

APPRAISAL REPORT

PREPARED FOR

POTTSTOWN BOROUGH

PROPERTY IDENTIFICATION

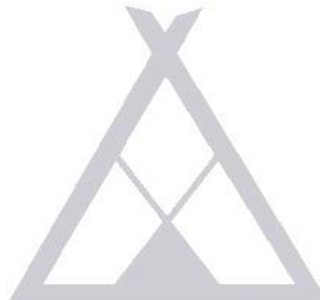
FORMER HESS SITE
191, 193 & 195 SOUTH HANOVER STREET
POTTSTOWN (19464)
POTTSTOWN BOROUGH
MONTGOMERY COUNTY, PENNSYLVANIA

AS OF

MARCH 6, 2020

BY

INDIAN VALLEY APPRAISAL COMPANY
SOUDERTON, PENNSYLVANIA
(215) 721-1986
IVAC #2020-188





Indian Valley Appraisal Company

Providing All Aspects of Real Estate Valuation

March 12, 2020

Mr. Justin Keller
Borough Manager
Pottstown Borough
100 East High Street
Pottstown Borough, Pennsylvania, 19464

Re: Appraisal Report
Former Hess Site
191, 193 & 195 South Hanover Street
Pottstown (19464)
Pottstown Borough, Montgomery County, Pennsylvania
IVAC #2020-188

Dear Mr. Keller:

At your request, we have prepared the attached appraisal report on the above-referenced property.

The conclusions reported herein cover the appraiser's opinion of current market value of the fee simple interest in the subject property as of the effective date of value. The appraisal is subject to certain assumptions, limiting conditions, and certifications which are set forth in the attached report. This appraisal is completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. One or more of the signers of this report is a designated member or affiliate member of the Appraisal Institute. This report is in compliance with the Code of Ethics of the Appraisal Institute and is subject to review by its duly authorized members.

An investigation by *Environmental Standards* (dated December 10, 2019) confirmed the suspected presence of two underground storage tanks (or USTs) on the subject property. Representation of Pottstown Borough is reasonably assuming the USTs are present on the property. This appraisal gives no consideration to the potential costs needed for the two USTs. The concluded market value of this appraisal may need to be adjusted downward by the costs of the tank removals once

they become quantified. Furthermore, the appraisal is prepared with the extraordinary assumption that the USTs may also potentially remain which will likely eliminate any mixed-use residential development potential. **The reader is hereby notified that the use of this extraordinary assumption might affect the assignment results.**

THIS LETTER MUST REMAIN ATTACHED TO THE REPORT, WHICH CONTAINS 51 PAGES PLUS RELATED EXHIBITS, IN ORDER FOR THE VALUE OPINION SET FORTH TO BE CONSIDERED VALID.

If you have any questions or comments concerning this report, please feel free to contact our office. Thank you for allowing us the opportunity of serving you.

Respectfully submitted,

INDIAN VALLEY APPRAISAL COMPANY



David A. Arnoldi, MAI
PA Certified General Real Estate Appraiser
GA001533L



Mark Abissi, MAI, AI-GRS
Reviewer
PA Certified General Real Estate Appraiser
GA000315L

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Statement of Assumptions, Facts, and Limiting Conditions

1. All data set forth in this report is true and accurate to the best of the appraiser's knowledge.
2. A land survey has not been supplied nor was one completed. Land dimensions given in this report are taken from available records and no responsibility is assumed for the accuracy of such dimensions and areas.
3. No investigation of the legal fee or title to the property is made, and the owner's claim to the property is assumed to be valid. No consideration is given to liens or encumbrances that may exist. No easements, encroachments, deed restrictions or covenants are assumed to exist on the subject property other than noted within the context of this report. A title report was not available for review at the time of this assignment. Should any easements, encroachments, deed restrictions or other covenants upon title be discovered beyond those noted within the context of this report, the appraiser reserves the right to amend this appraisal accordingly. It is recommended that the client employ the services of a title company regarding any aspects of clear title.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All opinions as to market value are presented as the appraiser's opinion based on the facts set forth in this report. No responsibility is assumed by the appraisers for changes in market conditions or for the inability of the owner to locate a purchaser at the appraised value.
7. Possession of this report does not carry with it the right of publication. No party other than the client may use this report for any purpose without the prior written consent of the appraiser. Use of this report by the client is restricted to the purpose and function of the appraisal.
8. The appraiser has no financial interest in the property appraised.
9. The fee for the appraisal report is not contingent upon the value reported.
10. This appraisal does not affix or set the price of the subject property, but offers only a supported opinion as to the present worth of anticipated benefits subject to investment risk, measured mainly by the market data that is available as of the effective date of this report. Real estate investment has a high degree of risk in performance, and success is dependent upon management, market liquidity, and other outside influences. Therefore, it should be remembered that subsequent events (worldwide, national, regional, local, or neighborhood) might change the value of the subject property.
11. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
12. It is assumed that 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 arranging for engineering studies that may be required to discover them.

13. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
14. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless the non-conformity has been stated, defined, and considered in this appraisal report.
15. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
16. It is assumed that all required licenses, certificates of occupancy, or 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 estimates contained in this report are based.
17. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
18. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate reported herein is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
19. The Americans with Disabilities Act (ADA) became effective January 26, 1992. A specific compliance survey and analysis of this property has not been made to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis for the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact would have a negative impact upon the value of the property. No consideration is made to possible noncompliance with the requirements of the ADA in estimating the value of the subject property.
20. No liability is assumed for matters that are legal in nature.
21. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
22. 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 employs the appraiser) shall be

disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

23. Indian Valley Appraisal Company, its contractors, or employees, cannot be held liable in any cause of action resulting in litigation for any dollar amount in excess of the total fees collected for this assignment.
24. The market data used in this report was verified by sources deemed reliable. Should it be confirmed at a later date that facts described within the market data are incorrect, the right is reserved to amend the appraisal accordingly and the valuation if necessary with no liability on the part of Indian Valley Appraisal Company, its contractors or employees.

Extraordinary Assumptions

The concluded market value of this appraisal may need to be adjusted downward by the costs of the tank removals once they become quantified. Furthermore, the appraisal is prepared with the extraordinary assumption that the USTs may also potentially remain which will likely eliminate any mixed-use residential development potential. **The reader is hereby notified that the use of this extraordinary assumption might affect the assignment results.**

Hypothetical Conditions

None.

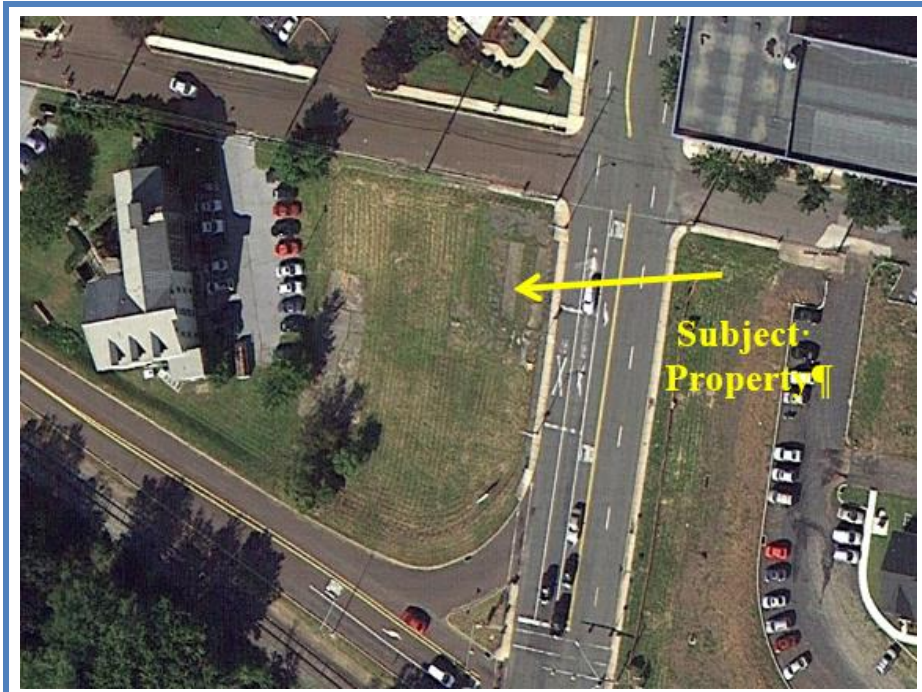
Special Risk Factors

An investigation by *Environmental Standards* (dated December 10, 2019) confirmed the suspected presence of two underground storage tanks (or USTs) on the subject property. Representation of Pottstown Borough is reasonably assuming the USTs are present on the property. This appraisal gives no consideration to the potential costs needed for the two USTs.

Summary of Salient Facts and Conclusions

<u>Location:</u>	191, 193 & 195 South Hanover Street Pottstown (19464) Pottstown Borough, Montgomery County, Pennsylvania
<u>Tax Parcel Numbers:</u>	16-00-13488-00-5 , 16-00-13484-00-9, and 16-00-13484-10-8
<u>Date of Value:</u>	March 6, 2020
<u>Date of Inspection:</u>	March 6, 2020
<u>Property Type:</u>	Vacant land.
<u>Property Rights Appraised:</u>	Fee simple interest.
<u>Land Size:</u>	0.4654 ± acres (20,275 ± square feet).
<u>Zoning:</u>	DG- Downtown Gateway District.
<u>Highest and Best Use:</u>	Commercial development.
<u><i>Final Value Conclusion:</i></u>	<i>\$120,000</i>

Photographs of the Subject Property



Aerial View



Facing Southeast into Property from South Street

FORMER HESS SITE



South Street facing East toward South Hanover Street



South Street facing West from South Hanover Street

FORMER HESS SITE



South Hanover Street facing South from South Street



Facing Southwest into Property from South Hanover and South Streets

FORMER HESS SITE



South Hanover Street facing North toward South Street from Industrial Highway



Corner of South Hanover Street and Industrial Highway

FORMER HESS SITE



Facing North into Property from South Hanover Street and Industrial Highway



Industrial Highway facing Northwest from South Hanover Street

FORMER HESS SITE



Industrial Highway facing Southeast toward South Hanover Street



Facing Northeast into Property from Industrial Highway

FORMER HESS SITE



Facing North along Rear Property Line from Industrial Highway toward South Street



Nearby Land Use



This is an appraisal report, which is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice (USPAP). As such, it presents an appropriate level of discussions of the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of value. Supporting documentation in this report is specific to the needs of the client for the intended use stated subsequently. No responsibility is assumed for unauthorized use of this report.

Property Identification

The subject of this appraisal report is identified as 191, 193 & 195 South Hanover Street, Pottstown Borough, Montgomery County, Pennsylvania. Briefly described, the subject represents vacant land.

Appraisal Problem

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject property as of the effective date. In order to determine the estimate of market value of the fee simple interest, a *Scope of Work* is outlined and defined subsequently.

Client/Intended User(s)

Per the requirements of USPAP, it is necessary to state the identity of the client, unless the client has specifically stated otherwise; and state the identity of any intended users by name or type. Authorization for the preparation of this report is given by the client, Justin Keller of Pottstown Borough of Pottstown Borough, Pennsylvania. The intended user of this appraisal is Pottstown Borough. *This appraisal is prepared solely for the identified stated users and for the intended use (stated subsequently). This appraisal may not be relied upon by any other person or entity, for any purpose, whatsoever, without a written release from the original intended user(s) and written authorization from Indian Valley Appraisal Company.*

Intended Use

The intended use of the report is to assist the client with mortgage financing decisions. The report is not to be used for any other purpose or function by the intended user(s) or by any other third party for any purpose, whatsoever.

Scope of Work

The extent of the appraisal process and work conducted in order to solve the appraisal problem is outlined as follows:

- Identification of the real estate to be appraised as well as the ownership interest and the effective date of the appraisal.
- Identification of the purpose and function for the appraisal.
- Consideration and communication of all the facts, assumptions, and limiting conditions relative to the appraisal.
- Inspection of the subject site and the interior and exterior of the improvements.
- Description and analysis of all physical and location characteristics of the appraised property and its environment.
- Determination and justification of the highest and best use.
- Collection, inspection, verification, and analysis of all market data considered relevant to the valuation.
- Consideration of all of the approaches to value including Income Capitalization, Sales Comparison, and Cost Approaches and application of the appropriate approach(es).
- Reconciliation of the indicated values of the developed approaches and final conclusion.
- Communication of the value conclusions and supporting analysis to the intended user(s) by means of a narrative report.
- An investigation by *Environmental Standards* (dated December 10, 2019) confirmed the suspected presence of two underground storage tanks (or USTs) on the subject property. Representation of Pottstown Borough is reasonably assuming the USTs are present on the property. This appraisal gives no consideration to the potential costs needed for the two USTs. The concluded market value of this appraisal may need to be adjusted downward by the costs of the tank removals once they become quantified. Furthermore, the appraisal is prepared with the extraordinary assumption that the USTs may also potentially remain which will likely eliminate any mixed-use residential development potential. **The reader is hereby notified that the use of this extraordinary assumption might affect the assignment results.**
- No other extraordinary assumptions or hypothetical conditions were used in the development of this appraisal.

Compliance

The appraisal is completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as developed by the Appraisal Foundation and with the guidelines set forth by the Office of Comptroller.

One or more of the signers of this appraisal is a designated member or affiliate member of the Appraisal Institute. The appraisal is in conformance with Code of Ethics of the Appraisal Institute and is subject to review by its duly authorized members.

Competency Disclosure

A copy of the appraiser's qualifications is exhibited in the addendum of this report.

Effective Date

David A. Arnoldi, MAI inspected the subject property on March 6, 2020. The effective date of value is March 6, 2020.

Ownership and Occupancy

The property is currently in the ownership of The Burgess and Town Council of the Borough of Pottstown and is currently vacant land. No recorded sales within the three years of the appraisal's effective valuation date are identified. The property is presently not listed nor under agreement of sale.

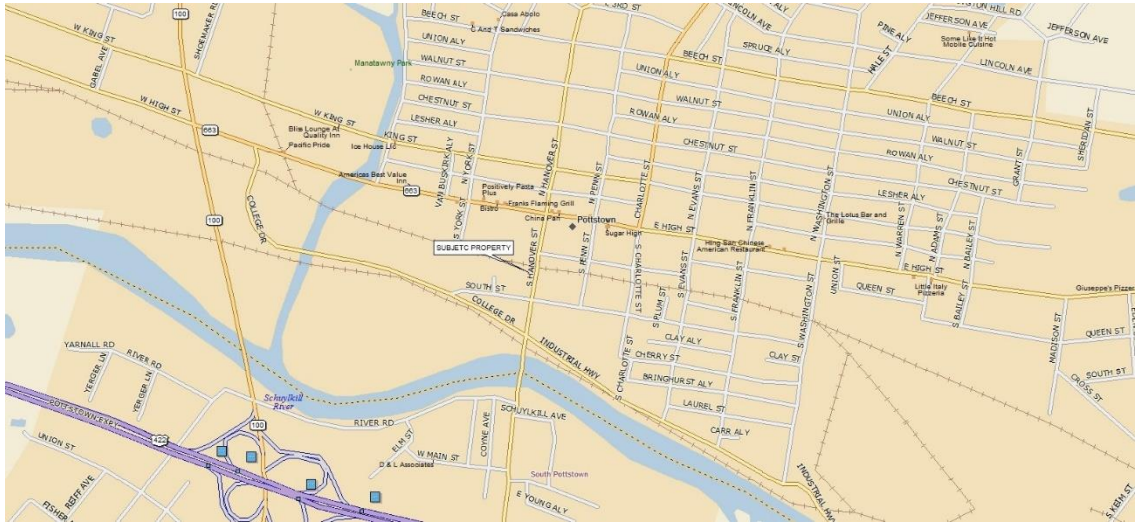
Location Description

Geographic

The subject property is located within Montgomery County, Pennsylvania. Montgomery County is bounded by Bucks County to the north, Delaware and Chester Counties to the south, City of Philadelphia to the east, and Berks County to the west. Montgomery County is part of the Philadelphia-Camden-Wilmington Metropolitan Statistical Area (MSA), which includes the Counties of Philadelphia, Montgomery, Bucks, Delaware, New Castle, Camden, Chester, Burlington, Gloucester, Cecil, and Salem.

The subject property is located on the west side of South Hanover Street in Pottstown Borough, Montgomery County, Pennsylvania. The mailing address is Pottstown and the property is located within the Pottstown School District. The subject is approximately 34 miles northwest of Center City Philadelphia and 20 miles northwest of Norristown (the county seat).

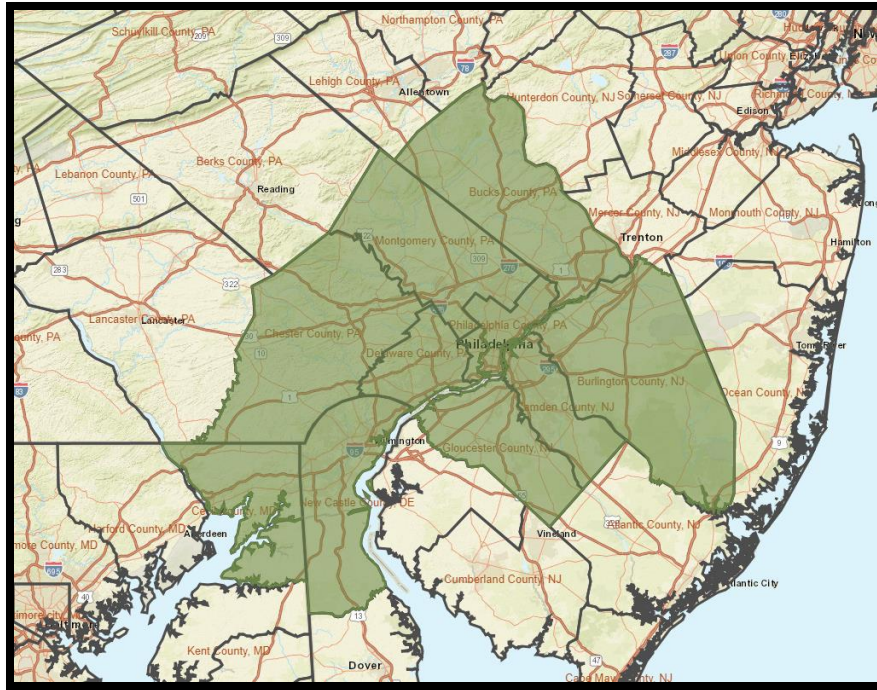
Location Map



Economic Overview

The subject property is located in Montgomery County, which is located within the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA ("Philadelphia MSA"). This MSA consists of Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties in Pennsylvania; Burlington, Camden, Gloucester, Mercer, and Salem Counties in New Jersey; New Castle County, Delaware; and Cecil County, Maryland. According to 2016 projections compiled by the US Census Bureau, the subject MSA is the seventh largest in the United States with approximately 6,070,500 people.

FORMER HESS SITE



Employment-General

Employment and unemployment data are maintained by the U.S. Department of Labor, Bureau of Labor Statistics. The most recent complete employment data from the Bureau of Labor Statistics is from October-2019. For purposes of comparison, a five-year trend of overall employment and unemployment rates is presented.

Area	Overall Employment Trends				Unemployment Rate	
	Total Employed		Change		Oct-14	Oct-19
	Oct-14	Oct-19	Overall	CAGR		
Bucks County	319,334	337,105	17,771	1.1%	4.6%	3.9%
Chester County	264,685	278,905	14,220	1.1%	3.6%	3.3%
Delaware County	277,022	292,382	15,360	1.1%	4.9%	4.2%
Montgomery County	418,399	445,550	27,151	1.3%	4.1%	3.6%
Philadelphia County	643,303	695,653	52,350	1.6%	7.3%	5.7%
PA 5-County Region	1,922,743	2,049,595	126,852	1.3%	N/A	N/A
Philadelphia MSA	2,862,746	3,042,299	179,553	1.2%	5.6%	4.1%
Carbon County	29,653	30,672	1,019	0.7%	6.0%	5.4%
Lehigh County	173,612	186,046	12,434	1.4%	5.3%	4.5%
Northampton County	147,538	155,747	8,209	1.1%	5.2%	4.4%
Lehigh Valley MSA	404,767	428,594	23,827	1.2%	5.4%	4.3%
Reading MSA	201,837	208,668	6,831	0.7%	4.7%	4.4%
Commonwealth of Pennsylvania	6,072,505	6,284,395	211,890	0.7%	5.0%	4.4%
United States	139,823,000	151,986,000	12,163,000	1.7%	5.7%	3.6%

Source: U.S. Department of Labor/Bureau of Labor Statistics

Montgomery County experienced an increase in overall employment of 27,151± people over the past five-year period. This equates to a compound annual growth rate (CAGR) of 1.3% which compares somewhat favorably to the Philadelphia MSA compound annual growth rate of 1.2%. The Montgomery County CAGR compares somewhat favorably to state levels, and somewhat unfavorably to national levels. The current unemployment rate (non-seasonally adjusted) for Montgomery County is 3.6%, which is an improvement for the same period five-years previous. The current unemployment rate for Montgomery County is less than MSA levels, and is somewhat favorable to current state levels, and also similar to national levels.

Gross Domestic Product

The Organization for Economic Cooperation and Development (OECD) defines the gross domestic product (GDP) as “a monetary measure of the market value of all final goods and services produced in a period (quarterly or yearly) of time.” The United States GDP has increased over the past 25 years, with a slight dip between 2008 and 2010, the period of the Great Recession. (Reference: Federal Reserve Bank of St. Louis).



The MSA has a diversified labor force. The Pennsylvania Department of Labor & Industry, Center for Workforce Information & Analysis Workforce Commission also maintains comparative labor force between the county and the Commonwealth of Pennsylvania. The most recent data for Montgomery County is detailed as follows:

FORMER HESS SITE

Employment by Sector Comparison (2018 Annual Average)												
Sector	Overall Employed						Average Salary					
	Montgomery County			Pennsylvania			Montgomery County			Pennsylvania		
	Overall	Percent	Rank	Overall	Percent	Rank	Overall	Rank	Overall	Rank	Percent	
Agriculture, Forestry, Fishing, and Hunting	305	0.06%	19	24,721	0.42%	20	\$29,627	18	\$36,189	16	81.9%	
Mining, Quarrying, Finishing and Hunting	256	0.05%	20	27,953	0.48%	19	\$63,803	11	\$86,498	5	73.8%	
Utilities	2,809	0.57%	18	34,980	0.60%	18	\$133,035	1	\$100,610	2	132.2%	
Construction	22,745	4.58%	9	264,074	4.50%	9	\$79,565	8	\$66,387	8	119.9%	
Manufacturing	43,955	8.85%	4	570,471	9.72%	3	\$88,775	7	\$62,583	9	141.9%	
Wholesale Trade	22,693	4.57%	10	217,396	3.70%	12	\$102,410	5	\$80,059	7	127.9%	
Retail Trade	55,994	11.27%	2	624,326	10.64%	2	\$32,568	17	\$29,152	19	111.7%	
Transportation and Warehousing	11,440	2.30%	13	304,978	5.20%	8	\$48,544	14	\$49,372	14	98.3%	
Information	10,905	2.20%	14	89,398	1.52%	16	\$91,076	6	\$85,613	6	106.4%	
Finance and Insurance	35,526	7.15%	5	263,286	4.49%	10	\$120,326	3	\$95,386	3	126.1%	
Real Estate and Rental and Leasing	7,535	1.52%	17	65,006	1.11%	17	\$73,924	9	\$60,967	11	121.3%	
Professional and Technical Services	54,697	11.01%	3	360,717	6.15%	6	\$116,650	4	\$94,552	4	123.4%	
Management of Companies and Enterprises	14,436	2.91%	12	136,817	2.33%	14	\$132,507	2	\$129,285	1	102.5%	
Administrative and Waste Services	35,119	7.07%	6	318,673	5.43%	7	\$43,826	15	\$36,818	15	119.0%	
Educational Services	31,351	6.31%	8	484,589	8.26%	4	\$57,137	12	\$57,039	12	100.2%	
Health Care and Social Assistance	79,356	15.98%	1	1,068,610	18.21%	1	\$51,833	13	\$50,744	13	102.1%	
Arts, Entertainment, and Recreation	7,662	1.54%	16	100,475	1.71%	15	\$22,080	19	\$32,709	18	67.5%	
Accommodation and Food Services	32,741	6.59%	7	474,698	8.09%	5	\$21,108	20	\$18,747	20	112.6%	
Other Services (except Public Administration)	16,816	3.39%	11	201,392	3.43%	13	\$35,920	16	\$34,098	17	105.3%	
Public Administration	10,334	2.08%	15	235,216	4.01%	11	\$65,274	10	\$61,665	10	105.9%	
Total	496,675	100.00%	N/A	5,867,776	100.00%	N/A	\$69,491	N/A	\$55,627	N/A	124.9%	

Pennsylvania Department of Labor and Industry-September-2019.

ND=No Data/N/A=Not Applicable

The average salary in Montgomery County for all industries is approximately 124.9% of statewide levels. As the largest labor segment, health care and social assistance represents approximately 15.98% of the labor force in Montgomery County. The same industry represents approximately 18.21% of statewide levels. At an average salary of \$51,833 per year, health care and social assistance ranks 13th and represents approximately 74.6% of the overall average for Montgomery County. County salary levels for this industry compare similar to statewide indication. As the smallest labor segment, mining, quarrying, finishing and hunting represents approximately 0.05% of the labor force in Montgomery County and ranks 11th with an annual average salary of \$63,803 per year. The top employers for Montgomery County are listed as follows:

Top Employers - Montgomery County

- 1 Merck, Sharp & Dohme Corp.
- 2 Abington Memorial Hospital
- 3 State Government
- 4 Main Line Hospitals
- 5 Giant Food Stores
- 6 SEI Investments Company
- 7 SmithKline Beecham Corporation
- 8 Montgomery County
- 9 Federal Government
- 10 United Parcel Service
- 11 Lockheed Marting Corp.
- 12 Wal-Mart Associates
- 13 Albert Einstein Medical Center
- 14 Hatfield Quality Meats
- 15 North Penn School District

Source: Center for Workforce Information and Analysis

The overall economic conditions in Montgomery County are deemed generally favorable, which should reflect positively to the local real estate market.

Municipal Overview

A strong measure of a geographic area is its underlying demographics and how it compares with macro levels. The subject property is located in Pottstown Borough which is geographically located in Pottstown section of upper Montgomery County. The following table presents historic and projected population trends within the subject municipality and county.

Population Trends					
Area	Actual			Projected	
	2000	2010	CAGR	2020	CAGR
Pottstown Borough	21,859	22,377	0.2%	22,865	0.2%
Montgomery County	748,987	799,874	0.7%	823,564	0.3%
Municipal Ranking	11	11	26	11	22

Source: US Census and Delaware Valley Regional Planning Commission

According to the US Census Bureau, the population for Pottstown Borough in 2010 was 22,377± people. This represents 0.2% compound annual growth from 21,859± people in 2000, below the overall county growth rate of 0.7% per year. Of the municipalities in Montgomery County, Pottstown Borough ranks 11th in total population in 2010, and 26th in total municipal growth from 2000 to 2010. According to the Delaware Valley Regional Planning Commission (DVRPC), Pottstown Borough is projected to have a population of 22,865± people in 2020. This is an implied growth rate of 0.2% per year and results in no change with county ranking from 2010 levels. The following table presents land areas and population density within the subject municipality and county.

Population Density (Population per Square Mile)				
Area	Sq. Miles	Actual		Projected
		2000	2010	2020
Pottstown Borough	4.953	4,413.5	4,518.0	4,617
Montgomery County	486.931	1,538.2	1,642.7	1,691
Municipal Ranking	37	15	17	17

Source: US Census and Delaware Valley Regional Planning Commission

Pottstown Borough contains a land area of 4.953± square miles, or approximately 1.0% of the total land area in Montgomery County. Of the 62 municipalities within Montgomery County, Pottstown Borough ranks 37th in total land area. Based on the 2010 population, the density within Pottstown Borough is 4,518.04± people per square mile. The subject municipality currently ranks

17th in the county for population density and is greater than the overall county of 1,642.7± people per square mile. This indicates that the subject property is located in a comparatively more densely populated municipality within the county.

Median income levels are currently measured over a five-year time frame by the American Community Survey (ACS). The following table presents historic and current estimates of median household income on a municipal, county, state, and nation-wide basis.

Median Income Trends		
Area	2000	Current
Pottstown Borough	\$35,785	\$45,634
Montgomery County	\$60,829	\$84,791
Pennsylvania	\$43,742	\$56,951
United States	\$42,148	\$55,322
Municipal Ranking in County	61	61
Municipal as Percent of County	58.8%	53.8%
Municipal as Percent of Commonwealth	81.8%	80.1%
Municipal as Percent of Nation	84.9%	82.5%

Source: Census and American Community Survey (ACS)

The current median household income estimate for Pottstown Borough is \$45,634, an increase of \$9,849 when median household income was \$35,785 in 2000. Pottstown Borough currently ranks 61st in median household income, no change from 61st in 2000. The current median income for Pottstown Borough is approximately 53.8% of the county median of \$84,791. Pottstown Borough has experienced growth in housing units. According to the 2010 census, there were approximately 10,320± housing units within the municipality, growth of 347 housing units from 2000 census data which identified 9,973± housing units. Based on the 2010 indications, the housing density within Pottstown Borough is approximately 2,083.7± housing units per square mile. This is greater than the county housing density of 668.95± housing units per square mile indicating that the subject property is located in a comparatively more densely developed municipality within the county. Finally, residential owner-occupancy in Pottstown Borough was 55.3% of the total households in 2010. This compares unfavorably to 2010 county levels when residential owner occupancy was approximately 73.1% of the total households.

Despite on-going revitalization efforts, many of the storefront spaces in Pottstown Borough and in the subject's immediate area along East High Street are still vacant following the loss of manufacturing jobs in the late 1970's and 1980's. Of the 136 projects to receive state funding

through tax credits in 2018, only two are located in Montgomery County and both are in Pottstown. YMCA TriCounty Area received a small award to tear down a blighted twin home to allow for the expansion of its King Street Headquarters. Genesis Housing, Inc., received \$100,000 for the second year of its joint efforts with Habitat for Humanity initiative to rehabilitate housing in the borough's First Ward neighborhood.

The Philadelphia Inquirer recently cited efforts that started in 2017 to improve safety and cleanliness, promote home ownership, and encourage business development in the borough may have *finally* led to some new development. Recent additions to downtown include an axe-throwing venue, a revamped farmer's market with a vodka bar along with a taco shop, and Sly Fox Brewing Company. While there have been some recent sales in the last few years, and a few new businesses have opened up along High Street and in the downtown area, according to local brokers, commercial rents are still very low and most property owners trying to rent store front spaces are "taking what they can get." Many of the properties purchased in the last few years along the downtown High Street corridor have yet to be renovated and continue to sit vacant. Articles in the Morning Call and The Mercury indicated zoning changes in the area are currently being debated, which has stalled further development. A proposal to further restrict uses like tattoo parlors, patio dining that allows for alcohol service, check cashing centers, and pawn shops is ongoing. However, some detractors from the push to eliminate uses downtown feel the changes will discourage younger people from the area who may not have the same views on tattoos parlors and outdoor dining with drinks available. Consensus in the articles and amongst brokers is that development and redevelopment is still very slow despite some movement in the area but, much will depend on the economy at large and future zoning ordinance decisions.

However, located on the east side of South Hanover Street across the street from the subject is a newer commercial building as well as Hanover Square. Per assessment records, Hanover Square is demised into 114 townhouse or condominium parcels built since 2014. Being located across the street, the subject property lends itself to a complimentary commercial use to Hanover Square as well as other residential uses in the area.

Neighborhood Description

The subject property is located at 191, 193 & 195 South Hanover Street. The subject property is located northwest of the interchange between State Route 100 and the Pottstown Expressway (U.S. Route 422). The subject neighborhood is mixed-use in nature and includes a train station, municipal parking lot, apartment buildings, a manufacturing facility and store-front properties further north along North Hanover Street. The subject site and its surroundings are included in the following aerial photograph:

Aerial Photograph



Transportation and Linkages

Roadways servicing the immediate area include the Pottstown Expressway (US Route 422) which runs in a northwest/southeast direction connecting Valley Forge to Pottstown and into Reading and PA Route 663 which runs in an east/west direction.

A neighborhood is affected by social forces that will influence why population reside and work in the area. Population is attracted or detracted from a neighborhood based upon its accessibility, crime rate, and availability of services (public transportation, shopping, schools, medical centers, etc.). The subject is located in an area of urban land uses and density. Public transportation is available in close proximity to the subject property. Regional, national and international air travel is provided by Philadelphia International Airport which is within a 90-minute drive from the subject, depending on traffic conditions. The subject has adequate linkage and is reasonably accessible from other nearby communities via automobile. The subject area is located within close proximity to shopping, medical centers and other desirable amenities.

Environmental

Environmental considerations consist of man-made or natural features including topographical features, availability of public utilities and nuisances and hazards emanating from nearby properties. The subject's neighborhood is composed of gently rolling terrain as is typical of this area. In addition, the subject's neighborhood has public utilities. Although the Department of Environmental Protection was not consulted, environmental contamination from other nearby properties was not evident. In addition, the degree of any light and noise pollution are consistent with the predominant land uses in the area. There appears to be no adverse effects on the neighborhood due to environmental considerations.

Governmental

The final consideration one must give to a neighborhood focuses on governmental issues. Governmental considerations relate to the laws and taxes that are imposed on properties and residents. Locations having comparatively high tax rates and restrictive laws tend to be less desirable (and less valuable) compared to locations having lower tax rates and less restrictive laws, holding all other factors equal. The effective real estate tax rate for the subject municipality is 2.910% which represents approximately 163.3% of the county median, the second highest of the 63 municipalities in Montgomery County. Regulations regarding zoning and land use are dictated by Pottstown Borough. There appears to be some adverse effects on the neighborhood due to governmental considerations.

Neighborhood Summary

In conclusion, the area provides fair services and amenities needed for development. The area is physically adaptable for development and local governmental forces do not pose significant restriction preventing development. Given these observations, the subject neighborhood is a suitable location for development.

Zoning

According to the Pottstown Borough Zoning Ordinance, the subject property is located within the DG, Downtown Gateway District. The purpose of this district is to promote the redevelopment of existing vacant industrial sites at the entryway to the downtown, creating a pleasant mixture of stores, homes, and offices that will complement the downtown to the north, the historic residential neighborhood to the east, and the Schuylkill River and Greenway to the south. Permitted uses include:

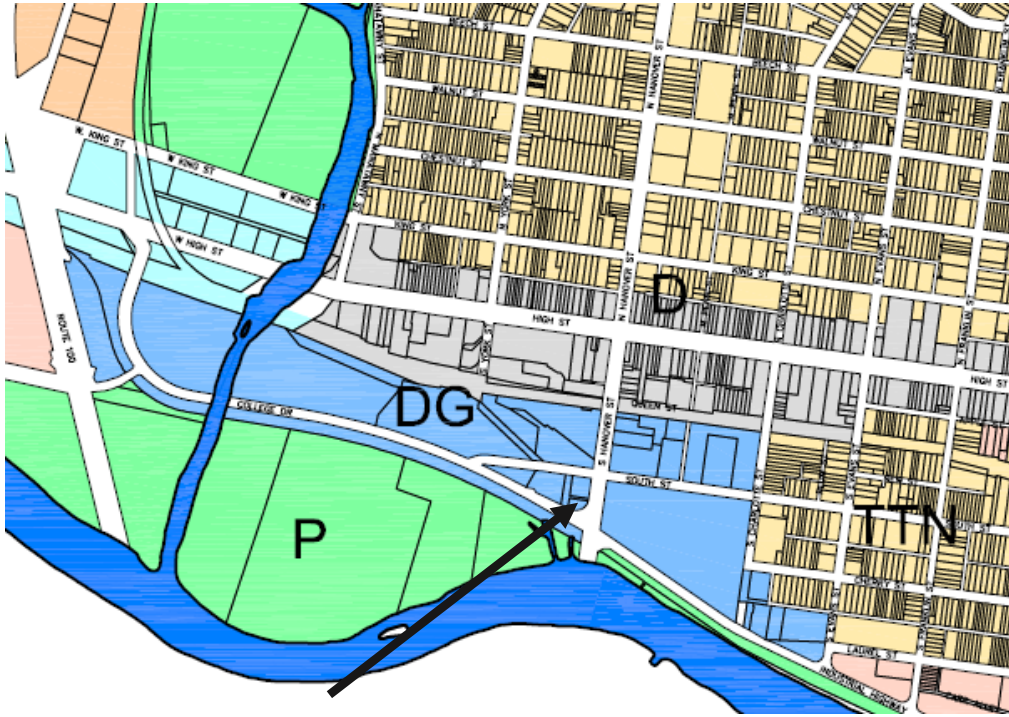
- Banks and financial institutions.
- Direct retail stores.
- Direct service stores.
- Dwelling-apartment/condominium (second floor and above).
- Health and fitness center.
- Hotel/motel.
- Various industrial if site is less than 20,000 square feet.
- Municipal parks.
- Offices.
- Restaurants (excluding drive-throughs).
- Schools.

Other uses are permitted conditionally. The zoning appears fairly permissive allowing retail, office, lodging, multifamily and manufacturing development. The following are area and setback requirements for this zone.

Standard	Size
Minimum lot area	8,000 square feet 1,600 square feet for single family attached
Minimum open space	10 percent
Maximum building coverage	75 percent
Front setback	10 feet minimum/25 feet maximum 0 feet/10 feet for single family attached structures 0 feet/10 feet for non-residential uses as a conditional use where the adjacent uses are deemed similar by Borough Council
Rear setback	25 feet
Maximum building height	60 feet

A letter of zoning interpretation is not available from the municipality for review. Through discussions with representation with Pottstown Borough, the presence of the decommissioned fuel tank will preclude residential development. The appraisers of Indian Valley Appraisal Company are not experts in the interpretation of complex zoning ordinances. However, based on a review of public information, the subject appears to conform to zoning requirements. If concerned about zoning conformity, it is recommended that a letter of zoning interpretation be obtained from the subject municipality.

Zoning Map



Tax Map, Parcel Number, Real Estate Assessment and Taxes

The following is the related tax information concerning the subject property:

Assessment Summary			
Parcel Number	Block	Lot	Assessment
16-00-13488-00-5	16.00	17.00	\$77,050
16-00-13484-00-9	16.00	18.00	76,000
16-00-13484-10-8	16.00	24.00	
Total			\$153,050

Assessments in Pennsylvania are on a county-wide basis and reassessments occur infrequently. A county-wide reassessment is not anticipated. Properties in Pennsylvania are not reassessed upon sale. Reassessments are triggered by the issuance of building permits to improve a property, or through a government appeal (county, municipality or school district). Appeals from government entities can and do occur, but usually for higher profile properties.

The inter-relation between assessed value and the assessor’s implied estimate of value is known as a Common Level Ratio (CLR). The current CLR for Montgomery County is 0.493. Dividing the subject’s assessment by the CLR results in the assessor’s implied estimate of value for the subject property as follows:

Assessed Value	CLR	Equalized Value	
		Overall	PSF
\$153,050	0.4930	\$310,446	\$15.31

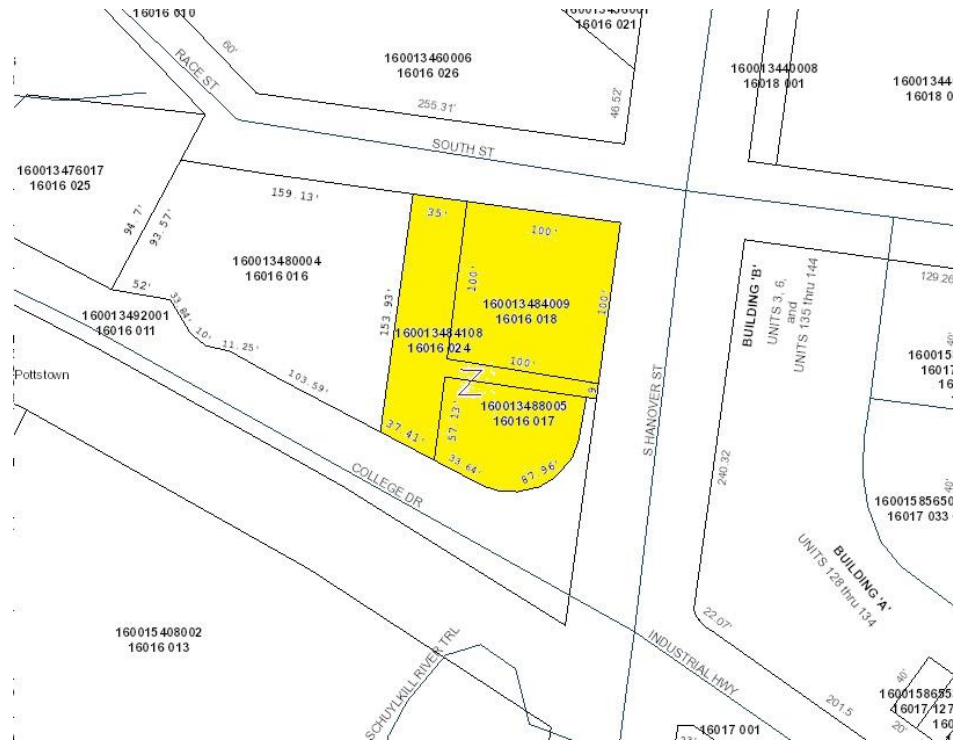
This implied value is higher than the market value concluded within this appraisal indicating the subject property is over-assessed.

County and municipal taxes are levied in January of each calendar year. School taxes are levied in July of each year. The total current combined tax rate is summarized as follows:

Summary of Tax Rates		
Jurisdiction	Year	Rate per \$1,000
County	2020	3.8490
Municipal	2020	13.1610
School	2019/2020	41.9667
TOTAL		58.9767

Based on the current assessment and current tax rate, total taxes for the subject parcel are \$9,026 per year. The long-term trend in millage rates is upward, and this trend is expected to continue.

Tax Map



Description of the Land

Land Size:

According to public records, the subject property represents three contiguous parcels that contain a land area of 0.4654 ± acres or 20,275 ± square feet.

Shape:

Nearly rectangular.

Frontage and Access:

The site has approximately 135 feet of frontage along the south side of South Street, approximately 110 feet along the west side of South Hanover Street and approximately 159 feet along College Drive (inclusive of the curved intersection with South Hanover Street). The intersection of South Hanover Street and College Drive is marked by a traffic signal. The parcel would likely be accessed from South Street or South Hanover Streets.

Street Improvements: South Street, South Hanover Street, and College drive are macadam paved streets with concrete sidewalks, curbs, and street lighting.

Topography: The site is cleared and slopes downward slightly from street grade.

Drainage: Site observed in dry conditions. Drainage appears adequate; water runoff is assisted by changes in elevation.

Soil Types: A soil survey was not provided. The soils are assumed to be capable of supporting development and/or the current improvements at the subject site. The appraiser is neither a soil scientist nor civil engineer and cannot attest to the capabilities of the underlying soils.

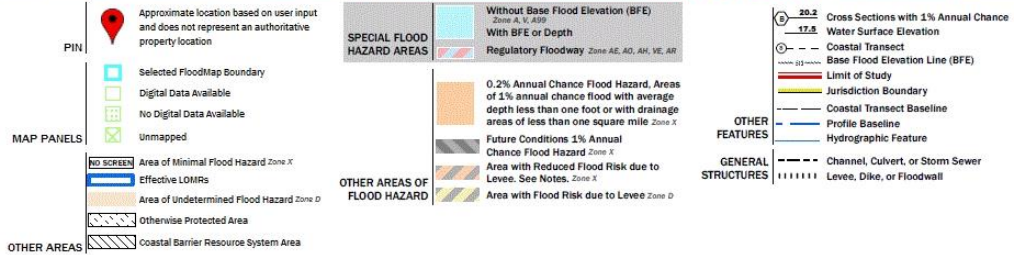
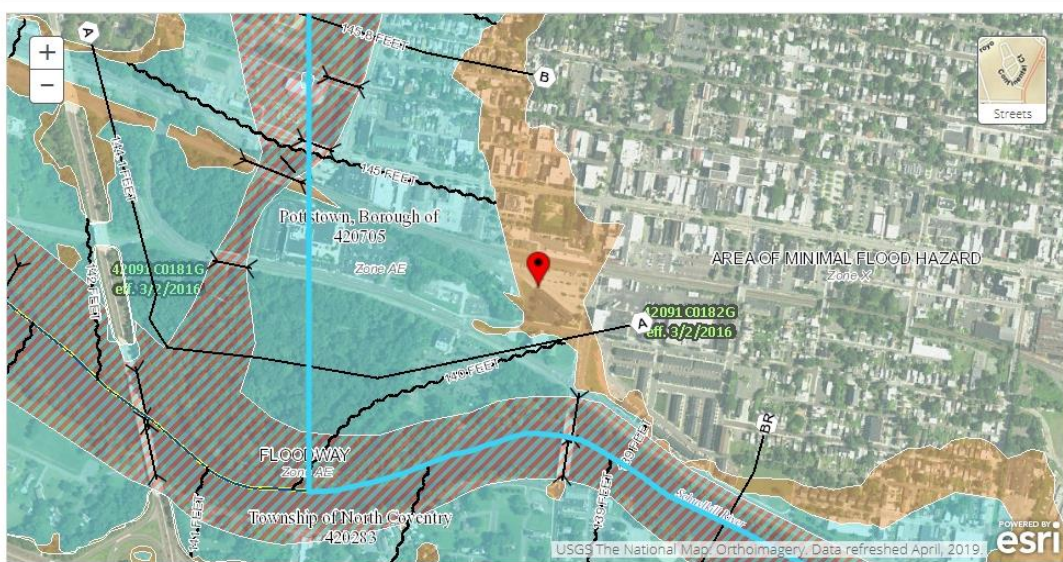
Environmental Concerns: An investigation by *Environmental Standards* (dated December 10, 2019) confirmed the suspected presence of two underground storage tanks (or USTs) on the subject property. Representation of Pottstown Borough is reasonably assuming the USTs are present on the property. This appraisal gives no consideration to the potential costs needed for the two USTs. The concluded market value of this appraisal may need to be adjusted downward by the costs of the tank removals once they become quantified. Furthermore, the appraisal is prepared with the extraordinary assumption that the USTs may remain which will likely eliminate any mixed-use residential development potential. **The reader is hereby notified that the use of this extraordinary assumption might affect the assignment results.**

A visual inspection of the subject property reveals no other adverse environmental hazards to exist. It is assumed that the property is free and clear of remaining environmental hazards. If a future study finds this to the contrary, the right to alter the opinion of market value is reserved.

FORMER HESS SITE

<u>Utilities:</u>	Public water, sewer, electric, and gas are available and connected to the site.
<u>Driveways and Parking Areas:</u>	None.
<u>Fencing:</u>	Fencing surrounds site perimeter.
<u>Yard Lighting:</u>	None.
<u>Landscaping:</u>	None.
<u>Other Site Improvements:</u>	None.
<u>Easements:</u>	With the exception of typical utility easements, no easements that would have an adverse impact on the marketability of the subject property were disclosed or observed during the preparation of this appraisal.
<u>Encroachments:</u>	No encroachments affecting the utility of the subject property were disclosed or observed during the preparation of this appraisal.
<u>Rights of Way:</u>	No rights-of-way affecting the utility of the subject property were disclosed or observed during the preparation of this appraisal.
<u>Deed Restrictions:</u>	The deed is appended. Per the deed, the site cannot be developed with a gas station or convenience store. No other restrictions of record were disclosed during the preparation of this appraisal.
<u>Other Private Restrictions:</u>	None reported.
<u>Title Report:</u>	None provided.
<u>Flood Plain:</u>	Pottstown Borough is a participant in the National Flood Insurance Program. According to the flood map shown subsequently, the site does not lie within a designated special flood hazard area.

Flood Map



Highest and Best Use

Highest and best use may be defined as “the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria highest and best use must meet are:

- Physically possible
- Legally permissible as permitted by zoning and deed restrictions
- Financially feasible
- Maximally productive¹

Site as Vacant

Physically Possible

The size, shape, available utilities, terrain, accessibility and risk of natural disasters all affect potential development of the subject site. Overall, the site contains approximately 20,275 ± square feet, or approximately 0.4654 ± acres. The subject site is a corner lot, nearly rectangular in shape and has generally level topography.

An investigation by *Environmental Standards* (dated December 10, 2019) confirmed the suspected presence of two underground storage tanks (or USTs) on the subject property. Representation of Pottstown Borough is reasonably assuming the USTs are present on the property. This appraisal gives no consideration to the potential costs needed for the two USTs. The concluded market value of this appraisal may need to be adjusted downward by the costs of the tank removals once they become quantified. Furthermore, the appraisal is prepared with the extraordinary assumption that the USTs may also potentially remain which will likely eliminate any mixed-use residential development potential. **The reader is hereby notified that the use of this extraordinary assumption might affect the assignment results.**

Only typical utility easements (which do not limit potential development) exist on the subject site. Wetlands, rock outcroppings, environmental contamination and other physical constraints were not observed during inspection or disclosed through due diligence. The site is within the flood plain, which limits development potential. The site soils appear adequate to support a variety of development types based on observations of other nearby parcels. Public utilities are available.

¹ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Chicago, Page 93.

The subject site appears to provide adequate utility for potential development, limited by the flood plain. Based on these observations, it is physically possible to develop the site.

Legally Permissible

Legal restrictions to a site are typically private deeded restrictions or public restrictions created by zoning. Additional legal restrictions may include a lease or similar encumbrance such as an easement, encroachment or an attachment to the site. Leases on the land, recorded easements, deed restrictions or environmental restrictions that would limit development of the site are not identified for the subject property. The subject site is zoned DG-Downtown Gateway by Pottstown Borough. Permitted uses are detailed in the *Zoning* section of this appraisal report. The site appears to meet the dimensional requirements under the present zoning regulations and could likely be developed with a number of different uses permitted by right. As previously stated, this excludes gas stations and convenience stores. However, the subject does not lend itself to convenience stores or fueling stations. This type of development now tends to be dominated Wawa or Royal Farms developing much larger buildings with multiple fueling stations on larger parcels.

Financially Feasible

Of those uses which are legally permitted and physically possible, any use that provides a financial return to the land in excess of that required to satisfy operating expenses, financial expenses and capital amortizations is considered financially feasible. As previously stated, although a mature and established municipality, Pottstown Borough is somewhat stigmatized having the second highest tax rate in the county which has resulted in limited development in recent years. Despite this observation, there has been considerable interest in Pottstown in the past few years. Investors have speculated and have acquired multiple properties in the borough, notably along East High Street.

Maximally Productive

The use that produces the highest residual land value is the maximally productive (and thus the highest and best use). Therefore, the maximally productive use, and thus the highest and best use of the subject site as vacant is for commercial development.

Valuation

Market value can be measured by the price of acquiring an existing substitute property with the same utility as the subject property (Sales Comparison Approach); the price of acquiring an income-producing investment with the same dollar potential at the same risk rate as the subject property (Income Capitalization Approach); or the price of producing a substitute property with the same utility as the subject property (Cost Approach). In this analysis, each of the three recognized approaches to value is considered, but not necessarily applied.

The Sales Comparison Approach represents the actions of buyers and sellers in the real estate market. This approach is most applicable when there are a number of recent market transactions available from which to draw comparisons. A number of sales are analyzed and compared to the subject property and adjustments are considered when the sales differ from the subject. The elements of comparison include, but not limited to, property rights appraised, financing, conditions of sale, market conditions, physical characteristics and economic differences.

The Income Capitalization Approach is employed in the valuation of income-producing property. The principal of anticipation is fundamental to the Income Capitalization Approach. The theory behind this approach is that value is developed by the expectation of future benefits, and value is defined as, “the present worth of all rights to these future benefits”. This approach considers risk associated with the quantity and quality of future income producing potential. There is a lack of ground lease data in the surrounding area properties probative to an estimate of market rent for the subject property. Additionally, the subject property most likely appeals to an owner/user buyer and not an investor. For these reasons, the Income Capitalization Approach is not deemed appropriate in the valuation of the subject property.

The Cost Approach is considered but not developed in the case of the subject property. The Cost Approach is based upon the principal of substitution and professes that no prudent investor would pay more for a property than the cost to acquire the site and the cost of constructing improvements of equal utility. The Cost Approach is not applicable as the subject properties are vacant land.

Sales Comparison Approach

The Sales Comparison Approach is considered by many to be the most relevant of the three traditional approaches to value when there is sufficient sales data to analyze. This approach entails the locating of comparable properties that have sold and ascertaining the selling price, and then, by comparison and adjustments, estimating the value of the subject property.

This approach is considered to be the most direct method of estimating value and is given strong consideration by buyers and sellers, as it is an interpretation of their actions in the marketplace. In this approach, a reasonable number of land sales offering varying degrees of comparability to the subject must be located and analyzed.

A search of the real estate market reveals limited transactions of properties having some similar characteristics to those of the subject. Given the limited land availability in Pottstown Borough, it is necessary to extend a geographic search and to consider older transactions from the market. The sales are analyzed on a price per square foot of land area. Adjustments are applied to the comparable sales for differences, if they exist for the following factors:

- Property rights conveyed
- Financing terms
- Conditions of sale
- Market conditions
- Physical characteristics such as location, land size, zoning and use, shape and topography, utilities

Exhibited as follows is a more detailed description of each sale, a summary of adjustments matrix, and an explanation of adjustments.

Land Sale No. 1



Property Identification

Record ID 4357
Property Type Commercial, Parking Lot
Address 200 North Main Street, Spring City, Chester County, Spring City Borough, Pennsylvania 19475
Tax ID 14-004-0200

Sale Data

Grantor Andrew P. Dellaquila
Grantee Spring City Borough
Sale Date September, 2018
Deed Book/Page 989/1724
Property Rights Fee simple
Conditions of Sale Arm's length transaction
Financing Cash to seller
Verification Representative of grantee/Public records

Sale Price \$125,000

Land Data

Zoning DC, Downtown Commercial
Topography Generally level
Utilities All public available
Shape Irregular
Flood Info Outside the floodplain

Land Sale No. 1 (Cont.)

Land Size Information

Gross Land Size 0.540 Acres or 23,522 SF
Front Footage along Main Street; along Yost Avenue;

Indicators

Sale Price/Gross Acre \$231,485
Sale Price/Gross SF \$5.31

Remarks

The property is and will continue to be a parking lot. The borough acquired the property directly from the property owner after it had been on the market for several years.

Land Sale No. 2



Property Identification

Record ID	4309
Property Type	Commercial, Raw Acreage
Address	2238, 2258, 2270, and 2272 East High Street & and 2255 Brown Street, Pottstown, Montgomery County, Lower Pottsgrove and Limerick Township, Pennsylvania
Tax ID	420001777008, 420000550002, 420001780005, 420001783002, 42001786008

Sale Data

Grantor	George Kemp, Harold and Grace Kemp, et al
Grantee	Lower Pottsgrove Township
Sale Date	January, 2018
Deed Book/Page	Various
Property Rights	Fee simple
Conditions of Sale	Arm's length transaction
Financing	Cash to seller
Verification	Public records/Appraiser

Sale Price	\$577,000
Upward Adjustment	\$50,000 Demolition
Adjusted Price	\$627,000

Land Data

Zoning	LCO, Limited Commercial & Office District
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Land Sale No. 2 (Cont.)

Topography	Level at street grade
Utilities	All public are available and connected.
Shape	Multiple parcels, irregular
Landscaping	Minimal

Land Size Information

Gross Land Size	2.480 Acres or 108,029 SF
Front Footage	along East High Street; along South Pleasantville Road; along Brown Street;

Indicators

Sale Price/Gross Acre	\$252,823 Adjusted
Sale Price/Gross SF	\$5.80 Adjusted

Remarks

The sale property was five contiguous parcels that the township purchased for construction of a new municipal campus. Although the property is zoned commercial, it was developed with residential dwellings. The dwellings are to be demolished. In order to offset the demolition costs, the dwellings were leased until demolition. The buyer was highly motivated and paid approximately 18.5% above the appraised value for two of the properties.

Land Sale No. 3



Property Identification

Record ID	3396
Property Type	Commercial, Building Lot
Address	399 Farmington Avenue, Montgomery County, Pottstown Borough, Pennsylvania
Tax ID	16-00-08848-001

Sale Data

Grantor	William and Josephine Ussler
Grantee	Boos-Pottstown, LLC
Sale Date	May, 2015
Deed Book/Page	5968/738
Property Rights	Fee simple
Marketing Time	138 Days
Conditions of Sale	Arm's length transaction
Financing	Cash to seller
Verification	Representative of grantor/Public records

Sale Price	\$337,930
Upward Adjustment	\$100,000 Demolition
Adjusted Price	\$437,930

Land Data

Zoning	NB, Neighborhood Business
Topography	Level at street grade

Land Sale No. 3 (Cont.)

Utilities All public are available
Shape Irregular
Landscaping Minimal

Land Size Information

Gross Land Size 1.725 Acres or 75,136 SF
Front Footage 303 ft along Farmington Avenue;

Indicators

Sale Price/Gross Acre \$195,914 Actual or \$253,889 Adjusted
Sale Price/Gross SF \$4.50 Actual or \$5.83 Adjusted

Remarks

The property was improved with a single-tenant retail building containing 23,086 square feet. The building was demolished to make way for a Dollar General store.

FORMER HESS SITE

Land Sale No. 4



Property Identification

Record ID 4348
Property Type Commercial, Vacant
Address 20 South Franklin Street, Pottstown, Montgomery County,
Pottstown Borough, Pennsylvania
Tax ID 16-00-10948-00-7

Sale Data

Grantor Richard C. Oxenford, Jr.
Grantee Rann, LLC
Sale Date September, 2013
Deed Book/Page 5890/1622
Property Rights Fee simple
Verification Public records

Sale Price \$35,000

Land Data

Zoning TTN, Traditional Town Neighborhood
Utilities All public available
Shape Rectangular
Parking Macadam paved

Land Size Information

Gross Land Size 0.210 Acres or 9,164 SF

Land Sale No. 4 (Cont.)

Front Footage 74 ft along the east side of South Franklin Street ; 123 ft along the south side of Apple Alley;

Indicators

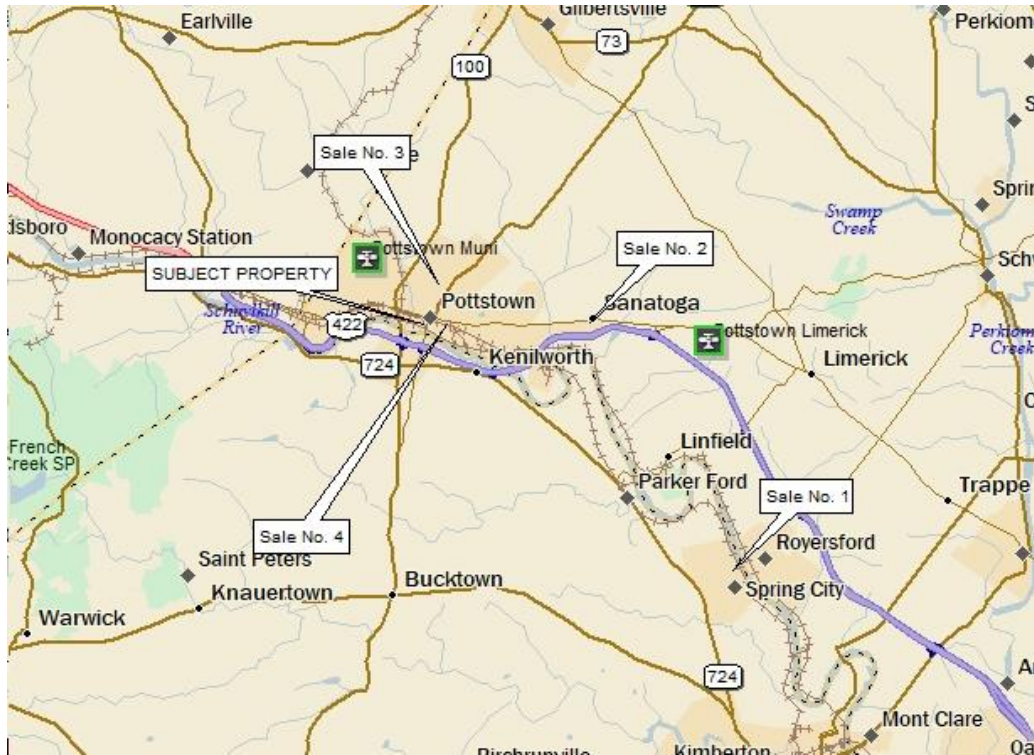
Sale Price/Gross Acre \$166,368

Sale Price/Gross SF \$3.82

Remarks

Improvements include a two-car garage built in the 1950s. Value was in the land.

Sales Location Map



FORMER HESS SITE

Land Sales Summary & Adjustment Grid					
Subject	Land Sale 1	Land Sale 2	Land Sale 3	Land Sale 4	
Date of Sale	March-20	Sep-18	Jan-18	May-15	Sep-13
Price	N/A	\$125,000	\$627,000	\$437,930	\$35,000
Size (SF Land Area)	20,275	23,522	108,029	75,136	9,164
Size (Acres)	0.4654	0.540	2.480	1.725	0.210
Unadjusted Unit Price per Square Foot		\$5.31	\$5.80	\$5.83	\$3.82
Elements of Comparison					
Property Rights Sold		0.0%	0.0%	0.0%	0.0%
<i>Adjusted Price</i>		\$5.31	\$5.80	\$5.83	\$3.82
Financing Terms		0.0%	0.0%	0.0%	0.0%
<i>Adjusted Price</i>		\$5.31	\$5.80	\$5.83	\$3.82
Conditions of Sale		0.0%	-10.0%	0.0%	0.0%
<i>Adjusted Price</i>		\$5.31	\$5.22	\$5.83	\$3.82
Market Conditions		3.0%	4.0%	10.0%	14.0%
<i>Adjusted Price</i>		\$5.47	\$5.43	\$6.41	\$4.35
Physical Characteristics					
<i>Location</i>		0.0%	0.0%	0.0%	15.0%
<i>Land Size</i>		0.0%	5.0%	5.0%	-5.0%
<i>Zoning & Use</i>		0.0%	0.0%	0.0%	25.0%
<i>Shape & Topography</i>		0.0%	0.0%	0.0%	0.0%
<i>Utilities</i>		0.0%	0.0%	0.0%	0.0%
Total Net Adjustments		0.0%	5.0%	5.0%	35.0%
Adjusted Unit Price		\$5.47	\$5.70	\$6.73	\$5.88
Implied Subject Value		\$110,977	\$115,652	\$136,490	\$119,174

Explanation of Adjustments

Property Rights Conveyed

The fee simple interest is appraised. All of the sales are comparable to the subject property and no adjustment is applied.

Financing Terms

Market financing is considered, and all of the sales represent cash transactions or have been adjusted to represent a cash transaction. No adjustment is necessary for financing terms.

Conditions of Sale

All of the sales are arm's length transactions. Adjustments are considered for any approvals that might be in place or buyer/seller motivation. None of the sales require adjustments for buyer/seller motivations.

Market Conditions

All of the sales have occurred within 78 months of the effective date of valuation. Market conditions have improved over the past few years. Each of the sales is adjusted by 2.0% per year to the effective date of value.

Physical Characteristics

This adjustment considers physical attributes of the sale properties and subject property such as location, land size, zoning & use, shape and topography, availability of utilities, and others. The following outlines the adjustments applied to each sale.

Location

Three of the four sales are located in Pottstown, with Sale 1 being located in Spring City. Only Sale 4 is adjusted upward primarily due to it having inferior traffic exposure.

Land Size

Typically, smaller parcels of land will sell for more on a square foot basis than larger parcels, holding all other factors that influence value equal. Sale 4 is adjusted downward for its smaller land areas. Sales 2 and 3 are adjusted upward for their larger land areas. The remaining sale is deemed generally similar in land size and is not adjusted.

Zoning and Use

Despite being deed restricted against gas stations and convenience stores, the subject has fairly permissive uses for both commercial and mixed-use development. Sales 1 through 3 are similar in regard to commercial use. Sale 4 is more oriented toward residential development which is generally inferior. This sale is adjusted upward.

Shape and Topography

The subject and sales all have functional shape and topography. No adjustments are required.

Utilities

The subject and sales all have access to public utilities. No adjustments are warranted.

Land Valuation Reconciliation

The indicated range of value is reduced as a result of the applied adjustments indicating some level of data parity and logic of the adjustment process. Ultimately, most emphasis is placed on Sales 1 through 3. These sales are the most recent and have potential for commercial use. The sales used in this report are considered to be the best available.

Estimate of Land Value via the Sales Comparison Approach

Based upon the foregoing analysis, the value of the subject property land via the Sales Comparison Approach is estimated to be **\$120,000**, indicating a unit rate of approximately \$5.92 per square foot for the subject's 20,275± square feet of land area .

Correlation

Only the Sales Comparison Approach to value is developed. No further reconciliation is required.

FINAL OPINION OF AS-IS MARKET VALUE, AS OF MARCH 6, 2020 IS:

ONE HUNDRED TWENTY THOUSAND DOLLARS

(\$120,000)

The conclusions reported herein cover the appraiser's opinion of current market value of the fee simple interest in the subject property as of the effective date of value.

The appraisal is subject to certain assumptions, limiting conditions, and certifications which are set forth in the attached report. This appraisal is completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. One or more of the signers of this report is a designated member or affiliate member of the Appraisal Institute. This report is in compliance with the Code of Ethics of the Appraisal Institute and is subject to review by its duly authorized members.

Marketing and Exposure Time

It is estimated that the subject property would have a marketing time of 12 months if it were put on the market today at or near the market value found in this report. Based upon the sales within this appraisal report, and discussions with area brokers, exposure time for the subject is estimated to run between 8 and 12 months. These conclusions assume that the subject property is priced in accordance with market expectations, is adequately marketed and that financing remains readily available.

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 analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
4. David A. Arnoldi, MAI and Mark Abissi, MAI, AI-GRS have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. David A. Arnoldi, MAI made a personal inspection of the property that is the subject of this report. Mark Abissi, MAI, AI-GRS did not make an inspection of the subject property.
10. No one provided significant professional assistance to the persons signing this certification.
11. No further educational requirements were necessary to comply with the Competency Provision of USPAP.
12. 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.
13. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

14. The Appraisal Institute conducts a program of continuing education awarding periodic credit. As of the date of this report, Mark Abissi, MAI, AI-GRS and David A. Arnoldi, MAI have completed the requirements of the continuing education program of the Appraisal Institute and is currently certified.



David A. Arnoldi, MAI
PA Certified General Real Estate Appraiser
GA001533L



Mark Abissi, MAI, AI-GRS
Reviewer
PA Certified General Real Estate Appraiser
GA000315L

ADDENDUM

Glossary of Terms

Condominium

“A form of ownership in which each owner possesses the exclusive right to use and occupy an allotted unit plus an undivided interest in common areas.”²

Easement

“The right to use another’s land for a stated purpose.”³

Entrepreneurial Profit

“A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur’s compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. In economics, the actual return on successful management practices often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.”⁴

Exposure Time

Exposure time is defined as:

- The time a property remains on the market.

² The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Chicago, Page 41

³ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, The Appraisal Institute, Chicago, Page 63

⁴ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, The Appraisal Institute, Chicago, Page 67

- The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time, but also adequate, sufficient, and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. Exposure time is different for various types of real estate and under various market conditions.
- Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal. In the case of disposition value, the timeframe allowed for marketing the property rights is somewhat limited, but the marketing effort is orderly and adequate. With liquidation value, the timeframe for marketing the property right is so severely limited that an adequate marketing program cannot be implemented.⁵

Extraordinary Assumption

“An assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis which, if found false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.”⁶

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”.⁷

Gross Building Area

“Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.”⁸

⁵ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, The Appraisal Institute, Chicago, Page 73

⁶ Uniform Standards of Professional Appraisal Practice, (USPAP), 2018-19 Edition

⁷ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Chicago, Page 78

⁸ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Chicago, Page 90

Gross Leasable Area

“Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.”⁹

Hypothetical Condition

“A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”¹⁰ Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Leased Fee Interest:

“An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.”¹¹

Leasehold Interest

“The tenant’s possessory interest created by a lease.”¹²

Market Value:

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America is:

“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:

⁹ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Chicago, Page 91

¹⁰ Uniform Standards of Professional Appraisal Practice (USPAP) 2018-2019

¹¹ Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Chicago, Page 111

¹² The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Chicago, Page 111

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

Market value is not predicated only on the value to the current owner or solely on the current use. The inquiry of the property's worth in the market is viewed not only with reference to the current use and occupancy, but also with reference to uses and occupancies to which the property is reasonably adaptable."¹³

Marketing Time

- The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.
- Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property as its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.¹⁴

Prospective Value Opinion

"A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time of the appraisal report is written."¹⁵

¹³ Office of the Comptroller of the Currency, 12 CFR Part 34.42g.

¹⁴ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Chicago, Page 121

¹⁵ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Chicago, Page 153.

Retrospective Value Opinion

“An estimate of value that is likely to have applied as of a specified historic date. A retrospective value opinion is most frequently sought in connection with appraisals for estate tax, condemnation, inheritance tax, and similar purposes.”¹⁶

Value in Use

The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually.¹⁷

¹⁶ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Chicago, Page 171

¹⁷ The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Chicago, Page 206

Deed

01/08/2007 10:33:19 AM

DEED BK 5630

PG 01199

MONTCO

CERTIFICATE OF RESIDENCE

I hereby certify that the precise address of the Grantee herein is as follows:

The Burgess and Town Council of the Borough of Pottstown
100 East High Street
Pottstown, Pennsylvania

Attorney/Agent for Grantee

COMMONWEALTH OF PENNSYLVANIA :
: SS:
COUNTY OF MONTGOMERY :

RECORDED in the Office of the Recorder of Deeds, etc., in and for said County, in
Record Book No. ____, Page ____.

WITNESS my hand and official seal this ____ day of _____, 2006.

Recorder of Deeds

MONTGOMERY COUNTY COMMISSIONERS REGISTRY
16-00-13484-00-9 POTTSTOWN
105 S HANOVER ST
HESS REALTY CORP \$5.00
B 016 U 018 L 2302 DATE: 01/08/2007 AN

Prepared by: *†*
Return to:
PennTitle, Inc.
1200 E. High St., Suite 201
Pottstown, PA 19404

MONTGOMERY COUNTY COMMISSIONERS REGISTRY
16-00-13488-00-5 POTTSTOWN
113 S HANOVER ST \$1.00
BERKSHIRE OIL CO AN
B 016 U 017 L 2303 DATE: 01/08/2007

Parcel # 16-00-13484-00-0 & 16-00-13488-00-5

DEED

27

THIS INDENTURE, made the 22 day of December, in the year Two Thousand Six (2006).

BETWEEN HESS CORPORATION, a Delaware corporation, formerly known as AMERADA HESS CORPORATION, successor by merger to Hess Realty Corporation, having an office at One Hess Plaza, Woodbridge, New Jersey 07095, hereinafter the "Grantor",

AND

THE BURGESS AND TOWN COUNCIL OF THE BOROUGH OF POTTSTOWN, with its principal place of business at 100 East High Street, Pottstown, Pennsylvania 19464 hereinafter the "Grantee".

WITNESSETH, That Grantor, for and in consideration of the sum of FORTY THOUSAND DOLLARS (\$40,000.00) and other good and valuable consideration, lawful money of the United States of America, well and truly paid by the Grantee to the Grantor, at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, enfeoffed, released, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, enfeoff, release, convey and confirm unto the Grantee, its successors and assigns as follows, to wit:

TRACT 1

ALL THAT CERTAIN lot or piece of ground with the buildings and improvements thereon erected, situate in the Borough of Pottstown, County of Montgomery and Commonwealth of Pennsylvania, bounded and described in accordance with a survey thereof made September 22, 1945 by George F. Shaner, R.E., as follows, to wit:

BEGINNING at a point on the Northwest side of Hanover Street at the distance of one hundred and ten feet Southwesterly from the Southwest side of South Street, a point, a corner of land now or later of Carol W. Boyer et ux et al; thence extending along said land North seventy-four degrees, forty-five minutes West, one hundred feet to a point, a corner; thence still extending along said land South fifteen degrees, fifteen minutes West, seventy-seven feet more or less to a point, a corner of the Northeasterly right-of-way line of the Pennsylvania Railroad (eighty feet wide); thence extending along said North easterly right-of-way on a

line curving to the right having a radius of three thousand eight hundred and sixty feet, the arc distance of one hundred and ten feet more or less to a point on the Northwest side of Hanover Street aforesaid; thence extending along the said Northwest side of Hanover Street North fifteen degrees, fifteen minutes East one hundred and twenty-eight feet, two inches to the first mentioned point and place of BEGINNING.

TRACT 2

ALL THAT CERTAIN lot or piece of ground with the buildings and improvements thereon erected, situate in the Borough of Pottstown, County of Montgomery and Commonwealth of Pennsylvania, bounded and described in accordance with a survey thereof made December 20, 1945 by George F. Shaner, Engineer, as follows, to wit:

BEGINNING at a point of intersection of the Southwest side of South Street and the Northwest side of Hanover Street; thence extending along the said Southwest side of South Street North seventy-four degrees, forty-five minutes West one hundred feet to a point, a corner of other land of Catharine Saylor et al; thence extending along said land the next two following courses and distances, to wit: South fifteen degrees, fifteen minutes West one hundred feet to a point, a corner, and South seventy-four degrees, forty-five minutes East one hundred feet to a point on the Northwest side of Hanover Street aforesaid; thence extending along the said Northwest side of Hanover Street North fifteen degrees, fifteen minutes East one hundred feet to the first mentioned point and place of BEGINNING.

TRACT 3

ALL THAT CERTAIN lot and tract of land situate in the Borough of Pottstown, Montgomery County, Pennsylvania, more particularly described as follows:

BEGINNING at a point in the Westerly line of Hanover Street eighty feet (80') wide, said point being located South fifteen degrees twenty minutes West (S. 15° 20' W.), a distance of one hundred feet (100') along said Westerly line from its intersection with the Southerly line of South Street fifty feet (50') wide; thence, along said Westerly line of Hanover Street South fifteen degrees twenty minutes West (S. 15° 20' W.) a distance of ten feet (10') to a point; thence North seventy-four degrees forty-nine minutes West (N. 74° 49' W.) a distance of one hundred feet (100'), along lands of Berkshire Oil Company, to a point; thence South fifteen degrees twenty minutes West (S. 15° 20' W.) a distance of fifty-seven and thirteen-hundredths feet (57.13'), along lands of Berkshire Oil Company, to a point; thence North fifty-four degrees West (N. 54° 00' W.) a distance of thirty-seven and forty-one hundredths feet (37.41'), along North right of way of the

Industrial Highway, to a point; thence North fifteen degrees twenty minutes East (N. 15° 20' E.) a distance of one hundred fifty-three and ninety-three hundredths feet (153.93'), through lands of the Borough of Pottstown, to a point on the Southerly line of South Street fifty feet (50') wide; thence South seventy-four degrees forty-nine minutes East (S. 74° 49' E.) a distance of thirty-five feet (35'), along said Southerly line of South Street, to a point; thence South fifteen degrees twenty minutes West (S. 15° 20' W.) a distance of one hundred feet (100'), along lands of Berkshire Oil Company, to a point; thence South seventy-four degrees forty-nine minutes East (S. 74° 49' E.) a distance of one hundred feet (100'), along lands of Berkshire Oil Company, to a point and place of BEGINNING.

BEING Parcel 2 on Subdivision Plan of Property to be conveyed between the Borough of Pottstown and The Berkshire Oil Co., a/k/a Amerada Hess Corp.

EXCEPTING THEREFROM the following described lands which were conveyed by Amerada Hess Corporation to the Burgess and Town Council of the Borough of Pottstown, by deed dated January 5, 1982, and recorded in Montgomery County at Deed Book 4675, Page 810.

ALL THAT CERTAIN lot and tract of land situate in the Borough of Pottstown, Montgomery County, Pennsylvania, more particularly described as follows:

BEGINNING at a point in the Westerly line of Hanover Street (eighty feet wide), said point being located South 15 degrees 20' West, 156.59 feet along said Westerly line from its intersection with the center line of South Street (fifty feet wide); thence along said Westerly line South 15 degrees 21' West, 105.00 feet to a point; thence, along the arc of a curve to the left having a radius of 3,860 feet, the arc distance of 109.33 feet, which chord bears North 50 degrees 49' 20" West, 109.33 feet, to a point; thence North 15 degrees 20' East, 25.00 feet along the lines of the Borough of Pottstown to a point; thence South 64 degrees 32' 10" East, 33.67 feet to a point; thence along the arc of a curve to the left having a radius of 45 feet, the arc distance of 87.96 feet, which chord bears North 71 degrees 20' East 74.61 feet, to a point; thence South 74 degrees 40' East, 5.00 feet to the point of BEGINNING.

CONTAINING 0.156 acres of land, more or less.

BEING Parcel 4 on a subdivision plan of property to be conveyed between the Borough of Pottstown and the Berkshire Oil Company, a/k/a Amerada Hess Corporation.

BEING County Parcel Numbers 16-00-13484-00-9 and 16-00-13488-00-5.

BEING THE SAME PREMISES which Grantor by its deed dated January 14, 1985 and recorded February 14, 1985 in the Montgomery County Office of the Recorder of Deeds in Deed Book 4759, at Page 1817, granted and conveyed unto Hess Realty Corporation, a Delaware Corporation.

UNDER AND SUBJECT, NEVERTHELESS, to all building restrictions, zoning regulations, easements, rights-of-way, reservations and restrictions, either of record or visible on the property herein conveyed, and subject to all rights of and ownership in public roads, streets and highways, whether or not opened.

GRANTEE, ITS SUCCESSORS AND ASSIGNS, may not operate a convenience store or sell or store any petroleum or petroleum derivative fuels or lubricants, on or from the property herein conveyed. This restriction will be deemed to be a covenant running with the land.

ADDITIONALLY, Pursuant to Sections 303(g) and 304(m) of the Pennsylvania Land Recycling and Environmental Remediation Standards Act ("Act 2"), 35 Pa. Stat. Ann. §§ 6026.303(g) and 6026.304(m), Grantee hereby acknowledges that hazardous substances were released to the soil and groundwater on the Property, which was previously used for the retail sale of motor fuel. Details concerning the general location of the identified hazardous substances can be found in the Remedial Action Completion Report ("RACR") dated February 14, 2005, as well as other documents on record at the office of the Pennsylvania Department of Environmental Protection ("PaDEP"), 2 East Main Street, Norristown, PA 19401. In particular, the RACR identifies that soils contain benzene, methyl-tertiary-butyl ether (MTBE), 1,2-dichloroethane and 1,2-dibromoethane above Act 2 Statewide Health Standards, assuming a non-residential use. The RACR also identifies other substances detected in the soil meeting Statewide Health Standards, assuming a non-residential use of the property. The RACR identifies benzene, toluene, ethylbenzene, xylenes, MTBE, naphthalene and 1,2-dichloroethane in the groundwater above Statewide Health standards, assuming a non-residential use. Other constituents also were detected in the groundwater at levels meeting Statewide Health Standards, based on a non-residential use.

As more fully described in the RACR, the soil and groundwater meet a combination of Statewide Health and Site Specific Standards under Act 2, assuming a non-residential use of the Property. Grantee takes the Property under and subject to the following restrictions and covenants: The groundwater at and under the Property shall not be used for any drinking or agricultural purpose; the Property shall not be used for any residential use; and all buildings constructed on the property shall be constructed without basements or crawl space unless the Grantee, or its successors, confirm that there is no risk of vapor intrusion into buildings or appropriately provide vapor intrusion protection.

Pursuant to Section 304 of Act 2 (35 Pa. Stat. Ann § 6026.304), the above deed notice and deed restrictions shall apply to and run with the land and no modification to this notice and restriction shall be made, as except as authorized pursuant to Section 903 of Act 2 (35 Pa. Stat. Ann. § 9026.903). This hazardous substance acknowledgement is required to be included in the description of the Property described in this deed for all future conveyances or transfers of the property pursuant to Section 512(b) of the Hazardous Sites Cleanup Act 35 Pa. Stat. Ann. § 6020.512(b).

TOGETHER with all and singular the tenements, hereditaments and appurtenances to the same belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, AND ALSO all the estate, right, title, interest, property, claim and demand whatsoever, both in law and equity, of the Grantor, of, in, to or out of the said piece of land, and every part and parcel thereof.


TO HAVE AND TO HOLD the said tract of land, with all and singular the premises herein described together with the appurtenances, unto the Grantee, its successors and assigns, as tenants in common as set forth proportionally above, to and for the only proper use and behoof of Grantee, its successors and assigns, forever.

AND the Grantor, for its successors and assigns hereby covenants and agrees to warrant specially and forever defend all and each of the hereditaments and premises herein above-described and granted, or mentioned and intended so to be, with the appurtenances, against all and every other person or persons, whomsoever, lawfully claiming or to claim the same or any part thereof, by, from or under it, them or any of them.

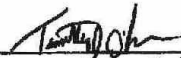
IN WITNESS WHEREOF, the Grantor has caused this Deed to be executed the day and year first above written.

Witness/Attest:

Grantor:
HESS CORPORATION, formerly known as
AMERADA HESS CORPORATION



(Asst.) Secretary
Richard J. Bindelglass
Assistant Secretary

By: 

Name: TIMOTHY J. O'CONNOR
Title: VP. M&R REAL ESTATE

STATE OF NEW JERSEY :
COUNTY OF MIDDLESEX : SS:

On this 22ND day of DECEMBER, 2006, before me, a Notary Public, the undersigned officer, personally appeared TIMOTHY J. O'CONNOR, who acknowledged himself/herself to be the VP. M&R REAL ESTATE of Hess Corporation formerly known as Amerada Hess Corporation, and that he/she, as such, VP. M&R REAL ESTATE being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself/herself as VP. M&R REAL ESTATE.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal.



Notary Public

My Commission Expires:
(SEAL) **KATHLEEN C. FERENCZAK**
NOTARY PUBLIC OF NEW JERSEY
COMMISSION EXPIRES NOVEMBER 2, 2008

BOROUGH OF POTTSTOWN
MONTGOMERY COUNTY, PA
PROPERTY DEED TRANSFER
REGISTRATION APPROVED

DATE: 12-30-06

BY: 

BOROUGH TREASURER

QUALIFICATIONS

David A. Arnoldi, MAI
Indian Valley Appraisal Company
120 East Broad Street, Suite 1
Souderton, PA 18964
david@ivappraisal.com

Education

Appraisal Institute, Chicago, IL
MAI Designation, 2011

Pennsylvania State University, University Park, PA
Bachelor of Arts, Economic with Business Minor, 1991

Continuing Education Past Five Years

Has completed the necessary requirements for Continuing Education

Professional Licenses and Certifications

Pennsylvania State Certified General Real Estate Appraiser, Certificate GA001533L

Appraisal Institute – MAI Member, MAI Certificate Number 13,049; Certificate Date August 2011

Professional Experience

Indian Valley Appraisal Company, Souderton, PA **2011-Present**

Appraiser

Specializing in real estate valuation of commercial, industrial and institutional properties

Valuation & Information Group, Trevese, PA **2008-2011**

Vice President

Responsible for appraising healthcare properties including skilled nursing and assisted living facilities on a national basis; co-managed east coast operations

Valuation Counselors/CBIZ Valuation Group, Lawrenceville, NJ **1996-2008**

Manager

Initially responsible for appraising health care real estate. Final years responsible for appraising multiple real estate property types for litigation support and financial reporting promulgated under the Financial Accounting Standards Board (FASB).

Dale James & Associates **1992-1996**

Assistant Appraiser

Appraiser of commercial and residential properties. Responsible for all phases of the appraisal.

Testimony

Appeared before the Orphan's Court in Philadelphia

Appeared before the Board of Assessment Appeals in Montgomery, Bucks and Chester Counties, Pennsylvania and various municipalities in New Jersey

Appraisal Experience

Assisted Care Facilities
Industrial Facilities
Life Care Facilities
Office Buildings
Restaurants
Shopping Centers

Hotels/Motels
Land
Multi-Family
Retirement Communities
RV Campground
Skilled Nursing Facilities

Unusual or Large Assignments

Three Nascar racetracks
3,300 acre cranberry bog

DISPLAY THIS CERTIFICATE PROMINENTLY • NOTIFY AGENCY WITHIN 10 DAYS OF ANY CHANGE

Commonwealth of Pennsylvania
Department of State
Bureau of Professional and Occupational Affairs
PO BOX 2649 Harrisburg PA 17105-2649

19 0754805

License Type
Certified General Appraiser

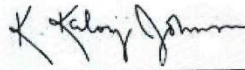
DAVID AARON ARNOLDI
109 NICHOLUS COURT
CHALFONT, PA 18914

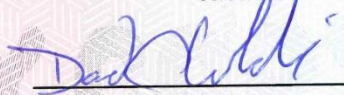
License Status
Active

Initial License Date
04/30/1997

License Number
GA001533L

Expiration Date
06/30/2021


Acting Commissioner of Professional and Occupational Affairs


Signature

ALTERATION OF THIS DOCUMENT IS A CRIMINAL OFFENSE UNDER 18 P.A.C.S. 4911

QUALIFICATIONS

Mark Abissi, MAI, AI-GRS
Indian Valley Appraisal Company
120 East Broad Street, Suite 1
Souderton, PA 18964
mark@ivappraisal.com

Education

Appraisal Institute, Chicago, IL
AI-GRS (General Review Specialist), 2014

Appraisal Institute, Chicago, IL
MAI Designation, 2001

Delaware Valley College, Doylestown, PA
Bachelor of Science in Business Administration (Concentration in Finance), 1984

Continuing Education Past Five Years

Has completed the necessary requirements for Continuing Education

Professional Licenses and Certifications

Pennsylvania State Certified General Real Estate Appraiser, Certificate GA000315L

Appraisal Institute – MAI Member, MAI Certificate Number 11,705; Certificate Date April 24, 2001

Approved Appraiser for the Pennsylvania Department of Transportation

Professional Experience

Indian Valley Appraisal Company, Souderton, PA **1994-Present**

Owner

Specializing in real estate valuation of commercial, industrial, institutional and residential properties. Duties include supervision of appraisers, review, coordination of condemnation and eminent domain appraisals

Appraisal Affiliates, Warminster, PA **1989-1994**

Senior Staff Appraiser

Responsible for appraising commercial, industrial and special purpose properties

C.L. Orbaker & Associates, Inc., Doylestown, PA **1985-1989**

Assistant Appraiser

Responsible for appraising residential, industrial, and commercial real estate

Testimony

Appeared before the Board of Assessment Appeals in Bucks, Carbon, Chester, Delaware, and Montgomery Counties, Pennsylvania

Appeared before the Court of Common Pleas in Bucks and Montgomery Counties

Appeared before U.S. Bankruptcy Court in Philadelphia, Pennsylvania and Jacksonville, Florida

Appraisal Experience

Assisted Care Facilities
Branch Bank
Cemetery
Condominiums (Res, Comm, Indus)
Country Clubs
Fast Food Restaurants
Hotels/Motels
Manufacturing Facilities
Skilled Nursing (Nursing Home)
Residential Subdivisions
Restaurants
Service Stations
Vacant Land (All types)

Automotive Dealership
Bed & Breakfast
Churches
Convenience Stores
Dairy/Creamery
Funeral Home
Life Care Facilities
Multi-Family
Office Buildings
Retail Stores
Retirement Communities
Shopping Centers
Warehouse Distribution Centers

Unusual or Large Assignments

B.F. Goodrich Plant, 1 million square feet, Oaks, Pennsylvania
Plymouth Meeting Mall, 730,000 Square Foot Shopping Mall and Multi-Story Office Building
The Arsenal Business Center, 1 million square feet industrial park, Philadelphia, Pennsylvania
Hillside Cemetery and Ardsley Burial Park, and proposed townhouse community, Abington, Pennsylvania
Moravian Village, continuous care residential community, Bethlehem, Pennsylvania
Lower Salford Sewage Treatment Plant, Harleysville, Pennsylvania
For-profit, privately held, sewage treatment plant, Macungie, Pennsylvania
Vacant land for the Flight 93 Memorial, Shanksville, Pennsylvania
Former Souderton High School, Souderton, Pennsylvania
Lincoln Train Station, Gettysburg, Pennsylvania

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Commonwealth of Pennsylvania
Department of State
Bureau of Professional and Occupational Affairs
PO BOX 2649 Harrisburg PA 17105-2649

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License Type
Certified General Appraiser

MARK ROBERT ABISSI
117 SCHULTZ ROAD
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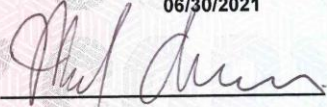
License Status
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Initial License Date
09/10/1991

License Number
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Expiration Date
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Acting Commissioner of Professional and Occupational Affairs


Signature

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