Appraisal Report

FARMERS BLVD PROJECT

RE: Farmers Blvd Project : Block 10431 Lots: 10,11,15,17,19,21

APPRAISAL 6 NEW CONSTRUCTION 2 FAMILY DWELLINGS

APN: 4104310019	4412.29± square feet
APN: 4104310010	2788.54± square feet
APN: 4104310015	1465.76± square feet

Street Address: 113-34 Farmers Blvd, 189-40 113 road,
113-50 Farmers Blvd, 113-52 Farmers Blvd,
189-35 Murdock Avenue, 189-33 Murdock Ave

Date of Report: 12-31- 2015

Prepared for:

Mr. Barak Tsabari
CEO, B.H. Whitestone group LTD
MAZAL FARMERS GROUP LLC

Prepared by:

Oleg Borukhov, CRRA
CEO of Amsterdam Appraisal Services inc.
Certified Real Estate Appraiser

12--31- 2015

MAZAL FARMERS GROUP LLC

RE: Farmers Blvd Project : Block 10431 Lots: 10,11,15,17,19,21

Dear Mr. Barak Tsabari , CEO, B.H. Whitestone group LTD.

At your request and authorization, Amsterdam Appraisal Services has completed an appraisal pertaining to the above-referenced proposed Construction of 6 Two Family dwellings located in St. Albans, NY 11412 within Queens County.. This report was prepared in compliance with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP) and, as such, represents a Narrative Appraisal Report. In accordance with your request, the undersigned have prepared an appraisal of the above-captioned property for the purpose of estimating the fair value of the subject property in accordance with IFRS-13.

We have appraised the above referenced property, the conclusions of which are set forth in the attached appraisal report. This is an Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of USPAP and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition this appraisal has been prepared in compliance with IFRS 13 (International Financial Reporting Standards 13-fair value measurement). The depth of analysis discussed in this report is specific to the needs of the client and for the intended use stated in the report.

The report is intended for use only by MAZAL FARMERS GROUP LLC , its successors, assigns, and affiliates. The report is intended only for use in .¢I ² KúŠäü2yŠ DW2dzLJ [ûR financial statements. The use by others is not intended by Amsterdam Appraisal Services, inc. The subject property represents a proposed development Currently in construction phase

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

Value Date Conclusion Fair Value "As Is" as of December 31, 2015

Addresses of buildings:

113-34 Farmers Blvd	$440,000
189-40 113 Road	$470,000
113-50 Farmers Blvd	$388,000
113-52 Farmers Blvd	$505,000
189-35 Murdock Ave	$520,000
189-33 Murdock Ave	$386,000

Total combined project value as is as of 12-31-2015 $2,709,000

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

Thank you for the opportunity to serve you.

Sincerely,

Oleg Borukhov, CRRA
CEO of Amsterdam Appraisal Services inc.
Certified Real Estate Appraiser

GENERAL ASSUMPTIONS

Information, estimates and opinions furnished to us and contained in the report were obtained from sources considered reliable and believed to be accurate. The opinions of value stated herein are based on this assumption.

Various estimates of gross building area, number of apartments and total livable area were furnished by the owner, client and/or their agents. This opinions of value reported herein are based on the assumption that the data provided are the most recent and accurate. Data, information, and calculations leading to the market value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from this letter.

We have been requested to estimate the As is Gross sell out value and provide a total current as is fair market value of the subject properties in its current incomplete state as of 12/31/2015

we have developed an opinion of as-is market value of the subject as of the date of inspection (12-31 2015). As a result of our analysis, our opinions of market value for the parcels Block 10431 Lot 10,15,19, in accordance with the definitions, certifications, assumptions, limiting conditions set forth in the attached document, are presented below:

Gross sell our Value As is of all 6 dwellings. $ 2,709,000

This letter must remain attached to the report, which contains 24 pages, plus related exhibits and Addenda, in order for the value opinions to be considered valid.

We hereby certify the property has been inspected and we have impartially considered all data collected in the investigation. Further, we have no past, present or anticipated future interest in the property.

The subject property does not have any significant natural, cultural, recreational or scientific value. The appraiser certifies this appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

This appraisal has been performed in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), Title IX of the Federal Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, Federal regulatory requirements and guidelines that may apply.

Thank you for the opportunity to work with you on this assignment.

Sincerely,

Oleg Borukhov, Appraiser

Amsterdam Appraisal Services inc.

Cert: 45000049437 Exp 6/7/2017

This Certifies that the above referenced appraisal report was completed in compliance with the Appraiser Independence Requirements and the USPAP standards.

I CERTIFY, AS THE APPRAISER, THAT I HAVE COMPLETED ALL ASPECTS OF THIS VALUATION, INCLUDING RECONCILING MY OPINION OF VALUE, FREE OF INFLUENCE FROM THE CLIENT, CLIENT'S REPRESENTATIVES, BORROWER, OR ANY OTHER PARTY TO THE TRANSACTION.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Name:	Farmers Blvd Project
Property Type:	New Construction 6- Two family dwellings.
Street Address:	113-34 Farmers Blvd, 189-40 113 road, 113-50 Farmers Blvd, 113-52 Farmers Blvd, 189-35 Murdock Avenue, 189-33 Murdock Ave
Location:	Block: 10431 Lot 10,15,19,
Tentative Lots:	10,11,15,17,19,21.
Census Tract :	400
Owner of Record:	MAZAL FARMERS GROUP LLC
Zoning:	R5B
Flood Zone:	Zone X – 3604970234 F as of 09/05/2007

Land Area:

APN: 4104310019	4412.29± square feet
APN: 4104310010	2788.54± square feet
APN: 4104310015	1465.76± square feet
Total:	8666.59± square feet

Project Summary:

The Project consists of Subdividing existing Lots 10,15,19 a total of into lots 10,11,15,17,19,21 and Develop 6 New construction 2 family dwellings: the tentative addresses of those dwellings :

1. 113-34 FARMERS BLVD, TOTAL **2474.61 SQ FT** ATTACHED 2 FAMILY DWELLING
2. 189-40 113 ROAD, TOTAL **2583 SQ FT** ATTACHED 2 FAMILY DWELLING
3. 113-50 FARMERS BLVD, TOTAL **2252.42 SQ FT** SEMI-ATTACHED 2 FAMILY DWELLING
4. 113-52 FARMERS BLVD, TOTAL **2764.24 SQ FT** ATTACHED 2 FAMILY DWELLING
5. 189-35 MURDOCK AVENUE, TOTAL **2839.9 SQ FT** ATTACHED 2 FAMILY DWELLING
6. 189-33 MURDOCK AVE. TOTAL **2247.33 SQ FT** SEMI-ATTACHED 2 FAMILY DWELLING

SEE ATTACHED PROPOSED PLANS FOR BREAK DOWN.

Project Summary:

The Project consists of Subdividing existing Lots 10,15,19 a total of into lots 10,11,15,17,19,21 and Develop 6 New construction 2 family 3 story dwellings: the tentative addresses of those dwellings :

1. 113-34 FARMERS BLVD, TOTAL **2474.61 SQ FT** ATTACHED 2 FAMILY DWELLING

2. 189-40 113 ROAD, TOTAL **2583 SQ FT** ATTACHED 2 FAMILY DWELLING

3. 113-50 FARMERS BLVD, TOTAL **2252.42 SQ FT** SEMI-ATTACHED 2 FAMILY DWELLING

4. 113-52 FARMERS BLVD, TOTAL **2764.24 SQ FT** ATTACHED 2 FAMILY DWELLING

5. 189-35 MURDOCK AVENUE, TOTAL **2839.9 SQ FT** ATTACHED 2 FAMILY DWELLING

6. 189-33 MURDOCK AVE. TOTAL **2247.33 SQ FT** SEMI-ATTACHED 2 FAMILY DWELLING

TOTAL RESIDENTIAL SQ FT TO BE CONSTRUCTED 15,161.5 SQ FT

SEE ATTACHED PROPOSED PLANS FOR BREAK DOWN.

2 Family Comparables dates 1/1/2015- 12/31/2015 1800 sq ft to 3500 sq ft.

MILES	ZIP CODE	ADDRESS	CL	SIZE	SIZE	GBA	HT	# UNITS	BUILT	ZONING	SALE PRICE	SALE DATE	REC DATE	BLOCK	LOT
SUBJ	ST. ALBANS	FARMERS BLVD	V1	70.11X79.			0.00	0	0	R5B				10431	10
0.000	ST. ALBANS	18928 113 RD	B2	20X81	20X46	1850	2.0	2	2007	R5B	475,000	04/09/15	04/22/15	10431	4
0.024	ST. ALBANS	11409 MEXICO ST	B2	20X87 I	20X45	2400	2.0	2	2004	R5B	475,000	11/25/15	12/10/15	10397	29
0.354	ST. ALBANS	19808 MURDOCK AVE	B3	38X50	22X39	2577	2.0	2	2010		500,000	07/27/15	08/07/15	11015	3
0.424	ST. ALBANS	11710 195 ST	B2	20X100	20X48	1950	2.0	2	2007	R3A	600,000	12/11/15	12/17/15	12610	22
0.594	ST. ALBANS	11852 FARMERS BLVD	B2	40X87	23X46 G	2116	2.0	2	2012	R3A	535,000	12/09/15	12/17/15	12450	32
0.657	ST. ALBANS	11893 RIVERTON ST	B2	23X100 I	15X53	1654	2.0	2	2006	R3A	515,000	10/23/15	11/06/15	12450	7
0.742	ST. ALBANS	19807 120 AVE	B2	25X100	16X49	1498	2.0	2	2007	R3A	500,000	06/05/15	12/21/15	12654	36
0.742	ST. ALBANS	19807 120 AVE	B2	25X100	16X49	1498	2.0	2	2007	R3A	330,000	01/07/15	02/23/15	12654	36
0.767	ST. ALBANS	11918 178 PL	B2	25X100 I	19X55	2090	2.0	2	2007	R3A	525,069	04/22/15	11/25/15	12462	36
0.960	ST. ALBANS	11627 MERRICK BLVD	B2	20X96 I	20X50	2000	2.0	2	2005	R5B	540,000	07/08/15	07/21/15	12406	120
0.162	ST. ALBANS	11532 FARMERS BLVD	B3	40X87 I	25X26	1990	2.0	2	1920	R2	595,000	07/09/15	07/20/15	10389	54

Our valuation reflected the following:

1. Ownership of the realty is held in fee simple or as defined and in compliance with all local codes.

2. Sales Comparison Approach: Based upon our findings in the marketplace, similar properties to the subject are selling for $194.00 to $311.00 per square foot. An analysis of all factors including location , age, condition, Zoning , and terms of sale, result in the conclusion that the project as a whole is valued at **$ 3,490,000 (rounded)** for 6 current parcels each parcel consisting of a new construction 2 family 3 story dwelling , a cost to cure of $780,000 was applied to the final value estimate as the appraisal value is based on current as is incomplete construction condition, the subject as of the effective date is 65% complete.

Average Price per sq ft $230

SELL OUT VALUE OF EACH DWELLING BY $ PR SQ FT :

1. 113-34 FARMERS BLVD, TOTAL **2474.61 SQ FT** ATTACHED 2 FAMILY DWELLING

$570,000 VALUE OF PROPOSED CONSTRUCTION
-$130,000 COST TO COMPLETE CONSTRUCTION
($440,000 CURRENT VALUE)

2. 189-40 113 ROAD, TOTAL **2583 SQ FT** ATTACHED 2 FAMILY DWELLING

$600,000 VALUE OF PROPOSED CONSTRUCTION
-$130,000 COST TO COMPLETE CONSTRUCTION
($470,000 CURRENT VALUE)

3. 113-50 FARMERS BLVD, TOTAL **2252.42 SQ FT** SEMI-ATTACHED 2 FAMILY DWELLING

$518,000 VALUE OF PROPOSED CONSTRUCTION
-$130,000 COST TO COMPLETE CONSTRUCTION
($388,000 CURRENT VALUE)

4. 113-52 FARMERS BLVD, TOTAL **2764.24 SQ FT** ATTACHED 2 FAMILY DWELLING

$635,000 VALUE OF PROPOSED CONSTRUCTION
-$130,000 COST TO COMPLETE CONSTRUCTION
($505,000 CURRENT VALUE)

5. 189-35 MURDOCK AVENUE, TOTAL **2839.9 SQ FT** ATTACHED 2 FAMILY DWELLING

$650,000 VALUE OF PROPOSED CONSTRUCTION
-$130,000 COST TO COMPLETE CONSTRUCTION
($520,000 CURRENT VALUE)

6. 189-33 MURDOCK AVE. TOTAL **2247.33 SQ FT** SEMI-ATTACHED 2 FAMILY DWELLING

$516,000 VALUE OF PROPOSED CONSTRUCTION
-$130,000 COST TO COMPLETE CONSTRUCTION
($386,000 CURRENT VALUE)

The Above values represent the Gross Sell Out value for each of the dwellings based on price per sq ft derived from market analysis of similar relevant and competing sales.

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

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

A COST TO CURE OF $780,000 WAS APPLIED TO THE FINAL VALUE ESTIMATE AS THE APPRAISAL VALUE IS BASED ON CURRENT AS IS INCOMPLETE CONSTRUCTION CONDITION, THE SUBJECT AS OF THE EFFECTIVE DATE IS 65% COMPLETE.

EACH PROPERTY WAS ADJUSTED $133,000 FOR COST TO COMPLETE EACH 2 FAMILY DWELLING.

MARKET DATA APPROACH

THE APPRAISER CONDUCTED AN EXTENSIVE SEARCH OF THE SUBJECT NEIGHBORHOOD AND COMPETING AREAS. THE SALES PROCESSED IN THIS REPORT REPRESENT THE MOST SIMILAR SIGNIFICANT TRANSFERS AVAILABLE. ALL COMPARABLE SALES ARE SIMILAR DWELLINGS LOCATED WITHIN CLOSE PROXIMITY TO THE SUBJECT PROPERTY. THE COMPARABLE SALES SELECTED FOR THIS APPRAISAL WERE THE MOST CURRENT AND BEST CHOICES TO REPRESENT THE MARKETABILITY OF THE SUBJECT PROPERTY AND SECURED FROM THE VARIOUS SOURCES INCLUDING GEODATA, COMPS INC, LOCAL BROKERS, MLS AND INTERNAL DATA SOURCES. AS ADJUSTED, THESE SALES REPRESENT A REASONABLE RANGE OF VALUE FOR DETERMINING THE FINAL VALUE ESTIMATE. ALL ADJUSTMENTS WERE MARKET DERIVED AND APPLIED ACCORDINGLY. THE QUALITY AND QUANTITY OF THE DATA IS CONSIDERED GOOD AND RELIABLE. A THOROUGH SEARCH USING ALL AVAILABLE DATA SOURCES INCLUDING INTERVIEWS WITH LOCAL BROKERS REVEALED NO OTHER RECENT SALES THAT WERE SIMILAR TO THE SUBJECT. TO UTILIZE THE BEST COMPARABLE SALES POSSIBLE OF THE SUBJECT.

THE SUBJECT PROPERTY MAY POSSESS A ROOM COUNT DIFFERENT FROM COMPARABLE SALE. HOWEVER NO ADJUSTMENTS ARE NOTED. ADJUSTMENTS ARE MADE TO GROSS LIVING AREA WHERE DIFFERENCES EXIST BETWEEN A COMPARABLE SALE AND THE SUBJECT PROPERTY. ALTHOUGH SOME COMPARABLE SALES HAVE ACTUAL AGE DIFFERENT FROM THE SUBJECT PROPERTY, THE SUBJECT PROPERTY AND COMPARABLE SALES HAVE SIMILAR EFFECTIVE AGES. THEREFORE, NO ADJUSTMENTS ARE WARRANTED UNLESS EXTREME CASE WHERE THE EFFECTIVE AGES DIFFER. WHERE THERE ARE FEW HOME OF THE SAME STYLE IN OUR SUBJECT'S NEIGHBORHOOD, THIS APPRAISER USES DIFFERENT STYLE COMPARABLES SALES WITH EQUAL MARKET DEMAND, SIMILAR GROSS LIVING AREA, AND SIMILAR FUNCTIONAL UTILITY. THE SALES CONCESSIONS FOR ALL THE COMPARABLE SALES, IF ANY, ARE NOT AVAILABLE THROUGH STANDARD DATA SOURCES USED IN THIS APPRAISAL PRACTICE. CONCESSIONS ARE COMMON WITHIN THE SUBJECT MARKET AREA BUT DO NOT HAVE AN ADVERSE AFFECT ON THE MARKETABILITY OF THE SUBJECT PROPERTY OR OF THE COMPARABLE SALES.

THE APPRAISER UTILIZED THE MOST RECENT AND BEST AVAILABLE COMAPRABLES FOR THE SUBECT PROPERTY.
A THOROUGH SEARCH OF ALL AVAILABLE DATA SOURCES 12 MONTHS AND 2 MILE FROM THE SUBJECT , SEARCH SOURCES INCLUDING COMPS INC. AND MLS REVEALED NO OTHER MORE RECENT SALES THAN THOSE PROVIDED, DUE TO LOW TRANSFER ACTIVITY OF ARMS LEGNTH TRANSACTIONS, A LIMITED NUMBER OF SALES WERE AVAILABLE WITHIN THE SUBJECT AREA, ALL COMPS SHARE SIMILAR MARKETABILITY AS THE COMPS ARE LOCATED WITHIN 1 MILES FROM THE SUBJECT, THIER USE IN THE APPRAISAL REPORT WILL NOT HAVE ANY ADVERSE AFFECT ON OUR APPRAISED VALUE.

DUE TO A LACK OF RECENT SALES WITHIN THE PAST 6 MONTHS OF SIMILAR STYLE AND FUNCTIONAL UTILITY DWELLINGS SUCH AS THE SUBJECT IT WAS UNAVOIDABLY NECESSARY TO UTILIZE COMPARABLES IN EXCESS OF 6 MONTHS FROM THE DATE OF THIS APPAISAL REPORT. RESEARCHING ALL AVAILABLE DATA SOURCES INCLUDING INTERVIEWS WITH LOCAL BROKERS REVELAED NO OTHER MORE SIMILAR SALES THAN THOSE PROVIDED, THE USE OF THESE COMAPRABLE SALES WILL NOT HAVE AN ADVERSE AFFECT ON OUR APPRASIED VALUE.

PLEASE NOTE: AN APPRAISER SIMPLY PERFORMS THE SERVICE OF DETERMINING THE PROPERTY'S APPRAISED VALUE IN ITS CURRENT INCOMPLETE STATUS. APPRAISERS DO NOT REPRESENT AN INDIVIDUAL'S INTERESTS REGARDING A PROPERTY. PER REVIEW OF CURRENT COMPARABLES WITHIN A 12 MONTH TIME FRAME AND A 2 MILE RADIUS, THE COMPARABLE SALES CHOSEN BY THE APPRAISER REFLECT THE CURENT MARKET VALUE FOR THE SUBJECT, THESE COMPARABLES REPRESENT GOOD INDICATOR OF VALUE FOR THE SUBJECT UNIT. ALTHOUGH THE APPRAISED VALUE MAY VARY FROM THE CURRENT AGREED UPON PURCHASE PRICE THE APPRAISED VALUE IS BASED UPON CURRENT SALES WITHIN THE SUBJECTS MARKET.

THE APPRAISER UTILIZED THE MOST RECENT AND BEST AVAILABLE COMPARABLES FOR THE SUBECT PROPERTY.

THE SUBJECT IS VALUED IN "AS IS" STATUS WITH 65 % OF CONSTRUTION COMPLETE, ALTERATIONS OR MODERNIZATION NOT REQUIRED AS A CONDITION OF VALUE. ALL THREE APPROACHES TO VALUE HAVE BEEN CONSIDERED IN THIS VALUATION. SEE ATTACHED STATEMENT OF LIMITING CONDITIONS.

Since this assignment specifically calls for an estimate of market value of a typical residential dwelling for the subject area, the "Sales Comparison Approach", has been utilized and given most emphasis. Properties similar to the subject are typically valued by the sales comparison approach. Due to the lack of new construction and limited investment of residential dwelling, the cost approach and income approach are not considered reliable indicators of market value, and are therefore not utilized.

HIGHEST AND BEST USE

The following definition of Highest and Best Use is set forth in Real Estate Appraisal Terminology sponsored by the American Institute of Real Estate Appraisers. Highest and Best Use is:

"That reasonable and probable use that will support highest present value, as defined, as of the effective date of the appraisal. Alternately, that use, from among reasonable, probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value."

In determining highest and best use, we have considered the following:

The current trends of supply and demand on the market.

Current zoning regulations and other possible restrictions.

Neighboring land uses.

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

In estimating highest and best use, alternative uses are considered and tested for the subject site.

Possible Use - An analysis to determine those uses of the subject which can be deemed physically possible;

Permissible Use - An investigation into existing zoning regulations, lease terms, and deed restrictions on the site to determine which uses are legally permitted;

Feasibility - An analysis to determine which of those uses deemed possible and legal can provide a net return to the owner of the site;

Highest and Best Use - Among the feasible uses, which use will provide the highest net return or highest present worth

AS VACANT

Legally Permissible	The parcel is an R5B zoning district, which permits residential / community use as of right. No known zoning change is anticipated and there are no public or private deed restrictions that preclude development. Our analysis of the market indicates that the subject location supports the current zoning. It is our opinion that the site, if vacant, could be developed for the above legally permitted (and assumed) uses.
Physically Possible	The site is of good size and has good street access. All necessary utilities are available, and there are no apparent easements or encroachments that would hinder development. Its size falls within the range of improved sites in the area and is not considered to restrict the utility of the subject in relation to competing sites. Any of the above legally permitted uses, therefore, are considered physically possible.
Financially Feasible	The subject is located within a predominantly multi-family neighborhood in a community where there is a continuing demand for retail and residential properties yielding minimal vacancy. Thus, market conditions are such that new market-oriented multi-family construction is feasible as the value exceeds the cost.
Maximally Productive/ Highest and Best Use	All legally permissible, physically possible and financially feasible uses of the site, as vacant, have been presented and examined. In conclusion, it is our opinion that the highest and best use of the subject, as vacant, is multi-family development

As Is

Legally Permissible	Located in an R5B zoning district, which permits residential uses as of right. No known zoning change is currently being considered or anticipated. We are not aware of any public or private deed restrictions that preclude development on the site. Our analysis of the market indicates that the subject location supports the current zoning. It is our opinion that the site, if vacant, could be developed for the above legally permitted (and assumed) uses.
Physically Possible	The subject is of good size and has good street access. All necessary utilities are available, and there are no apparent easements or encroachments that would hinder or prevent development. The size falls within the range of improved sites in the area and is not considered to restrict the utility in relation to competing sites. Any of the above legally permitted uses, therefore, are considered physically possible.
Financially Feasible	The subject's block is characterized as residential and there is no other use which is feasible. As improved, the subject is generating net cash flow, and an adequate return to the owners. Therefore, the current use is financially feasible.
Maximally Productive/ Highest and Best Use	All legally permissible, physically possible and financially feasible uses of the subjects dwellings "as is" have been presented and examined. In summary, our opinion is that the highest and best use of the subject property, as improved, is use as a multi-family building.

Highest and Best Use: **As proposed**; Residential; Multifamily dwellings.

Date of Inspection: December 31, 2015

Effective Date of Value: December 31, 2015

Date of Report: January 18, 2016

Property Rights Appraised: Fee simple estate

Exposure & Marketing Time : **3**-6 months

PERCENT OF ESTIMATED COMPLETION AS OF EFFECTIVE DATE OF APPRAISAL 65% COMPLETE.

Conclusions of Market Value:

Conclusion	
AS IS SELL OUT VALUE OF CURRENT INCOMPLETE CONSTRUCTION FOR ALL 6 DWELLINGS COMBINED 65% COMPLETE.	**$ 2.709,000**

AS COMPLETED VALUE $3,490,000 (ROUNDED)

The value conclusions are subject to the *General and Extraordinary Assumptions, Limiting Conditions, Significant Factors* and *Hypothetical Conditions* contained within this report.

Type and Definition of Value

The purpose of this appraisal is to estimate the hypothetical Fair value of the subject property assuming completion of Proposed construction , and the as-is Fair value (fee simple estate) of the subject parcels as of the date of inspection (June 22 2015). Fair value is defined as follows:

Fair value is (IFRS 13.9): 'The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.'
This definition of fair value is sometimes referred to as an 'exit price' .

Fair Market value: 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 a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) Buyer and seller are typically motivated;
(2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
(3) A reasonable time is allowed for exposure in the open market;
(4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.1

Please refer to the Glossary of Terms in the Addenda to this report for the definition of hypothetical condition and value as is.

PURPOSE OF THE APPRAISAL

To estimate the "as is" fair value of the subject property's leased fee interest as of December 31, 2015 in accordance with IFRS 13.

FUNCTION OF THE APPRAISAL/INTENDED USER

The type and definition of value sought in the appraisal of the subject was an "as is" Fair Value opinion for the Fee simple interest in the properties as of December 31, 2015, subject to the general underlying assumptions and limiting conditions cited herein, and in compliance with IFRS 13 (International Financial Reporting Standards 13-fair value measurement). According to the International Financial Reporting Standard 13, Fair Value is defined as: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

Client, Intended User and Intended Use of the Report

The client and intended user of this appraisal report is MAZAL FARMERS GROUP LLC ь
. l·ℕl·ʅ ¢ăl·ōl·ℕλΣ /9hΣ .ϕ l ϕ ² KλŭŜăŭ2yŜ ∃ℕ2dzLJ [¢5

The appraisal is to be disclosed to the Israeli Stock Exchange and Israeli Securities Authority in connection B.H Whitestone Group Ltd Financial statements. This report is not intended for any other use.

Amsterdam Appraisals, its Appraisers, the officers, employees, duly authorized volunteers, and agents of each of them shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.

Intended user(s) shall hold harmless, indemnify, and defend the Amsterdam Appraisals, its Appraisers, the officers, employees, duly authorized volunteers, and agents of each of them from and against any and all liability, loss, damage, expense, costs of every nature, and causes of actions, except for the sole negligence or willful misconduct of the appraiser.

I, OLEG BORUKHOV, HAVE NO CURRENT OR PROSPECTIVE INTEREST IN THE SUBJECT PROPERTY OR THE PARTIES INVOLVED; AND DISCLOSE I HAVE PERFORMED ANY SERVICES WITHIN THE 3 YEAR PERIOD IMMEDIATELY PRECEDING ACCEPTANCE OF THIS ASSIGNMENT, AS AN APPRAISER OR IN ANY CAPACITY. 6/22/2015

I CERTIFY, AS THE APPRAISER, THAT I HAVE COMPLETED ALL ASPECTS OF THIS VALUATION, INCLUDING RECONCILING MY OPINION OF VALUE, FREE OF INFLUENCE FROM THE CLIENT, CLIENT'S REPRESENTATIVES, BORROWER, OR ANY OTHER PARTY TO THE TRANSACTION

ESTIMATED MARKET EXPOSURE TIME FOR THE SUBEJCT PROPERTY AT THE CURRENT APPRAISED VALUE IS 3-6 MONTHS. EXPOSURE TIME IS DEFINED AS ESTIMATED LENGTH OF TIME THAT THE PROPERTY INTEREST BEING APPRAISED WOULD HAVE BEEN OFFERED ON THE MARKET PRIOR TO THE HYPOTHETICAL CONSUMMATION OF A SALE AT MARKET VALUE ON THE EFFECTIVE DATE OF THE APPRAISAL.

This appraisal is not intended to be used by any of the "Government Sponsored Entities" . Intended Use – This appraisal assignment is to establish fair market value only (valuation purposes) and NOT to be used in a mortgage transaction.

[1] Code of Federal Regulations, Title 12, Section 34.42 (55 Federal Register 34696, Aug. 24, 1990; as amended at 57 Federal Register 12202, Apr. 9, 1992; 59 Federal Register 29499, June 7, 1994).

Property Rights Appraised

The value estimated herein is for the fee simple estate, defined as follows:

> ***Fee Simple Estate*:** 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.[2]

The rights appraised are also subject to the *General and Extraordinary Assumptions, Limiting Conditions and Significant Factors* contained in this report, as well as any exceptions, encroachments, easements and rights-of-way recorded.

Appraisal Report Format

This report is presented in a Summary Narrative Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP).

Dates of Inspection, Value and Report

The subject property was inspected on December 31, 2015, which represents the effective date of market value. This appraisal report was completed and assembled on December 31, 2015

Scope of Work

This appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This analysis is intended to be an "appraisal assignment," as defined by USPAP; the intention is the appraisal service be performed in such a manner that the result of the analysis, opinions, or conclusion be that of a disinterested third party.

We researched and documented several legal and physical aspects of the subject property. A physical exterior inspection of the property was completed and serves as the basis for the site and improvement descriptions contained in this report. Documents provided for this analysis include a site plan, floor plans, a developer's cost budge.. Interviews were conducted with Mr. Barak Tsabari of MAZAL FARMERS GROUP LLC**.** the developer of the subject, regarding the property's history, as well as the proposed plans.

[2] The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 78.

PROPERTY HISTORY:

The subject has not sold within the past Three years. We are unaware of any options to purchase, bids, or offers of this asset.

The appraiser also analyzed and documented data relating to the subject's neighborhood and surrounding market areas. This information was obtained through personal inspections of portions of the neighborhood and market areas; newspaper articles; real estate broker reports; real estate conferences; and interviews with various market participants, including property owners, property managers, brokers, developers and local government agencies.

All three traditional approaches to value (cost, sales comparison and income capitalization) were used in the valuation of the subject property. The conclusions reached through each approach were then reconciled into a final opinion of hypothetical market value, assuming completion of conversion/renovation and stabilized occupancy. Finally, deductions for renovation/conversion costs and lease-up costs were made in order to estimate a final opinion of as-is market value for the subject property.

The data sources used to research comparables for this specific appraisal assignment included our internal Comparable database, Comps INC, Geodata, Loopnet and Realquest. Our search criteria for comparable sales of apartment properties in order of importance was; property type (two Family dwellings), location (within Jamaica, NY), size (between 1700sq ft and 4000 sq ft interior) and effective age/condition (preferably newer construction in good condition). Given the limited amount of recent sales of comparable New construction properties in the Immediate St Albans Area, these search parameters resulted in very few comparable sales. Additionally, all of the apartment properties in this search, which are considered somewhat comparable to the subject, are significantly older. Thus, we conducted a secondary search which included the Jamaica<NY to balance out the data set with recently constructed Two family projects that have recently sold.

The individuals involved in the preparation of this appraisal include Oleg Borukhov, Appraiser, and Research Analyst. Mr.Borukhov inspected the subject property; collected and confirmed data related to the subject property, comparables and the neighborhood/ market area; analyzed market data; and prepared a draft report with a preliminary estimate of value. No one else provided significant assistance to the appraiser

COMMENTS ON THE LOCAL REAL ESTATE MARKET PRIOR TO AND AFTER DECEMBER- 2013
The real estate market did flatten out in last year and now, starting midsummer, is moving slowly upwards. Several real estate experts and appraisers recognized the fact that the value of some properties is "not lost or does not decline" in some mini- market areas, during this "declining market", in general.

The financing/ lending terms are now slowly improving, among new tax credits and various incentives from sellers, lenders and government. Recently approved, public and local government programs, for area redevelopment under old and re-zoning, is taking place and continues in this area, as well as throughout the County.

In valuing the property interests, I was observant of zoning, RESIDENTIAL area, sales in the open market, reasonable knowledge of properties uses, financing, similar type location and area knowledgeable buyers and sellers, the influence on overall impact on a property market value.
In addition, the appraiser takes into account and gives wait to the risk factors of the immediate impact of the new health reform act that forecasts medical benefits and funds reductions from local, state and federal levels.

MARKET CONDITIONS
Local market conditions have started to improve, slowly and available inventory has grown and transfers took place in last 12 months, in this market.[Fewer foreclosures- as an overall observation]. The most current market data suggests RESIDENTIAL and residential housing has stabilized in the past year. Supply now meets demand. When appropriately priced, typical properties are experiencing a 3 to 6 months marketing time.

APPRAISAL PROCESS

I. IN GENERAL, a complex and detailed report is not produced, because is not significant, not requested nor was agreed to be provided.

II. AS APPLIED- APPRAISAL METHODS

All Three Approaches to an estimated property value are considered.
[Appraisal Approach or Valuation Method]

The Appraiser is presenting the calculations and The Summary with all approaches and estimates of values as derived rights.

The COST APPROACH - provides the 'technical' valuation-and elected not to be used, not a recognized approach by the NY City and State for income producing properties. *not developed at this time*

THE MARKET/ SALE COMPARISON APPROACH
provides the value estimate based on the action of typical investors/ buyers did recently in this immediate area with this typical property. It based on recent similar physical data properties and property's use. Proper adjustments are applied to bring the comparable sales that may differ from the subjects characteristics, to an hypothetical property equivalent, by the application of a recognized valuation/ appraisal 'principle of substitution'.

ECONOMIC AND TAX REVENUE FORECAST

With only modest growth projected for 2015, the U.S. economy has endured the longest period of subpar growth in the post-war period. However, the performance of many key aspects of the economy has been encouraging. The U.S. labor market continues to show strength as job growth accelerated in 2015 to the fastest pace since the tech boom. The trend was partly supported by federal employment, which appears to have turned the corner in 2015 after 4 years of contraction. Meager wage growth continues to be problematic but, with the unemployment rate now at 5% and tracking lower next year, wages are expected to strengthen. The housing market has bounded back from a slump in 2014 with robust activity in housing starts and new home sales. Moreover, low energy prices have pushed auto sales to an all-time high. All of these factors have supported steady consumption spending, which has been the backbone of the recovery so far.

The recent budget deal in Washington will mitigate a source of economic drag by relaxing spending caps and reducing fiscal policy uncertainty over the next 2 years. The recently signed bills raise the debt ceiling and fund the federal government through 2017. This should help encourage business spending, which has been a perennial soft spot in the recovery. Year to date through November 2015, orders for core capital goods shrank mainly due to weakness in energy and export oriented industries. It is expected that these pressures will weaken as the dollar's appreciation ends and energy prices start to climb.

Equity markets ended 2015 down for the year, and the high-yield bond market suffered losses due to the frail energy sector. Despite these difficulties, there were also positive signs in financial markets. After contracting for 5 years, trading volume on the NYSE bottomed out in 2014 and grew robustly in 2015. Bond markets also saw increases of trading volumes and new bond issuance following multi-year slumps. Third quarter 2015 profits on Wall Street were up almost 8% year over year, but the performance was due to tighter controls on expenses in the face of slow revenue growth. Most banks reported difficulty in their fixed income, currency, and commodities business, which has led to job cuts at a number of banks.
The New York City economy continues to expand at a strong pace. Job growth is expected to exceed the 2% threshold for a 5th consecutive year with an expected addition of 99,000 jobs in 2015. The labor market is expected to cool slightly relative to the past 5 years and grow at a moderate pace in the near term. Strong employment gains and a tighter labor market are expected to translate into solid wage growth through the forecast period, especially in non-finance industries.

Employment growth has also been a contributing factor to the robust performance in the commercial and residential real estate markets. The gains in 2015 resulted in year end office vacancy rates of 9.2% and asking rents up 4.2%. Vacancy rates and rents are projected to maintain their current paths through 2016; however, additions to inventory beginning in 2017 are expected to reverse the contraction in vacancy rates and growth in rents. Residential transactions have remained elevated through the first 3 quarters of 2015, and prices have continued to climb. Uncertainty over 421-a legislation led to a jump in permit issuance in 2015. If the bulk of these permits results in completion, the new inventory in the pipeline should help alleviate supply constraints in the market starting in 2017.

The U.S. Economy

The last time the Fed raised interest rates, the new chairperson, Ben Bernanke, did not envision that the U.S. economy would face such trouble in the subsequent decade. GDP has grown at less than 3% annually from 2006 through 2014, the longest stretch of subpar growth in the post-war period. The most recent data does not offer much to alter the picture. The year started with only 0.6% growth (annualized rate) in the first quarter, followed by 3.9% and 2% in the second and third quarters, respectively. The Blue Chip consensus for the full year is only 2.5%, making 2015 the tenth consecutive year of subdued growth. Looking forward, challenges include further appreciation of the dollar, higher interest rates, and slowing global activity. These factors will restrain U.S. growth to 2.7% and 2.9% in 2016 and 2017, respectively.

Despite the hazy outlook, there have been several rays of sunshine. The U.S. labor market continues to show resilience with signs of strengthening wages following a half decade of lackluster growth, the housing market has bounced back from a weak 2014, and energy prices have fallen to lows previously seen in the last recession. All of these factors have helped support steady consumption spending, which has been the backbone of the recovery so far.

Since 2011, annual U.S. non-farm employment growth has averaged 1.7% (or 2.3 million new jobs per year), a much faster pace than the 1.4% seen in the last expansion. In addition, job growth has accelerated; in 2015, payrolls expanded by 2.1%. One sector that aided this trend is federal payrolls, which finally began to recover in 2015 after contracting over 5% from 2011 through 2014. Correspondingly, the unemployment rate declined steadily to 5% by December 2015, down from 5.6% a year earlier. Another positive indicator is the number of unemployed per job opening, which continues to plummet. While this measure peaked at nearly 7 job seekers per job opening at the end of the recession, it has been dropping at double-digit rates (year over year) since 2013. In September 2015, it fell to a near record low of 1.4, near the trough of the housing boom.

Despite these promising signs, not all labor market indicators are so optimistic. After nearly 8 years, the number of workers holding full-time positions passed pre-recession levels in August 2015. In addition, wage growth during this recovery so far has been meager with average hourly earnings growth at only 2% per year from 2010 through 2014. Nonetheless, with a tightening labor market, there are emerging signs that wage growth is picking up. Hourly earnings grew at a slightly stronger 2.2% pace in 2015. The unemployment cost index tracking wages and salaries has accelerated from 1.9% in 2014 to 2.3% through the first 3 quarters of 2015, and the Atlanta Fed's wage growth tracker has shown median wage growth above 3% for most of 2015, the strongest showing since 2009.

The housing market rebound from a sluggish 2014 was another positive highlight. The annual growth of housing starts weakened from 18.5% to only 8.5% in 2014. Through November 2015, the pace has strengthened with year to date starts growing 11.1% compared to the same period last year. Nevertheless, this corresponds to 1.1 million new homes, still only half of the 2.1 million peak set during the housing boom. New home sales have likewise bounced back. Year to date through November 2015, transactions for new single-family houses have grown by 13.4%, up from only 2.3% the year prior. The broader measure of residential fixed investment (which includes single- and multi-family structures as well as home improvements) reflects these patterns, plummeting to only 1.8% growth in 2014, down from 9.5% in 2013. It is projected to have recovered to 8.4% in 2015 and strengthen to 8.9% in 2016.

The recent performance notwithstanding, the near term prospects for rapid housing growth are unclear due to a confluence of factors on the demand side. Homeownership rates have been trending downward since 2004, well before the housing crisis, and recently dropped to levels last seen in the mid-1980's. The factors driving this decline are complex. Demographically, as the age of marriage and childbearing in the U.S. rises, household formation is occurring later in the life cycle. Likewise, minorities have traditionally been

more likely to rent and are becoming a larger share of the population. In addition, the younger cohorts who comprise first-time buyers are more impacted by slow wage growth and rising student debt loads, making it more difficult for them to secure mortgages, which are almost certainly about to get more expensive due to the recent shift in monetary policy.

The halving of energy prices in the second half of 2014 was expected to provide a boost to the economy. However, oil prices made a U-turn, climbing over 30% to $60 per barrel by mid-2015. It appears that this turnaround convinced consumers that the windfall was temporary and much of the dividend was saved or used to pay down debt. The saving rate jumped almost a full percentage point from 4.6% in November 2014 to 5.5% in November 2015, corresponding to an additional $70 billion of savings over the period. Since estimates of the annual benefit from lower energy prices were in the $100 to $150 billion range, this implies that only a fraction was recycled into new spending. In the second half of 2015, energy prices have again plummeted with the West Texas Intermediate benchmark dropping to $36 per barrel by the end of the year. Oil prices are expected to recover in 2016 to an average of $51 and continue growing to $61 in 2017.

Whether this second tumble translates into additional spending hinges on how consumers adjust their expectations. If they start to believe that low energy costs will persist, they will likely spend more freely. One sector that has been an unambiguous boost has been the auto industry. Sales in 2015 reached an all-time record of 17.84 million cars and light trucks (including SUVs, vans, and pickups), surpassing the previous full-year sales record of 17.81 million vehicles set in 2000. Cheaper gasoline is clearly affecting the consumer mix toward less fuel efficient vehicles. In 2015, growth of truck sales rose 12.7% while car sales fell by 2.1%. Total miles driven in the United States has also accelerated, jumping from 0.6% in 2013 to 1.8% in 2014. Through October 2015, this measure increased by 3.4% compared to the same 10-month period in 2014.

The boost provided by the labor market, housing, and, to a lesser extent, cheap energy helped support steady but unspectacular consumption spending. Real personal consumption expenditures grew at an annualized rate of 3% in the third quarter of 2015. With weak investment and net exports, consumption was responsible for nearly all of the 2% quarterly growth in real GDP, continuing the pattern from 2014 when consumption contributed 1.8 percentage points of the 2.4% annual growth rate. Other more timely measures of spending have been weaker, signaling a marginally slower growth rate in the fourth quarter. According to the Bureau of Economic Analysis, consumption spending grew by 2.9% in November (year over year), down from the 3.4% average in the third quarter (the flip side to the higher saving rate). Through the holiday season, retail sales data was mixed. November's monthly increase of 0.4% was the largest in 4 months, but December levels dropped by 0.1%. Nonetheless, consumer confidence remains high. In the fourth quarter of 2015, the Conference Board's index was at 96, near cyclical highs. Likewise, the Reuters/University of Michigan's index, despite a mid-summer slump due, partly, to the financial market turmoil, has recovered some ground in the final months of 2015.

One major impediment that is finally dissipating is the fiscal policy drag that has dogged the national economy since 2010 when the Republicans took control of the House of Representatives. While federal spending normally provides a boost to growth, from 2011 through 2014 it subtracted an average of 0.26 percentage points from annual GDP growth. This was due primarily to the onerous spending caps implemented in 2013 after Congress failed to reach an agreement on deficit reduction. Washington finally addressed the constraints with the enactment of the Bipartisan Budget Act of 2015 in November and the passage of spending and appropriations bills in December. This legislation raises the debt ceiling until March 2017 and funds the federal government through September 2017. The spending caps will be lifted by $50 billion in 2016 and $30 billion in 2017, evenly divided between defense and domestic programs. While the anticipated effect of the new spending is a small boost to growth in 2016 and 2017, the most important impact is in the reduction of policy uncertainty over the next 2 years.

The more stable fiscal path should help to spur business spending, which has been a perennial soft spot in the recovery. Non-residential fixed investment in the third quarter grew only 2.2% (year over year), the slowest pace in over 2 years, dragged down by slumping spending in the energy and manufacturing sectors. The Institute of Supply Management's manufacturing index declined every month in the second half of 2015, dropping below the 50 mark in November, indicating a contraction. The export component of the index has been in contractionary territory for most of the year, highlighting the challenges of the strengthening dollar which appreciated 16% in 2015 against major currencies. Durable goods have likewise slumped. Over the first 11 months of 2015, core capital goods (non-defense orders, ex., aircraft) are down 3.6% compared to the same period in 2014—a stark reversal from the 6.5% annual jump in 2014. Only 26% of the small firms responding to the National Federation of Independent Business survey in December expect to make a capital expenditure in the near future, down from 29% last year. Nevertheless, despite the gloom, there are a number of reasons to expect that business investment will rebound in 2016. Plummeting oil prices are projected to finally recover bringing relief to the energy sector. Furthermore, the dollar's climb is forecast to peak in 2016 and retreat modestly in 2017. This will help domestic firms currently suffering from increased price pressure from abroad and slumping international demand.

At the Federal Open Market Committee ("FOMC") December meeting, the Fed lifted the federal funds rate target range by a quarter percentage point to 0.25 to 0.05%. It was the first increase since July 2006, ending the era of near zero interest rates that has persisted for more than 7 years. After shuttering its bond buying program (quantitative easing) in the fall of 2014, the interest rate hike was the next logical step toward normalizing monetary policy. However, it took the Fed over a year of deliberation before it finally implemented this long-awaited action. The delay was caused by a number of global and domestic concerns including weakness in China and other emerging markets and a surprise currency depreciation announced by China's central bank in August. Domestically, inflation levels continued to run below the 2% long-run objective, suppressed by the low prices of energy and other imported goods. Ultimately, the Fed decided that the positive factors—including the solid housing market recovery, ongoing job gains, and declining unemployment—outweighed the negatives. However, the FOMC expressed that the future policy path will depend on the upcoming economic outlook and emphasized that further increases would likely occur at a gradual pace. The forecast calls for the federal funds rate to advance by approximately 25 basis points every quarter through the end of 2018.

Lifting the federal funds rate target range highlights the divergence of policy paths between the U.S. Fed and other major central banks; the U.S. is tightening while Europe, China, and Japan are easing. From 2014 to 2015, the ECB cuts its refinancing rate by 10 basis points to 0.05% and, toward the end of 2015, the European deposit facility rate fell into negative territory. In addition, the ECB extended its asset-purchase program, a version of quantitative easing that is injecting €60 billion ($65.2 billion) into the market every month. Also in 2015, the People's Bank of China cut its benchmark one-year lending rate 5 times, lowering rates to 4.35% from 5.60%. The Bank of Japan announced the expansion of an asset-purchase program that could scale up to as high as ¥88 trillion ($745 billion) per annum in an attempt to stimulate a lethargic economy. One consequence of the decoupling of monetary policy has been a dollar appreciation of over 20% since 2014 against a trade-weighted basket of currencies. The increasing strength of the dollar will add further deflationary pressure on import prices and this may, in turn, affect the Fed's future federal funds rate path.

Given the historical significance of the Fed's liftoff, financial markets took the change in monetary regime in stride—a sign that the Fed's efforts to communicate the policy shift to financial markets was effective. However, that is not to say that markets were well mannered. The S&P 500 index finished 2015 down 0.7% while the Dow lost 2.2%, the first full-year declines since 2011 (S&P) and 2008 (Dow). Markets moved sideways until August 19th when the S&P suddenly plunged 10% over the next 4 days in reaction to a global sell-off originating in Shanghai. The dip proved transitory, however. By November, stock prices

had clawed back the losses only to fade again through December. The Chicago Board Options Exchange volatility index ("VIX"), a gauge of investors' expectations of volatility in the S&P 500, mirrored the declines. After moving in a tight range around 15 through mid-August, the VIX soared to over 40 as turmoil hit markets around the world. By November, this "fear index" had settled back to 15, only to bounce back to a fourth quarter high of 24 in mid-December, reflecting the uncertainty surrounding the Fed rate hike
.
The volume of trading on the NYSE appears to be rebounding after suffering through 5 years of contraction triggered by the housing and financial crash. Trading bottomed out in 2013 at a level 60% lower than the peak in 2008. After a marginal increase of 0.5% in 2014, the number of shares traded grew by a robust 14% in 2015. Surprisingly, the strongest quarter was the third with an increase of 34%, perhaps a consequence of broad-based portfolio rebalancing in the face of market turmoil during that period.

Activity in bond markets has also seen an uptick. After contracting from 2011 through 2014, average daily trading volumes of fixed income securities started to grow again in 2015. Monthly average volumes in 2015 strengthened by 0.6% over 2014. Interestingly, this aggregate trend is being driven primarily by only 2 categories: agency mortgage-backed securities and corporate debt. All of the other categories of fixed income securities have seen declines in average monthly trading volumes in 2015.

New bond issuance has also seen a turnaround after declining from 2012 through 2014. However, in 2015, the aggregate value of new bonds sold is up 8.3%. The largest gainers in percentage and dollar terms were federal agency debt (largely Freddie Mac and Fannie Mae) and mortgage-related debt. Corporate debt set new issuance records from 2012 through 2014 as firms locked in historically low rates. This trend continued into 2015 as issuance grew by 3.3%. The spree, however, may come to an end in 2016 if rates increase quickly in reaction to tighter monetary policy.

Along with the turmoil in global equities, the high yield (junk) bond market proved troublesome. Not surprisingly, the instability can be traced back to the weakened energy sector which accounts for about a quarter of all junk bond issuance. As energy prices resumed falling in the second half of 2015, the number of distressed firms multiplied. The Dallas Fed estimated that at least 10 U.S. oil and gas companies with $2 billion of debt filed for bankruptcy in the fourth quarter.

While it is unlikely that the turbulence is the precursor of a credit crunch, the stress on financial markets is likely to result in more risk-averse investors and will potentially show up as weaker performance in the securities industry. Wall Street profits in the third quarter were strong at $3.2 billion, due mainly to tighter controls on costs and compensation in the face of slow revenue growth. Third quarter revenue grew just 0.6% (year over year) while total expenses were flat. The biggest component of costs—compensation—actually fell 2.2%. Nearly all of the large firms reported third quarter difficulty in the fixed income, currency, and commodities ("FICC") sector, which resulted in a 62% (year over year) drop in third quarter trading revenue across all member firms. Of the large banks, Morgan Stanley reported the largest decline (down 42%) in FICC. This weak performance is one reason why Morgan Stanley subsequently announced that it would eliminate about 1,200 jobs from its FICC unit. Other banks, primarily European, have also announced job cuts, including Deutsche Bank, Credit Suisse, Standard Chartered, and Barclays.

Through the first 3 quarters of 2015, NYSE member firms earned profits of $14.5 billion. The forecast projects fourth quarter profits of $2.1 billion, resulting in full-year Wall Street profits of $16.5 billion, up from $16 billion in 2014. Challenged by weak energy and commodities prices, slow global growth, increasing regulation, and fee equity markets, profits are expected to fall to $12.4 billion in 2016.

New York City Economy

In spite of the turmoil seen in the national and global economies, New York City continued to extend its strong record of economic growth and opportunity. Job creation in 2015 has slowed only marginally from last year's record pace. Strength in the labor market, combined with other market factors, has stimulated growth in the commercial and residential real estate sectors. Despite headwinds in their respective industries, finance and tourism continued to exhibit solid performance. The outlook is for the City's growth to normalize to a more moderate pace consistent with recent history.

In 2015, the City is estimated to have expanded employment by 99,000 jobs, an increase of 2.4%. This would mark the fifth consecutive year of employment growth exceeding 2%, surpassing the next longest (4-year) span during the dot-com boom. Employment gains across this period have greatly diminished the slack in the labor market. As of November 2015, the unemployment rate has fallen to 4.8%, its lowest point since 2007. With increasing hiring competition due to reduced slack, average wages jumped 5.4% in 2014 driven by strong bonuses in the financial sector. However, compensation in finance has fallen, offsetting the strength from the non-finance sector. As a result, overall wages through the first half of the year have grown only 0.5% and are expected to have finished 1.4% higher than 2014. Looking ahead, employment growth is expected to slow to a more moderate pace, and overall wages are forecast to grow at approximately 3%, driven by non-finance industries.

Uncertainty in international markets, a slowdown in global growth, low oil prices, and the appreciation of the dollar were all contributing factors to the down year in financial markets. Financial firms are expected to proceed cautiously regarding hiring and pay decisions in the near term as the profit outlook dims. Confidence in the sector was high in early 2015, following 3 years of double-digit returns in the market. This translated to a brisk pace of hiring through the first half of 2015, but prospects soured in the second half and firms slowed their rate of hiring. Growth has been driven by the securities subsector which has added 8,900 positions year to date, and Morgan Stanley filed Worker Adjustment and Retraining Notifications ("WARN") with the New York State Department of Labor for job cuts at their New York City operations. Following an addition of 8,000 positions in 2014 and an estimated 8,000 in 2015, job gains are forecast to slow to 5,000 and 2,000 in 2016 and 2017, respectively.

Finance and insurance wages grew by nearly 11% in 2014 but were down approximately 1% through the first half of 2015 from the same prior year period. For the year, wages are estimated to have fallen 0.7%. The expected contraction in wages was a result of a 3% decline in the first quarter when most bonuses are typically paid out. Looking ahead, the path of wages is projected to grow modestly in the near term as firms are expected to exercise more control over compensation to counter declining revenue.

Although the outlook in the financial industry is growing less optimistic, other areas of the economy continue to drive overall growth. Diversification toward non-finance industries will help create a stronger and less volatile base for the City. With the number of unemployed per job openings falling to a near record low in 2015 at the national level, hiring competition between firms has begun to increase which should lead to higher wage offers. As a result, non-finance wages are estimated to grow by over 3.5% beginning in 2015 and remain above that level through the end of the forecast period. One key non-finance industry, the professional & business services sector, has consistently been an engine for high-wage employment growth in the current expansion. From 2011 to 2014, the industry averaged an annual increase of 23,000 positions per year; however, the expansion is expected to have slowed in 2015 with an estimated gain of 20,000. This pace is projected to decelerate to 11,000 and 12,000 new jobs in 2016 and 2017, respectively.

Office using employment, which encompasses professional & business services, financial activities, and information, serves as an integral component of the City's job market. In 2014, office using employment expanded by 41,000, accounting for about 34% of private sector job growth, up from 27% in 2013. Due to this growth, the office market continues to exhibit diminishing vacancy rates and rising asking rents. Office using employment is projected to have expanded by approximately 31,000 positions in 2015. The increase in demand for office space drove 2015 asking rents 4.1% higher ($76.75) than last year. Likewise, vacancy rates fell by more than one percentage point to 9.2%. The current path of vacancy rates and rents is expected to continue into 2016 even as office using employment growth decelerates. However, increases to asking rents are expected to slow to a snail's pace—1.2% in 2017—and vacancy rates are projected to reverse direction due to a glut of new inventory expected in 2017. Further inventory increases in the out years will continue to constrain asking rents.

The residential housing market is being supported by consistent job and wage growth citywide and strong demand from abroad. This, in turn, has spurred sales activity and price growth in a recovering residential real estate market. In 2014, the average price for the overall market grew 12.4% to $889,000, surpassing the prior peak set in 2008 by 9%. While the condo market saw astounding price growth of 18.2%, prices in the co-op and 1- to 3-family home markets also recorded double-digit increases. The total average price growth is forecast to have fallen to a more modest rate of 3.6% in 2015 and is expected to edge up to 4.3% in 2016.

Total sales volume changed marginally in 2014 when 50,515 transactions were recorded, a growth of 0.8%. The composition of the sales, however, varied significantly. The volume of transactions in the condo market fell 5.8% in 2014 but grew 5.2% in 1- to 3-family homes and 0.7% in c-ops. The trend of disproportionate growth across the 3 categories has continued through the first 3 quarters of 2015. The volume of transactions in the 1- to 3-family homes market grew 3.9% from the same 3-quarter period in 2014 but fell 2.8% in co-ops and 0.8% in condos. Additionally, there is disparity across boroughs; year over year transaction growth through the first 3 quarters fell by 3.2% in Manhattan, but grew 2.2% in the outer boroughs.

Sales volume is projected to have grown 0.8% in 2015 but will fall 1.7% in 2016 as mortgage rates rise due to higher interest rates. The dearth of inventory affordable to lower and middle income families continues to be a problem, but the boom in residential development may help to alleviate this issue in upcoming years. Year to date through November 2015 permits for over 48,000 residential units were filed, a new record for the City. While the rush to file was due primarily to uncertainty regarding the renewal of the 421-a tax exemption, the forecast anticipates that approximately 60% of the developments will hit the market in 2017. Sales volume is estimated to show growth of 4.3%. To accommodate for increased labor needs, the construction industry is expected to add a total of 11,000 jobs from 2015 through 2017.

Three other key sectors of job creation are health & social services, leisure & hospitality, and retail trade. Health services added 25,000 jobs in 2014 and is on pace to have added more than that in 2015. The sector is forecast to decelerate to more modest gains of 12,000 in 2016 and 8,000 in 2017. After adding over 20,000 for the last 4 years, leisure & hospitality slowed slightly, adding 15,000 through November 2015. Gains are expected to average 9,000 per year over the next 2 years. Job growth in retail trade continues to be stable, expanding by 10,000 positions in 2014. The industry is expected to have added 11,000 jobs in 2015 and will increase payrolls by 9,000 and 8,000 in 2016 and 2017, respectively.

Expansion in the leisure & hospitality and retail trade sectors can also be attributed to the robust performance of the tourism industry. With its plethora of dining and shopping options, New York City continues to be a top destination for visitors from every corner of the world. The City received 56.5 million visitors in 2014 and is poised to break that record in 2015. Through the year, the hotel industry reported metrics that matched the strength seen in 2014. Approximately 34 million hotel room nights were sold in 2015, up 4.4% from the prior year. Global weakness and dollar appreciation, however, are likely to impact future travel plans into the City and slow visitor spending. The hotel occupancy rate finished 2015 at 89% but will fall to 82% between 2016 and 2017. Despite the challenges, NYC & Co anticipates that international visits to the City will accelerate from a growth of 2.5% in 2015 to 4.3% by 2018. With its historical charm, eclectic culture, and boundless opportunities, New York will remain an attractive world destination for travelers and entrepreneurs from all walks of life.

RISKS TO THE FORECAST

Risks to the U.S. forecast include a prolonged slump in global growth, the strong dollar, and the plunge in commodity and energy prices. China, Japan, Brazil, and Russia as well as the European Union are all suffering from slowing growth. The resulting divergence in monetary policy between the U.S. and other central banks has boosted the dollar's relative value. Further appreciation of the dollar and drop in international demand could continue to impair U.S. export and manufacturing industries. Furthermore, although the Fed successfully raised rate last December without much turmoil, it will have to move carefully in the future since overly aggressive tightening runs the risk of derailing the recovery and upsetting fragile financial markets. While it is unlikely that something like the recent turmoil in the junk bond markets could trigger a financial crisis, any decline in activity would affect the City through lower profits and wage earnings on Wall Street. Likewise, the strong dollar and weaker global incomes could slow tourism and business travel to New York City and reduce the pace of international investment in local real estate.

The following table illustrates per capita income figures for New York City and the various boroughs.

New York City Household Income

	Average Household Income 2000	Average Household Income 2015 (est)	% Change 2000-2015
Bronx	$38,885	$48,216	24.00%
Brooklyn	**$46,279**	**$68,494**	**48.00%**
Manhattan	$83,976	$123,183	46.69%
Queens	$54,663	$75,039	37.28%
Staten Island	$67,698	$88,894	31.31%
New York City	$57,645	$81,401	41.21%

Source: Claritas Inc., U.S. Census

Neighborhood:

St. Albans is a residential neighborhood in Queens that is surrounded by other communities like Jamaica, to the west, South Jamaica also to the west, Springfield Gardens to the southwest, Laurelton to the south, Cambria Heights to the east, and Hollis to the north.

The area is famous for many jazz musicians that used to live in the neighborhood in some of the larger homes, particularly in the western portion of the community known as Addisleigh Park. The overall housing in St. Albans consists of detached, one and two family homes. The area has a neighborly feel and is very suburban in nature.

In 1915, the St. Albans Golf Course was built and was the draw for many famous golfers. The Great Depression forced the golf course to sell to the government and later it was developed into the St. Naval Hospital. The hospital service thousands and thousands of war victims, especially the World War II veterans. In 1974, the hospital was turned over to the Veterans Administration and today stands as the Veterans Administration St. Albans Primary and Extended Care Facility.
Linden Boulevard is the major shopping street in the neighborhood and is where you will find most café's, retail shops, and restaurants

St. Albans Boundaries and Main Streets:

Linden Boulevard is St. Albans' spine, and running north and south of Linden, is its heart of numbered streets thick with houses. Addisleigh Park is on the less geometric, often named, streets north of Linden, east and west of the LIRR.

St. Albans meets South Jamaica at Merrick Boulevard, South Hollis at Hollis Avenue, Bellaire at Francis Lewis Boulevard, and Cambria Heights along Francis Lewis and Springfield Boulevard.

EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL CONDITIONS AND SIGNIFICANT FACTORS

The valuation is premised on the following extraordinary assumptions, significant factors and hypothetical conditions, the use of which may have affected assignment results.

Extraordinary Assumptions

1. It is assumed the proposed improvements will be constructed as detailed on the developer's construction budget NOT provided for use in this appraisal. Additionally, it is assumed the proposed work will be constructed in a workmanlike manner and exhibit no construction defects upon completion. If the actual construction is of inferior condition or quality than proposed, the market value estimates would likely be lower.

2. The existing subject site consists of Block 10431 Lots 10,15,19 to be subdivided into lots 10,11,15,17,19,21 and Develop 6 New construction 2 family 3 story dwellings: the tentative addresses of those dwellings :

1. 113-34 FARMERS BLVD, TOTAL **2474.61 SQ FT** ATTACHED 2 FAMILY DWELLING

2. 189-40 113 ROAD, TOTAL **2583 SQ FT** ATTACHED 2 FAMILY DWELLING

3. 113-50 FARMERS BLVD, TOTAL **2252.42 SQ FT** SEMI-ATTACHED 2 FAMILY DWELLING

4. 113-52 FARMERS BLVD, TOTAL **2764.24 SQ FT** ATTACHED 2 FAMILY DWELLING

5. 189-35 MURDOCK AVENUE, TOTAL **2839.9 SQ FT** ATTACHED 2 FAMILY DWELLING

6. 189-33 MURDOCK AVE. TOTAL **2247.33 SQ FT** SEMI-ATTACHED 2 FAMILY DWELLING

TOTAL RESIDENTIAL SQ FT TO BE CONSTRUCTED 15161.5 SQ FT

APN: 4104310019	4412.29± square feet
APN: 4104310010	2788.54± square feet
APN: 4104310015	1465.76± square feet

Total: 8666.59± square feet of site

Hypothetical Conditions

1. The estimate of fair market value assuming completion of proposed construction derived herein represents a value subject to hypothetical conditions. In order to estimate the as-is fair market value of the subject property, we first derived an estimate of fair market value assuming completion of the proposed. This value is subject to a hypothetical condition, defined as "that which is contrary to what exists, but is supposed for the purpose of the analysis."[3] This value is hypothetical since the subject units are currently in construction and are incomplete and no certificate of occupancy exists.

[3] The Uniform Standards of Professional Appraisal Practice, 2010 ed. (Appraisal Standards Board), 3.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

2. No responsibility is assumed for matters of law or legal interpretation.

3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

4. The information and data furnished by others in preparation of this report is believed to be reliable, but no warranty is given for its accuracy.

5. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

6. It is assumed the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

7. It is assumed the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.

8. It is assumed all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

9. It is assumed the use of the land and improvements is confined within the boundaries or property lines of the property described and there is no encroachment or trespass unless noted in the report.

10. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the

subject's physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.

12. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.

13. Possession of this report or a copy thereof does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Amsterdam Appraisal services inc.

14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of Amsterdam Appraisal services inc.

15. The liability of Amsterdam Appraisal services inc and its employees/subcontractors for errors/ omissions, if any, in this work is limited to the amount of its compensation for the work performed in this assignment.

16. Acceptance and/or use of the appraisal report constitutes acceptance of all assumptions and limiting conditions stated in this report.

17. An inspection of the subject property revealed no apparent adverse easements, encroachments or other conditions that currently impact the property. According to the assessment report provided for this appraisal (see Addenda), the subject contains easements for roadways, canals and irrigation, public utilities, telegraph and telephone, and ingress egress. However, these easements are typical for the area and are not considered to adversely affect the value or marketability of the subject property. The appraiser is not a surveyor nor qualified to determine the exact location of any easements. It is assumed any easements do not have an impact on the opinion(s) of value set forth in this report. If, at some future date, any easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion(s) of value contained herein.

18. This appraisal report is prepared for the exclusive use of the appraiser's client. No third parties are authorized to rely upon this report without the express consent of the appraiser.

19. The appraiser is not qualified to determine the existence of mold, the cause of mold, the type of mold or whether mold might pose any risk to the property or its inhabitants. Additional inspection by a qualified professional is recommended.

POSTED - NOTICE OF DISCLAIMER AND APPRAISAL- REPORTING CONDITIONS

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses. up to 3 times the Appraisal fee except for the sole negligence or willful misconduct of the appraiser.

The appraisal estimates the Fair Value of the fee simple Interest of the subject property in its:

" as is " (in phase construction 65% complete) as of the above noted EFFECTIVE date of value.

The appraisal is to be disclosed to the Israeli Stock Exchange and Israeli Securities Authority in connection with B.H Whitestone Group Ltd Financial statements

The appraisal may be attached to such prospectus. This report is not intended for any other use.

Amsterdam Appraisals, its Appraisers, the officers, employees, duly authorized volunteers, and agents of each of them shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal. The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c)full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless non compliances stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.

PRIVACY DISCLOSURE, GEOGRAPHIC AND COMPETENCY

I have not performed any services, as an appraiser or in any other capacity on the subject property within the five year period, immediately preceding acceptance of this assignment. Subject property is located about 10.00 miles away of – full address is disclosed.

This appraiser of real estate has over 10 years OF APPRAISING AND valuating real properties in this specific local RE market area as well as he appraised in many other zip codes, neighborhoods' and counties located in New York City and State, in full compliance with USPAP, FHA_HUD and lenders/ clients guidelines.

Appraiser is very familiar with the property value history, collapsing earlier RE market and now an improving/ recovery and made observations while employed as a valuation analyst for private development and acquisition firms within NEW YORK , as part of the New construction team, where I headed the valuation sector .

Oleg Borukhov, CRRA
CEO of Amsterdam Appraisal Services inc.
Certified Real Estate Appraiser

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- I certify that my State of New York real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment. Please see the Qualifications of Appraiser(s) portion of the Addenda to this report for additional information.

Oleg Borukhov, CRRA
CEO of Amsterdam Appraisal Services inc.
Certified Real Estate Appraiser

DEFINITION OF MARKET VALUE

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 a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) Buyer and seller are typically motivated;
(2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
(3) A reasonable time is allowed for exposure in the open market;
(4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

PRIVACY NOTICE

Our privacy principles: OLEG **B**ORUKHOV is committed to protecting our clients and their financial information. This privacy statement addresses what nonpublic personal information we collect, what we do with it, and how we protect it.

What information we collect: We may collect and maintain several types of personal information in the course of providing you with appraisal services, such as:

Information we receive from you on letters of engagement, tax forms, correspondence, or conversations, including, but not limited to, your name, address, phone number, and social security number

Information about your transactions with us, including, but not limited to, parties to transactions and other financial information relating to your property.

What information we may disclose: We may disclose the nonpublic personal information about you described above, primarily to provide you with the appraisal services you seek from us. We may sometimes disclose nonpublic information about clients or former clients as required or permitted by law

Who we share the information with: Unless you tell us not to, we may disclose nonpublic personal information about you to the following types of third parties:

Financial service providers, such as banks and lending

institutions. Non-financial companies such as data

services.

READDRESSING / REASSIGNING APPRAISAL REPORTS

Readdressing/Reassigning Appraisal Reports

Oleg Borukhov adheres to the requirements of the 2014-2015 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP). This edition is effective from January 1,2014 through December 31, 2015. The following excerpts pertain to readdressing/reassigning appraisal reports:

Advisory Opinion 26, Page A-86:

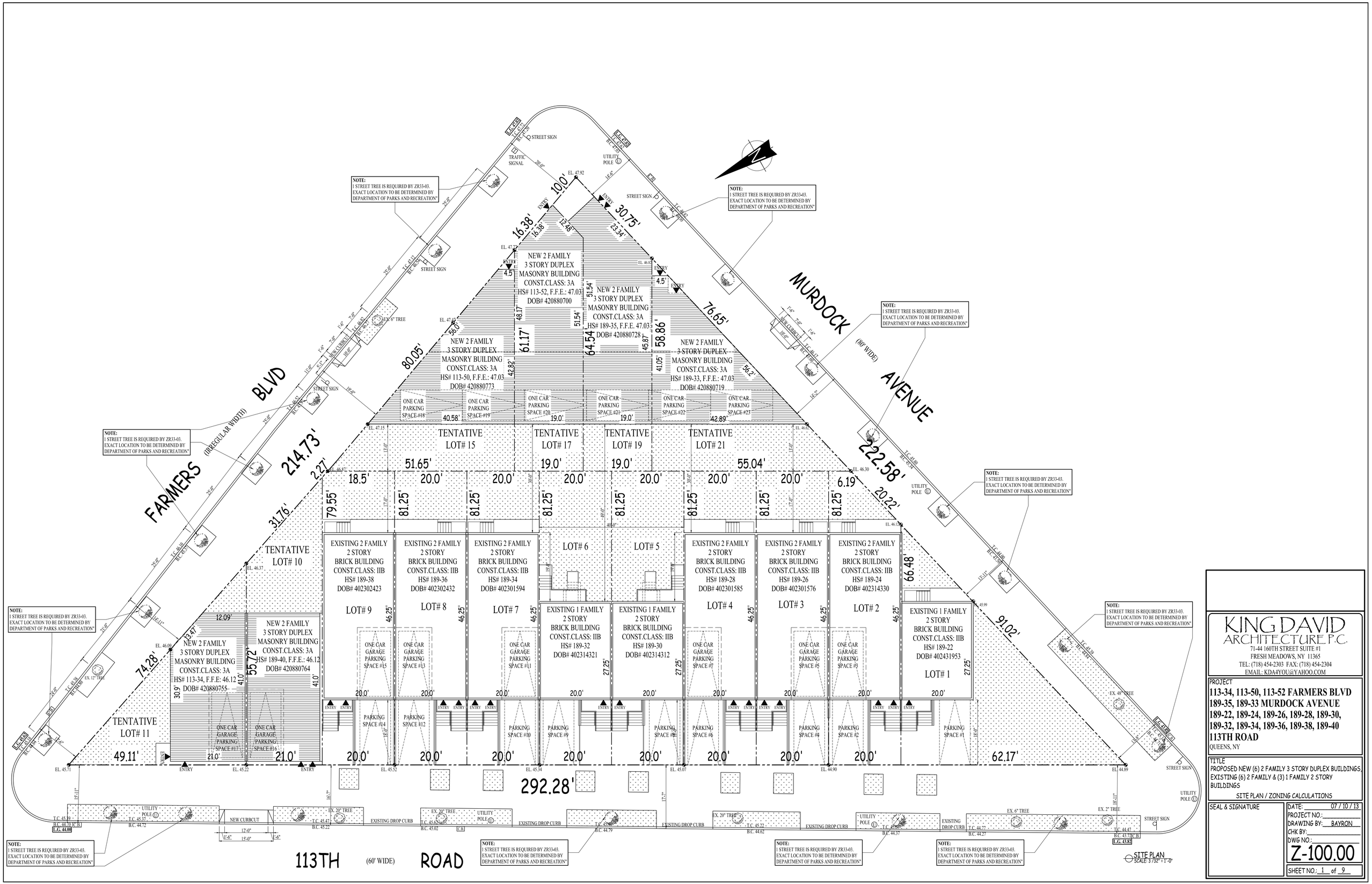
> Once a report has been prepared for a named client(s) and any other identified intended users and for an identified intended use, the appraiser cannot "readdress" (transfer) the report to another party.

Advisory Opinion 27, **Pages A-88 to A-89:**

> Situations often arise in which appraisers who have previously appraised a property are asked by a different party to appraise the same property.... Accepting the assignment from the subsequent prospective client is not prohibited by USPAP, assuming appropriate disclosure is made to the client before being engaged and any existing confidential information is handled properly.... If there is a new potential client, valuation services performed for that new client would constitute a new assignment and the assignment results would be specific to that new assignment.

Frequently Asked Question No. 121, Page F-56:

> It is never permissible to readdress a report by simply changing the client's name on a completed report, regardless of whether the first client gave a release. The request from Client B must be treated as a new assignment.



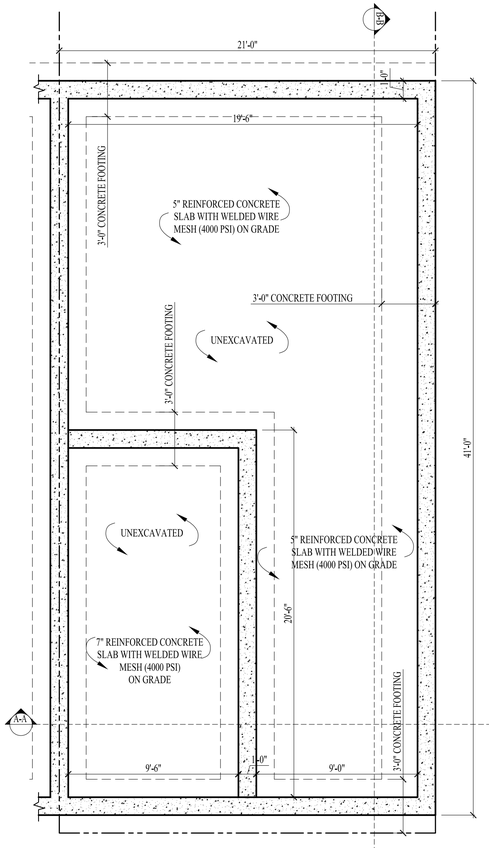
KING DAVID
ARCHITECTURE P.C.
71-44 160TH STREET SUITE #1
FRESH MEADOWS, NY 11365
TEL: (718) 454-2303 FAX: (718) 454-2304
EMAIL: KDA4YOU@YAHOO.COM

PROJECT
113-34, 113-50, 113-52 FARMERS BLVD
189-35, 189-33 MURDOCK AVENUE
189-22, 189-24, 189-26, 189-28, 189-30, 189-32, 189-34, 189-36, 189-38, 189-40
113TH ROAD
QUEENS, NY

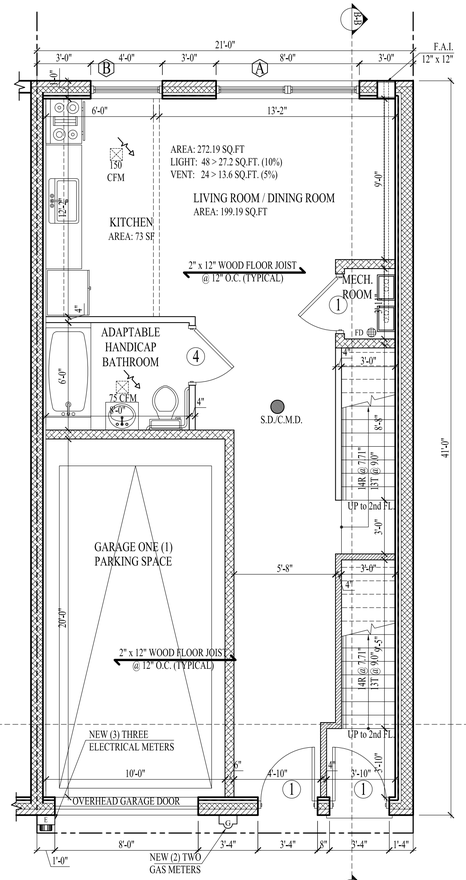
TITLE
PROPOSED NEW (6) 2 FAMILY 3 STORY DUPLEX BUILDINGS, EXISTING (6) 2 FAMILY & (3) 1 FAMILY 2 STORY BUILDINGS
SITE PLAN / ZONING CALCULATIONS

SEAL & SIGNATURE

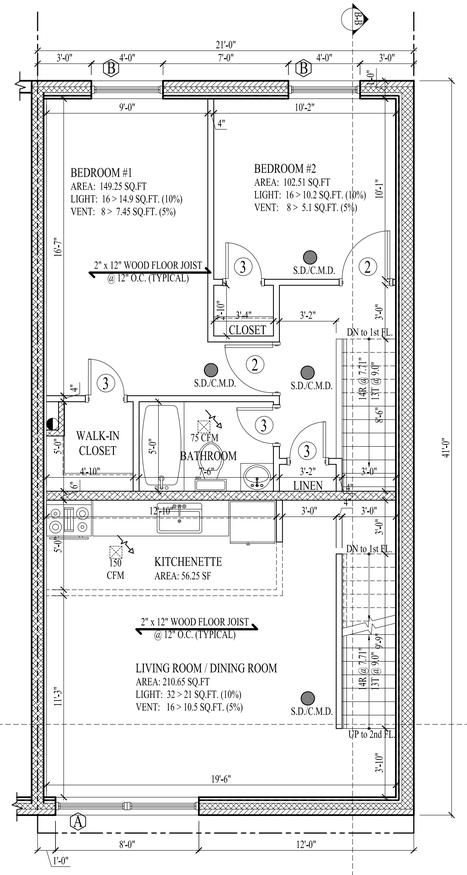
DATE: 07 / 10 / 13
PROJECT NO.:
DRAWING BY: BAYRON
CHK BY:
DWG NO.: Z-100.00
SHEET NO.: 1 of 9



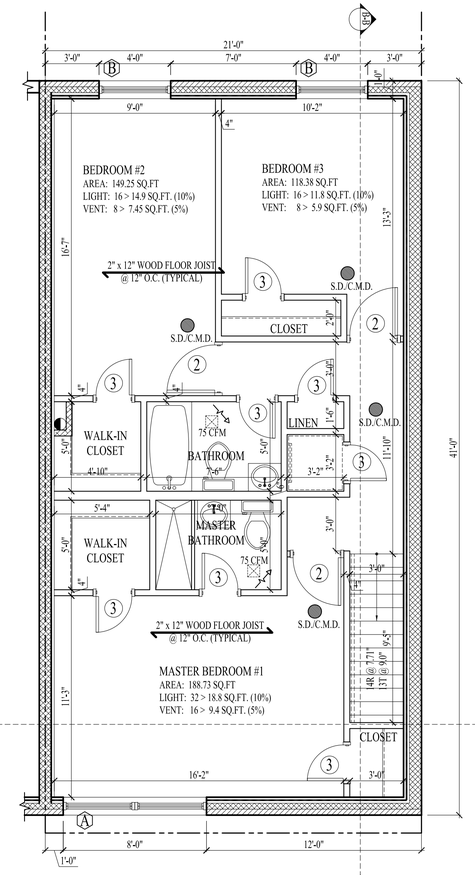
FOUNDATION PLAN
SCALE: 1/4" = 1'-0"



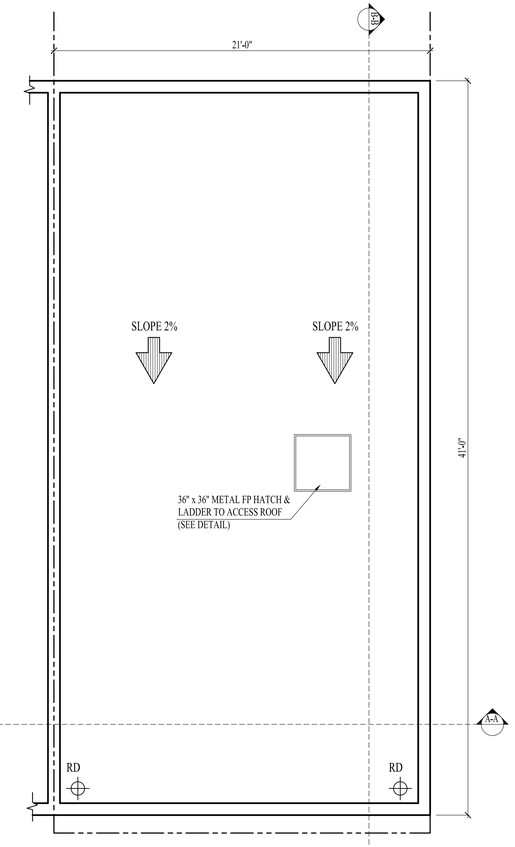
FIRST FLOOR PLAN
SCALE: 1/4" = 1'-0"



SECOND FLOOR PLAN
SCALE: 1/4" = 1'-0"



THIRD FLOOR PLAN
SCALE: 1/4" = 1'-0"



ROOF PLAN
SCALE: 1/4" = 1'-0"

DOOR SCHEDULE

SYMBOL	SIZE	DESCRIPTION	GLASS TYPE	AIR LEAKAGE	U-FACTOR	SHGC	NOTES	QUANTITY
1	3'-0" x 6'-8" x 1 3/4"	INSULATED HOLLOW METAL 1 1/2 HR FPSC DOOR	N/A	N/A	0.35	0.55	1	3
2	2'-8" x 6'-8" x 1 3/4"	HOLLOW CORE WOOD DOOR	N/A	N/A	0.35	0.40	1	5
3	2'-0" x 6'-8" x 1 3/4"	HOLLOW CORE WOOD DOOR	N/A	N/A	0.35	0.40	1	12
4	3'-0" x 6'-8" x 1 3/4"	HOLLOW CORE WOOD DOOR	N/A	N/A	0.35	0.40	1	1
							TOTAL:	21

NOTES:
1. AIR LEAKAGE: PROVIDE FLASHING, EXPANDABLE FOAM SEALANT, AND CAULKING AT ROUGH OPENING/DOOR FRAME JOINTS TO CREATE A CONTINUOUS AIR BARRIER WITH SURROUNDING WALL SYSTEM.

WINDOW SCHEDULE

SYMBOL	SIZE	DESCRIPTION	GLASS TYPE	AIR LEAKAGE	U-FACTOR	SHGC	NOTES	QUANTITY
A	8'-0" x 4'-0"	DOUBLE GLAZED SLIDERS	LOW-E, CLEAR	< 0.30 CFM/SF	0.30	0.40	1	2
B	4'-0" x 4'-0"	DOUBLE GLAZED SLIDERS	LOW-E, CLEAR	< 0.30 CFM/SF	0.30	0.40	1	6
							TOTAL:	8

NOTES:
1. AIR LEAKAGE: PROVIDE FLASHING, WINDOW DAMS, EXPANDABLE FOAM SEALANT, AND CAULKING AT ROUGH OPENING/WINDOW FRAME JOINTS TO CREATE A CONTINUOUS AIR BARRIER WITH SURROUNDING WALL SYSTEM.
2. AIR LEAKAGE: PROVIDE FLASHING, EXPANDABLE FOAM SEALANT, AND CAULKING AT ROUGH OPENING/SKYLIGHT FRAME JOINTS TO CREATE A CONTINUOUS AIR BARRIER WITH SURROUNDING ROOF SYSTEM.

LEGEND: SYMBOL / DESCRIPTION

	POURED CONCRETE SEE PLAN FOR THICKNESS (MEA # 102-72-M)
	8" APPROVED LOAD BEARING CONCRETE BLOCK W/ 1/4" GYPSUM BOARD OVER FURRING SEE PLAN FOR THICKNESS, INSULATION (R-10) (51 STC MEA# 1-74-M) **(2HR FIRE-RATED)**
	4" BRICK & APPROVED LOAD BEARING CONCRETE BLOCK 5/8" GYPSUM BOARD OVER FURRING, INSULATION (R-13) (INT. INSIDE SEE PLAN FOR THICKNESS) (MEA # 2-69-M, 17-69-M, 144-76-M AND 178-69-M) **(2HR FIRE-RATED)**
	3 5/8" METAL STUDS @ 16" O.C. WITH 2 LAYER 5/8" GYPSUM BOARD ON EACH SIDE (BSA# 171-52-SM) **(2 HR FIRE RATED)**
	NEW 4" INTERIOR PARTITION 5/8" SHEETROCK. (MEA # 144-76-M AND 178-69-M) **(1HR FIRE-RATED)**
	NEW 4" INTERIOR PARTITION NON RATED WALL, 5/8" SHEETROCK. (MEA # 144-76-M AND 178-69-M)
	DIRECTION OF JOISTS
S.D./C.M.D.	PROPOSE SMOKE DETECTOR / CARBON MONOXIDE DETECTOR

NOTES:
-DOUBLE UP JOISTS UNDER PARTITION WALL (TYP.)
-EACH BEDROOM TO HAVE PHONE/COMP.& TV/CABLE JACK
-EACH ROOM TO HAVE DUPLEX OUTLETS FOR LIGHTNING COORDINATE WITH OWNER
-HEADER SHALL BE (2)2" x 10" OVER (3)2" x 4" POST (TYP.) ALL WINDOWS COORDINATE WITH OWNER
-ALL BATHROOMS TO RECEIVE FULL HEIGHT TILES AS PER OWNER SELECTION

ALL DUCTS, PIPES & CONDUITS PASSING THROUGH FIRE RATED CONSTRUCTION SHALL BE OF NON-COMBUSTIBLE MATERIAL. THEY SHALL NOT BE CONNECTED TO SLEEVES OR OPENINGS EXCEEDING 1/2" AND COMPLETELY PACKED WITH MINERAL WOOL OR EQUIVALENT NON-COMBUSTILE MATERIAL. OPENINGS SHALL BE CLOSED OFF WITH TIGHT FITTING METAL ESCUTCHEONS ON BOTH SIDES OF CONSTRUCTION. NET AREA OF ALL SHALL NOT EXCEED 25 SQ.IN

HARDWIRED CARBON MONOXIDE DETECTORS COMPLYING WITH RS17-13 AND INSTALLED IN ACCORDANCE WITH 17-14 SHALL BE PROVIDED IN EVERY DWELLING UNIT WITHIN 15 FEET OF THE PRIMARY ENTRANCE TO EACH BEDROOM.

907.2.10.3: SMOKE ALARMS OR DETECTORS SHALL BE INTERCONNECTED IN SUCH A MANNER THAT THE ACTIVATION OF ONE ALARM OR DETECTOR WILL ACTIVATE ALL OF THE ALARMS OR DETECTORS IN DWELLING UNIT.

MECHANICAL UNITS

NEW TANKLESS COIL (COMBO BOILER)
WALL HUNG UNIT; UNIT IS FORCE DIRECT VENT
MAKE: RINNAI E-SERIES
MODEL: E110C
DIM: W19.7" x H25.6" x D15.6"; WEIGHT: 101LBS;
HEAT INPUT:
MIN: 26,000 BTU/HR;
MAX: 110,000 BTU/HR;
MEA# 4-06-E, 96.1% AFUE

KING DAVID ARCHITECTURE P.C.
71-44 160TH STREET SUITE 1
FRESH MEADOWS, NY 11366
TEL: (718) 454-2303 FAX: (718) 454-2304
EMAIL: KDA4YOU@YAHOO.COM

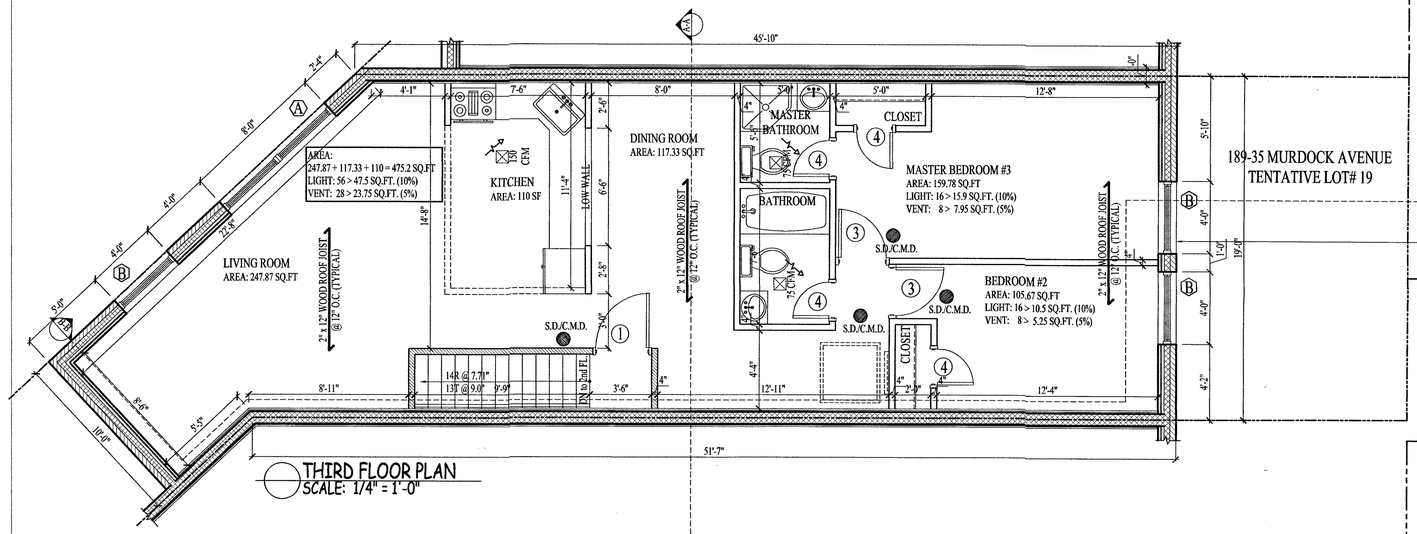
PROJECT
189-40 113TH ROAD
QUEENS, NY

TITLE
PROPOSE NEW 2 FAMILY DUPLEX 3 STORY BUILDING
FLOOR PLANS/ ROOF PLAN

SEAL & SIGNATURE

DATE: 10 / 01 / 13
PROJECT NO.:
DRAWING BY: BAYRON
CHK BY:
DWG NO.:
A-100.00
SHEET NO.: 3 of 7

APPROVED ON 04/ 02/ 2015



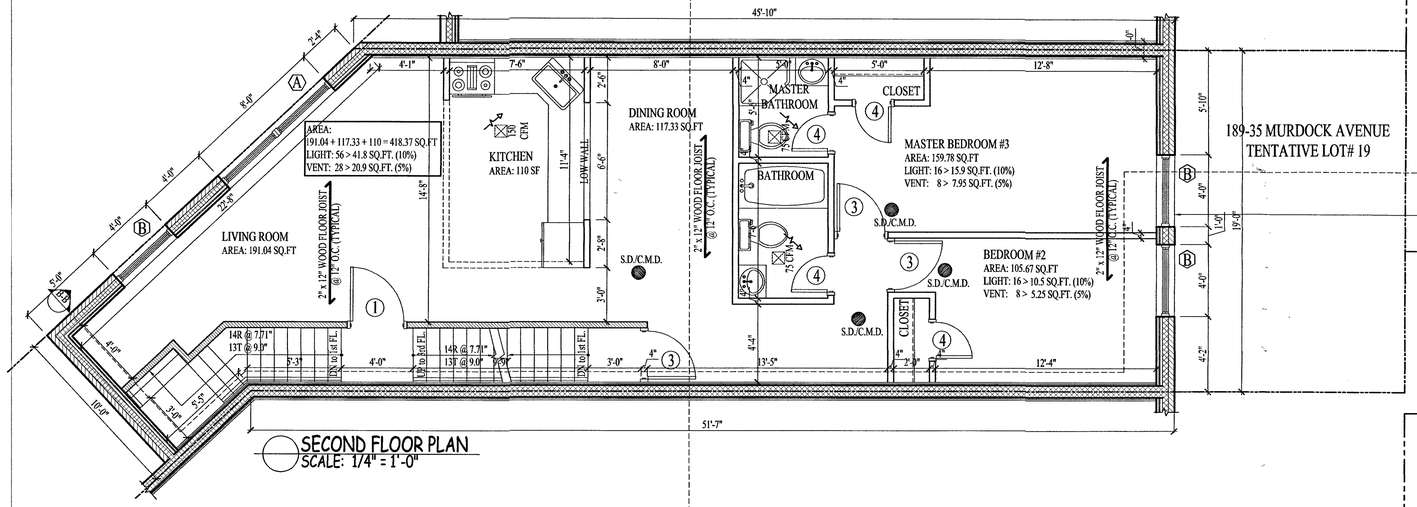
THIRD FLOOR PLAN
SCALE: 1/4" = 1'-0"

189-30 113TH ROAD
LOT# 5
NOT PART OF THIS APPLICATION
(SEE SITE PLAN)

189-35 MURDOCK AVENUE
TENTATIVE LOT# 19

49'-0" PROPOSED WINDOW TO WINDOW AS PER ZR 23-711

ROOF FLOOR PLAN
SCALE: 1/4" = 1'-0"



SECOND FLOOR PLAN
SCALE: 1/4" = 1'-0"

189-30 113TH ROAD
LOT# 5
NOT PART OF THIS APPLICATION
(SEE SITE PLAN)

189-35 MURDOCK AVENUE
TENTATIVE LOT# 19

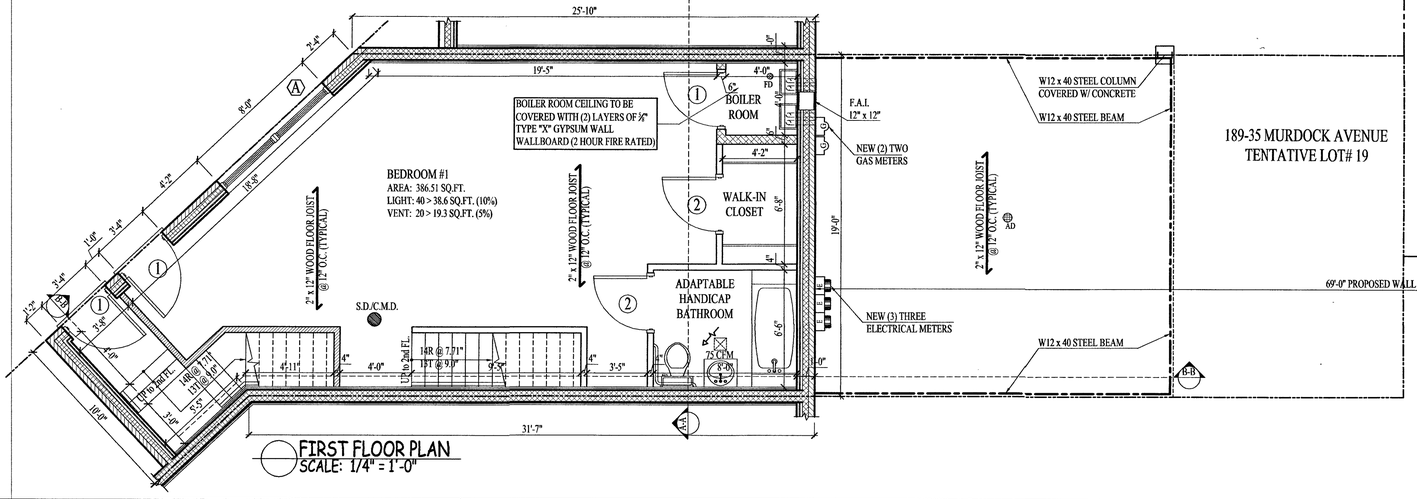
49'-0" PROPOSED WINDOW TO WINDOW AS PER ZR 23-711

EXISTING MASTER BEDROOM

EXISTING MASTER BATHROOM

EXISTING MASTER BATHROOM

SECOND FLOOR PLAN
SCALE: 1/4" = 1'-0"



FIRST FLOOR PLAN
SCALE: 1/4" = 1'-0"

189-30 113TH ROAD
LOT# 5
NOT PART OF THIS APPLICATION
(SEE SITE PLAN)

189-35 MURDOCK AVENUE
TENTATIVE LOT# 19

69'-0" PROPOSED WALL TO WINDOW AS PER ZR 23-711

EXISTING KITCHEN

EXISTING DINING ROOM

EXISTING DINING ROOM

FIRST FLOOR PLAN
SCALE: 1/4" = 1'-0"

Kai-Ki Wong
MAY 21 2015
EXAMINED FOR ZONING, EGRESS AND FIRE PREVENTION ONLY, AS PER DR. 27.5

KING DAVID ARCHITECTURE P.C.
71-44 160TH STREET SUITE 1
FRESH MEADOWS, NY 11366
TEL: (718) 454-2303 FAX: (718) 454-2304
EMAIL: KDA4YOU@YAHOO.COM

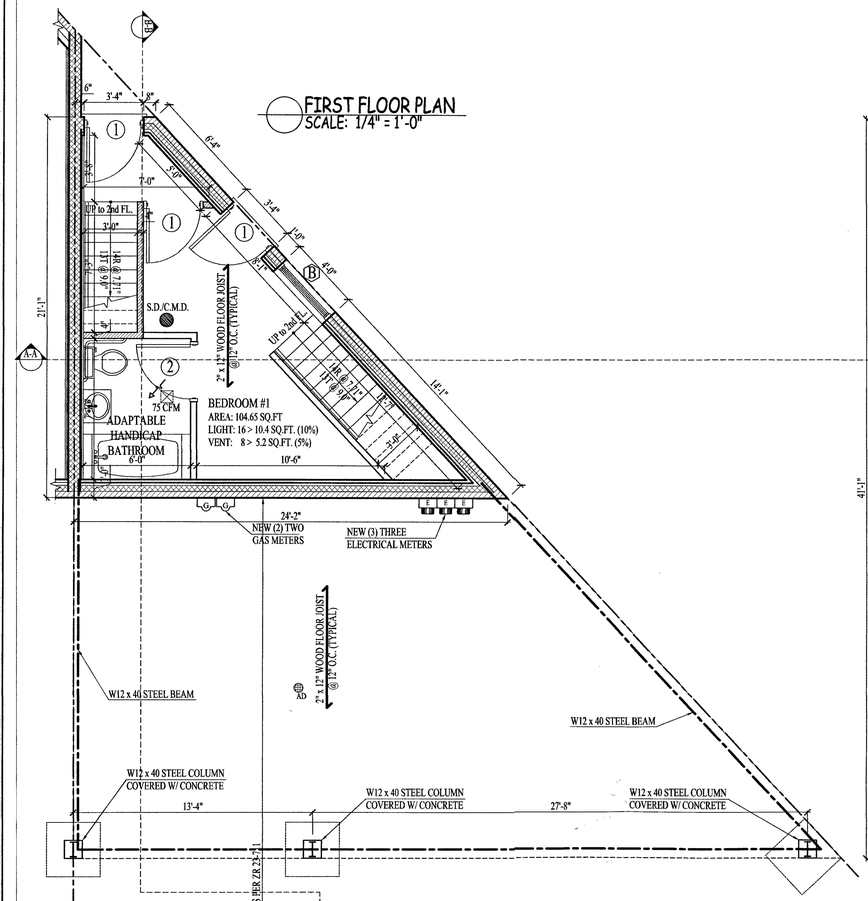
PROJECT
189-35 MURDOCK AVENUE
QUEENS, NY

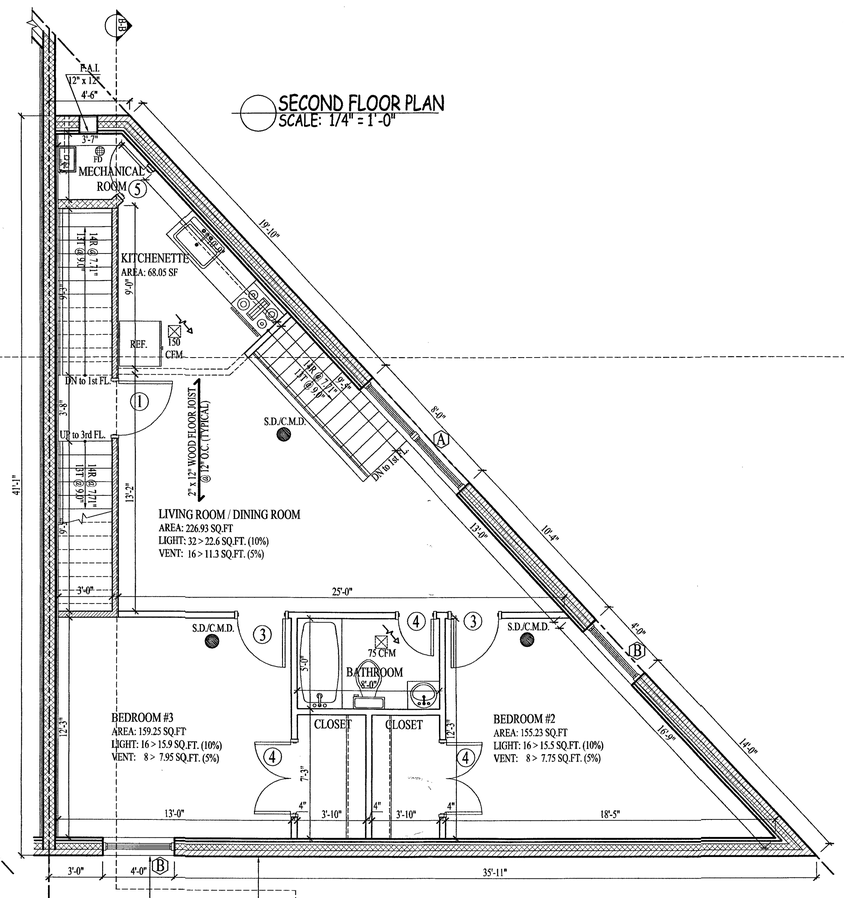
TITLE
PROPOSE NEW 2 FAMILY DUPLEX 3 STORY BUILDING FLOOR PLANS

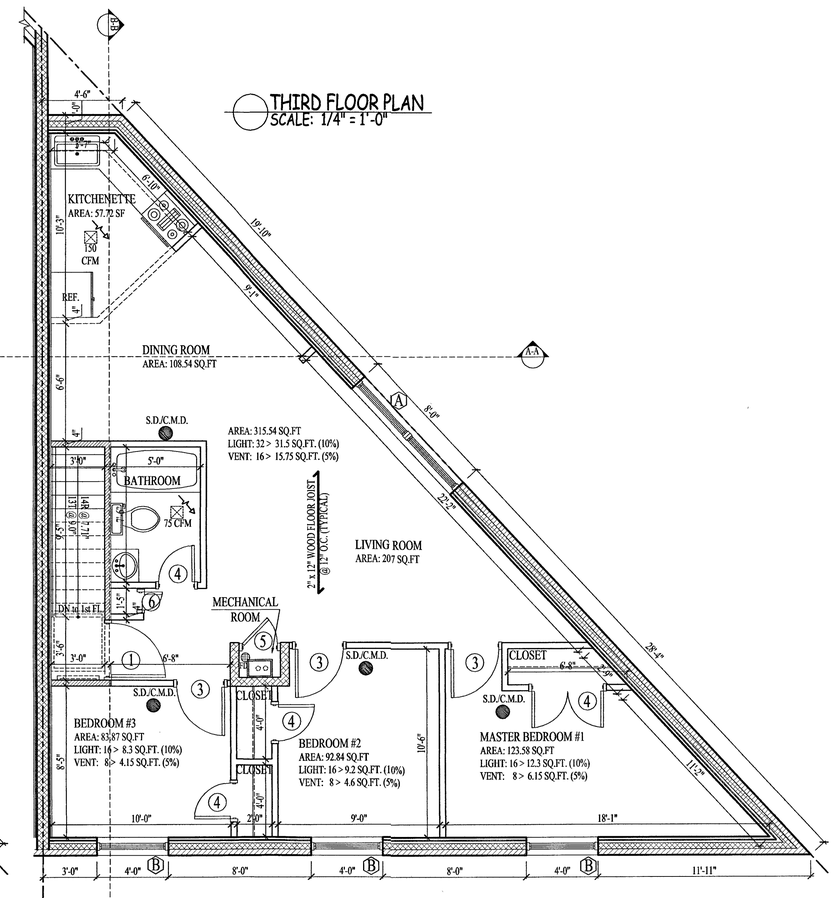
SEAL & SIGNATURE
REGISTERED ARCHITECT DAVID NG 040541-1 STATE OF NEW YORK

DATE: 05/19/15
PROJECT NO.:
DRAWING BY: BAYRON
CHK BY:
DWG NO.:
A-100.00
SHEET NO.: 3 of 9

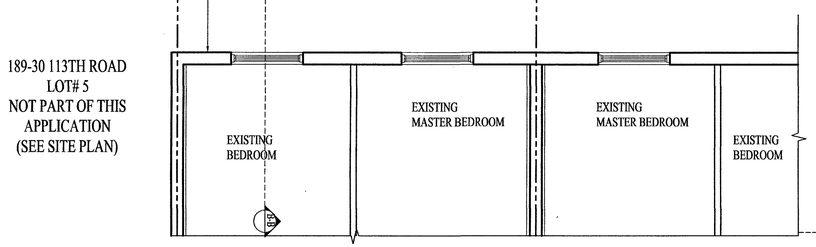
DEPT. BLDGS 420860728 Job Number
SC1210100402 Scan Code

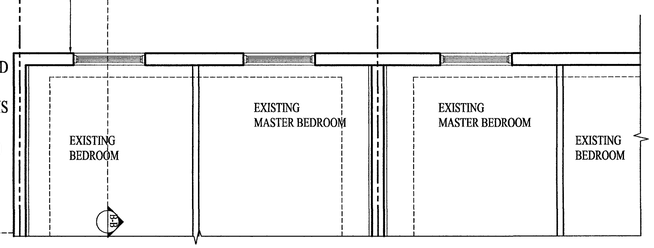


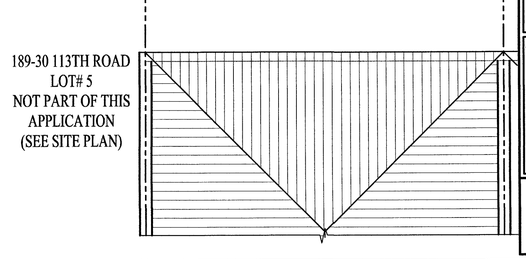




Kai-Ki Wong
APR 23 2015
EXAMINED FOR ZONING, EGRESS AND FIRE PREVENTION ONLY AS PER DSR 2.0







KING DAVID ARCHITECTURE P.C.
71-44 160TH STREET SUITE 1
FRESH MEADOWS, NY 11366
TEL: (718) 454-2303 FAX: (718) 454-2304
EMAIL: KDA4YOU@YAHOO.COM

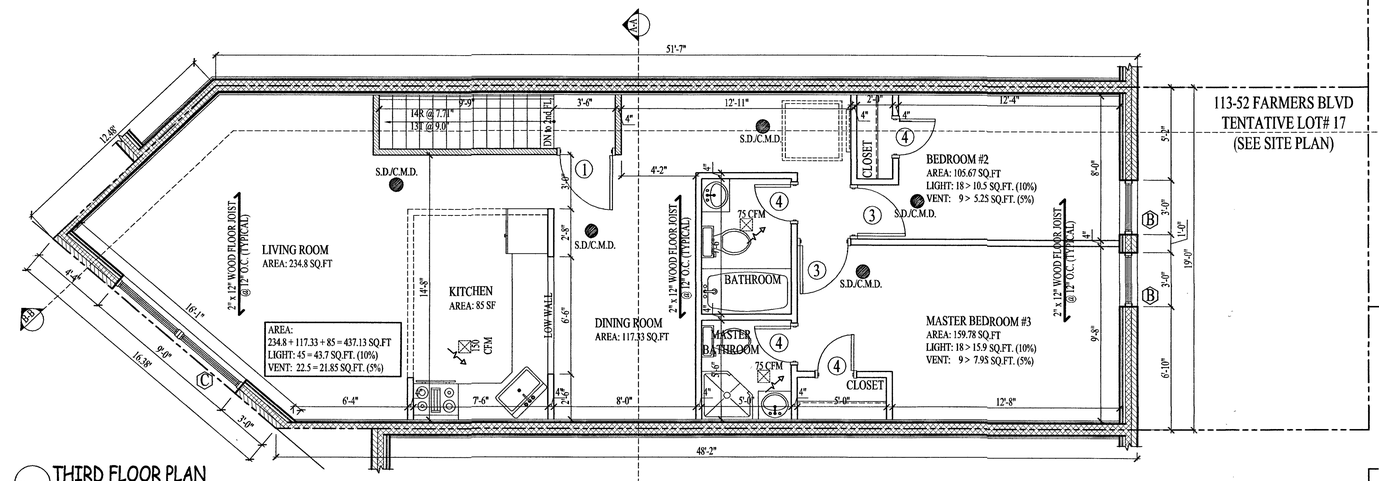
PROJECT **189-33 MURDOCK AVENUE**
QUEENS, NY

TITLE
PROPOSE NEW 2 FAMILY DUPLEX 3 STORY BUILDING
FLOOR PLANS

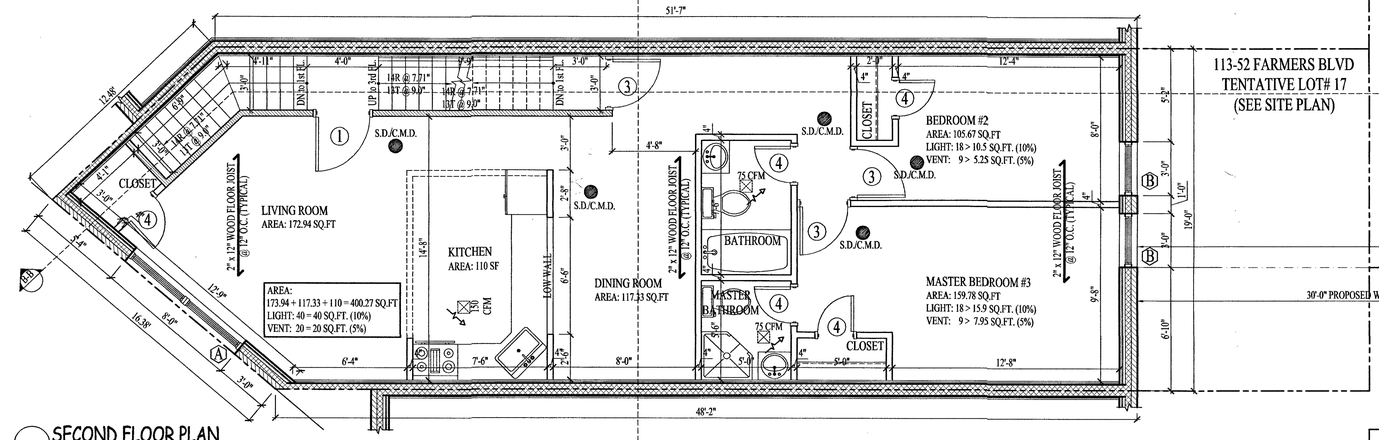
SEAL & SIGNATURE
REGISTERED ARCHITECT DAVID NAGAN 020541-1 STATE OF NEW YORK

DATE: 04 / 01 / 15
PROJECT NO.:
DRAWING BY: BAYRON
CHK BY:
DWG NO.: A-100.00
SHEET NO.: 3 of 9

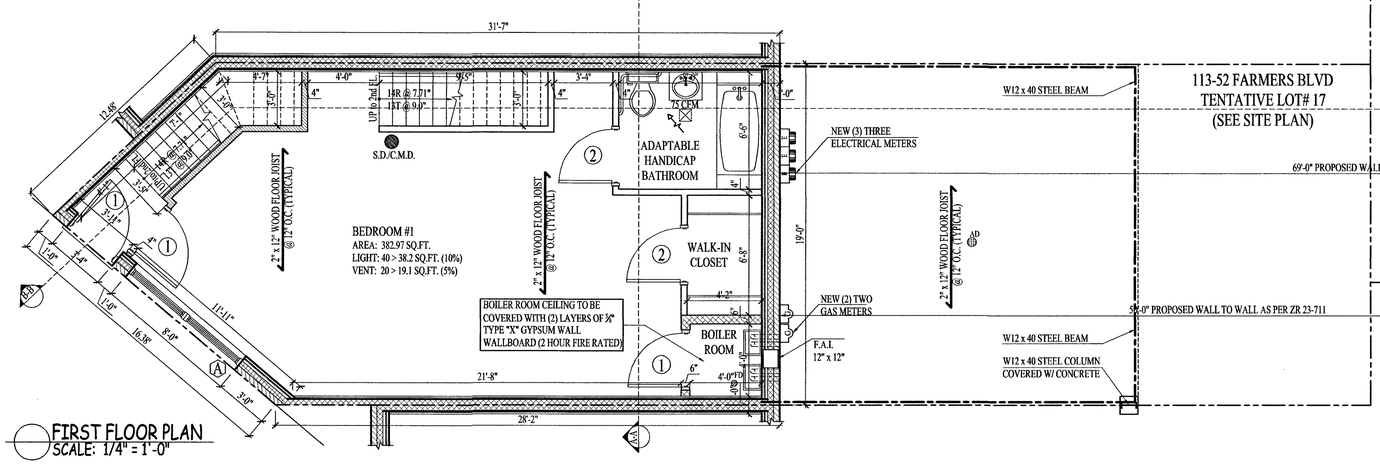
DEPT. BLDGS 420880719 Job Number
SC441415770 Scan Code



THIRD FLOOR PLAN
SCALE: 1/4" = 1'-0"



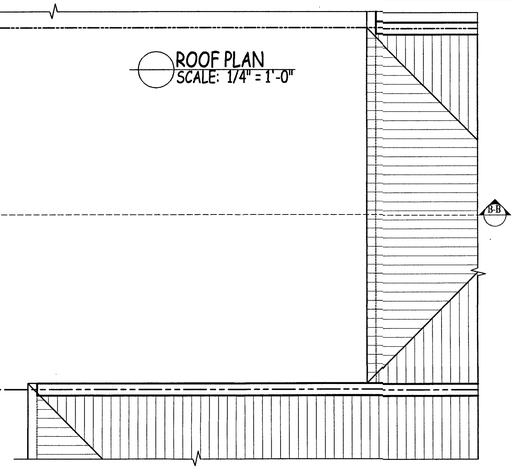
SECOND FLOOR PLAN
SCALE: 1/4" = 1'-0"



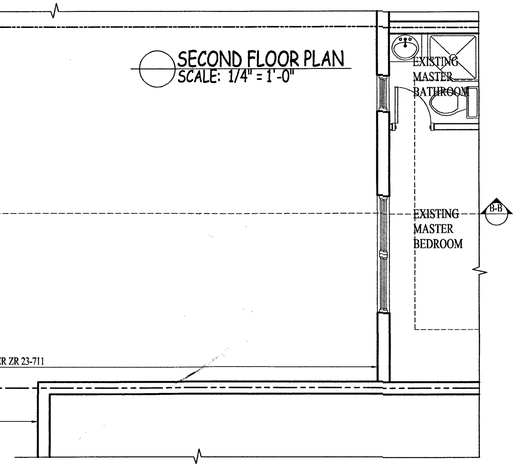
FIRST FLOOR PLAN
SCALE: 1/4" = 1'-0"

113-52 FARMERS BLVD
TENTATIVE LOT# 17
(SEE SITE PLAN)

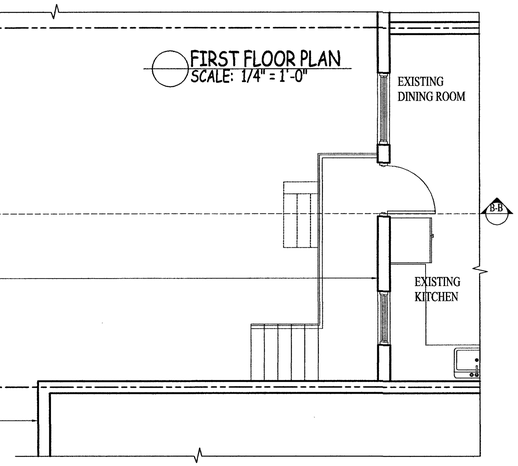
189-32 113TH ROAD
LOT# 6
NOT PART OF THIS
APPLICATION
(SEE SITE PLAN)



ROOF PLAN
SCALE: 1/4" = 1'-0"



SECOND FLOOR PLAN
SCALE: 1/4" = 1'-0"



FIRST FLOOR PLAN
SCALE: 1/4" = 1'-0"

Kai-Ki Wong
JUN 08 2015
EXAMINED FOR ZONING, EGRESS AND FIRE PROTECTION ONLY AS PER TSR, 27TH

KING DAVID ARCHITECTURE P.C.
71-44 160TH STREET SUITE 1
FRESH MEADOWS, NY 11366
TEL: (718) 454-2303 FAX: (718) 454-2304
EMAIL: KDA4YOU@YAHOO.COM

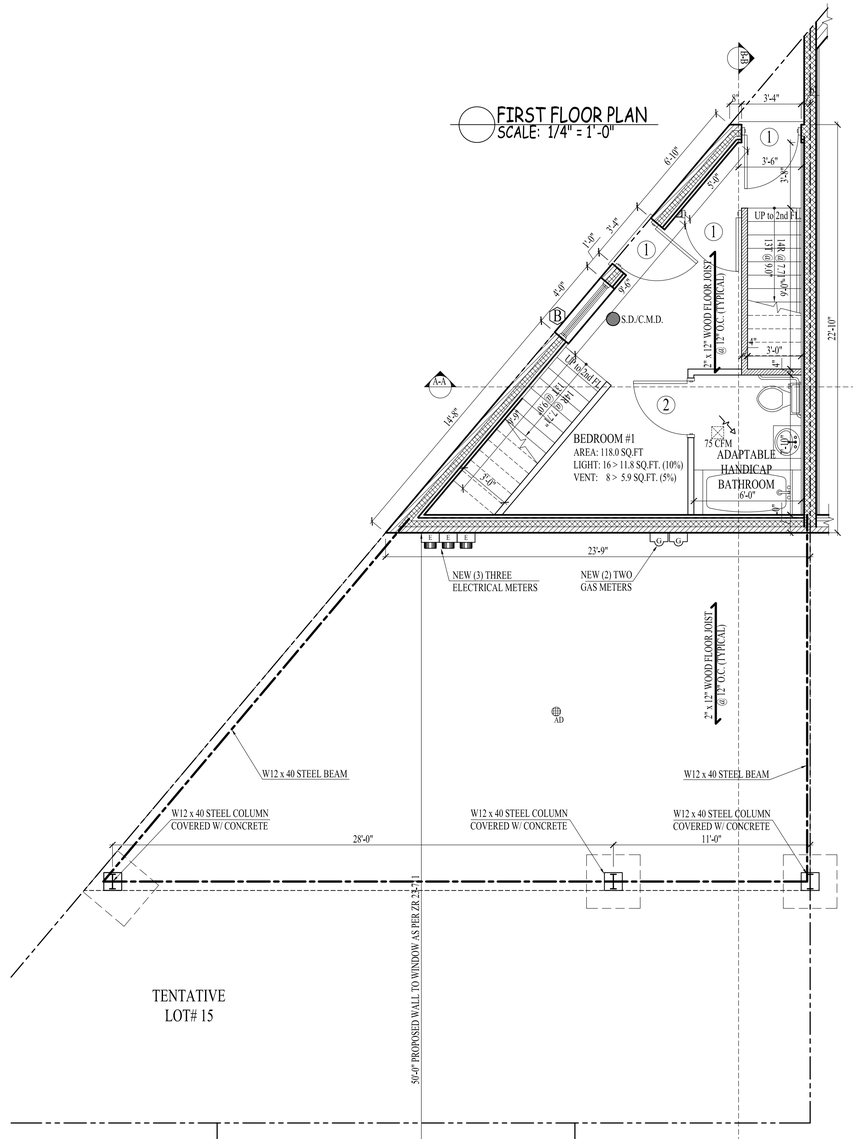
PROJECT
113-52 FARMERS BLVD
QUEENS, NY

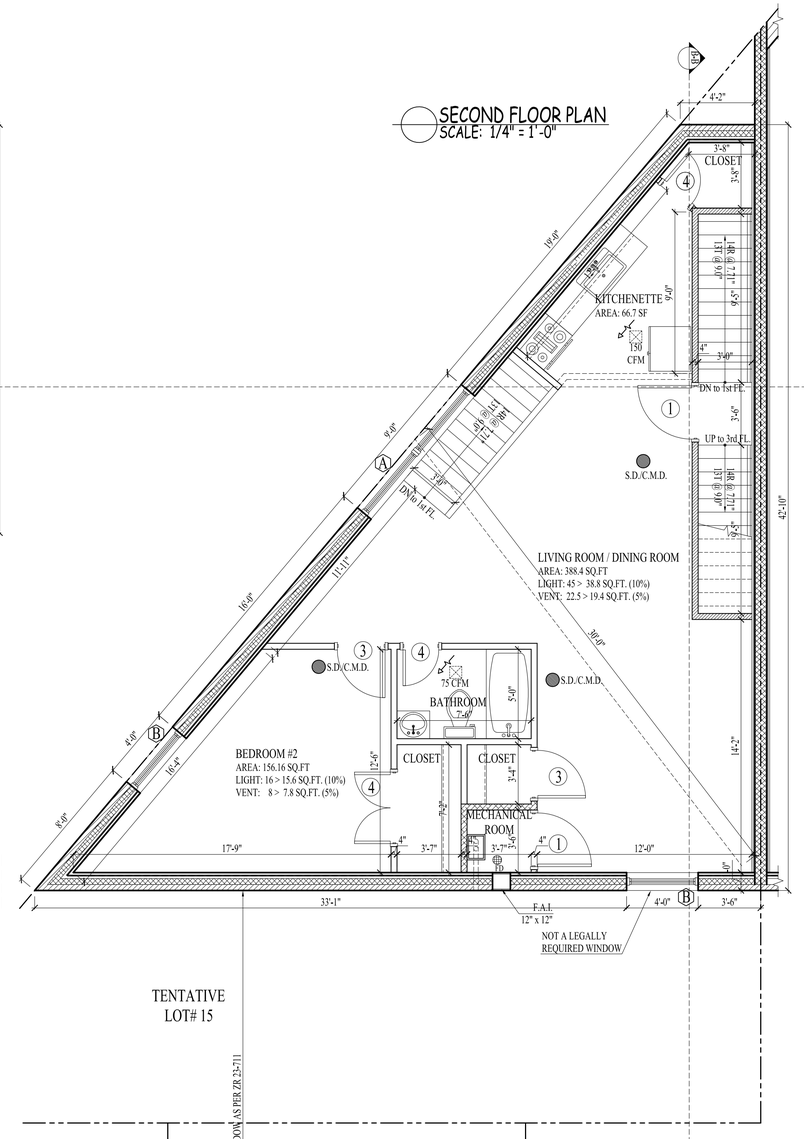
TITLE
PROPOSE NEW 2 FAMILY DUPLEX 3 STORY BUILDING
FIRST, SECOND, THIRD FLOOR PLANS

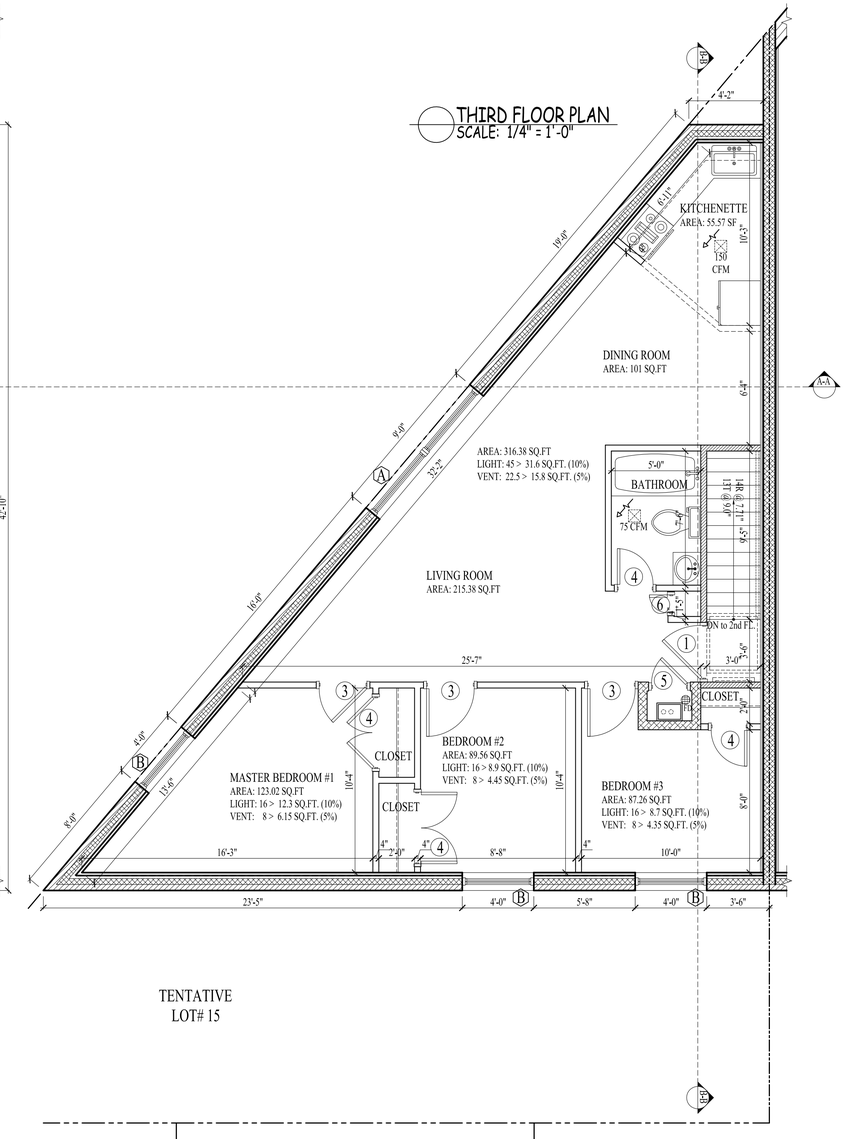
SEAL & SIGNATURE
REGISTERED ARCHITECT DAVID NAGAR 020541-1 STATE OF NEW YORK

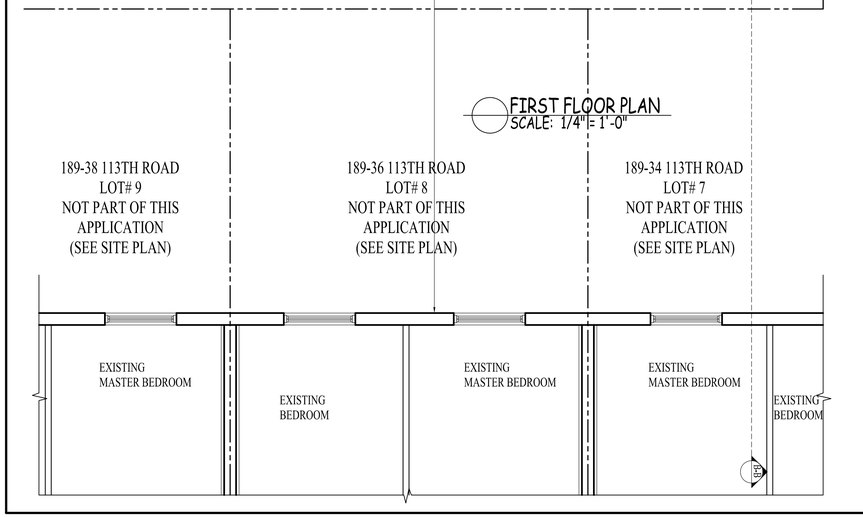
DATE: 10 / 01 / 13
PROJECT NO.:
DRAWING BY: BAYRON
CHK BY:
DWG NO.:
A-100.00
SHEET NO.: 3 of 9

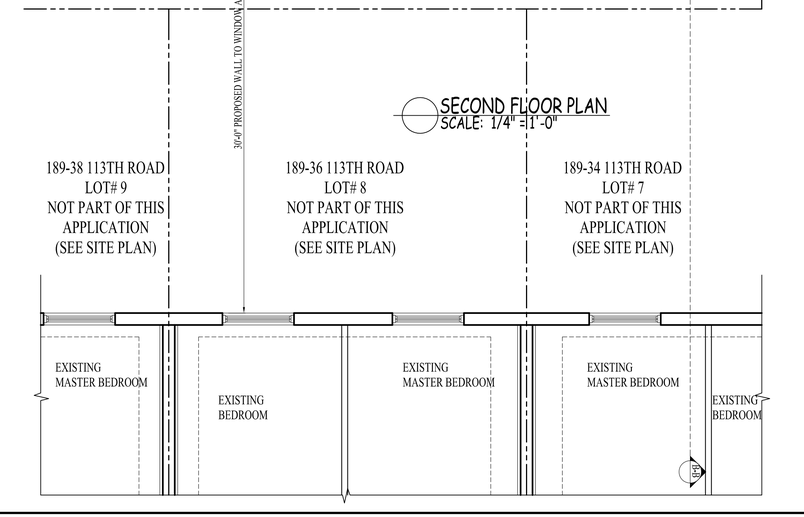
DEPT.BLDGS 420880700 Job Number
SC441415072 Scan Code

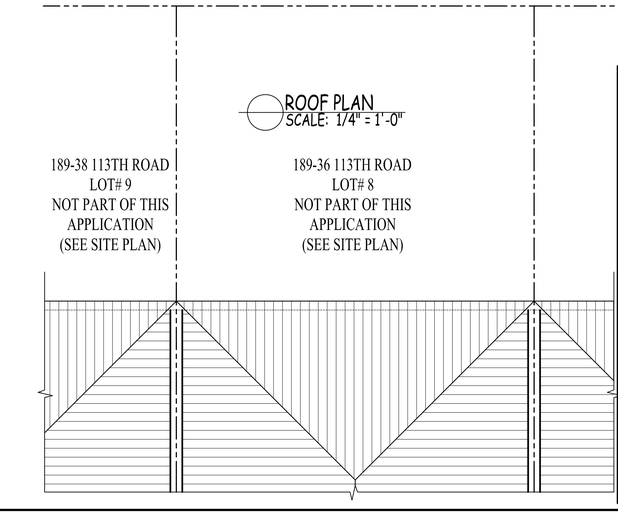












KING DAVID ARCHITECTURE P.C.
71-44 160TH STREET SUITE 1
FRESH MEADOWS, NY 11366
TEL: (718) 454-2303 FAX: (718) 454-2304
EMAIL: KDA4YOU@YAHOO.COM

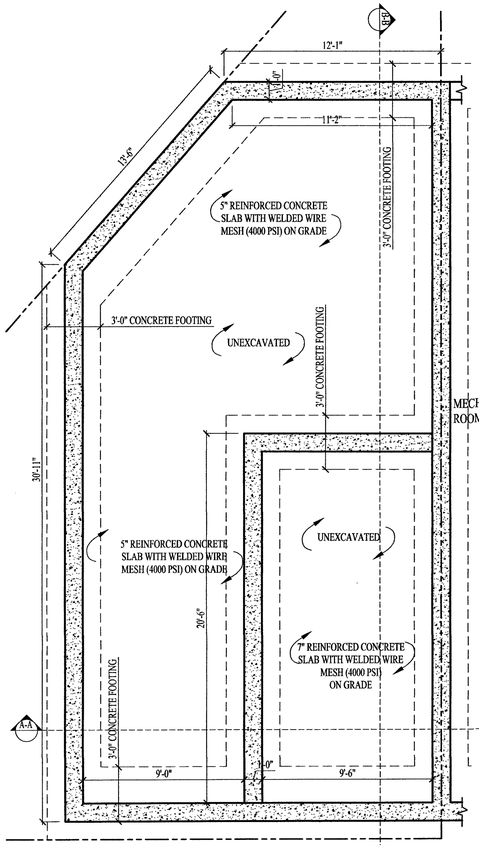
PROJECT **113-50 FARMERS BLVD**
QUEENS, NY

TITLE
PROPOSE NEW 2 FAMILY DUPLEX 3 STORY BUILDING
FLOOR PLANS

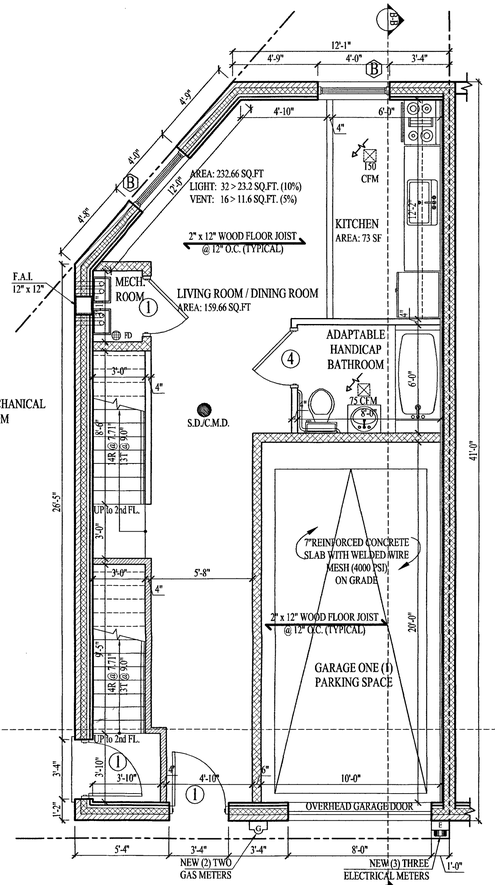
SEAL & SIGNATURE

DATE: 11 / 11 / 13
PROJECT NO.:
DRAWING BY: BAYRON
CHK BY:
DWG NO.:
A-100.00

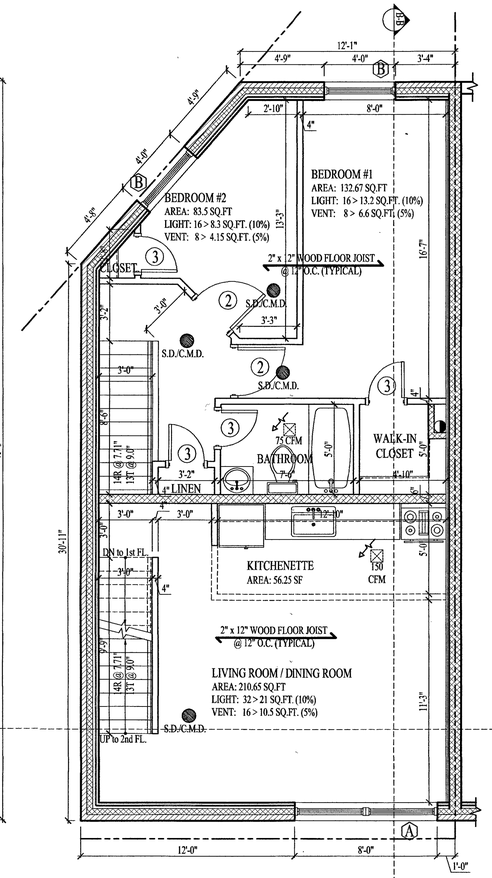
SHEET NO.: 3 of 9



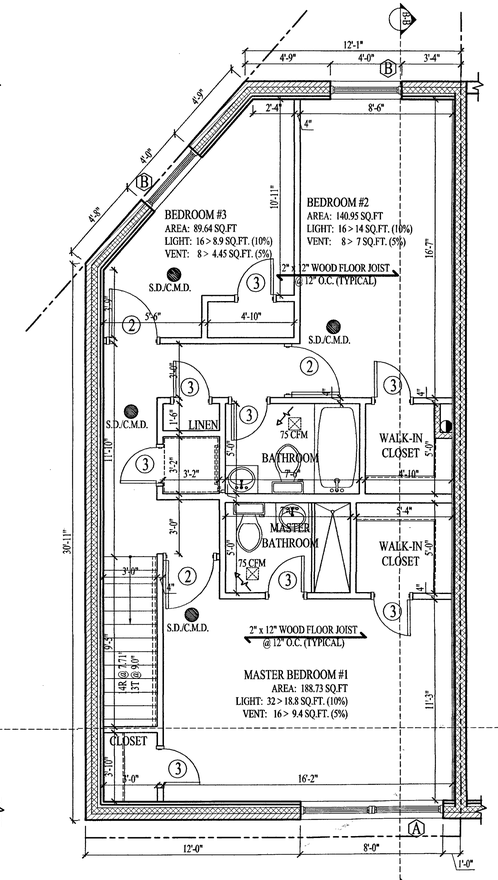
FOUNDATION PLAN
SCALE: 1/4" = 1'-0"



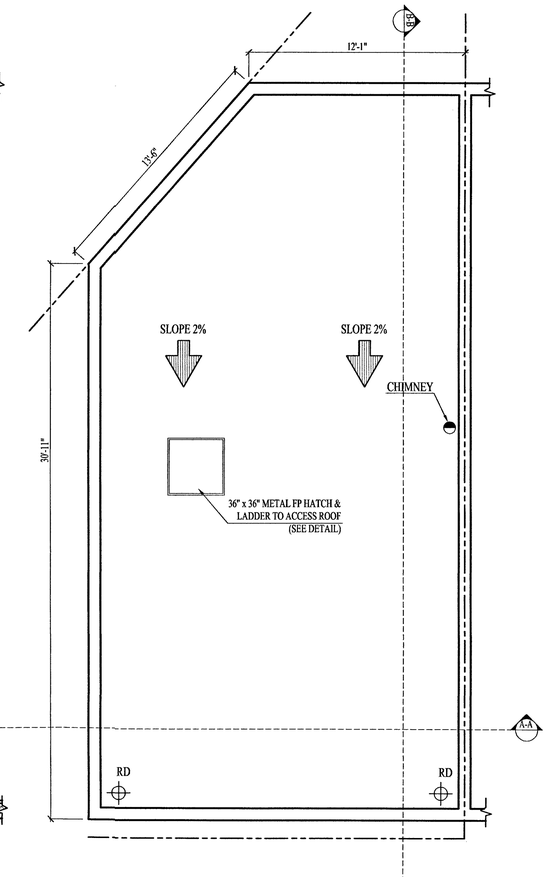
FIRST FLOOR PLAN
SCALE: 1/4" = 1'-0"



SECOND FLOOR PLAN
SCALE: 1/4" = 1'-0"



THIRD FLOOR PLAN
SCALE: 1/4" = 1'-0"



ROOF PLAN
SCALE: 1/4" = 1'-0"

DOOR SCHEDULE

SYMBOL	SIZE	DESCRIPTION	GLASS TYPE	AIR LEAKAGE	U-FACTOR	SHGC	NOTES	QUANTITY
1	3'-0" x 6'-8" x 1 1/8"	INSULATED HOLLOW METAL 1 1/2 HR FPSC DOOR	N/A	N/A	0.35	0.55	1	3
2	2'-8" x 6'-8" x 1 1/8"	HOLLOW CORE WOOD DOOR	N/A	N/A	0.35	0.40	1	5
3	2'-0" x 6'-8" x 1 1/8"	HOLLOW CORE WOOD DOOR	N/A	N/A	0.35	0.40	1	12
4	3'-0" x 6'-8" x 1 1/8"	HOLLOW CORE WOOD DOOR	N/A	N/A	0.35	0.40	1	1
							TOTAL:	21

NOTES:
1. AIR LEAKAGE: PROVIDE FLASHING, EXPANDABLE FOAM SEALANT, AND CAULKING AT ROUGH OPENING/DOOR FRAME JOINTS TO CREATE A CONTINUOUS AIR BARRIER WITH SURROUNDING WALL SYSTEM.

WINDOW SCHEDULE

SYMBOL	SIZE	DESCRIPTION	GLASS TYPE	AIR LEAKAGE	U-FACTOR	SHGC	NOTES	QUANTITY
A	8'-0" x 4'-0"	DOUBLE GLAZED SLIDERS	LOW-E, CLEAR	< 0.30 CFM/SF	0.30	0.40	1	2
B	4'-0" x 4'-0"	DOUBLE GLAZED SLIDERS	LOW-E, CLEAR	< 0.30 CFM/SF	0.30	0.40	1	6
							TOTAL:	8

NOTES:
1. AIR LEAKAGE: PROVIDE FLASHING, WINDOW DAMS, EXPANDABLE FOAM SEALANT, AND CAULKING AT ROUGH OPENING/WINDOW FRAME JOINTS TO CREATE A CONTINUOUS AIR BARRIER WITH SURROUNDING WALL SYSTEM.
2. AIR LEAKAGE: PROVIDE FLASHING, EXPANDABLE FOAM SEALANT, AND CAULKING AT ROUGH OPENING/SKYLIGHT FRAME JOINTS TO CREATE A CONTINUOUS AIR BARRIER WITH SURROUNDING ROOF SYSTEM.

LEGEND: SYMBOL / DESCRIPTION

	POURED CONCRETE SEE PLAN FOR THICKNESS (MEA # 102-72-M)
	8" APPROVED LOAD BEARING CONCRETE BLOCK W/ ⅝" GYPSUM BOARD OVER FURRING SEE PLAN FOR THICKNESS, INSULATION (R-10) (51 STC MEA# 1-74-M) **(2HR FIRE-RATED)**
	4" BRICK & APPROVED LOAD BEARING CONCRETE BLOCK ⅝" GYPSUM BOARD OVER FURRING, INSULATION (R-13) (INT. INSIDE SEE PLAN FOR THICKNESS) (MEA # 2-69-M, 17-69-M, 144-76-M AND 178-69-M) **(2HR FIRE-RATED)**
	3 ⅝" METAL STUDS @ 16" O.C. WITH 2 LAYER ⅝" GYPSUM BOARD ON EACH SIDE (BSA# 171-52-SM) **(2 HR FIRE RATED)**
	NEW 4" INTERIOR PARTITION ⅝" SHEETROCK. (MEA # 144-76-M AND 178-69-M) **(1HR FIRE-RATED)**
	NEW 4" INTERIOR PARTITION NON RATED WALL, ⅝" SHEETROCK. (MEA # 144-76-M AND 178-69-M)
	DIRECTION OF JOISTS
S.D./C.M.D.	PROPOSE SMOKE DETECTOR / CARBON MONOXIDE DETECTOR

NOTES:
-DOUBLE UP JOISTS UNDER PARTITION WALL (TYP.)
-EACH BEDROOM TO HAVE PHONE/COMP.& TV/CABLE JACK
-EACH ROOM TO HAVE DUPLEX OUTLETS FOR LIGHTNING COORDINATE WITH OWNER
-HEADER SHALL BE (2)2" x 10" OVER (3)2" x 4" POST (TYP.) ALL WINDOWS COORDINATE WITH OWNER
-ALL BATHROOMS TO RECEIVE FULL HEIGHT TILES AS PER OWNER SELECTION

ALL DUCTS, PIPES & CONDUITS PASSING THROUGH FIRE RATED CONSTRUCTION SHALL BE OF NON-COMBUSTILE MATERIAL. THEY SHALL NOT BE CONNECTED TO SLEEVES OR OPENINGS EXCEEDING ½" AND COMPLETELY PACKED WITH MINERAL WOOL OR EQUIVALENT NON-COMBUSTILE MATERIAL. OPENINGS SHALL BE CLOSED OFF WITH TIGHT FITTING METAL ESCUTCHEONS ON BOTH SIDES OF CONSTRUCTION. NET AREA OF ALL SHALL NOT EXCEED 25 SQ.IN

HARDWIRED CARBON MONOXIDE DETECTORS COMPLYING WITH RS17-13 AND INSTALLED IN ACCORDANCE WITH 17-14 SHALL BE PROVIDED IN EVERY DWELLING UNIT WITHIN 15 FEET OF THE PRIMARY ENTRANCE TO EACH BEDROOM.

907.2.10.3: SMOKE ALARMS OR DETECTORS SHALL BE INTERCONNECTED IN SUCH A MANNER THAT THE ACTIVATION OF ONE ALARM OR DETECTOR WILL ACTIVATE ALL OF THE ALARMS OR DETECTORS IN DWELLING UNIT.

MECHANICAL UNITS

NEW TANKLESS COIL (COMBO BOILER)
WALL HUNG UNIT; UNIT IS FORCE DIRECT VENT
MAKE: RINNAI E-SERIES
MODEL: E110C
DIM: W19.7" x H25.6" x D15.6"; WEIGHT: 10LBS;
HEAT INPUT:
MIN: 26,000 BTU/HR;
MAX: 110,000 BTU/HR;
MEA# 4-06-E, 96.1% AFUE

Kai-Ki Wong
MAR 27 2015
EXAMINED FOR ZONING, EGRESS AND FIRE PREVENTION ONLY AS PER DBI, 2015

KING DAVID ARCHITECTURE P.C.
71-44 160TH STREET SUITE 1
FRESH MEADOWS, NY 11366
TEL.: (718) 454-2303 FAX.: (718) 454-2304
EMAIL: KDA4YOU@YAHOO.COM

PROJECT
113-34 FARMERS BLVD
QUEENS, NY

TITLE
PROPOSE NEW 2 FAMILY DUPLEX 3 STORY BUILDING
FLOOR PLANS / ROOF PLAN

SEAL & SIGNATURE
REGISTERED ARCHITECT DAVID NAGAR 020641-1 STATE OF NEW YORK

DATE: 10 / 01 / 13
PROJECT NO.:
DRAWING BY: BAYRON
CHK BY:
DWG NO.: A-100.00
SHEET NO.: 3 of 7

DEPT.BLDGS 420880755 Job Number
SC441415018 Scan Code

SUBJECT PROPERTY PHOTO ADDENDUM

Client: MAZAL FARMERS GROUP LLC	File No.: Farmers
Property Address: FARMERS BLVD	Case No.:
City: ST ALBANS State: NY	Zip: 11412

FRONT VIEW OF SUBJECT PROPERTY

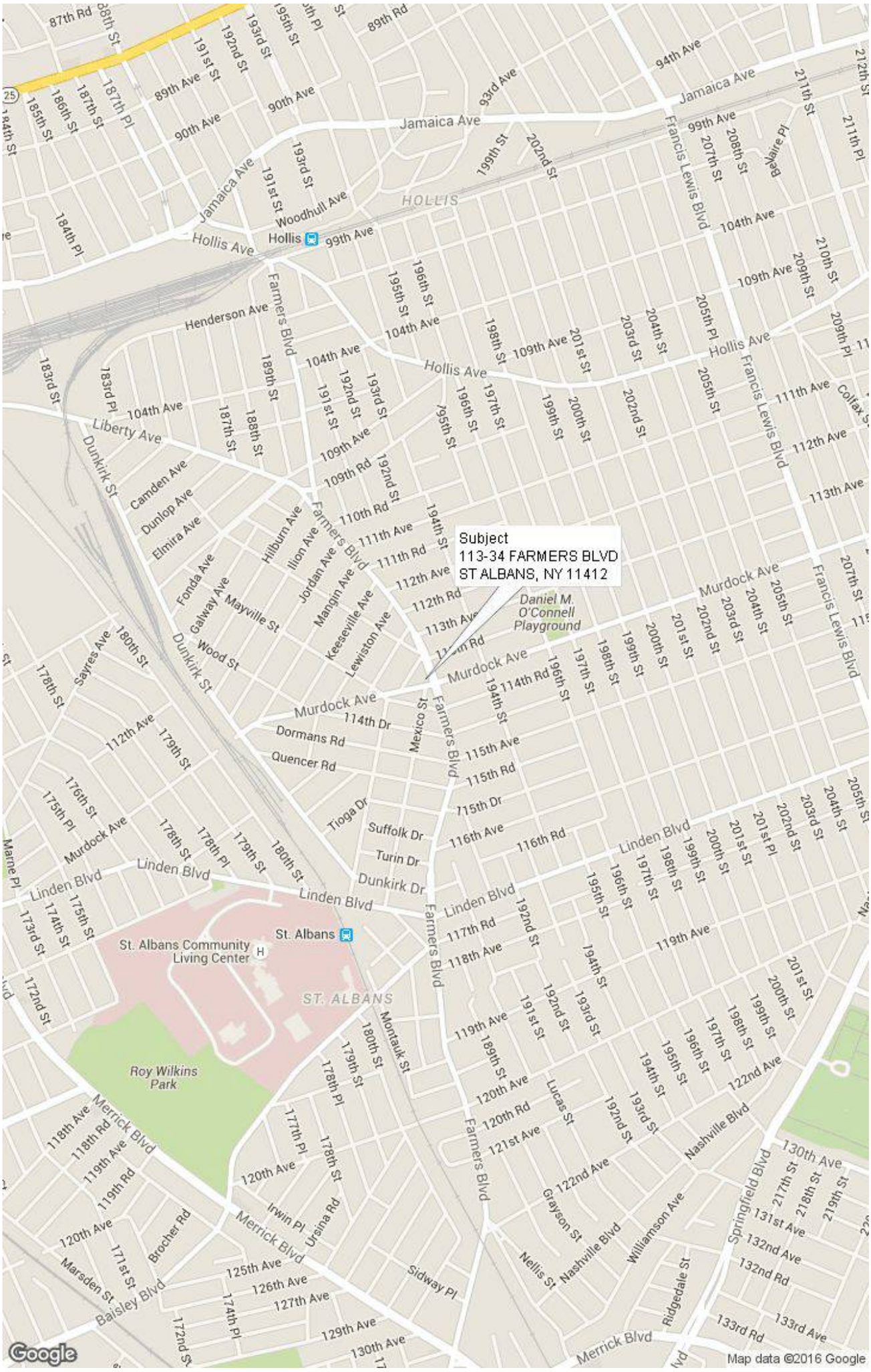
Appraised Date:
Appraised Value: $

REAR VIEW OF SUBJECT PROPERTY

STREET SCENE

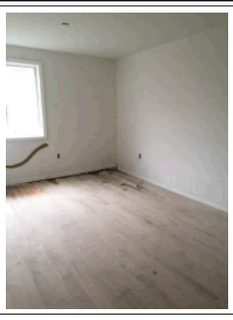
LOCATION MAP

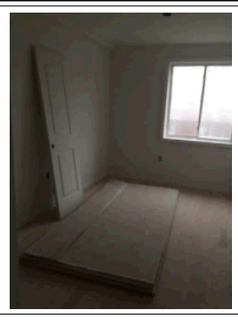
Client: MAZAL FARMERS GROUP LLC	File No.: Farmers	
Property Address: FARMERS BLVD	Case No.:	
City: ST ALBANS	State: NY	Zip: 11412

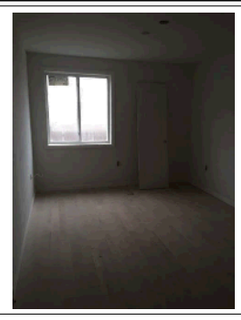


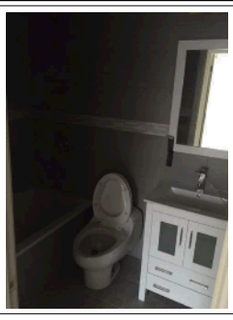
Client: MAZAL FARMERS GROUP LLC		File No.: Farmers
Property Address: FARMERS BLVD		Case No.:
City: ST ALBANS	State: NY	Zip: 11412

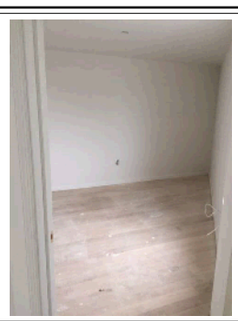
Client: MAZAL FARMERS GROUP LLC		File No.: Farmers
Property Address: FARMERS BLVD		Case No.:
City: ST ALBANS	State: NY	Zip: 11412

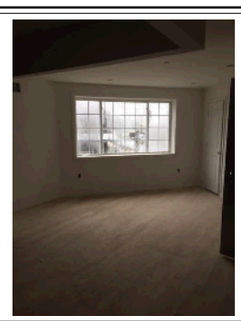






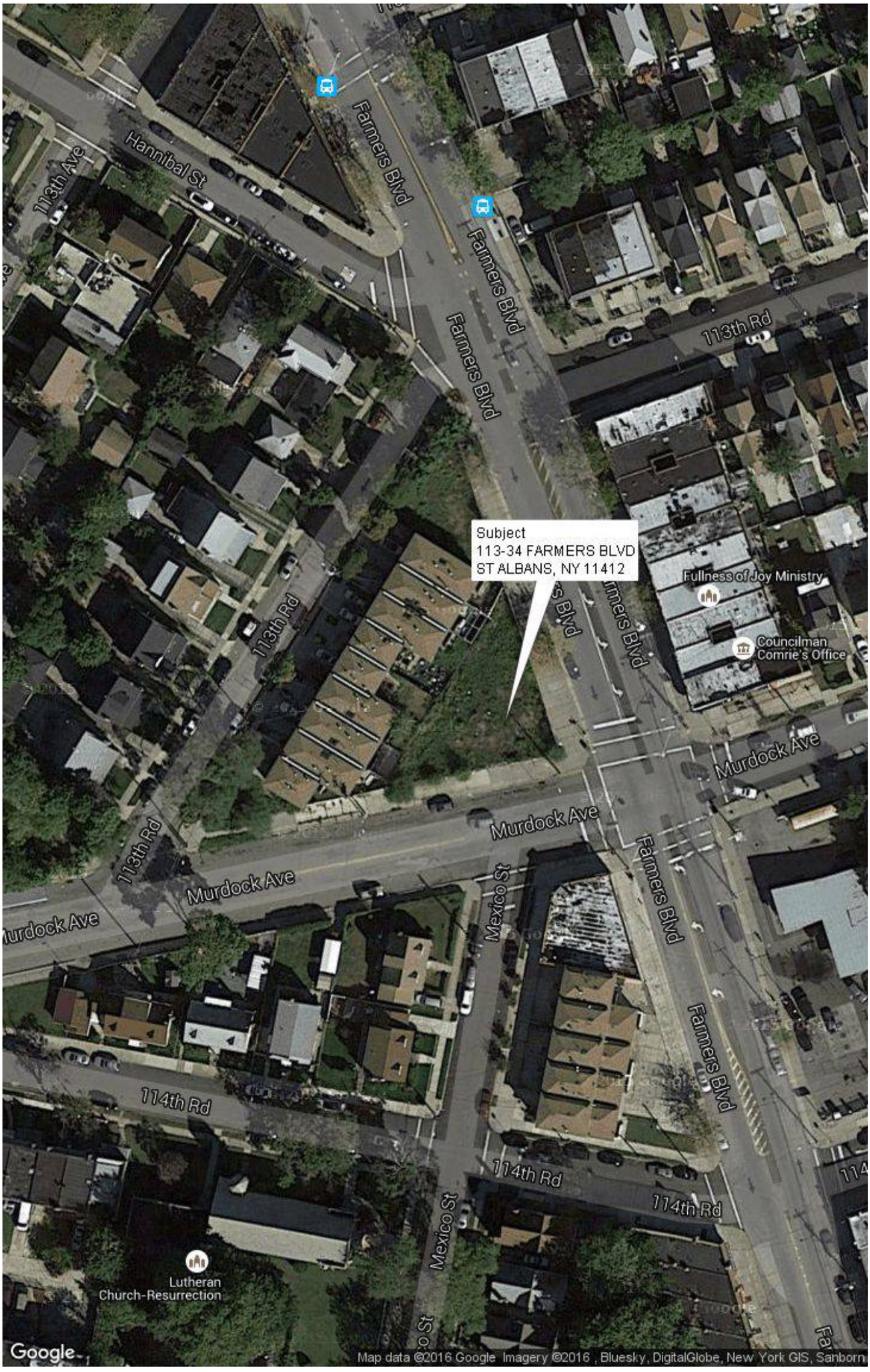






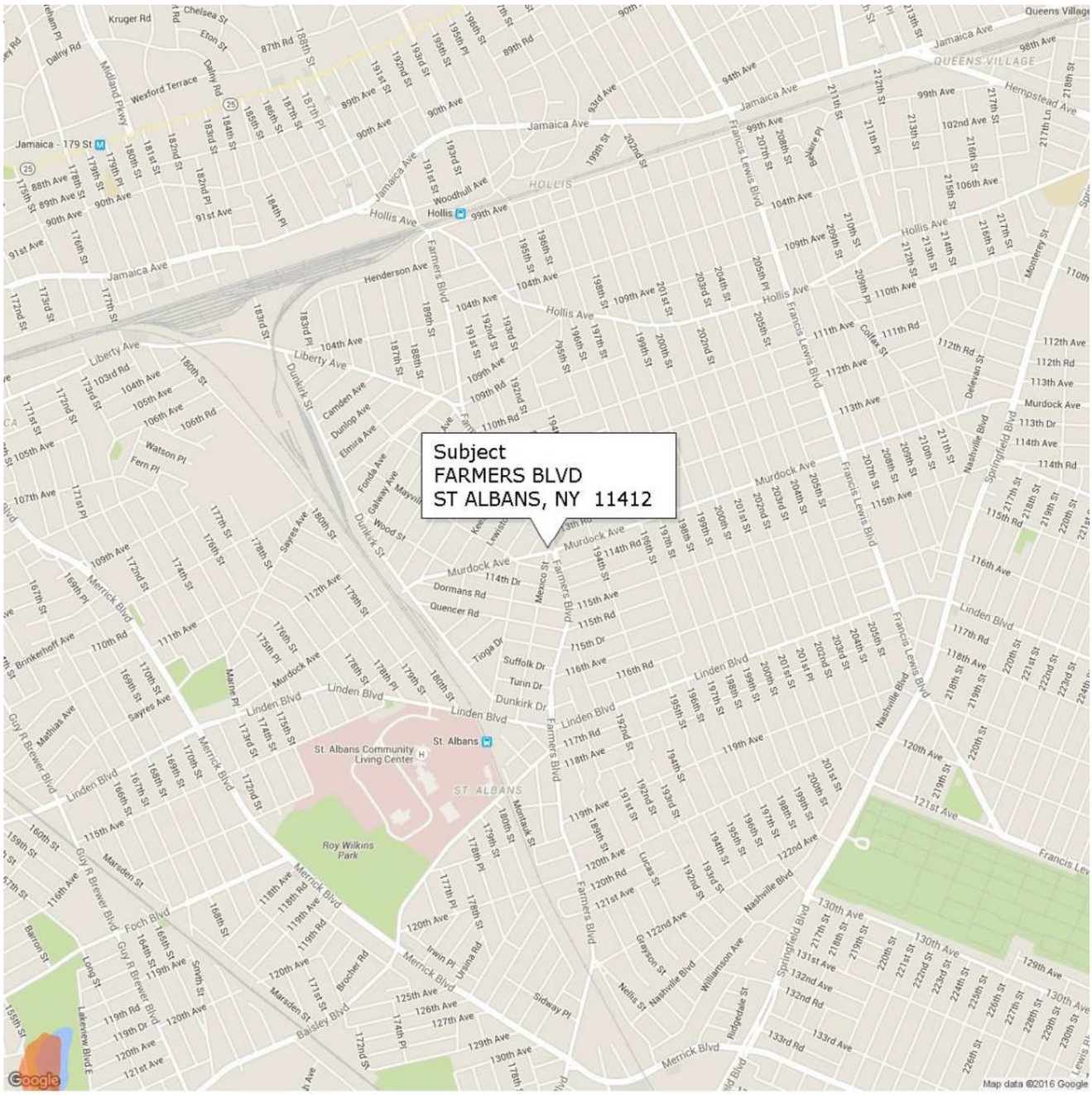
AERIAL MAP

Client: MAZAL FARMERS GROUP LLC	File No.: Farmers	
Property Address: FARMERS BLVD	Case No.:	
City: ST ALBANS	State: NY	Zip: 11412



FLOOD MAP

Client: MAZAL FARMERS GROUP LLC	File No.: Farmers	
Property Address: FARMERS BLVD	Case No.:	
City: ST ALBANS	State: NY	Zip: 11412



FLOOD INFORMATION

Community: City of New York

Property is NOT in a FEMA Special Flood Hazard Area

Map Number: 3604970234F

Panel: 0234F

Zone: X

Map Date: 09-05-2007

FIPS: 36081

Source: FEMA DFIRM

LEGEND

= FEMA Special Flood Hazard Area – High Risk

= Moderate and Minimal Risk Areas

Road View:

= Forest

= Water

Sky Flood™

No representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.

UNIQUE ID NUMBER
45000049437

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 84561

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

EFFECTIVE DATE

MO.	DAY	YR.
06	08	15

EXPIRATION DATE

MO.	DAY	YR.
06	07	17

BORUKHOV OLEG
C/O BORUKHOV OLEG
144 15 76TH RD
FLUSHING, NY 11367

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R.E. RESIDENTIAL 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)

AMSTERDAM APPRAISAL SERVICES INC.

Name of Principle Appraiser

Oleg Borukhov ,CRRA
Certified Residential Real Estate Appraiser, License #45000049437 NY Expires: 6/7/2017

FHA **APPROVED APPRAISER / FLAGSTAR APPROVED/IVS STANDARDS**

Name & Address of Company

Amsterdam Appraisal Services Inc.
144-15 76TH RD
Kew Garden Hills, NY 11367
Office/ Direct: (917) 731-7441
Fax: (718) 228-8127
Email: AmsterdamAppraisals@Gmail.com

Services Provided

Single Family: 1004 Form, 2055 Interiors & 2055 Exteriors
Multi 2-4 Family: 1025 Form / INCOME producing Property.
Condominiums / Cooperatives
Field Reviews, Desk Reviews , Auditory Reliance Review
Final Inspections, Appraisal Updates/Recertification's
Narrative reports
203k Appraisals
Reverse Mortgage Appraisals.
Commercial Valuations
Valuation Consulting
FHA CERTIFIED APPRAISERS.

Coverage Areas

Please note that we cover all the cities and zip codes in the following counties in the state of New York: Manhattan County, Queens County, Kings County, Bronx County, Nassau County, Richmond County, Suffolk County, Westchester County.

The Firm employs appraisers on a National Level and can complete and Review Appraisals on a Natioanl Level

Qualification Statement

As a Certified Residential Real Estate Appraiser, Oleg Borukhov of Amsterdam Appraisal Services Inc. is able to appraise all residential real estate up to & above $1,000,000.00, Including Condominiums, PUDS', and Cooperatives etc.

Curriculum Vitae

OLEG BORUKHOV

Certified Residential Real Estate Appraiser

Education	**Queens College Bachelor of Arts 2008** English Major Secondary Education Minor. **Realty Institute** Continuing Education courses are current R1, R2, AQ-1, E&S: May 2005 National USPAP 15Hr Course : April 2005 R3, R4 : March 2007 USPAP update March 2007 . See attached Transcript.
Current RE Licenses	**New York Certified Real Estate Appraiser # 45000049437**
	FHA APPROVED
Work Experience	**– March 2004 to Present** **Amsterdam Appraisal services, Inc.& Value Truth, inc** **CEO/ President -Real Estate analyst and consultant.** Preformed residential and commecial appraisals and appraisal reviews, appraisals of Condominiums and Co-Operatives. Narrative appraisal reports 203k Appraisal reports Reporting analyst-Real Estate trends analysis **East Coast Appraisal Services – Dec. 2006 to 2008** **Appraiser Assistant – Certified Residential Appraiser** Review of residential appraisal reports 1-4 family dwellings, Condominiums, CoOps. Preformed residential appraisals 1-4 family dwellings, Condominiums, Co-Operatives. Narrative appraisal reports 203k Appraisal reports **MidRome Inc. – August 2005 - 2010-** **Senior Review Specialist** **Certified Residential Appraiser** Performs residential appraisals 1-4 family dwellings, Condominiums, Co-Operatives. Review of residential appraisal reports 1-4 family dwellings, Condominiums, CoOps.

Oleg Borukhov #45000049437

Certified Residential Appraiser

Transcript

OLEG BORUKHOV

144-15 76th rd

Flushing, NY 11367
9177317441

Program Name	Clock Hours	Date Enrolled	Date Completed	License Type
Relocation Appraisal and the ERC Form	6.0	04/06/2015	04/19/2015	NY \ Appraisal Continuing Education
Heating, Ventilation and Air Conditioning Systems in Green Buildings	4.0	04/06/2015	04/19/2015	NY \ Appraisal Continuing Education
Supervisor-Trainee Course for New York	4.0	04/06/2015	04/19/2015	NY \ Appraisal Continuing Education
Fundamental Concepts of Analysis	7.0	04/06/2015	04/18/2015	NY \ Appraisal Continuing Education
2014-2015 7-hour National USPAP Update Course	7.0	04/06/2015	04/06/2015	NY \ Appraisal Continuing Education
Land and Site Valuation	7.0	04/19/2013	05/09/2013	NY \ Appraisal Continuing Education
Construction Details and Trends	7.0	04/19/2013	05/09/2013	NY \ Appraisal Continuing Education
Appraising FHA Today	7.0	04/19/2013	05/09/2013	NY \ Appraisal Continuing Education
2012-2013 7-hour National USPAP Update Course	7.0	04/19/2013	04/23/2013	NY \ Appraisal Continuing Education
FHA Inspection Checklist for Appraisers	0.0	04/19/2013	04/19/2013	NY \ Appraisal Continuing Education
How to Analyze & Value Income Properties	7.0	04/19/2011	05/09/2011	NY \ Appraisal Continuing Education
Residential Appraisal Review	7.0	04/19/2011	05/06/2011	NY \ Appraisal Continuing Education
Ad Valorem Tax Consultation	3.0	04/19/2011	04/20/2011	NY \ Appraisal Continuing Education
REO and Foreclosures	5.0	04/19/2011	04/20/2011	NY \ Appraisal Continuing Education
2010-2011 National USPAP Update Equivalent	7.0	04/19/2011	04/19/2011	NY \ Appraisal Continuing Education
Private Appraisal Assignments	7.0	03/16/2009	03/21/2009	NY \ Appraisal Continuing Education
Appraising FHA Today	7.0	03/16/2009	03/18/2009	NY \ Appraisal Continuing Education
The Cost Approach	7.0	03/16/2009	03/17/2009	NY \ Appraisal Continuing Education
2008-2009 National USPAP Update Equivalent	7.0	03/16/2009	03/16/2009	NY \ Appraisal Continuing Education
2006 National USPAP Update Course		03/18/2007	03/18/2007	\

1124153
File No. TM-56MotherGaston10

APPRAISAL OF

LOCATED AT:

56 MOTHER GASTON BLVD
BROOKLYN, NY 11233

CLIENT:

56 MOTHER GASTON BLVD LLC
914 BEDFORD AVE
BROOKLYN, NY 11205

AS OF:

December 31, 2015

BY:

OLEG BORUKHOV

AMSTERDAM APPRAISAL SERVICES INC.
56 MOTHER GASTON BLVD LLC
914 BEDFORD AVE
BROOKLYN, NY 11205

File Number: TM-56MotherGaston1025 12-31-20:

In accordance with your request, I have appraised the real property at:

56 MOTHER GASTON BLVD
BROOKLYN, NY 11233

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of December 31, 2015 is:

$1,200,000
One Million Two Hundred Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

OLEG BORUKHOV

Small Residential Income Property Appraisal Report

File No. TM-56MotherGaston1

PURPOSE

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User 56 MOTHER GASTON BLVD LLC E-mail

Client Address 914 BEDFORD AVE City BROOKLYN State NY Zip 11205

Additional Intended User(s) THE CLIENT AND INTENDED USER OF THIS APPRAISAL REPORT IS 56 MOTHER GASTON BLVD LLC & B.H. Whitestone group LTD

Intended Use See Attached Addendum

SUBJECT

Property Address 56 MOTHER GASTON BLVD City BROOKLYN State NY Zip 11233

Owner of Public Record 56 MOTHER GASTON BLVD LLC County KINGS

Legal Description BLOCK: 1534 LOT: 136

Assessor's Parcel # 3015340136 Tax Year 2015 R.E. Taxes $ 4,316.00

Neighborhood Name OCEAN HILL Map Reference GOOGLE MAPS Census Tract 369.00

Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)

SALES HISTORY

My research [X] did [ ] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: Date 07/27/2015 Price $0 Source(s) COMPS INC.

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) SUBJECT PROPERTY TRANSFERRED TITLES ON 11/06/2013 FOR $290,000 . TRANSFERED TITLE AGAIN ON 10/31/2014 for $0. SUBJECT PROPERTY WAS PURCHASED BELOW MARKET VALUE BY THE CURRENT OWNER NO OTHER INFORMATION REGARDING PREVIOUS SALE WAS PROVIDED TO THE APPRAISER.

Offerings, options and contracts as of the effective date of the appraisal

NEIGHBORHOOD

Neighborhood Characteristics			2-4 Unit Housing Trends				2-4 Unit Housing			Present Land Use %	
Location	[X] Urban	[ ] Suburban	[ ] Rural	Property Values	[ ] Increasing	[X] Stable	[ ] Declining	PRICE $(000)	AGE (yrs)	One-Unit	60 %
Built-Up	[X] Over 75%	[ ] 25-75%	[ ] Under 25%	Demand/Supply	[ ] Shortage	[X] In Balance	[ ] Over Supply			2-4 Unit	25 %
Growth	[ ] Rapid	[X] Stable	[ ] Slow	Marketing Time	[ ] Under 3 mths	[X] 3-6 mths	[ ] Over 6 mths	100 Low	1	Multi-Family	10 %
								1,550 High	150	Commercial	5 %
								1,100 Pred.	100	Other	%

Neighborhood Boundaries NORTH: BUSHWICK AVE, EAST: JACKIE ROBINSON PKWY SOUTH: EASTERN PRKWY, WEST: UTICA AVE

Neighborhood Description See Attached Addendum

Market Conditions (including support for the above conclusions) See Attached Addendum

SITE

Dimensions 33.33 X 30 Area 1000 Sq.Ft. Shape REGULAR View BUSY RD

Specific Zoning Classification R6 Zoning Description GENERAL RESIDENT DISTRICT

Zoning Compliance [X] Legal [ ] Legal Nonconforming (Grandfathered Use) [ ] No Zoning [ ] Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [ ] No If No, describe.

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	[X]	[ ]	Water	[X]	[ ]	Street MACADAM	[X]	[ ]
Gas	[X]	[ ]	Sanitary Sewer	[X]	[ ]	Alley NONE	[ ]	[ ]

Site Comments SUBJECT IS LOCATED ACROSS FROM COMMERCIAL BUILDINGS AND ALONG A TWO WAY STREET. ADJUSTMENTS MADE ACCORDINGLY ON THE COMPS GRID.

IMPROVEMENTS

GENERAL DESCRIPTION	FOUNDATION	EXTERIOR DESCRIPTION materials	INTERIOR materials
Units [ ] Two [X] Three [ ] Four	[ ] Concrete Slab [ ] Crawl Space	Foundation Walls CONCRETE/GD	Floors WOOD/GD
[ ] Accessory Unit (describe below)	[X] Full Basement [ ] Partial Basement	Exterior Walls BRICK/GD	Walls S-ROCK/GD
# of Stories 3 # of bldgs. 1	Basement Area 709 sq. ft.	Roof Surface ASPHALT/GD	Trim/Finish WOOD/GD
Type [ ] Det. [X] Att. [ ] S-Det./End Unit	Basement Finish 100 %	Gutters & Downspouts ALUMINUM/GD	Bath Floor TILE/GD
[X] Existing [ ] Proposed [ ] Under Const.	[X] Outside Entry/Exit [ ] Sump Pump	Window Type DBL-HUNG/GD	Bath Wainscot TILE/GD
Design (Style) ATTACHED	Evidence of [ ] Infestation	Storm Sash/Insulated YES/YES/GD	**Car Storage**
Year Built 2005	[ ] Dampness [ ] Settlement	Screens YES	[X] None
Effective Age (Yrs) 5	**Heating/Cooling**	**Amenities**	[ ] Driveway # of Cars
Attic [X] None	[ ] FWA [X] HW [ ] Radiant	[ ] Fireplace(s) # 0 [ ] WoodStove(s) #0	Driveway Surface
[ ] Drop Stair [ ] Stairs	[ ] Other Fuel GAS	[ ] Patio/Deck None [ ] Fence NONE	[ ] Garage # of Cars
[ ] Floor [ ] Scuttle	[ ] Central Air Conditioning	[ ] Pool NONE [ ] Porch NONE	[ ] Carport # of Cars
[ ] Finished [ ] Heated	[X] Individual [ ] Other	[ ] Other	[ ] Att. [ ] Det. [ ] Built-in

# of Appliances	Refrigerator 3	Range/Oven 3	Dishwasher 0	Disposal 0	Microwave 3	Washer/Dryer 0	Other (describe)

Unit # 1 contains:	5 Rooms	3 Bedroom(s)	1 Bath(s)	709 Square feet of Gross Living Area
Unit # 2 contains:	4 Rooms	2 Bedroom(s)	1 Bath(s)	709 Square feet of Gross Living Area
Unit # 3 contains:	4 Rooms	2 Bedroom(s)	1 Bath(s)	709 Square feet of Gross Living Area
Unit # 4 contains:	Rooms	Bedroom(s)	Bath(s)	Square feet of Gross Living Area

Additional features INSULATED WINDOWS

Comments on the Improvements PER EXTERIOR INSPECTION AND PER DISCUSSION WITH THE CURRENT OWNER THE SUBJECT PROPERTY IS CONSIDERED IN OVERALL GOOD CONDITION, THE APPRAISER WAS DENIED ACCESS TO THE INTERIOR AS TENANT WERE NOT AVAIALBLE. APPRAISER MAKES A HYPOTHETICAL ASSUMTION THAT THE SUBJECT IS IN OVERALL GOOD CONDITION AND NO REPAIRS ARE NEEDED. SUBJECT HAS MODERN KITCHEN AND BATHS.

This form Copyright © 2005-2014 ACI Division of ISO Claims Services, Inc., All Rights Reserved.

Small Residential Income Property Appraisal Report

COMPARABLE RENTAL DATA

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL NO. 1	COMPARABLE RENTAL NO. 2	COMPARABLE RENTAL NO. 3
Address	56 MOTHER GASTON BROOKLYN, NY 11233	54 MOTHER GASTON BROOKLYN, NY 11233	58 MOTHER GASTON BROOKLYN, NY 11233	63 MOTHER GASTON BROOKLYN, NY 11233
Proximity to Subject		0.01 miles NE	0.00 miles SW	0.05 miles SE
Current Monthly Rent	$ 5,300	$ 5,800	$ 5,500	$ 7,000
Rent/Gross Bldg. Area	$ 2.49 sq. ft.	$ 2.73 sq. ft.	$ 2.59 sq. ft.	$ 2.34 sq. ft.
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☒ No
Data Source(s)	OWNER	LOCAL BROKER	LOCAL BROKER	MLS #: 2772320
Date of Lease(s)	MONTHLY	MONTHLY	MONTHLY	MONTHLY
Location	Commercial	Commercial	Commercial	Commercial
Actual Age	9+/- Years	9+/- Years	9+/- Years	105+/- Years
Condition	GOOD	GOOD	GOOD	AVERAGE
Gross Building Area	2127 sq.ft.	2127 sq.ft.	2127 sq.ft.	2,994

Unit Breakdown	Subject Rm Count Tot	Br	Ba	Size Sq. Ft.	Comp. 1 Rm Count Tot	Br	Ba	Size Sq. Ft.	Monthly Rent	Comp. 2 Rm Count Tot	Br	Ba	Size Sq. Ft.	Monthly Rent	Comp. 3 Rm Count Tot	Br	Ba	Size Sq. Ft.	Monthly Rent
Unit # 1	5	3	1	709	5	3	1	709	$ 2,200	5	3	1	709	$ 2,000	6	3	1	998	$ 2,200
Unit # 2	4	2	1	709	4	2	1	709	$ 1,800	4	2	1	709	$ 1,700	6	4	1	998	$ 2,400
Unit # 3	4	2	1	709	4	2	1	709	$ 1,800	4	2	1	709	$ 1,800	6	4	1	998	$ 2,400
Unit # 4									$					$					$
Utilities Included	HEAT				HEAT					HEAT					HEAT				
	HOT WATER				HOT WATER					HOT WATER					HOT WATER				

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.)

THE RENTAL COMPARABLES USED ARE CONSIDERED TO BE GOOD INDICATORS OF MARKET RENTS DUE TO THEIR UTILITY AND LOCATION. THEY SHARE SIMILAR NEIGHBORHOOD ATTRIBUTES AND AMENITIES AS THE SUBJECT.

SUBJECT RENT SCHEDULE

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Leases			Actual Rents			Opinion Of Market Rent		
	Lease Date		Per Unit		Total	Per Unit		Total
Unit #	Begin Date	End Date	Unfurnished	Furnished	Rents	Unfurnished	Furnished	Rents
1	VACANT	VACANT	$ 2,000	$	$ 2,000	$ 2,200	$	$ 2,200
2	TENANT	TENANT	1,600		1,600	1,800		1,800
3	TENANT	TENANT	1,700		1,700	1,800		1,800
4								
Comment on lease data	N/A		Total Actual Monthly Rent		$ 5,300	Total Gross Monthly Rent		$ 5,800
			Other Monthly Income (itemize)		$ 0	Other Monthly Income (itemize)		$ 0
			Total Actual Monthly Income		$ 5,300	Total Estimated Monthly Income		$ 5,800

Utilities included in estimated rents ☐ Electric ☒ Water ☒ Sewer ☐ Gas ☐ Oil ☐ Cable ☒ Trash collection ☐ Other (describe)

Comments on actual or estimated rents and other monthly income (including personal property) THE TOTAL GROSS ESTIMATED RENTS IN THIS SECTION OF THE APPRAISAL ASSUME ALL UNITS ARE INCOME PRODUCING. THE ACTUAL RENTS LISTED WERE VERBALLY SUPPLIED BY THE OWNER WITHOUT DOCUMENTATION.

COST APPROACH

COST APPROACH TO VALUE

Site Value Comments SITE VALUE WAS DERIVED THROUGH THE ALLOCATION METHOD. EXTERNALK DEPRECIATION NOTED FOR BEING IN CLOSE PROXIMITY TO COMMERCIAL PROPERTY

ESTIMATED ☐ REPRODUCTION OR ☒ REPLACEMENT COST NEW

Source of cost data MARSHALL SWIFT

Quality rating from cost service GOOD Effective date of cost data 12/2015

Comments on Cost Approach (gross living area calculations, depreciation, etc.)

THE COST ESTIMATES ARE BASED ON LOCAL BUILDERS COSTS AND OBSERVED TYPICAL COSTS FOR THE AREA. DEPRECIATION IS DETERMINED BY THE OVERALL CONDITION OF THE IMPROVEMENTS AS RELATED TO THE NORMAL WEAR AND TEAR AND CONDITION OF PROPERTIES IN THE AREA.

OPINION OF SITE VALUE			= $ 505,000
Dwelling	2,128 Sq. Ft. @ $ 240.00		= $ 510,720
Bsmt: 709	Sq. Ft. @ $ 85.00		= $ 60,265
Garage/Carport	Sq. Ft. @ $		= $
Total Estimate of Cost-New			= $ 570,985
Less 50 Physical	Functional	External	
Depreciation $57,098		$10,000	= $ (67,098)
Depreciated Cost of Improvements			= $ 503,887
"As-is" Value of Site Improvements			= $ 20,000
INDICATED VALUE BY COST APPROACH			= $ 1,028,900

ADDITIONAL COMMENTS

PLEASE NOTE THAT AT THE TIME OF THIS APPRAISAL INSPECTION ALL UTILITIES WORKING COULD NOT BE VERIFIED.

APPRAISALS ARE NO GUARANTEE THAT THE PROPERTY IS FREE FROM DEFECTS. THE APPRAISAL ONLY ESTABLISHES THE VALUE OF THE PROPERTY FOR NON MORTGAGE INSURANCE PURPOSES. BUYERS NEED TO SECURE THEIR OWN HOME INSPECTIONS THROUGH THE SERVICES OF A QUALIFIED INSPECTOR AND SATISFY THEMSELVES ABOUT THE CONDITION OF THE PROPERTY.

This form Copyright © 2005-2014 ACI Division of ISO Claims Services, Inc., All Rights Reserved.

Small Residential Income Property Appraisal Report

File No. TM-56MotherGaston1

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address	56 MOTHER GASTON BLVD BROOKLYN, NY 11233	15 COVERT ST BROOKLYN, NY 11207		280 MARION ST BROOKLYN, NY 11233		834 HALSEY ST BROOKLYN, NY 11233	
Proximity to Subject		0.45 miles NW		0.51 miles NW		0.72 miles NW	
Sale Price	$		$ 1,450,000		$ 1,349,000		$ 1,100,000
Sale Price/Gross Bldg. Area	$ 0.00 sq. ft	$ 309.83 sq. ft		$ 562.08 sq. ft		$ 381.94 sq. ft	
Gross Monthly Rent	$ 5,300	$ 9,000		$ 6,500		$ 6,200	
Gross Rent Multiplier	0.00	161.11		207.54		177.42	
Price Per Unit	$ 323,333	$ 483,333		$ 449,667		$ 366,667	
Price Per Room	$ 57,059	$ 85,294		$ 103,769		$ 64,706	
Price Per Bedroom	$ 121,250	$ 131,818		$ 192,714		$ 100,000	
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No		☐ Yes ☒ No		☐ Yes ☒ No	
Data Source(s)		COMPS INC DOM UNK		COMPS INC DOM UNK		COMPS INC DOM UNK	
Verification Source(s)		GEODATA		GEODATA		GEODATA	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment
Sale or Financing Concessions		ARMS LENGTH CONVEN		ARMS LENGTH CONVEN		ARMS LENGTH CONVEN	
Date of Sale/Time		11/02/2015	14,500	12/16/2015	0	05/01/2015	77,000
Location	URBAN	URBAN		URBAN		Urban/bsyrd	10,000
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	1000 Sq.Ft.	1900 Sq.Ft.	-4,500	2000 Sq.Ft.	-5,000	1800 Sq.Ft.	-4,000
View	Commercial	Train	0	RESIDENTIAL	-10,000	Commercial	
Design (Style)	ATTACHED	ATTACHED		SEMI-ATT	-10,000	DETACHED	-20,000
Quality of Construction	GOOD	GOOD		GOOD		GOOD	
Actual Age	11+/- Years	11+/- Years		117+/- Years	37,100	107+/- Years	33,600
Condition	GOOD	GOOD		GOOD		GOOD	
Gross Building Area 75.00	2127 sq.ft.	4,680	-191,500	2,400	-20,500	2,880	-56,500
Unit Breakdown	Total / Bdrms. / Baths	Total / Bdrms. / Baths		Total / Bdrms. / Baths		Total / Bdrms. / Baths	
Unit # 1	5 / 3 / 1	5 / 3 / 2	-5,000	3 / 1 / 1		7 / 5 / 2	-5,000
Unit # 2	4 / 2 / 1	5 / 3 / 2	-5,000	5 / 3 / 1		5 / 3 / 1	
Unit # 3	4 / 2 / 1	7 / 5 / 2	-5,000	5 / 3 / 1		5 / 3 / 1	
Unit # 4							
Basement Description	Full	Full		Full		NONE	
Basement Finished Rooms	Finished	Finished		Finished		NONE	20,000
Functional Utility	3 FAMILY	2 FAMILY	0	3 FAMILY		3 FAMILY	
Heating/Cooling	ADEQUATE	ADEQUATE		ADEQUATE		ADEQUATE	
Energy Efficient Items	INS WINDOWS	INS WINDOWS		INS WINDOWS		INS WINDOWS	
Parking On/Off Site	None	None		None		None	
Porch/Patio/Deck	Patio/balcony	Patio/balcony		Patio/deck	0	Patio	5,000
EXTERIOR	BRICK	BRICK		BRICK		STUCCO	0
Net Adjustment (Total)		☐ + ☒ -	$ 196,500	☐ + ☒ -	$ 8,400	☒ + ☐ -	$ 60,100
Adjusted Sale Price of Comparables		Net Adj. -13.6 % Gross Adj. 15.6 %	$ 1,253,500	Net Adj. -0.6 % Gross Adj. 6.1 %	$ 1,340,600	Net Adj. 5.5 % Gross Adj. 21.0 %	$ 1,160,100
Adj. Price Per Unit (Adj. SP Comp / # of Comp Units)		$ 417,833		$ 446,867		$ 386,700	
Adj. Price Per Room ((Adj. SP Comp / # of Comp Rooms)		$ 73,735		$ 103,123		$ 68,241	
Adj. Price Per Bdrm. (Adj. SP Comp / # of Comp Bedrooms)		$ 113,955		$ 191,514		$ 105,464	

Summary of Sales Comparison Approach See Attached Addendum

INCOME

INCOME APPROACH TO VALUE

Estimated Monthly Market Rent $ 5,800.00 X Gross Rent Multiplier 207.00 = $ 1,200,600 Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) THE GROSS RENT MULTIPLIER RANGE IS COMMON FOR THIS AREA WITH THE ADOPTED GRM REPRESENTING THE CURRENT MARKET MULTIPLIER FOR THE SUBJECTS MARKET AREA

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 1,200,000 **Cost Approach (if developed) $** 1,028,900 **Income Approach (if developed) $** 1,200,600

MOST WEIGHT GIVEN TO THE SALES COMPARISON APPROACHES AT FINAL RECONCILIATION BECAUSE OF ITS DEEMED THE MOST RELIABLE INDICATOR OF VALUE. THE COST APPROACH AND INCOME APPROACH ARE SUPPORTIVE OF THE FINAL ESTIMATE. THE APPRAISAL IS MADE FOR NON MORTGAGE LENDING PURPOSES ONLY.

This appraisal is made ☒ "as is," ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed ☐ subject to the following:

Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is $ 1,200,000 **as of** 12/31/2015 **, which is the effective date of this appraisal.**

This form Copyright © 2005-2014 ACI Division of ISO Claims Services, Inc., All Rights Reserved.

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as " the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.

2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.

3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.

4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.

5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.

6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.

7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.

8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar expert, unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.

This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.

Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.

10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage/use.

11. The ACI General Purpose Appraisal Report (GPAR™) is not intended for use in transactions that require a Fannie Mae 1025/Freddie Mac 72 form, also known as the Small Residential Income Property Appraisal Report (2-4 Family).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

This form Copyright © 2005-2014 ACI Division of ISO Claims Services, Inc., All Rights Reserved.

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

Definition of Value: ☐ **Market Value** ☒ **Other Value:**

Source of Definition: FAIR MARKET VALUE IFRS 13)

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 occurs as of a specified date.
2. An open and competitive market exists for the property interest appraised.
3. The buyer and seller are each acting prudently and knowledgeably.
4. The price is not affected by undue stimulus.
5. The buyer and seller are typically motivated.
6. Both parties are acting in what they consider their best interest.
7. Marketing efforts were adequate and a reasonable time was allowed for exposure to the open market.
8. Payment was made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(ACCORDING TO IFRS 13): " THE PRICE THAT WOULD BE RECEIVED TO SELL AN ASSET OR PAID TO TRANSFER A LIABILITY IN AN ORDERLY TRANSACTION BETWEEN MARKET PARTICIPANTS AT THE MEASUREMENT DATE.

ADDRESS OF THE PROPERTY APPRAISED:
56 MOTHER GASTON BLVD
BROOKLYN, NY 11233
EFFECTIVE DATE OF THE APPRAISAL: 12/31/2015
APPRAISED VALUE OF THE SUBJECT PROPERTY $ 1,200,000

APPRAISER

Signature:
Name: OLEG BORUKHOV
State Certification # 45000049437
or License #
or Other (describe): State #:
State: NY
Expiration Date of Certification or License: 06/07/2017
Date of Signature and Report: 12/31/2015
Date of Property Viewing: 12/31/2015
Degree of property viewing:
☒ Interior and Exterior ☐ Exterior Only ☐ Did not personally view

SUPERVISORY APPRAISER

Signature:
Name:
State Certification #
or License #
State:
Expiration Date of Certification or License:
Date of Signature:
Date of Property Viewing:
Degree of property viewing:
☐ Interior and Exterior ☐ Exterior Only ☐ Did not personally view

This form Copyright © 2005-2014 ACI Division of ISO Claims Services, Inc., All Rights Reserved.

Client: 56 MOTHER GASTON BLVD LLC		File No.: TM-56MotherGaston1025 12-31-2015
Property Address: 56 MOTHER GASTON BLVD		Case No.: 1124153
City: BROOKLYN	State: NY	Zip: 11233

Intended Use
The appraisal is to be disclosed to the Israeli Stock Exchange and Israeli Securities Authority in connection with B.H Whitestone Group Ltd Financial statements. The appraisal may be attached to such prospectus. This report is not intended for any other use.

Neighborhood Description
THE SUBJECT PROPERTY IS LOCATED IN A RESIDENTIAL AREA IMPROVED WITH A DIVERSITY OF RESIDENTIAL DWELLING. MULTI FAMILY DWELLINGS VARY IN AGE, SIZE AND STYLE THOUGH SIMILAR IN QUALITY AND UTILITY. ALL AMENITIES ARE WITHIN CONVENIENT DISTANCE. THE NEIGHBORHOOD IS CURRENTLY BEING REVITALIZED WITH MANY OF THE MULTI-FAMILY HOMES IN THE AREA BEING PURCHASED BY INVESTORS, REFURBISHED AND RESOLD.

Market Conditions
MARKET STUDIES INDICATE AN INCREASING MARKET WITH AMPLE SUPPLY OF AVAILABLE PROPERTIES IN THE SUBJECT NEIGHBORHOOD AND INDICATED THAT THE COMPETITIVELY PRICED 3 FAMILY DWELLINGS SELL IN 3 TO 6 MONTHS. SINCE THE SUBJECT NEIGHBORHOOD OFFERS A STEADY NUMBER OF PROPERTY TRANSFERS, MORTGAGE FUNDS ARE AVAILABLE AND STABLE PRICES PREVAIL.

Comments on Sales Comparison
ONLY CLOSED SALES WERE USED AS COMPS 1-3.

ALL COMPARABLES LOCATED IN THE SAME NEIGHBORHOOD.

AFTER A DILLIGENT SEARCH OF COMPARABLES, THESE ARE THE BEST COMPS AVAILABLE.

THERE IS A FUNCTIONAL FLOOR PLAN.

AFTER A FULL INSPECTION OF THE DWELLING AND SITE, IT IS THE OPINION OF THE APPRAISER THAT THE SUBJECTS CONDITION WAS IN OVERALL GOOD CONDITION.

SUBJECT PRIOR SALE of 11/06/2013 FOR $290,000 .
The property was purchased as a shell that needed an extensive overhaul to make it in livable condition.
Here is a list of the renovated, replaced, and added value items.
New Kitchens installed
New Cabinets installed with new facing
Replaced broken tiles on kitchen floor with damage resistant industrial strength floor tiles
Updated and modernized appliances to stainless steel high end models and added dishwashers and microwaves
Installed granite style counter tops
Added modern tile splash guards
Replaced Boilers that were damaged when property was purchased to enlarged model to increase capacity
Bathrooms have been fixed and retiled where necessary
Multiple toilets replaced due to damage and health concerns
Damaged piping replaced throughout
Wood floors installed through out property in place of ripped linoleum and carpet.
Walls completely re-plastered and sheet rocked where holes were left by previous owner
Multiple windows replaced do to vandalism by prior owner / renters
Replaced base board heating throughout property that was ripped out of wall.
New lighting fixtures and spot lights installed throughout property
Fixed and patched minor roof leaks affecting the top floor
Increased electrical outlets to comply with building code
Replaced electrical wiring where necessary
Replaced air conditioning units throughout that were removed prior to the purchase

Extra Comments
Assignement type / Fair value (according to IFRS 13): "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

We have appraised the above referenced property, the conclusions of which are set forth in the attached appraisal report. This is an Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of USPAP and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition this appraisal has been prepared in compliance with IFRS 13 (International Financial Reporting Standards 13-fair value measurement). The depth of analysis discussed in this report is specific to the needs of the client and for the intended use stated in the report.

Client, Intended User and Intended Use of the Report

The client and intended user of this appraisal report is **/ 56 MOTHER GASTON BLVD LLC + Barak Tsabari, CEO, B.H. Whitestone group LTD**

The appraisal is to be disclosed to the Israeli Stock Exchange and Israeli Securities Authority in connection with B.H Whitestone Group Ltd Financial statements. This report is not intended for any other use.

Amsterdam Appraisals, its Appraisers, the officers, employees, duly authorized volunteers, and agents of each of them shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.

Intended user(s) shall hold harmless, indemnify, and defend the Amsterdam Appraisals, its Appraisers, the officers, employees, duly authorized volunteers, and agents of each of them from and against any and all liability, loss, damage, expense, costs of every nature, and causes of actions, up to 3 times the appraisal fee , except for the sole negligence or willful misconduct of the appraiser.

I, OLEG BORUKHOV, HAVE NO CURRENT OR PROSPECTIVE INTEREST IN THE SUBJECT PROPERTY OR THE PARTIES INVOLVED; AND DISCLOSE I HAVE PERFORMED ANY SERVICES WITHIN THE 3 YEAR PERIOD IMMEDIATELY PRECEDING ACCEPTANCE OF THIS ASSIGNMENT, AS AN APPRAISER OR IN ANY CAPACITY. COMPLETED EXTERTIOR APPRAISAL EFFECTIVE DATE OF 3/31/2015 AND APPRAISAL ON 06/31/2015.

I CERTIFY, AS THE APPRAISER, THAT I HAVE COMPLETED ALL ASPECTS OF THIS VALUATION, INCLUDING RECONCILING MY OPINION OF VALUE, FREE OF INFLUENCE FROM THE CLIENT, CLIENT'S REPRESENTATIVES, BORROWER, OR ANY OTHER PARTY TO THE TRANSACTION.

ESTIMATED MARKET EXPOSURE TIME FOR THE SUBEJCT PROPERTY AT THE CURRENT APPRAISED VALUE IS 3-6 MONTHS. EXPOSURE TIME IS DEFINED AS ESTIMATED LENGTH OF TIME THAT THE PROPERTY INTEREST BEING APPRAISED WOULD HAVE BEEN OFFERED ON THE MARKET PRIOR TO THE HYPOTHETICAL CONSUMMATION OF A SALE AT MARKET VALUE ON THE EFFECTIVE DATE OF THE APPRAISAL.

This appraisal is not intended to be used by any of the "Government Sponsored Entities" . Intended Use – This appraisal assignment is to establish fair market value only (valuation purposes) and NOT to be used in a mortgage transaction.

AT THE TIME OF INSPECTION THE SUBJECT PROPERTY WAS TENANT OCCUPIED WITH ALL UTILITIES ON

I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF:
- THE STATEMENT OF FACTS CONTAINED IN THIS REPORT ARE TRUE AND CORRECT.
- THE REPORTED ANALYSIS, OPINIONS, AND CONCLUSIONS ARE LIMITED ONLY BY THE REPORTED ASSUMPTIONS AND LIMITING CONDITIONS AND ARE MY PERSONAL, UNBIASED PROFESSIONAL ANALYSIS, OPINIONS, AND CONCLUSIONS.
- I HAVE NO PRESENT OR PROSPECTIVE INTEREST IN THE PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AND I HAVE NO PERSONAL INTEREST OR BIAS WITH RESPECT TO THE PARTIES INVOLVED.
- MY COMPENSATION IS NOT CONTINGENT ON AN ACTION OR EVENT RESULTING FROM THE ANALYSIS, OPINIONS, OR CONCLUSIONS IN, OR THE USE OF, THIS REPORT.
- MY ANALYSIS, OPINIONS, AND CONCLUSIONS WERE DEVELOPED, AND THIS REPORT HAS BEEN PREPARED, IN CONFORMITY WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE.
- I HAVE MADE A PERSONAL INSPECTION OF THE PROPERTY THAT IS THE SUBJECT OF THE REPORT.
- NO ONE PROVIDED SIGNIFICANT PROFESSIONAL ASSISTANCE TO THE PERSON SIGNING THIS REPORT.
- I HAVE MADE AN INDEPENDENT VALUE JUDGMENT ON THE PROPERTY.
- THIS APPRAISAL WAS NOT BASED ON A REQUESTED MINIMUM VALUATION, A SPECIFIC VALUATION, OR THE APPROVAL OF A LOAN.

ADDITIONAL CERTIFICATIONS
THE APPRAISAL CONFORMS TO THE UNIFORM STANDARDS OF PROFESSIONAL PRACTICE ("USPAP") ADOPTED BY THE APPRAISAL STANDARDS BOARD OF THE APPRAISAL FOUNDATION, EXCEPT THE DEPARTURE PROVISIONS OF "USPAP" DOES NOT APPLY.THE PURPOSE OF THIS APPRAISAL IS TO ESTIMATE THE MARKET VALUE OF THE SUBJECT PROPERTY AS OF THE DATE OF THE APPRAISAL, FOR FEDERALLY RELATED MORTGAGE LOAN PURPOSE.

HIGHEST AND BEST USE: THAT REASONABLE AND PROBABLE USE THAT SUPPORTS THE HIGHEST PRESENT

VALUE, AS DEFINED, AS OF THE EFFECTIVE DATE OF THE APPRAISAL. ALTERNATIVELY, THAT USE, FROM AMONG REASONABLY PROBABLE AND LEGAL ALTERNATIVE USES, FOUND TO BE PHYSICALLY POSSIBLE, APPROPRIATELY SUPPORTED, FINANCIALLY FEASIBLE, AND WHICH RESULTS IN THE HIGHEST LAND VALUE. (REAL ESTATE APPRAISAL TERMINOLOGY, SOCIETY OF REAL ESTATE APPRAISERS, COMPILED BY BYRL N. BOYCE).SCOPE OF THIS APPRAISAL: THE EXTENT OF THE APPRAISAL SERVICES RENDERED IN THIS ASSIGNMENT ENCOMPASS ALL OF THOSE ACTIVITIES CONSIDERED NECESSARY TO PERMIT THE APPRAISER TO FULFILL HIS ETHICAL RESPONSIBILITY IN ARRIVING AT AND REPORTING AN OBJECTIVE, DEFENSIBLE CONCLUSION OF MARKET VALUE FOR THE SUBJECT PROPERTY AS OF THE DATE OF VALUATION. THESE ACTIVITIES INCLUDE, BUT ARE NOT LIMITED TO:

- THE COLLECTION OF DATA REGARDING THE PHYSICAL PROPERTY, ITS GENERAL LOCATION, NEIGHBORHOOD TRENDS AND INFLUENCES, THE OBSERVED RELATIVE CONDITION AND EFFECTIVE AGE OF IMPROVEMENTS, THE SUBJECT'S AMENITIES AND SPECIAL FEATURES, AVAILABLE UTILITIES, ZONING AND RELATED CONTROLS, AND THE PROPERTY'S ASSESSMENT AND ANNUAL REAL ESTATE TAXES.
- A CONSIDERATION AND ANALYSIS OF THOSE FACTORS IN ORDER TO ESTABLISH A BASIS FOR ESTIMATING THE SUBJECT PROPERTY'S HIGHEST AND BEST USE AS OF THE VALUATION DATE.
- A CONSIDERATION OF THE (3) THREE TRADITIONAL APPROACHES TO VALUE, THE SALES COMPARISON APPROACH, THE COST APPROACH AND THE INCOME APPROACH, IN AN EFFORT TO DETERMINE WHICH OF THESE IS (OR ARE) MOST APPROPRIATE, APPLICABLE, AND RELIABLY SUITED TO THE IDENTIFIED APPRAISAL PROBLEM.
- A THOROUGH EXAMINATION OF THE SUBJECT'S MARKET AREA FOR RELEVANT MARKET DATA FOR CONSIDERATION IN THE INDIVIDUAL APPROACHES TO VALUE.
- COMMUNICATION OF A WRITTEN AND DEFENSIBLE CONCLUSION OF MARKET VALUE IN A CLEAR AND CONCISE MANNER.

COMPETENCY OF THE APPRAISER.
THE APPRAISER HAS THE APPROPRIATE KNOWLEDGE AND EXPERIENCE TO COMPETENTLY COMPLETE THIS REPORT. THE VALUE ESTIMATED IN THIS REPORT IS BASED ON THE ASSUMPTION THAT THE PROPERTY IS NOT NEGATIVELY AFFECTED BY THE EXISTENCE OF HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS. THE APPRAISER IS NOT AN EXPERT IN THE IDENTIFICATION OF HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS. THE APPRAISER'S ROUTINE INSPECTION OF AND INQUIRIES ABOUT THE SUBJECT DID NOT DEVELOP ANY INFORMATION THAT INDICATED ANY APPARENT SIGNIFICANT HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS WHICH WOULD AFFECT THE PROPERTY NEGATIVELY. IT IS POSSIBLE THAT TESTS AND INSPECTIONS MADE BY A QUALIFIED HAZARDOUS SUBSTANCES AND ENVIRONMENTAL EXPERT WOULD REVEAL THE EXISTENCE OF HAZARDOUS MATERIAL AND ENVIRONMENTAL CONDITION ON OR AROUND THE PROPERTY THAT WOULD NEGATIVELY AFFECT ITS VALUE. THE APPRAISER ASSUMES NO RESPONSIBILITY FOR THE PRESENCE OF RADON GAS, AS THE APPRAISER HAS NO EXPERTISE IN THIS AREA.

THIS REPORT PRESUMES THAT RADON IS NOT PRESENT IN THE SUBJECT PROPERTY ABOVE 0.02 WORKING LEVELS (4 PICOCURIES/LITER), AND THEREFORE, NO CONSIDERATION HAS BEEN GIVEN TO THE POTENTIAL ADVERSE AFFECT ON THE VALUE OF THE PROPERTY, IF ANY, THAT RADON MIGHT CAUSE.

THE PRESENCE OF FORMALDEHYDE FOAM INSULATION COULD NOT BE DETERMINED. IF UFFI IS PRESENT, THE APPRAISED MARKET VALUE MAY BE ADVERSELY AFFECTED OR VOIDED. ANY INFORMATION STATED ON THE APPRAISAL WAS PROVIDED BY INSPECTION, OWNER OR AGENT, AND IS ASSUMED TO BE ACCURATE.

WE ARE UNABLE TO VERIFY THE INSULATION " R " FACTOR. HOWEVER, UPON VISUAL INSPECTION, IT IS BELIEVED TO BE ADEQUATE AND AVERAGE FOR DWELLINGS IN THIS AREA. THIS HAS NO AFFECT ON THE VALUE OR FUTURE MARKETABILITY OF THE SUBJECT PROPERTY.

ALL MECHANICAL SYSTEMS INCLUDING THE HEATING, ELECTRICAL, AND PLUMBING SYSTEMS APPEAR UPON A VISUAL INSPECTION TO BE IN WORKING ORDER. NO WARRANTIES ARE IMPLIED IN THIS STATEMENT.

THERE ARE NO SPECIAL CONDITIONS OR OTHER REQUIREMENTS OTHER THAN THOSE MENTIONED IN THIS APPRAISAL THAT WOULD AFFECT MARKET VALUE OR FUTURE MARKETABILITY IN THIS APPRAISAL REPORT.

PERSONAL PROPERTY, IE: FURNITURE, WINDOW TREATMENTS, BUILT-INS, ETC., HAS BEEN GIVEN NO VALUE IN THIS REPORT BECAUSE IT IS A NON-REALTY ITEM.

THE LAND TO VALUE RATIO IS COMMON FOR THIS MARKET AREA.

ADDENDUM

Client: 56 MOTHER GASTON BLVD LLC	File No.: TM-56MotherGaston1025 12-31-2015
Property Address: 56 MOTHER GASTON BLVD	Case No.: 1124153
City: BROOKLYN State: NY	Zip: 11233

THIS APPRAISAL HAS BEEN MADE IN ACCORDANCE WITH TITLE XI OF THE FEDERAL FINANCIAL INSTITUTIONS REFORM RECOVERY AND ENFORCEMENT ACT OF 1989 ("FIRREA"), EFFECTIVE AUGUST 9, 1990, AS WELL AS THE UNIFORM STANDARDS OF PROFESSIONAL PRACTICE ("USPAP") PROMULGATED BY THE APPRAISAL STANDARDS BOARD OF THE APPRAISAL FOUNDATION.

THE DIGITAL PHOTOGRAPHS IN THIS REPORT ARE ORIGINAL PHOTOGRAPHS AND HAVE NOT BEEN ENHANCED OR ALTERED.

THIS APPRAISAL REPORT WAS PREPARED FOR THE CLIENT AND/OR ITS ASSIGNS, FOR MORTGAGE FINANCING PURPOSES ONLY. USE OF THIS REPORT FOR ANY OTHER PURPOSE IS NOT ALLOWED WITHOUT THE WRITTEN CONSENT OF THE APPRAISER.

THE SIGNATURES IN THIS REPORT ARE COMPUTERIZED, ELECTRONICALLY PRINTED, AND PASSWORD PROTECTED.

COMMERCIAL USES, CONSISTING OF SHOPPING CENTERS, RESTAURANTS, INDUSTRIAL PARKS, ETC. ARE LOCATED WITHIN THE SUBJECT'S NEIGHBORHOOD. THESE USES ARE TYPICAL OF SIMILAR NEIGHBORHOODS AND HAVE NO ADVERSE AFFECT ON THE MARKET VALUE OR THE FUTURE MARKETABILITY OF THE SUBJECT.

IT WAS UNAVOIDABLY NECESSARY TO CHOOSE COMPARABLES THAT HAVE A DIFFERENCE OF OVER 20% IN GLA, DUE TO A LOW TURNOVER OF SIMILAR SIZED SALES THE APRPAISER UTILIZED SALES OVER AND UNDER THE SUBJECT GLA IN ORDER TO PROVIDE BRACKETING SALES. THE USE OF THESE COMPARABLES WILL NOT HAVE AN ADVERSE AFFECT ON OUR APPRAISED VALUE. ALL COMPARABLES ADJUSTED FOR MARKET DIFFERENCES.

DUE TO A LOW TURN OVER OF SIMILAR LOT SIZE NEW CONSTRUCTION 3 FAMILY DWELLINGS THE APPRAISER WAS UNABLE TO BRACKET THE LOT SIZE. THE APPRASIER HAS ADJUSTED DIFFERENCE IN LOT AT $5 PER SQ FT. THE COMPARABLES UTILIZED WERE FOUND TO BE THE BEST AVAILABLE CLOSED SALES DEPICTING SIMILAR CONDITION, STYLE AND MARKETABILITY AS THE SUBJECT. THE USE OF THESE SALES WILL NOT HAVE AN ADVERSE AFFECT ON OUR APPRASISED VLAUE.

THE APPRAISER UTILIZED THE MOST RECENT AND BEST AVAILABLE COMAPRABLES FOR THE SUBECT PROPERTY.
A THOROUGH SEARCH OF ALL AVAILABLE DATA SOURCES 12 MONTHS AND 1 MILE FROM THE SUBJECT , SEARCH SOURCES INCLUDING COMPS INC. AND MLS REVEALED NO OTHER MORE RECENT SALES THAN THOSE PROVIDED, DUE TO LOW TRANSFER ACTIVITY OF ARMS LEGNTH TRANSACTIONS, A LIMITED NUMBER OF SALES WERE AVAILABLE WITHIN THE SUBJECT AREA, ALL COMPS SHARE SIMILAR MARKETABILITY AS THE COMPS ARE LOCATED WITHIN 1.5 MILES FROM THE SUBJECT, THIER USE IN THE APPRAISAL REPORT WILL NOT HAVE ANY ADVERSE AFFECT ON OUR APPRAISED VALUE.

SUBJECT IS VALUED AS FEE SIMPLE ESTATE AS IT IS OWNED IN ABSOLUTE:

THE GREATEST POSSIBLE ESTATE IN LAND, WHEREIN THE OWNER HAS THE RIGHT TO USE IT, EXCLUSIVELY POSSESS IT, COMMIT WASTE UPON IT, DISPOSE OF IT BY DEED OR WILL, AND TAKE ITS FRUITS. A FEE SIMPLEREPRESENTS ABSOLUTE OWNERSHIP OF LAND, AND THEREFORE THE OWNER MAY DO WHATEVER HE OR SHE CHOOSES WITH THE LAND. IF AN OWNER OF A FEE SIMPLE DIES INTESTATE, THE LAND WILL DESCEND TO THE HEIRS. THE TERM FEE USED INDEPENDENTLY IS AN ADEQUATE DESIGNATION OF THIS TYPE OF ESTATE IN LAND. THE TERM SIMPLE IS ADDED TO DISTINGUISH CLEARLY THIS ESTATE FROM OTHER INTERESTS IN REAL PROPERTY

ADJUSTMENTS:
$65/SQ.FT. WAS UTILIZED FOR DIFFERENCE IN GLA.
$5/SQ FT ADJSUTED FOR SITE.OVER 500 SQ FT
$5000 ADJSUTED PER BATHROOM

ATTACHED VS SEMI ATTACHED ADJUSTED AT $10,000

$350 PER YEAR WAS ADJUSTED FOR DIFFERENCE IN AGE OF COMPARBALES. OVER 10 YEARS.

The subject neighborhood is experiencing an inceasing overall market trend of 1% per month since 12/31/2014.
all sales sold before 12/31/2014 were adjusted for at 1% per month up to the effective date of this appraisal reprot.

LOCATION ADJUSTMENT WAS MADE AT $10,000 FOR BUSY RD VS COMMERCIAL VS TRAIN VIEW WAS ADJUSTED AT $10,000 FOR COMMERCIAL VS RESIDENTIAL VIEW. VS TRAIN VIEW

ALL ADJUSTMENTS ARE MARKET DERIVED UTILIZING THE DIFFERENCES BETWEEN THE PERDOMINANT VALUES WITHIN THE SUBJECT NEIGHBORHOOD.

A THORUGH SEARCH OF ALL AVAIALBLE DATA SOURCES REVEALED LIMITED CLOSED COMAPRABLE SALES WITHIN THE RECENT 6 MONTHS FROM THE DATE OF THIS APRPAISAL REPORT, FOR THIS REASON THE APPRAISER WAS FORCED TO UTILIZE SALES IN EXCESS OF 6 MONTHS. COMPS 2 WAS SOLD IN EXCESS OF SIX MONTHS , THESE SALES WERE UTILIZED DUE TO A LOW TURN OVER OF SIMILAR RELEVANT AND COMPETING SALES. THIS WILL HAVE NO ADVERSE AFFECTON OUR APPRAISED VALUE

MARKET DATA APPROACH

THE APPRAISER CONDUCTED AN EXTENSIVE SEARCH OF THE SUBJECT NEIGHBORHOOD AND COMPETING AREAS. THE SALES PROCESSED IN THIS REPORT REPRESENT THE MOST SIMILAR SIGNIFICANT TRANSFERS AVAILABLE. ALL COMPARABLE SALES ARE SIMILAR DWELLINGS LOCATED WITHIN CLOSE PROXIMITY TO THE SUBJECT PROPERTY. THE COMPARABLE SALES SELECTED FOR THIS APPRAISAL WERE THE MOST CURRENT AND BEST CHOICES TO REPRESENT THE MARKETABILITY OF THE SUBJECT PROPERTY AND SECURED FROM THE VARIOUS SOURCES INCLUDING GEODATA, COMPS INC, LOCAL BROKERS, MLS AND INTERNAL DATA SOURCES. AS ADJUSTED, THESE SALES REPRESENT A REASONABLE RANGE OF VALUE FOR DETERMINING THE FINAL VALUE ESTIMATE. ALL ADJUSTMENTS WERE MARKET DERIVED AND APPLIED ACCORDINGLY. THE QUALITY AND QUANTITY OF THE DATA IS CONSIDERED GOOD AND RELIABLE. A THOROUGH SEARCH USING ALL AVAILABLE DATA SOURCES INCLUDING INTERVIEW S WITH LOCAL BROKERS REVEALED NO OTHER RECENT SALES THAT W ERE SIMILAR TO THE SUBJECT. TO UTILIZE THE BEST COMPARABLE SALES POSSIBLE OF THE SUBJECT.

THE SUBJECT PROPERTY MAY POSSESS A ROOM COUNT DIFFERENT FROM COMPARABLE SALE. HOWEVER NO ADJUSTMENTS ARE NOTED. ADJUSTMENTS ARE MADE TO GROSS LIVING AREA WHERE DIFFERENCES EXIST BETWEEN A COMPARABLE SALE AND THE SUBJECT PROPERTY. ALTHOUGH SOME COMPARABLE SALES HAVE ACTUAL AGE DIFFERENT FROM THE SUBJECT PROPERTY, THE SUBJECT PROPERTY AND COMPARABLE SALES HAVE SIMILAR EFFECTIVE AGES. THEREFORE, NO ADJUSTMENTS ARE WARRANTED UNLESS EXTREME CASE WHERE THE EFFECTIVE AGES DIFFER. WHERE THERE ARE FEW HOME OF THE SAME STYLE IN OUR SUBJECT'S NEIGHBORHOOD, THIS APPRAISER USE DIFFERENT STYLE COMPARABLES SALES WITH EQUAL MARKET DEMAND, SIMILAR GROSS LIVING AREA, AND SIMILAR FUNCTIONAL UTILITY. THE SALES CONCESSIONS FOR ALL THE COMPARABLE SALES, IF ANY, ARE NOT AVAILABLE THROUGH STANDARD DATA SOURCES USED IN THIS APPRAISAL PRACTICE. CONCESSIONS ARE COMMON WITHIN THE SUBJECT MARKET AREA BUT DO NOT HAVE AN ADVERSE AFFECT ON THE MARKETABILITY OF THE SUBJECT PROPERTY OR OF THE COMPARABLE SALES.

OTHER SALES WITHIN OUR SEARCH RESULTS WERE NOT CONSIDERED RELEVANT AND COMPETING TO THE SUBJECT THERFORE NOT UTILIZED WITHIN THE R**EPORT, ALL SALES PROVIDED HAVE BEEN ADJUSTED FOR MARKET DIFFERENCES AND THE SALES WITHIN THE APPRAISAL REPORT WILL NOT HAVE ANY ADVERSE AFFECT ON OUR APPRAISED VALUE.**

THE APPRAISER CONDUCTED AN EXTENSIVE SEARCH OF THE SUBJECT NEIGHBORHOOD AND COMPETING AREAS. THE SALES PROCESSED IN THIS REPORT REPRESENT THE MOST SIMILAR SIGNIFICANT TRANSFERS AVAILABLE. ALL COMPARABLE SALES ARE SIMILAR STYLE DWELLINGS LOCATED WITHIN CLOSE PROXIMITY TO THE SUBJECT PROPERTY. THE COMPARABLE SALES SELECTED FOR THIS APPRAISAL WERE THE MOST CURRENT AND BEST CHOICES TO REPRESENT THE MARKETABILITY OF THE SUBJECT PROPERTY AND SECURED FROM THE VARIOUS SOURCES INCLUDING GEODATA, COMPS INC, LOCAL BROKERS, MLS AND INTERNAL DATA SOURCES. AS ADJUSTED, THESE SALES REPRESENT A REASONABLE RANGE OF VALUE FOR DETERMINING THE FINAL VALUE ESTIMATE. ALL ADJUSTMENTS WERE MARKET DERIVED AND APPLIED ACCORDINGLY. THE QUALITY AND QUANTITY OF THE DATA IS CONSIDERED GOOD AND RELIABLE. A THOROUGH SEARCH USING ALL AVAILABLE DATA SOURCES INCLUDING INTERVIEWS WITH LOCAL BROKERS REVEALED NO OTHER RECENT SALES THAT WERE SIMILAR TO THE SUBJECT. TO UTILIZE THE BEST COMPARABLE SALES POSSIBLE OF THE SUBJECT.

SENSISTIVITY ANALYSIS VALUES BASED ON INCOME APPROACH /GRM :THE GROSS RENT MULTIPLIER RANGE IS COMMON FOR THIS AREA WITH THE ADOPTED GRM REPRESENTING THE CURRENT MARKET MULTIPLIER FOR THE SUBJECTS MARKET AREA ADOPTED GRM 207 CURRENT MARKET RENT $5800=$1200600 CURRENT VALUE BASED ON MARKET RENT.

GRM
+5%= $1,260,630
-5%= $1,140,570
+10%=$1,320,660
-10%=$1,080,540

THE USE OF THE LABEL MARKET VALUE IS CONSISTENT WITH FAIR VALUE FOR THIS REPORT

THE NOTED INCREASING MARKET WITHIN THE BROOKLYN SECTION OF NEW YORK

Client: 56 MOTHER GASTON BLVD LLC		File No.: TM-56MotherGaston1025 12-31-2015
Property Address: 56 MOTHER GASTON BLVD		Case No.: 1124153
City: BROOKLYN	State: NY	Zip: 11233

IS EXTREMLEY VOLITILE THE INCREASED DEMAND IN RESIDENTIAL DWELLINGS IN THE AREA AND THE INCREASE IN INVESTOR SPECULATION HAS DRVIEN PRICES HIGHER. THE APPRAISED VALUE IS BASED ON CURRENT MARKET COMAPRABLES AS OF THE EFFECTIVE DATE OF THE APRPASIAL REPORT AND ARE ADJUSTED SPECIFIC TO THE SUBJECT PROPERTY. AN INCREASE INVESTOR DEMAND AND LACK OF INVENTORY OF SIMILAR RELEVANT AND COMPETING 3 FAMILY COMPARABLES WITHIN THE SUBJECT NEIGHBORHOOD ATTRIBUTED TO THE INCREASE IN VALUES FROM 06/31/2015-12/31/2015.

MOST EMPHASIS WAS PLACED ON COMPARABLES # 1 AND #2 AS THEY ARE SIMILAR RELEVANT AND COMPETING SALES THAT SHARE SIMILAR UTILITY AND FUNCTIONAL USE. THE APPRAISER RECONCILLED AND ADJUSTED FOR MARKET DIFFERENCES. THE APPRAISER CONDUCTED AN EXTENSIVE SEARCH OF THE SUBJECT NEIGHBORHOOD AND COMPETING AREAS. THE SALES PROCESSED IN THIS REPORT REPRESENT THE MOST SIMILAR SIGNIFICANT TRANSFERS AVAILABLE. ALLCOMPARABLE SALES ARE SIMILAR STYLE DWELLINGS LOCATED WITHIN CLOSE PROXIMITY TO THE SUBJECT PROPERTY. THE COMPARABLE SALES SELECTED FOR THIS APPRAISAL WERE THE MOST CURRENT AND BEST CHOICES TO REPRESENT THE MARKETABILITY OF THE SUBJECT PROPERTY AND SECURED FROM THE VARIOUS SOURCES INCLUDING GEODATA, COMPS INC, LOCAL BROKERS, MLS ANDINTERNAL DATA SOURCES. AS ADJUSTED, THESE SALES REPRESENT A REASONABLE RANGE OF VALUE FOR DETERMINING THE FINAL VALUE ESTIMATE. ALL ADJUSTMENTS WERE MARKET DERIVED AND APPLIED ACCORDINGLY. THE QUALITY AND QUANTITY OF THE DATA IS CONSIDERED GOOD AND RELIABLE.

Current rents do not impact value as market rents are utilized. Rents are per 1 year basis paid monthly.

SUBJECT PROPERTY PHOTO ADDENDUM

Client: 56 MOTHER GASTON BLVD LLC		File No.: TM-56MotherGaston1025 12-31-
Property Address: 56 MOTHER GASTON BLVD		Case No.: 1124153
City: BROOKLYN	State: NY	Zip: 11233

FRONT VIEW OF SUBJECT PROPERTY

Appraised Date: December 31, 2015
Appraised Value: $ 1,200,000

REAR VIEW OF SUBJECT PROPERTY

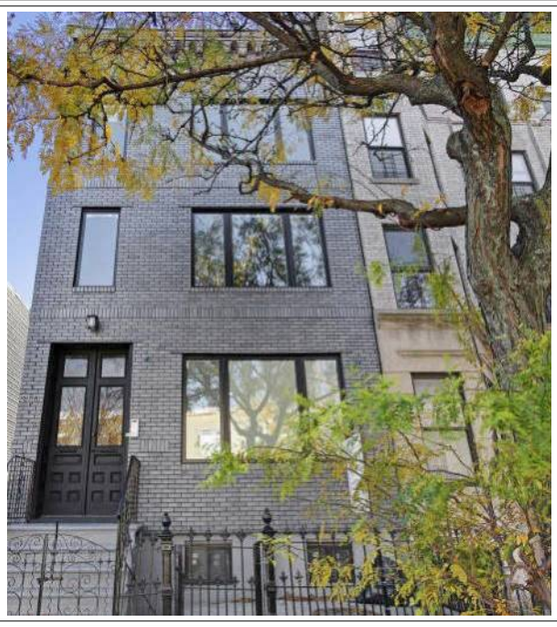
STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Client: 56 MOTHER GASTON BLVD LLC		File No.: TM-56MotherGaston1025 12-31-
Property Address: 56 MOTHER GASTON BLVD		Case No.: 1124153
City: BROOKLYN	State: NY	Zip: 11233

COMPARABLE SALE #1

15 COVERT ST
BROOKLYN, NY 11207
Sale Date: 11/02/2015
Sale Price: $ 1,450,000



COMPARABLE SALE #2

280 MARION ST
BROOKLYN, NY 11233
Sale Date: 12/16/2015
Sale Price: $ 1,349,000

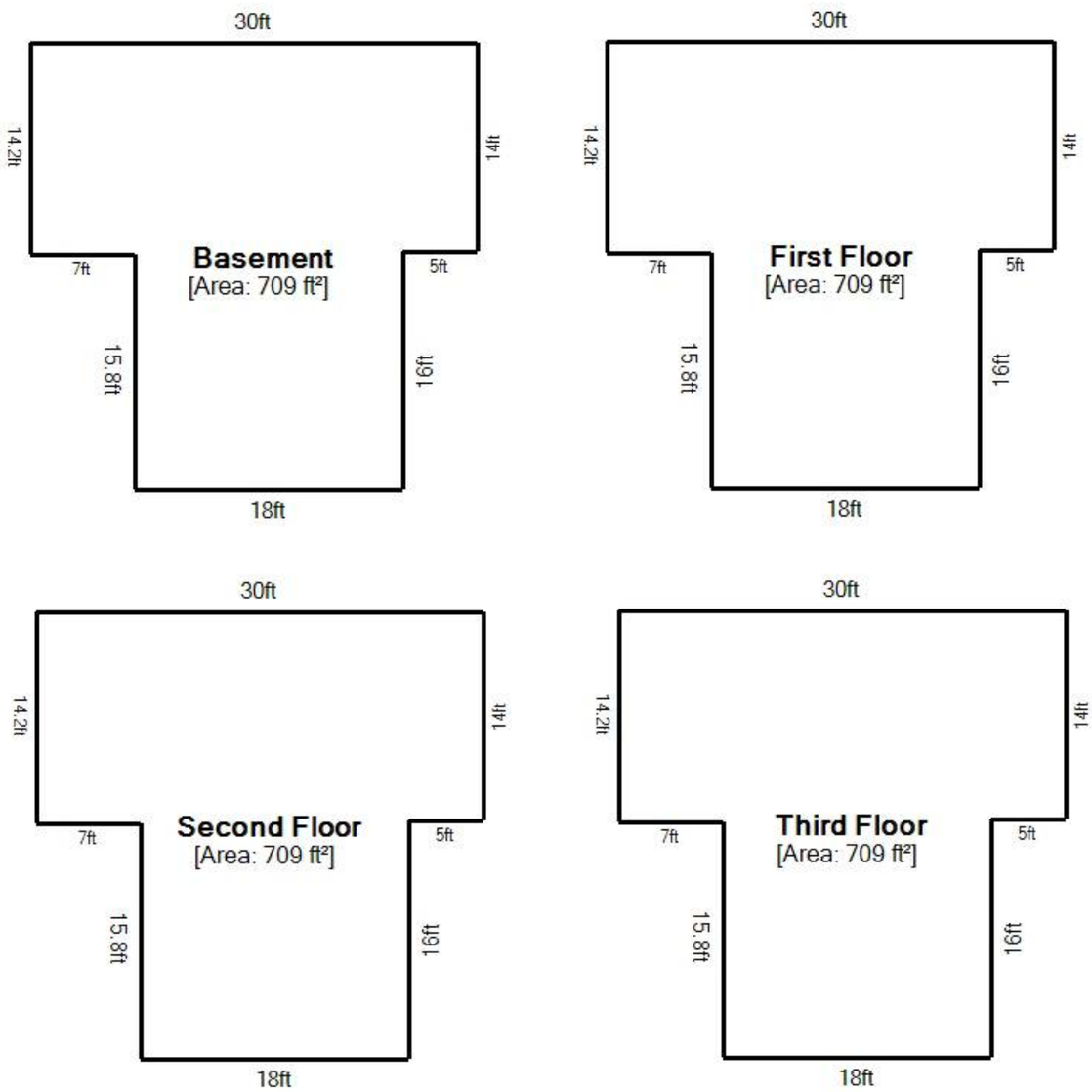
COMPARABLE SALE #3

834 HALSEY ST
BROOKLYN, NY 11233
Sale Date: 05/01/2015
Sale Price: $ 1,100,000

FLOORPLAN SKETCH

Client: 56 MOTHER GASTON BLVD LLC		File No.: TM-56MotherGaston1025 12-31-
Property Address: 56 MOTHER GASTON BLVD		Case No.: 1124153
City: BROOKLYN	State: NY	Zip: 11233

Sketch



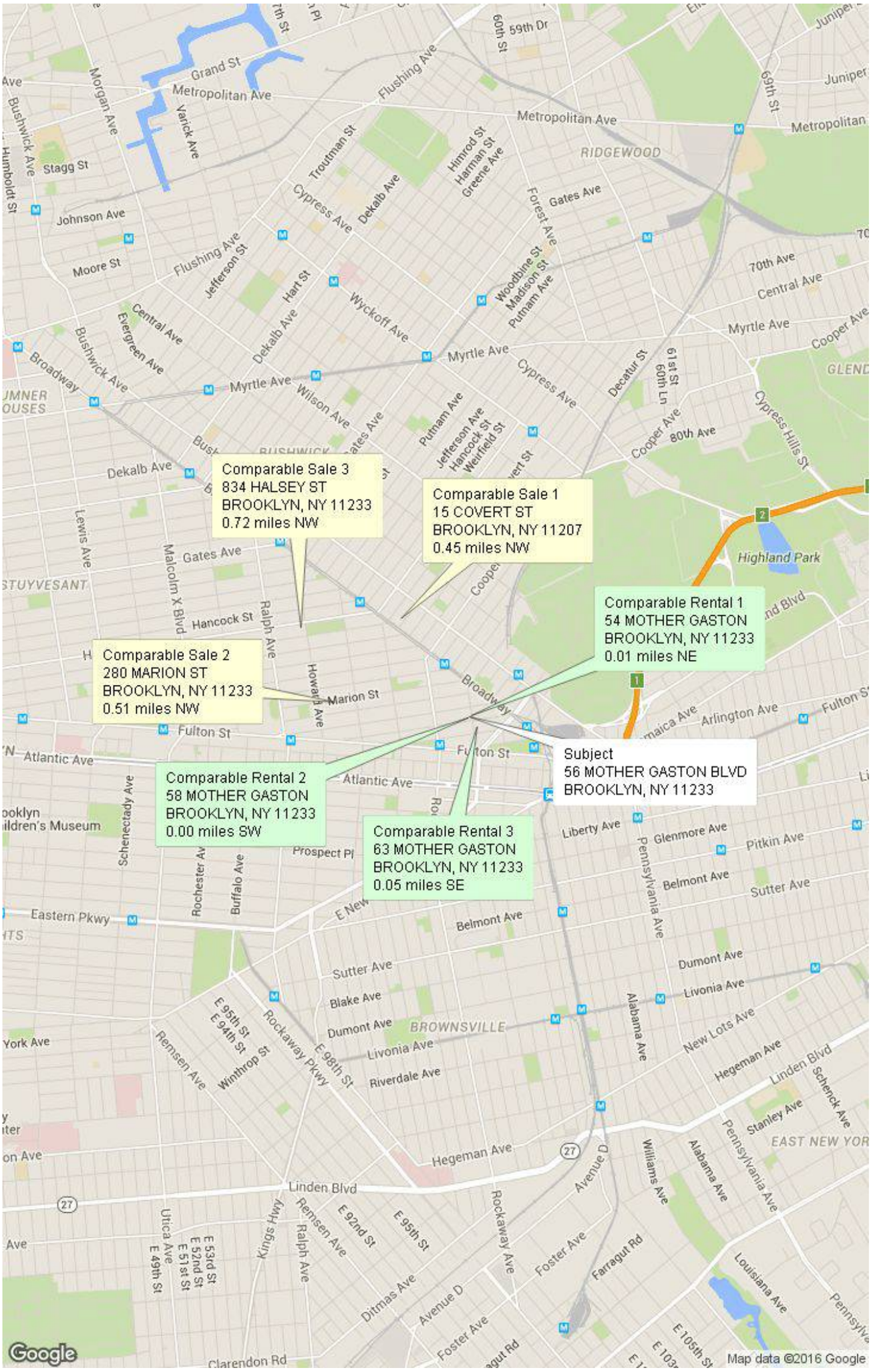
10 ft

Living Area	
First Floor	709.40 ft²
Second Floor	709.4 ft²
Third Floor	709.40 ft²
Nonliving Area	
Basement	709.4 ft²
Total Living Area (rounded):	**2128 ft²**

Area Calculation				
First Floor				**x 1.00 = 709.40 ft²**
☐	30ft x	14ft x	1.00 =	420.00 ft²
☐	16ft x	18ft x	1.00 =	288.00 ft²
☐	7ft x	0.20ft x	1.00 =	1.40 ft²
Second Floor				**x 1.00 = 709.4 ft²**
☐	30ft x	14ft x	1.00 =	420 ft²
☐	16ft x	18ft x	1.00 =	288 ft²
☐	7ft x	0.20ft x	1.00 =	1.40 ft²
Third Floor				**x 1.00 = 709.40 ft²**
☐	30ft x	14ft x	1.00 =	420 ft²
☐	16ft x	18ft x	1.00 =	288.00 ft²
☐	7ft x	0.20ft x	1.00 =	1.40 ft²

LOCATION MAP

Client: 56 MOTHER GASTON BLVD LLC	File No.: TM-56MotherGaston1025 12-31-
Property Address: 56 MOTHER GASTON BLVD	Case No.: 1124153
City: BROOKLYN State: NY	Zip: 11233



UNIQUE ID NUMBER
45000049437

State of New York
Department of State

DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 84561

EFFECTIVE DATE
MO. 06 DAY 08 YR. 15

EXPIRATION DATE
MO. 06 DAY 07 YR. 17

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

BORUKHOV OLEG
C/O BORUKHOV OLEG
144 15 76TH RD
FLUSHING, NY 11367

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R.E. RESIDENTIAL 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)

Client: 56 MOTHER GASTON BLVD LLC
Property Address: 56 MOTHER GASTON BLVD
City: BROOKLYN
State: NY
Zip: 11233
File No.: TM-56MotherGaston1025 12-31-
Case No.: 1124153

Mother Gaston							
				6.30.2014	31.12.2014	3.31.2015	6.30.2015
	Value			650,000$	750,000$	890,000$	1,025,000$
					main variables used in the appraisal		main variables used in the appraisal
Comparison approach	Gross leasable area taken in the account in the calculation in sqf			2836	2836	2836	2836
	Sale price per sqf of gross leasable area used in the calculation			315-72	300-200	400-200	400-300
	range of price per sqf of Gross leasable Area of comparable properties used in the calculation			315-100	350-120	475-150	475-220
	number of comparable properties used in the calculation			7	10	8	9
	for the main properties used for the provide ,comparison indentification ,name ,of the property location and area size			retrospective was analysis made not a /full information retained in appraiser work file apprasial	retrospective analysis was made not a /full information retained in appraiser work file apprasial	retrospective analysis was made not a /full information retained in appraiser work file apprasial	address noted in report
	the net revenue rate reflected from the current NOI of the NOI .e.i)property (devided by the value			market)0.107)rent	(market rent) 0.0928	)0.078 (market rent	market) 0.067(rent
	[other main variables]			only sales approach no /utilized income provided	noted in report	only sales approach no /utilized income provided	noted in report
					Change in Thousands of USD		Change in Thousands of USD
GRM	%10Increase of			a/n	69,600$	a/n	27,700$
	%10Decrease of			a/n	(71,400$)	a/n	(163,700$)

INTERIOR PHOTOS

Client: 56 MOTHER GASTON BLVD LLC	File No.: TM-56MotherGaston1025 12-31-
Property Address: 56 MOTHER GASTON BLVD	Case No.: 1124153
City: BROOKLYN State: NY	Zip: 11233

Kitchen

Comment:

Living Area

Description:

Comment:

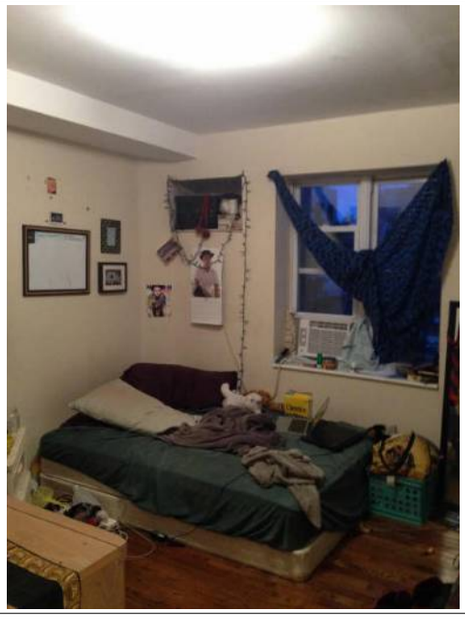
Bathroom

Description:

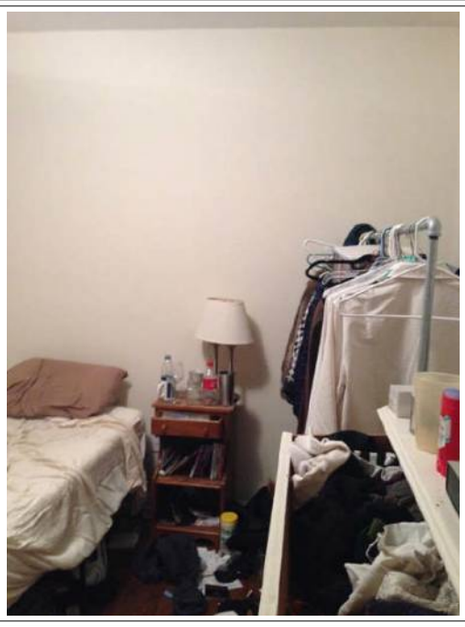
Comment:

BATHROOM PHOTOS

Client: 56 MOTHER GASTON BLVD LLC	File No.: TM-56MotherGaston1025 12-31-
Property Address: 56 MOTHER GASTON BLVD	Case No.: 1124153
City: BROOKLYN State: NY	Zip: 11233



Comment:
BEDROOM



Comment:
BEDROOM

Comment:
ALTERNATE KITCHEN VIEW

INTERIOR PHOTOS

Client: 56 MOTHER GASTON BLVD LLC	File No.: TM-56MotherGaston1025 12-31-
Property Address: 56 MOTHER GASTON BLVD	Case No.: 1124153
City: BROOKLYN State: NY	Zip: 11233

Comment:
ALTERNATE FRONT VIEW

Comment:
COMMERCIAL VIEW

Comment:

AERIAL MAP

Client: 56 MOTHER GASTON BLVD LLC	File No.: TM-56MotherGaston1025 12-31-
Property Address: 56 MOTHER GASTON BLVD	Case No.: 1124153
City: BROOKLYN State: NY	Zip: 11233

File No. TM-966GatesAve1025

APPRAISAL OF

LOCATED AT:

966 GATES AVE
BROOKLYN, NY 11221

CLIENT:

966 GATES AVE LLC
914 BEDFORD AVE
BROOKLYN, NY 11205

AS OF:

December 31, 2015

BY:

OLEG BORUKHOV

AMSTERDAM APPRAISAL SERVICES INC.
966 GATES AVE LLC
914 BEDFORD AVE
BROOKLYN, NY 11205

File Number: TM-966GatesAve1025 12-31-2015

In accordance with your request, I have appraised the real property at:

966 GATES AVE
BROOKLYN, NY 11221

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of December 31, 2015 is:

$1,250,000
One Million Two Hundred Fifty Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

OLEG BORUKHOV

AMSTERDAM APPRAISAL SERVICES INC.

Small Residential Income Property Appraisal Report

File No. TM-966GatesAve1025

PURPOSE

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User 966 GATES AVE LLC E-mail

Client Address 914 BEDFORD AVE City BROOKLYN State NY Zip 11205

Additional Intended User(s) The client and intended user of this appraisal report is 966 gates LLC +Barak Tsabari, CEO, B.H. Whitestone group LTD

Intended Use See Attached Addendum

SUBJECT

Property Address 966 GATES AVE City BROOKLYN State NY Zip 11221

Owner of Public Record 966 GATES LLC County KINGS

Legal Description BLOCK:1638 LOT: 33

Assessor's Parcel # 3016380033 Tax Year 2015 R.E. Taxes $ 6,654.00

Neighborhood Name BEDFORD STUYVESANT Map Reference GOOGLE MAPS Census Tract 0385.00

Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)

SALES HISTORY

My research [X] did [ ] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: Date 05/06/2015 Price $850,000 Source(s) COMPS INC.

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) SUBJECT PROPERTY TRANSFERRED TITLES ON 05/06/215. SUBJECT PROPERTY WAS PURCHASED BELOW MARKET VALUE BY THE CURRENT OWNER NO OTHER INFORMATION REGARDING PREVIOUS SALE WAS PROVIDED TO THE APPRAISER. NONE OF THE OTHER COMPS HAVE BEEN SOLD OR TRANSFERRED IN THE 12 MONTHS PRIOR TO THE EFFECTIVE DATE OF THIS APPRAISAL.

Offerings, options and contracts as of the effective date of the appraisal THE SUBJECT IS CURRENTLY LISTED FOR SALE FOR $1,490,000 AS OF 08/13/2015 BY ONE OF A KIND REALTY SUBJECT WAS ON MARKET FOR 116 DAYS AND FINAL REDSUCTION ON 11/05/2015 TO $1,250,000 AND WAS TAKEN OFF MARKET ON 12/07/2015 TOTAL DOM 116

NEIGHBORHOOD

Neighborhood Characteristics			2-4 Unit Housing Trends			2-4 Unit Housing			Present Land Use %	
Location	[X] Urban	[ ] Suburban	[ ] Rural	Property Values	[ ] Increasing	[X] Stable	[ ] Declining	PRICE	AGE	One-Unit 75 %
Built-Up	[X] Over 75%	[ ] 25-75%	[ ] Under 25%	Demand/Supply	[ ] Shortage	[X] In Balance	[ ] Over Supply	$(000)	(yrs)	2-4 Unit 15 %
Growth	[ ] Rapid	[X] Stable	[ ] Slow	Marketing Time	[ ] Under 3 mths	[X] 3-6 mths	[ ] Over 6 mths	300 Low	1	Multi-Family 5 %
Neighborhood Boundaries NORTH: MRYTLE AVE, EAST: JACKIE ROBINSON PKWY								1,800 High	150	Commercial 5 %
SOUTH: ATLANTIC AVE, WEST: NOSTRAND AVE								1,100 Pred.	100	Other %

Neighborhood Description See Attached Addendum

Market Conditions (including support for the above conclusions) See Attached Addendum

SITE

Dimensions 19 X 100 Area 1900 Sq.Ft. Shape REGULAR View RES/COMM

Specific Zoning Classification R6A Zoning Description GENERAL RESIDENT DISTRICT

Zoning Compliance [X] Legal [ ] Legal Nonconforming (Grandfathered Use) [ ] No Zoning [ ] Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [ ] No If No, describe.

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	[X]	[ ]	Water	[X]	[ ]	Street MACADAM	[X]	[ ]
Gas	[X]	[ ]	Sanitary Sewer	[X]	[ ]	Alley NONE	[ ]	[ ]

Site Comments

IMPROVEMENTS

GENERAL DESCRIPTION	FOUNDATION	EXTERIOR DESCRIPTION materials	INTERIOR materials
Units [ ] Two [X] Three [ ] Four	[X] Concrete Slab [ ] Crawl Space	Foundation Walls CONCRETE/GD	Floors WOOD/GD
[ ] Accessory Unit (describe below)	[ ] Full Basement [ ] Partial Basement	Exterior Walls BRICK/GD	Walls S-ROCK/GD
# of Stories 3 # of bldgs. 1	Basement Area 0 sq. ft.	Roof Surface ASPHALT/GD	Trim/Finish WOOD/GD
Type [ ] Det. [X] Att. [ ] S-Det./End Unit	Basement Finish 0 %	Gutters & Downspouts ALUMINUM/GD	Bath Floor TILE/GD
[X] Existing [ ] Proposed [ ] Under Const.	[ ] Outside Entry/Exit [ ] Sump Pump	Window Type DBL-HUNG/GD	Bath Wainscot TILE/GD
Design (Style) ATTACHED	Evidence of [ ] Infestation	Storm Sash/Insulated YES/YES/GD	**Car Storage**
Year Built 2006	[ ] Dampness [ ] Settlement	Screens YES	[X] None
Effective Age (Yrs) 1-5	**Heating/Cooling**	**Amenities**	[ ] Driveway # of Cars
Attic [X] None	[ ] FWA [X] HW [ ] Radiant	[ ] Fireplace(s) # 0 [ ] WoodStove(s) #0	Driveway Surface
[ ] Drop Stair [ ] Stairs	[ ] Other Fuel GAS	[X] Patio/Deck Patio [ ] Fence NONE	[ ] Garage # of Cars
[ ] Floor [ ] Scuttle	[ ] Central Air Conditioning	[ ] Pool NONE [ ] Porch NONE	[ ] Carport # of Cars
[ ] Finished [ ] Heated	[X] Individual [ ] Other	[ ] Other	[ ] Att. [ ] Det. [ ] Built-in

# of Appliances	Refrigerator 3	Range/Oven 3	Dishwasher 0	Disposal 0	Microwave 0	Washer/Dryer 0	Other (describe)

Unit # 1 contains:	4 Rooms	2 Bedroom(s)	1 Bath(s)	950 Square feet of Gross Living Area
Unit # 2 contains:	5 Rooms	2 Bedroom(s)	1 Bath(s)	950 Square feet of Gross Living Area
Unit # 3 contains:	5 Rooms	2 Bedroom(s)	1 Bath(s)	950 Square feet of Gross Living Area
Unit # 4 contains:	Rooms	Bedroom(s)	Bath(s)	Square feet of Gross Living Area

Additional features INSULATED WINDOWS

Comments on the Improvements SUBJECT PROPERTY IS IN OVERALL GOOD CONDITION ,UNIT 1 HAS NEW KITCHEN AND BATHS, THE SECOND AND THIRD FLOORS ARE IN OVERALL GOOD CONDITION WITH UPDATED KITCHEN AND BATHS.

This form Copyright © 2005-2014 ACI Division of ISO Claims Services, Inc., All Rights Reserved.

Small Residential Income Property Appraisal Report

File No. TM-966GatesAve102!

COMPARABLE RENTAL DATA

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL NO. 1	COMPARABLE RENTAL NO. 2	COMPARABLE RENTAL NO. 3
Address	966 GATES AVE BROOKLYN, NY 11221	972 GATES AVE BROOKLYN, NY 11221	825 PUTNAM AVE BROOKLYN, NY 11221	832 MADISON ST BROOKLYN, NY 11221
Proximity to Subject		0.01 miles NE	0.23 miles SW	0.10 miles SE
Current Monthly Rent	$ 3,800	$ 7,100	$ 6,300	$ 6,600
Rent/Gross Bldg. Area	$ 1.33 sq. ft.	$ 2.08 sq. ft.	$ 2.50 sq. ft.	$ 2.52 sq. ft.
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☒ No
Data Source(s)	OWNER	LOCAL BROKER	LOCAL BROKER	LOCAL BROKER
Date of Lease(s)	MONTHLY	MONTHLY	MONTHLY	MONTHLY
Location	URBAN	URBAN	URBAN	URBAN
Actual Age	9+/- Years	9+/- Years	117+/- Years	111 Yrs.
Condition	GOOD	GOOD	AVERAGE	GOOD
Gross Building Area	2850 sq.ft.	3,420	2,520	2,622

Unit Breakdown	Rm Count Tot	Br	Ba	Size Sq. Ft.	Rm Count Tot	Br	Ba	Size Sq. Ft.	Monthly Rent	Rm Count Tot	Br	Ba	Size Sq. Ft.	Monthly Rent	Rm Count Tot	Br	Ba	Size Sq. Ft.	Monthly Rent
Unit # 1	4	2	1	950	5	2	1	1,140	$ 2,300	5	2	1	840	$ 2,100	5	2	1	874	$ 2,200
Unit # 2	5	2	1	950	5	3	1	1,140	$ 2,400	5	2	1	840	$ 2,100	5	2	1	874	$ 2,200
Unit # 3	5	2	1	950	5	3	1	1,140	$ 2,400	5	2	1	840	$ 2,100	5	2	1	874	$ 2,200
Unit # 4									$					$					$

Utilities Included			
	HEAT	HEAT	HEAT	HEAT - HOT WATER
	HOT WATER	HOT WATER	HOT WATER	WATER - SEWER - TRASH

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.)

THE RENTAL COMPARABLES USED ARE CONSIDERED TO BE GOOD INDICATORS OF MARKET RENTS DUE TO THEIR UTILITY AND LOCATION. THEY SHARE SIMILAR NEIGHBORHOOD ATTRIBUTES AND AMENITIES AS THE SUBJECT.

SUBJECT RENT SCHEDULE

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Leases			Actual Rents			Opinion Of Market Rent		
	Lease Date		Per Unit		Total	Per Unit		Total
Unit #	Begin Date	End Date	Unfurnished	Furnished	Rents	Unfurnished	Furnished	Rents
1	VACANT	VACANT	$ 0	$	$ 0	$ 2,300	$	$ 2,300
2	TENANT	TENANT	1,800		1,800	2,200		2,200
3	TENANT	TENANT	2,000		2,000	2,200		2,200
4								

Comment on lease data N/A	Total Actual Monthly Rent	$ 3,800	Total Gross Monthly Rent	$ 6,700
	Other Monthly Income (itemize)	$ 0	Other Monthly Income (itemize)	$ 0
	Total Actual Monthly Income	$ 3,800	Total Estimated Monthly Income	$ 6,700

Utilities included in estimated rents ☐ Electric ☒ Water ☒ Sewer ☐ Gas ☐ Oil ☐ Cable ☒ Trash collection ☐ Other (describe)

Comments on actual or estimated rents and other monthly income (including personal property) THE TOTAL GROSS ESTIMATED RENTS IN THIS SECTION OF THE APPRAISAL ASSUME ALL UNITS ARE INCOME PRODUCING. THE ACTUAL RENTS LISTED WERE VERBALLY SUPPLIED BY THE OWNER WITHOUT DOCUMENTATION.

COST APPROACH

COST APPROACH TO VALUE

Site Value Comments SITE VALUE WAS DERIVED THROUGH THE ALLOCATION METHOD.

ESTIMATED ☐ REPRODUCTION OR ☒ REPLACEMENT COST NEW

Source of cost data MARSHALL SWIFT

Quality rating from cost service GOOD Effective date of cost data 12/01/2015

Comments on Cost Approach (gross living area calculations, depreciation, etc.)

THE COST ESTIMATES ARE BASED ON LOCAL BUILDERS COSTS AND OBSERVED TYPICAL COSTS FOR THE AREA. DEPRECIATION IS DETERMINED BY THE OVERALL CONDITION OF THE IMPROVEMENTS AS RELATED TO THE NORMAL WEAR AND TEAR AND CONDITION OF PROPERTIES IN THE AREA.

OPINION OF SITE VALUE			= $ 600,000
Dwelling 2,850 Sq. Ft. @ $ 230.00			= $ 655,500
Sq. Ft. @ $ 0.00			= $ 0
Garage/Carport Sq. Ft. @ $			= $
Total Estimate of Cost-New			= $ 655,500
Less 50 Physical	Functional	External	
Depreciation $39,330		$10,000	= $ (49,330)
Depreciated Cost of Improvements			= $ 606,170
"As-is" Value of Site Improvements			= $ 50,000
INDICATED VALUE BY COST APPROACH			= $ 1,256,200

ADDITIONAL COMMENTS

PLEASE NOTE THAT AT THE TIME OF THIS APPRAISAL INSPECTION ALL UTILITIES WERE ON

APPRAISALS ARE NO GUARANTEE THAT THE PROPERTY IS FREE FROM DEFECTS. THE APPRAISAL ONLY ESTABLISHES THE VALUE OF THE PROPERTY FOR MORTGAGE INSURANCE PURPOSES. BUYERS NEED TO SECURE THEIR OWN HOME INSPECTIONS THROUGH THE SERVICES OF A QUALIFIED INSPECTOR AND SATISFY THEMSELVES ABOUT THE CONDITION OF THE PROPERTY.

This form Copyright © 2005-2014 ACI Division of ISO Claims Services, Inc., All Rights Reserved.

Small Residential Income Property Appraisal Report

File No. TM-966GatesAve1025

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address	966 GATES AVE BROOKLYN, NY 11221	1166 GATES AVE BROOKLYN, NY 11221		261 CENTRAL AVE BROOKLYN, NY 11221		1184 GATES AVE BROOKLYN, NY 11221	
Proximity to Subject		0.33 miles NE		0.54 miles NE		0.36 miles NE	
Sale Price	$		$ 1,400,000		$ 1,140,000		$ 1,250,000
Sale Price/Gross Bldg. Area	$ 0.00 sq. ft	$ 518.52 sq. ft		$ 434.29 sq. ft		$ 416.67 sq. ft	
Gross Monthly Rent	$ 3,800	$ 6,500		$ 7,000		$ 8,000	
Gross Rent Multiplier	0.00	215.38		162.86		156.25	
Price Per Unit	$ 323,333	$ 466,667		$ 380,000		$ 416,667	
Price Per Room	$ 57,059	$ 93,333		$ 76,000		$ 83,333	
Price Per Bedroom	$ 121,250	$ 175,000		$ 190,000		$ 138,889	
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No		☐ Yes ☒ No		☐ Yes ☒ No	
Data Source(s)		OLR# 58669TH		COMPS INC DOM 30		COMPS INC DOM 55	
Verification Source(s)		LISTING DOM 17		GEODATA		GEODATA	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment
Sale or Financing Concessions		ARMS LENGTH CONVEN		ARMS LENGTH CONVEN		ARMS LENGTH CONVEN	
Date of Sale/Time		07/30/2015	0	09/30/2015		08/07/2015	
Location	URBAN	URBAN		URBAN		URBAN/COMM	10,000
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	1900 Sq.Ft.	2000 Sq.Ft.	-500	1125 Sq.Ft.	3,900	2000 Sq.Ft.	-500
View	RES/COMM	RES/COMM	0	RES/COMM		RES/COMM	
Design (Style)	ATTACHED	SEMI-ATT	-50,000	SEMI-ATT	-50,000	ATTACHED	
Quality of Construction	GOOD	SUPERIOR	-98,000	INFEIROR	79,800	GOOD	
Actual Age	9+/- Years	105+/- Years	0	11+/- Years	0	106/- Years	0
Condition	GOOD	GOOD		INFERIOR	79,800	GOOD	
Gross Building Area 95	2850 sq.ft.	2,700	14,300	2,625	21,400	3,000	-14,300
Unit Breakdown	Total / Bdrms. / Baths	Total / Bdrms. / Baths		Total / Bdrms. / Baths		Total / Bdrms. / Baths	
Unit # 1	4 / 2 / 1	5 / 2 / 2	-5,000	5 / 2 / 1		5 / 3 / 1	
Unit # 2	5 / 2 / 1	5 / 3 / 2	-5,000	5 / 2 / 1		5 / 3 / 1	
Unit # 3	5 / 2 / 1	5 / 3 / 2	-5,000	5 / 2 / 1		5 / 3 / 1	
Unit # 4							
Basement Description	NONE	Full	0	Full	0	Full	0
Basement Finished Rooms	NONE	Finished	-20,000	Finished	-20,000	Finished	-20,000
Functional Utility	3 FAMILY	3 FAMILY		3 FAMILY		3 FAMILY	
Heating/Cooling	ADEQUATE	ADEQUATE		ADEQUATE		ADEQUATE	
Energy Efficient Items	INS WINDOWS	INS WINDOWS		INS WINDOWS		INS WINDOWS	
Parking On/Off Site	None	None		None		None	
Porch/Patio/Deck	Patio	Patio		Patio		Patio	
EXTERIOR	BRICK	STUCCO	0	BRICK	0	STUCCO	0
Net Adjustment (Total)		☐ + ☒ -	$ 169,200	☒ + ☐ -	$ 114,900	☐ + ☒ -	$ 24,800
Adjusted Sale Price of Comparables		Net Adj. -12.1 % Gross Adj. 14.1 %	$ 1,230,800	Net Adj. 10.1 % Gross Adj. 22.4 %	$ 1,254,900	Net Adj. -2.0 % Gross Adj. 3.6 %	$ 1,225,200
Adj. Price Per Unit (Adj. SP Comp / # of Comp Units)		$ 410,267		$ 418,300		$ 408,400	
Adj. Price Per Room ((Adj. SP Comp / # of Comp Rooms)		$ 82,053		$ 83,660		$ 81,680	
Adj. Price Per Bdrm. (Adj. SP Comp / # of Comp Bedrooms)		$ 153,850		$ 209,150		$ 136,133	

Summary of Sales Comparison Approach See Attached Addendum

INCOME

INCOME APPROACH TO VALUE

Estimated Monthly Market Rent $ 6,700.00 X Gross Rent Multiplier 190.00 = $ 1,273,000 Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) THE GROSS RENT MULTIPLIER RANGE IS COMMON FOR THIS AREA WITH THE ADOPTED GRM REPRESENTING THE CURRENT MARKET MULTIPLIER FOR THE SUBJECTS MARKET AREA

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 1,250,000 **Cost Approach (if developed) $** 1,256,200 **Income Approach (if developed) $** 1,273,000

MOST WEIGHT GIVEN TO THE SALES COMPARISON APPROACHES AT FINAL RECONCILIATION BECAUSE OF ITS DEEMED THE MOST RELIABLE INDICATOR OF VALUE. THE COST APPROACH AND INCOME APPROACH ARE SUPPORTIVE OF THE FINAL ESTIMATE. THE APPRAISAL IS MADE FOR NON MORTGAGE LENDING PURPOSES ONLY.

This appraisal is made ☒ "as is," ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed ☐ subject to the following:

Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is $ 1,250,000 **as of** 12/31/2015 **, which is the effective date of this appraisal.**

This form Copyright © 2005-2014 ACI Division of ISO Claims Services, Inc., All Rights Reserved.

AMSTERDAM APPRAISAL SERVICES INC.

Small Residential Income Property Appraisal Report

File No. TM-966GatesAve1025

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 4		COMPARABLE SALE NO. 5		COMPARABLE SALE NO. 6	
Address	966 GATES AVE BROOKLYN, NY 11221	904 GREENE AVE BROOKLYN, NY 11221		110 PATCHEN AVE BROOKLYN, NY 11221			
Proximity to Subject		0.37 miles NW		0.14 miles SW			
Sale Price	$		$ 1,350,000		$ 1,450,000		$
Sale Price/Gross Bldg. Area	$ 0.00 sq. ft	$ 452.41 sq. ft		$ 462.52 sq. ft		$ 0.00 sq. ft	
Gross Monthly Rent	$ 3,800	$ 6,700		$ 7,200		$	
Gross Rent Multiplier	0.00	201.49		201.39			
Price Per Unit	$ 323,333	$ 450,000		$ 483,333		$	
Price Per Room	$ 57,059	$ 96,429		$ 85,294		$	
Price Per Bedroom	$ 121,250	$ 225,000		$ 161,111		$	
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No		☐ Yes ☒ No		☐ Yes ☐ No	
Data Source(s)		COMPS INC DOM 30		COMPS INC DOM 55			
Verification Source(s)		GEODATA		GEODATA			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment
Sale or Financing Concessions		ARMS LENGTH CONVEN		ARMS LENGTH CONVEN			
Date of Sale/Time		05/11/2015	0	03/30/2015			
Location	URBAN	URBAN		Busy rd /comm	10,000		
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple			
Site	1900 Sq.Ft.	1700 Sq.Ft.	1,000	1520 Sq.Ft.	1,900		
View	RES/COMM	RESIDENTIAL	-10,000	PARK	0		
Design (Style)	ATTACHED	ATTACHED		ATTACHED			
Quality of Construction	GOOD	GOOD		SUPERIOR	-101,500		
Actual Age	9+/- Years	117+/- Years	0	2+/- Years			
Condition	GOOD	GOOD		GOOD			
Gross Building Area 95	2850 sq.ft.	2,984	-12,700	3,135	-27,100		
Unit Breakdown	Total / Bdrms. / Baths	Total / Bdrms. / Baths		Total / Bdrms. / Baths		Total / Bdrms. / Baths	
Unit # 1	4 / 2 / 1	4 / 2 / 1		5 / 3 / 2	-5,000		
Unit # 2	5 / 2 / 1	5 / 2 / 1		6 / 3 / 2	-5,000		
Unit # 3	5 / 2 / 1	5 / 2 / 1		6 / 3 / 2	-5,000		
Unit # 4							
Basement Description	NONE	Full	0	Full	-20,000		
Basement Finished Rooms	NONE	Finished	-20,000	Finished			
Functional Utility	3 FAMILY	3 FAMILY		3 FAMILY			
Heating/Cooling	ADEQUATE	ADEQUATE		IU/CENTRAL	-10,000		
Energy Efficient Items	INS WINDOWS	INS WINDOWS		INS WINDOWS			
Parking On/Off Site	None	None		None			
Porch/Patio/Deck	Patio	Patio		Patio			
EXTERIOR	BRICK	Brownstone	-40,500	BRICK			
Net Adjustment (Total)		☐ + ☒ -	$ 82,200	☐ + ☒ -	$ 161,700	☐ + ☐ -	$
Adjusted Sale Price of Comparables		Net Adj. -6.1 % Gross Adj. 6.2 %	$ 1,267,800	Net Adj. -11.2 % Gross Adj. 12.8 %	$ 1,288,300	Net Adj. % Gross Adj. %	$
Adj. Price Per Unit (Adj. SP Comp / # of Comp Units)		$ 422,600		$ 429,433		$	
Adj. Price Per Room ((Adj. SP Comp / # of Comp Rooms)		$ 90,557		$ 75,782		$	
Adj. Price Per Bdrm. (Adj. SP Comp / # of Comp Bedrooms)		$ 211,300		$ 143,144		$	

Summary of Sales Comparison Approach.

This form Copyright © 2005-2014 ACI Division of ISO Claims Services, Inc., All Rights Reserved.

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as " the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.

2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.

3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.

4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.

5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.

6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.

7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.

8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar expert, unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.

This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.

Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.

10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage/use.

11. The ACI General Purpose Appraisal Report (GPAR™) is not intended for use in transactions that require a Fannie Mae 1025/Freddie Mac 72 form, also known as the Small Residential Income Property Appraisal Report (2-4 Family).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

This form Copyright © 2005-2014 ACI Division of ISO Claims Services, Inc., All Rights Reserved.

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

Definition of Value: [X] **Market Value** [ ] **Other Value:**

Source of Definition: FAIR MARKET VALUE IFRS 13)

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 occurs as of a specified date.
2. An open and competitive market exists for the property interest appraised.
3. The buyer and seller are each acting prudently and knowledgeably.
4. The price is not affected by undue stimulus.
5. The buyer and seller are typically motivated.
6. Both parties are acting in what they consider their best interest.
7. Marketing efforts were adequate and a reasonable time was allowed for exposure to the open market.
8. Payment was made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(ACCORDING TO IFRS 13): " THE PRICE THAT WOULD BE RECEIVED TO SELL AN ASSET OR PAID TO TRANSFER A LIABILITY IN AN ORDERLY TRANSACTION BETWEEN MARKET PARTICIPANTS AT THE MEASUREMENT DATE.

ADDRESS OF THE PROPERTY APPRAISED:
966 GATES AVE
BROOKLYN, NY 11221
EFFECTIVE DATE OF THE APPRAISAL: 12/31/2015
APPRAISED VALUE OF THE SUBJECT PROPERTY $ 1,250,000

APPRAISER

Signature:
Name: OLEG BORUKHOV
State Certification # 45000049437
or License #
or Other (describe): State #:
State: NY
Expiration Date of Certification or License: 06/07/2017
Date of Signature and Report: 01/20/2016
Date of Property Viewing: 12/31/2015
Degree of property viewing:
[X] Interior and Exterior [ ] Exterior Only [ ] Did not personally view

SUPERVISORY APPRAISER

Signature:
Name:
State Certification #
or License #
State:
Expiration Date of Certification or License:
Date of Signature:
Date of Property Viewing:
Degree of property viewing:
[ ] Interior and Exterior [ ] Exterior Only [ ] Did not personally view

This form Copyright © 2005-2014 ACI Division of ISO Claims Services, Inc., All Rights Reserved.

Client: 966 GATES AVE LLC		File No.: TM-966GatesAve1025 12-31-2015
Property Address: 966 GATES AVE		Case No.:
City: BROOKLYN	State: NY	Zip: 11221

Intended Use
The appraisal is to be disclosed to the Israeli Stock Exchange and Israeli Securities Authority in connection with B.H Whitestone Group Ltd Financial statements. The appraisal may be attached to such prospectus. This report is
not intended for any other use.

Neighborhood Description
THE SUBJECT PROPERTY IS LOCATED IN A RESIDENTIAL AREA IMPROVED WITH A DIVERSITY OF RESIDENTIAL DWELLING. MULTI FAMILY DWELLINGS VARY IN AGE, SIZE AND STYLE THOUGH SIMILAR IN QUALITY AND UTILITY. ALL AMENITIES ARE WITHIN CONVENIENT DISTANCE. THE NEIGHBORHOOD IS CURRENTLY BEING REVITALIZED WITH MANY OF THE MULTI-FAMILY HOMES IN THE AREA BEING PURCHASED BY INVESTORS, REFURBISHED AND RESOLD.

Market Conditions
MARKET STUDIES INDICATE A STABLE MARKET WITH AMPLE SUPPLY OF AVAILABLE PROPERTIES IN THE SUBJECT NEIGHBORHOOD AND INDICATED THAT THE COMPETITIVELY PRICED 2 FAMILY DWELLINGS SELL IN 3 TO 6 MONTHS. SINCE THE SUBJECT NEIGHBORHOOD OFFERS A STEADY NUMBER OF PROPERTY TRANSFERS, MORTGAGE FUNDS ARE AVAILABLE AND STABLE PRICES PREVAIL.

Comments on Sales Comparison
ONLY CLOSED SALES WERE USED AS COMPS 1-3.

ALL COMPARABLES LOCATED IN THE SAME NEIGHBORHOOD.

AFTER A DILLIGENT SEARCH OF COMPARABLES, THESE ARE THE BEST COMPS AVAILABLE.

MOST EMPHASIS WAS PLACED ON COMPARABLES # 1 AND 2 AS THEY ARE SIMILAR RELEVANT AND COMPETING SALES THAT SHARE SIMILAR UTILITY AND FUNCTIONAL USE.

THERE IS A FUNCTIONAL FLOOR PLAN.

AFTER A FULL INSPECTION OF THE DWELLING AND SITE, IT IS THE OPINION OF THE APPRAISER THAT THE SUBJECTS CONDITION WAS IN OVERALL GOOD CONDITION.

SUBJECT IS VALUED AS FEE SIMPLE ESTATE AS IT IS OWNED IN ABSOLUTE:

THE GREATEST POSSIBLE ESTATE IN LAND, WHEREIN THE OWNER HAS THE RIGHT TO USE IT, EXCLUSIVELY POSSESS IT, COMMIT WASTE UPON IT, DISPOSE OF IT BY DEED OR WILL, AND TAKE ITS FRUITS. A FEE SIMPLEREPRESENTS ABSOLUTE OWNERSHIP OF LAND, AND THEREFORE THE OWNER MAY DO WHATEVER HE OR SHE CHOOSES WITH THE LAND. IF AN OWNER OF A FEE SIMPLE DIES INTESTATE, THE LAND WILL DESCEND TO THE HEIRS. THE TERM FEE USED INDEPENDENTLY IS AN ADEQUATE DESIGNATION OF THIS TYPE OF ESTATE IN LAND. THE TERM SIMPLE IS ADDED TO DISTINGUISH CLEARLY THIS ESTATE FROM OTHER INTERESTS IN REAL PROPERTY.

Extra Comments
Assignement type / Fair value (according to IFRS 13): " The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

We have appraised the above referenced property, the conclusions of which are set forth in the attached appraisal report. This is an Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of USPAP and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition this appraisal has been prepared in compliance with IFRS 13 (International Financial Reporting Standards 13-fair value measurement). The depth of analysis discussed in this report is specific to the needs of the client and for the intended use stated in the report.

Client, Intended User and Intended Use of the Report

The client and intended user of this appraisal report is 966 gates LLC + B.H Whitestone Group Ltd .

The appraisal is to be disclosed to the Israeli Stock Exchange and Israeli Securities Authority in connection with B.H Whitestone Group Ltd Financial statements This report is
not intended for any other use.

Amsterdam Appraisals, its Appraisers, the officers, employees, duly authorized volunteers, and agents of each of them shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.

Intended user(s) shall hold harmless, indemnify, and defend the Amsterdam Appraisals, its Appraisers, the officers, employees, duly authorized volunteers, and agents of each of them from

Client: 966 GATES AVE LLC		File No.: TM-966GatesAve1025 12-31-2015
Property Address: 966 GATES AVE		Case No.:
City: BROOKLYN	State: NY	Zip: 11221

and against any and all liability, loss, damage, expense, costs of every nature, and causes of actions, up to 3 times the appriasal fee, except for the sole negligence or willful misconduct of the appraiser.

I, OLEG BORUKHOV, HAVE NO CURRENT OR PROSPECTIVE INTEREST IN THE SUBJECT PROPERTY OR THE PARTIES INVOLVED; AND DISCLOSE I HAVE PERFORMED ANY SERVICES WITHIN THE 3 YEAR PERIOD IMMEDIATELY PRECEDING ACCEPTANCE OF THIS ASSIGNMENT, AS AN APPRAISER OR IN ANY CAPACITY. completed appraisal for client dated 06/30/2015

I CERTIFY, AS THE APPRAISER, THAT I HAVE COMPLETED ALL ASPECTS OF THIS VALUATION, INCLUDING RECONCILING MY OPINION OF VALUE, FREE OF INFLUENCE FROM THE CLIENT, CLIENT'S REPRESENTATIVES, BORROWER, OR ANY OTHER PARTY TO THE TRANSACTION

ESTIMATED MARKET EXPOSURE TIME FOR THE SUBEJCT PROPERTY AT THE CURRENT APPRAISED VALUE IS 3-6 MONTHS. EXPOSURE TIME IS DEFINED AS ESTIMATED LENGTH OF TIME THAT THE PROPERTY INTEREST BEING APPRAISED WOULD HAVE BEEN OFFERED ON THE MARKET PRIOR TO THE HYPOTHETICAL CONSUMMATION OF A SALE AT MARKET VALUE ON THE EFFECTIVE DATE OF THE APPRAISAL.

This appraisal is not intended to be used by any of the "Government Sponsored Entities" . Intended Use – This appraisal assignment is to establish fair market value only (valuation purposes) and NOT to be used in a mortgage transaction.

AT THE TIME OF INSPECTION THE SUBJECT PROPERTY WAS TENANT OCCUPIED WITH ALL UTILITIES ON

I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF:
- THE STATEMENT OF FACTS CONTAINED IN THIS REPORT ARE TRUE AND CORRECT.
- THE REPORTED ANALYSIS, OPINIONS, AND CONCLUSIONS ARE LIMITED ONLY BY THE REPORTED ASSUMPTIONS AND LIMITING CONDITIONS AND ARE MY PERSONAL, UNBIASED PROFESSIONAL ANALYSIS, OPINIONS, AND CONCLUSIONS.
- I HAVE NO PRESENT OR PROSPECTIVE INTEREST IN THE PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AND I HAVE NO PERSONAL INTEREST OR BIAS WITH RESPECT TO THE PARTIES INVOLVED.
- MY COMPENSATION IS NOT CONTINGENT ON AN ACTION OR EVENT RESULTING FROM THE ANALYSIS, OPINIONS, OR CONCLUSIONS IN, OR THE USE OF, THIS REPORT.
- MY ANALYSIS, OPINIONS, AND CONCLUSIONS WERE DEVELOPED, AND THIS REPORT HAS BEEN PREPARED, IN CONFORMITY WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE.
- I HAVE MADE A PERSONAL INSPECTION OF THE PROPERTY THAT IS THE SUBJECT OF THE REPORT.
- NO ONE PROVIDED SIGNIFICANT PROFESSIONAL ASSISTANCE TO THE PERSON SIGNING THIS REPORT.
- I HAVE MADE AN INDEPENDENT VALUE JUDGMENT ON THE PROPERTY.
- THIS APPRAISAL WAS NOT BASED ON A REQUESTED MINIMUM VALUATION, A SPECIFIC VALUATION, OR THE APPROVAL OF A LOAN.

ADDITIONAL CERTIFICATIONS
THE APPRAISAL CONFORMS TO THE UNIFORM STANDARDS OF PROFESSIONAL PRACTICE ("USPAP") ADOPTED BY THE APPRAISAL STANDARDS BOARD OF THE APPRAISAL FOUNDATION, EXCEPT THE DEPARTURE PROVISIONS OF "USPAP" DOES NOT APPLY.THE PURPOSE OF THIS APPRAISAL IS TO ESTIMATE THE MARKET VALUE OF THE SUBJECT PROPERTY AS OF THE DATE OF THE APPRAISAL, FOR FEDERALLY RELATED MORTGAGE LOAN PURPOSE.

HIGHEST AND BEST USE: THAT REASONABLE AND PROBABLE USE THAT SUPPORTS THE HIGHEST PRESENT VALUE, AS DEFINED, AS OF THE EFFECTIVE DATE OF THE APPRAISAL. ALTERNATIVELY, THAT USE, FROM AMONG REASONABLY PROBABLE AND LEGAL ALTERNATIVE USES, FOUND TO BE PHYSICALLY POSSIBLE, APPROPRIATELY SUPPORTED, FINANCIALLY FEASIBLE, AND WHICH RESULTS IN THE HIGHEST LAND VALUE. (REAL ESTATE APPRAISAL TERMINOLOGY, SOCIETY OF REAL ESTATE APPRAISERS, COMPILED BY BYRL N. BOYCE).SCOPE OF THIS APPRAISAL: THE EXTENT OF THE APPRAISAL SERVICES RENDERED IN THIS ASSIGNMENT ENCOMPASS ALL OF THOSE ACTIVITIES CONSIDERED NECESSARY TO PERMIT THE APPRAISER TO FULFILL HIS ETHICAL RESPONSIBILITY IN ARRIVING AT AND REPORTING AN OBJECTIVE, DEFENSIBLE CONCLUSION OF MARKET VALUE FOR THE SUBJECT PROPERTY AS OF THE DATE OF VALUATION. THESE ACTIVITIES INCLUDE, BUT ARE NOT LIMITED TO:
- THE COLLECTION OF DATA REGARDING THE PHYSICAL PROPERTY, ITS GENERAL LOCATION, NEIGHBORHOOD TRENDS AND INFLUENCES, THE OBSERVED RELATIVE CONDITION AND EFFECTIVE AGE OF IMPROVEMENTS, THE SUBJECT'S AMENITIES AND SPECIAL FEATURES, AVAILABLE UTILITIES, ZONING AND RELATED CONTROLS, AND THE PROPERTY'S ASSESSMENT AND ANNUAL REAL ESTATE TAXES.
- A CONSIDERATION AND ANALYSIS OF THOSE FACTORS IN ORDER TO ESTABLISH A BASIS FOR ESTIMATING THE SUBJECT PROPERTY'S HIGHEST AND BEST USE AS OF THE VALUATION DATE.
- A CONSIDERATION OF THE (3) THREE TRADITIONAL APPROACHES TO VALUE, THE SALES COMPARISON

APPROACH, THE COST APPROACH AND THE INCOME APPROACH, IN AN EFFORT TO DETERMINE WHICH OF THESE IS (OR ARE) MOST APPROPRIATE, APPLICABLE, AND RELIABLY SUITED TO THE IDENTIFIED APPRAISAL PROBLEM.
- A THOROUGH EXAMINATION OF THE SUBJECT'S MARKET AREA FOR RELEVANT MARKET DATA FOR CONSIDERATION IN THE INDIVIDUAL APPROACHES TO VALUE.
- COMMUNICATION OF A WRITTEN AND DEFENSIBLE CONCLUSION OF MARKET VALUE IN A CLEAR AND CONCISE MANNER.

COMPETENCY OF THE APPRAISER.
THE APPRAISER HAS THE APPROPRIATE KNOWLEDGE AND EXPERIENCE TO COMPETENTLY COMPLETE THIS REPORT. THE VALUE ESTIMATED IN THIS REPORT IS BASED ON THE ASSUMPTION THAT THE PROPERTY IS NOT NEGATIVELY AFFECTED BY THE EXISTENCE OF HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS. THE APPRAISER IS NOT AN EXPERT IN THE IDENTIFICATION OF HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS. THE APPRAISER'S ROUTINE INSPECTION OF AND INQUIRIES ABOUT THE SUBJECT DID NOT DEVELOP ANY INFORMATION THAT INDICATED ANY APPARENT SIGNIFICANT HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS WHICH WOULD AFFECT THE PROPERTY NEGATIVELY. IT IS POSSIBLE THAT TESTS AND INSPECTIONS MADE BY A QUALIFIED HAZARDOUS SUBSTANCES AND ENVIRONMENTAL EXPERT WOULD REVEAL THE EXISTENCE OF HAZARDOUS MATERIAL AND ENVIRONMENTAL CONDITION ON OR AROUND THE PROPERTY THAT WOULD NEGATIVELY AFFECT ITS VALUE. THE APPRAISER ASSUMES NO RESPONSIBILITY FOR THE PRESENCE OF RADON GAS, AS THE APPRAISER HAS NO EXPERTISE IN THIS AREA.

THIS REPORT PRESUMES THAT RADON IS NOT PRESENT IN THE SUBJECT PROPERTY ABOVE 0.02 WORKING LEVELS (4 PICOCURIES/LITER), AND THEREFORE, NO CONSIDERATION HAS BEEN GIVEN TO THE POTENTIAL ADVERSE AFFECT ON THE VALUE OF THE PROPERTY, IF ANY, THAT RADON MIGHT CAUSE.

THE PRESENCE OF FORMALDEHYDE FOAM INSULATION COULD NOT BE DETERMINED. IF UFFI IS PRESENT, THE APPRAISED MARKET VALUE MAY BE ADVERSELY AFFECTED OR VOIDED. ANY INFORMATION STATED ON THE APPRAISAL WAS PROVIDED BY INSPECTION, OWNER OR AGENT, AND IS ASSUMED TO BE ACCURATE.

WE ARE UNABLE TO VERIFY THE INSULATION " R " FACTOR. HOWEVER, UPON VISUAL INSPECTION, IT IS BELIEVED TO BE ADEQUATE AND AVERAGE FOR DWELLINGS IN THIS AREA. THIS HAS NO AFFECT ON THE VALUE OR FUTURE MARKETABILITY OF THE SUBJECT PROPERTY.

ALL MECHANICAL SYSTEMS INCLUDING THE HEATING, ELECTRICAL, AND PLUMBING SYSTEMS APPEAR UPON A VISUAL INSPECTION TO BE IN WORKING ORDER. NO WARRANTIES ARE IMPLIED IN THIS STATEMENT.

THERE ARE NO SPECIAL CONDITIONS OR OTHER REQUIREMENTS OTHER THAN THOSE MENTIONED IN THIS APPRAISAL THAT WOULD AFFECT MARKET VALUE OR FUTURE MARKETABILITY IN THIS APPRAISAL REPORT.

PERSONAL PROPERTY, IE: FURNITURE, WINDOW TREATMENTS, BUILT-INS, ETC., HAS BEEN GIVEN NO VALUE IN THIS REPORT BECAUSE IT IS A NON-REALTY ITEM.

THE LAND TO VALUE RATIO IS COMMON FOR THIS MARKET AREA.

THIS APPRAISAL HAS BEEN MADE IN ACCORDANCE WITH TITLE XI OF THE FEDERAL FINANCIAL INSTITUTIONS REFORM RECOVERY AND ENFORCEMENT ACT OF 1989 ("FIRREA"), EFFECTIVE AUGUST 9, 1990, AS WELL AS THE UNIFORM STANDARDS OF PROFESSIONAL PRACTICE ("USPAP") PROMULGATED BY THE APPRAISAL STANDARDS BOARD OF THE APPRAISAL FOUNDATION.

THE DIGITAL PHOTOGRAPHS IN THIS REPORT ARE ORIGINAL PHOTOGRAPHS AND HAVE NOT BEEN ENHANCED OR ALTERED.

THE SIGNATURES IN THIS REPORT ARE COMPUTERIZED, ELECTRONICALLY PRINTED, AND PASSWORD PROTECTED.

COMMERCIAL USES, CONSISTING OF SHOPPING CENTERS, RESTAURANTS, INDUSTRIAL PARKS, ETC. ARE LOCATED WITHIN THE SUBJECT'S NEIGHBORHOOD. THESE USES ARE TYPICAL OF SIMILAR NEIGHBORHOODS AND HAVE NO ADVERSE AFFECT ON THE MARKET VALUE OR THE FUTURE MARKETABILITY OF THE SUBJECT.

Client: 966 GATES AVE LLC	File No.: TM-966GatesAve1025 12-31-2015
Property Address: 966 GATES AVE	Case No.:
City: BROOKLYN State: NY	Zip: 11221

THE APPRAISER UTILIZED THE MOST RECENT AND BEST AVAILABLE COMAPRABLES FOR THE SUBECT PROPERTY.
A THOROUGH SEARCH OF ALL AVAILABLE DATA SOURCES 12 MONTHS AND 1 MILE FROM THE SUBJECT , SEARCH SOURCES INCLUDING COMPS INC. AND MLS REVEALED NO OTHER MORE RECENT SALES THAN THOSE PROVIDED, DUE TO LOW TRANSFER ACTIVITY OF ARMS LEGNTH TRANSACTIONS, A LIMITED NUMBER OF SALES WERE AVAILABLE WITHIN THE SUBJECT AREA, ALL COMPS SHARE SIMILAR MARKETABILITY AS THE COMPS ARE LOCATED WITHIN 1.5 MILES FROM THE SUBJECT, THIER USE IN THE APPRAISAL REPORT WILL NOT HAVE ANY ADVERSE AFFECT ON OUR APPRAISED VALUE.

A THORUGH SEARCH OF ALL AVAIALBLE DATA SOURCES REVEALED NO CLOSED COMAPRABLE SALES WITHIN THE RECENT 90 DAYS FROM THE DATE OF THIS APRPAISAL REPORT, FOR THIS REASON THE APPRAISER WAS FORCED TO UTILIZE SALES IN EXCESS OF 90 DAYS. THIS WILL HAVE NO ADVERSE AFFECTON OUR APPRAISED VALUE AS THE ESTIMATED MARKET EXPOSURE TIME IS 3-6 MONTHS.

MARKET DATA APPROACH

THE APPRAISER CONDUCTED AN EXTENSIVE SEARCH OF THE SUBJECT NEIGHBORHOOD AND COMPETING AREAS. THE SALES PROCESSED IN THIS REPORT REPRESENT THE MOST SIMILAR SIGNIFICANT TRANSFERS AVAILABLE. ALL COMPARABLE SALES ARE SIMILAR DWELLINGS LOCATED WITHIN CLOSE PROXIMITY TO THE SUBJECT PROPERTY. THE COMPARABLE SALES SELECTED FOR THIS APPRAISAL WERE THE MOST CURRENT AND BEST CHOICES TO REPRESENT THE MARKETABILITY OF THE SUBJECT PROPERTY AND SECURED FROM THE VARIOUS SOURCES INCLUDING GEODATA, COMPS INC, LOCAL BROKERS, MLS AND INTERNAL DATA SOURCES. AS ADJUSTED, THESE SALES REPRESENT A REASONABLE RANGE OF VALUE FOR DETERMINING THE FINAL VALUE ESTIMATE. ALL ADJUSTMENTS WERE MARKET DERIVED AND APPLIED ACCORDINGLY. THE QUALITY AND QUANTITY OF THE DATA IS CONSIDERED GOOD AND RELIABLE. A THOROUGH SEARCH USING ALL AVAILABLE DATA SOURCES INCLUDING INTERVIEW S WITH LOCAL BROKERS REVEALED NO OTHER RECENT SALES THAT W ERE SIMILAR TO THE SUBJECT. TO UTILIZE THE BEST COMPARABLE SALES POSSIBLE OF THE SUBJECT.

THE SUBJECT PROPERTY MAY POSSESS A ROOM COUNT DIFFERENT FROM COMPARABLE SALE. HOWEVER NO ADJUSTMENTS ARE NOTED. ADJUSTMENTS ARE MADE TO GROSS LIVING AREA WHERE DIFFERENCES EXIST BETWEEN A COMPARABLE SALE AND THE SUBJECT PROPERTY. ALTHOUGH SOME COMPARABLE SALES HAVE ACTUAL AGE DIFFERENT FROM THE SUBJECT PROPERTY, THE SUBJECT PROPERTY AND COMPARABLE SALES HAVE SIMILAR EFFECTIVE AGES. THEREFORE, NO ADJUSTMENTS ARE WARRANTED UNLESS EXTREME CASE WHERE THE EFFECTIVE AGES DIFFER. WHERE THERE ARE FEW HOME OF THE SAME STYLE IN OUR SUBJECT'S NEIGHBORHOOD, THIS APPRAISER USE DIFFERENT STYLE COMPARABLES SALES WITH EQUAL MARKET DEMAND, SIMILAR GROSS LIVING AREA, AND SIMILAR FUNCTIONAL UTILITY. THE SALES CONCESSIONS FOR ALL THE COMPARABLE SALES, IF ANY, ARE NOT AVAILABLE THROUGH STANDARD DATA SOURCES USED IN THIS APPRAISAL PRACTICE. CONCESSIONS ARE COMMON WITHIN THE SUBJECT MARKET AREA BUT DO NOT HAVE AN ADVERSE AFFECT ON THE MARKETABILITY OF THE SUBJECT PROPERTY OR OF THE COMPARABLE SALES.

OTHER SALES WITHIN OUR SEARCH RESULTS WERE NOT CONSIDERED RELEVANT AND COMPETING TO THE SUBJECT THERFORE NOT UTILIZED WITHIN THE R**EPORT, ALL SALES PROVIDED HAVE BEEN ADJUSTED FOR MARKET DIFFERENCES AND THE SALES WITHIN THE APPRAISAL REPORT WILL NOT HAVE ANY ADVERSE AFFECT ON OUR APPRAISED VALUE.**

THE APPRAISER CONDUCTED AN EXTENSIVE SEARCH OF THE SUBJECT NEIGHBORHOOD AND COMPETING AREAS. THE SALES PROCESSED IN THIS REPORT REPRESENT THE MOST SIMILAR SIGNIFICANT TRANSFERS AVAILABLE. ALL COMPARABLE SALES ARE SIMILAR STYLE DWELLINGS LOCATED WITHIN CLOSE PROXIMITY TO THE SUBJECT PROPERTY. THE COMPARABLE SALES SELECTED FOR THIS APPRAISAL WERE THE MOST CURRENT AND BEST CHOICES TO REPRESENT THE MARKETABILITY OF THE SUBJECT PROPERTY AND SECURED FROM THE VARIOUS SOURCES INCLUDING GEODATA, COMPS INC, LOCAL BROKERS, MLS AND INTERNAL DATA SOURCES. AS ADJUSTED, THESE SALES REPRESENT A REASONABLE RANGE OF VALUE FOR DETERMINING THE FINAL VALUE ESTIMATE. ALL ADJUSTMENTS WERE MARKET DERIVED AND APPLIED ACCORDINGLY. THE QUALITY AND QUANTITY OF THE DATA IS CONSIDERED GOOD AND RELIABLE. A THOROUGH SEARCH USING ALL AVAILABLE DATA SOURCES INCLUDING INTERVIEWS WITH LOCAL BROKERS REVEALED NO OTHER RECENT SALES THAT WERE SIMILAR TO THE SUBJECT. TO UTILIZE THE BEST COMPARABLE SALES POSSIBLE OF THE SUBJECT.

ADJUSTMENTS:
$95/SQ.FT. WAS UTILIZED FOR DIFFERENCE IN GLA.
$5/SQ FT ADJSUTED FOR SITE.OVER 500 SQ FT
$5000 ADJSUTED PER BATHROOM

ATTACHED VS SEMI ATTACHED ADJUSTED AT $50,000

7% ADJSUTED FOR QUALITY WAS MADE TO COMPS 1 AND 5 PER DICSUSSION WITH LOCAL BROKERS AND REVIEW OF OLR AND STREETEASY/ MLS LISTING THESE DWELLINGS SOLD WITH SUPERIOR QUALITY OF CONSTRUCTION.
7% ADJSUTED FOR QUALITY AND 7% FOR CONDTION WAS MADE TO COMPS 2 PER DICSUSSION WITH LOCAL BROKERS AND REVIEW OF OLR AND STREETEASY/ MLS LISTING THESE DWELLINGS SOLD IN INFERIOR OVERALL QUALITY OF CONSTRUCTION AND CONDITION WHEN COMPARED TO THE SUBJECT.

ALL ADJUSTMENTS ARE MARKET DERIVED UTILIZING THE DIFFERENCES BETWEEN THE PERDOMINANT VALUES WITHIN THE SUBJECT NEIGHBORHOOD.

ADDENDUM

Client: 966 GATES AVE LLC		File No.: TM-966GatesAve1025 12-31-2015
Property Address: 966 GATES AVE		Case No.:
City: BROOKLYN	State: NY	Zip: 11221

ALTHOUGH APPRAISED VALUE VARIES FROM PERDOMINANT VALUE IS THAT THE SUBJECT IS APPRAISED AT THE HIGHER RANGE OF VALUES WITHIN THE AREA AS IT IS A GOOD CONDITION NEW CONSTRUCTION DWELLING AND HAS FEATURES AND ADDITIONS THAT COMPARBALES AT THE LOWER END LACK, THE APPRAISER CHOSE THE MOST RECENT AND CLOSEST COMPARBALES TO THE SUBJECT TO BASE OUR FINAL VALUE ESTIMATE. THIS WILL NOT HAVE AN ADVERSE AFFECT ON MARKETABILITY OR OUR APPRAISED VALUE. AN ADJUSTMENT FOR AGE WAS NOT WARRANTED, ALL COMPARABLES SHARE SIMILAR EFFECTIVE AGES AS THE SUBJECT

A THORUGH SEARCH OF ALL AVAIALBLE DATA SOURCES REVEALED LIMITED CLOSED COMAPRABLE SALES WITHIN THE RECENT 6 MONTHS FROM THE DATE OF THIS APRPAISAL REPORT, FOR THIS REASON THE APPRAISER WAS FORCED TO UTILIZE SALES IN EXCESS OF 6 MONTHS. COMPS 1 AND 2 WERE SOLD IN EXCESS OF SIX MONTHS , THESE SALES WERE UTILIZED DUE TO A LOW TURN OVER OF SIMILAR RELEVANT AND COMPETING SALES. THIS WILL HAVE NO ADVERSE AFFECTON OUR APPRAISED VALUE

SENSISTIVITY ANALYSIS VALUES BASED ON INCOME APPROACH /GRM :THE GROSS RENT MULTIPLIER RANGE IS COMMON FOR THIS AREA WITH THE ADOPTED GRM REPRESENTING THE CURRENT MARKET MULTIPLIER FOR THE SUBJECTS MARKET AREA ADOPTED GRM 190 CURRENT MARKET RENT $6700=$1,273,000 CURRENT VALUE BASED ON MARKET RENT.

GRM -
+5%= $1,336,650

-5%= $1,209,350

+10%=$1,400,300

-10%=$1,145,700

THE USE OF THE LABEL MARKET VALUE IS CONSISTENT WITH FAIR VALUE FOR THIS REPORT

MOST EMPHASIS WAS PLACED ON COMPARABLES # 1 AND 2 AS THEY ARE SIMILAR RELEVANT AND COMPETING SALES THAT SHARE SIMILAR UTILITY AND FUNCTIONAL USE. THE APPRAISER RECONCILLED AND ADJUTED FOR MARKET DIFFERENCES. THE APPRAISER CONDUCTED AN EXTENSIVE SEARCH OF THE SUBJECT NEIGHBORHOOD AND COMPETING AREAS. THE SALES PROCESSED IN THIS REPORT REPRESENT THE MOST SIMILAR SIGNIFICANT TRANSFERS AVAILABLE. ALL COMPARABLE SALES ARE SIMILAR STYLE DWELLINGS LOCATED WITHIN CLOSE PROXIMITY TO THE SUBJECT PROPERTY. THE COMPARABLE SALES SELECTED FOR THIS APPRAISAL WERE THE MOST CURRENT AND BEST CHOICES TO REPRESENT THE MARKETABILITY OF THE SUBJECT PROPERTY AND SECURED FROM THE VARIOUS SOURCES INCLUDING GEODATA, COMPS INC, LOCAL BROKERS, MLS AND INTERNAL DATA SOURCES. AS ADJUSTED, THESE SALES REPRESENT A REASONABLE RANGE OF VALUE FOR DETERMINING THE FINAL VALUE ESTIMATE. ALL ADJUSTMENTS WERE MARKET DERIVED AND APPLIED ACCORDINGLY. THE QUALITY AND QUANTITY OF THE DATA IS CONSIDERED GOOD AND RELIABLE

THE MARKET RENT IS USED FOR VALUATIONCURRENT RENTS DO NOT IMPACT VALUE AS MARKET RENTS ARE UTILIZED. RENTS ARE PER 1 YEAR BASIS PAID MONTHLY. GRM DERIVED FROM RENTAL COMPARABLES AND CLOSED SALES UTILIZED IN REPORT.

SUBJECT PROPERTY PHOTO ADDENDUM

Client: 966 GATES AVE LLC		File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE		Case No.:
City: BROOKLYN	State: NY	Zip: 11221

FRONT VIEW OF SUBJECT PROPERTY

Appraised Date: December 31, 2015
Appraised Value: $ 1,250,000

REAR VIEW OF SUBJECT PROPERTY

STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Client: 966 GATES AVE LLC		File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE		Case No.:
City: BROOKLYN	State: NY	Zip: 11221

COMPARABLE SALE #1

1166 GATES AVE
BROOKLYN, NY 11221
Sale Date: 07/30/2015
Sale Price: $ 1,400,000

COMPARABLE SALE #2

261 CENTRAL AVE
BROOKLYN, NY 11221
Sale Date: 09/30/2015
Sale Price: $ 1,140,000

COMPARABLE SALE #3

1184 GATES AVE
BROOKLYN, NY 11221
Sale Date: 08/07/2015
Sale Price: $ 1,250,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Client: 966 GATES AVE LLC		File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE		Case No.:
City: BROOKLYN	State: NY	Zip: 11221

COMPARABLE SALE #4

904 GREENE AVE
BROOKLYN, NY 11221
Sale Date: 05/11/2015
Sale Price: $ 1,350,000

COMPARABLE SALE #5

110 PATCHEN AVE
BROOKLYN, NY 11221
Sale Date: 03/30/2015
Sale Price: $ 1,450,000

COMPARABLE SALE #6

Sale Date:
Sale Price: $

INTERIOR PHOTOS

Client: 966 GATES AVE LLC	File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE	Case No.:
City: BROOKLYN State: NY	Zip: 11221

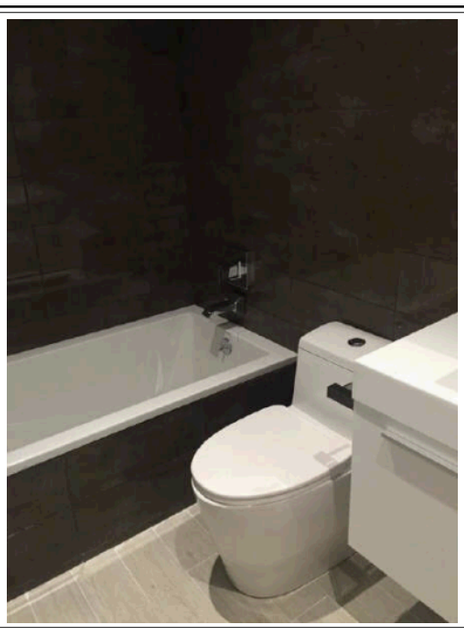
Kitchen

Comment:
UNIT 1

Living Area

Description:

Comment:
UNIT 1



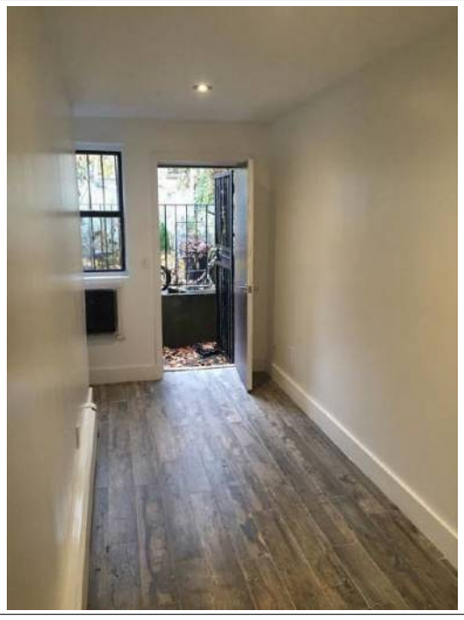
Bathroom

Description:

Comment:
UNIT 1

BATHROOM PHOTOS

Client: 966 GATES AVE LLC		File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE		Case No.:
City: BROOKLYN	State: NY	Zip: 11221



Comment:
BEDROOM UNIT 1

Comment:
BEDROOM UNIT 1

Comment:
METERS

INTERIOR PHOTOS

Client: 966 GATES AVE LLC	File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE	Case No.:
City: BROOKLYN State: NY	Zip: 11221

Comment:
UNIT 2 KITCHEN

Comment:
UNIT 2 LIVING ROOM

Comment:
UNIT 2 DEN

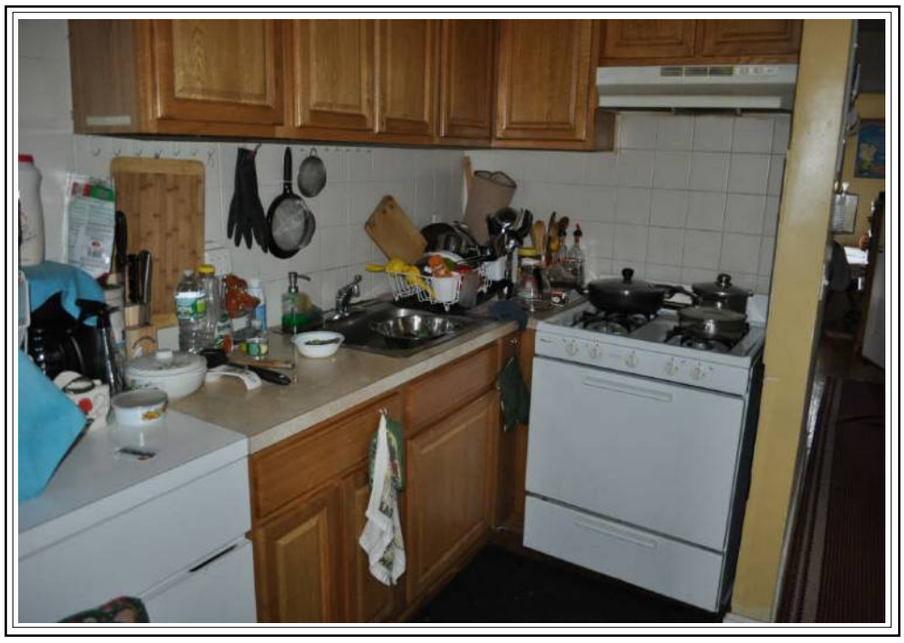
Client: 966 GATES AVE LLC		File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE		Case No.:
City: BROOKLYN	State: NY	Zip: 11221

UNIT 2 BEDROOM

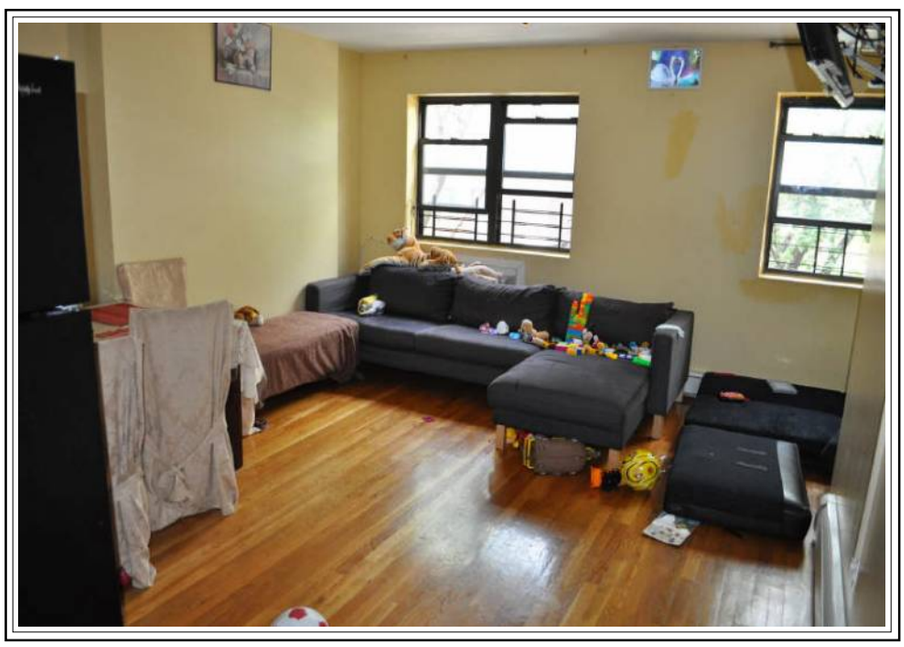
UNIT 2 BEDROOM

UNIT 2 BATHROOM

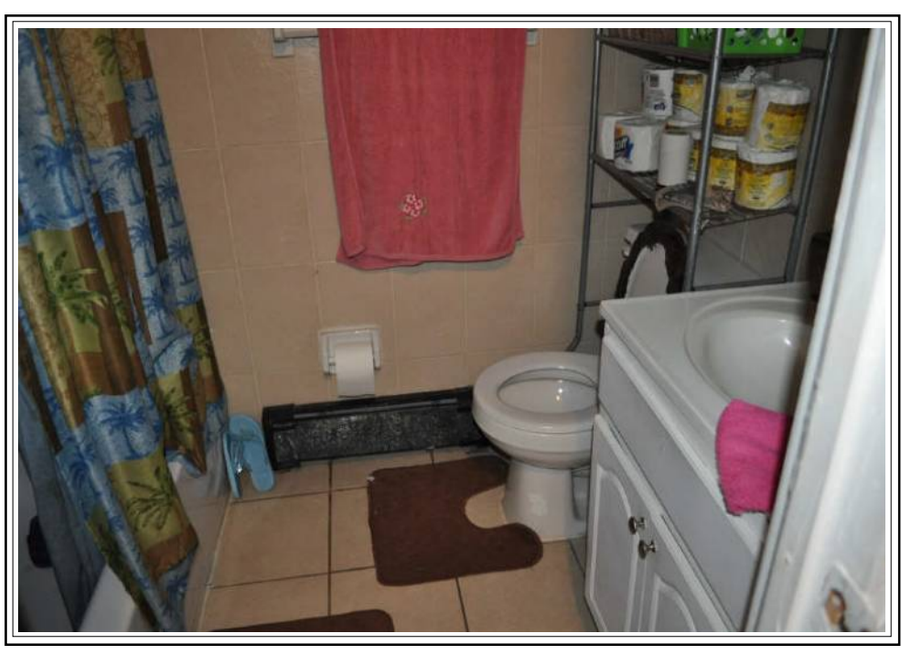
Client: 966 GATES AVE LLC	File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE	Case No.:
City: BROOKLYN State: NY	Zip: 11221



UNIT 3 KITCHEN

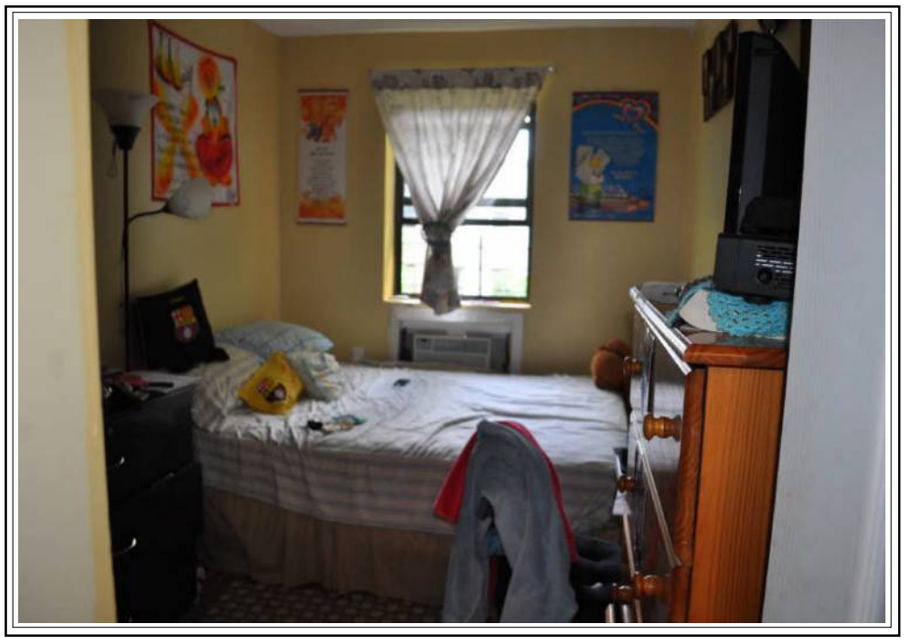


UNIT 3 LIVING ROOM



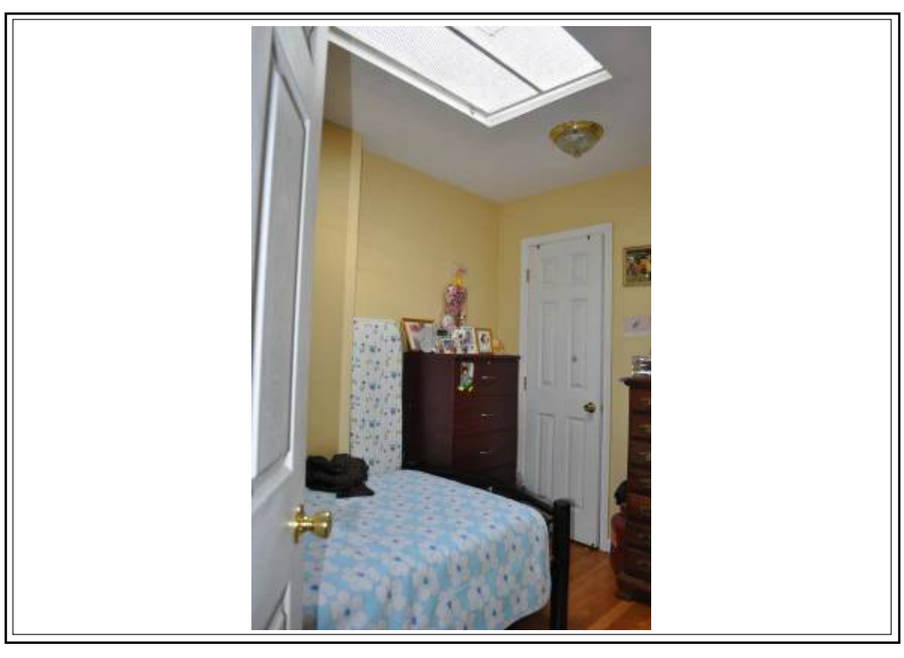
UNIT 3 BATHROOM

Client: 966 GATES AVE LLC		File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE		Case No.:
City: BROOKLYN	State: NY	Zip: 11221



UNIT 3 BEDROOM

UNIT 3 BEDROOM



UNIT 3 DEN

Client: 966 GATES AVE LLC		File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE		Case No.:
City: BROOKLYN	State: NY	Zip: 11221

METERS

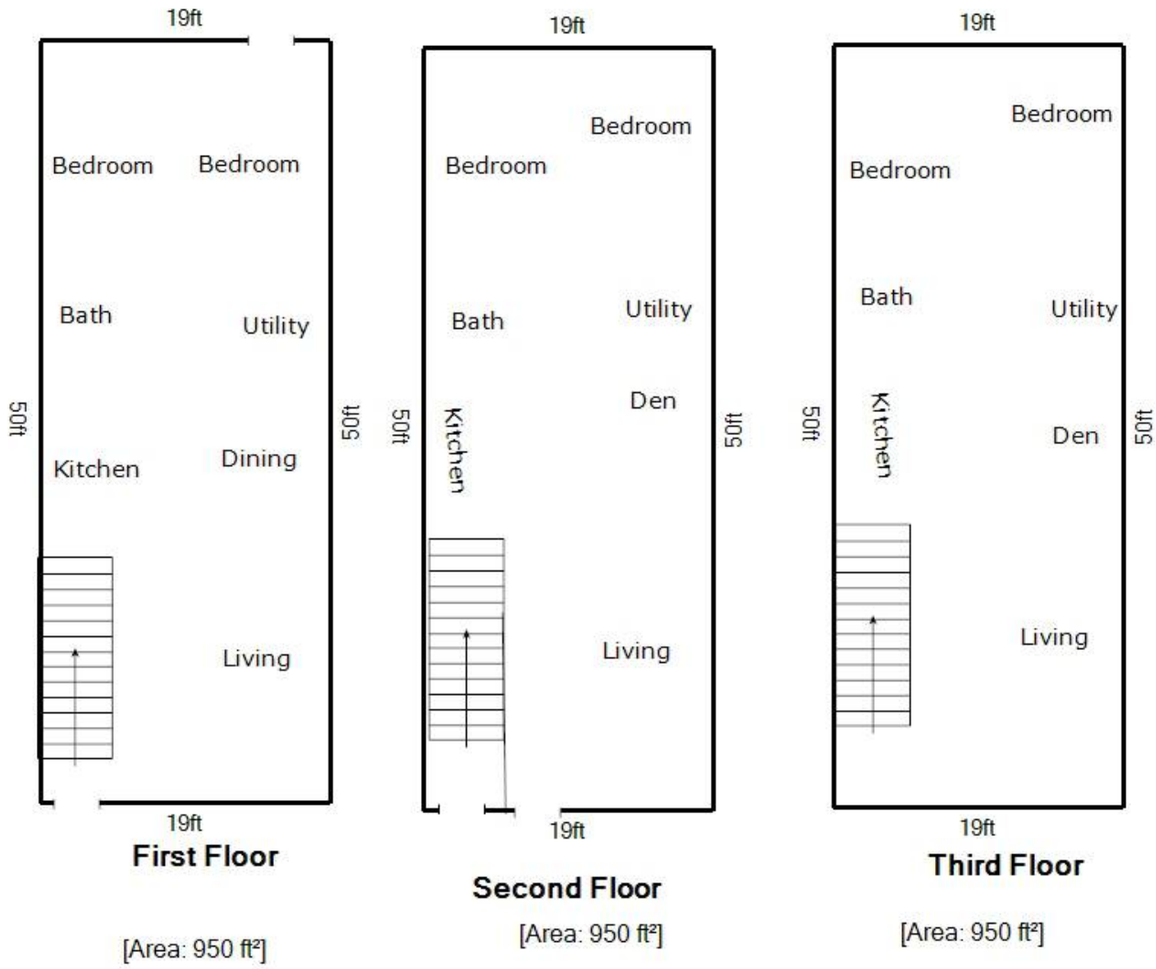
ALTERNATE STREET VIEW

ALTERNATE FRONT VIEW

FLOORPLAN SKETCH

Client: 966 GATES AVE LLC		File No.:	TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE		Case No.:	
City: BROOKLYN	State: NY	Zip: 11221	

Sketch



10 ft

Living Area		Area Calculation					
First Floor	950 ft²	First Floor					x 1.00 = 950 ft²
Second Floor	950.00 ft²	☐	50ft x	19ft x	1.00 =	950 ft²	
Third Floor	950.00 ft²	Second Floor					x 1.00 = 950.00 ft²
		☐	50ft x	19ft x	1.00 =	950 ft²	
		Third Floor					x 1.00 = 950.00 ft²
Total Living Area (rounded):	**2850 ft²**	☐	50ft x	19ft x	1.00 =	950.00 ft²	

LOCATION MAP

Client: 966 GATES AVE LLC	File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE	Case No.:
City: BROOKLYN State: NY	Zip: 11221

UNIQUE ID NUMBER
45000049437

State of New York
Department of State

DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 84561

EFFECTIVE DATE
MO. 06 DAY 08 YR. 15

EXPIRATION DATE
MO. 06 DAY 07 YR. 17

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

BORUKHOV OLEG
C/O BORUKHOV OLEG
144 15 76TH RD
FLUSHING, NY 11367

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

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

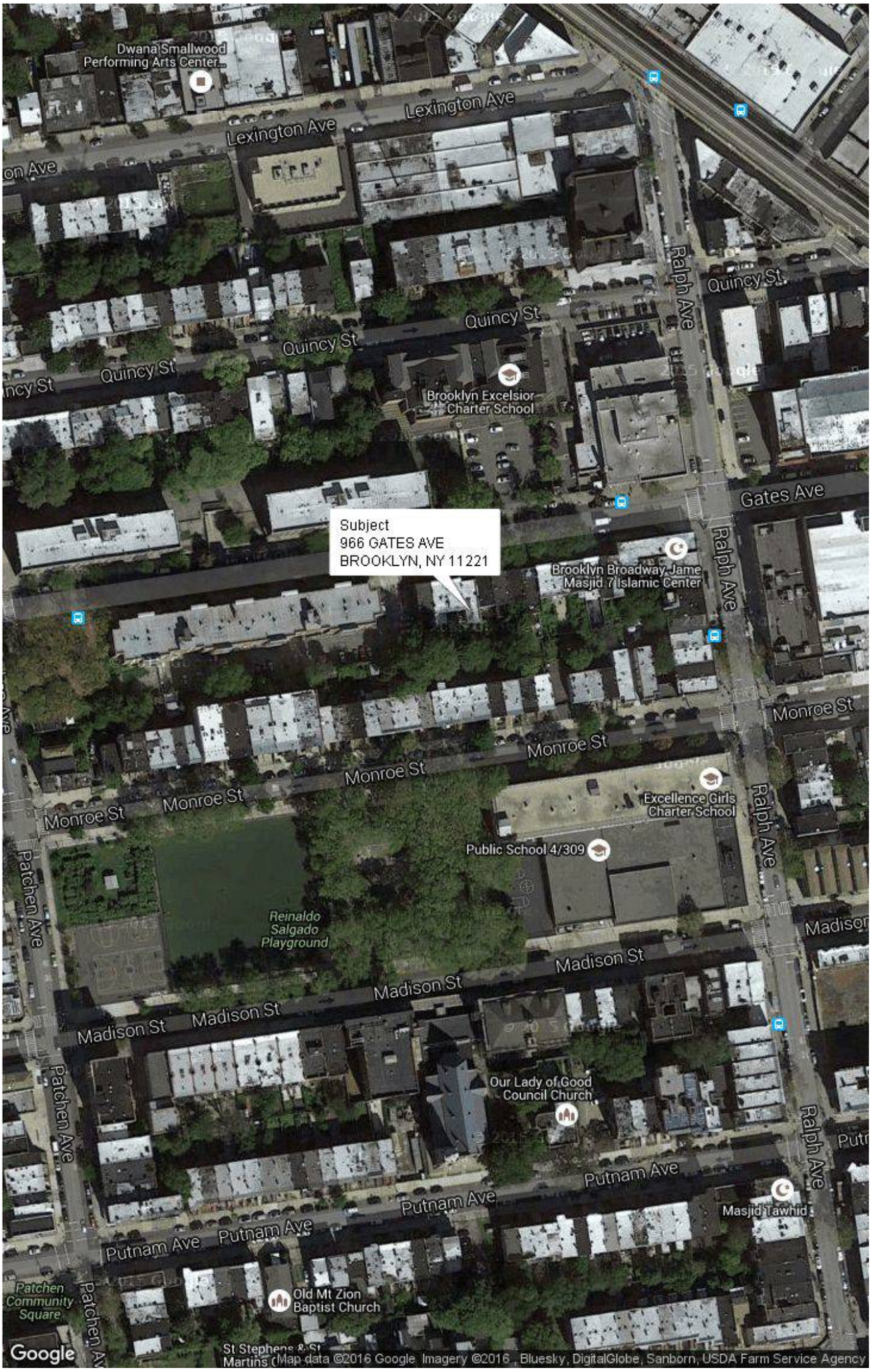
CESAR A. PERALES
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

Client: 966 GATES AVE LLC
Property Address: 966 GATES AVE
City: BROOKLYN
State: NY
Zip: 11221
File No.: TM-966GatesAve1025 12-31-201
Case No.:

AERIAL MAP

Client: 966 GATES AVE LLC		File No.: TM-966GatesAve1025 12-31-201
Property Address: 966 GATES AVE		Case No.:
City: BROOKLYN	State: NY	Zip: 11221



Fair Value Update

DATE: 01-18-2016

TO: I A T Holdings LLC.
221 BAINBRIDGE STR.
BROOKLYN, NY 11233

REFERENCE ESTIMATE THE FAIR PROPERTY MARKET VALUE
ONE RESIDENTIAL BUILDING
located at
221 BAINBRIDGE STR. BROOKLYN, NY 11233

I/We hereby certify that I/we received from the requester the order to prepare a narrative appraisal for the above property.
This report sets forth an independent opinion of the property value of the real property- the subject.

On this day, I attest that no substantial or significant value change occurs since 06/30/2015.
The estimated Fair Market Value of the subject Property, based on its market/sales value method is:

$2,745,000 as of the Appraisal update Effective Date of 12-31-2015.

Also, did not change:

- $2,479,000 for < -5%> NEGATIVE SENSITIVITY SCENARIO
  $2,282,000 for <-10%> NEGATIVE SENSITIVITY SCENARIO

- $3,028,000 for < 5%> POSITIVE SENSITIVITY SCENARIO
  $4,031,000 for <10%> POSITIVE SENSITIVITY SCENARIO

I believe that this appraisal provides a reasonable basis and holds a firm position, for the client.
The final decisions on this real estate, rests solely with the client and legal counsel, whom should take into consideration all factors of risk.

01-18-2016

Alexandru M. Pestesi-
Appraiser General of RE - New York State

cc/ file

PREAMBLE

THE SUBJECT PROPERTY IS LOCATED AT 221 BAINBRIDGE STR. BROOKLYN, NY

PROPERTY VALUATIONS REQUESTED BY "I A T Holdings LLC."

THE APPRAISER WILL PRESENT SEPARATE REPORTS ON THE PROPERTY VALUE AS:

A. CURRENT

B. POSITIVE SENSITIVITY [+5% & 10%]

C. NEGATIVE SENSITIVITY [-5% & -10%]
APPRAISAL REPORTING ON THE SUBJECT WILL BE INCLUDED IN "THE REPORT A" AMONG WITH ALL DEFINITIONS,NOTES AND ASSUMPTIONS-2015

THE "REPORTS B & C" SCENARIOS WILL ADDRESS ONLY THE PROSPECTIVE VALUATIONS BASED ON AN ANTICIPATED/POSSIBLE POSITIVE AND NEGATIVE TREND OF THE NOI- NET OPERATING VALUE

POSTED - NOTICE OF DISCLAIMER AND APPRAISAL- REPORTING CONDITIONS

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses. All Intended user(s) shall hold harmless, indemnify, and defend the Amsterdam Appraisals, its Appraisers, the officers, employees, duly authorized volunteers, and agents of each of them from and against any and all liability, loss, damage, expense, costs of every nature, and causes of actions.

The appraisal estimates the Market Value of the Leased Fee Interest of the subject property in its: " as is " and " prospective" condition as of the above noted EFFECTIVE date of value.
The appraisal is to be disclosed to the Israeli Stock Exchange and Israeli Securities Authority in connection with a public offering prospectus and potential issuance of bonds in Israel in addition to potential corporate structuring.
The appraisal may be attached to such prospectus. This report is not intended for any other use.

Amsterdam Appraisals, its Appraisers, the officers, employees, duly authorized volunteers, and agents of each of them shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.

The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.

The physical condition of the improvements considered by the Appraisal is based on visual inspection by the Appraiser or other person identified in the Report. The Appraiser assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.

LETTER OF TRANSMITTAL

DATE: 08/04/2015

TO: I A T Holdings LLC.
221 BAINBRIDGE STR.
BROOKLYN, NY 11233

REFERENCE ESTIMATE THE PROPERTY MARKET VALUE
ONE RESIDENTIAL BUILDING
located at
221 BAINBRIDGE STR. BROOKLYN, NY 11233

Real Property
Ownership Rights: Leased Fee Estate, as type of Interest

Requester: I A T Holdings LLC.
I/We hereby certify that I/we received from the requester the order to prepare a narrative appraisal for the above property.
This report sets forth an independent opinion of the property value of the real property- the subject.

Effective Date of the Appraisal: 06-30-2015

Purpose of the Appraisal: is to independently provide the estimated Market Value - MV of the property rights of the subject real property, and assist the owner[s]to establish the property's value.
REPORTS ON THE PROPERTY VALUE AS: "A - CURRENT "

Appraisal Information: This appraisal report has record of analysis with supportive data, maintained in this appraiser's work file, in compliance with the Uniform Standards of Professional Appraisal Practice.
Property Ownership Rights Appraised: are the rights inherent in the "Leased Fee Estate' subject to clean title and all existing leases.

Scope of Work and Intended Users: this appraisal is prepared to assist the requester/ owner of record to determine the specific and appropriate value in the above real property, to set property on market for redevelopment/ investment and support/secure financing, based on RE Market/Sales approach

Restricted/Limited Use: to be used and included as public report, with financial statements, as required by IFRS standards project estimated potential market value of this subject property based on scenarios that will include potential market rents, as provided by Rentometer.com – and held in the appraiser's work file.

The estimated PROPERTY VALUE AS "A - CURRENT " of the subject Property, based on its market/sales value method is:

$2,745,000 **as of the Appraisal Effective Date of 06-30-2015; there is no significant changes since earlier reported valuation as of 03/31-2015**

I believe that this appraisal provides a reasonable basis and holds a firm position, for the client.

The final decisions on this real estate, rests solely with the client and legal counsel, whom should take into consideration all factors of risk.

Alexandru M. Pestesi-
Appraiser General of RE - New York State

cc/ file

LETTER of CONSENT

We affirm that we have given our full consent to IAT Holdinggs LLC for usage of this valuation report for the property with effective date of 03-31-2015.

IAT Holdinggs LLC is further entitled to give full consent to Orckit communications Ltd. to the inclusion of the valuation report in its entirety within the Orckit Communications ltd. controlling shareholder transaction report, to be disclosed and/or published in the Tel-Aviv Stock Exchange during July 2015 and any aforementioned report and/or draft.

This Appraisal Report is to be published or disclosed to the Israeli Securities authority.

Here within, we confirm that we have given our full consent to the inclusion of this consent letter within the Orckit communications Ltd. controlling shareholder's transaction report to be published in the Tel-Aviv stock exchange during July 2015 and this report and/or supplementary report to be published or disclosed to the Israel Securities authority.

PROPERTY VALUATION REPORT

for

221 BAINBRIDGE STR. BROOKLYN, NY 11233

PHOTOS OF SUBJECT PROPERTYY

221 BAINBRIDGE STR. BROOKLYN, NY

APPRAISAL REPORT

In accordance with prior agreement between the Client/ Requester and appraiser, this summary appraisal is prepared in a narrative reporting format. It is known as an 'as-is' property condition appraisal, with the effective date of 06-30-2015.

The appraisal conforms to rules from specific guidelines of the Uniform Standards of Professional Appraisal Practice, comprises a summary of the most pertinent data.
It represents only a detailed discussion of the data, reasoning and analysis that are used in the appraisal process to develop the appraiser's opinion of value.

The depth of discussion contained in this report is specific to the needs of the client and for the intended use as stated.

THE SUBJECT PROPERTY - SALIENT PROPERTY DATA

A personal exterior field inspection of the subject property was conducted on 06-30-2015 and following are the pertinent descriptive data:

Identification:
The subject property of this appraisal consists of one tax lot, identified in the NY State- KINGS County Tax Map as:
Borough – Block – Lot: 3-1682-79
and is located at: 221 BAINBRIDGE STR. BROOKLYN, NY 11233

Lot # 0079: Lot dimensions in Feet: 30.00 X 100.00
Land area in SF 3,000 estimated via digital tax map,
RE-BUILDABLE LOT, Inside Lot- regular shape

Building C1 Building class,one 4-story brick Semi-Attached improvement,
Built over full finished basement:storage area for occupants and utilities, typical.
Residential units= 9

BUILDING DIMENSIONS – approximated/regular,
Year built 1910 Year Altered NA

BASEMENT AREA	30.0 x 90.0= 2,310SF
FIRST FLOOR AREA	30.0 x 90.0= 2,310SF
UPPER Floors AREA	30.0 x 90.0= 2,310SF

Gross Area Above Ground ~ 9,240 SF calculated by NYC-DoF
Gross Area Above Ground ~ 9,240 SF

Zoning is R6B- with a FAR Max- 2.00
[Appraiser is not a zoning/ planning expert.]

Tax map - building foot print

Client: I A T Holdings LLC.	File No.: 221BAINBRIDGE.INVOICE	
Property Address: 221 BAINBRIDGE STR	Case No.:	
City: BROOKLYN	State: NY	Zip: 11233

- continues - - -

SUBJECT PROPERTY: 221 BAINBRIDGE STR. BROOKLYN, NY 11233

RESIDENTIAL UNIT/ Lot is classified as C1 building class-use,

is described as lot # 0079.

At this time the Building is used as a residential apartments, enjoys and benefits of a ' AVERAGE' condition,

DESCRIPTION: entry via a secured main door to a entry hall.

Building/ improvements appear to be structurally sound and in 'AVERAGE', projecting a economic life of at least 60 years. Leading stairs provide access to all floors and lower basement.

APPRAISAL - HYPOTHETICAL CONDITION:

As per Client's request, this appraisal is based on the following

a- OVERALL, property is in 'AVERAGE' as its "as-is condition"

b- income is projected based on current market rents in area for apartments of anticipated equal or better condition

c- no vacancies- all units are occupied/leased at market rents

d- all potential market rents- no rent stabilized units in this building

e_ In addition: project estimated potential market value of this subject property, based on scenarios that will include:

POSITIVE and NEGATIVE AT 5% & 10% TREND OF THE NOI-

PRESENTED IN 2 SEPARATE REPORTS..

Property Transfer History:

PLAZA HOMES LLC TO I A T HOLDINGS LLC.
Property History Event Date 12-05-2014
Deed Transfer recorded $1,800,000

Appraiser was informed by I A T HOLDINGS LLC of costs encountered during and after acquisition, as such, if any legal costs to evict former occupants, the counselor-at-law and broker's fees and remedial construction work.

Active listing none posted, disclosed or discovered

REAL ESTATE ASSESSMENT - TAXATION RECORDS- official copies are attached by appraiser in the Addendum section – Property is Not Tax Exempt
PROPERTY TAXES FOR CLASS 2 – RESIDENTIAL USE in New York City are calculated based on a potential gross income estimated based on "Market Rents"

– continues - - -

The records indicate the following data: Market Rents for one-bedroom apartments in BROOKLYN, depending on amenities, location and its provided condition, demand rents ranging from $1,000 to $2,000 per month, and more for the upgraded/ new units, as provided by Rentometer.com.

This is NOT an Owner occupied building.

REAL ESTATE-Property Tax

1. The following values are from the latest assessment roll and give information about the fiscal years 2014/2015. The City fiscal year runs from July 1 to June 30.

The assessors use three approaches to value the property: sales, cost, and income.
In the case of income producing / investment properties, the City of New York uses mostly the income approach, and property is assessed for the annual real estate/ property taxes.

Property Tax Assessment from NYC-DoF
Tax year 2014/15
PROPERTY IS TAX NOT EXEMPT.
ATTACHED INTO ADDENDUM SECTION

Exemptions and Tax Abatement
Both the City and State of New York offer property tax reductions through exemptions and abatement's for residential property, constructions, and properties used by governmental, industrial, and not-for-profit organizations.
Exemptions provide tax relief: real property's assessed value and qualified abatement shall reduce taxes by applying credits to the amount of tax due.
This data comes from NYC Department of Preservation and Development (HPD) and the Department of Finance, departments which administer the J-51 Program and the 421a -

IMPROVEMENTS STATUS – GENERAL COMMENTS

Property has a main front door and lobby by the building entrance.
It is improved as required by residential occupancy/use.

Water, Electrical lighting/ power is available and turned-on

Roof and ceilings, walls appears to be sound, from interior and exterior street level- visual inspection.
Repairs/ renovation work was NOT completed in earlier years.

Building remains not upgraded and has registered/ on file with NYC_DoB many recurring violations, not corrected or dismissed.

- continues - - -

INSTALLED SYSTEMS AND AMENITIES

All utilities and amenities are available and hooked up.
Water and sewer service is provided by public utilities; electric and gas service is provided by public utilities; alarm/ security, communications, internet and telephone service is available.
Street Paving: Asphalt
Sidewalks-Curbs: Concrete; Driveway: None.

Hazards & Nuisances: none noted or disclosed by the requester/ owner[s] no dollar figure was estimated to cure the exiting soil and/or hazardous materials conditions, etc., if any such conditions exist or not.

Highest And Best Use [HBU]

It is not within the scope of work of this evaluation. However, the subject property current previous use is described in earlier sections. At this time the HBU is considered to be current one, and is called the HBU - in use.

NEIGHBORHOOD DESCRIPTION

Bedford-Stuyvesant -is a quiet neighborhood, tree-lined in the urban BROOKLYN It has always been a family neighborhood, with parks and good schools, and active community groups. The taxes are moderate to high
There are no apparent adverse factors which should affect the subject's marketability.
There many historic house; Most homes are of an above average quality materials and display a high level of conformity and compatibility.

It is conveniently located with all necessary recreational facilities, shopping, schools, etc. and consists of a mix of different styles of houses, including colonials and mixed-use; apartment housing is a major part of the mix.
Main street types are predominantly two-way, major avenues and side streets may be one-way. There are parks as well as educational establishments and office space buildings in the subject neighborhood.

In today’s expanding market these types of properties are in demand and valued for their use and maintain value.

There are no apparent adverse factors which should affect the subject's marketability.

– Continues - - -

COMMENTS ON THE LOCAL REAL ESTATE MARKET PRIOR TO AND AFTER DECEMBER- 2013

The real estate market did flatten out in last year and now, starting midsummer, is moving slowly upwards.
Several real estate experts and appraisers recognized the fact that the value of some properties is "not lost or does not decline" in some mini- market areas, during this "declining market", in general.

The financing/ lending terms are now slowly improving, among new tax credits and various incentives from sellers, lenders and government.

Recently approved, public and local government programs, for area redevelopment under old and re-zoning, is taking place and continues in this area, as well as throughout the County.

In valuing the property interests, I was observant of zoning, RESIDENTIAL area, sales in the open market, reasonable knowledge of properties uses, financing, similar type location and area knowledgeable buyers and sellers, the influence on overall impact on a property market value.

In addition, the appraiser takes into account and gives wait to the risk factors of the immediate impact of the new health reform act that forecasts medical benefits and funds reductions from local, state and federal levels.
It means, that in the present existing condition [as-is] as a property and considering the overall current market conditions and forecasts, the subject property , under those circumstances, is not in the position of commanding a high market value/ sell price, as of the effective appraisal date or in near future, mostly because is heavily/negatively impacted by high real estate taxes.

MARKET CONDITIONS

Local market conditions have started to improve, slowly and available inventory has grown and transfers took place in last 12 months, in this market.[Fewer foreclosures- as an overall observation]. The most current market data suggests RESIDENTIAL and residential housing has stabilized in the past year. Supply now meets demand. When appropriately priced, typical properties are experiencing a 3 to 6 months marketing time.

APPRAISAL PROCESS

I. IN GENERAL, a complex and detailed report is not produced, because is not significant, not requested nor was agreed to be provided.

II. AS APPLIED- APPRAISAL METHODS

All Three Approaches to an estimated property value are considered.
[Appraisal Approach or Valuation Method]

The Appraiser is presenting the calculations and The Summary with all approaches and estimates of values as derived rights.

The COST APPROACH - provides the 'technical' valuation-and elected not to be used, not a recognized approach by the NY City and State for income producing properties. *not developed at this time*

THE MARKET/ SALE COMPARISON APPROACH
provides the value estimate based on the action of typical investors/ buyers did recently in this immediate area with this typical property. It based on recent similar physical data properties and property's use. Proper adjustments are applied to bring the comparable sales that may differ from the subjects characteristics, to an hypothetical property equivalent, by the application of a recognized valuation/ appraisal ' principle of substitution'.

THE GRID - MARKET-SALES COMPARABLE ANALYSIS

From the same selection of com[parable sales the appraiser developed two grids and established two valuation factors:
1st *Price Per square Foot* with an estimated value at $2,717,000

and

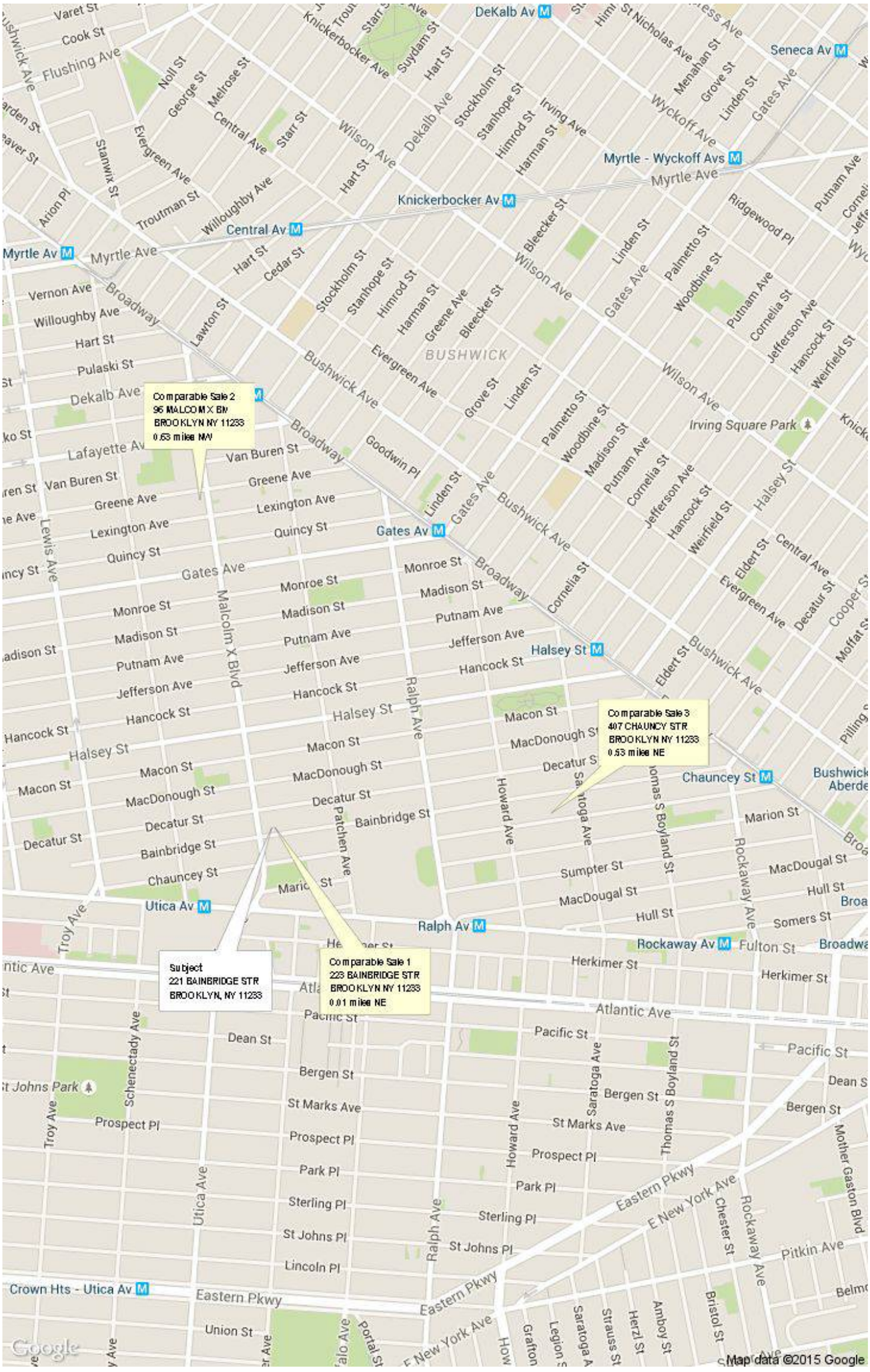
2nd *Price per Apartment* *with an estimated value at $2,745,000*

SEE NEXT PAGE

Nr.	Address	Units	Build'g G.B.A.	SALE PRICE	Sale	Price per Apartment	Time Adjusted	Location	Condition	G B A Size	Total Adjust	Price per Apartment
1	223 BAINBRIDGE STR	9	9,240	$2,600,000	04/13/15	$288,889	$288,889	0%	0%	0%	0%	$288,889
2	96 MALCOM X BLV	8	6,900	$2,165,000	01/16/15	$270,625	$270,625	0%	0%	-5%	-5%	$256,958
3	407 CHAUNCY ST	8	5,500	$2,250,000	12/06/13	$281,250	$309,375	0%	-12%	-20%	-32%	$210,375
4	126 HERKIMER STR	12	10,508	$3,750,000	04/01/15	$312,500	$328,125	0%	-20%	0%	-20%	$262,500
5	475 TOMPKINDS AV	8	12,628	$3,150,000	06/24/14	$393,750	$393,750	-5%	20%	0%	15%	$452,813
	Subject Property		[SqFt]	D O F	Date	Selected						
Nr.	Address	Class/ Units	BUILD'g AREA ABOVE GROUND	Property Value	Effective Date	Unit Factor	Time Adjusted	Location	Condition	G B A Size	Total Adjust	Unit Factor
	221 BAINBRIDGE STR	C1-R9	9,240		06/30/15	$305,000	$2,745,000	based on dollar per SqFt			High:	$452,813
	Residential Apartments	9									Average	$294,307
	SAY, THE ESTIMATED VALUE OF THIS PROPERTY VIA MARKET SALE COMPARISON, IS - - -						$2,745,000				Lowest	$210,375
	NOTE:											
	The Comparable Sales is developed based on the unit Factor as identified as "Price per SqFt"											
	1 Comparable sale properties are C1 class, were in good, Average or Bellow Average condition at the time of the sale.											
	2. Time is adjusted at.....		0%									
	3. The subject property is in an.....		Average	condition	[HYPOTHETICAL]							
	4-Subject Property at this moment in time is about the mid-range of the local market value and considered next door recent sale #1 as being inferior .											
	5-NYC_Finance has both properties assessed at the same level for taxation purposes, however Sale#1 still has open violations and complains.											

LOCATION MAP

Client: I A T Holdings LLC.		File No.: 221BAINBRIDGE.INVOICE
Property Address: 221 BAINBRIDGE STR		Case No.:
City: BROOKLYN	State: NY	Zip: 11233



Nr.	Address	Class/ Units	Build'g G.B.A.	Lot Size SF	SALE PRICE	Sale	Unit Factor	Time Adjusted	Location	Condition	G B A Size	Total Adjust	Unit Factor
1	223 BAINBRIDGE STR	C1 – 9	9,240	3,000	$2,600,000	04/13/15	$281	$281	0%	0%	0%	0%	$281
2	96 MALCOM X BLV	C1 – 8	6,900	1,725	$2,165,000	01/16/15	$314	$314	0%	0%	-5%	-5%	$298
3	407 CHAUNCY ST	C1-8	5,500	2,600	$2,250,000	12/06/13	$409	$450	0%	-12%	-20%	-32%	$306
4	126 HERKIMER STR	C1-12	10,508	4,200	$3,750,000	04/01/15	$357	$375	0%	-20%	0%	-20%	$300
5	475 TOMPKINDS AV	C1 -8	12,628	3,157	$3,150,000	06/24/14	$249	$249	-5%	20%	0%	15%	$287
	Subject Property		[SqFt]	[Ft]	D O F	Date	Selected						
Nr.	Address	Class/ Units	BUILD'g AREA ABOVE GROUND	Lot Size	Property Value	Effective Date	Unit Factor	Time Adjusted	Location	Condition	G B A Size	Total Adjust	Unit Factor
	221 BAINBRIDGE STR	C1-R9	9,240	3,000		06/30/15	$294.00	$2,716,560	based on dollar per SqFt			High:	$306
	SAY, THE ESTIMATED VALUE OF THIS PROPERTY VIA MARKET SALE COMPARISON, IS - - -							$2,717,000				Average	$294
	NOTE:											Lowest	$281
	The Comparable Sales is developed based on the unit Factor as identified as "Price per SqFt"												Price per SqFt"
	1 Comparable sale properties are C1 class, were in good, Average or Bellow Average condition at the time of the sale.												
	2. Time is adjusted at.....		0%										
	3. The subject property is in an.....		Average	condition	[HYPOTHETICAL]								
	4-Subject Property at this moment in time is about the mid-range of the local market value at $294 PSF and considered next door recent sale #1 as being inferior .												
	5-NYC_Finance has both properties assessed at the same level for taxation purposes, however Sale#1 still has open violations and complains.												
	6												

THE INCOME APPROACH -

It is applied to determine the present property value by taking into full consideration the potential future income of all sources, leases/ rents, that this property will generate as projected for the next 7 years [as holding period], and known as Potential Gross Income [as provided by requester, and subject to annual increases].

Rents in area are ranging for a 2 bedrooms from $1,365- $2,200 per month- not in rent stabilized buildings/ units, as found by using the RENTOMETER.com search website.

Appraiser selected the DISCOUNTED CASH FLOW ANALYSIS – a recognized real estate appraisal method, because the subject property is a residential investment property, and this tool takes into account the additional present worth/value of the anticipated potential of the future value, a sale out price.

From the Annual Potential Gross Income of the subject property is subtracted the Annual Operating Expenses, for each year, generating a string of 7 cash flows known as Net Operating Incomes= NOI's

The Present Value of the Future Incomes [NO] is than estimated via a Reversion of all NOI's as probable Property Value by the 7th year.

The capitalization rate was developed using the Akerson - Ellwood method, and a discount/yield was selected and used- which takes into account the following financial factors and terms: a holding term – typical for investment properties, appreciation and anticipated mortgage interest rate, a loan to value ratio, sinking fund factor and discount rate,etc. All presented in The capitalization Rate page

Via the Income approach property has an estimated value of $2,763,000

PERTINENT PROPERTY PHYSICAL DATA AND INCOMES

Block	Lot	Address	BUILD'g AREA ABOVE GROUND	Lot Size
1682	79	221 BAINBRIDGE STR	9,240	3,000
		01/01/07		

	ANALYSIS OF INCOMES AND UNIT FACTORS		PROJECTED MARKET RENTS 5-2015	
	RESIDENTIAL RENTS- UNITS	FLOOR	$ PER FLOOR	
2	4.5 ROOMS	1	$3,950	
2	4.5 ROOMS	2	$4,400	
2	4.5 ROOMS	3	$4,600	
3	2*3 +1*4 ROOMS	4	$3,800	
			$16,750	RENTS/MONTH
TOTAL	RESIDENTIAL RENTS-		$201,000	ANNUAL
	PROJECTED INCREASES AS PER LEASES @ --- >	3.75%	$208,538	
LESS	Vacancy and collection @ - - →	-2.00%	-$4,171	
	EFFECTIVE INCOME- RESIDENTIAL --->		$204,367	
TOTAL	POTENTIAL GROSS INCOME		$204,367	

THE CAPITALIZATION RATE			
221 BAINBRIDGE STR			
THE MORTGAGE EQUITY APPROACH TO CAPITALIZATION RATE			
IS DEVELOPED USING THE ACKERSON METHOD.			
THE CAPITALIZATION RATE IS BUILT ON THE FOLLOWING			
AVAILABLE MARKET DATA AND PROJECTIONS :			
MORTGAGE DATA	RATES	RATIOS	YEARS
M : LOAN TO VALUE RATIO	0.80	.	
E : EQUITY	0.20		
I : ANNUAL INTEREST RATE ON MORTGAGE	6.00%		
Ye : EQUITY YIELD RATE	8.00%		
T : TERM OF LOAN			25
N : HOLDING PERIOD			7
APP : APPRECIATION @ 3.00 % per annum,			
On 7 Years	3.75%		
RM : MORTGAGE COEFFICIENT		0.077316	
P% : PERCENTAGE OF MTG. PAID OFF		0.150180	
SFF : SINKING FUND FACTOR		0.112072	
WEIGHTED AVERAGE : M * RM + E * Ye =		0.077853	
CREDIT FOR EQUITY BUILD-UP: M * P% * SFF =		0.013465	
WEIGHTED AVERAGE LESS CREDIT FOR EQUITY BUILD-UP			
EQUALS...The ADJUSTED RATE =		0.064388	
CREDIT FOR APPRECIATION : APP * SFF =		0.004203	
THE OVERALL CAPITALIZATION RATE IS =			
ADJUSTED RATE LESS CREDIT FOR APPRECIATION		0.060185	
THUS, THE OVERALL CAPITALIZATION RATE IS =		6.02%	

THE INCOME CAPITALIZATION APPROACH TO VALUE.	TAX YEAR ENDS 06-30-2015 NYC-DOF	
THE INCOME AND EXPENSE PROJECTIONS AND CAPITALIZATION		
221 BAINBRIDGE STR	G B A	Lot Size
	9,240	3,000
PROJECTED EXPENSES,05-2015 to 04-2016	AMOUNT	Factor $/SqFt
FOR A 12 MONTHS PERIOD		
REPORTED R.E. TAXES – Tax Year 2007	$10,815	$3.65
Water & Sewer	$5,082	$0.55
Electricity	$1,386	$0.15
Heating+Hot Water: OIL / Gas	$5,544	$0.60
INSURANCE	$7,392	$0.80
MANAGEMENT	$4,087	2.00%
Wages	$12,289	$1.33
OFFICE, LICENSES, PERMITS	$1,109	$0.12
CONTRACTUAL SERV'S Exterminator & Elevator	$1,386	$0.15
Painting	$2,541	$0.28
Maintenance & Repairs	$4,620	$0.50
RESERVES: Boiler, Roof, Refrig, Stoves, etc..	$4,087	2.00%
Legal + Accounting+ fees	$1,201	13.00%
2007-TOTAL OPERATING EXPENSES (TOE)….	-$61,540	-6.66

The Income Approach		D C F A - DISCOUNTED CASH FLOW ANALYSIS					
	CASH FLOW ANALYSIS- PROJECTIONS						
					9,240	3,000	
Property is located at:	221 BAINBRIDGE STR						
Holding Year	1	2	3	4	5	6	7
	2015	2016	2017	2018	2019	2020	2021
PROJECTED-2015 INCOMES	$204,367						
PROJECTED 2015 EXPENSES	-$61,540						
EFFECTIVE NET OPERATING INCOME (NOI):	$142,827	$149,968	$157,467	$165,340	$173,607	$182,287	$191,402
	ABOVE LINE INCLUDES CASH FLOW TREND- PROJECTED INCREASE NEXT 6 YEARS						
ANNUAL-ANTICIPATED CASH FLOW TO INCREASE @	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
				Net Value @ end of 7 th Yr.....			$3,179,430
					Using a Cap Rate of....		6.02%
ANTICIPATED/ PROJECTED SALE PRICE AFTER 7 YRS HOLDING	$3,179,430						
ESTIMATED MARKET VALUE VIA DCFA	$2,707,000	@	#REF!	ANNUAL-ANTICIPATED CASH FLOW INCREASE			
MARKET SALES	$2,717,000						

DISCOUNTED CASH FLOW ANALYSIS

Address 221 BAINBRIDGE STR

YEAR	N.O.I.	8.00%	THE REVERSION FACTORS	
	THE REVERSION OF FUTURE CASH FLOWS TO PRESENT CASH VALUE	Discount		
1	$142,827	0.925926	$132,247	
2	$149,968	0.857339	$128,574	
3	$157,467	0.793832	$125,002	
4	$165,340	0.735030	$121,530	
5	$173,607	0.680583	$118,154	
6	$182,287	0.630170	$114,872	
7	$191,402	0.583490	$111,681	
7	$3,179,430	0.583490	$1,855,167	
	Reversion	[Return]	$2,707,226	Reversion

'The property value at the end of year 2003

The Market Value via Income Approach

using Discounted Cash Flow Analysis

	Factor		
Today's dollar value,	1.000000	$2,707,226	
	Say,	$2,707,000	
	Less Cost to Cure:	$0	
	Estimated Value via Income A	$2,707,000	
		Unit Factors	
BUILDING AREA -RENTABLE - SqFt:	9,240	$293	per Sq.Ft.
Units:	9	$300,778	per Unit
VALUE FROM RESIDENTIAL INCOMES → @	100.00%	$2,707,000	

Say, The Estimated Market Value is : $2,707,000

via Income/ Discounted Cash Flow Analysis -Approach

221 BAINBRIDGE STR. BROOKLYN, NY 11233

RECONCILIATION

In arriving at estimated value, I carefully give consideration to all available market data and expectations, as well as other forces operating in the marketplace, the type of land character of the neighborhood and the condition of the land under review; factors affecting real estate conditions in the area and the value of the subject property in particular.

- **The market/ comparable sales approach show the recorded actions of buyers and sellers, and consideration was given especially because subject properties indicate upgrades, renovations, etc. completed and bring it into a market of properties of above average condition, with a growing demand for residential use/ housing. This approach brings the estimated value at *$2,745,000*.**

- **The income approach brings light on how much a property could be worth just based on its financial merits, and normally carries the major weight over all valuation methods. I/ we have noted the renewed and new rentals/ leases and the distribution of expenses.**

- **In this case the appraiser elected to consider the estimated property value via income approach of *$2,763,000* , specifically using the Discounted Cash flow Analysis.(Income approach)**

Based on the data available and the analysis presented, in its current condition and 100.0% interest, this subject Property property is estimated to hold *$2,745,000* - as Current Value as of 06-30-2015, with the Appraisal Effective Date

Historically, Property values in Brooklyn New York, as well as in Metropolitan area have a positive value gradient demonstrated over 5-15 years holding terms; distressed properties that loose in value are mainly affected by catastrophic events: economic, acts of Gods/weather or major negligent/deferred maintenance to upkeep/upgrade of the property by owners.

Alexandru M. Pestesi-
Appraiser General of RE - New York State
46000013612 New York State

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analysis, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific target valuation, or the approval of a loan.
6. My analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
7. I have made a personal inspection of the property that is the subject of this report.
8. No one provided significant professional assistance to the person signing this report. I have conducted the physical inspection, researched and inspected all comparable and sales that were of relevance for this appraisal.
9. The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice.
10. The use of this report is subject to the requirements of relating to review by its duly authorized representatives.
11. As of the date of this report, I have completed the requirements of the continuing education program as required by the New York Department of state, Division of Licensing Services.
12. All pertinent data having an effect on value in arriving at my value estimate has been considered.
13. OLEG BORUKHOV- certified real estate appraiser conducted the field inspection and searched for comparable sales, market rents in area. I conducted separate comps- market rents/sales researched and selected best representative of this subject property.
14. See - POSTED - NOTICE OF DISCLAIMER AND APPRAISAL- REPORTING CONDITIONS

Property is located at: 221 BAINBRIDGE STR. BROOKLYN, NY 11233
The Appraisal Effective Date is 06-30-2015.

Alexandru M. Pestesi- .
Appraiser General of RE - New York State
46000013612 New York State

CC:/ FILE

DEFINITIONS

LEASES

Lease - Payment of rent by the lessee to the lessor, for the use of real property for a stated time period.

Lease Agreement - Binding agreement containing the terms of a renter's occupancy.

Lease Option - Agreement, specified in the lease, which provides the tenant the option to renew the lease for a given time period upon the expiration of the initial lease. Most lease options include the landlord's right to increase the rent upon renewal.

Lease With Option to Purchase - Lease, which contains the right of the lessee to buy the property at the end of the lease term.

Leased Fee - The landlord's ownership interest of a property that is under lease.

Leasehold - Agreement between the lessee and lessor specifying the lessee's rights to use the leased property for a given time at a specified rental payment.

Leasehold Estate - Possession and use of a property estate by virtue of a lease. There are four types of leasehold estates: estate for years, periodic tenancy, tenancy at will, and tenant at sufferance.

Leasehold Improvements - Fixtures attached to real estate that are generally acquired or installed by the tenant.

Leasehold Mortgage - Mortgage collateral by a tenant's interest, usually structural improvements, in a lease parcel of property.

Leasehold Value - The value of a tenant's interest in a lease, especially when the rent is below market and the lease has a long remaining term.

VALUE DEFINITIONS

'Fee Simple Estate' is defined as the 'absolute ownership unencumbered by any other interest or estate, subject only to the limitations of eminent domain, escheat, police power, and taxation".

'Leased Fee Estate' it is an ownership interest held by the landlord with the right of use and occupancy conveyed by lease to others, the right of the leassor or the leased fee owner and leased fee are specified by contract terms within the lease.

' Market value' is defined by the federal financial institutions regulatory agencies as follows:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to the Average sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) buyer and seller are typically motivated;

(2) both parties are well informed or well advised, and acting in what they consider their own best interests;

(3) a reasonable time is allowed for exposure in the open market;

(4) payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and

(5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

ASSUMPTIONS AND LIMITING CONDITIONS

In General: The subject property is considered free and clear of all liens and encumbrances and subject to assumptions and limiting conditions attached.

This Appraisal Report is based on the above requirements, conditioned upon The Certification, Assumptions, and Limiting Conditions set forth within its body.

PRIVACY DISCLOSURE, GEOGRAPHIC AND COMPETENCY

I/we have not performed any services, as an appraiser or in any other capacity on the subject property within the five year period, immediately preceding acceptance of this assignment.
Subject property is located about 10.00 miles away of – full address is disclosed.

This appraiser of real estates has over 28 years OF APPRAISING AND ASSESSING real properties in this specific local RE market area as well as he appraised in many other zip codes, neighborhoods' and counties located in New York City and State, in full compliance with IRS, USPAP, FHA_HUD and lenders/ clients guidelines.

Appraiser is very familiar with the property value history; collapsing earlier RE market and now an improving/ recovery; made observations while employed as a City Senior Assessor in Brooklyn and Kings Counties, as part of the New construction team, where I appraised for the NYC_ Finance Real Property & Assessment offices. In addition, as part of AUDIT- RPT Taxation, applied forensic appraisals/ valuations techniques on single or several property estates: land, residential, RESIDENTIAL and manufacturing, with ranging in values from $225,000 to over a Billion US Dollars, based on taxpayers public record of sale/ transfers and NYC_Guidelines, as well as USPAP's, providing individual opinion, critique and recommendations.

Appraiser conducted professional real estate appraisal reports while employed by the New York City-Housing Preservation Department 1986-2005 and certified-licensed general appraiser- NY State since 1994.

++

CITATIONS FROM: 2014-15 USPAP Modifications Released on Jan 07, 2014, In order to assist our members to become familiar with the new 2014-15 modifications to USPAP effective January 1, 2014 ASA's Ethics Committee has prepared a brief summary outlining the modifications.

Appraiser chose the following :

"The Appraisal Standards Board (ASB) 2014-15 modifications to USPAP become effective January 1, 2014. These modifications include:
Report Options in STANDARDS 2, 8, and 10—USPAP previously had three written report options for real property and personal property appraisal assignments: Self-Contained Appraisal Report, Summary Appraisal Report, and Restricted Use Appraisal Report. USPAP now has two written report options, Appraisal Report and Restricted Appraisal Report, for real property and personal property appraisal assignments; this is similar to STANDARD 10 Business Appraisal Reporting. In STANDARDS 2, 8, and 10, the "restricted use" report option name was changed to Restricted Appraisal Report.

An Appraisal Report must summarize the appraiser's analysis and the rationale for the conclusions. A Restricted Appraisal Report might not include sufficient information for the client (no other intended users are allowed) to understand either the appraiser's analyses or rationale for the appraiser's conclusions.

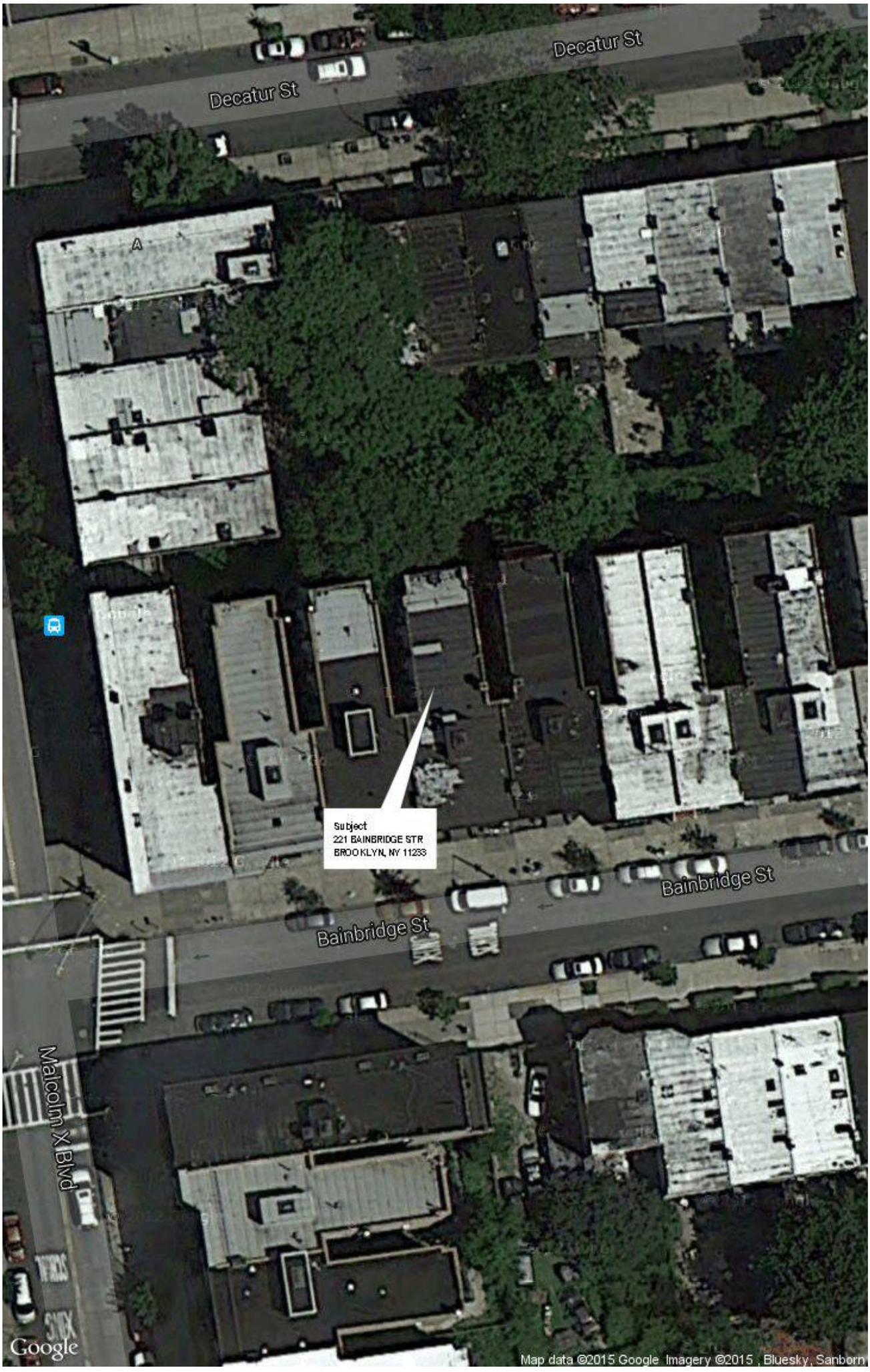
Additional edits were made to the minimum report requirements. In Standards Rule 2-2(a)(i), clarifying changes were made regarding intended users. The order of the requirements in subsections (iii) and (iv) within Standards Rule 2-2(a) were rearranged. In Standards Rule 2-2(a)(vi), the date of report was defined. In Standards Rule 2-2(a)(vii) and 2-2(b)(vii) the statement, "The signing appraiser must also state the name(s) of those providing the significant real estate assistance" was edited. The new statement eliminates the signing appraiser, and states "The name(s) of those providing the significant real property appraisal assistance must be stated in the certification." In Standards Rule 2-2(a)(viii), "agreements of sale" was added. In Standards Rule 2-2(a)(ix) and 2-2(b)(ix), the statement was divided with the last part of the statement becoming Standards Rule 2-2(a)(x) and 2-2(b)(x). The remaining items under these Standards Rules were renumbered. Similar changes were made to Standards Rules 8-2 and 10-2.

Lastly, to be consistent with items identified in the development requirements of Standards Rule l-2(e)(i), an edit was made to Standards Rule 2-2(a)(iii) to include the summarization of legal characteristics relevant to the assignment. This edit is not viewed by the ASB as a new requirement; rather, it clarifies legal characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal must be communicated."

MAPS and AERIAL VIEWS

AERIAL MAP

Client: I A T Holdings LLC.		File No.: 221BAINBRIDGE.INVOICE
Property Address: 221 BAINBRIDGE STR		Case No.:
City: BROOKLYN	State: NY	Zip: 11233



2015 USPAP Assumptions & Conditions

Citations from The Appraisal Institute on Common Errors and Issues

Prospective Value

One key assignment element is the effective date of value, which may be a current date, a retrospective date, or a prospective date. If your assignment is for a proposed project, your client may need a value that is effective as of the date of completion and/or date of stabilization (prospective values).
Or your client might need to know what the property would be worth if it were completed as of today (current value). Either is allowable. Each can provide the client with a useful conclusion.

Prospective Value – Value Date

In a prospective value assignment, you may be asked for the value as of either a specific date or a specific event. The date of value to be used in an analysis is identified based on the nature of the problem to be solved.
If your client requests a value as of a specific event, such as completion of construction or stabilization of the property, you will need to figure out what future date will be associated with that event. The client, developer, or other parties to the assignment may provide you with dates reflecting their estimate of completion, lease-up, or stabilization. These may be reasonable estimates, but you cannot assume they are without some consideration. It is not appropriate for you to accept the developer's estimate of completion or stabilization at face value. You must consider the market and determine if the completion, lease-up, sellout, etc., is likely to occur by the specified date.

SVP = Standards of Valuation Practice

Extraordinary Assumptions/Special Assumptions

USPAP defines "Extraordinary Assumption" as "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which if found to be false, could alter the appraiser's opinion or conclusions."

SVP defines "Special Assumption" as "an assumption, directly applicable to a specific service, which if found to be false, could alter the opinions or conclusions in an appraisal or review."
The proper use of extraordinary/special assumptions is often misunderstood. An extraordinary/special assumption is an underlying premise of the assignment, something that is believed to be true for the sake of the analysis, but whether or not it is in fact true is uncertain.

The condition or premise is presumed to be true *as of the effective date*, not after or before. So it is specific to the assignment and pertinent as of the effective date only. Conditions presumed to be true *after* the effective date are projections, not assumptions.
If an assumption turns out to be false, the assignment results might be affected. This is true of both ordinary or general assumptions and extraordinary/special assumptions.

Extraordinary/special assumptions differ from the general assumptions that are often made and reported in all assignments. An extraordinary/special assumption is specific to the assignment at hand. To have an extraordinary/special assumption, the appraiser must have reason to believe the condition presumed true might not be true. That is, a red flag must be going up that alerts the appraiser and creates uncertainty about the situation.

For example, consider the case of an appraisal of an older gas station. The date of value is the current date. It is known that many gas stations of the subject's vintage have leaking underground storage tanks. If so, the cost of remediation the problem could be sizable—especially if leaking fuel has made its way into the groundwater.
However, the status of the subject's tanks is uncertain. If you proceed with the assignment based on the assumption that the property does not have leaking tanks, you would be using an extraordinary/special assumption—it is specific to your assignment and would likely affect your value conclusion if found to be incorrect.

A second example is the very common case of a ***"drive-by appraisal,"*** in which the subject improvements are visually inspected only from the curb. To proceed with such an assignment, you must establish something to be true about the size, condition, and other characteristics of the property that are relevant to the valuation problem. Sources for such information may include prior appraisals completed by another; county records; or even the verbal information from the owner or agent. The information may be true, but from the appraiser's viewpoint there is uncertainty attached to it, and the valuation will hinge on one or more extraordinary/special assumptions about the "gaps in the facts."

It is important to understand that when an extraordinary/special assumption proves to be contrary to the truth, it does not mean the appraiser was "wrong." The appraiser must ascertain that the use of the extraordinary/special assumption is appropriate given the client's intended use of the assignment results. Then, unless agreed upon with the client at the time of the assignment, the appraiser is under no obligation to "fix" or "correct" an appraisal upon learning that the premise—the reason for the extraordinary/special assumption—is false. A value opinion is always developed within the context of the assignment as defined by the scope of work and other assignment parameters such as the date of value and the type of value, as well as stated hypothetical conditions and extraordinary/special assumptions. If an extraordinary/special assumption made in an appraisal subsequently turns out to be false, the appraiser could accept a new assignment that would reflect the different underlying premise.

- USPAP's SR 2-2 a (x) and b (x) require that an appraisal report "clearly and conspicuously state all extraordinary assumptions; and state that their use might have affected the assignment results."

- SVP's SR C-2 (a) (xvi) and (b) (xiii) require that a written report clearly and conspicuously state all special assumptions and that their use might have affected the opinions and conclusions.

The statement that the use of the extraordinary/special assumption might have affected the assignment results/opinions/conclusions is required and is critical so that the report is not misleading. These rules do not require that the property be appraised twice—both with and without the extraordinary/special assumption. It simply means the client and intended users must be alerted to the extraordinary/special assumptions so that their significance, given the intended use, can be comprehended.
Many assignments involve one or more extraordinary/special assumptions. In reporting, extraordinary/special assumptions need to be handled in a specific manner. Extraordinary/special assumptions must be conspicuously disclosed. They cannot be inserted in fine print or buried in the addenda where they are unlikely to be read. It may be appropriate to cite extraordinary/special assumptions in more than one place in your report, depending on their significance to the assignment.

Hypothetical Conditions

Hypothetical conditions are conditions that you know to be contrary to fact but you take them to be true for the purpose of the analysis. Contrast these with extraordinary/special assumptions, which are about uncertainties.

Hypothetical conditions are conditions presumed true *on the effective date*, not before or after.
The decision to base an appraisal on a hypothetical condition must be carefully considered. The hypothetical condition must be appropriate given the client's intended use of the assignment results and can't be so outlandish that it leads to non-credible results.

It may be necessary to use a hypothetical condition for legal or comparison purposes. The resulting analysis and conclusions must be credible, and the hypothetical condition must be clearly disclosed. Your client needs to know what the hypothetical condition is and how it might affect your value conclusion. In reporting, hypothetical conditions need to be handled in a specific manner.

- USPAP SR 2-2 a (x) and b (x) require that you "clearly and conspicuously state all hypothetical conditions; and state that their use might have affected the assignment results."

- SVP SR C-2 a (xvi) and b (xiii) require that you "clearly and conspicuously state … all hypothetical conditions; and that their use might have affected the valuer's opinion(s) and conclusion(s)."

The statement that the use of the hypothetical condition might have affected the assignment results/opinions/conclusions is required and is critical so that the report is not misleading.
Hypothetical conditions must be conspicuously disclosed, not buried in the back of the report or shown in tiny print. It may be appropriate to cite all hypothetical conditions in more than one place in your report, depending on their significance to the value conclusion.

One of the most common hypothetical conditions is in the case of a proposed property valued as of the current date. Almost all appraisals of residential construction projects are performed this way and therefore are based on a hypothetical condition—that is, that improvements are already complete when, in fact, the improvements don't exist.
When using a hypothetical condition, terminology is important. It is appropriate to note that the value is based on the hypothetical condition. You then explain the condition. The value itself is not hypothetical—it's not a "hypothetical value." Rather, the value is based on a hypothetical condition.

USPAP Advisory Opinion 17, *Appraisals of Real Property with Proposed Improvements*, for further information.

There is confusion about how to qualify your reporting of a prospective value.
Extraordinary/special assumptions help you report prospective value without being misleading; they assist you in being clear about your valuation process, opinions, and conclusions. To some it is confusing whether the value of proposed construction or of non-stabilized properties should be based on a hypothetical condition or an extraordinary/special assumption.
If your effective value date is a current date, your appraisal will be based on the hypothetical condition that the improvements exist when, in fact, they do not. If your value date is in the future, when you anticipate completion (a prospective value), then your appraisal will be based on the extraordinary/special assumption that the improvements will indeed be completed as proposed as of that date.
Whenever the date of value is a prospective date (even in cases that don't involve proposed construction), there will be one "automatic" extraordinary/special assumption that relates to the potential changes between the current time, when you are researching and writing the report, and the effective future value date. Because you cannot see into the future, you want to point out that you assume no significant changes will take place.

Reporting prospective values must be done with care. According to Statement No. 4 in USPAP:
"In prospective value opinions, use of the term 'market value' without a modifier such as 'forecasted' or 'prospective' and without future verb tenses is improper." It
It is correct to state your conclusion as "market value as of (future date) will be $XXX," rather than "the market value is…."

PREAMBLE

THE SUBJECT PROPERTY IS LOCATED AT 221 BAINBRIDGE STR. BROOKLYN, NY

PROPERTY VALUATIONS REQUESTED BY "I A T Holdings LLC."

THE APPRAISER WILL PRESENT SEPARATE REPORTS ON THE PROPERTY VALUE AS:

B. POSITIVE SENSITIVITY [5% & 10%]

APPRAISAL REPORTING ON THE SUBJECT WILL BE INCLUDED IN "THE REPORT A" AMONG WITH ALL DEFINITIONS,NOTES AND ASSUMPTIONS-2015

THE "REPORT B " SCENARIOS WILL ADDRESS ONLY THE PROSPECTIVE VALUATIONS BASED ON AN ANTICIPATED/POSSIBLE POSITIVE TREND OF THE NOI- NET OPERATING VALUE

LETTER OF TRANSMITTAL

DATE: 08/04/2015

TO: I A T Holdings LLC.
221 BAINBRIDGE STR.
BROOKLYN, NY 11233

REFERENCE ESTIMATE THE PROPERTY MARKET VALUE
ONE RESIDENTIAL BUILDING
located at
221 BAINBRIDGE STR. BROOKLYN, NY 11233

Real Property
Ownership Rights: Leased Fee Estate, as type of Interest

Requester: I A T Holdings LLC.
I/We hereby certify that I/we received from the requester the order to prepare a narrative appraisal for the above property.
This report sets forth an independent opinion of the property value of the real property- the subject.

Effective Date of the Appraisal: 06-30-2015

Purpose of the Appraisal: is to independently provide the estimated Market Value - MV of the property rights of the subject real property, and assist the owner[s]to establish the property's value and conduct a sensitivity valuation REPORT ON THE PROPERTY VALUE AS: "B - POSITIVE "

Restricted/Limited Use: to be used and included as public report, with financial statements, as required by IFRS standards project estimated potential market value of this subject property based on scenarios that will include potential market rents, as provided by Rentometer.com – and held in the appraiser's work file.

The estimated PROPERTY VALUE AS "B - POSITIVE " of the subject Property, based on its market/sales value method is:

- ***$3,028,000*** for < 5%> POSITIVE SENSITIVITY SCENARIO
- ***$4,031,000*** for <10%> POSITIVE SENSITIVITY SCENARIO

as of the Appraisal Effective Date of 06-30-2015.

I believe that this appraisal provides a reasonable basis and holds a firm position, for the client.

The final decisions on this real estate, rests solely with the client and legal counsel, whom should take into consideration all factors of risk.

Alexandru M. Pestesi 2015 AP 1

_____.

Alexandru M. Pestesi-
Appraiser General of RE - New York State cc/ file

POSITIVE SENSITIVITY
VALUATION REPORT

for

221 BAINBRIDGE STR. BROOKLYN, NY 11233

SENSITIVITY VALUATION REPORT -B -POSITIVE

In accordance with prior agreement between the Client/ Requester and appraiser, this restricted appraisal is prepared in a short narrative reporting format.
It is known as an proposed market and property condition appraisal, with the effective date of 06-30-2015.

The appraisal conforms to rules from specific guidelines of the Uniform Standards of Professional Appraisal Practice, comprises a summary of the most relevant data.
It represents only a discussion of the future data trend scenario with reasoning and synthesis that are used in the valuation procedure to develop the appraiser's opinion of value, under those unique assumptions.

The depth of discussion contained in this report is specific to the needs of the client and for the intended use as stated.

SUBJECT PROPERTY: 221 BAINBRIDGE STR. BROOKLYN, NY 11233

RESIDENTIAL UNIT/ Lot is classified as C1 building class-use,

is described as lot # 0079.

At this time the Building is used as a residential apartments, enjoys and benefits of a ' AVERAGE' condition,

APPRAISAL - HYPOTHETICAL CONDITION:

As per Client's request, this appraisal is based on the following

a- OVERALL, property is in 'AVERAGE' as its “as-is condition”

b- income is projected based on current market rents in area for apartments of anticipated equal or better condition

B- no vacancies- all units are occupied/leased at market rents

In addition: appraiser has been asked to estimate the potential value of this property, based on this scenario that will include:

POSITIVE 5% & 10% TREND OF THE NOI - PRESENTED, presented here-within.

APPRAISAL AS APPLIED METHOD

THE INCOME APPROACH -It is applied to determine the present property value by taking into full consideration the potential future income of all sources, leases/ rents, that this property will generate as projected for the next 7 years [as holding period], and known as Potential Gross Income [as provided by requester, and subject to annual increases].

Rents in area are ranging for a 2 bedrooms from $1,365- $2,200 per month- not in rent stabilized buildings/ units, as found by using the RENTOMETER.com search website.

Appraiser selected the DISCOUNTED CASH FLOW ANALYSIS – a recognized real estate appraisal method, because the subject property is a residential investment property, and this tool takes into account the additional present worth/value of the anticipated potential of the future value, a sale out price.

From the Annual Potential Gross Income of the subject property is subtracted the Annual Operating Expenses, for each year, generating a string of 7 cash flows known as Net Operating Incomes= NOI's

The Present Value of the Future Incomes [NO] is than estimated via a Reversion of all NOI's as probable Property Value by the 7th year.

The capitalization rate was developed using the Akerson - Ellwood method, and a discount/yield was selected and used- which takes into account the following financial factors and terms: a holding term – typical for investment properties, appreciation and anticipated mortgage interest rate, a loan to value ratio, sinking fund factor and discount rate,etc. All presented in The capitalization Rate page

These represent the scenario outcome, as follow:

- ***$3,028,000*** **for < 5%> POSITIVE SENSITIVITY SCENARIO**
- ***$4,031,000*** **for <10%> POSITIVE SENSITIVITY SCENARIO**

- SEE NEXT PAGE – DCFA - CALCULATIONS

PERTINENT PROPERTY PHYSICAL DATA AND INCOMES

Block	Lot	Address	BUILD'g AREA ABOVE GROUND	Lot Size
1682	79	221 BAINBRIDGE STR	9,240	3,000
		01/01/07		

	ANALYSIS OF INCOMES AND UNIT FACTORS		PROJECTED MARKET RENTS 5-2015	
	RESIDENTIAL RENTS- UNITS	FLOOR	$ PER FLOOR	
2	4.5 ROOMS	1	$4,200	
2	4.5 ROOMS	2	$4,400	
2	4.5 ROOMS	3	$4,400	
3	2*3 +1*4 ROOMS	4	$4,300	
		0	$17,300	RENTS/MONTH
TOTAL	RESIDENTIAL RENTS-		$207,600	ANNUAL
	PROJECTED INCREASES AS PER LEASES @ --- >	5.00%	$217,980	
LESS	Vacancy and collection @ - - →	-2.00%	-$4,360	
EFFECTIVE	INCOME- RESIDENTIAL --->		$213,620	
TOTAL	POTENTIAL GROSS INCOME		$213,620	

THE INCOME CAPITALIZATION APPROACH TO VALUE.	TAX YEAR ENDS 06-30-2015 NYC-DOF	
THE INCOME AND EXPENSE PROJECTIONS AND CAPITALIZATION		
221 BAINBRIDGE STR	G B A	Lot Size
	9,240	3,000
PROJECTED EXPENSES,05-2015 to 04-2016	AMOUNT	Factor $/SqFt
FOR A 12 MONTHS PERIOD		
REPORTED R.E. TAXES – Tax Year 2007	$11,031	$3.65
Water & Sewer	$5,158	$0.55
Electricity	$1,414	$0.15
Heating+Hot Water: OIL / Gas	$5,655	$0.60
INSURANCE	$7,392	$0.80
MANAGEMENT	$4,272	2.00%
Wages	$12,289	$1.33
OFFICE, LICENSES, PERMITS	$1,109	$0.12
CONTRACTUAL SERV'S Exterminator & Elevator	$1,386	$0.15
Painting	$2,541	$0.28
Maintenance & Repairs	$4,620	$0.50
RESERVES: Boiler, Roof, Refrig, Stoves, etc..	$4,272	2.00%
Legal + Accounting+ fees	$1,201	13.00%
2007-TOTAL OPERATING EXPENSES (TOE)….	-$62,341	-6.75

The Income Approach		D C F A - DISCOUNTED CASH FLOW ANALYSIS					
	CASH FLOW ANALYSIS- PROJECTIONS						
					9,240	3,000	
Property is located at:	221 BAINBRIDGE STR						
Holding Year	1	2	3	4	5	6	7
	2015	2016	2017	2018	2019	2020	2021
PROJECTED-2015 INCOMES	$213,620						
PROJECTED 2015 EXPENSES	-$62,341						
EFFECTIVE NET OPERATING INCOME (NOI):	$158,843	$166,785	$175,125	$183,881	$193,075	$202,729	$212,865
	ABOVE LINE INCLUDES CASH FLOW TREND- PROJECTED FOR THE NEXT 6 YEARS						
ANNUAL-ANTICIPATED CASH FLOW TO INCREASE @	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
						Net Value @ end of 7 th Yr.....	$3,577,565
						Using a Cap Rate of....	5.95%
ESTIMATED MARKET VALUE VIA DCFA	$3,028,000	@	5.00%	ANNUAL-ANTICIPATED CASH FLOW TREND			
BASED ON 7 YEARS HOLDING- TERM							

DISCOUNTED CASH FLOW ANALYSIS

Address 221 BAINBRIDGE STR

YEAR	N.O.I.	8.00%	THE REVERSION FACTOR	
	FUTURE CASH FLOWS TO PRESENT CASH VALUE	Discount		
1	$151,279	0.925926	$140,073	
2	$166,785	0.857339	$142,992	
3	$175,125	0.793832	$139,020	
4	$183,881	0.735030	$135,158	
5	$193,075	0.680583	$131,404	
6	$202,729	0.630170	$127,753	
7	$212,865	0.583490	$124,205	
7	$3,577,565	0.583490	$2,087,475	
	Reversion	[Return]	$3,028,079	Reversion

'The property value at the end of holding term

The Market Value via Income Approach using Discounted Cash Flow Analysis

	Factor	
Today's dollar value,	1.000000	$3,028,079
	Say,	$3,028,000

via Income/ Discounted Cash Flow Analysis -Approach $3,028,000

		Unit Factors	
BUILDING AREA -RENTABLE - SqFt:	9,240	$328	per Sq.Ft.
Units:	9	$336,444	per Unit
VALUE FROM RESIDENTIAL INCOMES → @	100.00%	$3,028,000	

Say, The Estimated Market Value is : $3,028,000

via Income/ Discounted Cash Flow Analysis -Approach

The Income Approach		D C F A - DISCOUNTED CASH FLOW ANALYSIS					
	CASH FLOW ANALYSIS- PROJECTIONS						
					9,240	3,000	
Property is located at:	221 BAINBRIDGE STR						
Holding Year	1	2	3	4	5	6	7
	2015	2016	2017	2018	2019	2020	2021
PROJECTED-2015 INCOMES	$213,620						
PROJECTED 2015 EXPENSES	-$62,341						
EFFECTIVE NET OPERATING INCOME (NOI):	$166,407	$183,048	$201,353	$221,488	$243,637	$268,000	$294,800
	ABOVE LINE INCLUDES CASH FLOW TREND- PROJECTED FOR THE NEXT 6 YEARS						
ANNUAL-ANTICIPATED CASH FLOW TO INCREASE @	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
						Net Value @ end of 7 th Yr.....	$4,954,630
						Using a Cap Rate of....	5.95%
ESTIMATED MARKET VALUE VIA DCFA	$4,031,000	@	10.00%	ANNUAL-ANTICIPATED CASH FLOW TREND			
BASED ON 7 YEARS HOLDING- TERM							

The Income Approach

	DISCOUNTED CASH FLOW ANALYSIS			
Address	221 BAINBRIDGE STR			
YEAR	N.O.I.	8.00%	THE REVERSION FACTORS	
	THE REVERSION OF FUTURE CASH FLOWS TO PRESENT CASH VALUE	Discount		
1	$151,279	0.925926	$140,073	
2	$166,407	0.857339	$142,667	
3	$183,048	0.793832	$145,309	
4	$201,353	0.735030	$148,000	
5	$221,488	0.680583	$150,741	
6	$243,637	0.630170	$153,532	
7	$268,000	0.583490	$156,376	
7	$4,504,209	0.583490	$2,628,163	
	Reversion	[Return]	$3,664,862	Reversion
	'The property value at the end of year 2003			
	The Market Value via Income Approach			
	using Discounted Cash Flow Analysis			
		Factor		
	Today's dollar value,	1.000000	$3,664,862	
		Say,	$3,665,000	
		Less Cost to Cure:	$0	
	Estimated Value via Income A		$3,665,000	
			Unit Factors	
BUILDING AREA -RENTABLE - SqFt:		9,240	$397	per Sq.Ft.
	Units:	9	$407,222	per Unit
VALUE FROM RESIDENTIAL INCOMES → @		100.00%	$3,665,000	
	Say, The Estimated Market Value is :		$3,665,000	
	via Income/ Discounted Cash Flow Analysis -Approach			

THE CAPITALIZATION RATE			
221 BAINBRIDGE STR			
THE MORTGAGE EQUITY APPROACH TO CAPITALIZATION RATE			
IS DEVELOPED USING THE ACKERSON METHOD.			
THE CAPITALIZATION RATE IS BUILT ON THE FOLLOWING			
AVAILABLE MARKET DATA AND PROJECTIONS :			
MORTGAGE DATA	RATES	RATIOS	YEARS
M : LOAN TO VALUE RATIO	0.85	.	
E : EQUITY	0.15		
I : ANNUAL INTEREST RATE ON MORTGAGE	6.00%		
Ye : EQUITY YIELD RATE	8.00%		
T : TERM OF LOAN			25
N : HOLDING PERIOD			7
APP : APPRECIATION per annum at:	3.50%		
On 7 Years	3.50%		
RM : MORTGAGE COEFFICIENT		0.077316	
P% : PERCENTAGE OF MTG. PAID OFF		0.150180	
SFF : SINKING FUND FACTOR		0.112072	
WEIGHTED AVERAGE : M * RM + E * Ye =		0.077719	
CREDIT FOR EQUITY BUILD-UP: M * P% * SFF =		0.014306	
WEIGHTED AVERAGE LESS CREDIT FOR EQUITY BUILD-UP			
EQUALS...The ADJUSTED RATE =		0.063412	
CREDIT FOR APPRECIATION : APP * SFF =		0.003923	
THE OVERALL CAPITALIZATION RATE IS =			
ADJUSTED RATE LESS CREDIT FOR APPRECIATION		0.059490	
THUS, THE OVERALL CAPITALIZATION RATE IS =		5.95%	

CONCLUSION FOR POSITIVE SENSITIVITY SCENARIO

- **The income approach brings light on how much a property could be worth just based on its financial merits, and normally carries the major weight over all valuation methods. I/ we have used the forthcoming lease potential and proportionate distribution of expenses.**

For this scenario, the appraiser elected to consider the estimated property value via income approach , specifically using the Discounted Cash flow Analysis.

Based on the data available and the analysis presented, in its current condition and 100.0% interest, this subject Property property is estimated to hold:

- ***$2,479,000*** **for < -5%> POSITIVE SENSITIVITY SCENARIO**
- ***$2,282,000*** **for <-10%> POSITIVE SENSITIVITY SCENARIO**

Appraisal Effective Date is 06-30-2015

Historically, Property values in Brooklyn New York, as well as in Metropolitan area have a positive value gradient demonstrated over 5-15 years holding terms; distressed properties that loose in value are mainly affected by catastrophic events: economic, acts of Gods/weather or major negligent/deferred maintenance to upkeep/upgrade of the property by owners.

Alexandru M. Pestesi-
Appraiser General of RE - New York State
46000013612 New York State

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analysis, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific target valuation, or the approval of a loan.
6. My analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
7. I have made a personal inspection of the property that is the subject of this report.
8. No one provided significant professional assistance to the person signing this report. I have conducted the physical inspection, researched and inspected all comparable and sales that were of relevance for this appraisal.
9. The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice.
10. The use of this report is subject to the requirements of relating to review by its duly authorized representatives.
11. As of the date of this report, I have completed the requirements of the continuing education program as required by the New York Department of state, Division of Licensing Services.
12. All pertinent data having an effect on value in arriving at my value estimate has been considered.
13. OLEG BORUKHOV- certified real estate appraiser conducted the field inspection and searched for comparable sales, market rents in area. I conducted separate comps- market rents/sales researched and selected best representative of this subject property.
14. NOTICE OF DISCLAIMER AND APPRAISAL- REPORTING CONDITIONS

Property is located at: 221 BAINBRIDGE STR. BROOKLYN, NY 11233
The Appraisal Effective Date is 06-30-2015.

Alexandru M. Pestesi- .
Appraiser General of RE - New York State
46000013612 New York State

CC:/ FILE

LETTER OF TRANSMITTAL

DATE: 08/04/2015

TO: I A T Holdings LLC.
221 BAINBRIDGE STR.
BROOKLYN, NY 11233

REFERENCE ESTIMATE THE PROPERTY MARKET VALUE
ONE RESIDENTIAL BUILDING
located at
221 BAINBRIDGE STR. BROOKLYN, NY 11233

Real Property
Ownership Rights: Leased Fee Estate, as type of Interest

Requester: I A T Holdings LLC.
I/We hereby certify that I/we received from the requester the order to prepare a narrative appraisal for the above property.
This report sets forth an independent opinion of the property value of the real property- the subject.

Effective Date of the Appraisal: 06-30-2015

Purpose of the Appraisal: is to independently provide the estimated Market Value - MV of the property rights of the subject real property, and assist the owner[s]to establish the property's value and conduct a sensitivity valuation REPORT ON THE PROPERTY VALUE AS: "C - NEGATIVE "

Restricted/Limited Use: to be used and included as public report, with financial statements, as required by IFRS standards project estimated potential market value of this subject property based on scenarios that will include potential market rents, as provided by Rentometer.com – and held in the appraiser's work file.

The estimated PROPERTY VALUE AS "C - NEGATIVE " of the subject Property, based on its market/sales value method is:

- ***$2,479,000*** for < -5%> NEGATIVE SENSITIVITY SCENARIO
- ***$2,282,000*** for <-10%> NEGATIVE SENSITIVITY SCENARIO

as of the Appraisal Effective Date of 06-30-2015.

I believe that this appraisal provides a reasonable basis and holds a firm position, for the client.
The final decisions on this real estate, rests solely with the client and legal counsel, whom should take into consideration all factors of risk.

Alexandru M. Pestesi 2015 AP 1

Alexandru M. Pestesi-
Appraiser General of RE - New York State

cc/ file

PREAMBLE

THE SUBJECT PROPERTY IS LOCATED AT 221 BAINBRIDGE STR. BROOKLYN, NY

PROPERTY VALUATIONS REQUESTED BY "I A T Holdings LLC."

THE APPRAISER WILL PRESENT SEPARATE REPORTS ON THE PROPERTY VALUE AS:

C. NEGATIVE SENSITIVITY [-5% & -10%]

APPRAISAL REPORTING ON THE SUBJECT WILL BE INCLUDED IN "THE REPORT A" AMONG WITH ALL DEFINITIONS,NOTES AND ASSUMPTIONS-2015

THE "REPORT C " SCENARIOS WILL ADDRESS ONLY THE PROSPECTIVE VALUATIONS BASED ON AN ANTICIPATED/POSSIBLE NEGATIVE TREND OF THE NOI- NET OPERATING VALUE

NEGATIVE SENSITIVITY
VALUATION REPORT

for

221 BAINBRIDGE STR. BROOKLYN, NY 11233

SENSITIVITY VALUATION REPORT -C -NEGATIVE

In accordance with prior agreement between the Client/ Requester and appraiser, this restricted appraisal is prepared in a short narrative reporting format.
It is known as an proposed market and property condition appraisal, with the effective date of 06-30-2015.

The appraisal conforms to rules from specific guidelines of the Uniform Standards of Professional Appraisal Practice, comprises a summary of the most relevant data.
It represents only a discussion of the future data trend scenario with reasoning and synthesis that are used in the valuation procedure to develop the appraiser's opinion of value, under those unique assumptions.

The depth of discussion contained in this report is specific to the needs of the client and for the intended use as stated.

SUBJECT PROPERTY: 221 BAINBRIDGE STR. BROOKLYN, NY 11233

RESIDENTIAL UNIT/ Lot is classified as C1 building class-use,

is described as lot # 0079.

At this time the Building is used as a residential apartments, enjoys and benefits of a ' AVERAGE' condition,

APPRAISAL - HYPOTHETICAL CONDITION:

As per Client's request, this appraisal is based on the following

a- OVERALL, property is in 'AVERAGE' as its “as-is condition”

C- income is projected based on current market rents in area for apartments of anticipated equal or better condition

c- no vacancies- all units are occupied/leased at market rents

In addition: appraiser has been asked to estimate the potential value of this property, based on this scenario that will include:

NEGATIVE 5% & 10% TREND OF THE NOI - PRESENTED, presented here-within.

APPRAISAL AS APPLIED METHOD

THE INCOME APPROACH -It is applied to determine the present property value by taking into full consideration the potential future income of all sources, leases/ rents, that this property will generate as projected for the next 7 years [as holding period], and known as Potential Gross Income [as provided by requester, and subject to annual increases].

Rents in area are ranging for a 2 bedrooms from $1,365- $2,200 per month- not in rent stabilized buildings/ units, as found by using the RENTOMETER.com search website.

Appraiser selected the DISCOUNTED CASH FLOW ANALYSIS – a recognized real estate appraisal method, because the subject property is a residential investment property, and this tool takes into account the additional present worth/value of the anticipated potential of the future value, a sale out price.

From the Annual Potential Gross Income of the subject property is subtracted the Annual Operating Expenses, for each year, generating a string of 7 cash flows known as Net Operating Incomes= NOI's

The Present Value of the Future Incomes [NO] is than estimated via a Reversion of all NOI's as probable Property Value by the 7th year.

The capitalization rate was developed using the Akerson - Ellwood method, and a discount/yield was selected and used- which takes into account the following financial factors and terms: a holding term – typical for investment properties, appreciation and anticipated mortgage interest rate, a loan to value ratio, sinking fund factor and discount rate,etc. All presented in The capitalization Rate page

These represent the scenario outcome, as follow:

- ***$2,479,000*** **for < -5%> NEGATIVE SENSITIVITY SCENARIO**
- ***$2,282,000*** **for <-10%> NEGATIVE SENSITIVITY SCENARIO**

- SEE NEXT PAGE – DCFA - CALCULATIONS

PERTINENT PROPERTY PHYSICAL DATA AND INCOMES

Block	Lot	Address	BUILD'g AREA ABOVE GROUND	Lot Size
1682	79	221 BAINBRIDGE STR	9,240	3,000
		01/01/07		

	ANALYSIS OF INCOMES AND UNIT FACTORS		PROJECTED MARKET RENTS 5-2015	
	RESIDENTIAL RENTS- UNITS	FLOOR	$ PER FLOOR	
2	4.5 ROOMS	1	$4,200	
2	4.5 ROOMS	2	$4,400	
2	4.5 ROOMS	3	$4,400	
3	2*3 +1*4 ROOMS	4	$4,300	
		0	$17,300	RENTS/MONTH
TOTAL	RESIDENTIAL RENTS-		$207,600	ANNUAL
	PROJECTED INCREASES AS PER LEASES @ --- >	5.00%	$217,980	
LESS	Vacancy and collection @ - - →	-2.00%	-$4,360	
	EFFECTIVE INCOME- RESIDENTIAL --->		$213,620	
TOTAL	POTENTIAL GROSS INCOME		$213,620	
		LESS	10.00%	
			$21,362	
			$192,258	

Income and Expenses

THE INCOME CAPITALIZATION APPROACH TO VALUE.	TAX YEAR ENDS 06-30-2015 NYC-DOF	
THE INCOME AND EXPENSE PROJECTIONS AND CAPITALIZATION		
221 BAINBRIDGE STR	G B A	Lot Size
	9,240	3,000
PROJECTED EXPENSES,05-2015 to 04-2016	AMOUNT	Factor $/SqFt
FOR A 12 MONTHS PERIOD		
REPORTED R.E. TAXES – Tax Year 2007	$11,031	$3.65
Water & Sewer	$5,158	$0.55
Electricity	$1,414	$0.15
Heating+Hot Water: OIL / Gas	$5,655	$0.60
INSURANCE	$7,392	$0.80
MANAGEMENT	$4,272	2.00%
Wages	$12,289	$1.33
OFFICE, LICENSES, PERMITS	$1,109	$0.12
CONTRACTUAL SERV'S Exterminator & Elevator	$1,386	$0.15
Painting	$2,541	$0.28
Maintenance & Repairs	$4,620	$0.50
RESERVES: Boiler, Roof, Refrig, Stoves, etc..	$4,272	2.00%
Legal + Accounting+ fees	$1,016	$0.11
2007-TOTAL OPERATING EXPENSES (TOE)….	($62,156)	

The Income Approach		D C F A - DISCOUNTED CASH FLOW ANALYSIS					
	CASH FLOW ANALYSIS- PROJECTIONS						
					9,240	3,000	
Property is located at:	221 BAINBRIDGE STR						
Holding Year	1	2	3	4	5	6	7
	2015	2016	2017	2018	2019	2020	2021
PROJECTED-2015 INCOMES	$192,258						
PROJECTED 2015 EXPENSES	-$62,156						
EFFECTIVE NET OPERATING INCOME (NOI):	$135,306	$140,718	$146,347	$152,201	$158,289	$164,621	$171,205
	ABOVE LINE INCLUDES CASH FLOW TREND- PROJECTED FOR THE NEXT 6 YEARS						
ANNUAL-ANTICIPATED CASH FLOW TO INCREASE @	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
						Net Value @ end of 7 th Yr.....	$2,877,401
						Using a Cap Rate of....	5.95%
ESTIMATED MARKET VALUE VIA DCFA	$2,479,000	@	4.00%	ANNUAL-ANTICIPATED CASH FLOW TREND			
BASED ON 7 YEARS HOLDING- TERM							

DISCOUNTED CASH FLOW ANALYSIS

Address 221 BAINBRIDGE STR

YEAR	N.O.I.	8.00%	THE REVERSION FACTOR	
	FUTURE CASH FLOWS TO PRESENT CASH VALUE	Discount		
1	$151,464	0.925926	$140,244	
2	$140,718	0.857339	$120,643	
3	$146,347	0.793832	$116,175	
4	$152,201	0.735030	$111,872	
5	$158,289	0.680583	$107,729	
6	$164,621	0.630170	$103,739	
7	$171,205	0.583490	$99,897	
7	$2,877,401	0.583490	$1,678,936	
	Reversion	[Return]	$2,479,235	Reversion

'The property value at the end of holding term

The Market Value via Income Approach using Discounted Cash Flow Analysis

	Factor	
Today's dollar value,	1.000000	$2,479,235
	Say,	$2,479,000

via Income/ Discounted Cash Flow Analysis -Approach $2,479,000

		Unit Factors	
BUILDING AREA -RENTABLE - SqFt:	9,240	$268	per Sq.Ft.
Units:	9	$275,444	per Unit
VALUE FROM RESIDENTIAL INCOMES → @	100.00%	$2,479,000	

Say, The Estimated Market Value is : $2,479,000

via Income/ Discounted Cash Flow Analysis -Approach

The Income Approach		D C F A	- DISCOUNTED CASH FLOW ANALYSIS				
	CASH FLOW ANALYSIS- PROJECTIONS						
					9,240	3,000	
Property is located at:	221 BAINBRIDGE STR						
Holding Year	1	2	3	4	5	6	7
	2015	2016	2017	2018	2019	2020	2021
PROJECTED-2015 INCOMES	$182,645	INCLUDES AN ADDITIONAL MINUS OF FIRST YEAR INCOME	-5.00%	$192,258	===--->	$182,645	
PROJECTED 2015 EXPENSES	-$62,156						
EFFECTIVE NET OPERATING INCOME (NOI):	$125,309	$130,321	$135,534	$140,955	$146,593	$152,457	$158,555
	ABOVE LINE INCLUDES CASH FLOW TREND- PROJECTED FOR THE NEXT 6 YEARS						
ANNUAL-ANTICIPATED CASH FLOW TO INCREASE @	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
						Net Value @ end of 7 th Yr.....	$2,664,797
						Using a Cap Rate of....	5.95%
ESTIMATED MARKET VALUE VIA DCFA	$2,282,000	@	4.00%	ANNUAL-ANTICIPATED CASH FLOW TREND			
BASED ON 7 YEARS HOLDING- TERM							

DISCOUNTED CASH FLOW ANALYSIS

Address 221 BAINBRIDGE STR

YEAR	N.O.I.	8.00%	THE REVERSION FACTOR	
	FUTURE CASH FLOWS TO PRESENT CASH VALUE	Discount		
1	$125,309	0.925926	$116,027	
2	$130,321	0.857339	$111,729	
3	$135,534	0.793832	$107,591	
4	$140,955	0.735030	$103,606	
5	$146,593	0.680583	$99,769	
6	$152,457	0.630170	$96,074	
7	$158,555	0.583490	$92,516	
7	$2,664,797	0.583490	$1,554,884	
	Reversion	[Return]	$2,282,195	Reversion

'The property value at the end of holding term

The Market Value via Income Approach using Discounted Cash Flow Analysis

	Factor	
Today's dollar value,	1.000000	$2,282,195
	Say,	$2,282,000

via Income/ Discounted Cash Flow Analysis -Approach $2,282,000

		Unit Factors	
BUILDING AREA -RENTABLE - SqFt:	9,240	$247	per Sq.Ft.
Units:	9	$253,556	per Unit
VALUE FROM RESIDENTIAL INCOMES → @	100.00%	$2,282,000	

Say, The Estimated Market Value is : $2,282,000

via Income/ Discounted Cash Flow Analysis -Approach

THE CAPITALIZATION RATE				
221 BAINBRIDGE STR				
THE MORTGAGE EQUITY APPROACH TO CAPITALIZATION RATE				
IS DEVELOPED USING THE ACKERSON METHOD.				
THE CAPITALIZATION RATE IS BUILT ON THE FOLLOWING				
AVAILABLE MARKET DATA AND PROJECTIONS :				
MORTGAGE DATA		RATES	RATIOS	YEARS
M : LOAN TO VALUE RATIO		0.85.		
E : EQUITY		0.15		
I : ANNUAL INTEREST RATE ON MORTGAGE		6.00%		
Ye : EQUITY YIELD RATE		8.00%		
T : TERM OF LOAN				25
N : HOLDING PERIOD				7
APP : APPRECIATION per annum at:		3.50%		
On 7 Years		3.50%		
RM : MORTGAGE COEFFICIENT			0.077316	
P% : PERCENTAGE OF MTG. PAID OFF			0.150180	
SFF : SINKING FUND FACTOR			0.112072	
WEIGHTED AVERAGE : M * RM + E * Ye =			0.077719	
CREDIT FOR EQUITY BUILD-UP: M * P% * SFF =			0.014306	
WEIGHTED AVERAGE LESS CREDIT FOR EQUITY BUILD-UP				
EQUALS...The ADJUSTED RATE =			0.063412	
CREDIT FOR APPRECIATION : APP * SFF =			0.003923	
THE OVERALL CAPITALIZATION RATE IS =				
ADJUSTED RATE LESS CREDIT FOR APPRECIATION			0.059490	
THUS, THE OVERALL CAPITALIZATION RATE IS =			5.95%	

CONCLUSION FOR NEGATIVE SENSITIVITY SCENARIO

- **The income approach brings light on how much a property could be worth just based on its financial merits, and normally carries the major weight over all valuation methods. I/ we have used the forthcoming lease potential and proportionate distribution of expenses.**

For this scenario, the appraiser elected to consider the estimated property value via income approach , specifically using the Discounted Cash flow Analysis.

Based on the data available and the analysis presented, in its current condition and 100.0% interest, this subject Property property is estimated to hold:

- ***$2,479,000*** **for < -5%> NEGATIVE SENSITIVITY SCENARIO**
- ***$2,282,000*** **for <-10%> NEGATIVE SENSITIVITY SCENARIO**

Appraisal Effective Date is 06-30-2015

Historically, Property values in Brooklyn New York, as well as in Metropolitan area have a NEGATIVE value gradient demonstrated over 5-15 years holding terms; distressed properties that loose in value are mainly affected by catastrophic events: economic, acts of Gods/weather or major negligent/deferred maintenance to upkeep/upgrade of the property by owners.

Alexandru M. Pestesi-
Appraiser General of RE - New York State
46000013612 New York State

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analysis, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific target valuation, or the approval of a loan.
6. My analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
7. I have made a personal inspection of the property that is the subject of this report.
8. No one provided significant professional assistance to the person signing this report. I have conducted the physical inspection, researched and inspected all comparable and sales that were of relevance for this appraisal.
9. The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice.
10. The use of this report is subject to the requirements of relating to review by its duly authorized representatives.
11. As of the date of this report, I have completed the requirements of the continuing education program as required by the New York Department of state, Division of Licensing Services.
12. All pertinent data having an effect on value in arriving at my value estimate has been considered.
13. OLEG BORUKHOV- certified real estate appraiser conducted the field inspection and searched for comparable sales, market rents in area. I conducted separate comps- market rents/sales researched and selected best representative of this subject property.
14. NOTICE OF DISCLAIMER AND APPRAISAL- REPORTING CONDITIONS

Property is located at: 221 BAINBRIDGE STR. BROOKLYN, NY 11233
The Appraisal Effective Date is 06-30-2015.

Alexandru M. Pestesi- .
Appraiser General of RE - New York State
46000013612 New York State

CC:/ FILE

AMSTERDAM APPRAISAL SERVICES
REAL ESTATE CONSULTING AND APPRAISAL
7745 Vleigh PL, Kew Gardens, NY 11367
347-238-1276 fax. 718-228-8127
www.ValueTruth.com

08/05/2015

Amsterdam Appraisal services inc has been retained to complete 1 Valuation For Tomer Dafna as member of the LLC for the properties noted at 221 Bainbridge Ave, Brooklyn NY The date of contract between Amsterdam Appraisal services, inc and Tomer Dafna 05/05/2015. The appraisal firm employs certified residential and Certified General Appraiser to complete a variety of valuations for the firm. Alexandru Pestesi and Oleg Borukhov have been chosen to complete the valuations as they are independent appraisers certified to perform valuations of such caliber as requested by MR. Tomer Dafna . Their knowledge and expertise in matters pertaining to valuation were considered to b e relevant to the assignment specifications and scope of work.

The appraisals were ordered to establish the value for the transaction with the controlling shareholder

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout the report and to all assumptions and limiting conditions set forth herein.

Assignment type / Fair value (according to IFRS 13): "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

We have not appraised the above referenced properties prior to the effective date of the valuations completed, the conclusions of which are set forth in the attached appraisal report.The depth of analysis discussed in this report is specific to the needs of the client and for the intended use stated in the report.

Client, Intended User and Intended Use of the Report

The client and intended user of this appraisal report for (221 Bainbridge Ave) is IAT Holdings LLC

The appraisal is to be disclosed to the Israeli Stock Exchange and Israeli Securities Authority in connection with a public offering prospectus in Israel in addition to potential corporate structuring. The Letter may be attached to such prospectus.

Retrospective appraisal values derived were based on retrospective analysis of closed sales and factors affect value at time of retrospective date as noted in appraisal or any appendix of value.

Amsterdam Appraisals, its Appraisers, the officers, employees, duly authorized volunteers, and agents of each of them shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.

AMSTERDAM APPRAISAL SERVICES
REAL ESTATE CONSULTING AND APPRAISAL
7745 Vleigh PL, Kew Gardens, NY 11367
347-238-1276 fax. 718-228-8127
www.ValueTruth.com

Intended user(s) shall hold harmless, indemnify up to 3 times the Fee ($2,200) and defend Amsterdam Appraisals, its Appraisers, the officers, employees, duly authorized volunteers, and agents of each of them from and against any and all liability, loss, damage, expense, costs of every nature, and causes of actions, except for the sole negligence or willful misconduct of the appraiser.

We confirm that we have given our full consent to *The above mentioned llc's for usage of valuation report for the property dated 6/30/2015*
the relevant above mentioned LLC is further entitled to give full consent to Orckit communications ltd. To the inclusion of the valuation report in its entirety within the Orckit Communications ltd. controlling shareholder transaction report, to be disclosed and/or published in the Tel-Aviv Stock Exchange during July 2015 and any aforementioned report Report and/or supplementary report to be published or disclosed to the Israeli and/or draft securities authority.

In addition, we confirm that we have given our full consent to the inclusion of this consent letter within the Orckit communications ltd. controlling shareholder's transaction report
To be published in the Tel-Aviv stock exchange during July 2015 and any draft report and/or supplementary report to be published or disclosed to the Israel securities authority

Sincerely,

Oleg Borukhov, CRRA
Principal Senior Appraiser
CEO of Amsterdam Appraisal Services inc.
State Certified Residential Appraiser #45-49437