenses. The data, analyzed in terms of gross square footage, is presented:

Operating Expense Projection

Operating Expense Projection

	Gross	Per SF
Effective Gross Revenue	$84,000	$28.00
Total Operating Expenses		
Real Estate Taxes	$21,000	$7.00
Insurance	$5,000	$1.67
Utilities	$2,500	$0.83
Fuel	$500	$0.17
Water & Sewer	$1,800	$0.60
Repairs & Maintenance	$1,000	$0.33
Payroll & Benefits	$0	$0.00
Management	$0	$0.00
General & Administrative	$0	$0.00
Replacement Reserves	$0	$0.00
Total Operating Expenses (Excl. Taxes)	**$10,800**	**$3.60**

We note that we do not rely on the owner' expense project as the subject is currently owner occupied and these expense are not a reflection of a triple net lease.

Estimated Operating Expenses

Our stabilized annual expense forecast is presented:

Real Estate Taxes

As presented earlier, we forecasted the tax payment at $22,055 annually or $7.35 per square foot. The tenant will reimburse for this expense.

Management Fees

Typically, management fees for commercial properties range from 2% to 6% of effective gross income. We have projected this expense at $0.61 per square foot, which equates to 2.00% of effective gross income. Given that this is a small property with only one tenant, it is expected the management costs will be minimal.

Replacement Reserves

This expense provides for the periodic replacement of building components that wear out more rapidly than the building itself and that must be replaced periodically during the building's economic life. We note the owner did not indicate this expense. We have projected this expense at $0.35 per square foot, or $1,050 annually.

Total Operating Expenses

Operating expenses, exclusive of real estate taxes, were forecasted at $0.96 per square foot.

Stabilized Income & Expenses

Pro Forma

	$	PSF
Commercial Income	$75,000	$25.00
Commercial Tax Reimbursements	$22,055	$7.35
Potential Gross Income	**$97,055**	**$32.35**
Less Commercial V/C Loss @ 6%	-$4,500	-$1.50
Less Reimbursements V/C Loss @ 6%	-$1,323	-$0.44
Effective Gross Income	**$91,232**	**$30.41**
Real Estate Taxes	$22,055	$7.35
Management	$1,830	$0.61
Reserves	$1,050	$0.35
Total Operating Expenses	**$24,935**	**$8.31**
Total Expenses Excluding RE Taxes	$2,880	$0.96
Net Operating Income	**$66,297**	**$22.10**
Operating Expense Ratio	27.33%	

Income Capitalization

In developing an opinion of the overall capitalization rate required by an investor, we will apply several methods of analyses: (1) Band of Investment; (2) Comparable Capitalization Rates; (3) National Survey Responses.

SWOT:

Strengths

- The subject property is in close proximity to schools, parks, shopping centers, and employment. Additionally, New Rochelle has a master redevelopment plan currently underway in partnership with RXR Realty. There are several new developments in the area planned. The subject is in close proximity to RXR Realty's development site on main street, which will be a 28 story tower featuring 280 residential apartments, 14,000 square feet of retail, parking, and a theatre. In addition, the subject benefits from the parking available across the street at the Municipal parking lot which has 174 permit parking and 160 meter parking.

Weaknesses

- The subject property is in satisfactory condition and risks the need of unscheduled capital improvements.
- The subject property is located on a side street with limited frontage.

Opportunities

- There has been increased demand for similar assets as investors from prime New York Metro submarkets seek higher returns increasing pricing for similar assets.
- It appears the owner is creating an assemblage on the block as he owns three lots adjacent to the subject.

Threats

- Future economic uncertainty.

Band of Investment Technique

We use the Band of Investment technique to estimate a capitalization rate that accounts for the combination of equity and prevailing financing. The rate developed is a weighted average, the weights being percentages of the total value, which are occupied by the mortgage and equity positions.

Mortgage Component

A survey of active lenders in the subject property's influencing market indicates that 25-year and 30-year mortgage commitments are typically 100 to 300 basis points above 10-year treasuries.

Survey of Competitive Rates

Federal Funds Rate	2.00%-2.25%
5-year CD	3.30%-3.45%
10-year Treasury Bond	2.46%
30-year Treasury Bond	3.87%
Corporate Bonds (AAA)	3.87%

Source: Federal Reserve Statistical Release

Currently, 10-year treasuries are trading at 2.46% suggesting mortgage rates of roughly 4.25% to 6.25%. The current mortgage market indicates a competitive interest rate, as there is strong demand from mortgage lenders seeking stable multi-unit residential deals. After surveying several commercial mortgage lenders, it is our opinion that a typical creditworthy purchaser could obtain financing from a lending source in an amount equal to 75% of value at an annual interest rate of 4.00% and a 30 year payout. Therefore, the mortgage constant is 5.73%.

Equity Component

As a stabilized income pro forma is expressed in constant dollars, an equity divided rate will be applied. The consensus of those actively engaged in the marketplace for apartment buildings is that Year 1 equity rates of return (based upon forecasting techniques and assumptions like those utilized herein) fall within a broad range, depending on numerous risk factors, including among others:

Location- the better the location, the lower the rate of return;

Physical Characteristics- the newer the property, the higher the quality of construction and finishes, and the better the design and layout of the physical structure, the lower the rate of return;

Degree of Growth Forecasted for Income and Expenses- the more aggressive and value enhancing the valuation assumptions, the higher the rate of return;

Amount of Equity Investment Required- the greater the required equity investment (that portion of the total acquisition cost not typically funded by conventional financing), the higher the rate of return;

Type of Investment- the riskier the perceived return on investment for a particular type of real estate, the higher the rate of return.

Applying an appropriate equity dividend rate to the mortgage equity technique is an integral part of the valuation process. As previously stated, the equity rate of return is sensitive to the risk associated with the property, whether it be location, income flows, functional or physical obsolescence, and most important of all, the economic climate. First, we look at national surveys to understand appropriate yield rates. The latest Realty Rates survey indicates an average equity dividend rate of 11.31% and ranges from 6.46% to 15.68%.

Investor Surveys

Survey	**Type of Product**	**Equity Yield**
Realty Rates	National Apartment	6.46% to 15.68%
1Q 2019	Market	11.31% Average

Based on our discussions with market participants, equity dividend rates for multi-unit residential real estate investments typically range from 2.00% to 10.00%, depending on the above noted factors.

We believe an investor in the subject property would accept an initial annual return of 8.00% in anticipation of a stable income flow and property appreciation over time. It should be emphasized that the equity dividend rate is not necessarily the same as an equity yield rate or true rate of return on equity capital. The equity dividend rate is an equity capitalization that reflects all benefits that can be recognized by the equity investor as of the date of purchase. We selected this rate based on the subject's location in a good residential area, and its good access and visibility. We summarize the mortgage and equity parameters utilized in our derivation of an overall capitalization rate below:

Selected Loan Terms

Typical Loan Terms	Value
Mortgage Rate	4.00%
Amortization Term (Years)	30
Number of Payments	360
Loan-to-Value Ratio (M)	75%
Equity Ratio	25.00%
Mortgage Constant	5.73%

Band of Investment

Band of Investment		Value
Mortgage Ratio		75%
Annual Mortgage Constant	x	5.73%
Mortgage Component		**4.30%**
Equity Ratio		25.00%
Equity Dividend Rate	x	8.00%
Equity Component		**2.00%**
Indicated Overall Rate		**6.30%**

Comparable Capitalization Rates

Comparable Cap Rates Table

#	Address	Property Type	Sale Date	Capitalization Rate
1	123 5th Ave	Mixed-Use	12/6/16	7.26%
2	14 North Ave	Multifamily	3/22/17	6.84%
3	610 Main St	Mixed-Use	5/25/17	9.14%
4	370 North Ave	Mixed-Use	6/4/18	6.45%
5	531 Fifth Ave	Mixed-Use	1/22/19	6.98%
			Avg	**7.33%**

We analyzed sales of comparable mixed-use assets within the subject's periphery and they exhibit overall capitalization rates from 6.45% to 9.14% with an average of 7.33%. We have supplemented our capitalization rate comparables with additional comparables not used in our sales comparison approach. The additional rates are good indicators for capitalization rates for the subject and are recent, however, there are differences regarding the comparables which do not justify utilizing the comparable in the sales comparison approach (i.e. location, size, etc.).

National Survey Responses

The PwC Real Estate and Real Estate Research Corporation's investment surveys summarize the expectations of institutional investors. As indicated, the going-in capitalization rates range from 3.50% to 7.00%, with an average between 5.03% and 5.20%

Summary

Survey	Overall Cap Rate		
Band of Investment			6.30%
PwC	3.50%	-	7.00%
1Q 2019	5.03%		avg.
Situs-RERC	4.00%	-	6.00%
1Q 2019	5.20%		avg.
Comparable Sales	6.45%	-	9.14%
	7.33%		avg.

Capitalization Rate Conclusion

Overall capitalization rates are influenced by numerous factors, of which the most influential are: investors' perception of risk, the potential for net income growth, and the market for competitive assets. As indicated by the local comparable sales, assets in the submarket tend to trade for going-in returns above the national range.

Income spikes are primarily derived from below market, rent stabilized or rent controlled units turning over, receiving renovations, and being leased at market rates. This dynamic typically leads investors to accept a lower "going-in" return with the expectation of capturing substantial increases in net income during the holding period. Absent this opportunity, an investor will demand a higher "going in" return to justify the fact that income growth, though positive, will be more stable.

In terms of its position within the market range, it is our view that an investor would accept a return above of the comparable range for the subject property. Our opinion is based on the fact that with respect to income, the subject is expected to be 100% occupied and then commercial rent at market, suggesting some short-term risk to the cash flow, with typical potential for future income spikes. The asset is in satisfactory condition, suggesting typical risk of unscheduled capital investment necessary during the holding period. Additionally, it is in a market where there has been moderate demand for investment and capitalization rates have remained relatively steady.

The comparables also include a mix of market oriented and below market, rent stabilized and rent controlled units. Overall, the cap rate comparables offer similar opportunities for net income spikes as the subject property. Additionally, the subject property and comparables are in similar locations overall. Further, the subject property and comparables are in similar condition overall, with similar risk of necessary capital improvements during the holding period.

We deduct 9 months of rent loss to account for the lease up period and a leasing commission fee which we estimate to be three months of commercial rent.

It is our view that a 7.50% overall rate would be required by an investor. The value is calculated below:

Value Opinion Via the Income Capitalization Approach

	Date of Value	Value	Final Value (RD)
NOI		$66,297	-
Cap Rate		7.50%	-
Prospective Market Value As Stabilized	**April 30, 2020**	**$883,955**	**$880,000**
Commercial Rent Loss (9 months)		($52,875)	-
Commission Fee		($17,625)	-
Current As Is Market Value Via the Income Capitalization Approach	**July 30, 2019**	**$813,455**	**$810,000**

Sales Comparison Approach

In the Sales Comparison Approach, an opinion of market value is provided by comparing the subject property to transactions of competitive assets. A major premise is the principle of substitution which holds market value is directly related to the prices of comparable properties as a knowledgeable investor will pay no more for a substitute.

The procedure involved in this Approach is to research the market for sales of improved properties which are comparable, select appropriate units of comparison, adjust the sale prices to the subject, and then reconcile the range of adjusted sale prices into an opinion of value.

In order to analyze comparable sales, it is necessary to convert the sale prices to an appropriate unit of comparison, a process which facilitates price comparisons between properties of different sizes, and it also enables adjustment for qualitative differences. Since investors typically purchase commercial buildings in the subject's area in terms of value per square foot, we have applied this unit of comparison.

Comparable Sales Summary[12]

	Address	Sale Date	Square Feet	Sale Price	Sale Price Per SF	NOI Per SF	Cap Rate
1	245 Washington Ave	7/6/18	4,000	$950,000	$238	N/A	N/A
2	170 North Ave	6/1/18	2,280	$995,000	$436	N/A	N/A
3	479 Main St	11/13/17	2,751	$725,000	$264	N/A	N/A
4	149 North Ave	10/31/17	5,200	$1,725,000	$332	N/A	N/A

[12] *The outlines of each of the comparable sales and the comparable sales map can be found in the Addenda.*

Comparable Sales Adjustment Grid

Sale #	Subject	1	2	3	4
Address	15 Leroy Place	245 Washington Ave	170 North Ave	479 Main St	149 North Ave
Sale Date		07/06/2018	06/01/2018	11/13/2017	10/31/2017
GBA (SF)	3,000	4,000	2,280	2,751	5,200
Sale Price		$950,000	$995,000	$725,000	$1,725,000
Price Per SF:		**$238**	**$436**	**$264**	**$332**
Property Rights		0%	0%	0%	0%
Financing Terms	None	0%	0%	0%	0%
Conditions of Sale	None	0%	0%	0%	0%
Market Conditions (Time):	April 30, 2020	0%	0%	0%	0%
Trended Price Per SF:		**$238**	**$436**	**$264**	**$332**
Location		-5%	-5%	-5%	-5%
Utility	N/A	0%	-5%	0%	-10%
Size	3,000	0%	0%	0%	0%
Income Level		0%	0%	0%	0%
Condition	Satisfactory	0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adjustments		**-5%**	**-10%**	**-5%**	**-15%**
Adjusted Price Per SF		**$226**	**$393**	**$250**	**$282**

Unadjusted		**Adjusted**	
Low	$238	Low	$226
High	$436	High	$393
Average	$317	Average	$288
Median	$298	Median	$266

Property Rights Appraised The purpose of this adjustment is to account for differences in the property rights transferred with the sale. We are valuing the leased fee interest in the subject property, as reflected by all of the comparables. Thus, no adjustments were required.

Financing Terms The purpose of adjusting for financing terms is to determine cash equivalent sale prices for the comparable sales in accordance with the definition of market value for this report. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Conditions of Sale Condition of sale refers to the motivations of the buyer and seller involved in a particular transaction. However, all sales used in this analysis are considered to be "arm's-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Market Conditions (Time) The purpose of this adjustment is to account for changes in market conditions. All sales used in this analysis sold at a similar time; therefore, no adjustments were required.

Location The subject property is located in the neighborhood of New Rochelle, New York. Sales 1, 2, 3 and 4 are all located on major commercial avenues, which offers superior commercial frontage, and thus required downward adjustments.

No other location adjustments were necessary, and the net adjustments are presented in the adjustment grid above.

Size This adjustment accounts for the difference in size between each of the comparables and the subject property. We note that there is an inverse relationship between size and per square foot such that smaller buildings will sell for a higher price per square foot and vice versa. The subject and all of the comparables are within a reasonable size range, thus no adjustments were necessary.

Utility The subject is a mixed-use, mid-block, walk-up apartment building. It features satisfactory quality bathroom, kitchen, and living/bedroom area finishes.

We have considered corner vs. mid-block location, unit and property finishes, walk-up vs. elevator, unit and building amenities, and commercial space within the scope of the utility adjustment. Based on these factors, the following adjustments were made to the sale comparables, while other minor differences were considered qualitatively in the sale value conclusion.

Corner: Corners provide superior exposure. Sales 1, 2 and 4 are located on a corner, and required downward adjustments.

Sale 1 is adjusted upward to account for its inferior commercial tenant which is an autobody shop. Since Sale 1 is adjusted down for being on a corner, the total utility adjustment nets to 0%.

Sale is adjusted downward to account for its multi-tenant retail which reduces the risk and thus is superior.

No other utility adjustments were necessary, and the net adjustments are presented in the adjustment grid above.

Condition The subject property was constructed in 1900 and is in satisfactory condition. The comparables sold in similar condition to the subject, and no adjustment was warranted.

After adjustments, the comparable sales exhibited a range between $225.63 per square foot and $392.76 per square foot with an average of $287.68 per square foot and a median of $266.17 per square foot. Thus, considering the elements of comparison noted above, our opinion of market value is $300 per square foot.

Value Opinion via the Sales Comparison Approach

	Date of Value	Value	Final Value (RD)
Concluded Value Per Square Foot		$300	-
Square Footage		3,000	-
Prospective Market Value As Stabilized	**April 30, 2020**	**$900,000**	**$900,000**
Commercial Rent Loss (9 months)		($52,875)	-
Commission Fee		($17,625)	-
Current As Is Market Value Via the Sales Comparison Approach	**July 30, 2019**	**$829,500**	**$830,000**

Reconciliation & Final Value

The estimated values arrived at by the approaches to value used in this report are as follows:

Estimated Values

Approach	Value	Date	Conclusion
Cost Approach	As Is Market Value	N/A	Not Applied
Income Approach	Prospective Market Value As Stabilized	April 30, 2020	$880,000
Income Approach	As Is Market Value	July 30, 2019	$810,000
Sales Approach	Prospective Market Value As Stabilized	April 30, 2020	$900,000
Sales Approach	As Is Market Value	July 30, 2019	$830,000

The Cost Approach is traditionally a good indicator of value when properties being appraised are new or close to new. The difficulty in credibly isolating the influence of physical and economic depreciation on value affects the reliability of this approach. Investors typically give nominal weight to this analysis if the asset is operating on a stabilized basis and its cost bears little relationship to the value. 15 Leroy Pl was constructed in 1900 and has notable physical and economic depreciation, therefore we chose not to use this approach.

The Income Approach is a strong indicator of value when market rents, vacancy rates, stabilized expenses, capitalization/discount rates are based on reliable market data. In this case, given the depth of the market, there are numerous transactions from which to glean points of analysis, lending credibility to the results of the approach. Commercial and mixed-use assets are generally acquired for their capacity to generate a return on and of capital, which is why this is the methodology primarily applied by investors. Balancing these two factors, most weight is placed on the opinion developed by the Income Approach.

The Sales Comparison Approach is reliable when few differences exist between the comparable sales and the subject, and the sales data collected is credible and accurate. Similar property types in competitive locations tend to sell within a consistent range, and this factor makes valuation on a per square foot and per unit basis a strong predictor of value. The Sales Comparison Approach is largely used as a secondary support for our opinion developed in the application of the Income Approach.

Final Value Conclusion

Value	Date	Interest Appraised	Conclusion
Prospective Market Value As Stabilized	April 30, 2020		$880,000
Market Value As Is	July 30, 2019	Fee Simple Interest	$810,000

The value conclusions are subject to the following **Extraordinary Assumptions**[13] that may affect the assignment results. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions:

- None.

The value conclusions are based on the following **Hypothetical Conditions**[14] that may affect the assignment results:

- None.

[13] *The definition of Extraordinary Assumptions can be found in the Glossary of Terms, which is located in the Addenda.*

[14] *The definition of Hypothetical Conditions can be found in the Glossary of Terms, which is located in the Addenda.*

Certification

We certify to the best of our knowledge:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the current version of the FIRREA of 1989, including its Title XI regulations.
- Helen Peng, MAI, MRICS, AI-GRS has made a personal inspection of the property that is the subject of this report on July 30, 2019. Brandon Gollotti and Katie Schlager have not made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- As of the date of this report, Helen Peng, MAI, MRICS, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Brandon Gollotti has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
- We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

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Addenda

Glossary of Terms

Unless otherwise noted, The Dictionary of Real Estate Appraisal, 6th edition (Chicago: Appraisal Institute, 2015) is the source of the following definitions.

As Is Market Value	The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date, according to the Interagency Appraisal and Evaluation Guidelines (Federal Deposit Insurance Corporation: 2010). Note: The use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States.
As Is Market Value Condominium	A multiunit structure, or a unit within such a structure, with a condominium form of ownership.
Deferred Maintenance	Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.
Depreciation	A loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvements on the same date.
Direct Capitalization	A method used to convert an estimate of a single year's net operating income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor. This technique employs capitalization rates and multipliers extracted from sales. Only the first year's income is considered. Yield and value change are implied, but not identified overall. This method is most useful when the property is already operating on a stabilized basis, according to The Appraisal of Real Estate, 14th Edition (Appraisal Institute: 2013).
Discounted Cash Flow	The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analysis specifics the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.
Effective Date	(1) The date on which the appraisal or review applies. (2) In a lease document, the date upon which the lease goes into effect.
Effective Gross Income	The anticipated income from all operations of real property adjusted for vacancy and collection losses.
Entrepreneurial Profit	(1) A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. (2) In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.
Equity Dividend	The portion of net income that remains after debt service is paid; this is returned to the equity position.

Exposure Time	(1) The time a property remains on the market. (2) The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Note: Exposure time is a retrospective.
Extraordinary Assumption	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.
Fee Simple Interest	Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
Financial Feasibility	An analysis to determine which of those uses deemed possible and legal can provide a net return to the owner of the site.
Gross Building Area	Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
Highest and Best Use	(1) The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. (2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid, according to David Parker's International Valuation Standards (John Wiley & Sons, Ltd: 2016). (3) The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future, according to the Uniform Appraisal Standards for Federal Land Acquisitions (The Appraisal Foundation: 2016).
Hypothetical Condition	A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.
Leased Fee Interest	The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
Leasehold Interest	The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
Legally Permissible Use	An investigation into existing zoning regulations, lease terms, and deed restrictions on the site to determine which uses are legally permitted.
Marketing Time	An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.
Market Rent	The most probable rent that property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
Net Operating Income	The anticipated net income remaining after all operating expenses are deducted from effective gross income.

Net Rentable Area	For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
Physically Possible Use	An analysis to determine those uses of the subject which can be deemed physically possible.
Potential Gross Income	The total potential income attributable to the real property at full occupancy before operating expenses are deducted. It may refer to the level of rental income prevailing in the market or that contractually determine by existing leases.
Property Rights Appraised	The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
Prospective Opinion of Value	A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
Replacement Costs	The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.
Reproduction Costs	The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, super-adequacies, and obsolescence of the subject building.
Retrospective Value Opinion	A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion".
Reversion	A lump-sum benefit an investor expects to receive upon the termination of the investment.
Stabilized Income	(1) An estimate of income, either current or forecasted, that presumes the property is at stabilized occupancy. (2) The forecast of the subject property's yearly average income (or average- equivalent income) expected for the economic life of the subject property. (3) Projected income that is subject to change but has been adjusted to reflect an equivalent, stable annual income.
Stabilized Occupancy	(1) The occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and presuming it is priced at market rent and has had reasonable market exposure. A property is at stabilized occupancy when it is capturing its appropriate share of market demand. (2) An expression of the average or typical occupancy that would be expected for a property over a specified projection period or over its economic life.

Yield Capitalization

The capitalization method used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate. This method explicitly considers a series of cash flows (net income over a holding period) over time together with any reversion value or resale proceeds. Since this technique explicitly reflects the investment's income pattern, it is especially suited to multi-tenant properties with varying leasing schedules as well as properties that are not operating at stabilized occupancy, according to The Appraisal of Real Estate, 14th Edition (Appraisal Institute: 2013).

Provided Information

EMIGRANT /// FUNDING

INCOME AND EXPENSE STATEMENT

NOTE: We can accept a ***signed*** owner's printout in substitution for this form.

Property Address: 15 Leroy Place, New Rochelle, NY, 10805

INCOME	Last Actual Year: 2018	INCOME	Current Year Projected
Apartment Income:	$ 84,000	Apartment Income:	$ 84,000
Retail Income:	$	Retail Income:	$
Office Income:	$	Office Income:	$
Other Income:	$	Other Income:	$
Total Income (A) :	$ 84,000	**Total Income (A) :**	$ 84,000

EXPENSES	Last Actual Year: 2018	EXPENSES	Current Year Projected
Real Estate Taxes:	$ 21000	Real Estate Taxes:	$ 21000
Water & Sewer:	$ 1800	Water & Sewer:	$ 1800
Property Insurance:	$ 5000	Property Insurance:	$ 5000
Fuel (Oil /Gas)	$ 500	Fuel (Oil /Gas)	$ 500
Electric:	$ 2500	Electric:	$ 2500
Payroll:	$ —	Payroll:	$ —
Repairs & Maintenance:	$ 1000	Repairs & Maintenance:	$ 1000
Elevator Maintenance:	$ —	Elevator Maintenance:	$
Common Area Maintenance:	$ —	Common Area Maintenance:	$
Management:	$ —	Management:	$
Replacement Reserves:	$ —	Replacement Reserves:	$
Supplies:	$	Supplies:	$
Other:	$	Other:	$
Other:	$	Other:	$
Other:	$	Other:	$
Total Expenses (B) :	$ 31800	**Total Expenses (B) :**	$ 31800
NET OPERATING INCOME (C): (A minus B)	$ 52,200	**NET OPERATING INCOME (C):** (A minus B)	$ 52,200

I HEREBY CERTIFY THE ABOVE TO BE TRUE AND CORRECT

Borrower's Signature — Date: 3/15/19

Co-Borrower's Signature — Date: 3/15/19

35 — Lease, Business Premises, Loft, Office or Store 11-96

BlumbergExcelsior, Publisher, NYC 10013
www.blumberg.com

This Lease made the 15 day of June, 2018 between
SHYLAS WEIGHT WATCHERS DELIGHT, INC., a domestic corporation with an address at 23 South Division Street, New Rochelle, NY 10805

hereinafter referred to as LANDLORD, and SHIRLEY'S ~~[illegible]~~ Flavors OF INDIA, INC., a domestic corporation with an address at 15 Leroy Place, New Rochelle, NY 10805

hereinafter jointly, severally and collectively referred to as TENANT.

Witnesseth, that the Landlord hereby leases to the Tenant, and the Tenant hereby hires and takes from the Landlord entire building consisting of restaurant and catering hall premises

in the building known as 15 Leroy Place, New Rochelle, NY 10805

to be used and occupied by the Tenant as a restaurant and catering hall for food service on and off premises

and for no other purpose, for a term to commence on July 1, 2018 and to end on June 30, 2023 unless sooner terminated as hereinafter provided, at the ANNUAL RENT of
$84,000.00, or $7,000.00 per month during the initial term of this Lease;
all together with the Additional Rent described in the Rider to this Lease;
and

all payable in equal monthly instalments in advance on the first day of each and every calendar month during said term, except the first instalment, which shall be paid upon the execution hereof.

THE TENANT JOINTLY AND SEVERALLY COVENANTS:

FIRST.--That the Tenant will pay the rent as above provided.

REPAIRS
ORDINANCES AND VIOLATIONS
ENTRY
INDEMNIFY LANDLORD

SECOND.--That, throughout said term the Tenant will take good care of the demised premises, fixtures and appurtenances, and all alterations, additions and improvements to either; make all repairs in and about the same necessary to preserve them in good order and condition, which repairs shall be, in quality and class, equal to the original work; promptly pay the expense of such repairs; suffer no waste or injury; give prompt notice to the Landlord of any fire that may occur; execute and comply with all laws, rules, orders, ordinances and regulations at any time issued or in force (except those requiring structural alterations), applicable to the demised premises or to the Tenant's occupation thereof, of the Federal, State and Local Governments, and of each and every department, bureau and official thereof, and of the New York Board of Fire Underwriters; permit at all times during usual business hours, the Landlord and representatives of the Landlord to enter the demised premises for the purpose of inspection, and to exhibit them for purposes of sale or rental; suffer the Landlord to make repairs and improvements to all parts of the building, and to comply with all orders and requirements of governmental authority applicable to said building or to any occupation thereof; suffer the Landlord to erect, use, maintain, repair and replace pipes and conduits in the demised premises and to the floors above and below; forever indemnify and save harmless the Landlord for and against any and all liability, penalties, damages, expenses and judgements arising from injury during said term to person or property of any nature, occasioned wholly or in part by any act or acts, omission or omissions of the Tenant, or of the employees, guests, agents, assigns or undertenants of the Tenant and also for any matter or thing growing out of the occupation of the demised premises or of the streets, sidewalks or vaults adjacent thereto; permit, during the six months next prior to the expiration of the term the usual notice "To Let" to be placed and to remain unmolested in a conspicuous place upon the exterior of the demised premises; repair, at or before the end of the term, all injury done by the installation or removal of furniture and property; and at the end of the term, to quit and surrender the demised premises with all alterations, additions and improvements in good order and condition.

MOVING INJURY SURRENDER
NEGATIVE COVENANTS
OBSTRUCTION SIGNS
AIR CONDITIONING

THIRD. -- That the Tenant will not disfigure or deface any part of the building, or suffer the same to be done, except so far as may be necessary to affix such trade fixtures as are herein consented to by the Landlord; the Tenant will not obstruct, or permit the obstruction of the street or the sidewalk adjacent thereto; will not do anything, or suffer anything to be done upon the demised premises which will increase the rate of fire insurance upon the building or any of its contents, or be liable to cause structural injury to said building; will not permit the accumulation of waste or refuse matter, and will not, without the written consent of the Landlord first obtained in each case, either sell, assign, mortgage or transfer this lease, underlet the demised premises or any part thereof, permit the same or any part thereof to be occupied by anybody other than the Tenant and the Tenant's employees, make any alterations in the demised premises, use the demised premises or any part thereof for any purpose other than the one first above stipulated, or for any purpose deemed extra hazardous on account of fire risk, nor in violation of any law or ordinance. That the Tenant will not obstruct or permit the obstruction of the light, halls, stairway or entrances to the building, and will not erect or inscribe any sign, signals or advertisements unless and until the style and location thereof have been approved by the Landlord; and if any be erected or inscribed without such approval, the Landlord may remove the same. No water cooler, air conditioning unit or system or other apparatus shall be installed or used without the prior written consent of Landlord.

IT IS MUTUALLY COVENANTED AND AGREED, THAT

FIRE CLAUSE

FOURTH. -- If the demised premises shall be partially damaged by fire or other cause without the fault or neglect of Tenant, Tenant's servants, employees, agents, visitors or licensees, the damages shall be repaired by and at the expense of Landlord and the rent until such repairs shall be made shall be apportioned according to the part of the of the demised premises which is usable by Tenant. But if such partial damage is due to the fault or neglect of Tenant, Tenant's servants, employees, agents, visitors or licensees, without prejudice to any other rights and remedies of Landlord and without prejudice to the rights of subrogation of Landlord's insurer, the damages shall be repaired by Landlord but there shall be no apportionment or abatement of rent. No penalty shall accrue for reasonable delay which may arise by reason of adjustment of insurance on the part of Landlord and/or Tenant, and for reasonable delay on account of "labor troubles", or any other cause beyond Landlord's control. If the demised premises are totally damaged or are rendered wholly untenantable by fire or other cause, and if Landlord shall decide not to restore or not to rebuild the same, or if the building shall be so damaged that Landlord shall decide to demolish it or to rebuild it, then or in any of such events Landlord may, within ninety (90) days after such fire or other cause, give Tenant a notice in writing of such decision, which notice shall be given as in Paragraph Twelve hereof provided and thereupon the term of this lease shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the demised premises and surrender the same to Landlord. If Tenant shall not be in default under this lease then, upon the termination of this lease under the conditions provided for in the sentence immediately preceding, Tenant's liability for rent shall cease as of the day following the casualty. Tenant hereby expressly waives the provisions of Section 227 of the Real Property Law and agrees that the foregoing provisions of this Article shall govern and control in lieu thereof. If the damage or destruction be due to the fault or neglect of Tenant the debris shall be removed by, and at the expense of, Tenant.

EMINENT DOMAIN

FIFTH. -- If the whole or any part of the premises hereby demised shall be taken or condemned by any competent authority for any public use or purpose then the term hereby granted shall cease from the time when possession of the part so taken shall be required for such public purpose and without apportionment of award, the Tenant hereby assigning to the Landlord all right and claim to any such award, the current rent, however, in such case to be apportioned.

LEASE NOT IN EFFECT
DEFAULTS
TEN DAY NOTICE

SIXTH. -- If before the commencement of the term, the Tenant be adjudicated a bankrupt, or make a "general assignment," or take the benefit of any insolvent act, or if a Receiver or Trustee be appointed for the Tenant's property, or if this lease or the estate of the Tenant hereunder be transferred or pass to or devolve upon any other person or corporation, or if the Tenant shall default in the performance of any agreement by the Tenant contained in any other lease to the Tenant by the Landlord or by any corporation of which an officer of the Landlord is a Director, this lease shall thereby, at the option of the Landlord, be terminated and in that case, neither the Tenant nor anybody claiming under the Tenant shall be entitled to go into possession of the demised premises. If after the commencement of the term, any of the events mentioned above in this subdivision shall occur, or if Tenant shall make default in fulfilling any of the covenants of this lease, other than the covenants for the payment of rent or "additional rent" or if the demised premises become vacant or deserted, the Landlord may give to the Tenant ten days' notice of intention to end the term of this lease, and thereupon at the expiration of said ten days' (if said condition which was the basis of said notice shall continue to exist) the term under this lease shall expire as fully and completely as if that day were the date herein definitely fixed for the expiration of the term and the Tenant will then quit and surrender the demised premises to the Landlord, but the Tenant shall remain liable as hereinafter provided.

THE TENANT FURTHER COVENANTS:

IF A FIRST FLOOR

TWENTY-SECOND.--If the demised premises or any part thereof consist of a store, or of a first floor, or of any part thereof, the Tenant will keep the sidewalk and curb in front thereof clean at all times and free from snow and ice, and will keep insured in favor of the Landlord, all plate glass therein and furnish the Landlord with policies of insurance covering the same.

INCREASED FIRE INSURANCE RATE

TWENTY-THIRD.--If by reason of the conduct upon the demised premises of a business not herein permitted, or if by reason of the improper or careless conduct of any business upon or use of the demised premises, the fire insurance rate shall at any time be higher than it otherwise would be, then the Tenant will reimburse the Landlord, as additional rent hereunder, for that part of all fire insurance premiums hereafter paid out by the Landlord which shall have been charged because of the conduct of such business not so permitted, or because of the improper or careless conduct of any business upon or use of the demised premises, and will make such reimbursement upon the first day of the month following such outlay by the Landlord; but this covenant shall not apply to a premium for any period beyond the expiration date of this lease, first above specified. In any action or proceeding wherein the Landlord and Tenant are parties, a schedule or "make up" of rate for the building on the demised premises, purporting to have been issued by New York Fire Insurance Exchange, or other body making fire insurance rates for the demised premises, shall be prima facie evidence of the facts therein stated and of the several items and charges included in the fire insurance rate then applicable to the demised premises.

WATER RENT

TWENTY-FOURTH.--If a separate water meter be installed for the demised premises, or any part thereof, the Tenant will keep the same in repair and pay the charges made by the municipality or water supply company for or in respect to the consumption of water, as and when bills therefor are rendered. If the demised premises, or any part thereof, be supplied with water through a meter which supplies other premises, the Tenant will pay to the Landlord, as and when bills are rendered therefor, the Tenant's proportionate part of all charges which the municipality or water supply company shall make for all water consumed through said meter, as indicated by said meter. Such proportionate part shall be fixed by apportioning the respective charge according to floor area against all of the rentable floor area in the building (exclusive of the basement) which shall have been occupied during the period of the respective charges, taking into account the period that each part of such area was occupied. Tenant agrees to pay as additional rent the Tenant's proportionate part, determined as aforesaid, of the sewer rent or charge imposed or assessed upon the building of which the premises are a part.

SEWER

ELECTRIC CURRENT

TWENTY-FIFTH.--That the Tenant will purchase from the Landlord, if the Landlord shall so desire, all electric current that the Tenant requires at the demised premises, and will pay the Landlord for the same, as the amount of consumption shall be indicated by the meter furnished therefor. The price for said current shall be the same as that charged for consumption similar to that of the Tenant by the company supplying electricity in the same community. Payments shall be due as and when bills shall be rendered. The Tenant shall comply with like rules, regulations and contract provisions as those prescribed by said company for a consumption similar to that of the Tenant.

SPRINKLER SYSTEM

TWENTY-SIXTH.--If there now is or shall be installed in said building a "sprinkler system" the Tenant agrees to keep the appliances thereto in the demised premises in repair and good working condition, and if the New York Board of Fire Underwriters or the New York Fire Insurance Exchange or any bureau, department or official of the State or local government requires or recommends that any changes, modifications, alterations or additional sprinkler heads or other equipment be made or supplied by reason of the Tenant's business, or the location of partitions, trade fixtures, or other contents of the demised premises, or if such changes, modifications, alterations, additional sprinkler heads or other equipment in the demised premises are necessary to prevent the imposition of a penalty or charge against the full allowance for a sprinkler system in the fire insurance rate as fixed by said Exchange, or by any Fire Insurance Company, the Tenant will at the Tenant's own expense, promptly make and supply such changes, modifications, alterations, additional sprinkler heads or other equipment. As additional rent hereunder the Tenant will pay to the Landlord, annually in advance, throughout the term $ Dollars toward the contract price for sprinkler supervisory service.

SECURITY

TWENTY-SEVENTH.--The sum of (waived) is deposited by the Tenant herein with the Landlord herein as security for the faithful performance of all the covenants and conditions of the lease by the said Tenant. If the Tenant faithfully performs all the covenants and conditions on his part to be performed, then the sum deposited shall be returned to said Tenant.

NUISANCE

TWENTY-EIGHTH.--This lease is granted and accepted on the especially understood and agreed condition that the Tenant will conduct his business in such a manner, both as regards noise and kindred nuisances, as will in no wise interfere with, annoy, or disturb any other tenants, in the conduct of their several businesses, or the landlord in the management of the building; under penalty of forfeiture of this lease and consequential damages.

BROKERS COMMISSIONS

TWENTY-NINTH.--The Landlord hereby recognizes no broker as the broker who negotiated and consummated this lease with the Tenant herein, and agrees that if, as, and when the Tenant exercises the option, if any, contained herein to renew this lease, or fails to exercise the option, if any, contained therein to cancel this lease, the Landlord will pay to said broker a further commission in accordance with the rules and commission rates of the Real Estate Board in the community. A sale, transfer, or other disposition of the Landlord's interest in said lease shall not operate to defeat the Landlord's obligation to pay the said commission to the said broker. The Tenant herein hereby represents to the Landlord that the said broker is the sole and only broker who negotiated and consummated this lease with the Tenant.

WINDOW CLEANING

THIRTIETH.--The Tenant agrees that it will not require, permit, suffer, nor allow the cleaning of any window, or windows, in the demised premises from the outside (within the meaning of Section 202 of the Labor Law) unless the equipment and safety devices required by law, ordinance, regulation or rule, including, without limitation, Section 202 of the New York Labor Law, are provided and used, and unless the rules, or any supplemental rules of the Industrial Board of the State of New York are fully complied with; and the Tenant hereby agrees to indemnify the Landlord, Owner, Agent, Manager and/or Superintendent, as a result of the Tenant's requiring, permitting, suffering, or allowing any window, or windows in the demised premises to be cleaned from the outside in violation of the requirements of the aforesaid laws, ordinances, regulations and/or rules.

VALIDITY

THIRTY-FIRST.--The invalidity or unenforceability of any provision of this lease shall in no way affect the validity or enforceability of any other provision hereof.

EXECUTION & DELIVERY OF LEASE

THIRTY-SECOND.--In order to avoid delay, this lease has been prepared and submitted to the Tenant for signature with the understanding that it shall not bind the Landlord unless and until it is executed and delivered by the Landlord.

EXTERIOR OF PREMISES

THIRTY-THIRD.--The Tenant will keep clean and polished all metal, trim, marble and stonework which are a part of the exterior of the premises, using such materials and methods as the Landlord may direct, and if the Tenant shall fail to comply with the provisions of this paragraph, the Landlord may cause such work to be done at the expense of the Tenant.

PLATE GLASS

THIRTY-FOURTH.--The Landlord shall replace at the expense of the Tenant any and all broken glass in the skylights, doors and walls in and about the demised premises. The Landlord may insure and keep insured all plate glass in the skylights, doors and walls in the demised premises, for and in the name of the Landlord and bills for the premiums therefor shall be rendered by the Landlord to the Tenant at such times as the Landlord may elect, and shall be due from and payable by the Tenant when rendered, and the amount thereof shall be deemed to be, and shall be paid as, additional rent.

WAR EMERGENCY

THIRTY-FIFTH.--This lease and the obligation of Tenant to pay rent hereunder and perform all of the other covenants and agreements hereunder on part of Tenant to be performed shall in nowise be affected, impaired or excused because Landlord is unable to supply or is delayed in supplying any service expressly or impliedly to be supplied or is unable to make, or is delayed in making any repairs, additions, alterations or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Landlord is prevented or delayed from so doing by reason of governmental preemption in connection with a National Emergency declared by the President of the United States or in connection with any rule, order or regulation of any department or subdivision thereof of any government agency or by reason of the conditions of supply and demand which have been or are affected by war or other emergency.

THE LANDLORD COVENANTS

QUIET POSSESSION

FIRST.-- That if and so long as the Tenant pays the rent and "additional rent" reserved hereby, and performs and observes the covenants and provisions hereof, the Tenant shall quietly enjoy the demised premises, subject, however, to the terms of this lease, and to the mortgages above mentioned, provided however, that this covenant shall be conditioned upon the retention of title to the premises by Landlord.

ELEVATOR

HEAT

SECOND.--Subject to the provisions of Paragraph "Fourteenth" above the Landlord will furnish the following respective services: (a) Elevator service, if the building shall contain an elevator or elevators, on all days except Sundays and holidays, from n/a A.M. to P.M. and on Saturdays from A.M. to P.M.; (b) Heat, during the same hours on the same days in the cold season in each year.

SEE RIDER ATTACHED FOR ADDITIONAL TERMS AND CONDITIONS

And it is mutually understood and agreed that the covenants and agreements contained in the within lease shall be binding upon the parties hereto and upon their respective successors, heirs, executors and administrators.

In Witness Whereof, the Landlord and Tenant have respectively signed and sealed these presents the day and year first above written.

IN PRESENCE OF:

[L.S.] Landlord

SHYLAS WEIGHT WATCHERS DELIGHT, INC.
by Abraham Vaccachan, Gen. Mgr.

[L.S.] Tenant

SHIRLEY'S ~~TASTE~~ FLAVORS OF INDIA, INC.
by ~~Shirley~~ Andrew Abraham, Pres.

TENANT: SHIRLEY'S FLAVORS OF INDIA, INC.

PREMISES: Restaurant and catering hall building, 15 Leroy Place, New Rochelle, NY

LEASE DATED: June 15, 2018

1. CONFLICT BETWEEN RIDER AND PRINTED PORTION: Where there is a conflict between the printed portion of the lease and this rider the provisions of this rider shall govern.

2. NET LEASE : PAYMENT OF ADDITIONAL RENT: It is intended by the parties that this lease shall be a Net-Net-Net Lease, to wit: Tenant shall pay as Additional Rent above and beyond the fixed rent provided in the prefatory paragraphs of the printed portion of this lease, (1) the Real Estate Taxes (including water charges and sewer or frontage rates) as now imposed or imposed at any time during the term of this lease, (2) Fire, casualty and Public Liability Insurance in amounts satisfactory to Landlord, and (3) Maintenance and repair expense of the building in which the demised premises is located, including expenses resulting from the need to comply with municipal rules or regulations, and Landlord shall bear none of those expenses whatsoever during the term of this lease. All of such items are referred to as "Additional Rent" and the failure to pay and perform the obligations of Tenant under this paragraph shall be treated as material breaches of the lease and shall entitle Landlord to the same remedies as for the failure to pay the fixed rent prescribed. Landlord may at any time make demand to Tenant to furnish proof that all required items have been paid or performed; the failure by Tenant to provide such proof shall be presumptive evidence that the item has not been paid or accomplished.

3. OPTION TO EXTEND LEASE: Provided Tenant is not then in default of its obligations under this Lease, Tenant shall have the option to extend this lease one time for a period of five years by giving notice in writing to Landlord at least 120 days before the end of the initial term hereof. The rent during the extended period shall be the greater of the prior year's rent or the fair market value of the rents of comparable space at the time of the extension.

Insurable Value

Apartments - Section 11, Page 18, Class B Good manual dated Nov-18

Base Unit Cost New PSF				$159.00
Add Sprinklers			+	$3.80
Adjusted Base Unit Cost New PSF				$162.80
Current Cost Multiplier		1.09		
Height Multiplier		1		
Local Multiplier	x	1		
Total Multiplier			x	1.09
Adjusted Replacement Cost New PSF				$177.45
Area			x	3,000
Replacement Cost New				**$532,356**

Basements - Section 11, Page 19, Class A-B Unfinished manual dated Nov-18

Base Unit Cost New PSF				$50.50
Add Sprinklers			+	$3.80
Adjusted Base Unit Cost PSF				$54.30
Current Cost Multiplier		1.09		
Local Multiplier	x	1		
Total Multiplier			x	1.09
Adjusted Replacement Cost New PSF				$59.19
Area			x	1,467
Replacement Cost New				$86,808
Total Replacement Cost New				$619,163.60
Exclusions				
Excavation		0.00%		$0
Foundations		3.30%		$20,432
Site Work		0.00%		$0
Site Improvements		0.00%		$0
Architect's Fees		6.40%		$39,626
Underground Piping		0.00%		$0
TOTAL EXCLUSIONS		**9.70%**	**-**	**$60,059**
Indicated Insurable Value				**$559,105**
Rounded				**$560,000**

Historical Tax Rates

The following table is a historical analysis of tax rates applicable to the subject.

Real Estate Tax Rates

Effective Year	New Rochelle Class
2019	122.528%

New York Retail Market Analysis

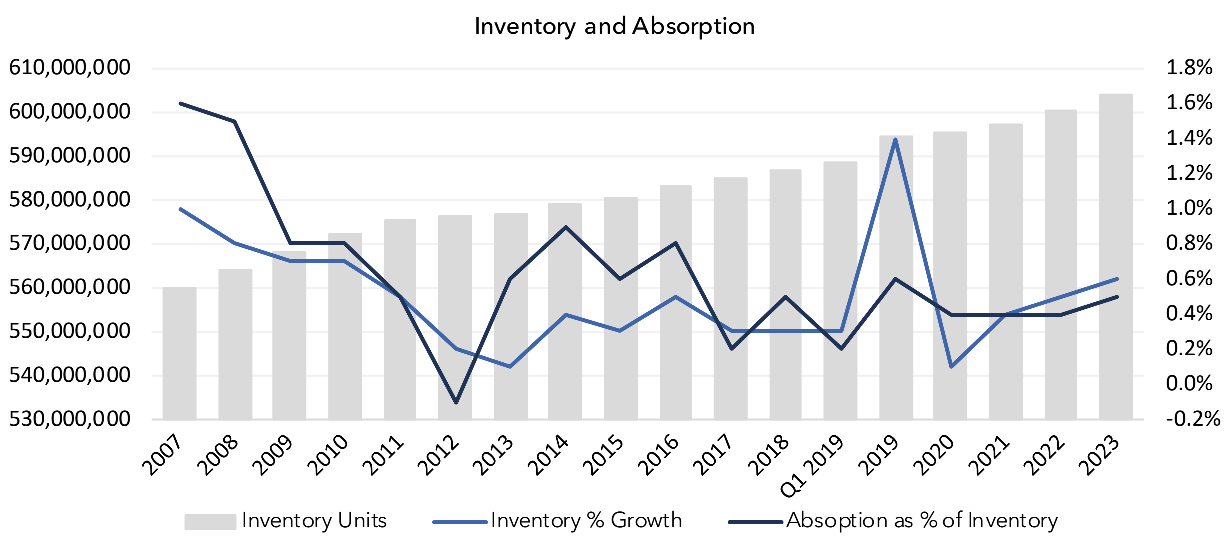
The following is excerpt from the Costar 2019 Q1 New York Retail Market Report:

Overview

Fundamentals are well positioned in the New York retail market, although vacancy compression dissipated over the last two years. It shouldn't be surprising that the metro's fundamentals are stronger than the National Index given its unmatched density and concentration of wealth. The limited amount of new deliveries this cycle also supported the strong vacancy compression, yet several high-profile projects are expected to deliver in the near term. But even these large developments constitute only a small percentage of total stock. Despite an expected pop in vacancy in 2019, as the metro's two largest projects are scheduled to deliver, the overall vacancy rate is projected to remain below the historical average over the coming years.

Rents are well past their prerecession peak but have declined since the start of 2018. While growth has decelerated in all the submarkets in the metro, the average asking rents per submarket range across a wide spectrum. The New York City boroughs such as Brooklyn, Bronx, Queens and New Jersey counties such as Hudson, Ocean and Monmouth constitute the largest retail inventories in the metro with average rents in the lower half of the spectrum. The metro's most expensive rates are in Manhattan, yet rental concessions have climbed in several of Manhattan's prime retail corridors, as high asking rents remain a barrier for many prospective retail tenants. Landlords have also altered leasing structures to help fill vacancies, with more short-term leases such as pop-up shops.

New York was the first market where investors swooped back in and bid pricing back up to prerecession levels by 2013. Sales volume this year is off to a strong start with over $1.5 billion traded in 19Q1. Investment activity in 2018 marked the highest annual sale volume in the current cycle, eclipsing the previous year by roughly $2.5 billion. As current price per SF are at all-time highs and cap rates among the lowest in the U.S., New York isn't a market for investors seeking to beat the national major markets average in total returns. However, New York is still a strong choice for core investors given its relatively low vacancies, unparalleled density, liquidity and history of above-average income growth.



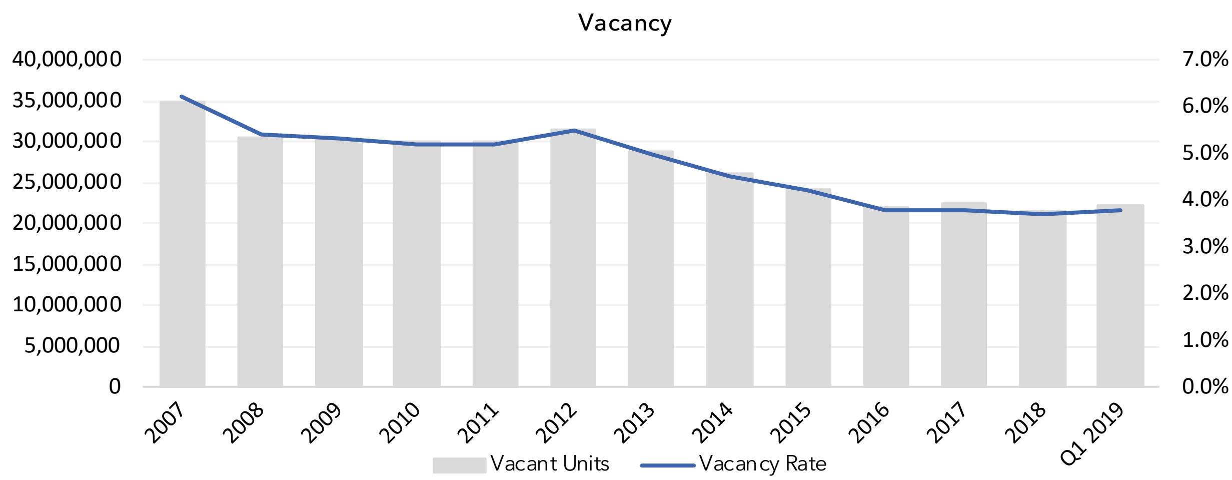
Source: CoStar

Leasing

Vacancies appear to have stabilized over the past three years, flatlining in the range of 4%. The limited amount of new construction deliveries to hit the market have aided the vacancy compression throughout the cycle. Favorable demographics in the metro have also supported the strength in the fundamentals as the metro boasts high population densities, particularly in the New York City boroughs, along with lofty median household incomes across the metro in Manhattan, Northern New Jersey and Westchester county. In addition, a strong component for retail sales in the metro stems from tourist consumption as submarkets such as Times Square and the Fifth Avenue corridor in the Plaza District remain premiere tourist shopping destinations.

Many of the biggest leases signed in 2018 occurred outside of Manhattan, as big-box retailers are able to establish larger storefronts in the submarkets of Northern New Jersey and Brooklyn, for a fraction of the rent prices. In May 2018, At Home signed a lease for approximately 95,000-SF in Brick, New Jersey. The home furnishing wholesaler currently anchors the 246,000-SF community center property at 1930 Route 88, taking over space that was vacated by Kmart. In August 2018, JCPenny opened a new 86,000-SF store across three floors at the Kings Plaza Shopping Center, one of Brooklyn's largest malls. Even as the department store retailer has been dealing with store closures across the nation, this represents their second location in Brooklyn, a testament to the bullish outlook of the rapidly growing population and rising income of the submarket.

With expectations for strong income growth in the near term, the New York metro should maintain its position as one of the preeminent retail markets in the country. Vacancy compression has spurred a few large projects on the docket, the most notable being the American Dream Meadowlands Mall Complex in East Rutherford and the retail component of Hudson Yards. Cumulatively, these projects will bring more than 3.0 million SF of new supply on line by the end of 2019. Still, this is a mere drop in the bucket as a percentage of the market’s total retail inventory and while the vacancy rate is expected to rise accordingly, the level is still expected to remain below the historical average.



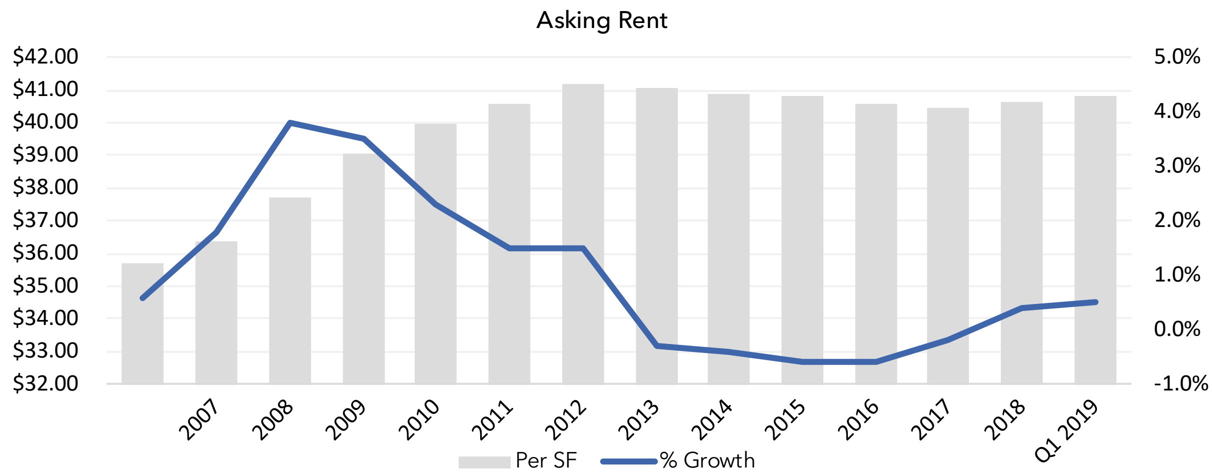
Source: CoStar

Rent

After slow but consistent growth during much of the cycle, asking rents have flatlined since the start of last year. In fact, minor losses were recorded in asking rents across all retail property types throughout the New York metro, a trend that has continued thus far into 2019. Prior to 2018, rents had increased for seven consecutive years.

While rent loss was recorded in all of New York's submarkets, New York's average rent still remains among the top in the nation, thanks in large part to lofty rents posted in the Manhattan. The metro's most expensive rents are concentrated in the densely packed Midtown region of Manhattan, with the highest average asking rents in the nation dominated by Midtown Manhattan submarkets. Retail rents in the heart of Times Square and along Fifth Avenue below Central Park represent some of the metro's most expensive rents, which is heavily fostered by tourism. Manhattan attracts a growing number of tourists each year, and consumer spending via tourism plays an important component for rents in prime real estate, especially spaces located in the premiere shopping destinations.

However, with asking rents bordering on exorbitant in many of these Manhattan neighborhoods, retailers have reached a limit for what they are willing to pay. Landlords have been forced to rely on concessions to secure leases. As tenants find the sky-high rents as barriers to signing long-term lease deals, landlords have altered leasing structures, with more short-term leases. The concept of pop-shops have allowed landlords to test the sales validity of their tenants while allowing the retailer the flexibility of a short-term deal. This leasing structure has become a growing trend throughout Manhattan.



Source: CoStar

Construction

Supply has been limited throughout this cycle, relative to past cycles, but with approximately 7,600,000 SF under construction, a spike in inventory growth is expected in 2019. Yet due to the nation-leading size of the New York market and strong pre-leasing activity in the projects under construction, the supply growth on a percentage basis is quite low and should have minimal ill effect on the market's vacancy rate.

Developers historically faced tough barriers to entry in the Manhattan submarkets, especially for large-scale developments, due to the lack of buildable land and zoning restrictions. However, as city officials approved rezoning plans in hopes to capitalize on under-utilized areas of the city, developers have taken advantage of the rare opportunity to build at such a large-scale. The mixed-use complex at the Hudson Yards is the pinnacle of such development in Manhattan. The Related Companies' 1,000,000-SF retail center at 20 Hudson Yards, referred to as The Shops & Restaurants at Hudson Yards, represents the retail component of the live-work-play community development underway. Set to be the second largest free-standing retail property in the borough, luxury retailer Neiman Marcus has leased 250,000-SF to anchor the property, establishing its first storefront in Manhattan.

Similarly in the Lower East Side district of the SoHo submarket, a mixed-use development called Essex Crossing, will comprise of approximately 1.9 million SF of residential, office, and retail space. A development consortium labeled Delancey Street Associates (a collaboration between Taconic Investment Partners, L+M Development, BFC Partners, Goldman Sachs, and the Prusik Group) along with the help of local officials, aims to enhance and revitalize the neighborhood by converting mostly vacant land to modern mixed-use towers. Approximately 490,000-SF of retail space is set to deliver on Delancey Street, with a tenant roster including Trader Joe's, Target, Essex Street Market, Regal Cinemas, among others.

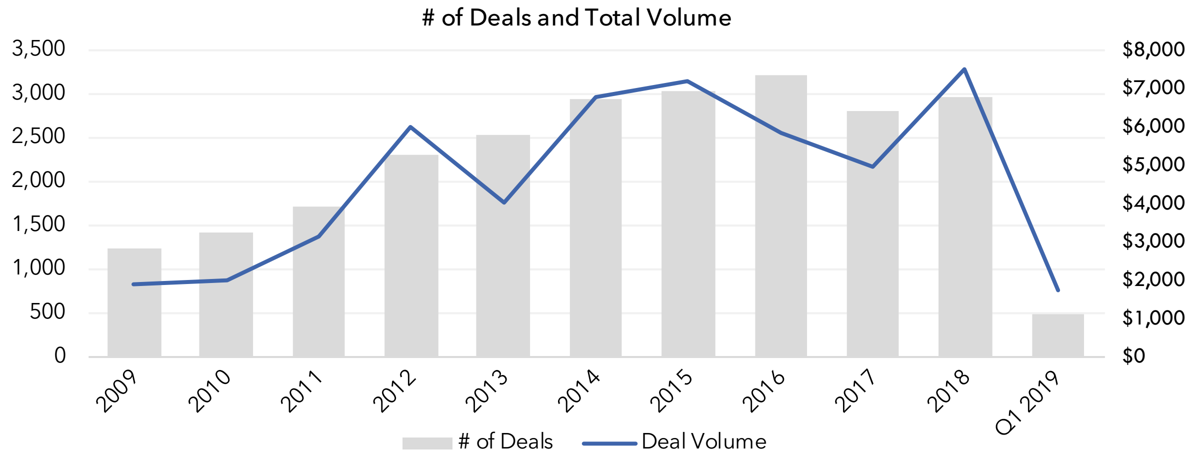
Aside from the mixed-use mega-projects in developing areas of Manhattan, typically retail projects of this size tend to break ground outside of the borough, where larger and more affordable land lots are available. The Meadowlands submarket in the Northern New Jersey section of the metro hosts the largest retail project currently under construction, called the American Dream at Meadowlands. The long awaited 2,069,000-SF super regional mall, located near the Metlife Stadium in East Rutherford, is finally expected to deliver in 2019. The massive mall complex will not only host major department store retailers such as Saks Fifth Avenue and Lord & Taylor, but also provide entertainment attractions such as an amusement park, water park, and an indoor snow park. Multinational conglomerate Triple Five Worldwide has finally taken full control of the development and sees the opportunity for the new complex to not only cater to the abundant local residents but to draw in tourists as well.

Sales

New York metro’s retail investment continues to show strength as annual sales volume has outpaced its historical average every year since 2014. The robust investor interest has inflated valuations to all-time high prices, as well as compressing cap rates to among the lowest across the nation. Investment is off to a strong start in 2019, following a cyclical high in 2018 when annual sale volume totaled approximately $7.5 billion. Both volume and pricing continue to benefit from institutional investors looking for access to the strong growth prospects of prime assets in the metro's famous shopping corridors.

The prime Class A and Class B rated assets in Manhattan highlight the top sales in recent years. In February 2019, WeWork Property Investors, the investment arm of the shared office space provider, acquired a majority stake in the Lord & Taylor building in Garment district, just south of Bryant Park. In a joint venture with local private equity firm, Rhone Capital, WeWork Property Investors valued the 616,000-SF property at $850 million. The lofty valuation is among the most expensive trades of a retail property this cycle and one of the most expensive commercial real estate transactions this year, regardless of asset type. Hudson Bay Co., the parent company of Lord & Taylor, will retain an ownership position valued at $125 million. WeWork intends to invest heavily in capital expenditures to renovate the building and maximize value out of the property.

One of the most expensive trades in 2018 was in the Times Square submarket, which is recognized as one of the top tourist attractions in the Manhattan. In September, Vornado Realty Trust acquired the remaining ownership of the retail condominium space at the base of the Marriot Marquis Times Square Hotel for $442 million. The real estate investment trust previously acquired the other half of the retail condo and invested in capital improvements to the space. The deal concludes a full ownership stake for the ground floor retail space (which was fully leased at the time of the sale), the 1,611 seat Marquis Theater leased to the Nederlander Organization, and the digital signage display at 1535 Broadway. The REIT now owns retail space and signage at 1535 Broadway and 1540 Broadway, both sides of the Times Square bow tie, one of the nation’s most visited tourist destinations and shopping corridors.



Source: CoStar

Contingent & Limiting Conditions

1. Any legal description or plats reported herein are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings, or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. We have made no survey of the property and assume no responsibility in connection with such matters.
2. The appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the appraiser or the appraiser's staff or was obtained or taken from referenced sources and is considered reliable. No responsibility is assumed for the costs of preparation or for arranging geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
3. No responsibility is assumed for matters legal in nature. Title is assumed to be good and marketable and in fee simple unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated.
4. Unless otherwise stated herein, it is assumed there are no encroachments or violations of any zoning or other regulations affecting the subject property and the utilization of the land and improvements is within the boundaries or property lines of the property described and that there are no trespasses or encroachments.
5. Bowery Real Estate Systems, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
6. It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein.
7. It is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
8. Unless otherwise stated within the report, the depiction of the physical condition of the improvements described herein is based on visual inspection. No liability is assumed for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made. No responsibility is assumed for hidden, unapparent, or masked property conditions or characteristics that were not clearly apparent during our inspection.
9. If building improvements are present on the site, no significant evidence of termite damage or infestation was observed during our physical inspection, unless so stated in the report. No termite inspection report was available, unless so stated in the report. No responsibility is assumed for hidden damages or infestation.
10. Any proposed or incomplete improvements included in this report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
11. No responsibility is assumed for hidden defects or for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
12. Responsible ownership and competent property management are assumed.
13. The appraisers assume no responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.

14. The value estimates reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value estimates, unless such proration or division of interests is set forth in the report.
15. Any division of the land and improvement values estimated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
16. Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment.
17. Unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered; unless otherwise stated. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
18. Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are our best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
19. Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
20. Bowery Real Estate Systems, Inc. representatives are not experts in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraisers are not qualified to detect such substances. The client is urged to retain an expert in this field.
21. We are not experts in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent endangered species impact studies, research, and investigation that may be provided.
22. No environmental impact studies were either requested or made in conjunction with this analysis. The appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, and investigation that may be provided.
23. The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

24. Neither all nor any part of the contents of this report or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media, without the prior written consent and approval of the appraisers. This limitation pertains to any valuation conclusions, the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof.

25. Although the appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the appraiser either by the client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or estimates of value.

26. If this report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

Subject Property Photos

All subject photos were taken on the date of value of this appraisal.

Building Front Facade

Building Side Facade

Building Side Facade

Building Rear Facade

Building Rear Facade

Subject driveway entrance

Electric Meters

Cooling System

Heating System

Water System

Heating System

Interior

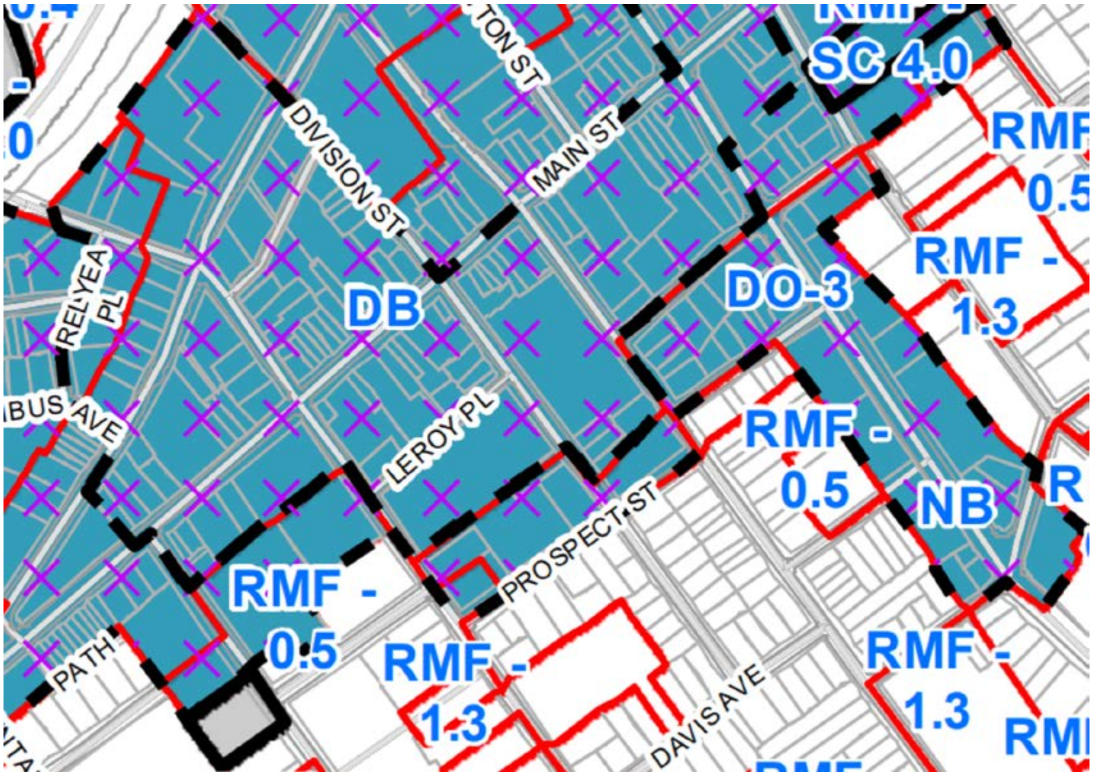
Interior

Interior

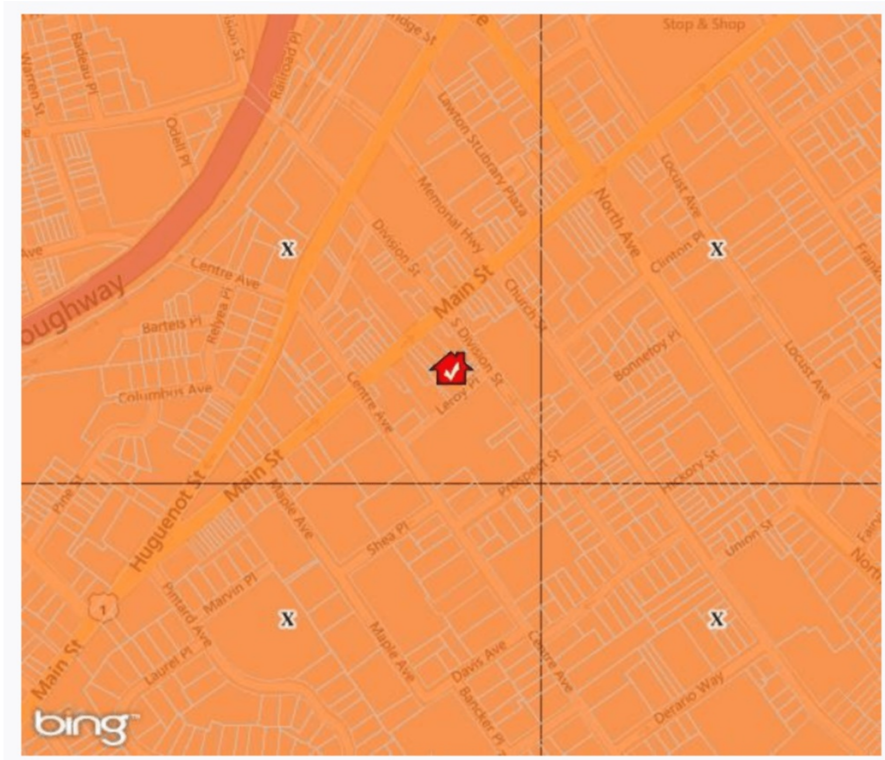
Interior

Map Gallery

Zoning Maps



Flood Map


Stop & Shop
Warren St
Odell Pl
Railroad Pl
Lawton St/Library Plaza
Memorial Hwy
Division St
Centre Ave
Main St
Church St
S Division St
Leroy Pl
North Ave
Locust Ave
Clinton Pl
Bonnefoy Pl
Bartels Pl
Relyea Pl
Columbus Ave
Huguenot St
Maple Ave
Shea Pl
Prospect St
Hickory St
Union St
Pintard Ave
Marvin Pl
Laurel Pl
Davis Ave
Bancker Pl
Deraino Way
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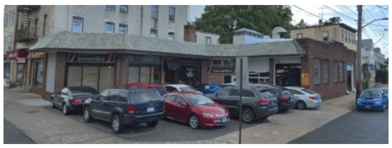
Comparable Sales Outline

Comparable Sale 1



245 Washington Ave

Grantee			GMT 245 REALTY LLC
Grantor			245 WASHINGTON AVENUE REALTY C
Sale No.			58179-3088
GBA			4,000 sq. ft. (Above Grade)
Parcel	13400044	**NOI**	Not Reported
		Cap Rate	Not Reported
Floors	1	**Sale Date**	7/6/2018
Units	1	**Sale Price**	$950,000
Site Area	5,227 sq. ft.		
Year Built	1930	**Per SF**	$238

Appraiser Comments

This is the sale of a single story, commercial building. It features 4,000 square feet of gross building area on 5227 square feet of land and is occupied by a single tenant. The property was constructed in 1930. It sold on July 6, 2018 for $950,000 which equates to $237.50 per square foot. We attempted to reach the parties involved in the sale, but after multiple attempts we were unsuccessful. All data is reported by Public Record and CoStar.

Comparable Sale 2

170 North Ave

Grantee			PEIXOTO CELESTE
Grantor			NODINE HILL REALTY LLC
Sale No.			57321-3222
GBA			2,280 sq. ft. (Above Grade)
Parcel	02150059	**NOI**	Not Reported
		Cap Rate	Not Reported
Floors	1	**Sale Date**	6/1/2018
Units	0	**Sale Price**	$995,000
Site Area	2,178 sq. ft.		
Year Built	1951	**Per SF**	$436

Appraiser Comments

This is the sale of a single story commercial building. It features 2,280 square feet of gross building area on 2,178 square feet of land. The property was constructed in 1951. It sold on June 1, 2018 for $995,000 which equates to $436.40 per square foot. We attempted to reach the parties involved in the sale, but after multiple attempts we were unsuccessful. All data is reported by Public Record and CoStar.

Comparable Sale 3

479 Main St

Grantee			479 MAIN RMR LLC
Grantor			HORN FRANCINE
Sale No.			57284-3348
GBA			2,751 sq. ft. (Above Grade)
Parcel	02290005	**NOI**	Not Reported
		Cap Rate	Not Reported
Floors	1	**Sale Date**	11/13/2017
Units	1	**Sale Price**	$725,000
Site Area	3,483 sq. ft.		
Year Built	1900	**Per SF**	$264

Appraiser Comments

This is the sale of a single story, commercial building. It features 1 commercial tenants, and has 2,751 square feet of gross building area on 3483 square feet of land. The property was constructed in 1900. It sold on November 13, 2017 for $725,000 which equates to $263.54 per square foot. We attempted to reach the parties involved in the sale, but after multiple attempts we were unsuccessful. All data is reported by Public Record and CoStar.

Comparable Sale 4

149 North Ave

Grantee			STRATFORD HOLDING CORP
Grantor			V & V CAPITAL LLC
Sale No.			51164-3328
GBA			5,200 sq. ft. (Above Grade)
Parcel	02120080	**NOI**	Not Reported
		Cap Rate	Not Reported
Floors	1	**Sale Date**	10/31/2017
Units	2	**Sale Price**	$1,725,000
Site Area	5,415 sq. ft.		
Year Built	1942	**Per SF**	$332

Appraiser Comments

This is the sale of a single story commercial building. It features 5,200 square feet of gross building area on 5415 square feet of land. There are two commercial units at grade. The property was constructed in 1942. It sold on October 31, 2017 for $1,725,000 which equates to $331.73 per square foot. We attempted to reach the parties involved in the sale, but after multiple attempts we were unsuccessful. All data is reported by Public Record and CoStar.

Qualifications

Helen Peng, MAI, MRICS, AI-GRS

Director

Experience:

Helen has over 32 years of experience in real estate valuation. The majority of her career was spent at Bankers Trust/Deutsche Bank. The first few years of her career was spent at Chase Manhattan Bank as an Appraiser with the last few years spent as a Director at BBG in New York City with the responsibility of Quality Control Reviewer.

At Deutsche Bank, Helen was a Director where she handled consulting, due diligence and prescreening of deals for various areas of the bank. Responsibilities include assessment of the transaction, cash flow analysis, market research, site visits and review of structure and documentation. Helen has also evaluated and conducted due diligence on domestic and international portfolios. Portfolios comprised of distressed mortgages and real estate owned assets. Travels covered Japan, Taiwan, South Korea, Sweden, Italy, France, Canada, Mexico, Czech Republic and Germany.

In addition, in her role as a Review Appraiser she ordered and reviewed appraisals, provided market data as well as opine on values for all property types on national basis.

During her tenure at Chase Manhattan Bank, Helen was a Second Vice President and Senior Staff Appraiser. Her experience involves writing and reviewing reports for various property types including commercial, industrial, residential and retail. Property located in Metropolitan and Suburban New York.

Education:

Master of Science in Real Estate, Diploma in Real Estate Investment, New York University, NY, NY

Bachelor of Science in Business Administration, Diploma in Real Estate and Urban Economic Studies, University of Connecticut, Storrs, CT

Professional Affiliations:

Appraisal Institute – Member designation, General Review Specialist designation, Former Faculty Member

Steven L. Newman Real Estate Institute AT CUNY Baruch – Former Faculty Member

Royal International Charter of Surveyors – Member

General Certified Appraiser:

State of New York (License #46000008916)

State of Connecticut (License RDG.0001473)

Brandon Gollotti

Vice President

Experience:

Mr. Gollotti is a Vice President at Bowery Real Estate Systems. He has worked in the real estate industry for a total of 9 years, including 6+ years of commercial real estate appraisal experience. Most recently, Mr. Gollotti served as an associate at BBG/ Leitner Group. Prior to joining the BBG/ Leitner Group, Mr. Gollotti was a Development Associate for Arcadia Land Company, a Philadelphia-based real estate land developer and consultant with a focus on smart growth and traditional neighborhood design techniques.

At BBG/ Leitner Group, Mr. Gollotti has appraised a wide variety of property types including multi-unit residential, office, industrial, retail centers, mixed-use properties and development sites.

Mr. Gollotti has recently received his state certification for New York State and is a candidate for designation of the Appraisal Institute.

Education:

University of Pennsylvania, College of Arts and Sciences (2010)
Magna Cum Laude, Dean's List, Bachelor of Arts with a major in Urban Studies and minor in History

Certifications:

General Certified Appraiser License – Maryland
General Certified Appraiser License – Pennsylvania
General Certified Appraiser License – New York State
General Certified Appraiser License – New Jersey State

Katie Schlager

Associate

Experience:

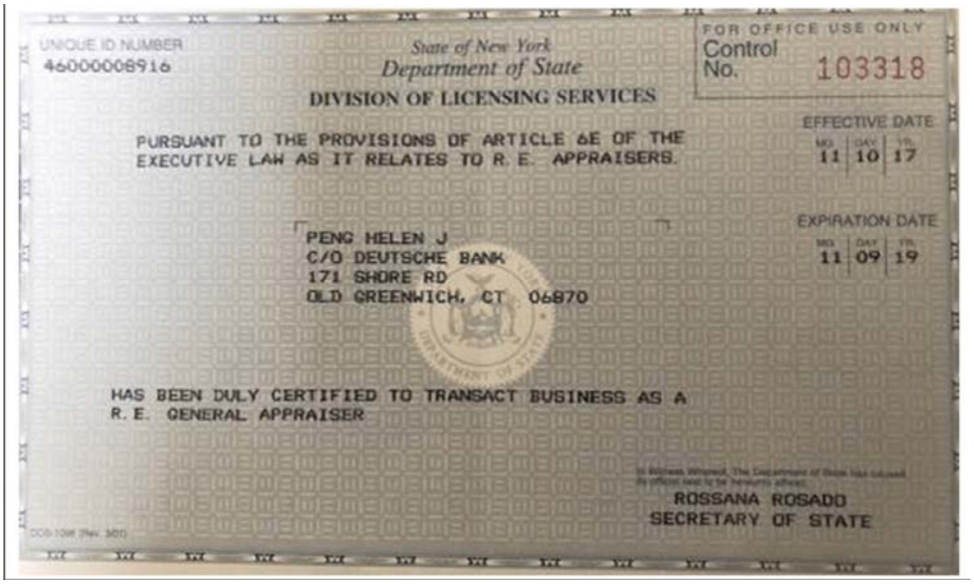
Katie comes to Bowery having recently completed her Bachelor of Arts degree at the University of Pennsylvania. During her time there, Katie spent a summer working as an Entrepreneur Selection and Growth Intern at Endeavor Global, an organization focused on selecting, mentoring and accelerating high-impact entrepreneurs in growth markets around the world. At Penn, Katie was the leader of the Campus Entrepreneurship Initiative, and co-founded a student fellowship committed to engaging in philanthropy in West Philadelphia. She was also a student tutor for three years. In previous summers, she was an investment analyst at Boston Impact Initiative, a social impact investment firm.

Education:

University of Pennsylvania, The College of Arts and Sciences (2018)

Magna Cum Laude, Bachelor of Art in Science, Technology and Society

Licenses



UNIQUE ID NUMBER
46000008916

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 103318

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

EFFECTIVE DATE
MO. 11 DAY 10 YR. 17

EXPIRATION DATE
MO. 11 DAY 09 YR. 19

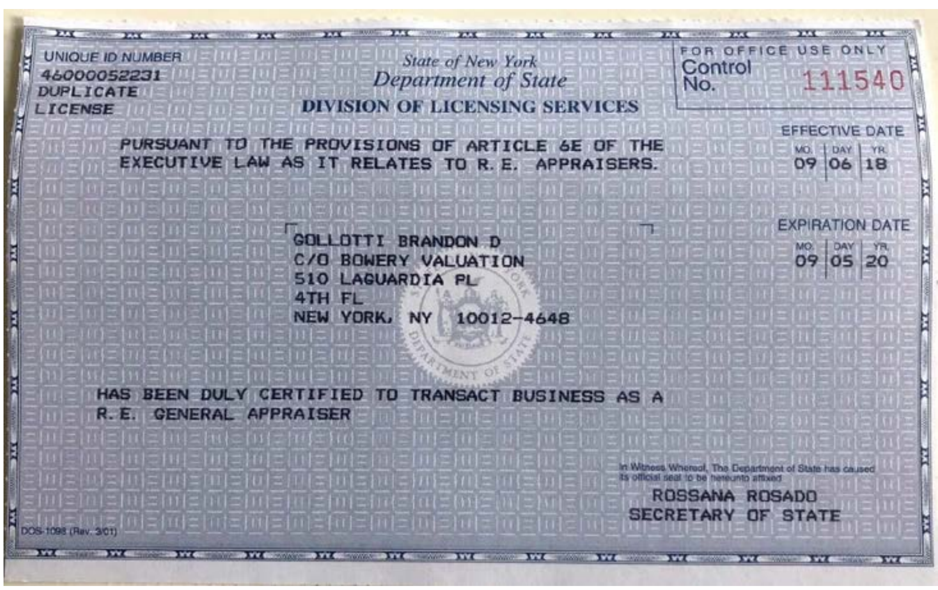
PENG HELEN J
C/O DEUTSCHE BANK
171 SHORE RD
OLD GREENWICH, CT 06870

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

ROSSANA ROSADO
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)



UNIQUE ID NUMBER
46000052231
DUPLICATE LICENSE

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 111540

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

EFFECTIVE DATE
MO. 09 DAY 06 YR. 18

EXPIRATION DATE
MO. 09 DAY 05 YR. 20

GOLLOTTI BRANDON D
C/O BOWERY VALUATION
510 LAGUARDIA PL
4TH FL
NEW YORK, NY 10012-4648

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

ROSSANA ROSADO
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

Letter of Engagement

Bowery Valuation
510 LaGuardia Place, 4th Floor
New York, NY 10012

ENGAGEMENT LETTER FOR PROFESSIONAL VALUATION SERVICE

Date of Agreement:

7/23/2019

PARTIES TO AGREEMENT:

Client:

Kieran O'Meara
CV Capital Funding
800 Third Avenue, 15th Floor
New York, NY 10022
(212)593-5100

Appraisers:

Bowery Valuation
510 LaGuardia Place, 4th Floor
New York, NY 10012
Phone: 917.597.3914
james@boweryvaluation.com

Client hereby engages Bowery Valuation to complete an appraisal assignment as follows:

PROPERTY IDENTIFICATION

Please refer to the addenda attached.

Bowery Valuation
510 LaGuardia Place, 4th Floor
New York, NY 10012

INTEREST VALUED

Leased Fee Interest

INTENDED USERS

The Intended Users of the report are the Client and its affiliates.

INTENDED USE

The Intended Use of the report is for the purpose of providing a loan.

TYPE OF VALUE

The current market value as is.

DATE OF VALUE

Current date of value.

PAYMENT TO BOWERY VALUATION

$ 8700

PAYMENT DUE DATE

Bowery Valuation shall invoice Client for services rendered pursuant to this Agreement based upon the fees specified in this Agreement. The fee is due upon delivery of draft report.

DELIVERY DATE

10 days from the date of the signed engagement letter.

DELIVERY METHOD

Final report delivered as PDF via email. Up to 3 printed reports delivered if requested.

Bowery Valuation
510 LaGuardia Place, 4th Floor
New York, NY 10012

HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS

Used if necessary, will be discussed with the client.

APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)

The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

ANTICIPATED SCOPE OF WORK

Site visit:

Interior and exterior observation, on-site.

VALUATION APPROACHES

Appraisers shall use all approaches necessary to develop a credible opinion of value; all three approaches considered: Sales comparison approach / Cost approach / Income approach

APPRAISAL REPORT

Report option:

Written Appraisal Report (fka Self-Contained Appraisal Report)

FORM OR FORMAT

Narrative Appraisal

CONTACT FOR PROPERTY ACCESS, IF APPLICABLE

To be provided by client

Bowery Valuation
510 LaGuardia Place, 4th Floor
New York, NY 10012

CONTRACT FOR SALE

If the property appraised is currently under contract for sale, Client shall provide to Appraisers a copy of said contract including all addenda.

PROPOSED IMPROVEMENTS

If the property appraised consists of proposed improvements, Client shall provide to Appraisers plans, specifications or other documentation sufficient to identify the extent and character of the proposed improvements.

ADDITIONAL DOCUMENTATION

Client agrees to provide Appraisers with the documentation as needed.

WHEN BOWERY VALUATION'S OBLIGATIONS ARE COMPLETE

Bowery Valuation's obligations pursuant to this Agreement are complete when the Draft Appraisal Report in the form specified in this Agreement is delivered to Client pursuant to this Agreement. Appraisers agree to be responsive to Client's legitimate inquiries regarding the contents of the report after delivery, however they are to be considered beyond the scope of the engagement.

CONFIDENTIALITY

Bowery Valuation shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Bowery Valuation may use employees or independent contractors at Bowery Valuation's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Bowery Valuation shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

Bowery Valuation
510 LaGuardia Place, 4th Floor
New York, NY 10012

SERVICES NOT PROVIDED

The fees set forth in this Agreement apply to the appraisal services rendered by Bowery Valuation as set forth in this Agreement. Unless otherwise specified herein, Bowery Valuation's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraisers' deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Bowery Valuation not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraisers' assignment pursuant to this Agreement shall not include Appraisers' participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment. If the appraisers are required to testify or make statements related to any part of the appraisal report by any party, the fee to the client shall be $500 per hour.

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to Bowery Valuation's delivery of the Appraisal Report upon written notification to Bowery Valuation. Client shall pay Bowery Valuation for work completed on assignment, billed at $500 per hour, prior to Bowery Valuation's receipt of written cancellation notice, unless otherwise agreed upon by Bowery Valuation and Client in writing.

Bowery Valuation
510 LaGuardia Place, 4th Floor
New York, NY 10012

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the law of the state in which Bowery Valuation's office as specified in this Agreement is located, exclusive of that state's choice of law rules. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Bowery Valuation's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

APPRAISER INDEPENDENCE

Appraisers cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraisers cannot guarantee the outcome of the assignment in advance. Appraisers cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraisers' opinion of value will be developed competently and with independence, impartiality and objectivity.

NOTICES

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement, or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party for delivery to the receiving party, whether or not the receiving party signs for or accepts delivery of such notice.

NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between Bowery Valuation or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

Bowery Valuation
510 LaGuardia Place, 4th Floor
New York, NY 10012

MEDIATION & ARBITRATION

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Bowery Valuation's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

SPECIAL OR CONSEQUENTIAL DAMAGES

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraisers be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraisers pursuant to this Agreement.

ASSIGNMENT

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

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SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect.

CLIENT'S DUTY TO INDEMNIFY APPRAISERS

Client agrees to defend, indemnify and hold harmless Bowery Valuation and Appraisers from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraisers by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Bowery Valuation shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraisers shall have the right to engage independent counsel at Bowery Valuation's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Bowery Valuation shall have the right to approve any settlement that results in any modification of Appraisers' rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

CLIENT'S REPRESENTATIONS AND WARRANTIES

Client represents and warrants to Bowery Valuation that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Bowery Valuation, nor will Client use Bowery Valuation's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between the Client and Bowery Valuation and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Bowery Valuation. This Agreement includes the Appendices (if any), which are incorporated into, and made a part of this Agreement.

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EXPIRATION OF AGREEMENT

This Agreement is valid only if signed by both an agent for Bowery Valuation and Client within 5 days of the Date of Agreement specified.

As Agent for Bowery	By Client:
	Kieran O'Meara
(Signature)	(Signature)
Steve Schaller	
	Jul 23, 2019
(Date)	(Date)

Bowery Valuation
510 LaGuardia Place, 4th Floor
New York, NY 10012

ADDENDA

Addresses of properties:

23 South Division Street | New Rochelle, NY 10805
15 Leroy Place | New Rochelle, NY 10805
41 South Division Street | New Rochelle, NY 10805
548 Main Street | New Rochelle, NY 10801