

APPRAISAL REPORT
ON
PROPERTY LOCATED AT

393 EAST MAIN STREET, (AKA SR 27A)
EAST PATCHOGUE, TOWN OF BROOKHAVEN
SUFFOLK COUNTY, NEW YORK 11772

200-977.50-4-20, 28, 38, 40, 41 & 43

VACANT LAND

REPUTED OWNER:

Town of Brookhaven

DATE OF VALUATION:

January 15, 2015

PREPARED FOR:

Town of Brookhaven
Department of Law
One Independence Hill
Farmingville, New York 11738

ROGERS & TAYLOR APPRAISERS, INC.

300 Wheeler Road, Suite 302
Hauppauge, New York 11788



James G. Taylor, MAI, SRA, President
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February 5, 2015

Town of Brookhaven
Department of Law
One Independence Hill
Farmingville, New York 11738

Attention: Annette Eaderesto, Town Attorney

Re: **393 Main Street East**
East Patchogue, Town of Brookhaven
Suffolk County, New York
(SCTM# 0200-977.50-4-20, 28, 38, 40, 41, 43)
Our File #: 29650-14

Dear Ms. Eaderesto:

Attached please find our appraisal of the Market Value of the Fee Simple interest of the above referenced property as of the date of inspection, January 15, 2015. The intended use of the appraisal is to provide the client with an estimated the market value of the subject property as of the date of inspection.

The subject property was viewed by this appraiser from the Street and from the interior of the site. The entire parcel was walked by this appraiser and an adequate amount of the subject parcel was observed in order for this appraiser to develop a credible report. The property was viewed without the owner.

It is assumed there are no deed restrictions or covenants that would have an adverse effect on the subject property. It is further assumed that there are no negative environmental factors that would have a negative impact on the subject.

Further it was confirmed that there is nothing outstanding about the subject parcels or surrounding area that would result in having a negative impact on future development potential.

The site was valued by this appraiser on two separate dates; April 12, 2009 and March 4, 2011.

This appraiser conducted research with the Town of Brookhaven Planning Department. According to Mr. David Barnes there are no current or pending development applications on the site. Additionally, it was confirmed that the ultimate intent for this site and sites like it in the community is for downtown type mixed use development. Based on discussions with Mr. Barnes, it was determined that the site in its current state is suitable for development.

The subject is located on the north side of Main Street East, (A.K.A. Route 27A) 74± feet west of Avery Avenue, in the Hamlet of East Patchogue, Town of Brookhaven, Suffolk County, New York. The subject property is comprised of several contiguous tax lots designated on the Suffolk County Tax Maps as follows: District: 0200, Section: 977.50 Block: 4, Lots: 20, 28, 38, 40, 41 & 43. Please be aware that an investigation with the Town Assessor's Department and Town Drafting Department did not identify any tax lot changes or consolidation. The tax lots stand as identified in this report as of the date of vesting. The tax lots listed are active. The subject parcel contains 91,184± Sq Ft or 2.09± acres and is zoned "*J-6 Business*" by the Town of Brookhaven.

The subject size has been determined via review of the Suffolk County tax maps as no survey was provided. The subject has frontage of 75± feet along the north side of Main Street East and is considered irregular in shape, (please see the tax map for subject shape). Access to the rear portion of the subject site, which is paved open area, is gained over lot#38. There is also a right of way located to the west of lot #38 which also provides access from East Main Street to the rear of the subject property. The right of way leads directly to lot #43 and provides pedestrian and vehicular access to the subject and other adjoining commercial properties. It is the understanding of this appraiser that sewers are available in the subject's general area. It is uncertain if the subject has been made ready to access the sewer system. It is assumed that connecting to the sewer system would be a condition for any potential site plan approval. The cost of this is considered under site development costs and is generally considered typical costs developers face when developing land. The actual cost of connecting to the sewer system goes beyond the expertise of this appraiser to determine. Please be aware that lot#43 appears to be an abandoned road as an extension of Links Drive which is the ROW from East Main Street.

The purpose of this appraisal is to estimate the market value of the Fee Simple Estate of the subject property as of the inspection date, January 15, 2015.

This appraisal report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and Title XI (and amendments) of the Financial Institution, Reform and Recovery and Enforcement Act of 1989 (FIRREA).

Exposure Time is defined by the Standards of Professional Appraisal Practice of the Appraisal Institute, Statement on appraisal Standards No. 6 printed 1/08 as follows:

"The estimated length of time 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; a retrospective opinion based on an analysis of past events assuming a competitive and open market."

*Appraisal institute, the dictionary of real estate appraisal (fifth edition, 2010)

Marketing Time is defined in the Dictionary of Real Estate Appraisal, Fifth Edition, as:

"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."

*Appraisal institute, the dictionary of real estate appraisal (fifth edition, 2010)

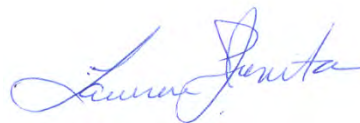
In order to appraise the subject site the Sales Comparison Approach was deemed the most appropriate valuation method when appraising vacant land.

We establish that a reasonable marketing period and exposure time for the subject property will range from nine to twelve months.

After analyzing all the available information, it is our opinion that the market value of the subject property as of the date of inspection, January 15, 2015, is as follows:

ONE MILLION FOUR HUNDRED FIFTEEN THOUSAND DOLLARS
(\$1,415,000.00)

Very truly yours,



Lawrence Giunta
State Certified General Real Estate Appraiser
Lic # 46000046476



James G. Taylor, MAI, SRA
State Certified General Real Estate Appraiser
Lic. # 46000002848

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QUALIFICATIONS OF THE APPRAISER

JAMES G. TAYLOR, MAI, SRA

Has been employed as a full-time appraiser for the past thirty nine years. Is President of Rogers and Taylor Appraisers, Inc. Completed four years as an undergraduate at Hofstra University, Hempstead, New York. Received a B.B.A. Degree in Personnel Management.

Is a licensed Real Estate Appraiser in both the State of New York and New Jersey holding the *Real Estate General Appraiser Certification license*. Is a licensed real estate salesman in the State of New York.

Has attended seminars for the Appraisal Institute, appraisal courses and lectures given by the Society of Real Estate Appraisers, Long Island Society of Real Estate Appraisers, American Society of Appraisers and other real estate groups.

Has taken and successfully completed the following:

- ◆ (Course 1A) "Basic Appraisal Principles, Methods and Techniques,"
- ◆ (Course 1B) "Capitalization Theory and Techniques,"
- ◆ (Course 11-1) "Case Studies,"
- ◆ (Course 11-11) "Valuation Analysis and Report Writing,"
- ◆ (Course 11-111) "Standards of Professional Practice,"
- ◆ (Course 1410) "Standards of Professional Practice," Part A
- ◆ (Course 1420) "Standards of Professional Practice," Part B, and
- ◆ (Course VI) "An Introduction to Real Estate Investment Analysis" given by the Appraisal Institute.
- ◆ Has credit for completion of Courses SPP - Parts A and B. In addition, has credit for successful completion of Courses 101, 201, 202 and the R-2 Examination given by the Society of the Real Estate Appraisers. Has attended Eminent Domain and Condemnation Appraising seminar given by Appraisal Institute. Has attended Seminar on "Appraising Environmentally Contaminated Properties: Understanding and Evaluating Stigma" given by Appraisal Institute as well as numerous seminars offered by the Appraisal Institute.

Has appraised all types of real estate: *vacant, improved, residential, income, farm and commercial* in the New York City and Long Island area.

Has appraised for condemnation for both condemnors and condemnees.

Has appraised for many local and New York law firms, as well as private individuals to establish values on all types of real property.

QUALIFICATIONS OF THE APPRAISER (Cont'd)

JAMES G. TAYLOR, MAI, SRA

Has appraised for various lending institutions in establishing values for all types of real property.

Has been qualified before both the **Nassau County and Suffolk County Supreme Courts**, the **New York State Court of Claims** and the **Bankruptcy Court of the State of New York**.

Has *taught* appraisal courses given by the *Society of Real Estate Appraisers* and the *Appraisal Institute* including **Courses 101, 201, 202 and Capitalization Theory and Techniques Parts A and B, Courses 310 and 320**. In addition, has taught the Appraisal Institutes seminar "**Understanding Limited Appraisals & Reporting Options**".

ASSOCIATION MEMBERSHIPS

MAI - Appraisal Institute
SRA - Appraisal Institute

APPRAISAL INSTITUTE

- Past Education Chairman
- Chairman of Government Affairs
- Chairman of Budget and Finance
- Treasurer
- Secretary
- Vice President
- Senior Vice President
- President

NATIONAL COMMITTEES APPRAISAL INSTITUTE

- Development Subcommittee - RAB
- Exam Subcommittee – General
- Narrative Exam Grading Panel
- GAC – General Appraisal Council

- ◇ R.E. General Appraiser - New York State License 46000002848
 - ◇ R.E. General Appraiser - New Jersey State License RG 01804
-

QUALIFICATIONS OF THE APPRAISER

LAWRENCE GIUNTA

Has a Bachelor in Business Administration from Bernard Baruch College, 1987

Has been recognized by New York State as a Certified Real Estate Appraisal Instructor since June 2006.

Has been recognized by New York State as a Certified Residential Real Estate Appraiser since 1992 and Certified General Real Estate Appraiser since June 2006.

Has conducted real estate appraisals in the counties of Suffolk, Nassau, Kings, Queens, Manhattan and elsewhere in New York State since February 1992.

Has been involved in gathering and reporting of data from town and county offices for the purpose of writing real estate appraisal reports since October 1987.

Has completed real estate appraisal reports of subject properties for condemnation assignments and real estate conservation for the State of New York State and County of Suffolk.

Appraisal reports were done to determine Market Values for owners contemplating sale, lending institutions for mortgage purposes, municipalities for condemnation and conservation and legal counsel for estate settlements and ownership disputes. Types of real estate appraised include vacant land, two to six family residences, single family homes, commercial/industrial properties, condominiums, cooperatives, new construction, proposed construction and multi-acre estates.

Has taken and successfully completed the following:

- ◆ Real Estate Appraisal Principles
- ◆ Basic Valuation Procedure
- ◆ Standards of Professional Practice
- ◆ Fair Housing and Fair Lending/Environmental Issues
- ◆ New York State Residential Certification Examination
- ◆ Introduction to Income Capitalization Theory G-1
- ◆ Principles of Income of Income Producing Properties G-2
- ◆ Advanced Principles of Income Producing Properties. G-3
- ◆ New York State General Certification Examination
- ◆ Maintained a consistent regimen of continuing education in real estate appraising since 1992.

ASSOCIATION MEMBERSHIPS

Associate Member – Appraisal Institute

- ◇ Generally Certified Commercial Real Estate Appraiser – New York State License #46000046476
-

GENERAL INFORMATION

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

TYPE OF PROPERTY:	Vacant land
REPUTED OWNER:	Town of Brookhaven
LOCATION:	North side of Main Street East, 75± feet west of Avery Avenue, East Patchogue, Town of Brookhaven, Suffolk County, New York
INTEREST APPRAISED:	Fee Simple Interest
SUFFOLK COUNTY TAX MAP #:	0200-977.50-4-20, 28, 38, 40, 41 & 43
LOT SIZE:	91,184± Sq Ft or 2.09± acres
ZONING:	J-6 Business
HIGHEST & BEST USE: As Vacant	As zoned for commercial development
DATE OF VALUE:	January 15, 2015

VALUE INDICATED BY THE COST APPROACH:	Not Developed
VALUE INDICATED BY THE INCOME APPROACH:	Not Developed
VALUE INDICATED BY THE SALES COMPARISON APPROACH:	\$1,415,000.00
ESTIMATED MARKET VALUE:	\$1,415,000.00

PHOTOGRAPHS OF SUBJECT PROPERTY



SUBJECT PROPERTY-GENERAL VIEW



SUBJECT PROPERTY-GENERAL VIEW

PHOTOGRAPHS OF SUBJECT PROPERTY



SUBJECT PROPERTY-GENERAL VIEW



SUBJECT PROPERTY-GENERAL VIEW

PHOTOGRAPHS OF SUBJECT PROPERTY



SUBJECT PROPERTY-GENERAL VIEW



SUBJECT PROPERTY-GENERAL VIEW

PHOTOGRAPHS OF SUBJECT PROPERTY



EAST MAIN STREET FACING WEST



EAST MAIN STREET FACING EAST

AERIAL VIEW OF SUBJECT PROPERTY



***Note the above aerial photograph was taken prior to the demolition of the former movie theatre which was situated on lot#38. The improvements are no longer present at the site.**

INTENDED USE OF THE APPRAISAL

The intended use of this *Appraisal Report* is to provide an estimate of the market value of the subject property in order to assist our client for internal purposes.

INTENDED USER OF THE APPRAISAL

The intended user of this appraisal report is our client, The Town of Brookhaven Department of Law.

DATE OF APPRAISAL/INSPECTION

The date at which Market Value is estimated is January 15, 2015, the date of last physical inspection. This report is being written as of February 5, 2015. A physical inspection of the subject site was conducted by Lawrence Giunta representing Rogers and Taylor Appraisers, Inc., without ownership representation.

PROPERTY IDENTIFICATION

The subject is located on the north side of Main Street East, (A.K.A. Route 27A) 74 \pm feet west of Avery Avenue, in the Hamlet of East Patchogue, Town of Brookhaven, Suffolk County, New York. The subject property is comprised of several contiguous tax lots designated on the Suffolk County Tax Maps as follows: District: 0200, Section: 977.50 Block: 4, Lots: 20, 28, 38, 40, 41 & 43. Please be aware that an investigation with the Town Assessors department and Town Drafting department did not identify any tax lot changes or consolidation. The tax lots stand as identified in this report as of the date of vesting. The tax lots listed are active. The subject parcel contains 91,184 \pm Sq Ft or 2.09 \pm acres and is zoned “J-6 Business” by the Town of Brookhaven.

MARKET VALUE, DEFINED

MARKET VALUE

Market Value is defined as; the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and 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 considers his 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 normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

"Real estate-related financial transaction" means any transaction involving:

1. The sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof; or
2. The refinancing of real property or interests in real property; or
3. The use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.¹

¹The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Pg. 12, C. 2010.

DEFINITIONS (CONT'D)

MARKET VALUE "AS-IS"

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

MARKET VALUE "AS-PROPOSED"

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

STABILIZED OCCUPANCY

Occupancy at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; the optimum range of long-term occupancy that an income-producing real estate project is expected to achieve under competent management after exposure for leasing in the open market for a reasonable period of time at terms and conditions comparable to competitive offerings.

HYPOTHETICAL CONDITION

A condition that is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

DEFINITIONS (CONT'D)

EXTRAORDINARY ASSUMPTION

An **Extraordinary Assumption** can be defined as follows: *

"An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP 2010-2011 ed.)"*

* Appraisal Institute, The Dictionary of Real Estate Appraisal (Fifth Edition, 2010), p. 73

PHYSICAL DEPRECIATION

Physical depreciation also referred to as physical deterioration, which is an impairment of condition; a cause of depreciation that reflects the loss in value due to wear and tear, disintegration, use in service, and the action of the elements. This type of depreciation is divided into two categories, curable and incurable. Curable depreciation refers to items of physical deterioration that are economically feasible to cure. Economic feasibility is indicated if the cost to cure is equal to or less than the anticipated increase in the value of the property. Incurable depreciation refers to an element of depreciation; a defect caused by physical deterioration that cannot be practically or economically corrected.

FUNCTIONAL OBSOLESCENCE

Functional obsolescence is an element of depreciation resulting from deficiencies or superadequacies in the structure. This type of depreciation is also divided into two categories, curable and incurable. Curable functional obsolescence refers to an element of depreciation; a curable defect caused by a flaw in the structure, materials, or design. Incurable functional obsolescence refers to an element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design, which cannot be practically or economically corrected.

DEFINITIONS (CONT'D)

EXTERNAL OBSOLESCENCE

External obsolescence is an element of depreciation; a defect, usually incurable, caused by negative influences outside a site and generally incurable on the part of the owner, landlord, or tenant.

Exposure Time is defined by the Standards of Professional Appraisal Practice of the Appraisal Institute, Statement on appraisal Standards No. 6 printed 1/08 as follows:

“The estimated length of time 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; a retrospective opinion based on an analysis of past events assuming a competitive and open market.”

**Appraisal institute, the dictionary of real estate appraisal (fifth edition, 2010)*

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**Appraisal institute, the dictionary of real estate appraisal (fifth edition, 2010)*

DEFINITIONS (CONT'D)

LIQUIDATION VALUE

Liquidation Value is defined as; the most probable price which a specified interest in real property is likely to bring under all of the following conditions.

1. Consummation of a sale will occur within a severely limited future marketing period specified by the client.
2. Actual market conditions are those currently obtained for the property interest appraised.
3. The buyer is acting prudently and knowledgeably
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. The buyer is acting in what he or she considers his or her best interest.
7. A limited marketing effort and time will allow for the completion of a sale.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto, and
9. The price represents normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

PROSPECTIVE MARKET VALUE UPON COMPLETION OF CONSTRUCTION

A forecast of the market value of a property that is proposed, under construction, under conversion, or in the process of rehabilitation, subject to the assumption that the improvements are 100% completed as of a specified future date. Implicit in this definition is the assumption that the property has achieved 100% unit sellout, or stabilized occupancy, as appropriate, as of the projected date of completion. Should anticipated market conditions indicate that complete unit sellout, or stabilized occupancy, is not likely as of the date of completion, all appropriate deductions and discounts, similar to those referenced above, should be applied.

PROSPECTIVE MARKET VALUE UPON REACHING STABILIZED OCCUPANCY

A forecast of the market value of a property that is expected to occur at the estimated date of stabilized occupancy. Implicit in this definition is the assumption that all improvements to the property have been physically completed and that the property has been leased to its optimum level of long-term occupancy as of the date of value.

PROPERTY RIGHTS APPRAISED

The property is appraised on the basis of Fee Simple Interest.

A Fee Simple Interest can be defined as:

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.*

**Appraisal institute, the dictionary of real estate appraisal (fifth edition, 2010), p.111*

OWNERSHIP AND OCCUPANCY

OWNER: Town of Brookhaven

OCCUPANT: Vacant Land

SALES HISTORY

The current owner vested title 3/4/2011 through an eminent domain proceeding.
To the best of the appraisers' knowledge, the subject property is not offered for sale nor is it currently under contract.

SCOPE OF THE APPRAISAL

The appraiser has been given the assignment of completing an Appraisal report estimating the market value of the subject property as of the date of last inspection, January 15, 2015.

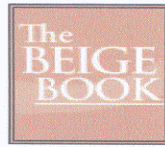
To perform this appraisal, we have undertaken the following scope of services:

- Inspected the subject property on January 15, 2015, by Lawrence Giunta of Rogers & Taylor Appraisers, Inc.
- Reviewed population growth, income characteristics, employment trends, and other demographic trends which impact on the subject property.
- Analyzed the supply and demand in the subject's market to determine the highest and best use and isolate and identify those factors which impact value.
- Inspected the surrounding area to establish neighborhood characteristics, such as occupancy, quality and type of properties in the area.
- Researched comparable land sales with all rights intact in the Township of Brookhaven. Real Quest, Comps, Inc., the Long Island Multiple Listing Service and the records of the County of Suffolk were the main sources of the sales.
- Researched commercial land sales in competitive communities utilizing Comps, Inc., the Long Island Multiple Listing Service and the records of the County of Suffolk.
- Researched pertinent information regarding the subject property regarding the legality of development Researched applicable zoning and municipal regulations in Brookhaven Township.
- Established the subject and comparable land sizes via a combination of tax maps, surveys, deed plotting program and verification of the sales.

SCOPE OF THE APPRAISAL (Cont'd)

- Inspected, photographed and analyzed comparable sales.
- Investigated current assessments, and current tax rates, through conversations with the Brookhaven Town Assessor's Office.
- Established a history for the subject property via researching prior sales in published sources listed above as well as property records in the Suffolk County Department of Real Estate and the Town of Brookhaven.
- Concluded that neither the Cost Approach nor the Income Approach to Value was applicable in the valuation of the subject property.
- Concluded that the Sales Comparison Approach was applicable to the subject.
- Analyzed the comparable sales and conducted the applicable approaches to value.

CURRENT ECONOMIC CONDITIONS (BY FEDERAL RESERVE DISTRICT)



January 14, 2015

Summary of Commentary on **Current Economic Conditions** by Federal Reserve District

Prepared at the Federal Reserve Bank of San Francisco and based on information collected on or before January 5, 2015. This document summarizes comments received from business and other contacts outside the Federal Reserve System and is not a commentary on the views of Federal Reserve officials.

Reports from the twelve Federal Reserve Districts suggest that national economic activity continued to expand during the reporting period of mid-November through late December, with most Districts reporting a "modest" or "moderate" pace of growth. In contrast, the Kansas City District reported only slight growth in December. However, most of their contacts, along with those of several other Districts, expect somewhat faster growth over the coming months. The Dallas District indicated that growth slowed slightly during the reporting period and that several contacts expressed concern about the effect of lower oil prices on the District economy. Consumer spending increased in most Districts, with generally modest year-over-year gains in retail sales. Auto sales showed moderate to strong growth. Travel and tourism picked up during the reporting period. The pace of growth of demand for nonfinancial services varied widely across Districts and across sectors, but appeared to be moderate on balance. Manufacturing activity expanded in most Districts. Single-family residential real estate sales and construction were largely flat on balance across the Districts, while commercial real estate activity expanded. Demand for business and consumer credit grew. Credit quality improved a bit further overall. Agricultural conditions were mixed. Overall demand for energy-related products and services weakened somewhat, while the output of energy-related products increased.

Payrolls in a variety of sectors expanded moderately during the reporting period. Significant wage pressures were largely limited to workers with specialized technical skills. Prices increased slightly, on balance, in most Districts.

CONSUMER SPENDING AND TOURISM

Consumer spending increased in most Districts, with generally modest year-over-year gains in retail sales. Contacts reported slight to modest gains in the Boston, Dallas, Philadelphia, and Cleveland Districts. Sales were solid in Atlanta. Moderate holiday sales growth exceeded expectations in Chicago and met expectations in San Francisco. General merchandise retailers in the New York District indicated that sales were largely sluggish and below plan for the holiday season. The Kansas City District reported that retail sales were lower than a year earlier, with a few retailer contacts noting a drop in sales of high-end products. In contrast, Philadelphia and San Francisco reported that high-end merchandise continued to sell well.

CURRENT ECONOMIC CONDITIONS (BY FEDERAL RESERVE DISTRICT) cont'd

Auto sales showed moderate to strong growth on a year-over-year basis, with Philadelphia, Cleveland, and Dallas at the lower end of this range, and Atlanta and Chicago at the higher end. Atlanta auto dealers noted that lower gas prices quickly boosted purchases of larger vehicles. However, some dealers in the St. Louis District reported excess inventories of luxury cars. Kansas City reported that auto sales decreased during the reporting period but remained higher than 12 months earlier. Auto sales were robust in some areas of the San Francisco District, but were somewhat below expectations in other areas.

Travel and tourism picked up during the reporting period. The Boston, New York, Atlanta, and San Francisco Districts reported strong travel and tourism activity. Broadway theaters reported that attendance and revenues were up more than 10 percent from the same period in 2013. Tourism in the Richmond and Kansas City Districts was at or above normal seasonal levels. However, ski resorts in the Philadelphia District struggled to attract visitors in the midst of unseasonably warm weather. Warm December weather in the Minneapolis District also reduced winter tourism there.

NONFINANCIAL SERVICES

The pace of demand growth for nonfinancial services varied widely across Districts and sectors during the reporting period, but appeared to be moderate on balance. Overall, nonfinancial service-sector firms in the Philadelphia and San Francisco Districts continued to report moderate growth. Most nonfinancial service firms in the Dallas District reported flat or higher demand. Activity at professional business services firms in Minneapolis and Kansas City increased. However, contacts in the Kansas City District expect that pace of growth to slow somewhat in coming months. The Boston District reported that some consulting and advertising firms grew rapidly. Demand for staffing services in the Dallas District was mixed, with some contacts reporting strong increases in demand and others reporting slight decreases. Freight volume in the Cleveland District increased during the reporting period, but contacts stated that freight transportation capacity constraints remained an issue. Freight volume in Atlanta, Kansas City, and Dallas held steady or increased on a year-over-year basis.

MANUFACTURING

Manufacturing activity expanded in most Districts. Philadelphia reported that manufacturing activity grew at a modest pace during the current reporting period, with a slight slowdown relative to the previous period. Reports regarding new orders and shipments in the Philadelphia District suggested some further slowing moving forward. Manufacturing shipments and new orders grew modestly in the Richmond District. Contacts at factories in the Cleveland District reported that demand increased a bit on balance. Manufacturing activity grew at a moderate pace in Boston, New York, Chicago, and San Francisco. However, a manufacturer in the Boston District indicated that congestion at West Coast ports had impeded its exports. Activity in the auto industry in the Chicago District remained a source of strength for the region. Atlanta reported that manufacturing activity strengthened overall. Minneapolis and Kansas City reported that manufacturing activity increased only slightly during the reporting period.

CURRENT ECONOMIC CONDITIONS (BY FEDERAL RESERVE DISTRICT) cont'd

REAL ESTATE AND CONSTRUCTION

Single-family residential real estate sales and construction were largely flat on balance across the Districts. Sales declined somewhat on a year-over-year basis in the Boston, Cleveland, Atlanta, Chicago, Minneapolis, Kansas City, and Dallas Districts. In the Philadelphia District, year-over-year existing home sales finished lower in November, but pending December sales in some areas were up notably over December 2013. However, builders of new homes in the Philadelphia District reported weak traffic for prospective buyers and fewer contract signings. San Francisco reported that overall home sales picked up in December. Richmond reported a modest increase in housing market activity. Home prices increased modestly, on balance, in the Boston, Philadelphia, Cleveland, Atlanta, Chicago, and Dallas Districts. The Cleveland, Atlanta, Chicago, Minneapolis, and Kansas City Districts all reported slightly slower single-family residential construction activity. However, the pace of single-family home construction increased in some areas of the San Francisco District.

Commercial real estate activity expanded in most Districts. The Philadelphia District reported a modest pace of growth for commercial real estate leasing activity, and Boston reported improving conditions in commercial real estate markets overall. Commercial real estate activity in the Chicago and Kansas City Districts expanded at a moderate pace. The Dallas District noted that office leasing activity remained strong, but one contact noted a slight pullback in demand from oil and gas firms. Demand for apartments in the Dallas District also remained strong. New York City's co-op and condo market showed continued strength in the final quarter of 2014; apartment sales volume was down from the exceptionally high levels of the prior year but still fairly brisk, while selling prices were up moderately. Commercial construction activity increased in most Districts. Activity grew modestly in the Philadelphia District and a bit faster in the Atlanta and Chicago Districts. Atlanta cited the multifamily residential segment as a source of growth, while Chicago credited demand for industrial and office buildings. Commercial builders in the Cleveland District reported a moderate to robust increase for projects in the pipeline. Dallas reported that overall commercial construction was strong. San Francisco reported that multifamily residential construction was strong in many areas of that District and that retail, office, industrial, or infrastructure projects were widespread across that District.

BANKING AND FINANCE

Demand for business and consumer credit grew during the reporting period. Overall loan demand increased slightly in the Richmond, Kansas City and Dallas Districts. Philadelphia reported a modest increase in total loan volume. Contacts in the San Francisco District gave mixed reports regarding total loan growth. Demand for business credit in the Cleveland District grew overall during the reporting period. Demand for auto loans in the Chicago District grew moderately, and one contact noted a significant spike in credit card applications.

CURRENT ECONOMIC CONDITIONS (BY FEDERAL RESERVE DISTRICT) cont'd

BANKING AND FINANCE (CONT'D)

Credit quality generally remained good, with overall reductions in loan delinquencies. According to the Philadelphia District, most of their financial industry contacts reported continued improvements in their customers' overall credit quality and in their own loan portfolios. However, high rates of severely distressed mortgages persisted in New Jersey and Pennsylvania. Contacts reported little change in their own lending standards. However, several Districts commented that their contacts indicated that stiff competition for high-quality borrowers was leading to lower underwriting standards among lenders more generally.

AGRICULTURE AND NATURAL RESOURCES

Agricultural conditions were mixed during the reporting period. Contacts in the Richmond District reported that agribusiness conditions were better than in the same period a year earlier. The St. Louis District reported that winter wheat harvests are likely to be lower than average, largely reflecting planting delays in Illinois due to wet weather in October. The level of red meat output in the St. Louis District through November was below year-earlier levels, while hog and milk output in the Chicago District was higher than expected during the reporting period. Agricultural lenders in the Minneapolis District expected farm incomes in the fourth quarter of 2014 to come in below the level of the same quarter in 2013. Prices received by farmers in the Minneapolis District in December decreased from the previous year for corn, soybeans, wheat, hay, and milk; prices increased for cattle, hogs, eggs, and poultry. Agricultural growing conditions in the Kansas City District were generally favorable in December, and crop prices rose modestly. Kansas City reported that wheat prices increased modestly amid global supply concerns about limits on Russian grain exports and lower production estimates in Australia. The Dallas District reported that agricultural conditions improved slightly, but drought conditions continued in portions of Texas. Some areas of the Atlanta District saw a moderate improvement in drought conditions. Dairy farm profits in the San Francisco District increased significantly over the past year, but milk futures prices declined recently. Uncertainty regarding future water availability in California slowed new plantings of permanent crops.

Overall demand for energy-related products and services weakened somewhat during the reporting period. The Kansas City and Dallas Districts reported that demand for oilfield services decreased, while the Atlanta District reported that growth in the supply of crude oil and natural gas continued to outpace demand growth. However, contacts in the San Francisco District reported that energy demand from manufacturers was solid. The overall output of energy-related products increased. Natural gas production in the Richmond District increased moderately during the reporting period, and the number of natural gas rigs in the Kansas City District increased. The pace of coal production in the St. Louis District during the reporting period exceeded that of the same period in 2013, and year-to-date coal production in the Cleveland District slightly exceeded prior year levels. The rate of coal production in the Richmond District remained slow during the reporting period. The Cleveland District reported that natural gas extraction activity remained at a high level. Oil drilling activity in the Kansas City District declined, and contacts expect that District's energy sector to slow further in response to lower energy prices.

CURRENT ECONOMIC CONDITIONS (BY FEDERAL RESERVE DISTRICT) cont'd

EMPLOYMENT, WAGES, AND PRICES

Payrolls in a variety of sectors expanded moderately during the reporting period. The Chicago District reported that overall hiring increased, and the Minneapolis District indicated that labor markets continued to tighten. Contacts at staffing firms in the Philadelphia District reported continued moderate increases in hiring for both temporary and permanent positions. Labor demand in the Richmond District increased, and the Atlanta District saw job gains across most sectors. Payrolls increased at a modest pace in the Cleveland District, primarily in banking, freight services, and manufacturing. Manufacturing payrolls also expanded in the Richmond and St. Louis Districts. In contrast, the Boston District reported that manufacturers were not hiring. Reports of hiring in the Dallas District were slightly less widespread than in the previous reporting period, and a few energy firms in that District reported hiring freezes and layoffs.

Significant wage pressures continued to be limited largely to workers with particular technical skills. Indeed, the Philadelphia, Cleveland and Chicago Districts noted that upward wage pressures tended to be limited to experienced and technically-skilled personnel. The Richmond District reported that overall wage pressures were mild during the reporting period and that average wage growth in manufacturing slowed somewhat. The Dallas District noted fewer reports of rising wage pressures than in the previous reporting period. In contrast, Kansas City reported that wage growth accelerated slightly, with many contacts citing labor shortages.

Prices increased slightly, on balance, in most Districts during the reporting period. Overall prices in the Cleveland, Chicago, and Dallas Districts were largely stable. Businesses in the Atlanta District continued to report little input cost pressure and limited pricing power. Boston indicated that cost pressures varied, with selective price increases planned by some respondents. Contacts in the Philadelphia District reported little change to the steady, slight pace of price increases. Overall prices increased modestly in the Kansas City and San Francisco Districts. The Richmond District reported that retail prices grew at a slower pace than in the previous reporting period, while price inflation in the non-retail service sector increased slightly. The Cleveland District reported scattered indications of declining prices for petroleum-based products and some metals. However, several Districts reported that the cost of a variety of construction materials increased.

CURRENT ECONOMIC CONDITIONS (BY FEDERAL RESERVE DISTRICT) cont'd

Second District--New York

Growth in the Second District's economy has continued at a moderate pace since the last report. Businesses report that cost pressures overall have abated further, though there are some reports of increased wage pressures; selling prices remain generally stable to up slightly. In general, businesses report that conditions have improved somewhat since the last report. Labor market conditions appear to have strengthened further in the final weeks of 2014. Retailers report that holiday season sales were somewhat disappointing and little changed from 2013 levels, though sales picked up toward the latter part of December. Auto dealers characterize sales as sluggish in November, though both picked up, to varying degrees, in December. Tourism remained fairly robust in late 2014, and consumer confidence climbed to a multi-year high. Housing markets were mixed but, on balance, somewhat stronger in the final weeks of 2014; multi-family construction has been fairly brisk. Office markets have been generally steady, while the market for industrial space has strengthened a bit. Finally, banks report increased loan demand--particularly from the commercial sector--as well as narrowing loan spreads; delinquency rates continued to decline for commercial loans and mortgages, but picked up for residential mortgages.

CONSUMER SPENDING

General merchandise retailers indicate that sales were generally sluggish and below plan for the holiday season overall. However, most retail contacts noted that, while November and early December were sluggish, sales did pick up toward the latter part of the month, especially in the week after Christmas. The mid-November snowstorm that hit large parts of metropolitan Buffalo shut down many retailers for a number of days; in general, contacts in upstate New York note that sales picked up somewhat in December (especially toward the end of the month) but were little changed from the prior holiday season. Similarly, two major retail chains report that holiday-season sales across the region were below plan and little changed from 2013 levels, though both noted that sales picked up toward the latter part of December--especially after Christmas. Overall, prices were described as little changed from a year earlier; some contacts report heavier discounting this past holiday season than in 2013, while others characterize it as about the same. Post-holiday inventories are generally said to be in fairly good shape.

Reports from auto dealers across upstate New York indicate that sales were sluggish in November but picked up somewhat in December. Rochester-area dealers note that new vehicle sales weakened substantially in November but rebounded in early December, while used car sales improved. Buffalo-area dealers paint a more mixed picture: new auto sales have not rebounded substantially from November's weather-depressed levels, though sales of used vehicles have picked up somewhat. Auto dealers in both areas note that both wholesale and retail credit conditions remain favorable.

CURRENT ECONOMIC CONDITIONS (BY FEDERAL RESERVE DISTRICT) cont'd

Second District--New York

CONSUMER SPENDING (CONT'D)

Consumer confidence in the region climbed in December, based on the Conference Board's survey of residents in the region. Confidence rose to a 10-month high in New York State and to a more than one-year high in the broader Middle Atlantic region (NY, NJ, PA). Tourism continued to be strong in late 2014. Broadway theaters report that attendance and revenues accelerated in December, and were up more than 10 percent from comparable 2013 levels. Manhattan hotels also report that business has continued to be brisk toward the end of the year.

CONSTRUCTION AND REAL ESTATE

The District's housing markets have shown signs of picking up in the closing weeks of 2014. Real estate contacts in western New York State indicate that the housing market has gained some momentum in the final months of 2014, particularly for trade-ups to mid-priced homes. New York City's co-op and condo market showed continued strength in the final quarter of 2014: apartment sales volume was down from the exceptionally high levels of a year ago but still fairly brisk, while selling prices were up moderately.

New York City's residential rental market has been mixed: Rents in Manhattan and Brooklyn have picked up somewhat and are up roughly 5 percent from a year ago, while Queens rents have been fairly steady. Residential rents elsewhere around the New York City metro area are reported to be up 4-6 percent from a year ago, while rents across upstate New York are up about 2 percent. Rental vacancy rates have risen slightly across the District, though they remain fairly low, especially in New York City. Multi-family construction remained fairly robust throughout most of the District in the fourth quarter.

Commercial real estate markets were mixed but, on balance, somewhat stronger in the fourth quarter. In New York City, office availability rates continue to drift down to new multi-year lows, while asking rents are running 6-8 percent higher than a year ago. Availability rates also edged down in northern New Jersey but edged up in Long Island and across upstate New York. Rents outside New York City are generally little changed from a year earlier. Office construction across the District continues to be sparse at best. Industrial markets, however, mostly improved in the fourth quarter, as industrial availability rates continued to trend down in Long Island and northern New Jersey, while asking rents rose moderately.

CURRENT ECONOMIC CONDITIONS (BY FEDERAL RESERVE DISTRICT) cont'd

Second District--New York

OTHER BUSINESS ACTIVITY

Manufacturing contacts across the District generally report that conditions improved somewhat in late 2014. Moreover, a survey of New York City area purchasing managers points to an acceleration in business activity in December; and a trucking industry expert reports that business conditions have improved substantially in late 2014, reflecting both strong demand and falling diesel prices; truck drivers are in high demand.

The job market overall showed further signs of strengthening in December, though contacts noted that this is a difficult time of year to gauge the market. Still, one employment agency notes that hiring activity has remained unusually robust across a range of industry sectors during this typically slow month. Another employment agency reports more of a typical seasonal lull but notes that more job candidates seem to be receiving multiple offers. Both contacts note increasing upward pressure on wages. Various contacts mention particularly strong demand for workers in information technology, human resources, customer service and trucking.

FINANCIAL DEVELOPMENTS

Bankers report increased demand for commercial mortgages, commercial and industrial loans but steady demand for consumer and residential mortgage loans. Bankers note a continued decrease in demand for refinancing. Banks report that credit standards were mostly unchanged though there were slight indications of tightening in consumer loans and commercial mortgages. Respondents report a slight decrease in spreads of loan rates over cost of funds--mainly on consumer, as well as commercial and industrial loans. Respondents indicate no change in the average deposit rate, on balance. Finally, bankers report continued decreases in delinquency rates on commercial mortgages and commercial and industrial loans, but an uptick in delinquencies for residential mortgages and some leveling off in rates on consumer loans.

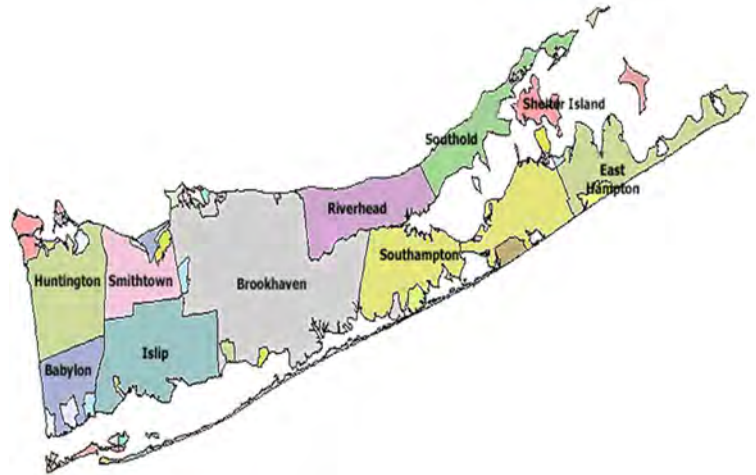
SUFFOLK COUNTY DATA

2014

Suffolk County is located on the easternmost portion of Long Island, New York. Long Island is approximately 120 miles long, 12-16 miles wide and contains a total area of 1,372± square miles.

Included in the area of Long Island are the Boroughs of Brooklyn and Queens, which are part of New York City, and the counties of Nassau and Suffolk. Physically, Suffolk County is bound on the north by the Long Island Sound, which separates it from Connecticut, on the south by the Atlantic Ocean, and the west by Nassau County. At the westernmost location of the County, the distance to the Queens border is approximately 15 miles and the distance to the center of Manhattan is approximately 30 miles.

Nassau and Suffolk County each has its share of pleasurable amenities that make Long Island such a desirable area to live, work and play. With 1,180 miles of shoreline, both counties have numerous beaches and other water sports and recreational facilities, which attract much tourism.



TOTAL LAND AREA: SUFFOLK COUNTY
Square Miles: 912.20
Current Population: 1,499,273

This is particularly true of Suffolk's eastern towns. Tourism and the influx of seasonal residents on the East End have a dramatic effect on both the population and the economy.

LOCAL GOVERNMENT

Suffolk County is divided into 10 towns, Babylon, Brookhaven, East Hampton, Huntington, Islip, Riverhead, Shelter Island, Smithtown, Southampton and Southold. Each town elects a supervisor who is its chief executive officer and who presides over meetings of the town board on which he is a voting member. A town board is responsible for preparing and adopting a budget and for administering town finances. It enacts local laws and ordinances, appoints town officials and citizen boards, levies taxes for town services and administers all services to unincorporated areas. Other elected town officials are the town clerk, superintendent of highways and receiver of taxes.

SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

VILLAGES AND HAMLETS

There are 31 villages and 128 hamlets within the 10 towns of Suffolk County. Each village has an elected mayor, four to six elected trustees, a clerk and a treasurer. They may also have such officials as an engineer, superintendent of public works, an auditor, justice of the peace, an attorney and other officials they consider necessary. The mayor prepares a budget that must be submitted to the board of trustees for approval. The board sets a tax rate to support the budget and supervises the collection of taxes. The board is also responsible for the safety and welfare of inhabitants and the protection of property.

SCHOOL DISTRICTS

The Suffolk County Public School District makes up two of the three major school districts on Long Island, including Eastern and Western Suffolk County Public Schools. Even though Eastern and Western are both considered Suffolk County Public Schools, they operate individually with their own District Superintendents, board members, educators, teachers, and staff. The third major district on Long Island is the Nassau County School District. Long Island is home to the largest school districts in New York State outside of the New York City Public Schools system.

Nassau and Suffolk Counties are comprised of 127 public school districts and nearly twice as many [private schools](#). Both school districts provide excellent special education programs and nationally leading ESL and Bilingual education options. Although the number grows each year, it is estimated that nearly half a million students, instructed by approximately 35,800 teachers, attend Long Island public and private schools. Both private and public school districts on Long Island, including those located in Suffolk County, are noted to be among the highest ranking school districts in the US.

Long Island Public Schools:

▪ Total # of Districts:	127
▪ Total # of Students:	476,000
▪ Total # of Teachers:	35,800

Long Island Private Schools:

▪ Total # of Schools:	230
▪ Total # of Students:	53,000
▪ Total # of Teachers:	5,000

Upon leaving the ranks of private or public school system, Long Island also offers a variety of higher education opportunities to its residents. Roughly 88% of the graduating classes each year embark on the voyage into the higher education ranks, and in Long Island, they have the option of seventeen different 4 year degree colleges and universities, 8 two/three year junior colleges, and five professional institutions. Just a few of the Long Island schools of higher learning are: Hofstra University, Dowling College, New York Institute of Technology, St. Joseph College, SUNY Stony Brook, and Touro Law College, plus many others.

SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

POPULATION

According to US Census Bureau statistics, Suffolk County is the fourth most populated county in New York State. The population estimate for Suffolk County in 2012 was 1,499,273, indicating a 0.4% increase from April 1, 2010 to July 1, 2012. In 2000, the Census count in Suffolk County was 1,419,369. The rate of change since 2000 was 0.49 percent annually. The five-year projection for the population in Suffolk County is 1,514,489, representing a change of 0.29 percent annually from 2010 to 2015. Currently, the population is 49.2 percent male and 50.8 percent female.

Population

2000	1,419,369
2010	1,493,350
2015	1,514,489
2000 - 2010 Annual Growth Rate	0.49%
2010 - 2015 Annual Growth Rate	0.29%

Population Density

2010	1,636.05
2015	1,660.26

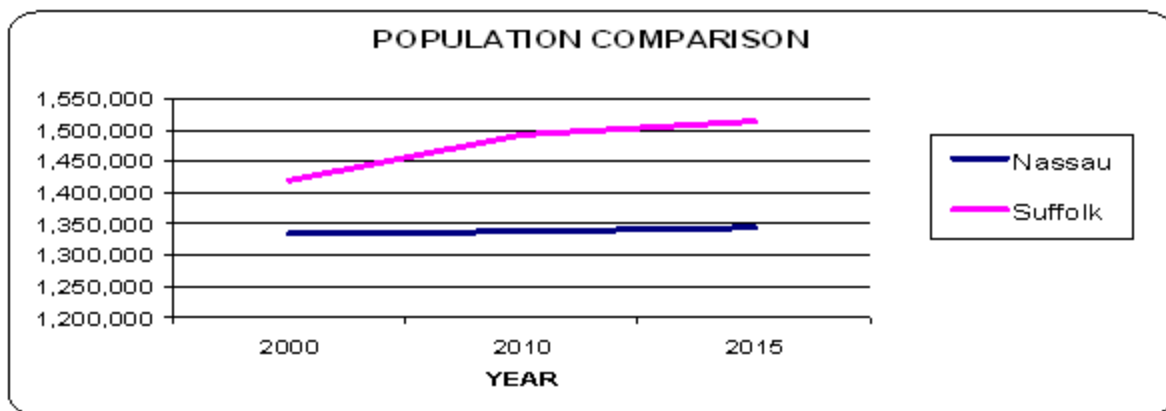
Households

2010 Households	492,453
2015 Households	499,691
2010 - 2015 Annual Growth Rate	0.29%
2010 Average Household Size	2.97
2015 Average Household Size	2.97

2010 Housing Units

2010 Housing Units	558,561
Owner Occupied Housing Units	69.89%
Renter Occupied Housing Units	18.28%
Vacant Housing Units	11.84%

The following chart shows population growth by County from 2000 through the forecast year:



SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

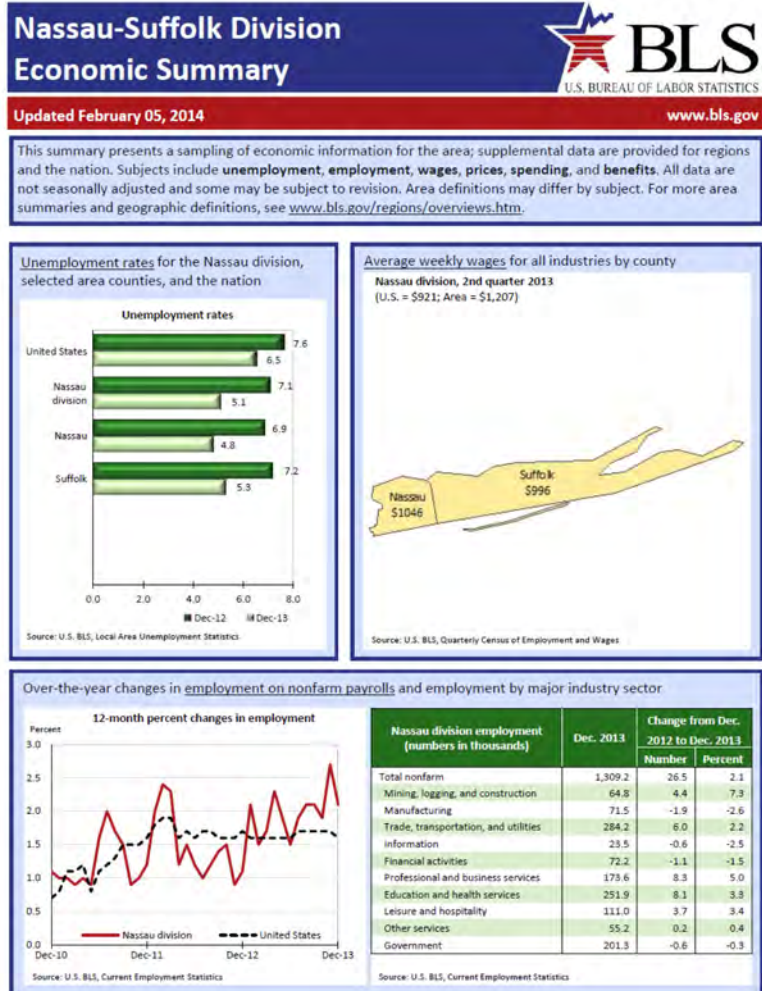
EMPLOYMENT

According to NY State Department of Labor statistics, the number of private sector jobs on Long Island climbed over the past year by 28,500, or 2.7 percent, to 1,102,900 in August 2013. Private sector job gains were 1.7 percent and the nation's was 2.0 percent. Industry sectors that added jobs over the year were professional and business services (+7,500 jobs), trade, transportation, and utilities (+6,700 jobs), leisure and hospitality (+5,700 jobs), educational and health services (+5,700 jobs), natural resources, mining, and construction (+4,700 jobs), and other services (+1000 jobs).

Three private industry sectors lost jobs on a year-over-year basis. However, manufacturing, with a loss of 2,300 jobs, was the only sector to lose more than 1,000 workers. Government job losses were concentrated in local government education, with a loss of 1,400 jobs over the year. School districts are slimming down and will continue for the foreseeable future given current fiscal constraints.

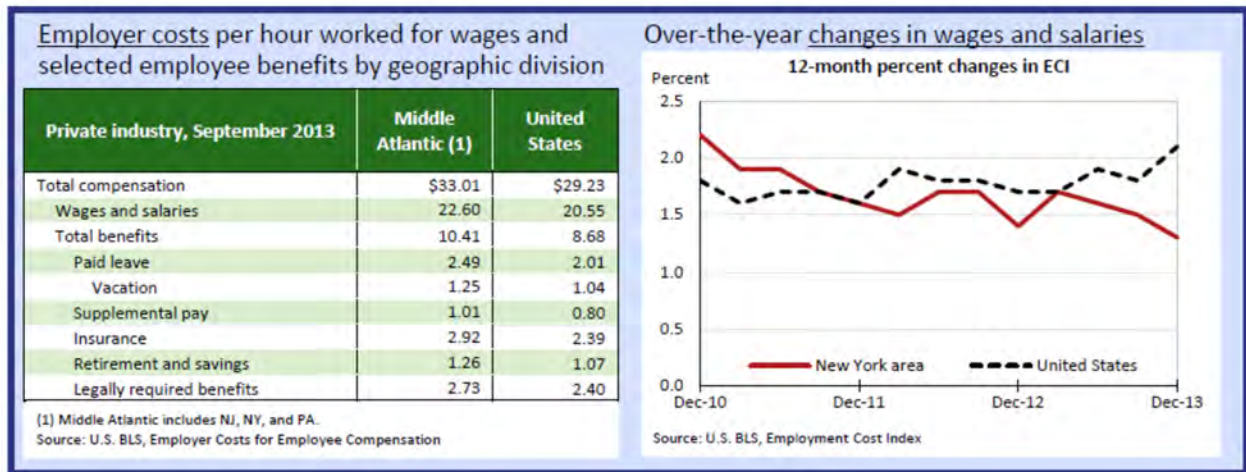
Looking at the month-to-month picture, the New York State Department of Labor reports that Long Island's private sector lost 600 jobs in August 2013. By comparison, the 10 previous Augusts' losses averaged 3,000 jobs. Job gains were the largest in health care (+1,400 jobs) and natural resources, mining and construction (1,300 jobs). Job losses were concentrated in arts, entertainment and recreation (-1,300 jobs), wholesale trade (-900 jobs) and other services (-800 jobs).

The number of businesses located in Suffolk County continues to rise. There were more than 47,573 business establishments with payroll in 2013 in Suffolk, an all-time high. The largest numbers of businesses are in the retail trade category; followed by "professional, scientific & technical services," and construction. This is shown to have stabilized significantly in this economic climate.



SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

EMPLOYMENT BASE

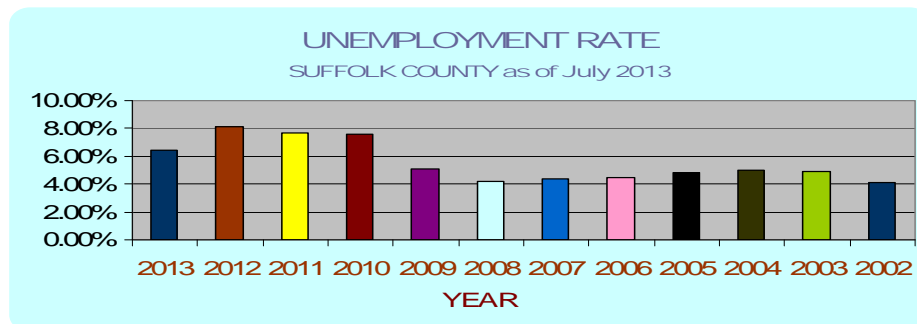


In the current year, the occupational distribution of the employed population is:

- 65.1 percent in white collar jobs (compared to 61.6 percent of U.S. employment) •
- 16.8 percent in service jobs (compared to 17.3 percent of U.S. employment) •
- 18.2 percent in blue collar jobs (compared to 21.1 percent of U.S. employment)

UNEMPLOYMENT

According to March 2014 Suffolk County Department of Labor statistics, Suffolk County unemployment was 6.6% in February 2014 down from 7.7% in February 2013.



EMPLOYMENT BASE

The employment base on Long Island has become more diversified in the past ten years. The loss of defense jobs hurt the Long Island economy, but allowed the economy to become less dependent on one industry. In 2002, 30 private employers each had more than 2,100 workers on Long Island. These employers cover a wide range of industries, including medical care, banks, educational institutions, department stores, and manufacturers.

SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

EMPLOYMENT BASE

TOP 10 MAJOR EMPLOYERS ON LONG ISLAND

North Shore-Long Island Jewish
Diocese of Rockville Centre
SUNY at Stony Brook
U.S. Postal Service
J. P. Morgan Chase & Co.

Cablevision Systems
Long Island Rail Road
Winthrop South Nassau University Health System
Pathmark Stores
Verizon Communications

HOUSEHOLDS

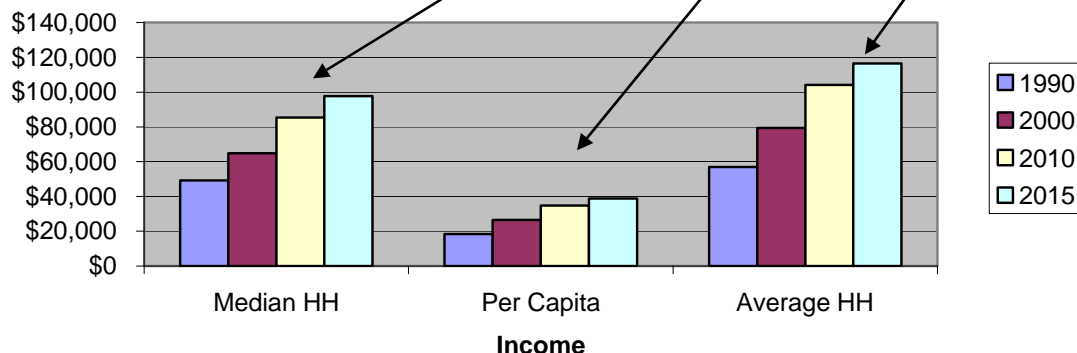
The household count in Suffolk County has changed from 469,299 in 2000 to 492,453 in 2010, a change of 0.47 percent annually. The five-year projection of households is 499,691, a change of 0.29 percent annually from the current year total. Average household size is currently 2.97, compared to 2.96 in the year 2000. The number of families in 2010 is 375,414 in Suffolk County.

HOUSEHOLDS BY INCOME

The current average household income in 2010 was \$104,215 in this market area, compared to \$70,173 for all U.S. households. The average household income is projected to be \$116,523 in five years. In 2000, average household income was \$79,409, compared to \$56,987 in 1990.

Current per capita income is \$34,713 in the market area, compared to the U.S. per capita income of \$26,739. The per capita income is projected to be \$38,810 in five years. In 2000, the per capita income was \$26,577, compared to \$18,481 in 1990.

The change in three summary measures of income is the median, per capita and average household income and per capita income as shown below from 1990 to 2015.



SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

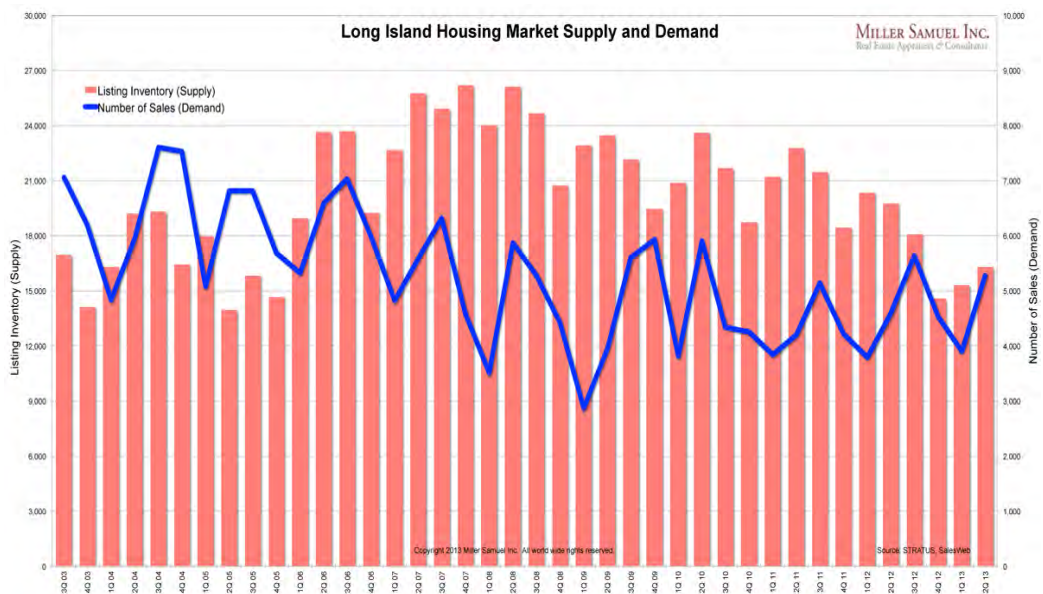
HOUSING

69.9 percent of the 558,561 housing units in Suffolk County are owner occupied; 18.3 percent, renter occupied; and 11.8 percent are vacant. In 2000, there were 522,323 housing units - 71.7 percent owner occupied, 18.2 percent renter occupied and 10.2 percent vacant. The rate of change in housing units since 2000 is 0.66 percent. Median home value in Suffolk County is \$355,000, compared to a median home value of \$157,913 for the U.S. In five years, median home value is projected to change by 5.57 percent annually to \$435,299. From 2000 to the current year, median home value changed by 5.95 percent annually.

Eastern Suffolk County is a major tourist and second-home destination, with one of the largest concentrations of second homes of any county in the United States. There are approximately 37,000 second homes in eastern Suffolk, which draw approximately 150,000 part-time residents with large purchasing power to the area during summer and on weekends.

SUPPLY AND DEMAND

In summary, supply and demand is still out of balance, with the demand of homes rising and the supply shrinking. The strong demand and relative low supplies in the Suffolk County real estate market have led to rising prices, reinforcing the perception that



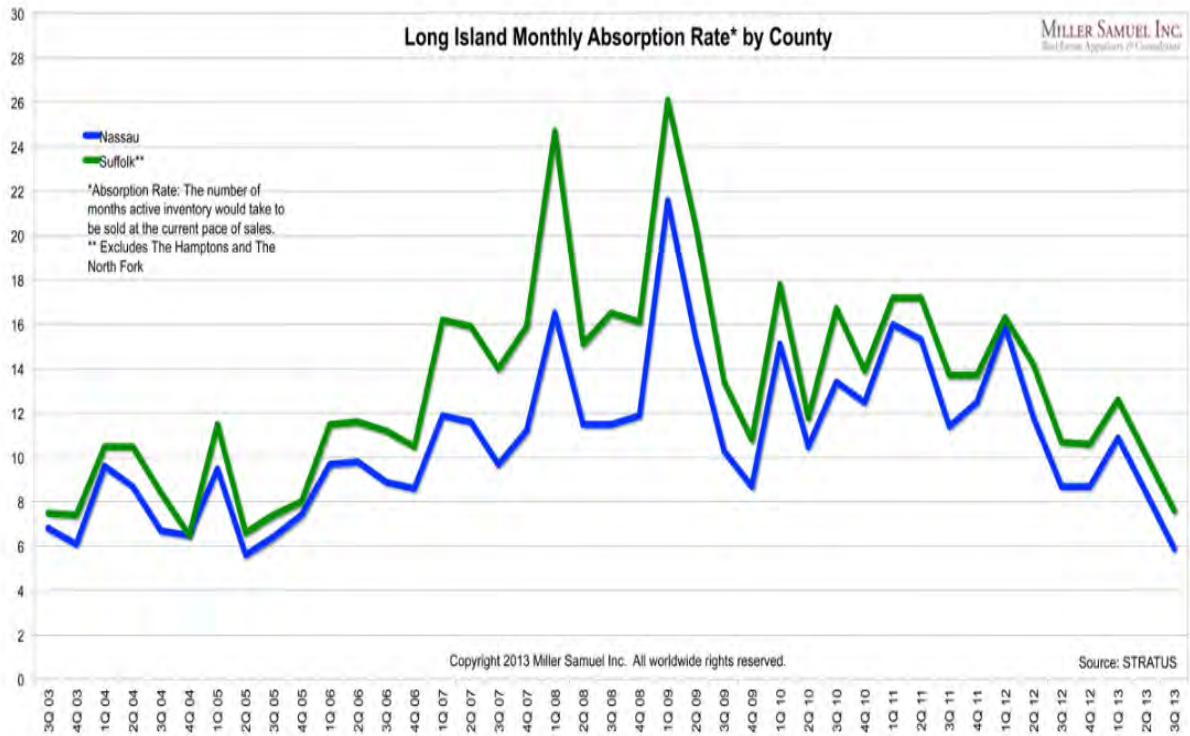
Long Island's housing market is on the mend. According to a *Newsday* analysis of data supplied by the Multiple Listing Service of Long Island, August marked the sixth straight month of price increases in Suffolk County. Clearly, the real estate market is rebounding in Suffolk County, but not because of crazy prices. It's simply the age old rule of supply and demand. From all indications, buyers outnumber the available homes for sale in Suffolk County. At the current rate of sales, it would take approximately eight months to sell all of the homes listed in Suffolk County. One year ago, there was an estimated 11-month supply of homes. According to brokers, a healthy housing market has a six-to eight-month supply.

SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

HOUSING – ABSORPTION RATE BY COUNTY

As reported by Miller Samuel - 4th Qtr 2013

Long Island Monthly Absorption Rate by County



SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

HOUSING MARKET

LONG ISLAND

According to the Douglas Elliman Quarterly Survey report for the 4th quarter of 2013, the final quarter of 2013 represented a strong finish to a year that appeared to mark the Long Island housing market's transition from a stable market to an improving market. Housing price indicators moved higher, the number of sales surged to a multi-year high, while listing inventory slid to a record low.

The number of sales jumped 31.8% to 5,982, the highest fourth quarter total in over seven years. The market rebounded from the weak "Superstorm Sandy" related sales activity that was seen last year along with the late year rush of "fence sitters" entering the market before mortgage rates moved higher. Listing inventory fell 12.2% to 12,801, the lowest level of over a decade ago. As a result of rising demand and falling supply, the absorption rate, the number of months to sell all listing inventory at the current pace of sales, fell to 6.4 months from 9.6 months in the prior year quarter. With the faster market pace, the average days on market had fallen 2 weeks to 109 days from the same period last year. Listing discount, the percentage difference between the original list price and the sales price, followed the same pattern as days on market, had decreasing to 5.5% from 6.6% over the same period. As the market pace quickened, price indicators pressed higher from the same period last year. While average sales price was essentially unchanged at \$439,785, median sales price increased 2.9% to \$360,000 the highest fourth quarter result in four years. Median sales price by market quintile also showed similar gains over the same period.

SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

HOUSING MARKET

Lowest listing inventory tracked in over a decade

Listing inventory fell 12.2% to the lowest level reached since this metric was first tracked reports 4th quarter 2013 Elliman Report. Placing upward pressure on prices, the number of sales surged 31.8% to 5,982 from the prior year quarter.

LONG ISLAND

LONG ISLAND MARKET MATRIX					
	4Q 2013	% Chg	3Q-2013	% Chg	4Q 2012
Average Sales Price	\$439,785	-0.7%	\$442,835	0.0%	\$439,920
Median Sales Price	\$360,000	-5.3%	\$380,000	2.9%	\$350,000
Number of Sales	5,982	-14.3%	6,977	31.8%	4,540
Days of Market (from Original List Date)	109	6.90%	102	-11.4%	123
Listing Discount (from Original List Price)	5.5%		5.1%		6.6%
Listing Inventory	12,801	-18.20%	15,652	-12.2%	14,574

The number of sales surged to 7 year high

The number of sales jumped 31.8% to 5,982 from the same period last year to the highest fourth quarter in seven years as reported in the Elliman Report, 4th quarter 2013. The average time to sell a property fell by two weeks to 109 days as the listing discount fell 1.1% to 5.5% over the same period.



SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

HOUSING MARKET

Condominium Market

Listing inventory fell sharply as number of sales surged

According the 4th quarter Elliman report, the number of sales jumped 35.7% to 919 as listing inventory fell 15.8% to 2,052 respectively from the same period last year.

Price indicators finished above prior year levels

Median sales price edged 1% higher to \$247,500 from the prior year quarter. Average sales price increased .3% to \$314,472 over the same period.

Condos Market Matrix		4Q 2013	% Chg	3Q-2013	% Chg	4Q 2012
Average Sales Price		\$314,472	-1.8%	\$320,227	5.3%	\$298,644
Median Sales Price		\$247,500	-2.0%	\$252,500	1.0%	\$245,000
Number of Sales		919	-8.3%	1,002	35.7%	677
Days of Market (from Original List Date)		129	9.30%	118	-5.1%	136
Listing Discount (from Original List Price)		5.0%		4.6%		6.1%
Listing Inventory		2,052	-16.10%	2,446	-15.8%	2,438



1 to 3 FAMILY

Number of sales surged as listing inventory fell

According the 4th quarter Elliman report, there were 5,063 sales, up 31.1% and 11,930 listings, down 10.8% respectively, from the prior year quarter.

Price indicators edged higher

Median sales price rose 4% to \$377,000 from \$370,000 in the prior year quarter. Average sales price followed the same pattern over the period with a 1.4% increase.

1-3 Family Market Matrix		4Q 2013	% Chg	3Q-2013	% Chg	4Q 2012
Average Sales Price		\$471,115	-5.9%	\$500,569	1.4%	\$464,678
Median Sales Price		\$377,000	-4.6%	\$395,000	4.0%	\$362,500
Number of Sales		5,063	-15.3%	5,975	31.1%	3,863
Days of Market (from Original List Date)		106	6.00%	100	-11.7%	120
Listing Discount (from Original List Price)		5.7%		5.3%		7.0%
Listing Inventory		11,930	-18.50%	14,642	-10.8%	13,367

SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)



HOUSING MARKET

There were 2,942 sales in the fourth quarter of 2013, up from 2,295 sales in the same period last year. Listing inventory declined -16.8% over the same period. Number of sales surged as listing inventory fell to record low.

The median sales price of a Suffolk County property was \$309,710, up 2.2% from \$303,000 in the prior year. Average sales prices showed a similar pattern, up 3.2% in the fourth quarter from the prior year and quarter.

Suffolk Market Matrix		4Q 2013	% Chg	3Q-2013	% Chg	4Q 2012
Average Sales Price		\$351,810	-7.5%	\$380,324	3.2%	\$340,875
Median Sales Price		\$309,710	-4.7%	\$325,000	2.2%	\$303,000
Number of Sales		2,942	-14.5%	3,439	28.2%	2,295
Days of Market						
(from Original List Date)		115	3.60%	111	-10.2%	128
Listing Discount						
(from Original List Price)		4.7%	-16.8%	4.3%		5.4%
Listing Inventory		7,239	-2.60%	8,701	-10.4%	8,076

MARKET CONDITIONS

Suffolk County has a substantial office market. It contains more than 24 million square feet of non-government office buildings. This figure includes 3.8 million square feet of new office space built since 2000. An additional 2.7 million square feet of office space has been proposed but is not yet built.

After Melville's 8.9 million square feet of office space, the largest concentrations of private office space in Suffolk County are located in Hauppauge (3.5 million square feet), Islandia (1.9 million), Bohemia (900,000 square feet) and Ronkonkoma (800,000 square feet).

SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

MARKET CONDITIONS

Suffolk County contains significant industrial space. There is 91 million square feet of industrial square footage in Suffolk County, nearly two-thirds of the industrial space on Long Island. Most of the space is general industrial space, but a large portion is warehouse and distribution space and a significant smaller portion is R&D/flex space. East Farmingdale contains a large amount of older industrial space. The largest concentration of industrial space in Suffolk County is located in Hauppauge. A significant industrial corridor has emerged in the Veterans Highway area near Macarthur Airport in Ronkonkoma and Bohemia. Further east, significant new industrial space continues to be developed in the Yaphank area.

This industrial market in Suffolk County remains stable. In some areas, industrial buildings have been converted to office buildings (fetching higher rents), contributing to the improving industrial vacancy rate. There is also pressure for some industrially zoned land to be developed for housing.

Suffolk County is a major retail market, with over \$30 billion in retail sales. According to Trade Dimensions International, Suffolk County had retail sales per household of \$64,104, ranking among the highest in the country. According to the Suffolk County Department of Planning, Suffolk County's shopping center space totals 39.2 million square feet. This includes more than 5.3 million square feet of new shopping center space added in Suffolk County just since 2000. Suffolk County's traditional downtown centers contain 8 million square feet of store space.

Suffolk County has three regional malls and two regional outlet shopping centers. The Tanger Outlet Center in Riverhead expanded in 1997 to become the nation's fifth largest manufacturer's outlet center at 777,000 square feet. The other outlet shopping center opened in 2008 in Deer Park: the 805,000 square foot Tanger Outlet Center at The Arches. An additional 5.8 million square feet of new shopping center space is presently proposed in Suffolk County. The largest proposed shopping center on the drawing board is the 850,000 square foot Brookhaven Walk lifestyle shopping center in Yaphank.

NEW DEVELOPMENT PROJECTS IN SUFFOLK COUNTY

Deer Park

Tanger Outlets at the Arches

\$440 million, 800,000 square foot outdoor mall on 83 acres, first proposed in 2004

Brentwood

Heartland Town Square

\$4 billion development on more than 450 acres at former Pilgrim Psychiatric Center, proposed in 2002.

Includes more than 9,000 residences and 5.3 million square feet of offices, hotels, restaurants and shops

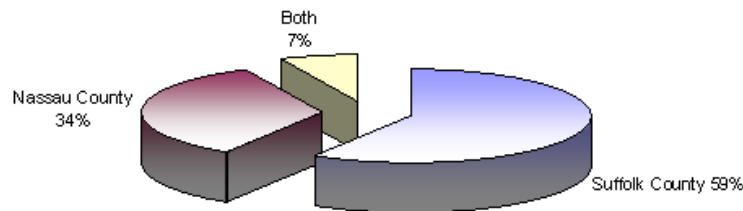
Status: It is now with the town board

SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

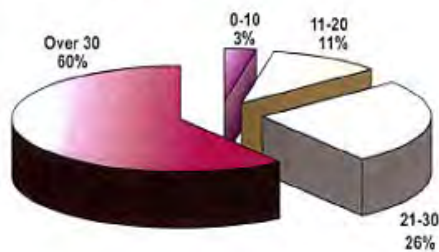
DEMOGRAPHICS

The Long Island Economic Survey and Opinion Poll recently conducted a survey of the businesses in the subject market area. The following information was gathered from companies employing 20 or more employees. The Survey results indicate the following:

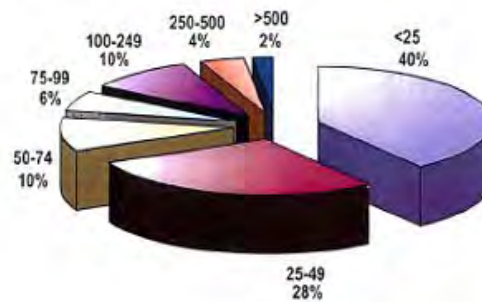
Principal Places of Business



Number of Years in Business



Number of Employees



MARKET TREND: LONG ISLAND'S RETAIL MARKET

Taken from CoStar Report 3rd Qtr Report 2013

The Nassau and Suffolk County retail market experienced a slight improvement in market conditions in the third quarter 2013. The vacancy rate went from 5.3% in the previous quarter to 5.1% in the current quarter. Net absorption was positive 151,239 square feet, and vacant sublease space increased by 1,200 square feet. Quoted rental rates increased from second quarter 2013 levels, ending at \$22.81 per square foot per year. A total of 2 retail buildings with 70,875 square feet of retail space were delivered to the market in the quarter, with 36,916 square feet still under construction at the end of the quarter.

GENERAL RETAIL PROPERTIES as of 3rd Qtr. 2013

According to the 3rd quarter CoStar report, during the second quarter 2013, the Nassau and Suffolk County retail market experienced a slight improvement in market conditions in the third quarter 2013. The vacancy rate went from 5.3% in the previous quarter to 5.1% in the current quarter. Net absorption was positive 151,239 square feet, and vacant sublease space increased by 1,200 square feet. Quoted rental rates increased from second quarter 2013 levels, ending at \$22.81 per square foot per year. A total of 2 retail buildings with 70,875 square feet of retail space were delivered to the market in the quarter, with 36,916 square feet still under construction at the end of the quarter.

SUFFOLK COUNTY DEMOGRAPHIC SUMMARY REPORT (CONT'D)

TRANSPORTATION

Transportation in Suffolk County is predominantly by private automobile. The private automobile accounted for 84% of all means of transportation to or from work. The network of highways in Suffolk County and Long Island provides easy transportation and/or trucking routes in a north/south or east/west direction. The most heavily traveled artery heading in an east/west direction on Long Island is the Long Island Expressway. This road provides the easiest means for trucking goods on or off the Island. Traditionally, the best industrial sites have been located in close proximity to or with access to the Long Island Expressway.

Second in the means of transportation to those working on Long Island is the Long Island Railroad. The railroad accounts for approximately 5%-8% of the total means of transportation. The railroad has three main lines located in Suffolk County. These lines are the Montauk Branch, the Main Line and the Port Jefferson Branch. The railroad maintains 134 stations conveniently located in major communities. Although the railroad has been much maligned, it is one of the largest commuter lines in the country.

Although bus transportation is available, it only accounts for a small percent of the means of transportation. This mode of transportation has not been well-developed in the Suffolk County area and cannot be considered a viable means of transportation until additional funds are expended for its development.

Transportation out of the area via airplane is provided by various airports located in close proximity to the County. Included are Kennedy Airport, LaGuardia Airport and Islip-MacArthur Airport. MacArthur Airport has recently been added to the National Registry of Airports. It should also be noted that both Kennedy and LaGuardia are among the busiest airports in the world.

CONCLUSION

Due to the recession which started in late 2007, the commercial real estate market had seen a decline of 15 to 30%. By the second quarter of 2013, the industrial base that was previously well-established in the aerospace industry had been adapted to support high tech industries. The industrial market in Suffolk County remains stable with a significant industrial corridor emerging in the Veterans Highway area near MacArthur Airport in Ronkonkoma and Bohemia. Suffolk County still remains a major retail market with over \$30 billion in retail sales.

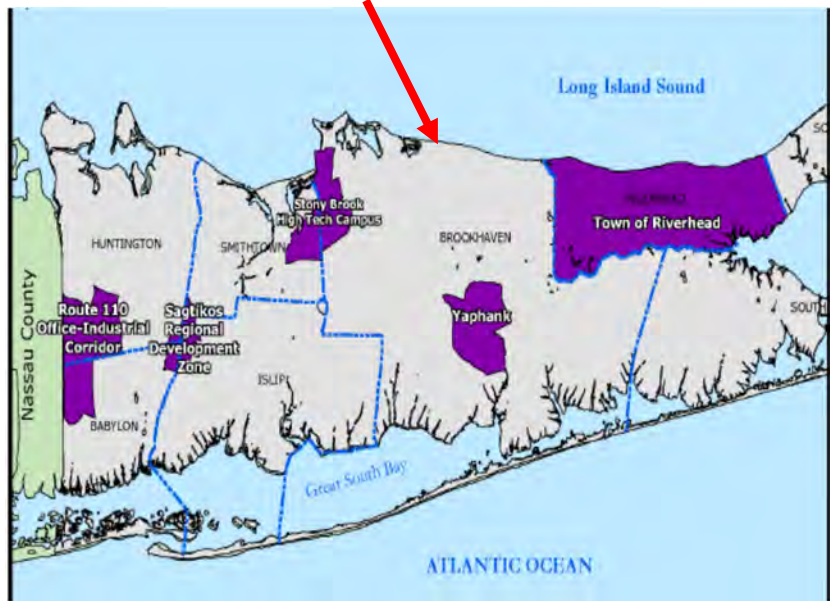
Overall, the economy stabilized in late 2010 with more moderate growth into 2014. Commercial value declines have slowed throughout Long Island and now have appeared to stabilize. While some markets have fared better than others, the Long Island housing market showed strength with sales up 16 percent in August 2013, as compared to a year ago. The strong results in the housing market reinforce the perception that the long term outlook for Suffolk County remains favorable.

AREA DATA

TOWN OF BROOKHAVEN

The Town of Brookhaven is located in the central portion of Suffolk County and consists of approximately 259.4 square miles including waterways, making it the largest town in Suffolk County. It extends from the Atlantic Ocean on the south to the Long Island Sound on the north, the Towns of Islip and Smithtown on the west and the Towns of Southampton and Riverhead on the east.

The Town of Brookhaven is one of the ten towns into which Suffolk County, has been divided. It is the only town in the county that stretches from the North Shore to the South Shore of Long Island. It is the largest town (by area, if including water area) in the state of New York, and the second most populous, exceeded only by the Town of Hempstead in Nassau County.



History The first residents of the Town of Brookhaven were Algonkian-speaking Native Americans, the Setalcotts (or Setaukets), and the Unkechaugs. The boundaries of the Town of Brookhaven coincide almost exactly with the tribal lands of these two groups or “tribes.”

TOTAL LAND AREA

Square Miles: 259.4 sq.miles

Hamlets: 36

Villages: 8

2010 Census indicated a population of 486,040

AREA DATA (CONT'D)

(TOWN OF BROOKHAVEN)

Hamlets and Villages

The Town of Brookhaven contains 36 hamlets and eight (8) incorporated villages (as listed below) with their own elected officials. The Town of Brookhaven has an elected Town Supervisor. The villages are responsible for their local legislation, licensing, zoning ordinances.

Villages

- Belle Terre
- Bellport
- Lake Grove
- Old Field
- Patchogue
- Poquott
- Port Jefferson
- Shoreham



At the present time, Brookhaven has set aside 8,346.2 acres of industrially zoned land, either for Industrial Parks or for single developer use. This acreage is fairly well distributed throughout the Township.

The Town has numerous major shopping centers including the Smithhaven Mall, Brookhaven Plaza, Stony Brook International Mall, Lake Ronkonkoma Mall, Modell's Plaza, College Plaza, Coram Plaza and Point Plaza. In addition, there are many neighborhood shopping centers located along the secondary roads such as Nesconset Highway, Middle Country Road and Montauk Highway.

Smithtown and Islip Townships on the west to Riverhead and Southampton Townships on the east. It is comprised of eight incorporated villages and 33 designated areas. During the past year, Suffolk's highest population increase took place in the town of Brookhaven. Brookhaven is approximately 55 miles in distance from New York City.

AREA DATA (CONT'D)

(TOWN OF BROOKHAVEN)

Nesconset Highway and North Country Road are the main roads connecting points east and west in the immediate area.

The area is serviced by two state-of-the-art hospitals, John T. Mather Memorial Hospital and St. Charles Hospital and Rehabilitation Center. John T. Mather Hospital is a 248-bed facility started with funds provided by the Port Jefferson shipbuilder John T. Mather in 1929. St. Charles, a 271-bed acute care facility built in 1907 provides adult and pediatric rehabilitation, family-centered maternity care, an intensive care/cardiac care facility, surgery and emergency services, hearing and speech therapy, and physical therapy as well as support groups and educational offerings, among other services. Additionally, Stony Brook University Hospital is located in the northwestern portion of the Town.

Stony Brook University Hospital is Long Island's only university-based hospital and provides medical and support services to more than a half million Long Islanders. In addition to patient care the hospital serves as a educational resource for students of the University's five health science schools: the Schools of Medicine, Nursing, Dentistry, Social Work, and the Health Technology and Management.

The Port Jefferson-Bridgeport Ferry is also located within the Village of Port Jefferson. The ferry runs daily from Port Jefferson across the Long Island Sound to Bridgeport, Connecticut and is a good alternative to commuters who choose not to drive through New York City.

Area Attractions

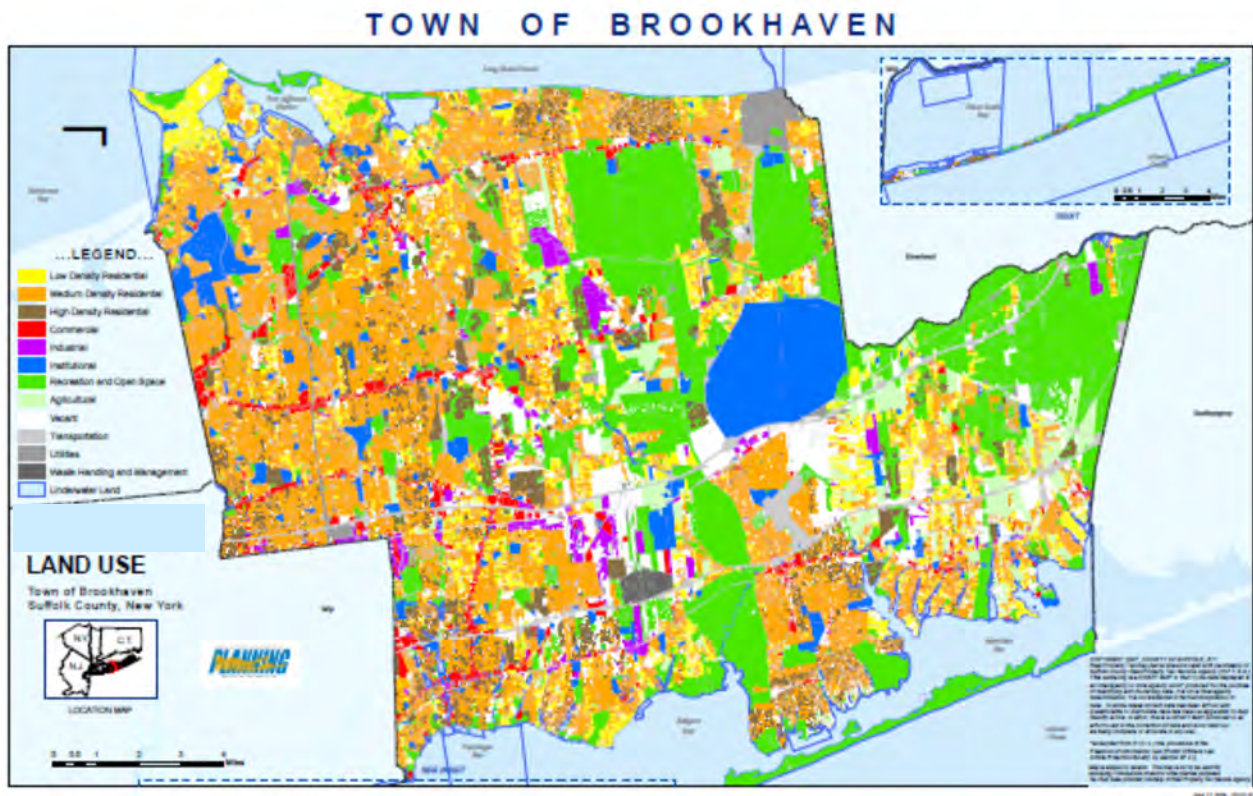
- Port Jefferson Harbor continues to attract mariners, visitors, tourists, and families to an area where natural beauty is the setting for a wide variety of human activities, including ferry service to Connecticut.
- Long Island Game Farm Petting Zoo with over 200 animals. The Long Island Game Farm is one of the Islands oldest and most well-known establishments.
- Fire Island, Cherry Grove (a.k.a. Fire Island), Fire Island Pines.

AREA DATA (CONT'D)

(TOWN OF BROOKHAVEN)

Land Use

Land use planning is the term used for a branch of public policy encompassing various disciplines which seek to order and regulate land use in an efficient and ethical way, thus preventing land use conflicts. Land use planning is used by a government to manage the manner in which the land within its jurisdiction is developed, or used. In doing so, the land use for the Town of Brookhaven can be seen as follows:



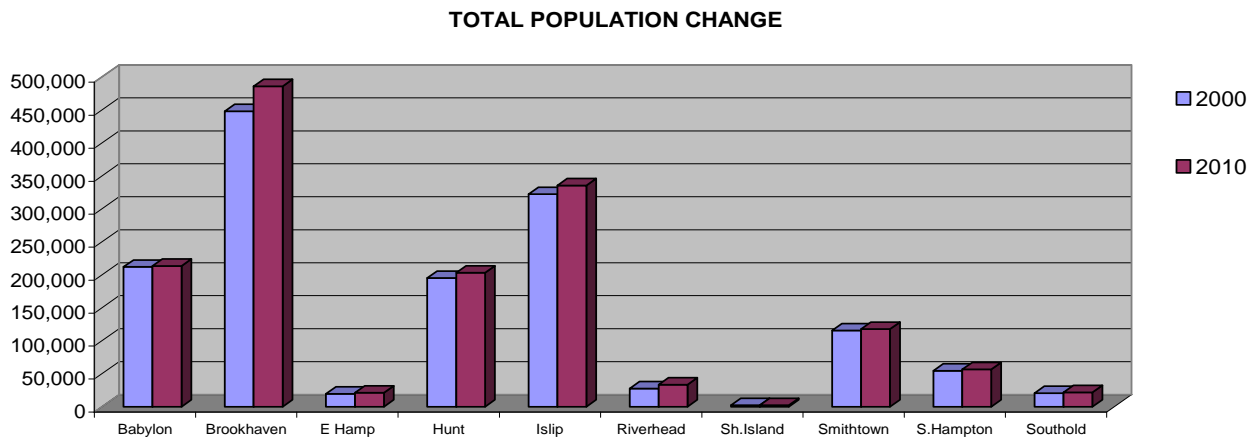
AREA DATA (CONT'D)

(TOWN OF BROOKHAVEN)

Population

The 2013 Census estimate indicated a population of 486,040 in the Town of Brookhaven, while the 2000 Census indicated a population of 448,239. This represents an increase of 37,801 persons, or 8.4% change in ten years.

Table 2: Total Population Change for New York Local Government Areas, 2000 to 2010 2010 Census: Public Law 94-171 Data				
Geographic Area	Total Population		Population Change	
	April 1, 2000 ^r	April 1, 2010	Number	Percent
Suffolk County	1,419,372	1,493,350	73,978	5.2
Babylon town	212,139	213,603	1,464	0.7
Brookhaven town	448,239	486,040	37,801	8.4
East Hampton town	19,719	21,457	1,738	8.8
Huntington town	195,289	203,264	7,975	4.1
Islip town	322,435	335,543	13,108	4.1
Poospatuck Reservation	283	324	41	14.5
Riverhead town	27,680	33,506	5,826	21.0
Shelter Island town	2,226	2,392	166	7.5
Shinnecock Reservation	504	662	158	31.3
Smithtown town	115,545	117,801	2,256	2.0
Southampton town	54,714	56,790	2,076	3.8
Southold town	20,599	21,968	1,369	6.6



AREA DATA (CONT'D)

(TOWN OF BROOKHAVEN)

Population

The following chart is a breakdown of population for each of the villages/hamlets in the Town of Brookhaven as taken from the U.S. Census Bureau:

NAME	Population Total	Land Area (Sq. Mi.)	Density (Persons/ sq. mi.)
Bellport village	2,084	1.4	1,442.2
Belle Terre village	792	0.9	895.1
Blue Point CDP	4,773	1.8	2,661.1
Brookhaven CDP	3,451	5.8	599.0
Calverton CDP	6,510	28.0	232.3
Centereach CDP	31,578	8.7	3,623.6
Center Moriches CDP	7,580	5.2	1,453.0
Coram CDP	39,113	13.8	2,829.3
East Moriches CDP	5,249	5.5	958.4
East Patchogue CDP	22,469	8.3	2,692.2
East Shoreham CDP	6,666	5.4	1,242.0
Farmingville CDP	15,481	4.1	3,753.9
Fire Island CDP	292	9.2	31.7
Gordon Heights CDP	4,042	1.7	2,371.0
Holbrook *	27,195	7.2	3,786.2
Holtsville *	19,714	7.1	2,771.5
Lake Ronkonkoma*	20,155	4.9	4,079.7
Manorville *	14,314	25.5	562.0
Mastic CDP	15,481	3.9	3,972.6
Mastic Beach CDP	12,930	4.7	2,742.4
Medford CDP	24,142	10.8	2,236.0
Middle Island CDP	10,483	8.2	1,272.3
Miller Place CDP	12,339	6.6	1,883.4
Moriches CDP	2,838	2.0	1,384.6
Mount Sinai CDP	12,118	6.0	2,020.0
North Bellport CDP	11,545	4.9	2,338.7
North Patchogue CDP	7,246	2.0	3,664.1
Old Field village	918	2.1	443.6
Patchogue village	11,798	2.3	5,230.9
Port Jefferson village	7,750	3.1	2,535.3
Port Jefferson Station CDP	7,838	2.7	2,940.1
Poquott village	953	0.4	2,169.6
Ridge CDP	13,336	13.2	1,009.5
Rocky Point CDP	14,014	11.3	1,240.3
Ronkonkoma CDP	19,082	7.8	2,436.1
Selden CDP	19,851	4.3	4,593.8
Setauket-East Setauket CDP	15,477	8.5	1,816.6
Shirley CDP	27,854	11.5	2,431.6
Shoreham village	531	0.4	1,184.2
Sound Beach CDP	7,612	1.6	4,651.0
Stony Brook CDP	13,740	5.8	2,363.0
Terryville CDP	11,849	3.2	3,687.9
Wading River*	7,719	9.8	787.4
Yaphank CDP	5,945	13.6	435.6

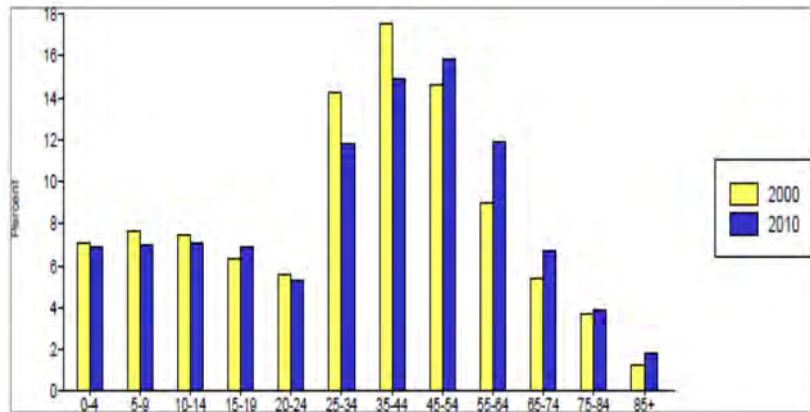
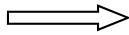
*Population includes portion in other townships

AREA DATA (CONT'D)

(TOWN OF BROOKHAVEN)

Population by Age

The median age for the United States was 35.3 in 2000 and 36.7 in the current year. In the Town of Brookhaven, the median age of the population was 35.9, compared to 38.6 years currently. By age group, the changes in the percent distribution of the market area population can be seen on the following chart:



Population by Education

In 2013, the educational attainment of the population aged 25 years or older in the Town of Brookhaven was distributed as follows:

For population 25 years and over in Brookhaven:

- High school or higher: 87.9%
- Bachelor's degree or higher: 31.9%
- Graduate or professional degree: 14.5%
- Unemployed: 5.5%
- Mean travel time to work: 30.7 minutes

*Source: citydata.com

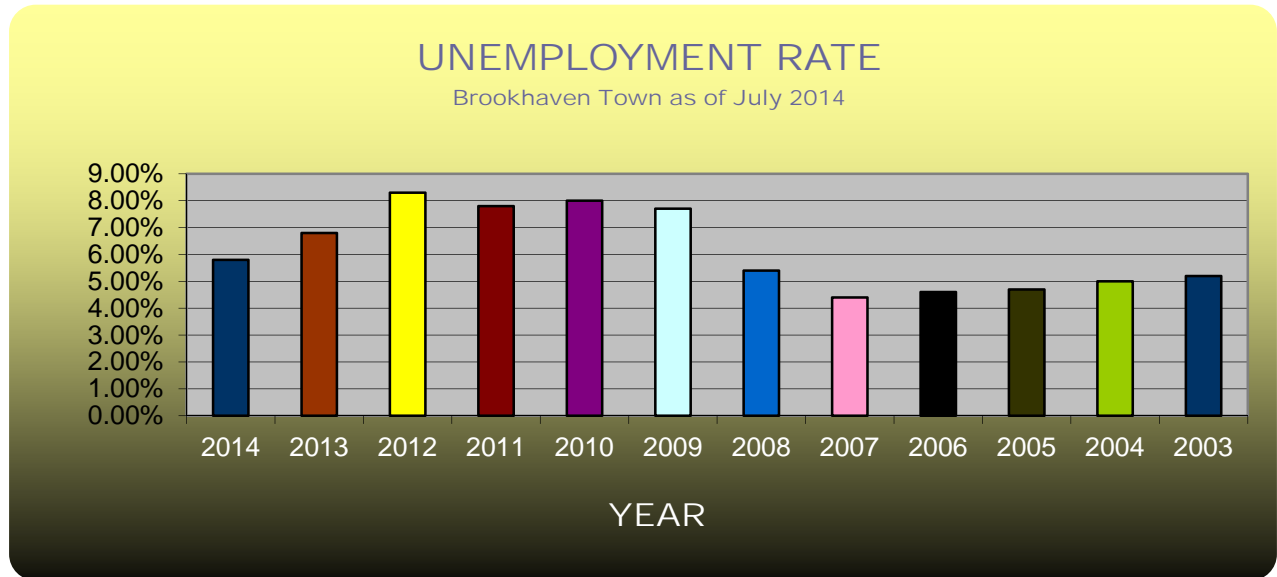
Unemployment

According to the New York State Department of Labor statistics, the unemployment rate for Brookhaven Township was 5.6% in August 2014, down from 6.6% in the previous year. The following table shows unemployment statistics over the past ten years:

AREA DATA (CONT'D)

(TOWN OF BROOKHAVEN)

Unemployment



As stated recently by *William C. Dudley, President and Chief Executive Officer of Federal Reserve Bank of New York* "Despite some of the ongoing problems, I believe that the long-term outlook for Long Island's economic growth is quite positive. The island's workforce is particularly well educated, with well over a third of adults holding a college degree. It has a sizeable industrial base, which is concentrated in high-tech manufacturing. Moreover, Brookhaven Labs and Cold Spring Harbor Laboratory, as well as a fine array of academic institutions, provide a strong foundation for the island's tech sector and business sector more broadly. The recent move to create stronger ties between the business community, research labs and SUNY (State University of New York) is a welcome development. It has the potential to help leverage the island's existing assets to enhance the prospects for economic development."

AREA DATA (CONT'D)

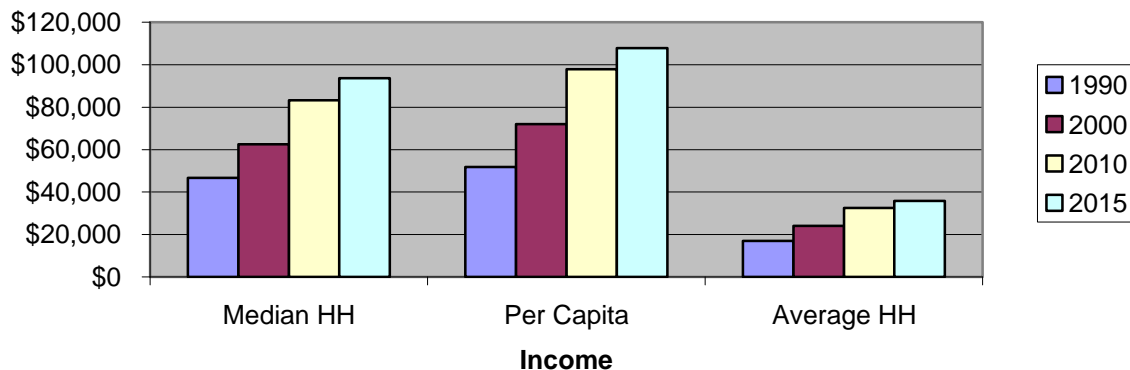
(TOWN OF BROOKHAVEN)

Household Income

As of the most recent study, the median household income was \$83,328 in the market area, compared to \$54,442 for all U.S. households. Median household income is projected to be \$93,707 in five years. In 2000, median household income was \$62,444, compared to \$45,980 in 1990.

As of the most recent study, the average household income was \$97,834 in this market area, compared to \$70,173 for all U.S. households. Average household income is projected to be \$107,802 in five years. In 2000, average household income was \$71,903, compared to \$50,394 in 1990.

As of the most recent study, the per capita income was \$32,509 in the market area, compared to the U.S. per capita income of \$26,739. The per capita income is projected to be \$35,789 in five years. In 2000, the per capita income was \$24,020, compared to \$16,312 in 1990.



Housing

NAME	Population Total	Housing Units		
		Total	Occupied	Vacant
Suffolk County	1,493,350	569,985	499,922	70,063
Brookhaven town	486,040	175,026	162,884	12,142

source: 2010 US Census

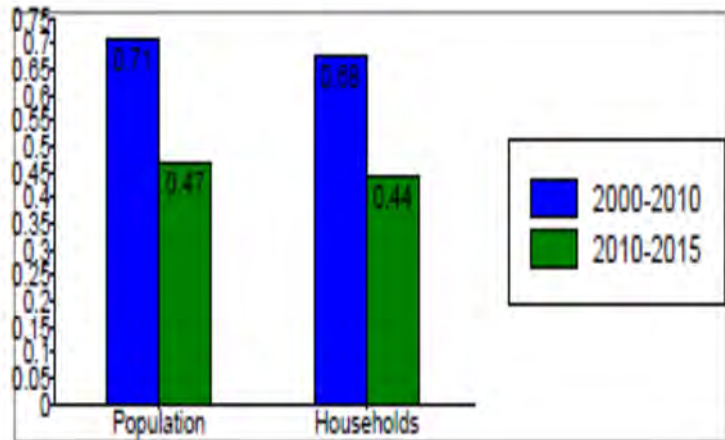
Presently, 74.8 percent of the housing units in the Town of Brookhaven were owner occupied; 20.5 percent, renter occupied; and 4.6 percent were vacant. In 2000, approximately 75.7 percent were owner occupied, 20.6 percent renter occupied and 3.7 percent vacant. The annual rate of change in housing units since 2000 is 0.77 percent.

AREA DATA (CONT'D)

(TOWN OF BROOKHAVEN)

Households

The difference between change in population and change in households is a result of two factors-the presence of group quarters (non-household) population in the market area and the average number of persons per household. The group quarters population in the market area was 4,929 in 2000, or 1.6 percent of the total population. Average household size is 2.95 in 2010, compared to 2.95 in the year 2000.



HOUSING MARKET

SOUTH SHORE Market*

Price indicators increased while the number of sales surged. Marketing times decreased despite while listing inventory increased from prior year levels

As reported in the Elliman Report 3Q 2014, there were 1,080 sales in the third quarter of 2014, 16.3% more than 929 sales in the same period last year. Median sales price increased 4.3 % to \$292,000 and average sales price increased 4.9% to \$309,371 over the same period.

Suffolk-South Shore Market Matrix	3Q-2014	%Chg (QTR)	2Q-2014	%Chg (YR)	3Q-2013
Average Sales Price	\$309,371	3.4%	\$299,215	4.9%	\$294,885
Median Sales Price	\$292,000	4.1%	\$280,500	4.3%	\$280,000
Number of Sales (Closed)	1,080	34.2%	805	16.3%	929
Days on Market (From Original List Date)	111	-19.0%	137	-15.9%	132
Listing Discount (From Original List Price)	4.6%		5.3%		4.9%
Listing Inventory	2,801	-12.3%	3,194	2.0%	2,745
Absorption Rate (Months)	7.8	-34.5%	11.9	-12.4%	8.9
Total Pending Sales	834	-16.3%	996	2.3%	815

*Source: The 2Q-2014 Elliman Report

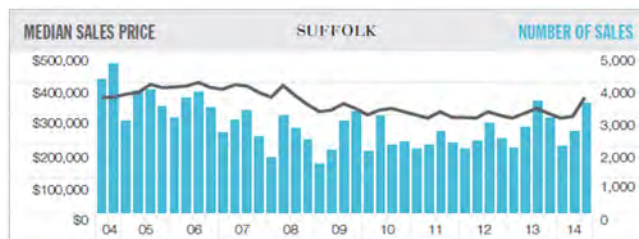
AREA DATA (CONT'D)

(TOWN OF BROOKHAVEN)

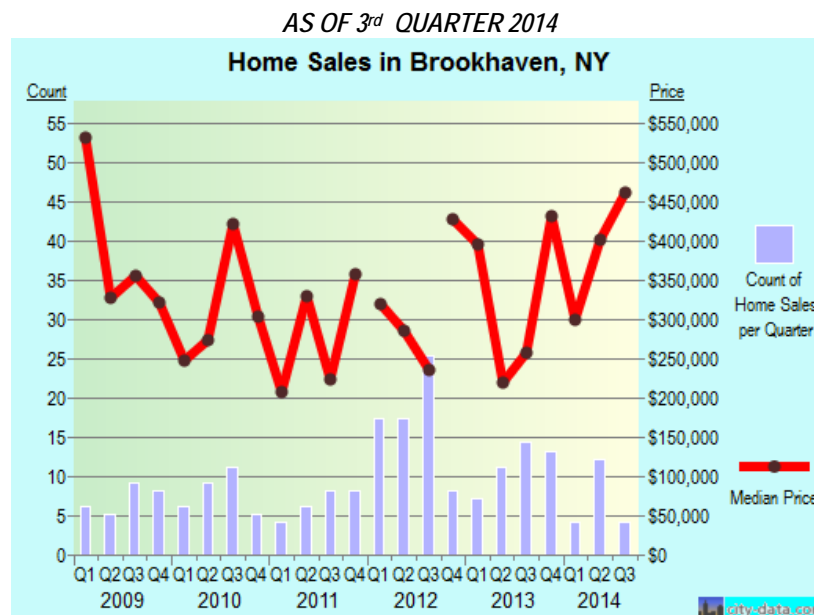
HOUSING MARKET

Price Indicators above prior year quarter

Suffolk Quintiles	Median Sales Price	%Change (YEAR)
5/5	\$625,000	-1.6%
4/5	\$410,000	-2.4%
3/5	\$324,000	-0.3%
2/5	\$252,425	0.2%
1/5	\$157,000	1.3%



SALES PRICES - RESIDENTIAL SALES MARKET TOWN OF BROOKHAVEN



AREA DATA (CONT'D)

(TOWN OF BROOKHAVEN)

SUPPLY AND DEMAND

In summary, supply and demand is still out of balance, with listing inventory falling 5.9% from the previous year and demand rising. The absorption rate (the number of months to sell all listing inventory at the current pace of sales) fell to 8.2 months from 12.9 months in the same quarter of last year. The faster market pace characterized a strong finish for the housing market in 2013 and marked a transition from a stable market to an improving market.

Although interest rates are still relatively low and attractive, financing is difficult to obtain as lenders want more money down, good credit and sometimes other properties as collateral. Many deals are falling apart because of the difficulty in obtaining financing. The subject community should remain a viable community over the foreseeable future. Industrial warehouse/commercial uses would be deemed appropriate. The area has average exposure from vehicles and moderate income from local residents. However, construction has slowed with the availability of financing being difficult as well as the national and local economic conditions. New construction of warehouse industrial properties has virtually come to halt unless owner occupied, driven with owner and private funds.

TRANSPORTATION

Highways in the Town are adequate and well maintained. The major east-west arteries are the Long Island Expressway and Sunrise Highway. Major north-south arteries include the William Floyd Parkway, CR-104 and State Route 112. By far, the most important artery for transporting manufactured goods or raw materials is the Long Island Expressway. Locations in proximity to this road are considered to be at a premium. Rail transportation is provided by the Long Island Railroad which is one of the largest commuter rail lines in the nation. Currently, the MTA is contemplating the construction of a major transportation facility in Ronkonkoma. Bus transportation, although provided and available, in its infancy in the Township, and is considered neither adequate nor reliable. Air transportation is available at MacArthur Airport, which is located in nearby Islip Township.

UTILITIES/POLICE/FIRE PROTECTION

PSEG (formerly LIPA) is the sole public gas and electric company on Long Island. Water is supplied by the Suffolk County Water Authority. Sewer systems are available in some areas of Brookhaven, but most properties rely on cesspools or privately-owned sewer treatment plants. Police protection is provided by the Suffolk County police, and is supplemented in certain incorporated villages by village police departments. Fire protection is volunteered with 36 departments.

AREA DATA (CONT'D)

(TOWN OF BROOKHAVEN)

MUNICIPAL ADMINISTRATION

The Town is administered by a Supervisor and six elected Councilmen.

SCHOOL SYSTEM

There are seventy-one school districts in the Town of Brookhaven. The schools are modern and like those in New York State, enjoy an excellent rating.

TAXES

Brookhaven Town's taxes are comparable to the taxes in its bordering townships. They have increased over the last several years at an average rate of 5% per annum, a rate which is comparable to surrounding townships.

NEIGHBORHOOD DATA

Patchogue/East Patchogue (Village & Unincorporated Portion)

The subject property is located on East Main Street in Patchogue, Town of Brookhaven, Suffolk County, New York.

Patchogue is located on the south shore of central Suffolk County and is primarily improved with a diverse mix of residential and commercial properties. Access to the community is via major highways and thoroughfares. These include Sunrise Highway (New York State Route 27), Montauk Highway/Main Street (New York State Route 27A), New York State Route 112 (Medford Road/Medford Avenue) and Veterans Memorial Highway (New York State Route 454). Commuter railroad transportation is accessible via the Long Island Railroad, which maintains a station in the community. The railroad provides service within the Long Island area as well as access to New York City.

The subject property is located along Main Street East (New York State Route 27A), which is a main thoroughfare for Suffolk County that runs in an east-west direction and experiences generally heavy traffic flow in the subject location. Adjacent to the north of the subject is a mixture of commercial and residential properties. To the east and west of the subject are a mixture of commercial properties.

The subject is situated in what is considered an average neighborhood commercial/office location for central Suffolk County, offering reasonably good access to major thoroughfares and expressways. Demand and rent levels for modern, well-situated office space within the area are considered to be stable at the present time, and the future outlook is considered average with demand expected to remain consistent with the county and region as a whole and greatly influenced by local and national economic conditions.

Designated Redevelopment Initiative-Revitalization Plan for Montauk Highway East Patchogue

The immediate subject area and most particularly was a part of a study for revitalization and redevelopment. The subject parcels were at the center of the study and development of the initiative. The following pages are excerpts of that study.

A Revitalization Plan for the Montauk Highway Corridor, East Patchogue

June 2010

Town of Brookhaven
Long Island

Division of Planning
One Independence Hill
Farmingville, NY 11738



NEIGHBORHOOD DATA (CONT'D)

Introduction

The Montauk Highway corridor, east of the Village of Patchogue, is typical of an obsolescent pre-World War II downtown suffering decline and lack of investment due to the proximity of large-scale retailers on nearby major transportation routes. Though downtown retailers tried giving face-lifts to storefront shops, results were unsuccessful, as the core problem--exiting anchors and customers--were not addressed. In addition to the significant retailer losses, manufacturers moved out of the downtown as highways enabled them to transport goods by truck instead of rail. Manufacturers and manufacturing jobs increasingly moved to cheap available land targeted with industrial incentives, remote from downtowns.



In November 2003, the consulting firm of Saccardi and Schiff was retained by the Town's Office of Community Development and Housing to determine if there was sufficient evidence to declare the East Patchogue downtown as blighted. Section 502 of Article 15 of New York State General Municipal Law defines a blighted area as "substandard or unsanitary ... a slum, blighted, deteriorated or deteriorating area, or an area which has a blighting influence on the surrounding area, whether residential, non-residential, commercial, industrial, vacant or land..."

The analysis contained in the *East Patchogue Blight Study* prepared by Saccardi & Schiff, Inc. examined the condition of buildings and businesses and incompatible land uses, as well as the presence of additional blighting factors, such as vacant lots, unsightly automotive uses, poor sidewalk and drainage conditions and a lack of landscaping and

NEIGHBORHOOD DATA (CONT'D)

streetscape treatments. The 2003 study revealed the area to meet the standards for a “blighted” area.

In 2005, the town solicited community input to clarify residents’ desires with regard to revitalization of the downtown. Two community studies were completed. Surveys were mailed to 3,000 households within the study area, with a 14% return (430 households). The survey was designed to determine shopping habits, mode of travel to shopping, and shopping preferences. Survey responses were analyzed and compiled into the *East Patchogue Shoppers Survey*.¹ Respondents indicated that they most wanted clothing stores (82%), restaurants (78%), bookstores (76%), movie theatre (74%) and supermarkets 66%) in the downtown district. A second study, *East Patchogue: A Community Poised for Revitalization*,² provided a demographic analysis of the shoppers and residents expected to shop and visit the downtown and revealed that although the population growth was slightly below that of Suffolk County, there was a significant increase in self-employed entrepreneurs, an increase in private sector employment and an increase in real family income that was greater than Suffolk County overall.

In June of 2007, the town again retained the firm of Saccardi and Schiff, Inc. to update the 2003 Blight Study and determine, once more, if sufficient evidence existed to define the East Patchogue downtown as blighted or “substandard or insanitary” as defined within State law. Conclusions reached in the 2007 Blight Study showed that the study area was blighted, supported by a combination of factors that included:

- Presence of vacant and underutilized lots and buildings, extending over long periods of time, some of which show signs of deterioration
- Incompatible land uses
- Unsightly visual conditions, including lack of screening for automotive uses
- Deteriorated condition of some public infrastructure such as sidewalks and lighting

In October of 2007, the lobbying for revitalization of downtown East Patchogue reached the Long Island Mayors’ and Supervisors’ Institute on Community Design who, in collaboration with local elected officials and a resource team of design and planning professionals, examined how better land use design can help implement green friendly planning techniques. The Institute examined potential improvements to the public realm, opportunities for redevelopment and connections to open space, all to enhance residents’ quality of life. Their evaluation noted that the unincorporated areas directly adjacent to incorporated villages are typically the most neglected in a town, citing no better example than the East Patchogue downtown. In the Village, few properties were vacant, while east of the Village the aged commercial corridor, chaotic uses, abundance of surface parking and noticeable vacant properties contributed to blight. Several notable examples that draw negative attention to the poor condition of the downtown, such as the Plaza

¹ East Patchogue Shopper’s Survey 2005. Martin R. Cantor, Sustainable Long Island- Long Island Fund for Sustainable Development

² East Patchogue: A Community Poised for Revitalization. Martin R. Cantor Sustainable Long Island- Long Island Fund for Sustainable Development

NEIGHBORHOOD DATA, (CONT'D)

Theatre and the then vacant Caldor Plaza site (currently a new Lowes) were discussed. Their specific recommendations focused on sewer extension from the Village of Patchogue's STP, annexing the Town portion of the E. Patchogue downtown to the Village, and applying downtown design standards, specifically quality building materials, excellence in site design, green building, generous landscaping, and good architecture. The Institute recommended a traffic roundabout be installed at the South Country and CR 80 intersection, a concerted phased redevelopment of the derelict commercial corridor into a vibrant gateway to the Village of Patchogue, and that the Swan River be a central focus of a new downtown park.



7. Legislate Expedited Permit Review

Downtown development proposals will benefit from expedited review and approval. Streamlined administrative approval that is sensitive to delays with coordinated agency review will become a tangible symbol of the Town's intent to prioritize the redevelopment of the E. Patchogue main street. Special attention will facilitate permit issuance from initial application to the issuance of the certificate of occupancy. Development options would include the phasing of improvements while sanitary solutions are developed.

9. Extend the sewer system of the Village of Patchogue into the East Patchogue downtown in order to provide the area with adequate sewer flow.

Development in the East Patchogue downtown is constrained by the sanitary capacity of the area. Development types that require higher sewer flow, such as restaurants, doctor's offices, and multifamily residential are not possible with the current on-site sewer systems.



In order to allow uses with higher sanitary flow requirements, the sewage capacity of the Village of Patchogue's sewer treatment plant needs to be increased and extended into the East Patchogue downtown. The Village is willing to undertake this expansion beyond its border as revitalization of the neighboring downtown will provide a more appealing gateway to the village from the east.

10. Create an East Patchogue Downtown Business Improvement District (BID)

Downtowns within the United States have been using Business Improvement Districts (BID) as a mechanism for revitalization since the 1970's. This powerful tool allows for an assessment on property within a defined area. Revenues from this assessment are then directed back to the area to finance a wide range of services, including security, maintenance, marketing, economic development, parking, and special events. BIDs provide specific benefits, including:

- a. Finding innovative solutions to problems, such as helping to coordinate and facilitate the movement of homeless citizens into long-term rehabilitation environments; protecting and enhancing public spaces through the deployment of "security teams" or "ambassadors";
- b. Initiating services not provided by public agencies, such as sidewalk cleaning and snow removal, marketing, promotions, business retention and recruitment;
- c. Advocating on behalf of downtown businesses, allowing them to communicate a unified vision/message that presses local government on issues that would aid the district's revitalization;
- d. Creating cooperation among competitive businesses which allows them to engage in activities that they would not be able to do on their own;
- e. Generating financing for capital improvements for more attractive streetscapes
- f. Researching and planning services such as collecting and analyzing economic and demographic data, monitoring progress, setting and revising strategic goals and developing multiyear redevelopment programs.

NEIGHBORHOOD MAP

Patchogue (Village & Unincorporated Portion)



REAL ESTATE TAXES

The subject property is currently taxed and assessed according to the assessment rolls of the Town of Brookhaven as follows:

SUFFOLK COUNTY TAX MAP NUMBERS: 0200-977.50-4-20, 28, 38, 40, 41 & 43

ASSESSED TO: Town of Brookhaven

COMBINED ASSESSED VALUATIONS

	Town of Brookhaven
Land Value	\$3,080.00
Building Value	\$0.00
Total Value	\$3,080.00

CURRENT TAXE RATE:	352.977
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CURRENT ANNUAL REAL ESTATE TAXES

Total Town of Brookhaven Real Estate Taxes:	\$10,871.69
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COMMENTS

The subject site is owned by the Town of Brookhaven and therefore no taxes are paid on the property. The taxes indicated are true taxes for the site and are reported for reference purposes only.

VALUATION OF ENTIRE PROPERTY

SITE DESCRIPTION

LOCATION & OVERVIEW

The subject is located on the north side of Main Street East, (A.K.A. Route 27A) 74± feet west of Avery Avenue, in the Hamlet of East Patchogue, Town of Brookhaven, Suffolk County, New York. The subject property is comprised of several contiguous tax lots designated on the Suffolk County Tax Maps as follows: District: 0200, Section: 977.50 Block: 4, Lots: 20, 28, 38, 40, 41 & 43. Please be aware that an investigation with the Town Assessors department and Town Drafting department did not identify any tax lot changes or consolidation. The tax lots stand as identified in this report as of the date of vesting. The tax lots listed are active. The subject parcel contains 91,184± Sq Ft or 2.09± acres and is zoned “J-6 Business” by the Town of Brookhaven.

The subject size has been determined via review of the Suffolk County tax maps as no survey was provided. The subject has frontage of 75± feet along the north side of Main Street East and is considered irregular in shape, (please see the tax map for subject shape). Access to the rear portion of the subject site, which is paved open area, is gained over lot#38. There is also a right of way located to the west of lot #38 which also provides access from East Main Street to the rear of the subject property. The right of way leads directly to lot #43 and provides pedestrian and vehicular access to the subject and other adjoining commercial properties. It is the understanding of this appraiser that sewers are available in the subject’s general area. It is uncertain if the subject has been made ready to access the sewer system. It is assumed that connecting to the sewer system would be a condition for any potential site plan approval. The cost of this is considered under site development costs and is generally considered typical costs developers face when developing land. The actual cost of connecting to the sewer system goes beyond the expertise of this appraiser to determine. Please be aware that lot#43 appears to be an abandoned road as an extension of Links Drive which is the ROW from East Main Street.

ACCESS

The site has a frontage of 75± feet along the north side of Main Street East, a variable-width, paved, two-lane roadway that is municipally owned and maintained. The frontage is considered more than adequate in terms of providing access. There is also access to the rear of the sided via a right of way that is roughly 21 feet in width and runs from the north side of Main Street East to the rear and west side of the subject property.

SITE DESCRIPTION (CONT'D)

MAP DESCRIPTIONS

The subject property is comprised of multiple tax lots designated on the Suffolk County Tax Maps as follows: District: 0200, Section: 977.50 Block: 4, Lots: 20, 28, 38, 40, 41 & 43.

The subject parcel is located outside of a designated flood plain according to the Federal Emergency Management Agency on the Flood Insurance Rate Maps for the Town of Brookhaven, Suffolk County, New York (Community Panel #36103C0694G), effective date September 25, 2009 (see panel following this section).

SITE CONDITIONS

The site is located within a commercial area with residential development to the north and south. The parcel appears to be generally level and on grade with roadway. The property is fully paved and highly irregular.

There are no applications pending on the property for development

UTILITIES AND SERVICES

Municipal utilities available in this area include electric (PSEG), water and telephone. Police protection is provided by the Suffolk County Police Department and fire protection is provided by a local volunteer fire department. It is the understanding of this appraiser that sewers are available in the subject's general area. It is uncertain if the subject has been made ready to access the sewer system.

EASEMENTS AND ENCROACHMENTS

We are not aware of any easements or encroachments other than normal utility easements or those which could be ascertained by a survey or title search.

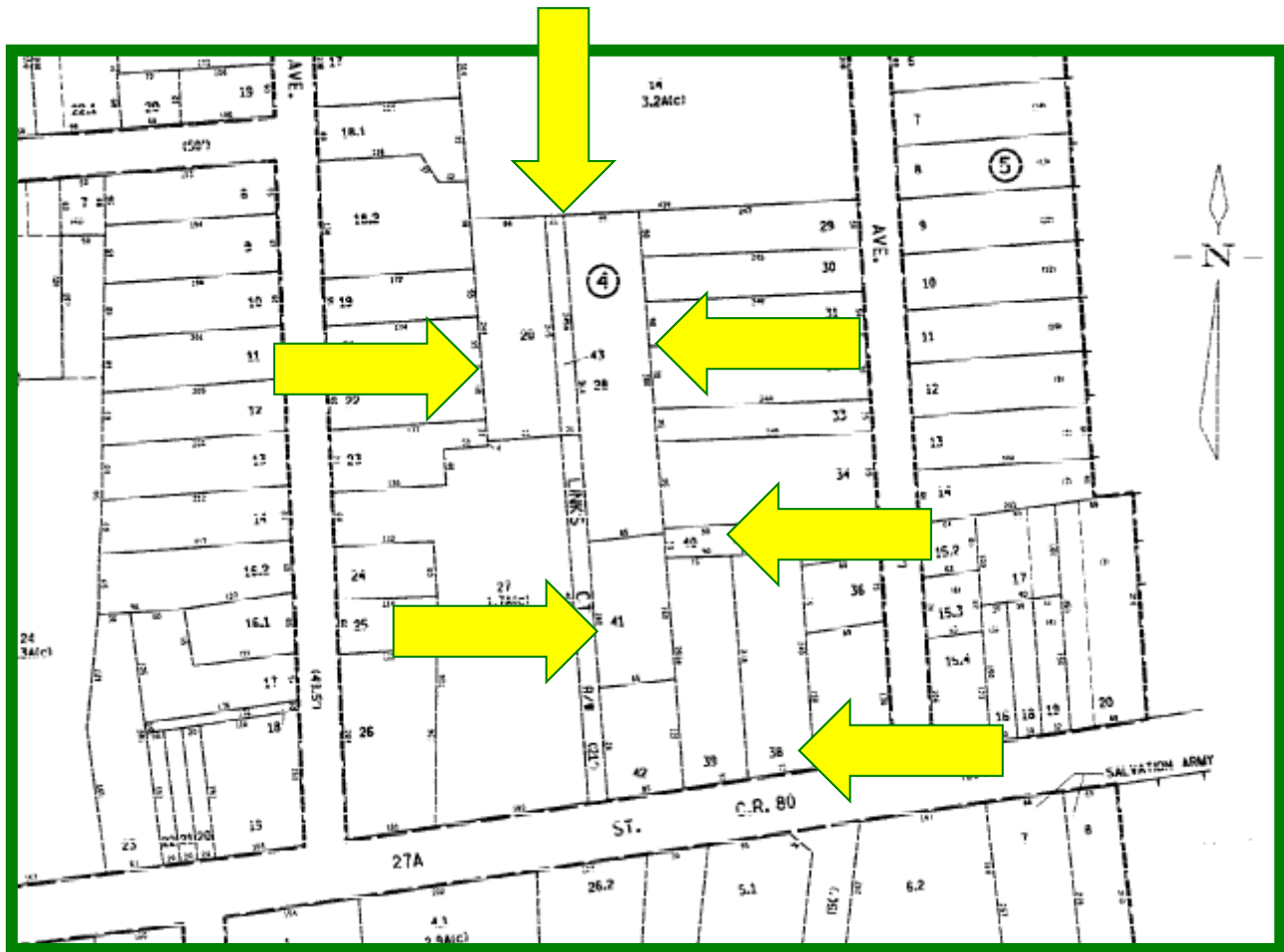
CONCLUSION

The property and the neighboring community are seen as conducive to supporting development as could take place on the site. The subject size and dimensions are subject to a survey.

LOCATION MAP SUBJECT PROPERTY





TAX MAP SECTION LOCATING SUBJECT



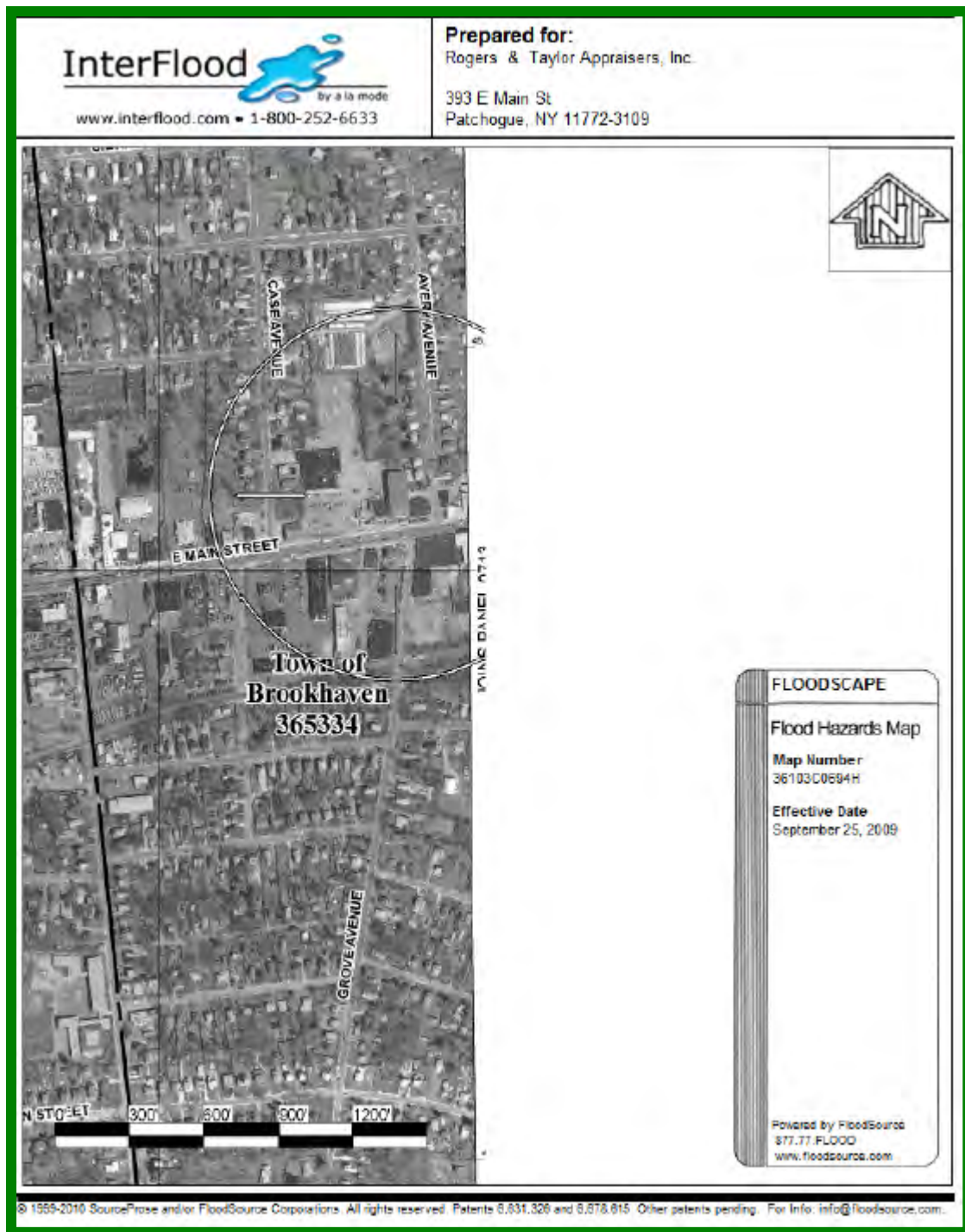
This is a current depiction of the active subject tax lots. Based on discussion with the Town of Brookhaven Assessors and Drafting Departments these lots are still active. This information has been confirmed with Grace C. and Linda C with the assessor's and drafting departments respectively.

FLOOD INFORMATION SUBJECT PROPERTY

Flood data	Flood map color options
USPS Address: 393 E Main St Patchogue NY 11772-3109	InterFlood has access to over 111,000 current FEMA flood maps. And with most (not all), you can customize their color, which makes them more appealing and highlights their zones.
Community Name: BROOKHAVEN,TWN/SUFFOLF CO	Current Color: 
Community #: 5334	CHANGE COLOR
County: Suffolk	To customize colors, make sure you're using Chrome or Internet Explorer rather than Firefox or Safari.
Census Tract: 36103-1591.02	
Flood Zone: X	
Here's your flood map(s)	
Since it's possible for a property to be located on more than one flood map (tell me why), you may see more than one link below. In most cases, the first link will be the best map. When you click a link, the corresponding flood map will be displayed.	
 Flood Map #1 for 393 E Main St Map Panel: 36103C0694H - Map Date: 09/25/2009	

Flood Zone “X” is defined as follows: The areas of minimal flood hazard which are higher than the elevation of the 0.2% annual chance flood. This is according to FEMA standards.

FLOOD MAP LOCATING SUBJECT PROPERTY



ZONING OF THE PROPERTY

The subject property is zoned “J-6” Business by the Town of Brookhaven. The requirements of this zoning district are as follows:

J-6 Business (Highway Limited Business)

Permitted Uses:	Uses are established in this zone to promote uniform and compatible development, so as to relieve congestion and provide aesthetic construction along primary highways. The purpose is to permit the coexistence of commercial and residential uses. Therefore the following are the permitted uses in this zone: All principal and accessory residential uses as permitted in B Residence 1 Zone inclusive of all single family development. Cluster development is encouraged. Commercial development both primary and accessory as established by J-4 zone provided that approval is granted by the Town Board. These uses include but are not limited to personal service shops, banks, restaurants, retail, municipal or non-profit organizations, libraries, parks, playgrounds and community buildings.
Minimum Lot Area:	4,000 Sq Ft.
Minimum Lot Width:	50 Feet
Setbacks:	
Front Yard	5 Feet Min 25 Feet Max
Side Yard	0 Feet
Rear Yard	30 Feet
Maximum Building Area:	60%
Maximum Building Height:	35 Feet or 2.5 stories
Parking Requirements:	
Retail/Office	1 Space per 150+ Sq.Ft. of Gross Floor Area
Other	Varies by use.
Landscaping:	There shall be a landscape buffer area not less than 5 feet in width along the lot frontage or 400 Sq Ft of landscaping per 25 parking spaces. Landscape shall consist of grass, shrubs, trees and or fencing.
Curb Cuts:	Only one curb cut per 100 feet of frontage unless unusual circumstances prevail then subject to approval by the Planning Board during site plan review.

COMMENTS:

The subject was previously split zoned parcel with the residential portion mixed in the middle of several commercially zoned lots. According to planning and in conjunction with the Designated Redevelopment Initiative the site has been re-zoned to J-6 in its entirety.

ZONING MAP LOCATING SUBJECT



HIGHEST AND BEST USE

Highest and Best Use can be defined as follows: “The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property-specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.”⁵

Highest and best use of land or a site as though vacant can be defined as follows: “Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”⁶

Highest and best use of property as improved can be defined as follows: “The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.”⁷

⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal* (Fifth Edition, 2010), p. 93.

⁶ Appraisal Institute, *The Dictionary of Real Estate Appraisal* (Fifth Edition, 2010), p. 93.

⁷ Appraisal Institute, *The Dictionary of Real Estate Appraisal* (Fifth Edition, 2010), p. 94.

The subject property is analyzed as though vacant and available for development. Consideration is given to alternative programs of development among potential uses which are:

- 1) Physically possible, based upon topography, land area and site configuration;
- 2) Legally permissible, in compliance with zoning, deed restrictions or other constraints;
- 3) Economically feasible and fulfilling an identifiable demand in the market, and
- 4) Maximally productive thus, resulting in the highest present land value.

The highest and best use analysis views the subject property as vacant in order to place the subject site into proper perspective, thus considering alternative programs of development. Alternative programs of development are further examined if the intended or current use does not reflect the highest and best use.

HIGHEST AND BEST USE (Cont'd)

PHYSICAL

In the subject analysis, key considerations to determine the Highest and Best Use are the location, size and overall physical characteristics of the site.

There appears to be no adverse easements or encroachments affecting the subject site, which would hamper its development. The access to the subject site appears to be adequate although there is limited access to the rear portion of the site.

Based upon the site location, immediately surrounding land uses, road frontage, accessibility, configuration etc., it is the appraiser's opinion that the physical highest and best use of the subject site "*as vacant*" is for commercial and or mixed use development.

LEGAL

As previously indicated, the zoning of the site is "*J-6*" Business District. The legal utilization of the property is for commercial and or mixed use development.

ECONOMIC

The development of the subject site for residential use appears to be economically feasible and maximally productive within the immediate real estate market. Residential tenancy within the immediate market is generally promoted on residential zoned land resulting in stable occupancy rates and relatively stable rental rates.

Based upon the above-mentioned reasons, it is the appraiser's opinion that the highest and best economic use of the subject, *as vacant*, is for commercial and or mixed use development.

SUMMARY

Considering the physical, legal, and economic aspects, it is the appraiser's opinion that the highest and best use of the subject property, *as vacant*, is for commercial and or mixed use development.

MAXIMALLY PRODUCTIVE

The most maximally productive use of the property would be as zoned with potential for commercial and or mixed use development.

CONCLUSION

The appraiser has considered the four tests applicable to highest and best use. As a result of our analysis, we have concluded that the highest and best use is as zoned with potential for commercial and or mixed use development in accordance with the current zoning and groundwater management requirements applicable to the property

SALES COMPARISON APPROACH

The Sales Comparison Approach indicates an estimate of value as indicated by sales of similar properties which have occurred in the market. This approach is defined as:

The Sales Comparison Approach is defined as "the process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sales prices (or unit prices, as appropriate) of the comparable properties based on relevant market derived elements of comparison."*

This approach requires an appraiser to gather information on transfers of similar property. These transfers are then analyzed to determine the indications of value for the subject property, i.e., price/square foot, gross rent multipliers, overall rates, etc.

Once this data has been collected, the appraiser makes the appropriate adjustments to the sales. These adjustments include such differences as time, location, size, condition, etc... It must be noted that the sales are adjusted to the subject. The adjustment process, when completed, yields an indicated value of the subject property. The adjustment process actually adjusts the sales as if they contained all the characteristics of the subject property after adjustments.

The following sales were considered to be the most comparable and were utilized in our analysis of the subject property.

* *Appraisal Institute, The Dictionary of Real Estate Appraisal (Fifth Edition, 2010), p. 175*

SALES COMPARISON APPROACH (Cont'd.)

SALES	SUBJECT	1	2	3	4	5
Location	393 E Main Street East Patchogue	400 East Main Street East Patchogue	Middle Country Road Ridge	1850 Nesconset Highway St James	Lots 40 & 41 Montauk Highway Shirley	101 Hawkins Avenue Ronkonkoma
Sale Date	1/15/2015 Date of Inspection	Listed 1/2/2015	2/26/2013	3/19/2013	8/21/2013	8/18/2014
Property Size	91,184± Sq Ft 2.09± Acres	109,840± Sq Ft 2.52± Acres	40,001± Sq Ft .92± Acres	117,162± Sq Ft 2.70± Acres	8,000± Sq Ft .18± Acres	42,243± Sq Ft .97± Acres
Zoning	J-6 Business 60% Occupancy	J-6 Business 60% Occupancy	J-5 Business 25% Occupancy	NB Business 50% Occupancy	J-2 Business 35% Occupancy	J-42 Business 30% Occupancy
Consideration	N/A	\$2,500,000.00	\$550,000.00	\$2,500,000.00	\$135,000.00	\$730,000.00
Consideration per Sq Ft	N/A	\$22.76	\$13.75	\$21.25	\$16.87	\$17.28
Market Condition Adjustment	1/1/10-Current 0%	-15%	0%	0%	0%	0%
Consid per Sq Ft Adj. Mkt Cond.		\$19.35	\$13.75	\$21.25	\$16.87	\$17.28

ADJUSTMENTS

Location		0%	10%	-20%	5%	5%
Size		0%	-5%	0%	-25%	-5%
Shape/Utility		-20%	-20%	-5%	0%	-20%
Zoning		0%	20%	5%	15%	15%
Approvals		0%	0%	0%	0%	0%
Other		0%	5%	5%	5%	5%
Total Adjustment		0%	10%	-15%	0%	0%
Indicated Sale Price/Sq Ft		\$15.48	\$15.13	\$18.06	\$16.87	\$17.28

INDICATED VALUE: \$15.50/per Sq Ft

SALES COMPARISON APPROACH (Cont'd)

Explanation of Adjustments

MARKET CONDITIONS: The market has been stable from January 1/2010 to current and no market conditions adjustment is necessary for sales 2 through 5. Sale 1 is a current listing and was adjusted downward to reflect negotiation from the list price.

LOCATION: The subject has a Main Street location which is considered relatively sought after. The general overall area is considered average. Sale 1 is located across from the subject and thus no adjustment is necessary. Sale 3 is located on a major commercial highway in a superior community near to a large mall. This sale has a superior location and was adjusted appropriately. Sales 2, 4 and 5 are all considered to be located on less sought after commercial locations with less exposure and all were adjusted in varying degrees accordingly.

SIZE OF PARCEL: Sales were adjusted to reflect the notion that smaller parcels typically sell for more on a per sq ft basis as compared with larger parcels and larger parcels sell for less on a per unit basis.

SHAPE/UTILITY: The subject is irregular in shape with limited frontage and the bulk of the parcel located off of the main road. Sales 1, 2 and 5 are all regular in shape with multiple road frontage which creates superior utility and thus all were adjusted. Sales 3 and 4 are irregular in shape like the subject. Sale 4 required no adjustment and sale required a minor adjustment as the irregular shape of this lot is not as severe as the subject.

ZONING: The subject is zoned for commercial mixed use with a higher percentage of lot occupancy. The higher floor area ration provides for more return on yield. Sales were adjusted in this category to reflect the difference in lot occupancy.

APPROVALS: All sales sold as is with no approvals and thus no adjustment was necessary.

OTHER: Sales 2 through 5 were adjusted in this category to reflect the fact that the current redevelopment of the immediate subject downtown area allows for fast tracking approvals for site plan submission. Sale 1 is located in the same re-development area and no adjustment was necessary.

CONCLUSION: The sales ranged from an unadjusted low of \$13.75 per sq ft to a high of \$21.25 per sq.ft. After adjusting for all factors affecting market value, the range is \$15.13 to \$18.06 sq ft. Based upon the analysis of all of the sales and considering which are most similar to the subject, the value of the subject is **\$15.50 per sq ft**. The total estimated market value is then calculated as follows:

$$\begin{array}{rclclcl} 91,184\pm \text{ Sq Ft} & @ & \$15.50/\text{sq Ft} & = & \$1,413,352.00 \\ & & & & \mathbf{\$1,415,000.00 \text{ Rd.}} \end{array}$$

COMPARABLE LAND SALES

MARKET DATA SALE # 1
400 MAIN STREET, EAST PATCHOGUE, NEW YORK



DESCRIPTION: Commercial Vacant Land

PROPOSED GRANTOR: Flood

PROPOSED GRANTEE: N/A

SIZE: 2.52± Acres / 109,840± Sq.Ft.

PROPOSED CONSIDERATION:

\$2,500,000.00
\$992,063.49/Acre
\$22.76/Sq Ft

VERIFIED WITH: Loop Net #18953604 Broker
Suffolk Realty Group 631-244-
7000 Matt public record by LJG
2/2015 (29650)

LIBER: N/A
PAGE: N/A

LIST DATE: 1/2/2015
DEED DATE: N/A
REC'D DATE: N/A

ZONING: J-6 Business District
60% FAR

DISTRICT: 200
SECTION: 977.50
BLOCK: 6
LOTS: 6.001, 6.002 & 9

HIGHEST &
BEST USE: As utilized

UTILITIES: Public

IMPROVEMENTS:

This is the current listing of a commercially zoned parcel with a small masonry vacated structure on the site. The structure adds no value other than salvage.

According to the broker there is a standing offer for \$2,000,000.00 which the owner has rejected. The proposed purchaser is still in negotiation with the seller. The proposed buyer is in the process of doing diligence and trying to secure preliminary approval for mixed use retail and residential development on the site. The plan calls for 10,000 square feet of retail on the first level and 30 apartments above. According to the broker the town is in favor of this type of development for the site. This development falls in line with re-development plans for the downtown area.

(-)

[illegible]

MARKET DATA LAND SALE #2
NO # MIDDLE COUNTRY ROAD, RIDGE, NEW YORK



DESCRIPTION: Vacant Commercial Land
GRANTOR: Lee Milt's Petroleum, Inc
GRANTEE: Broadway Hicksville Enterprise, Inc.
SIZE:
 LAND: 0.92±Acres/ 40,001±Sq.Ft.
CONSIDERATION: \$550,000.00
 \$13.75/Sq Ft
VERIFIED WITH: Public Record by JHG 10/2013
 (27267-13)

(X)

LIBER: 12725
PAGE: 27

DEED: 02/26/2013
REC'D: 03/29/2013

ZONING: 'J5' Business
 25% FAR

DISTRICT: 200:
SECTION: 350
BLOCK: 1
LOT: 23

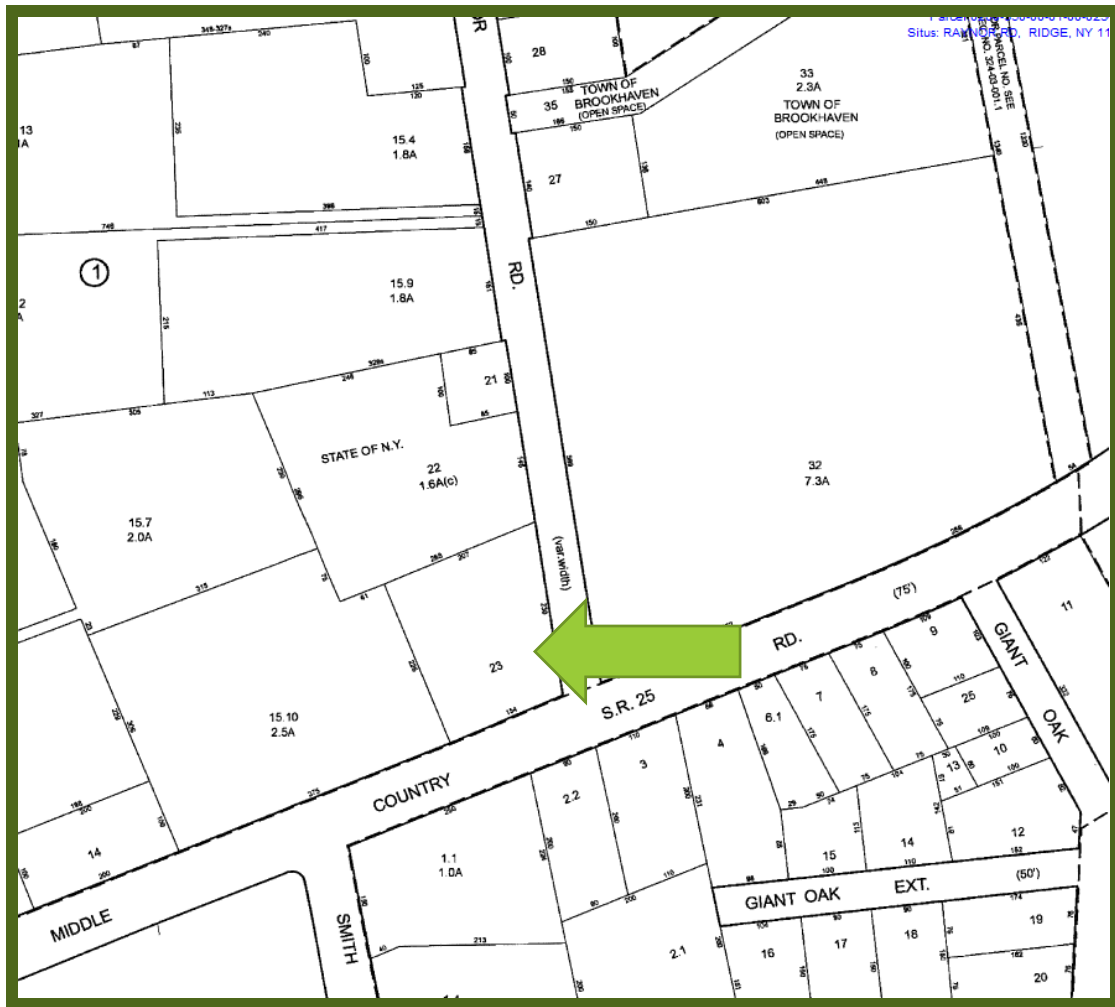
MORTGAGE: None Noted

HIGHEST &
BEST USE: As Utilized

IMPROVEMENTS:

Grantee plans to develop site with a new service station. This was formerly a Getty gas station.

TAX MAP LOCATING SALE #2



MARKET DATA LAND SALE #3
1850 Nesconset HIGHWAY, ST JAMES, NEW YORK



DESCRIPTION: Commercial Land

OWNER: New Realty Development Corp

GRANTEE: Crescent Associates, LLC
 220 Westbury Ave
 Carle Place, NY

SIZE: Land: 2.70± Acres
 117,162.00 Sq. Ft.

CONSIDERATION: \$2,500,000.00
 \$929,482.26/Acre
 \$21.25 / Sq. Ft.

VERIFIED WITH: Costar #2744674, Town of
 Smithtown Planning dept
 By JF 10/2013
 (27248)

(x)

LIBER/PAGE: 12725 / 282

SALE DATE: 3/19/2013

ZONING: "NB" business
 50% FAR

DISTRICT: 800
 SECTION: 114
 BLOCK: 3
 LOTS: 5.1

MORTGAGE: None Noted

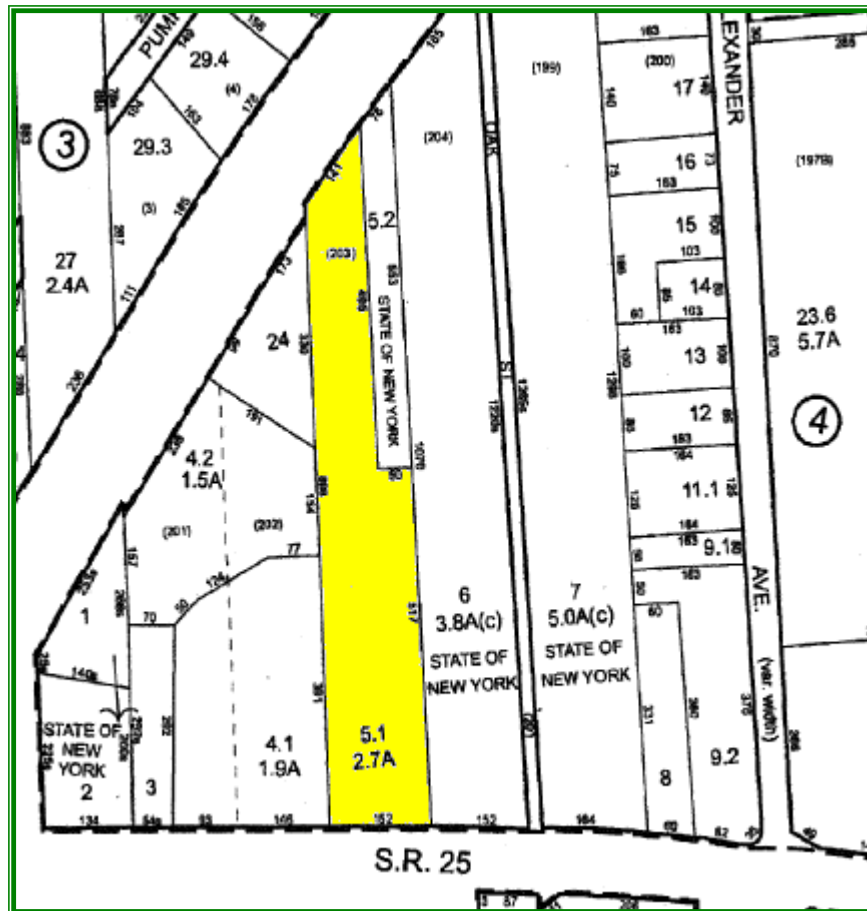
HIGHEST AND
 BEST USE: As per zoning

UTILITIES: Public

COMMENTS:
 Vacant commercial land. Note: This is a new lot. The lot size is different from that reported on Costar. The size sited was confirmed with the Town Planning Dept. This parcel is adjacent to NY State land and the Smith Haven Mall. No approvals at the time of sale.

The site is elongated which limits utility to the rear of the property.

TAX MAP LOCATING SALE #3



MARKET DATA SALE #4
LOTS 40 & 41, MONTAUK HIGHWAY, SHIRLEY, NEW YORK



DESCRIPTION: Commercial Vacant Land

GRANTOR: Robert Deshlar

BUYER: 8 Star Properties, LLC

SIZE: 8,000 Sq.Ft. (.18± Acres)

CONSIDERATION: \$135,000.00
\$16.87/ Sq. Ft.

VERIFIED WITH: Comps Inc JF on 6/2014

(-)

LIBER: 12747
PAGE: 266

SALE DATE: 8/21/2013

ZONING: J-2 Business
35% FAR

DISTRICT: 200
SECTION: 851
BLOCK: 3
LOT: 40 & 41

MORTGAGE: None noted

HIGHEST &
BEST USE: As utilized

IMPROVEMENTS:
Vacant commercial land, level and at road grade. This lot is Narrow (40 x 200) and offers less utility than a more conventionally shaped lot

MARKET DATA SALE #5
101 HAWKINS AVENUE, RONKONKOMA, NEW YORK



DESCRIPTION: Vacant Commercial Land

GRANTOR: Patricia Zasowski
174 E Main St
Holbrook, NY

GRANTEE: Intellectual Capital Solutions
Corp.

SIZE:
Bldg: N/A
Site: 42,253± Sq. Ft.
.97± Acres

CONSIDERATION: \$730,000.00
\$752,577.32± /Acre
\$17.28 / Sq.Ft.

VERIFIED WITH: Costar #3126236, Comps Inc.,
By GJC 10/2014 (29287)

(-)

LIBER/PAGE: 12786 / 600

SALE DATE: 8/18/2014

TAX MAP:
Dist: 200
Sect: 762
Blk: 2
Lot: 24.001

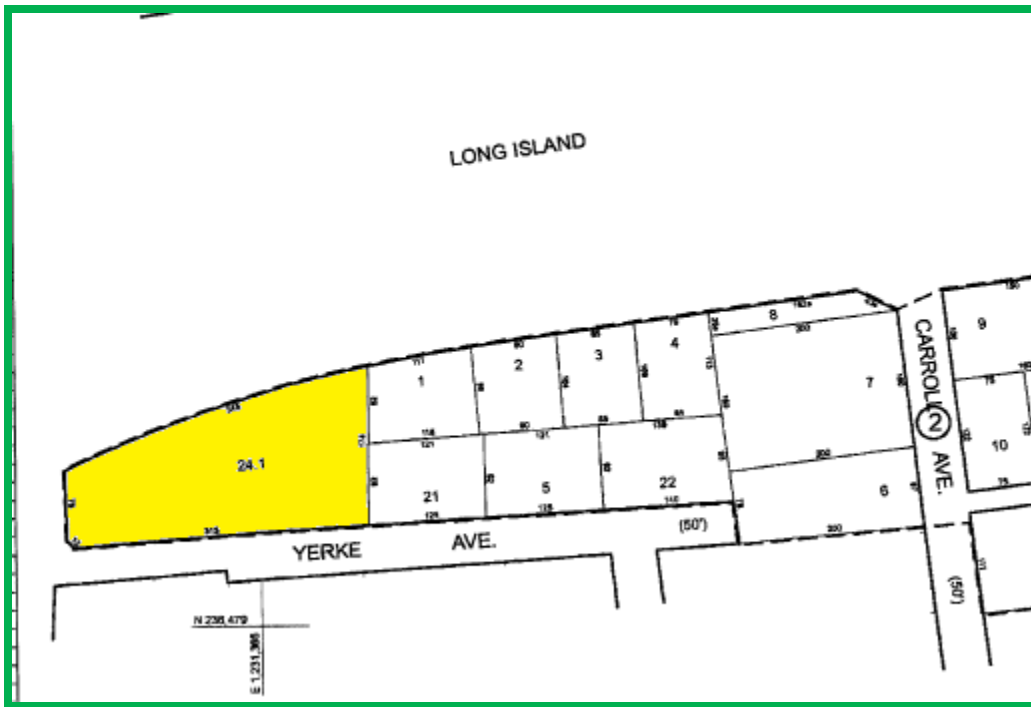
ZONING: "J-4 Business
30% FAR

HIGHEST & BEST USE: As Vacant for Development

FINANCING: Cash Equivalent

COMMENTS:
This is a sale of a single commercial building lot. The property has an adequate amount of frontage on a primary thoroughfare offering a good level of exposure. There were no know approvals in place at the time of sale.

TAX MAP LOCATING SALE #5



RECONCILIATION AND CONCLUSION OF VALUE

VALUE INDICATED BY THE COST APPROACH:	Not Developed
VALUE INDICATED BY THE INCOME APPROACH:	Not Developed
VALUE INDICATED BY THE SALES COMPARISON APPROACH:	\$1,415,000.00
ESTIMATED MARKET VALUE:	\$1,415,000.00

In developing our estimate of market value, only the Sales Comparison Approach was developed since the subject is currently vacant land.

In the Sales Comparison Approach, sales of comparable vacant commercial land sales within the Suffolk County market area were analyzed and compared to the subject. The vacant land sales were analyzed on the basis of price per square foot. Adjustments were made to reflect differences in location, lot size and physical characteristics. Due to the good availability of comparable sales data, this approach is considered to be the most reliable indication of value of the subject property.

STATEMENT OF GENERAL AND LIMITING CONDITIONS

1. Certain opinions, data and statistics which were furnished by others are not guaranteed but were gathered from sources believed to be accurate and reliable.
2. No liability is assumed for matters of a legal character such as title defects, liens, encroachments or easements.
3. The submission of this appraisal does not require future testimony or appearance in court or before any agency without special arrangements for that eventuality.
4. The distribution of the total value between land and the improvements applies only under the program of utilization and conditions stated in the report and invalidated under other programs of utilization or conditions or if used in making a summation appraisal.
5. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such factors or for engineering required to discover such factors.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such factors or for engineering required to discover such factors.
7. Disclosure of the contents of this appraisal report is governed by the By-Laws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this appraisal (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the person(s) signing this report.
8. It is assumed that the property is free and clear of all liens other than those mentioned in this report and that the property will be efficiently managed and properly maintained.

STATEMENT OF GENERAL AND LIMITING CONDITIONS (CONT'D)

9. One of the signatories of this report is a member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member to control the use and distribution of any report signed by such member. Therefore, except as hereinafter provided, the party for whom this appraisal was prepared may distribute copies of it, in the reports entirety, to such third parties as may be selected by the party for whom this appraisal was prepared; however, selected portions of this report shall not be given to third parties without prior written consent of the signatories. Further, neither all nor any part of this appraisal shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this appraisal report.
11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value of the property. Since I have no direct evidence relating to his issue, I did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.
12. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

CERTIFICATION

I hereby certify that Rogers and Taylor Appraisers, Inc. was employed to appraise the market value on property located at:

**393 MAIN STREET EAST
AKA STATE ROUTE 27A,
EAST PATCHOGUE, TOWN OF BROOKHAVEN,
SUFFOLK COUNTY, NEW YORK 11772**

Neither Rogers and Taylor Appraisers, Inc., nor I have a present or contemplated future interest in the real estate that is the subject of this appraisal report. In addition, Rogers and Taylor Appraisers have not completed an appraisal on the subject property within 5 years.

I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.

We have performed appraisal services on a portion of the subject site within the past three (3) years.

To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.

This appraisal report sets forth all of the limiting condition (imposed by the terms of my assignment or by the undersigned) affecting the analysis, opinions and conclusions contained in this report.

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute. No one other than the undersigned prepared the analysis, opinions and conclusions concerning real estate that are set forth in this appraisal report.

My analyses, opinions and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I certify that the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. I certify that compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.

I, James G. Taylor, do hereby certify that I have inspected the subject property.

I, Lawrence Giunta, do hereby certify that I have inspected the subject property.

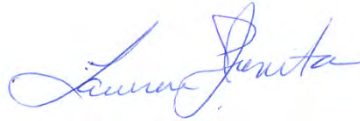
CERTIFICATION (Cont'd)

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic educational certification.

As of the date of this report, I, James G. Taylor has completed the requirements under the continuing education program of the Appraisal Institute.

Based upon the data analyzed, it is my opinion that the Market Value of the subject property located at **393 EAST MAIN STREET, EAST PATCHOGUE, NY 11772**, is as follows:

ONE MILLION FOUR HUNDRED FIFTEEN THOUSAND DOLLARS
(\$1,415,000.00)



Lawrence Giunta
State Certified General Real Estate Appraiser
Lic # 46000046476



James G. Taylor, MAI, SRA
State Certified General Real Estate Appraiser
Lic. # 46000002848

ADDENDA

SUBJECT PROPERTY CARD, LOT #20

Property Detail Report			
For Property Located At: LINK CT, PATCHOGUE, NY 11772			
Owner Information			
Owner Name:	TOWN OF BROOKHAVEN		
Mailing Address:	1 INDEPENDENCE HL, FARMINGVILLE NY 11738-2145 C004 C/O DEPT OF FINANCE		
Vesting Codes:	/ /		
Location Information			
Legal Description:	N TIFFORD E EAST MAIN RLTY C S K.G.		
County:	SUFFOLK, NY	APN:	0200-977-50-04-00-020-000
Census Tract / Block:	1591.02 / 2	Alternate APN:	8304210
Township-Range-Sect:		Subdivision:	
Legal Book/Page:		Map Reference:	977 / 6410-C7
Legal Lot:	20	Tract #:	
Legal Block:	5004	School District:	472224
Market Area:		School District Name:	PATCHOGUE
Neighbor Code:		Munic/Township:	BROOKHAVEN TOWN
Owner Transfer Information			
Recording/Sale Date:	02/24/2012 / 11/22/2011	Deed Type:	QUIT CLAIM DEED
Sale Price:		1st Mtg Document #:	
Document #:	12685-789		
Last Market Sale Information			
Recording/Sale Date:	09/10/1993 / 09/02/1993	1st Mtg Amount/Type:	/
Sale Price:	\$25,000	1st Mtg Int. Rate/Type:	/
Sale Type:	FULL	1st Mtg Document #:	
Document #:	11843-863	2nd Mtg Amount/Type:	/
Deed Type:	DEED (REG)	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	MULTIPLE
Title Company:			
Lender:			
Seller Name:	GLASS MAUREEN A (REF)		
Prior Sale Information			
Prior Rec/Sale Date:	03/23/1990 /	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:	11038-238	Prior 1st Mtg Rate/Type:	/
Prior Deed Type:	BARGAIN & SALE DEED		
Property Characteristics			
Year Built / Eff:	/	Total Rooms/Offices:	
Gross Area:		Total Restrooms:	
Building Area:		Roof Type:	
Tot Adj Area:		Roof Material:	
Above Grade:		Construction:	
# of Stories:		Foundation:	
Other Improvements:		Exterior wall:	
		Basement Area:	
		Garage Area:	
		Garage Capacity:	
		Parking Spaces:	
		Heat Type:	
		Air Cond:	
		Pool:	
		Quality:	
		Condition:	
Site Information			
Zoning:		Acres:	0.47
Lot Area:	20,473	Lot Width/Depth:	x
Land Use:	PARKING LOT	Commercial Units:	
Site Influence:		Sewer Type:	
		County Use:	
		State Use:	PARKING LOT (438)
		Water Type:	
		Building Class:	
Tax Information			
Total Value:	\$125	Assessed Year:	2013
Land Value:	\$125	Improved %:	
Improvement Value:		Tax Year:	
Total Taxable Value:		Property Tax:	
		Tax Area:	472289
		Tax Exemption:	170

SUBJECT PROPERTY CARD, LOT #28

Property Detail Report			
For Property Located At: LINKS CT, PATCHOGUE, NY 11772			
Owner Information			
Owner Name:	TOWN OF BROOKHAVEN		
Mailing Address:	1 INDEPENDENCE HL, FARMINGVILLE NY 11738-2145 C004 C/O DEPT OF FINANCE		
Vesting Codes:	/ /		
Location Information			
Legal Description:	N TIFFORD T5007 E GEARITY-OR S S EAS		
County:	SUFFOLK, NY	APN:	0200-977-50-04-00-028-000
Census Tract / Block:	1591.02 / 2	Alternate APN:	8304200
Township-Range-Sect:		Subdivision:	
Legal Book/Page:		Map Reference:	977 / 6623-A3
Legal Lot:	28	Tract #:	
Legal Block:	5004	School District:	472224
Market Area:		School District Name:	PATCHOGUE
Neighbor Code:		Munic/Township:	BROOKHAVEN TOWN
Owner Transfer Information			
Recording/Sale Date:	02/24/2012 / 11/22/2011	Deed Type:	QUIT CLAIM DEED
Sale Price:		1st Mtg Document #:	
Document #:	12695-789		
Last Market Sale Information			
Recording/Sale Date:	09/10/1993 / 09/02/1993	1st Mtg Amount/Type:	/
Sale Price:	\$25,000	1st Mtg Int. Rate/Type:	/
Sale Type:		1st Mtg Document #:	
Document #:	11643-663	2nd Mtg Amount/Type:	/
Deed Type:	DEED (REG)	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	MULTIPLE
Title Company:			
Lender:			
Seller Name:	GLASS MAUREEN A (REF)		
Prior Sale Information			
Prior Rec/Sale Date:	03/23/1990 /	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:	11039-238	Prior 1st Mtg Rate/Type:	/
Prior Deed Type:	BARGAIN & SALE DEED		
Property Characteristics			
Year Built / Eff:	/	Total Rooms/Offices:	
Gross Area:		Total Restrooms:	
Building Area:		Roof Type:	
Tot Adj Area:		Roof Material:	
Above Grade:		Construction:	
# of Stories:		Foundation:	
Other Improvements:		Exterior wall:	
		Basement Area:	
		Garage Area:	
		Garage Capacity:	
		Parking Spaces:	
		Heat Type:	
		Air Cond:	
		Pool:	
		Quality:	
		Condition:	
Site Information			
Zoning:		Acres:	0.71
Lot Area:	30,928	Lot Width/Depth:	x
Land Use:	PARKING LOT	Commercial Units:	
Site Influence:		Sewer Type:	
		County Use:	
		State Use:	PARKING LOT (438)
		Water Type:	
		Building Class:	
Tax Information			
Total Value:	\$185	Assessed Year:	2013
Land Value:	\$185	Improved %:	
Improvement Value:		Tax Year:	
Total Taxable Value:		Property Tax:	
		Tax Area:	472289
		Tax Exemption:	170

SUBJECT PROPERTY CARD, LOT #38

Property Detail Report			
For Property Located At: 393 E MAIN ST, PATCHOGUE, NY 11772			
			
Owner Information			
Owner Name:	TOWN OF BROOKHAVEN		
Mailing Address:	1 INDEPENDENCE HL, FARMINGVILLE NY 11738-2145 C/O DEPT OF FINANCE		
Vesting Codes:	/ /		
Location Information			
Legal Description:	N GEARITY T5007 E GALLIPOLI S E MA		
County:	SUFFOLK, NY	APN:	0200-977-50-04-00-038-000
Census Tract / Block:	1591.02 / 2	Alternate APN:	8304220
Township-Range-Sect:		Subdivision:	
Legal Book/Page:		Map Reference:	977 / 6738-B2
Legal Lot:	38	Tract #:	
Legal Block:	5004	School District:	472224
Market Area:		School District Name:	PATCHOGUE
Neighbor Code:		Munic/Township:	BROOKHAVEN TOWN
Owner Transfer Information			
Recording/Sale Date:	02/24/2012 / 11/22/2011	Deed Type:	QUIT CLAIM DEED
Sale Price:		1st Mtg Document #:	
Document #:	12885-789		
Last Market Sale Information			
Recording/Sale Date:	09/10/1993 / 09/02/1993	1st Mtg Amount/Type:	/
Sale Price:	\$25,000	1st Mtg Int. Rate/Type:	/
Sale Type:		1st Mtg Document #:	
Document #:	11843-883	2nd Mtg Amount/Type:	/
Deed Type:	DEED (REG)	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	MULTIPLE
Title Company:			
Lender:			
Seller Name:	GLASS MAUREEN A (REF)		
Prior Sale Information			
Prior Rec/Sale Date:	03/23/1990 /	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:	11038-238	Prior 1st Mtg Rate/Type:	/
Prior Deed Type:	BARGAIN & SALE DEED		
Property Characteristics			
Year Built / Eff:	/	Total Rooms/Offices:	
Gross Area:		Total Restrooms:	
Building Area:		Roof Type:	
Tot Adj Area:		Roof Material:	
Above Grade:		Construction:	
# of Stories:		Foundation:	
Other Improvements:		Exterior wall:	
		Basement Area:	
		Garage Area:	
		Garage Capacity:	
		Parking Spaces:	
		Heat Type:	
		Air Cond:	
		Pool:	
		Quality:	
		Condition:	
Site Information			
Zoning:		Acres:	0.42
Lot Area:	18,295	Lot Width/Depth:	x
Land Use:	THEATER	Commercial Units:	
Site Influence:		Sewer Type:	
		County Use:	
		State Use:	MOVIE THEATER (512)
		Water Type:	
		Building Class:	
Tax Information			
Total Value:	\$1,800	Assessed Year:	2013
Land Value:	\$1,800	Improved %:	
Improvement Value:		Tax Year:	
Total Taxable Value:		Property Tax:	
		Tax Area:	472289
		Tax Exemption:	170

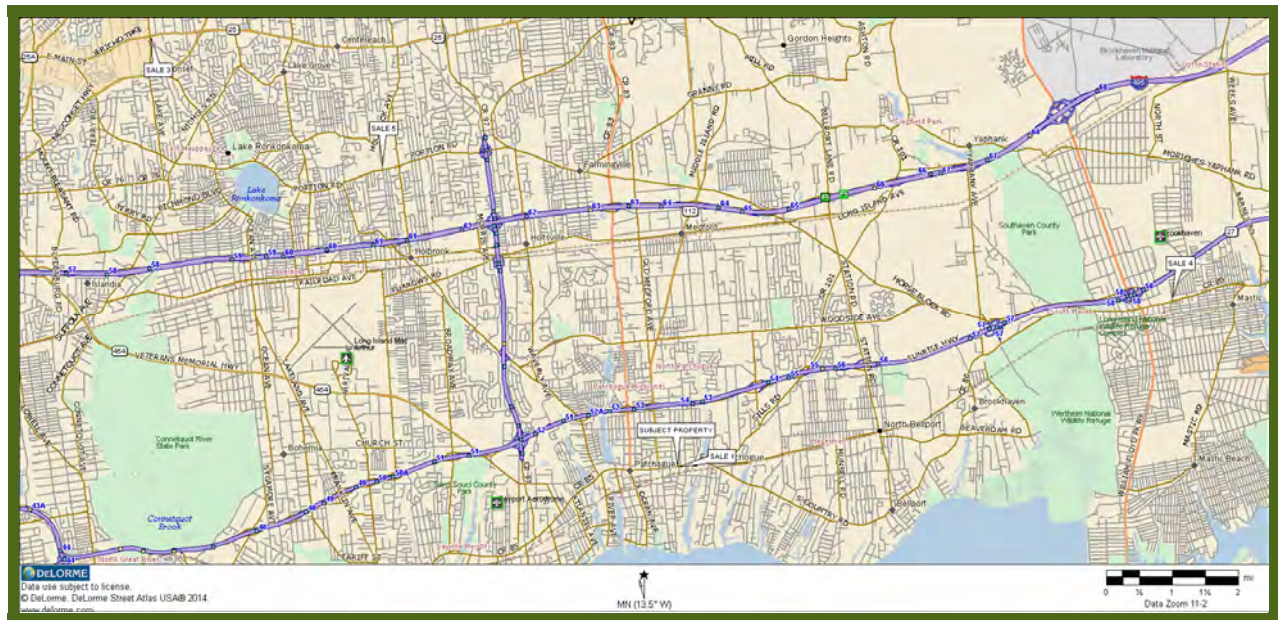
SUBJECT PROPERTY CARD, LOT #41

Property Detail Report			
For Property Located At: LINKS CT, PATCHOGUE, NY 11772			
Owner Information			
Owner Name:	TOWN OF BROOKHAVEN		
Mailing Address:	1 INDEPENDENCE HL, FARMINGVILLE NY 11738-2145 C/O DEPT OF FINANCE		
Vesting Codes:	/ /		
Location Information			
Legal Description:	N EAST MAIN RLTY C E CASE T5007 S 3		
County:	SUFFOLK, NY	APN:	0200-977-50-04-00-041-000
Census Tract / Block:	/	Alternate APN:	8316570
Township-Range-Sect:		Subdivision:	
Legal Book/Page:		Map Reference:	977 / 6623-A3
Legal Lot:	41	Tract #:	
Legal Block:	5004	School District:	472224
Market Area:		School District Name:	PATCHOGUE
Neighbor Code:		Munic/Township:	BROOKHAVEN TOWN
Owner Transfer Information			
Recording/Sale Date:	02/24/2012 / 11/22/2011	Deed Type:	QUIT CLAIM DEED
Sale Price:		1st Mtg Document #:	
Document #:	12685-789		
Last Market Sale Information			
Recording/Sale Date:	09/10/1993 / 09/02/1993	1st Mtg Amount/Type:	/
Sale Price:	\$25,000	1st Mtg Int. Rate/Type:	/
Sale Type:		1st Mtg Document #:	
Document #:	11843-663	2nd Mtg Amount/Type:	/
Deed Type:	DEED (REG)	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	MULTIPLE
Title Company:			
Lender:			
Seller Name:	GLASS MAUREEN A (REF)		
Prior Sale Information			
Prior Rec/Sale Date:	03/23/1990 /	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:	11039-238	Prior 1st Mtg Rate/Type:	/
Prior Deed Type:	BARGAIN & SALE DEED		
Property Characteristics			
Year Built / Eff:	/	Total Rooms/Offices:	
Gross Area:		Total Restrooms:	
Building Area:		Roof Type:	
Tot Adj Area:		Roof Material:	
Above Grade:		Construction:	
# of Stories:		Foundation:	
Other Improvements:		Exterior wall:	
		Basement Area:	
		Garage Area:	
		Garage Capacity:	
		Parking Spaces:	
		Heat Type:	
		Air Cond:	
		Pool:	
		Quality:	
		Condition:	
Site Information			
Zoning:		Acres:	0.31
Lot Area:	13,504	Lot Width/Depth:	x
Land Use:	PARKING LOT	Commercial Units:	
Site Influence:		Sewer Type:	
		County Use:	
		State Use:	PARKING LOT (438)
		Water Type:	
		Building Class:	
Tax Information			
Total Value:	\$800	Assessed Year:	2013
Land Value:	\$800	Improved %:	
Improvement Value:		Tax Year:	
Total Taxable Value:		Property Tax:	
		Tax Area:	472289
		Tax Exemption:	170

SUBJECT PROPERTY CARD, LOT #43

Property Detail Report			
For Property Located At:			
LINKS CT, PATCHOGUE, NY 11772			
Owner Information			
Owner Name:	TOWN OF BROOKHAVEN		
Mailing Address:	1 INDEPENDENCE HL, FARMINGVILLE NY 11738-2145 C/O DEPT OF FINANCE		
Vesting Codes:	/ /		
Location Information			
Legal Description:	N TIFFORD E EAST MAIN REALTY CORP S		
County:	SUFFOLK, NY	APN:	0200-977-50-04-00-043-000
Census Tract / Block:	1591.02 / 2	Alternate APN:	8313662
Township-Range-Section:			
Legal Book/Page:			
Legal Lot:	4300	Map Reference:	977 / 6623-A3
Legal Block:	0400	Tract #:	
Market Area:			
Neighbor Code:		School District:	472224
		School District Name:	PATCHOGUE
		Municipality:	BROOKHAVEN TOWN
Owner Transfer Information			
Recording/Sale Date:	02/24/2012 / 11/22/2011	Deed Type:	QUIT CLAM DEED
Sale Price:			
Document #:	12685-768		
Last Market Sale Information			
Recording/Sale Date:	09/10/1993 / 09/02/1993	1st Mtg Amount/Type:	/
Sale Price:	\$25,000	1st Mtg Int. Rate/Type:	/
Sale Type:			
Document #:	11643-663		
Deed Type:	DEED (REG)		
Transfer Document #:			
New Construction:			
Title Company:			
Lender:			
Seller Name:	GLASS MAUREEN A (REF)		
Prior Sale Information			
Prior Rec/Sale Date:	/		
Prior Sale Price:			
Prior Doc Number:			
Prior Deed Type:			
Prior Lender:			
Prior 1st Mtg Amt/Type:	/		
Prior 1st Mtg Rate/Type:	/		
Property Characteristics			
Year Built / Eff:	/	Total Rooms/Offices:	
Gross Area:			
Building Area:			
Tot Adj Area:			
Above Grade:			
# of Stories:			
Other Improvements:			
Site Information			
Zoning:		Acres:	0.12
Lot Area:	5,227	Lot Width/Depth:	x
Land Use:	RESIDENTIAL LOT	Commercial Units:	
Site Influence:			
		Sewer Type:	
		County Use:	
		State Use:	VACANT RESID (311)
		Water Type:	
		Building Class:	
Tax Information			
Total Value:	\$50	Assessed Year:	2013
Land Value:	\$50	Improved %:	
Improvement Value:			
Total Taxable Value:			
		Property Tax:	
		Tax Area:	472289
		Tax Exemption:	170

AREA MAP LOCATING SUBJECT PROPERTY AND COMPARABLE LAND SALES



LETTER OF ENGAGEMENT



Town of Brookhaven Long Island

Edward P. Romaine, Supervisor

December 11, 2014

Rogers & Taylor Appraisers, Inc.
300 Wheeler Road
Hauppauge, NY 11788

Attention: Lawrence Giunta

Re: Town of Brookhaven Property
393 East Main Street, Patchogue
SCTM Nos. 0200-977.50-04.00-20, 28, 38, 40, 41 & 43
Your File No. 22588-11

Dear Mr. Giunta:

You had previously prepared an appraisal of the above property on March 4, 2011. Please prepare an updated appraisal indicating the full fee value for this property. **Please refer to the attached memorandum to all Real Property Appraisers retained by the Town of Brookhaven dated July 28, 2009, and follow the standards contained therein.**

We would appreciate this appraisal being completed as soon as possible. A claim voucher is also enclosed for your convenience.

If you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

Annette Eaderesto
Town Attorney

AE:dlm
Enclosures

Department of Law

Annette Eaderesto, Town Attorney

One Independence Hill • Farmingville • NY 11738 • Phone (631) 451-6500 • Fax (631) 698-4489 • Fax (631) 451-6505
www.brookhaven.org

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Please print or retype name

LICENSE OF THE APPRAISER

UNIQUE ID NUMBER 46000046476	State of New York Department of State DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 77068
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R.E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 06 05 14
GIUNTA LAWRENCE J C/O ROGERS AND TAYLOR APPRAISE 300 WHEELER RD STE 302 HAUPPAUGE, NY 11788		EXPIRATION DATE MO. DAY YR. 06 04 16
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. CESAR A. PERALES SECRETARY OF STATE
DOS-1098 (Rev. 3/01)		

UNIQUE ID NUMBER 46000002848	State of New York Department of State DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 71723
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R.E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 09 12 13
TAYLOR JAMES G C/O ROGERS & TAYLOR APPRAISERS 300 WHEELER RD STE 302 HAUPPAUGE, NY 11788-4300		EXPIRATION DATE MO. DAY YR. 09 11 15
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. CESAR A. PERALES SECRETARY OF STATE
DOS-1098 (Rev. 3/01)		