APPRAISAL REPORT

January 23, 2006

Timothy M. Sennett, Esq.
Knox Law Firm
120 West Tenth Street
Erie, PA 16501

Re: Erie County Vocational Technical School

Dear Attorney Sennett:

I hereby certify that I have personally inspected[1] the property described as a vacant, proposed 20-acre parcel to be subdivided from a larger parcel located at the intersection of Flower Road and Pagan Road, Summit Township, County of Erie, State of PA. Also known as a part of Erie County Index No.

40-017-078.0-009.00

The type of value to estimate is the Market Value of the subject property in fee simple estate in an "as-subdivided" condition as of January 23, 2006. The last date of inspection of the subject was January 23, 2006; the date of the appraisal is January 23, 2006. The appraisal is based upon the assumption that the property is in a hypothetical, subdivided condition in accordance with Township regulations.

The intended user and client of this appraisal is Attorney Timothy M. Sennett in his capacity as a representative of the Erie County Vocational Technical School. The intended use of the appraisal is for potential marketing purposes.

My estimate of the Market Value of the subject property in fee simple estate in an "as-subdivided" condition as of the aforementioned date is:

$275,000

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[1] See "Scope of Work"

This property was appraised as a whole, owned in fee simple estate and subject to the contingent and limiting conditions that are more fully described within the report.

This is a Complete Appraisal, Summary Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's estimate of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

Robert E. Glowacki
PA Certified General Real Estate Appraiser
Certification No. GA 000367-L PA

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AREA/NEIGHBORHOOD ANALYSIS[2]

One of the greatest influences upon real estate values is the location of the subject property. This section of the report will analyze the location of the property and to report those factors which influence value.

I. Geographic Location

The subject property is located in the northwestern section of the State of Pennsylvania in Erie County. Erie County is bordered on the north by Lake Erie; bordered on the west by the State of Ohio; bordered on the south by Crawford County; and bordered on the east by the State of New York. The City of Erie is the central point within this region and is the location of the "County seat."

Being situated on the southern shore of Lake Erie, Erie County provides a good, natural harbor on Pennsylvania's only lake and world port. This central location is also able to provide easy access to tri-state markets.

II. Physical and Environmental Factors

A. Topography and Climate

Erie County has a land area of 812.6 square miles. The county is located 572 feet above sea level. The average temperature within the county is 48.7 degrees Fahrenheit; the average rainfall is 41.5 inches; the average snowfall is 79 inches.

The typical growing season is l80 days. Superior agricultural conditions prevail in the surrounding countryside. Rich, sandy soil and this ideal growing climate are tempered by Lake Erie to yield rich harvests of many varieties.

B. Transportation

I. Highway

Erie County has good accessibility and a relatively good highway system. The county is serviced by Interstate 90 to provide east/west access and by Interstate 79 to provide north/south interstate access to the major cities within the United States. Interstate 90 is approaching its design capacity, but Interstate 79 could handle significantly more traffic. In 1990, the Bayfront Highway was completed which effectively extends I-79 along the City's Bayfront to East Avenue.

The main state highways are U. S. Route(s) l9 and 20, and State Routes 5, 8 and 99. The Erie Area Transportation Study (EATS) is the formal planning organization for highways. It has done a good job with the Erie area, making comparable or superior progress than the rest of the State of Pennsylvania within the past 50 years.

The Bayfront Connector, a $1.80 million, 6.2 mile highway, was completed in June 2005 to establish a link between East Avenue and I-90/Route 430. It also links the Bayfront Highway (I-79) to I-86 which provides superior access to Southern New York State. A pedestrian and bike trail was included in construction, which runs from Penn State Behrend through East Erie to the Bayfront. The completion of the project also increased economic growth and opportunity along Erie's Bayfront.

2. Railroads

The railroads are currently adequate and are owned by the private sector or quasi entities that are responsible to profit and loss considerations. The main-line transportation includes Amtrak, inter city for passenger service and East Erie Commercial Railway, which serves the G.E. Company; CSX Corporation for freight service.

[2] Revised 01/17/06

With all profit/loss entities is the concern of abandonment proposals and service cuts. As an example, one issue has been the shifting of the facilities on the east side of the City of Erie to a short-line operator.

3. Airport

The Municipal Airport Authority, which ultimately answers to the City of Erie, operates the airport. The "Erie International Airport, Tom Ridge Field" has a total of 6,500 feet of runway. Considering the size and location of the City of Erie, the airport is adequate for individual and airfreight traffic. The Authority also recognizes that expansion and updating will be required to maintain adequate service. The terminal has been remodeled, hallways widened and the baggage claim made larger. Carriers currently servicing Erie include US Air, Delta/Comair, Continental and Northwest Airlines.

The authority has selected a consultant for assistance in continuing updating the l0 year master plan. The plan addresses improvements that would directly affect passenger use of parking, access road and additional jetways. The master plan will also address long range concerns including relocation of a greatly expanded facility to a larger (5,000 acre) site west of Erie in order to accommodate regional demand.

4. Port

The Erie-Western Pennsylvania Port Authority was established to promote commerce and shipping through the Port of Erie. The port has a deep-water dock capable of shipping or receiving any commodity through the St. Lawrence Seaway. They also have a ship repair/ship building facility with a 1250' dry dock. Other commercial interests include recreational slips, launch facilities, and other public access points of recreation. The port operates from approximately April lst to December l5th. Annual tonnage ranges from approximately 400,000 to 500,000 tons. The channel is 300 feet wide and 28 feet deep.

III. Utilities

The main urban and suburban areas are serviced by public water and public sewer. Excluding a few minor boroughs and towns, the City of Erie was traditionally the sole provider of public water and public sewer. With rate requests and service expansion controlled by the State's Public Utility Commission (P.U.C.), the boundaries for these public utilities created the geographical borders of industrial and residential growth. Rural areas are typically serviced by private wells and septic systems. In the early 1990's, the City of Erie sold the assets, liabilities and operation of this water system to the Erie Water Authority (MUNISCO). With the removal of the control of the P.U.C., this authority had initiated a policy of significant capital expansion and replacement. This authority is committed to the expansion of public water to all areas within Erie County in which they are legally permitted.

Penelec provides electricity for the County. Electric power is abundant in supply and relatively inexpensive. Natural gas for the County is provided by the National Fuel Gas Company which is also abundant in supply and relatively inexpensive. Verizon provides the local telephone service with numerous long distance telephone companies servicing the area.

IV. Social Factors

The population of Erie County was 275,572 in l990; the population of Erie County is currently 280,843. These figures are based on the 2000 Census, which is the date of the last official census. These figures indicate an increase of 1.9 percent over a ten-year period.

Though the general area has a relatively diversified employment base, inexpensive cost of living and a good quality of life, there has been no major employment expansion within the County.

POPULATION BY DECADE FOR
CITY OF ERIE, COUNTY OF ERIE, STATE OF PENNSYLVANIA

	City		County		State	
Year	Total	% (+,-)	Total	% (+,-)	Total	% (+,-)
1940	116,995		180,889		9,900,80	
l950	130,803	(+)ll.8%	219,388	(+)21.3%	10,498,012	(+)6.0%
l960	138,440	(+) 5.8%	250,682	(+)l4.3%	11,319,366	(+)7.8%
l970	129,231	(-) 6.6%	263,654	(+) 5.2%	11,800,766	(+)4.3%
l980	119,123	(-) 7.8%	279,780	(+) 6.1%	11,864,751	(+)0.5%
l990	108,718	(-) 8.7%	275,572	(-) l.5%	11,881,643	(+)0.01%
2000	103,717	(-) 4.6%	280,843	(+) 1.9%	12,281,054	(+)3.4%

PERCENTAGE OF POPULATION BY AGE GROUP
MEDIAN AGE OF POPULATION – 36.2 YEARS

0 – 5 years	6.2%
6 – 19 years	22.30%
20 – 44 years	34.90%
45 – 64 years	22.20%
65 and older	14.40%

PERCENTAGE OF INCOME IN HOUSEHOLDS
NUMBER OF HOUSEHOLDS = 106,488
MEDIAN HOUSEHOLD INCOME $36,627

Less than $10,000	10.1%
$10,000 - $14,999	7.9%
$15,000 - $24,999	15.3%
$25,000 - $34,999	14.4%
$35,000 - $49,999	18.5%
$50,000 - $74,999	19.2%
$75,000 - $99,999	8.1%
$100,000 - $149,999	4.3%
$150,000 - $199,999	1.0%
$200,000 or more	1.2%

V. Educational

Two universities and three colleges service the Erie County area. They include Gannon University, Edinboro University, Penn State University-Behrend, Mercyhurst College and Lake Erie College of Osteopathic Medicine.

There are various trade and technical schools located within the County, an adequate public and private secondary and primary school system.

VI. Health Care

Erie is fortunate to have excellent health resources. Hamot Medical Center serves as a community, regional referral center and a health resource for more than a million residents in northwestern Pennsylvania, Ohio and New York. Hamot is a 350 bed tertiary care facility with an active staff of more than 250 physicians representing most medical specialties and more than 2,500 nurses, technologists, therapists and other personnel.

St. Vincent Health System, established in l875 by the Sisters of St. Joseph, admits over 16,000 patients annually, provides outpatient care for 155,000 and welcomes nearly 1,600 babies each year. The center is a 413 bed tertiary care facility. St. Vincent's has more than 350 staff physicians providing care in 35 medical and surgical specialties and subspecialties.

Millcreek Community Hospital, an osteopathic facility serving the Erie area, is a general acute care family oriented hospital. The facility includes l35 beds and a 24-hour emergency room.

The Veterans Affairs Medical Center is a general medical and surgical facility; it is situated on a well landscaped, 20 acre tract overlooking the environs of the City of Erie and Presque Isle Bay. The hospital comprises a total of over l00 beds, including a Nursing Home Care Unit.

The Regional Cancer Center is the largest cancer treatment facility in the tri-state region. The Center will see over 5,500 patients each year and is able to provide over 235,000 services.

The Shriners Hospital for Children is an orthopedic hospital providing care to children between birth and age eighteen. They specialize to those with congenital deformities, orthopedic injuries, and/or diseases of the bones, joints and muscles.

VII. Recreational and Cultural Facilities

Presque Isle State Park is one of the top tourist attractions in the eastern portion of the United States. This park encompasses an area of approximately 3,200 acres and has a total annual attendance of nearly 4,000,000 visitors. Facilities include a marina, ramps for boat launching, boat rentals, bait stands, guarded beaches and the soon to be completed Tom Ridge Visitor Center at the entrance to Presque Isle

Boating is enjoyed by both the local resident population as well as by tourists. In the late 1980's and early 1990's several marina complexes were constructed and/or expanded to facilitate the growing demand.

Sports also are popular for Erie residents to watch. During the summer the class AA affiliate of The Detroit Tigers, The Erie Seawolves, can be watched at Jerry Uht Ballpark. During the winter, the Erie Otters Hockey team can be spotted at the Erie Civic Center.

The area is also serviced by the Erie Civic Center, Erie Zoo, 30 (+) City and County parks, l2 softball and baseball fields, 19 tennis courts, two indoor tennis facilities, three ice rinks, 21 public or private golf courses, and 2l marinas. Also located within 30 to 40 minutes of Erie County is the cultural arts and educational facility at Chautauqua Institute and the Peek-N-Peak Ski and Golf Resort.

VIII. Political Factors

There are 38 municipalities located within Erie County including two cities, 22 townships and l4 boroughs. The City of Erie is a city of the third class with a "strong mayor" form of government. The County of Erie is a Home Rule Charter with a full time county executive and seven part time council members that are elected according to geographic location.

Real estate taxes and personal income taxes are the primary revenue source for all municipalities. The assessments that are established by the County of Erie are utilized by all taxing districts in the computation of their annual tax billings. Erie County completed a County wide reassessment which became effective in 2003. All taxing bodies utilize these market values in the calculation of their real estate taxes.

Zoning ordinances, building codes, plumbing and electrical ordinances and land use are the responsibility of the individual municipality. The County of Erie has a planning office to assist the smaller communities in the planning and subdivision of their respective areas.

IX. Economic Factors

The Erie County economy has been traditionally founded on a strong industrial climate. These manufacturers provide a great diversity with nearly 500 operations producing more than l00 different types of metal, plastic and paper products.

During the past l0 years, this strong manufacturing base suffered through a national industrial downturn. Fortunately, a more diversified base enabled the local economy to endure this slowdown better than several major industrial communities.

The shift from the manufacturing base to the service and medical businesses is evidenced in the expansion and renovation of Erie Insurance Exchange and the growth of St. Vincent Health Center and Hamot Hospital's facilities.

Major employers and total employees within Erie County include the following:

General Electric Company	Locomotives, DC motors, generators	4,000
Millcreek Mall Merchants Assn.	Shopping Center	2,800
Saint Vincent Health Center	Health Care	2,700
Erie Insurance Group	Property, casualty, auto, and life insurance	2,300
Hamot Medical Center	Health Care	2,002
Erie School District	Public school facilities; elementary and secondary	1,615
Plastek Industries	Precision molds and molded plastics	1,400
Giant Eagle (6 Locations)	Supermarket Chain	1,400
Erie County Government	Government Administration	1,123
Verizon	Public utility, telephone service	1,104
Scott Enterprises	Restaurants & motel chains	1,100
Gertrude Barber Center	Special education facility	980
Wegmans Food Markets	Supermarket Chain	950
Millcreek Twp. School Dist.	Educational Facilities	910
McDonald's/KLB Management	Fast food chain	890
Steris Corporation	Hospital equipment	863
Erie City Government	Government Administration	800
West Teleservices Corp	Telemarketing	800
Lord Corporation	Aerospace and Industrial products	723
All Seasons Placement, Inc.	Temp agency	698
Harbor Creek School District	Educational Facilities	665
Country Fair Inc.	Convenience Store	655

Pleasant Ridge Manor	Long-term healthcare institution	654
Telatron Marketing Group, Inc.	Telemarketing	650
US Postal Service	Postal Service	570
State Correctional Institution- Albion	Government/ Municipality	560
PHB, Incorporated	Die cast, rubber and plastic products	550
NW Tri County Intermediate	Education Facility	550
Modern Industries Inc.	Production Machining	523
A N Deringer, Inc.	International Trade Service	500
Penn State – Behrend	State university; local campus	500
Miller Management Group, Inc.	Auto Dealer	500
Mercyhurst College	College	490
Gannon University	University	484
Greater Erie Community Action (G.E.C.A.C.)	Non-profit private social service	460
Erie Plastics	Injection molded products	438
Welch Foods, Inc.	Processed grape juice, jelly, jam	435
Associated Clinical Lab.	Testing Lab	423
Carlisle Engineered Products	Product design, precision molds	400
Veterans Affairs Medical Center	Health Care	398
PNC Bank	Banking	287
Blair Corporation	Clothing Sales	275

A. Current Trends

With the realization that Erie County was no longer going to be the strong industrial base of previous decades, governmental and private business have attempted to enact tax incentive programs to encourage modernization of existing facilities and diversification into new products.

There has been a major waterfront development that initially occurred in the Erie area in mid 1980's. A successful development will also help the tourism industry, which accounts for over $l00,000,000 of annual business for the Erie area.

X. Summary and Conclusion

Erie County is centrally located between the major markets of Cleveland, Buffalo and Pittsburgh. The relatively inexpensive cost of living and the diversified employment base has provided a stable environment and moderate growth.

Although the economic climate has traditionally been influenced by the national industrial climate, a shift to service, medical and tourist related businesses should help the Erie County economy more easily survive future downturns in the national economy.

The availability of adequate water, sewer, transportation and labor forces should help the area provide adequate services for the resident.

SUMMIT TOWNSHIP

Summit Township, organized in 1854, is located in the central section of Erie County and immediately south of Millcreek Township. Summit Township is the second smallest and second newest in the county. It contains 24.04 square miles of area and has a current population of 5,529 residents. Total township roads are 46.68, 31.11 state roads and two bridges which span over eight feet.

Its form of government is a township that is ruled by a three member Board of Supervisors. It is serviced by one volunteer fire department but works in cooperation with surrounding volunteer departments. It has no full time police department; police protection is provided by the Pennsylvania State Police.

This rural, suburban community is predominantly residential and agricultural. Traditionally, there has been a minimum of manufacturing or industrial facilities within the township. The east/west interstate highway, I-90, dissects the township. Though there had been minimal lodging and restaurants at the two interchanges of Interstate 90 within Summit, the township has recently experienced significant growth around these interchanges since the mid 1980's. These developments include several national motel chains, national fast food restaurants, local commercial and retail facilities. Industrial growth has also developed at the Baldwin Industrial Park near I-90 and Oliver Road and the construction of the Bush Industries facility within the same area. The Bush facility is approximately 1,000,000 s/f in size and is a manufacturer of office furniture.

This growth has been attributable to various factors but was positively influenced by a ten year court appeal with the City of Erie that was resolved in 1988. Summit Township was legally permitted to install public water along State Route I9 (Peach Street) to an area that currently extends approximately three (3) miles south of Interstate 90. The availability of public water has resulted in a tremendous appreciation of land values along this roadway as well as significant, commercial development. Due to an international agreement between the Great Lake States and Canada, water that is drawn from the Great Lakes @ Lake Erie cannot be distributed to a geographical point in which it will not be returned to the particular Great Lake. If public water is distributed further southwardly within Summit Township, the water will return to the Mississippi River and not Lake Erie. For this reason, the higher density, commercial and residential growth is going to be limited by this international, water rights agreement.

It appears that the predominant nature of Summit Township will remain rural, but the commercial and industrial development at the interstate interchanges will add significantly to the tax base within Summit Township.

POPULATION BY DECADE FOR SUMMIT TOWNSHIP
COUNTY OF ERIE, STATE OF PA

Year	Summit Total	(+-) %	County Total	(+,-) %	State Total	(+,-) %
1990	5,284		275,572		11,881,643	
2000	5,529	(+)4.6%	280,843	(+)1.9%	12,281,054	(+)3.4%

SITE DESCRIPTION

OWNER:	Erie County Area Vocational Technical School
ADDRESS:	Flower Road and Pagan Road, Summit Township, Erie County, PA
INDEX NO.:	40-017-078.0-009.00
LEGAL REFERENCE:	As more fully described in the Deed of Conveyance.
ZONING:	"R-2" – Residential. A copy of the permitted uses is included in the addendum. Residential development is primarily limited to the construction of single and two-family dwellings.
FLOOD PLAIN:	It appears the subject site is located in a Zone C Flood Plain as noted on Community Panel #422418 18 0015 A. (September 16, 1981)
STREET:	Paved; public; publicly maintained.
UTILITIES:	Public water is available along Flower Road and Pagan Road. Public sewer is not currently at the property line. In a discussion with Bill Steff of Summit Township, sanitary sewers currently service a residential subdivision at Flower Road and Persimmon Drive. It appears sanitary sewers could be extended from this subdivision. The distance from the center line of Persimmon Drive to the center line of Pagan Road is approximately 375'. Additionally, there is a sanitary sewer lift station located on the north line of Flower Road between the proposed east line of the subdivision and the balance of the land of Erie County Vo Tech. The distance exceeds 375'. Depending upon engineering, it may be more feasible to service the site from this lift station. In my analysis, my opinion of value is based upon the assumption that sewers can be extended to service the proposed site. Gas; electric.
MARKET AREA DESCRIPTION:	For the purpose of this report, the "market area" is described as that area bounded on the east by Hamot Road; bounded on the north by I-90; bounded on the west by Route 99; bounded on the south by Robison Road. With the significant commercial development along Peach Street (State Route 19) and industrial development between Peach Street and Hamot Road, the neighborhood has experienced fairly active residential development. With the current population trends and movement to the south of Erie, the demand for residential dwellings within the area should remain strong. The area is in close proximity to public transportation, major state and interstate highway systems, schools, recreational facilities and major employment centers.
LAND DESCRIPTION:	Level site. Drainage appears adequate and towards the lot line. The appraisal is based upon the assumption that the site is environmentally acceptable for residential development and there would be no significant loss of site area due to wetlands. Additionally, it is assumed that development would not require any extraordinary costs relating to site development such as the installation of lift stations, water line extensions to the site, etc.

LOT SIZE:	680' along the north line of Flower Road x 960' along the east line of Pagan Road. A proposed subdivision sketch is included in the addendum which more specifically describes the assumed dimensions. The appraisal is premised on the assumption that the property can be subdivided in accordance with the proposed sketch. Total lot area = 20-acres
REFERENCE:	Deed Book 1210, page 209
DATE OF TRANSFER:	April 12, 1976
CONSIDERATION:	$0. Conveyance between governmental agencies

PREVIOUS SALES HISTORY

There have been no sales, offerings or listings of the subject property during the previous three years and, therefore, no further analysis of such was made of the subject.

HIGHEST AND BEST USE OF SITE AS VACANT

The highest and best use for the subject site is analyzed taking into consideration the four tests for highest and best use. These criteria include: (l) the subject being physically possible for the highest and best use; (2) the subject being legally permissible; (3) the subject use being financially feasible and; (4) the subject use being maximally productive.

An analysis by this appraiser of the effective demand, the land use and/or zoning restrictions, the physically possible uses of the subject site, and the feasible and/or appropriate uses of the subject property, it is the opinion of the appraiser that residential development in accordance with Summit Township's zoning ordinance is the highest and best use of the site as vacant.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (l) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what they consider their own best interests; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing concessions* granted by anyone associated with the sale.[3]

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs that are normally paid by sellers as a result of tradition or law in the market area; these costs are readily identifiable since the seller pays these costs in virtually all sale transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession by the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

REASONABLE EXPOSURE TIME

By definition, the exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion on an analysis of past events assuming a competitive and open market.[4] In determining a reasonable exposure time for the subject, the appraiser has considered, analyzed and substantiated related facts that include, but are not limited, to the following:

- The property has been exposed to the market for an adequate, sufficient and reasonable time.
- The property has been exposed to the market with adequate, sufficient and reasonable effort.
- Factors relating to the supply/demand conditions as of the effective date of the appraisal, the use of current cost information, the analysis of historical sales information which were sold after exposure and after completion of negotiations between the seller and the buyer, and the analysis of future income expectancy projected from the effective date of the appraisal were substantiated.
- Statistical information regarding the number of days on the market was reviewed from a local real estate board.
- Information was gathered through sales verification as well as interviews of market participants.

After substantiation and analysis of the subject property, it appears that a reasonable exposure time would be six to nine months.

[3] Office of the Comptroller of the Currency (OCC), Federal Register in 12 cfr Part 34, 34.42(f).
[4] Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, 2001.

MARKETING PERIOD

By definition, the reasonable marketing time is an estimate of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.[5] In determining an appropriate marketing period for the subject, the appraiser has made certain assumptions, conclusions and considerations to include, but not limited to, the following:

- The property is offered by the owner or an agent for the owner to include such marketing techniques as a Multiple-listing service, advertising within newspapers or local trade journals, signs and the other typical marketing media within the area.
- The property is being offered for sale at a price that is within close range of the appraised value.
- A consideration of the typical holding costs that will be incurred by the property owner during the market period for such items as taxes, insurance, maintenance, etc.
- The terms and conditions of the offering meet the criteria within the definition of market value @ in terms of cash or its equivalent.
- Statistical information regarding the number of days on the market was reviewed from a local real estate board.
- Information was gathered through sales verification, interviews of market participants and anticipated changes in market conditions.

Considering the availability of financing, current demand, the number of offerings of competing properties and the local economy, it is assumed that the typical marketing time would be a minimum of three months but not to exceed one year.

SCOPE OF WORK

The scope of work of this appraisal is the amount and type of information researched and the analysis applied in this assignment which is included, but was not limited to, the following:

- Inspection[6] of the subject site;
- Reviewed the proposed subdivision sketch;
- Discussed a proposed development with Summit Township officials;
- Area and market analysis;
- Verified current zoning use with Summit Township;
- Verified applicable flood hazards by use of FEMA maps;
- Analyzed the current value trends;
- Analyzed the current employment trends, market and interest rate trends and economic trends;
- Inspected the public records including tax records, the Recorder of Deeds, the Assessment Office and the Map Room;
- Analyzed the recent sales that have occurred within the subject's market area from the sales through such data sources as the Greater Erie Board of Realtors, the Daily Report, the appraiser's files;
- Analyzed the current rental market in relationship to the subject;
- Analyzed the current income/investor market in relationship to the subject;
- Analyzed total depreciation that included physical, functional, economical and external factors that would influence values.

[5] Ibid

[6] By definition, an inspection is "the act of inspecting or viewing, esp. carefully or critically". Similarly, inspect is to "come to see in an official or professional capacity". It should be clearly understood that the inspection related to the appraisal was not in a capacity of a home inspector, building inspector or an expert in the mechanical or structural components of the improvements.

APPLICATION OF APPROACHES TO VALUE

SALES COMPARISON APPROACH: The Sales Comparison Approach will take into consideration the sales of multi-acre, residential parcels within the subject's "market area" and competing markets that were subsequently utilized for subdivision development. Upon review of this data, appropriate adjustments will be made for, but not limited to, such items as site, location, size, functionality, access and those other amenities located on the subject and comparable sites. The result will be to determine an appropriate value per acre to apply to the subject's gross lot area in order to determine value by the Sales Comparison Approach.

INCOME APPROACH: A review of residential sites within the area indicates there is currently neither a market nor a demand for the lease of residential sites. Therefore, though considered, the Income Approach was not developed in this report to value the land.

COST APPROACH: Due to the fact that the subject is a vacant site, the use of the Cost Approach is not appropriate in this report.

THE SALES COMPARISON APPROACH

The Sales Comparison Approach is the method of valuation whereby the subject property is compared with similar properties that have previously been sold.

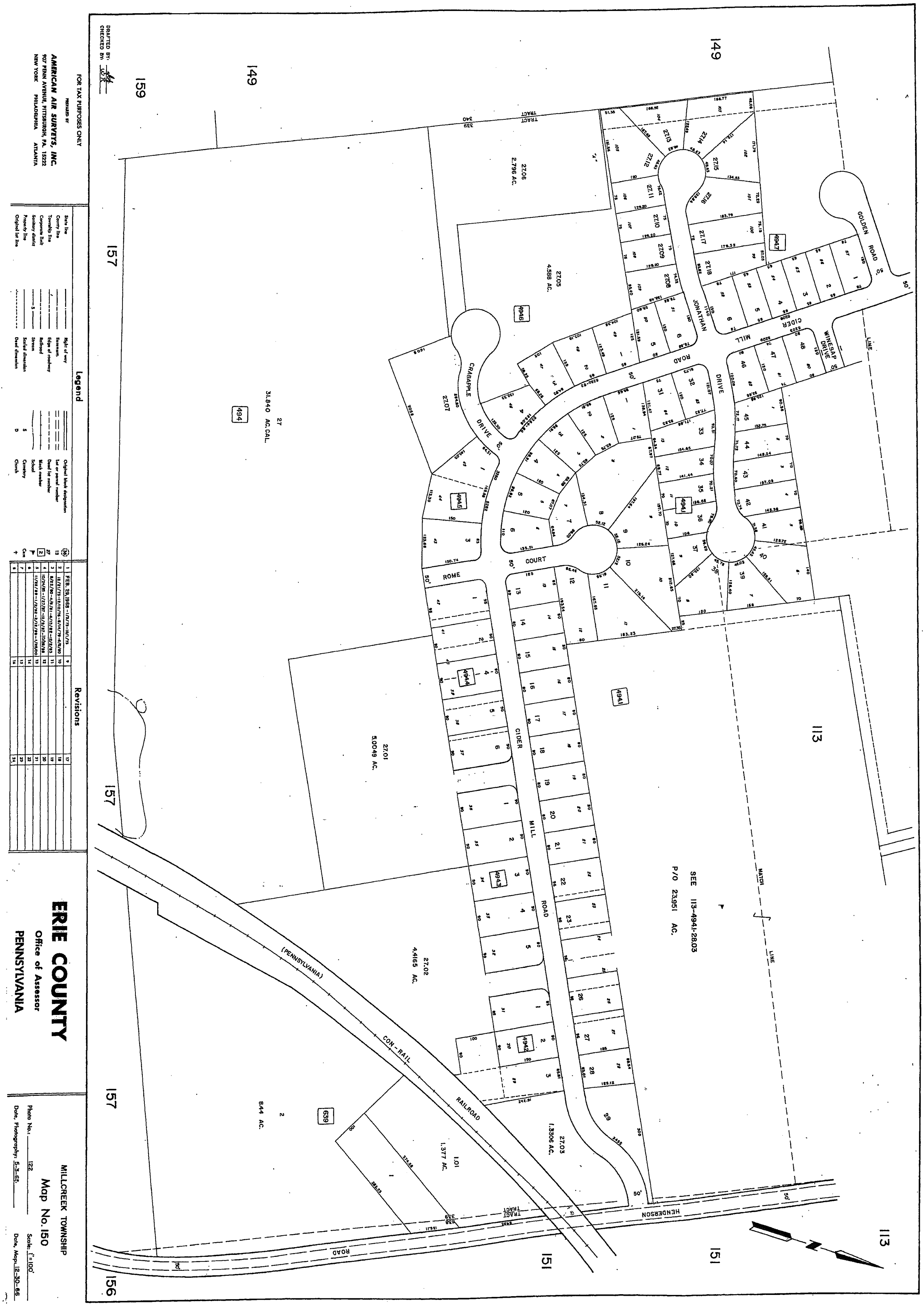
One premise of the Sales Comparison Approach is that the market will determine a price for the property being appraised in the same manner that it determines the price of comparable, competitive properties.

The procedure for the Sales Comparison Approach includes the following:

1. Analyze and report market data regarding sales transactions, listings and other offerings of similar properties.
2. Verify the factual accuracy and nature of the sales.
3. Determine various units of comparison between the subject and the comparables.
4. Analyze and adjust the units of comparison to the subject.
5. Estimate a value for the subject based on this analysis.

LAND SALE NO. 1

PROPERTY:	Henderson Rd & north of Cider Mill Rd. Millcreek Township, Erie County, PA
INDEX NO.:	33-150-494.0-150.00
REFERENCE:	Record Book 691, page 1926
CONSIDERATION:	$500,000
DATE:	March 10, 2000
SIZE:	31.84-acres
ZONING:	"D" Residence
GRANTOR:	Mary Orlando
GRANTEE:	Maleno Developers, Inc.
VALUE PER ACRE:	$15,704
COMMENTS:	This was a sale located at the southern end of the Cider Mill Subdivision. Utilities were located at the subdivision line. This site will be utilized for multi-family development. Maleno also purchased three parcels to the south of Sale #2 which is being developed for 79 single family home sites. (See Sale #3). There were no extraordinary costs to be incurred by Maleno to develop this parcel. Summit Township's zoning for the subject permits two-family development. The Maleno purchase permits for a greater density.


ERIE COUNTY
Office of Assessor
PENNSYLVANIA
MILLCREEK TOWNSHIP
Map No. 150
FOR TAX PURPOSES ONLY
AMERICAN AIR SURVEYS, INC.
Legend
Revisions
JONATHAN ROAD
CIDER MILL DRIVE
GOLDEN ROAD
WINESAP DRIVE
CRABAPPLE DRIVE
ROME COURT
CIDER MILL ROAD
HENDERSON ROAD
(PENNSYLVANIA)
CON-RAIL
RAILROAD
TRACT
MATCH LINE
SEE 113-4941-28.03
P/O 23.951 AC.
27
31.840 AC. CAL.
27.01
5.0049 AC.
27.02
4.4165 AC.
27.03
1.3306 AC.
27.05
4.588 AC.
27.06
2.796 AC.
1.01
1.377 AC.
2
8.44 AC.
149
157
159
113
151
156

LAND SALE NO. 2

PROPERTY:	Lake Pleasant Rd. Millcreek Township, Erie County, PA
INDEX NO.:	33-157-494.0-025.00
REFERENCE:	Record Book 960, page 1665
CONSIDERATION:	$600,000
DATE:	December 18, 2002
SIZE:	47.54-acres
ZONING:	Agricultural and Industrial
GRANTOR:	Ludwig Corsi & Thomas Finley
GRANTEE:	Maleno Developers, Inc.
COMMENT:	23.15-acres has been subdivided from this parcel and assembled with two other parcels to form the first and second phase (41 lots) of the Sterling Ridge Subdivision. Of the remaining 23.15-acres, 13.5-acres are wetlands. The remaining 10-acres will form the balance of the subdivision (38 lots).

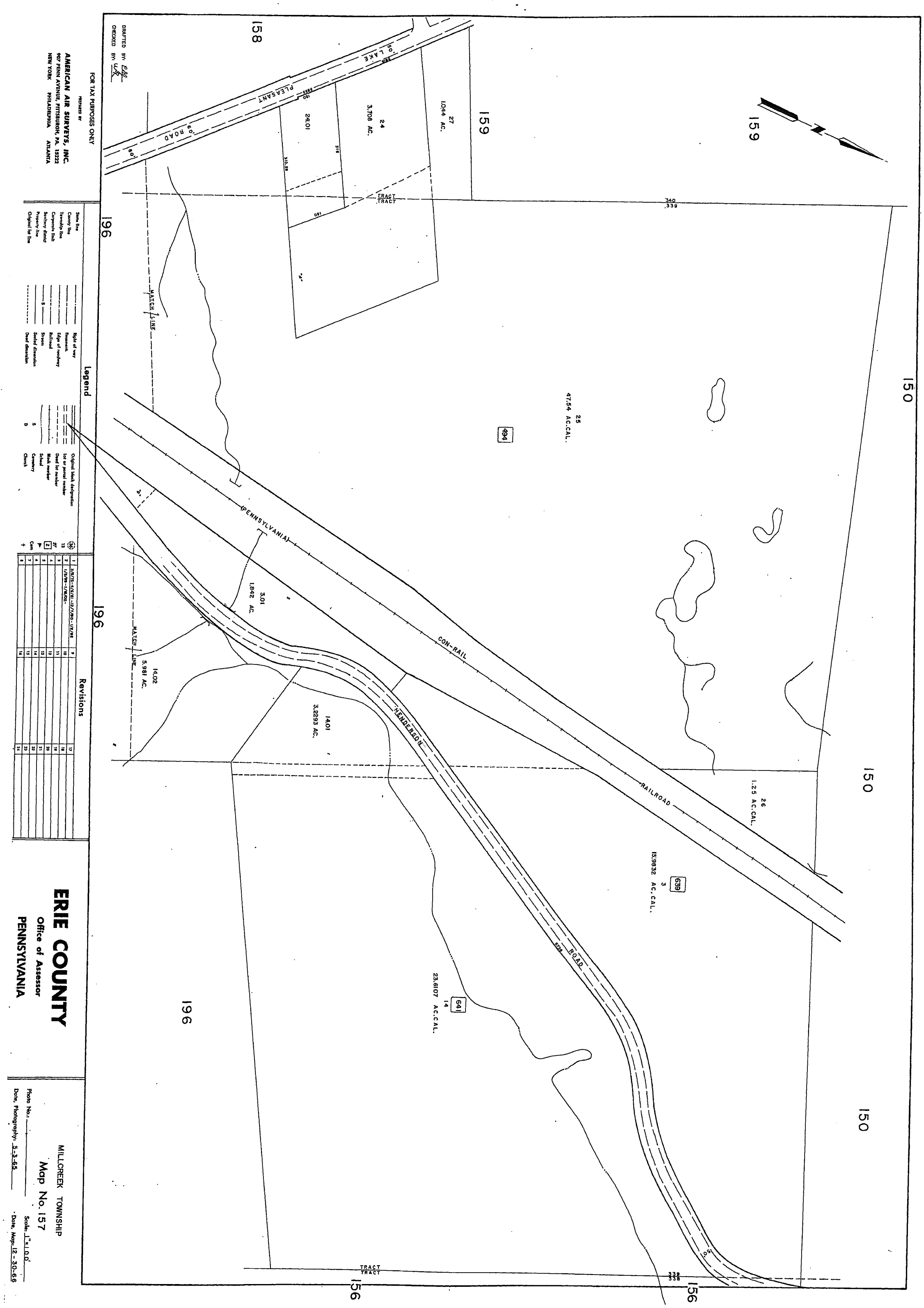
PROPERTY:	5601 Lake Pleasant Rd. Millcreek Township, Erie County, PA
INDEX NO.:	33-159-494.0-017.00
REFERENCE:	Record Book 732, page 1811
CONSIDERATION:	$49,500
DATE:	October 18, 2000
SIZE:	4.95-acres
ZONING:	Agricultural
GRANTOR:	Harold Goetz
GRANTEE:	Maleno Developers, Inc.
COMMENT:	Subsequently, Maleno subdivided 2.68-acres from an adjacent parcel (see next description) and assembled that land with this parcel to form a 7.62-acre lot which is also a part of Sterling Ridge.

PROPERTY:	5611 Lake Pleasant Rd. Millcreek Township, Erie County, PA
INDEX NO.:	33-159-494.0-018.00
REFERENCE:	Record Book 931, page 1961
CONSIDERATION:	$178,000
DATE:	October 11, 2002
SIZE:	3.92-acres
ZONING:	Agricultural
GRANTOR:	Michael Panghetti
GRANTEE:	Maleno Developers, Inc.
COMMENT:	This parcel included a single-family dwelling. Subsequently, Maleno subdivided 2.68-acres and assembled it with the Goetz parcel. Maleno then sold the dwelling on a 1.24-acre parcel for $111,000 on July 23, 2003, Record book 1040, page 219.

SUMMARY OF STERLING RIDGE SUBDIVISION

Maleno has assembled 47.54-acres from the Corsi sale with the 7.62-acres from the combined Goetz & Panghetti parcel which is the Sterling Ridge Subdivision. The total consideration was $600,000 – Corsi; $49,500 – Goetz; $67,000 ($187,000 - $111,000) – Panghetti for a grand total of $716,500. Maleno indicated that there were no extraordinary costs related to the development. All utilities were at the subdivision line though these utilities had to be run through an adjacent parcel he owns. Maleno indicated the costs related to the utility extension enhances his other property at an equal amount. Consequently, the following were the indicated unit values of this development:

VALUE PER ACRE: $12,990


ERIE COUNTY
Office of Assessor
PENNSYLVANIA
MILLCREEK TOWNSHIP
Map No. 157
Scale: 1"=100'
Date, Photography: 5-3-65
Date, Map: 12-30-66
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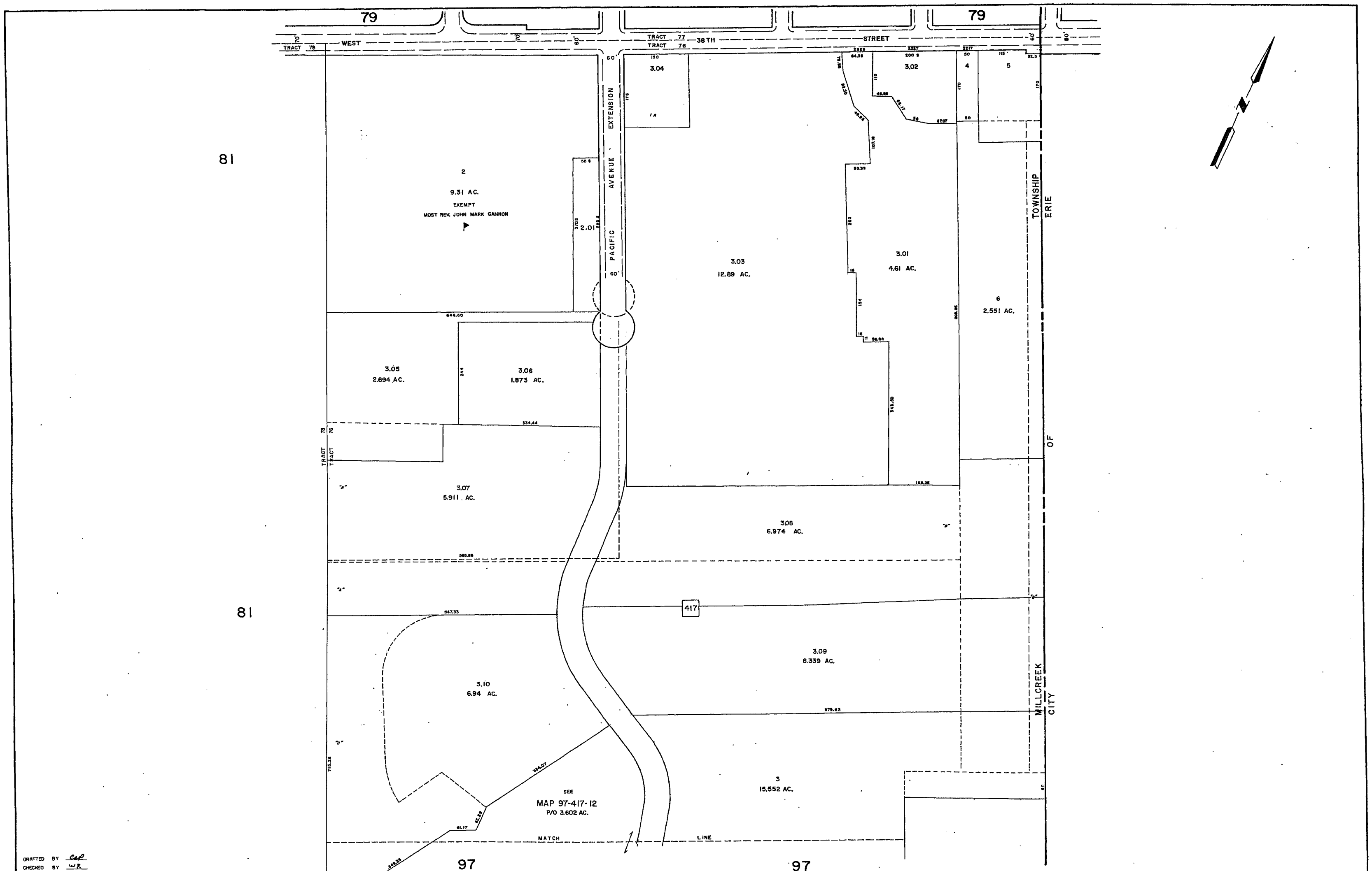
907 PENN AVENUE, PITTSBURGH, PA. 15222
NEW YORK PHILADELPHIA ATLANTA
Legend
Revisions
DRAFTED BY:
CHECKED BY:
150
159
158
196
156
25
47.54 AC.CAL.
494
26
1.25 AC.CAL.
639
3
13.9832 AC.CAL.
641
14
23.6107 AC.CAL.
27
1.044 AC.
24
3.708 AC.
24.01
3.01
1.842 AC.
14.01
3.2293 AC.
14.02
5.981 AC.
CON-RAIL
(PENNSYLVANIA)
RAILROAD
HENDERSON
ROAD
LAKE
PLEASANT
ROAD
MATCH LINE
TRACT
TRACT

LAND SALE NO. 3

PROPERTY:	West Grandview Blvd. between Zuck Road & I-79 Millcreek Township, Erie County, PA
INDEX NO.:	(33) 80-417-3 & 7 (part of)
REFERENCE:	Record Book 386, page 2161; 2164; Record Book 453, page 1893; 1897; 1901. record Book 872, page 970.
CONSIDERATION:	$1,174,000 + $125,000 = $1,299,000
DATE:	May 24, 1995, August 1, 1996 & April 17, 2002
SIZE:	59.60-acres
ZONING:	"D" Residence
GRANTOR:	Margaret Rogala & 2222 Realty, Inc.
GRANTEE:	Maleno Developers, Inc.; The Maleno Family Limited Partnership; John & Lynn Maleno
VALUE PER ACRE:	$21,795
COMMENTS:	This is a multi-acre parcel that was developed primarily with residential condominiums though a portion of the site along West Grandview Blvd. will be developed with a commercial strip plaza. There are a total of 272 apartments and 78 residential condominium units. Maleno indicated that all utilities were at the subdivision line with no extraordinary costs related to the development. Summit Township's zoning for the subject permits two-family development. The Maleno purchase permits for a greater density.



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NEW YORK PHILADELPHIA ATLANTA

Legend

State line	Right of way	Original block designation	(36)
County line	Easement	Lot or parcel number	13
Township line	Edge of roadway	Deed lot number	27
Corporate limit	Railroad	Block number	2
Sanitary district	Stream	School	
Property line	Scaled dimension S	Cemetery	Cem
Original lot line	Deed dimension D	Church	+

Revisions

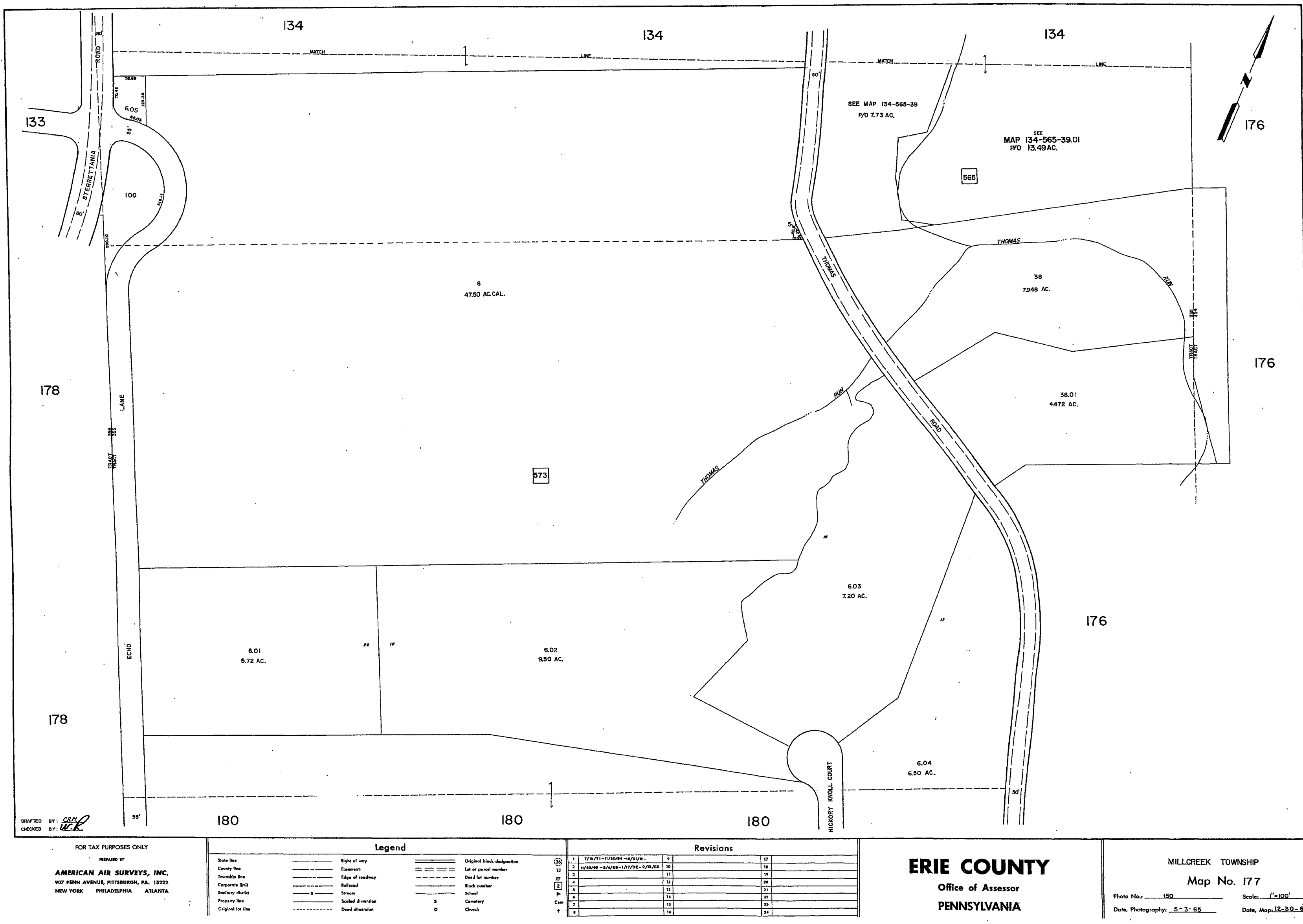
1	FEB. 29, 1968 - 3/11/75 - 4/30/76 -	9		17	
2	10/29/80 - 8/27/81 - 11/20/81 - 11/3/88	10		18	
3	12/17/92 - 3/8/96 - 2/20/97 - 2/19/98	11		19	
4	1/27/00 - 2/19/03 -	12		20	
5		13		21	
6		14		22	
7		15		23	
8		16		24	

ERIE COUNTY
Office of Assessor
PENNSYLVANIA

MILLCREEK TOWNSHIP
Map No. 80
Photo No.: 826 - 867 Scale: 1" = 100'
Date, Photography: 4-28-65 Date, Map: 12-30-66

LAND SALE NO. 4

PROPERTY:	Sterrettania Road & Thomas Road Millcreek Township, Erie County, PA
INDEX NO.:	33-177-573.0-006.00
REFERENCE:	Record Book 871, page 623
CONSIDERATION:	$600,000
DATE:	April 15, 2002
SIZE:	47.5-acres
ZONING:	Agricultural
GRANTOR:	D'Angelo Family Limited Partnership
GRANTEE:	Citadel Development Co.
VALUE PER ACRE:	$12,632
COMMENT:	Thomas Road is the northern property line of the Walnut Creek School, which is located across the street from the Brown's Farm Barn. This is the Oak Hill Subdivision being developed by Mick Peck. When completed, this will be an 87- lot subdivision. This was a "shovel ready" subdivision with all utilities at the subdivision line and no requirement for sanitary sewer lift stations, street upgrades, etc.



134
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180
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180
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176
176
176
STERRETTANIA ROAD
ECHO LANE
THOMAS ROAD
THOMAS RUN
HICKORY KNOLL COURT
MATCH LINE
SEE MAP 134-565-39
P/O 7.73 AC.
SEE MAP 134-565-39.01
P/O 13.49 AC.
565
573
6
47.50 AC.CAL.
6.01
5.72 AC.
6.02
9.50 AC.
6.03
7.20 AC.
6.04
6.50 AC.
6.05
100
38
7.948 AC.
38.01
4.472 AC.
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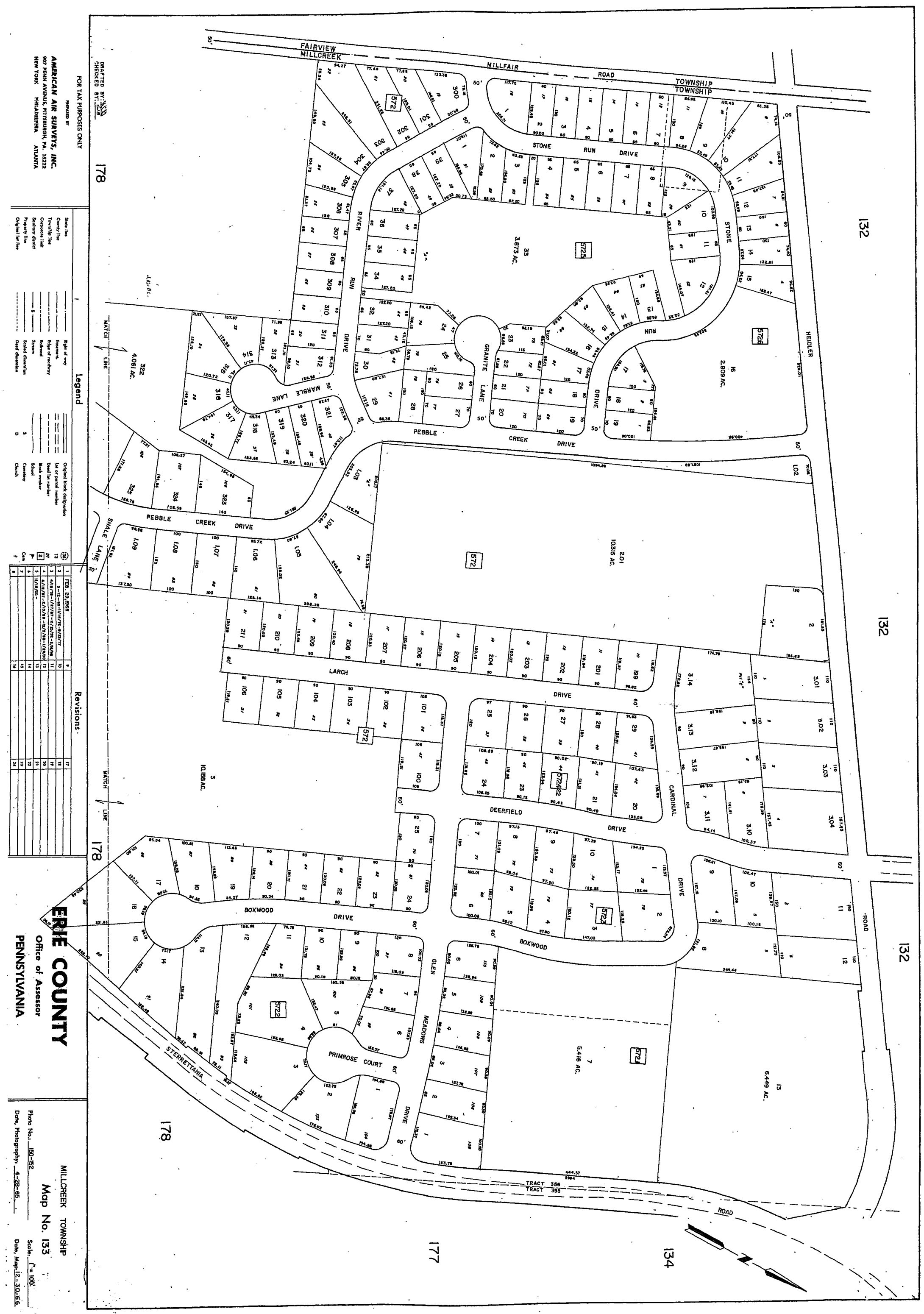
NEW YORK PHILADELPHIA ATLANTA
Legend
Revisions
ERIE COUNTY
Office of Assessor
PENNSYLVANIA
MILLCREEK TOWNSHIP
Map No. 177
Photo No. 150
Scale: 1"=100'
Date, Photography: 5-3-65
Date, Map: 12-30-66

LAND SALE NO. 5

PROPERTY:	Heidler Road & Millfair Road; Pebble Creek Planned Community, Millcreek Township, PA
INDEX NO.:	33-133-572.0-001.00
REFERENCE:	Record Book 501, page 33
CONSIDERATION:	$460,000; $660,000 for "shovel ready" cost
DATE:	May 30, 1997
SIZE:	78.635-acres
ZONING:	Agricultural
GRANTOR:	Robert Stuart
GRANTEE:	Citadel Development
VALUE PER ACRE:	$5,580; $8,393 after additional expenses
COMMENTS:	This was the Pebble Creek Subdivision that was developed by Mike Peck. There are a total of 108 lots. Developer was responsible for (1) a traffic light contribution of $5,000; (2) water line extension to the subdivision line of $80,000; (3) a $67,000 contribution for the water pump station near Walnut Street School and (4) approximately $48,000 for sanitary sewer line extension and Township contributions, etc. Total costs = $200,000.


ERIE COUNTY
Office of Assessor
PENNSYLVANIA
MILLCREEK TOWNSHIP
Map No. 133
FOR TAX PURPOSES ONLY
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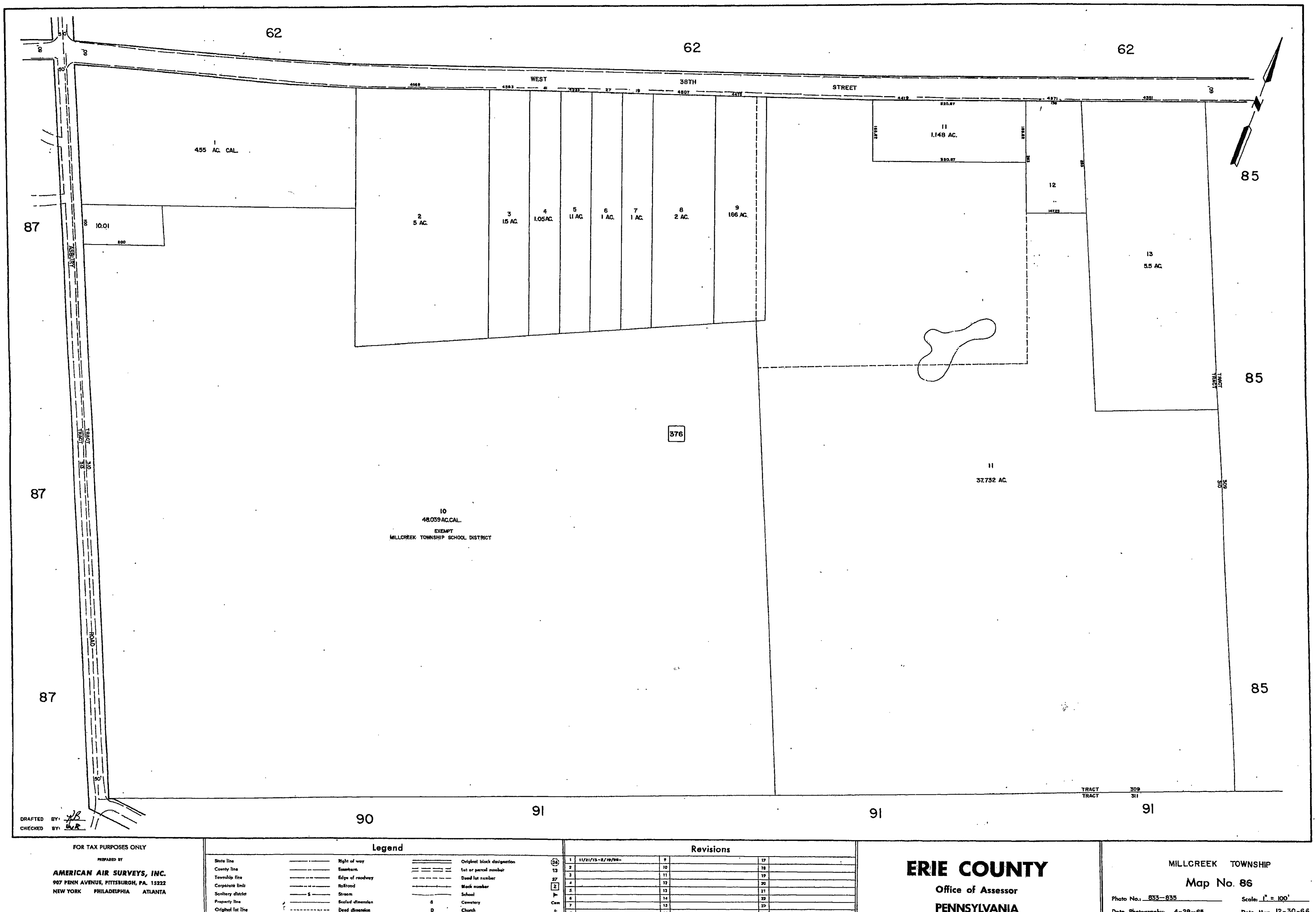
Legend
Revisions

LAND SALE NO. 6

ADDRESS:	West of 4419 West 38th Street
CITY/TWP/CNTY:	Millcreek Township, Erie County, PA
INDEX NO.:	33-086-376.0-011.00 & 011.01
REFERENCE:	Record Book 1241, page 774 & 782
GRANTOR:	BMS Partnership
GRANTEE:	John Maleno
CONSIDERATION:	$550,000 (+) $100,000 = $650,000
DATE:	June 9, 2005
SITE SIZE:	36.459-acres (+) 1.202-acres = 37.66-acres
UNIT VALUE PER S/F:	$17,260-acre
COMMENTS:	Comparable is located on the south side of West 38th Street and east of Asbury Road in a location considered superior to the subject. The sale consisted of a 36.459-acre, vacant parcel that is being developed as a residential subdivision. Additionally, there is a single-family dwelling situated on a 1.202-acre lot with 320' of frontage along 38th Street.


WEST 38TH STREET
ASBURY ROAD
1
4.55 AC. CAL.
10.01
2
5 AC.
3
1.5 AC.
4
1.05 AC.
5
1.1 AC.
6
1 AC.
7
1 AC.
8
2 AC.
9
1.66 AC.
10
48.039 AC. CAL.
EXEMPT
MILLCREEK TOWNSHIP SCHOOL DISTRICT
376
11
1.148 AC.
11
37.732 AC.
12
13
5.5 AC.
62
62
62
85
85
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90
91
91
91
TRACT 309
TRACT 311
DRAFTED BY:
CHECKED BY:
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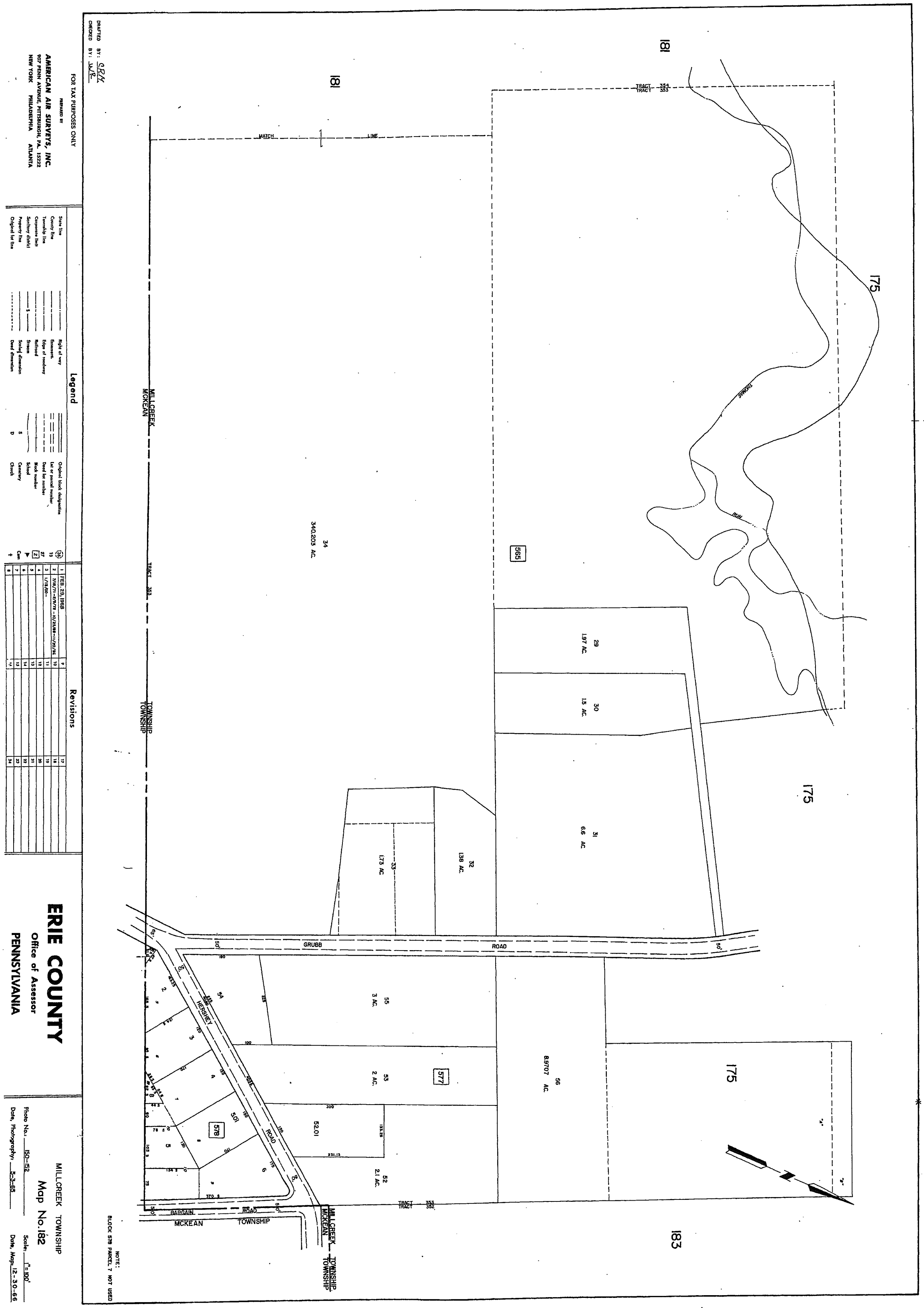
907 PENN AVENUE, PITTSBURGH, PA. 15222
NEW YORK PHILADELPHIA ATLANTA
Legend
State line
County line
Township line
Corporate limit
Sanitary district
Property line
Original lot line
Right of way
Easement
Edge of roadway
Railroad
Stream
Scaled dimension
Deed dimension
Original block designation
Lot or parcel number
Deed lot number
Block number
School
Cemetery
Church
Revisions
ERIE COUNTY
Office of Assessor
PENNSYLVANIA
MILLCREEK TOWNSHIP
Map No. 86
Photo No.: 833-835
Scale: 1" = 100'
Date, Photography: 4-28-65
Date, Map: 12-30-66

LAND SALE NO. 7

PROPERTY:	W/S of Grubb Road at Millcreek/McKean Twp. Line Millcreek Township, Erie County, PA
INDEX NO.:	33-182-565.0-034.00
REFERENCE:	Record Book 603, page 714 Record Book 603, page 721 Record Book 606, page 1156
CONSIDERATION:	$ 665,000 $ 897,000 $ 150,000 <u>($ 804,780) – Adjusted for golf course</u> $ 907,220
DATE:	November 30, 1998 & December 15, 1998
SIZE:	382.91-acres. 202.91-acres for subdivision and 180-acres set aside for future golf course.
ZONING:	Agricultural at date of purchase
GRANTOR:	James May et al & Catherine Thaler
GRANTEE:	Whispering Woods Limited Partnership
VALUE PER ACRE:	$4,471; $10,139 after additional expenses
COMMENT:	This sale consisted of Index (33) 176-565-37; (33) 176-565-37.01; (33) 182-565-34; (33) 174-565-26.01. Deed 612, page 2199 combines these into (33) 182-565-34. This is the Whispering Woods Subdivision. From the total acreage, 180-acres needs to be deducted for future development of a golf course. The subdivision consists of 330 residential lots. The developer, Steve Rapp, was responsible for water and sewer line extension at a cost of $700,000 and three (3) lift stations at a total estimated cost of $150,000 per station and/or $450,000. The developer spent $1,150,000 to bring utilities to the subdivision line.


ERIE COUNTY
Office of Assessor
PENNSYLVANIA
MILLCREEK TOWNSHIP
Map No. 182
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Legend
Revisions
GRUBB ROAD
BARGAIN ROAD
HERSHEY ROAD
MILLCREEK TOWNSHIP
MCKEAN TOWNSHIP
MATCH LINE
340.203 AC.
1.97 AC.
1.5 AC.
6.6 AC.
1.38 AC.
1.75 AC.
3 AC.
2 AC.
2.1 AC.
89.707 AC.
181
175
183
585
577
578

RECONCILIATION OF SALES DATA

I analyzed seven (7) land sales that were located in Millcreek and Fairview Township that were subsequently developed for residential purposes. Probably the four greatest factors that influence the price a developer will pay relates to the following:

- **Location:** The location of the particular site will ultimately dictate the selling price of the developed lots and the premium that the end buyer will pay. This factor in itself does not necessitate a locational adjustment. For instance, Sale #6 was 37.66-acre developed into 28 lots. Sale #4 was 47.5-acre which is 26% larger but developed into 87 lots which is triple the number of lots. The density and lot size will also significantly affect the value paid by the developer. The comparables I utilized included sales from both southeast and southwest Millcreek Township and Fairview Township. I did not analyze and use the sale of the land south of Flower Road and Persimmon Drive which is very close proximity to the subject. Shortly after acquisition and initial development in 1997, the property was taken in foreclosure by PNC Bank. It would be totally speculative to try to analyze if the project failed due to overpaying for the initial land, the actual feasibility of the project, the credit worthiness of the developer or a combination of all factors. Consequently, I have relied upon other developments within the area. It is my opinion that there are no major locational adjustments required for the comparables.
- **Physical characteristics:** By comparing lots within similar and competing subdivisions, you can measure the increased or decreased value of the land due to severe topographical conditions, wetlands, etc.
- **Extraordinary development costs:** The premise of this report is to compare similar types of properties. It is assumed that all utilities are available at the subdivision line, there are no extraordinary costs that the developer would incur to provide items such as sewage lift stations, upgrading to existing roadways, etc. In those cases where the developer incurred such expenses, these costs were added to base purchase price. I obtained this information directly from the particular developer. In the case of the subject, it appears and is assumed that the only extraordinary cost would be the extension of the public sewer main to the subdivision line.
- **Entrepreneurial Profit related to extraordinary development costs:** In addition to the actual costs related to these extraordinary development costs, the developer needs to be compensated for his time and expertise. Though this cost will vary between developers, a 15% premium appears supportable.
- **Adjustment for time:** I have analyzed these sales to determine if there has been any "material fluctuations" in the market between the initial comparable sale date in 1995 and the as-of date of this report. Based on a paired-sales analysis of the comparables, it appears that any market change is due primarily to inflation. On the adjustment grid, I have utilized an annual change of 3% noting that the report is only 23 days of 2006. The reader should remember that from the date of original purchase until the actual sale of individual lots, there is typical developer a holding period of at least 24 months. Additionally, the developer incurs certain holding and carrying costs during that period which is well in excess of an annual inflation rate. Consequently, there does not appear to be any significant change between 1995 – 2006. As a matter of fact, Mike Peck who was the developer of two of the comparable subdivisions feel that values have been flat during the past 3 years.

Sale #1 is located in southeast Millcreek Township. The developer, John Maleno, subsequently acquired additional land to the south of this parcel for development of single family dwellings. This parcel is zoned "D" residence which permits for a density that is greater than the subject though the other development in the immediate area is 2 – 4 family dwellings. The location of Sale #1 is considered similar to the subject. Significant weight was placed on this sale in the final reconciliation after adjusting for the sanitary sewer main extension.

Sale #2 is located in southeast Millcreek Township. The developer, John Maleno, has completed and recorded Phase 1 consisting of 23 lots and recently recorded Phase 2 consisting of 18 lots. All utilities were located at the north end of the subdivision line. Considering the topography of the site and location of existing utilities, Maleno does not anticipate any extraordinary development costs. There are certain infrastructure costs that Maleno incurred to develop this land, but Maleno felt these costs enhanced an adjacent parcel (Sale #1) which will ultimately be utilized for multi-family development.

Sale #3 is located in south Millcreek Township. The developer, John Maleno, has completed the entire development with the exception of a commercial parcel located on the north side of West Grandview. The development consisted of 272 apartments and 78 residential condo units. Maleno did not incur any extraordinary development costs. It should also be noted that this development primarily occurred prior to several of the current development rules, uses, restrictions, etc. that have been imposed upon the developer by to governmental regulation. Also, the value of the non-developed commercial land was a consideration in the analysis.

Sale #4 is located on Thomas Road and Sterrettania Road in southwest Millcreek. The developer, Peck and Renaud, had no additional costs related to the extension of public utilities; all utilities were at the subdivision line. As a matter of fact, there were certain areas which included gravel which is partially offsetting their subdivision development costs. Of the five sales included in this report, significant weight was placed on Sale #4 since it was a "shovel ready" site though it only permits low density single-family development..

Sale #5 is located in Millcreek Township at the intersection of Millfair Road and Heidler Road. This was another Peck and Renaud development. There were no public utilities located at the subdivision line on the date of purchase. The developer was required to extend these utilities from an adjacent subdivision near Sterrettania Road. These costs totaled $200,000. This was cleared agricultural land that was literally used as a cornfield. The physical characteristics of this sale are similar to the subject though it required significant costs for utility extensions.

Sale #6 is a parcel located on the south side of West 38th Street and east of Asbury Road. This development has just been completed by John Maleno and known as Hidden Springs. The development allows for single-family development. There are a total of 28 lots ranging in value from $85,000 - $140,000. There is an existing structure on the site that is being renovated for resale. The dwelling added minimal value according to Maleno.

Sale #7 was the assembledge of multiple sites. The subdivision is located on Grubb Road in Millcreek Township and is known as "Whispering Woods". There was a significant amount of utility extension work required and three lift stations required to service the subdivision. The developer, Steve Rapp, indicated these costs totaled $1,150,000. Also and ***not*** included on the adjustment grid is the fact that a portion of the land (180-acres) has been reserved for a potential, future golf course even though the developer has no obligation to construct the golf course. This factor has a significant impact upon the overall, adjusted unit value.

ADJUSTMENT AND ANALYSIS GRID

Item	Subject	Sale #1	Sale #2	Sale #3	Sale #4	Sale #5	Sale #6	Sale #7
Address	Flower & Pagan	Henderson Road	Lake Pleasant	West Grandview	Sterr & Thomas	Heidler & Millfair	W 38 & Asbury	Grubb Road
Price		$500,000	$716,500	$1,299,000	$600,000	$460,000	$650,000	$907,220
Extraordinary Costs		None	None	None	None	$200,000	None	$1,150,000
Entrepreneurial Profit		None	None	None	None	(+)15% $99,000	None	(+)15% $308,550
Adjusted Price		$500,000	$716,500	$1,299,000	$600,000	$759,000	$650,000	$2,365,550
Date of Purchase	01-23-2006	3-10-2000	10-18-2000 & 10-18-2002	05-24-1995 & 08-17-2002	04-15-2002	05-30-1997	06-09-2005	11-30-1998 & 12-15-1998
Time Adjustment		(+)18%	(+)9%	(+)30%	(+)9%	(+)24%	0%	(+)21%
Time Adjusted Price		$575,000	$780,985	$1,688,700	$654,000	$941,160	$650,000	$2,862,315
Gross Site Area		31.84-ac	55.16-ac	59.60-ac	47.5-ac	78.635-ac	37.66-ac	202.91-ac
Price per Acre		$18,059-ac	$14,159-ac	$28,334-ac	$13,768-ac	$11,969-ac	$17,260-ac	$14,106-ac

If expressed on a per acre basis, the comparable sales data would be listed as follows:

Comparable Sale	Comparison	Value per Acre
Sale #3	Superior	$28,334
Sale #1	Superior	$18,059
Sale #6	Equal	$17,260
SUJBECT		xxxxx
Sale #2	Equal	$14,159
Sale #7	Equal	$14,106
Sale #4	Equal	$13,768
Sale #5	Inferior	$11,969
Mean Value		$16,808
Median Value		$14,159

Based on the analysis of these sales, the value of the subject should fall between $13,768 - $17,260 per acre. Sale #1 and #3 were considered "superior" primarily due to higher density allowances. Sale #5 was considered "inferior" primarily due to the development costs. With primary weight be given to the indicated mean and median value, I have concluded a value of $15,000-acre assuming sanitary sewers were at the subject's property line. Since it appears only a minimal expense needs to be incurred to extend the sewer main ($25,000 +-), I reconciled the data at $13,750 after adjusting for this factor.

<u>Size of Subject</u>	x	<u>Unit Value</u>	=	<u>Indicated Value of Subject</u>
20.00-ac	x	$13,750	=	$275,000

In determining the final estimate of value, this appraiser has considered the following:

1. The location of the subject in a residential area of Summit Township; the growth patterns of commercial and residential development in the general market area; the assumption that the proposed subdivision is in accordance with Summit Township zoning; the assumption that a sanitary sewer main can be extended to the subject site at a minimal cost ($25,000 (+-). In the event the actual cost significantly exceeds this estimate, the final opinion of value may be subject to revision; the a potential development of the site would not include any extraordinary costs i.e. lift stations, grading, etc.; there would no significant loss of useable site due to topographical, wetland or environmental issues; the current commercial mortgage rates available to the typical purchaser/developer.

2. The indicated value by the Sales Comparison Approach of $275,000. All weight was placed on this method since it best reflects the attitude of the typical purchaser of land available for residential development within the general market area.

3. Though considered, the Income Approach was not utilized due to the lack of rental data of residential land with the market area.

4. Being vacant land, the Cost Approach was not utilized in this report.

FINAL ESTIMATE OF VALUE

$275,000

This is to certify that I have no interest, present nor contemplated, as to the herein appraised property.

Robert E. Glowacki
PA Certified General Real Estate Appraiser
Certification No. GA-000367-L

CONTINGENT AND LIMITING CONDITIONS

The Certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

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

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

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

Any distribution of the valuation in the report between land and improvements applied only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.

No responsibility is assumed for non-compliance by the property owner as to the applicable Federal, State and/or Local Environmental Regulations and Laws.

Unless otherwise stated in this report, the existence of hazardous substances, included without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the Appraiser become aware of such during the Appraiser's inspection. The Appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The Appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

Mineral rights were not considered in the preparation of this report unless otherwise noted.

All mechanical components of the improvements that include, but are not limited to, the heating, ventilating, electrical, and plumbing systems and equipment are assumed to be standard for a building of similar type and/or use. Their conditions are considered to be commensurate with the condition of the entire building unless specifically stated.

Information, estimates and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. No responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.

Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated. This report is in compliance with the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice.

Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value) the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected, shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any state or the District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser. This report is subject to the Appraisal Institute's right to review.

On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.

The Americans with Disabilities Act ("ADA") became effective January 26, l992. We have not made a specific compliance survey and analysis of this property 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 of 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 could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of property.

Our privacy principles: We are committed to protecting our clients' personal and financial information. This privacy statement addresses what nonpublic personal information we collect, what we do with it, and how we protect it.

We may collect and maintain several types of personal information in the course of providing you with appraisal services, such as information we receive from you on applications, letters of engagement, forms found on our website, correspondence or conversations, including, but not limited to, your name, address, phone number, social security number, date of birth, bank records, salary information, the income and expenses associated with the subject property, the sale price of the subject property, and the details of any financing on the subject property.

Information about your transactions with us, our affiliates or others, including, but not limited to, payments history, parties to transactions and other financial information. Information we receive from a consumer reporting agency such as a credit history.

What information we may disclose: We may disclose the nonpublic personal information about you described above, primarily to provide you with the appraisal services you seek from us. We do not disclose nonpublic personal information about clients or former clients except as required or permitted by law.

Who we share the information with: Unless you tell us not to, we may disclose nonpublic information about you to the following types of third parties: 1. Financial service providers, such as banks and lending institutions. 2.Non-financial companies.

CERTIFICATION OF THE APPRAISER

CERTIFICATION: I hereby certify the following to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report. I have no personal interest or bias with respect to the parties involved.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

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

I have made a personal inspection of the property that is the subject of this report. I have made an exterior inspection of all comparable sales listed in this report.

No one provided significant real property appraisal assistance to the person signing this certification.

Date: January 25, 2006

Robert E. Glowacki
PA Certified General Real Estate Appraiser
Certification No. GA 000367-L

QUALIFICATIONS

In September, I973, Robert E. Glowacki became affiliated with the Robert Glowacki Agency. Currently is the owner of the real estate appraisal and brokerage company that has been actively engaged in the real estate industry since I950.

EDUCATION:	Fordham University, Bronx, New York Major: English Degree: Bachelor of Arts, I973 Applied Residential Property Valuation - Course I0I Applied Residential Property Valuation - Course I02 Capitalization Theory & Techniques - Part A Capitalization Theory & Techniques - Part B The Residential Real Estate Appraiser Standards of Professional Practice Valuation of Detrimental Conditions in Real Estate Condemnation: Basic Principles & Applications Condemnation: Advanced Topics & Applications Rates and Ratios: Making sense of GIMs, OARs & DCF Analyzing Commercial Lease Clauses Regression Analysis in Appraisal Practice Litigation Skills for the Appraiser
MEMBERSHIPS:	Greater Erie Board of REALTORS Pennsylvania Association of REALTORS National Association of REALTORS Chairman - Economic Development Corporation of Erie County Business Retention Technology
PROFESSIONAL AFFILIATION:	Appraisal Institute (Associate Member)
LICENSE:	Commonwealth of Pennsylvania: Certified General Appraiser - #GA 000367 L (since 10/10/91; expires 6/30/07) Certified Pennsylvania Evaluator (since 1/07/00; expires 6/30/07) Real Estate Broker (since 12/29/76) State of New York: General Appraiser – 46000039394 (expires 09/17/06) Instructor for Real Estate Residential Construction
OTHER:	President of Assessment Evaluation, Inc.

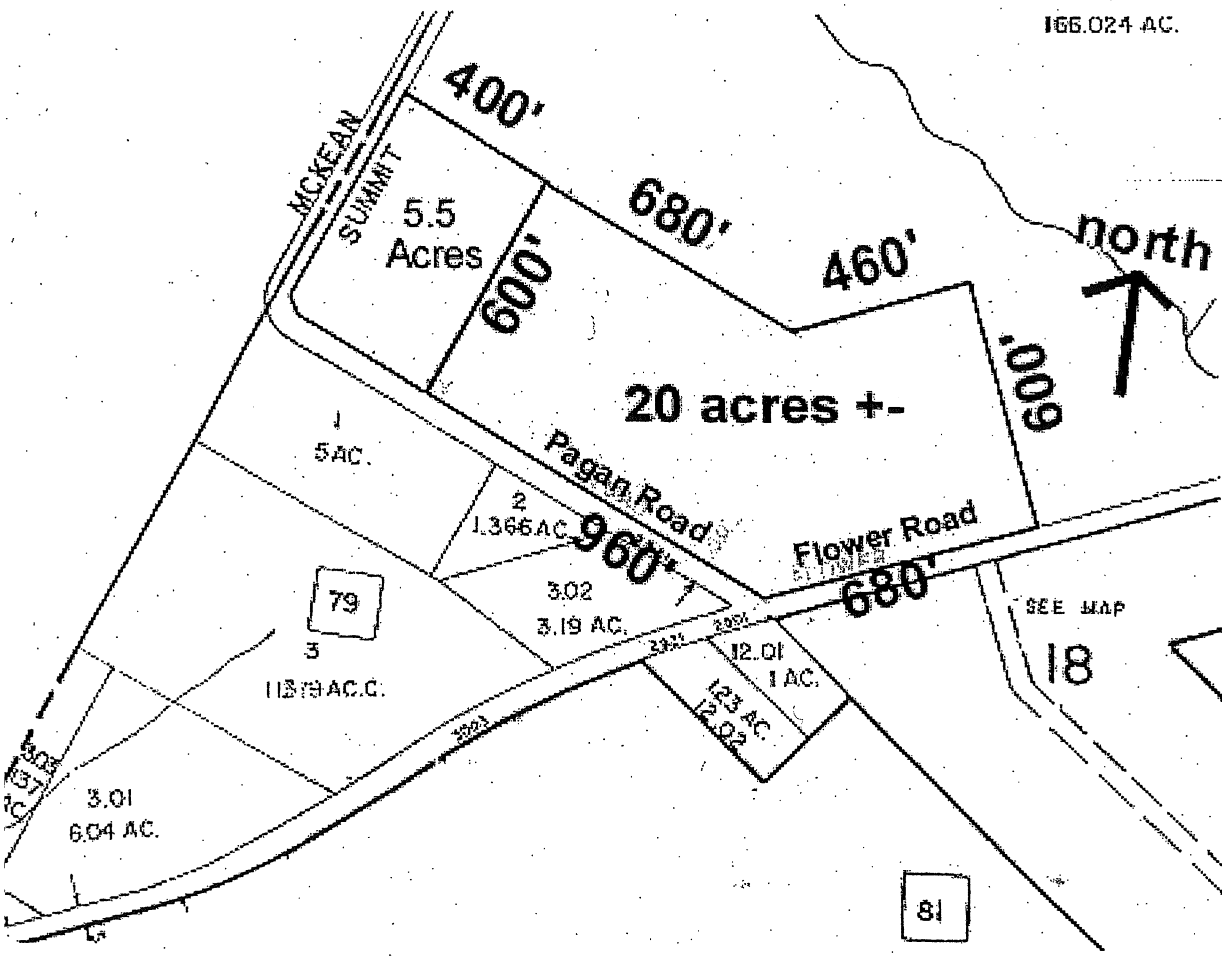
CLIENTS SERVED:

- Citizens Bank
- First National Bank
- National Bank of North East
- National City Bank
- Northwest Savings Bank
- PNC Bank
- Erie Bolt Corporation
- Erie Mill & Press
- Erie School District
- Greater Erie Ind. Dev. Corp.
- Hamot Medical Center
- Lord Corporation
- Millcreek School District
- National Fuel Gas Company
- Port Authority
- Times Publishing Company
- St. Vincent Health Center
- Welch Food Products Attorneys,
- Accountants and the General Public

COUNTIES WORKED:

- Allegheny County
- Armstrong County
- Butler County
- Cameron County
- Chautauqua County, NY
- Clarion County
- Clinton County
- Crawford County
- Cumberland County
- Dauphin County
- Elk County
- Erie County
- Jefferson County
- Lancaster County
- Lawrence County
- Mercer County
- Venango County
- Warren County

ADDENDA



166.024 AC.
400'
MCKEAN
SUMMIT
5.5
Acres
680'
600'
460'
north
20 acres +-
600'
Pagan Road
1
5AC.
2
1.366AC.
960'
Flower Road
680'
3.02
3.19 AC.
79
3
12.01
1 AC.
.123 AC.
12.02
SEE MAP
18
3.01
6.04 AC.
81

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RECORDED: APRIL 12, 1976@11:46AM

INDENTURE

MADE this 11th day of March, 1976, between the STATE PUBLIC SCHOOL BUILDING AUTHORITY, a body corporate and politic, constituting a public corporation and governmental instrumentality, organized and existing under and by virtue of the Act of General Assembly of the Commonwealth of Pennsylvania, approved July 5, 1947, P.L. 1217, as amended, having its principal place of business in the City of Harrisburg, County of Dauphin, Commonwealth of Pennsylvania, party of the first part, Grantor

A
N
D

Amity Township School District, Greene Township School District, Greenfield Township School District, Venango Township School District, Wattsburg Borough School District (now known as Wattsburg Area School District); Edinboro Area Union School District, McKean Union School District (now known as General McLane School District); Fairview Union School District (now known as Fairview School District); Fort LeBoeuf Merged School District (now known as Fort LeBoeuf School District); Girard Union School District (now known as Girard School District); Harborcreek Township School District (now known as Harborcreek School District); Iroquois Area School District (now known as Iroquois School District); Millcreek Township School District; North East Borough School District; North East Township School District (now known as North East School District); Northwestern Union School District (now known as Northwestern School District); Union City Area School District; All being School Districts of the Commonwealth of Pennsylvania located in Erie County, Pennsylvania, parties of the second part, Grantees, being the participating school districts of Erie County Area Vocational Technical School.

WITNESSETH, that in consideration of SIX THOUSAND, EIGHT HUNDRED TWENTY-THREE DOLLARS and EIGHTY-EIGHT CENTS ($6,823.88) in hand paid, the receipt of which is hereby acknowledged, the said Grantor does hereby grant and convey to the said Grantees, their successors and assigns the following described real estate, to wit: AFFIDAVIT FILED

ALL that certain piece, parcel or tract of land situate in Summit Township, Erie County, Pennsylvania, and being part of Tract 259, bounded and described as follows:

BEGINNING at a point in the north right-of-way line of Flower Road (50 feet wide), such point being South 56° 55' 30" West, a distance of Five hundred twenty seven and sixty five hundredths (527.65) feet from the concrete monument set at the point of the intersection of the west right-of-way line of Robertson Road with the north right-of-way line of Flower Road; point of beginning is also a point of the intersection of the north right-of-way line of Flower Road with centerline of the existing driveway; thence, South 56° 55' 30" West along the north right-of-way line of Flower Road, a distance of Eighty four and fifty seven hundredths (84.57) feet to the point of curve; thence continuing along the north right-of-way line of Flower Road around a curve to the left having a radius of 1850 feet and an arc length of Three hundred thirty eight and fifty two hundredths (338.52) feet, a chord distance of Three hundred thirty eight and six hundredths (338.06) feet and a chord bearing South 51° 45' 10" West, to the point of tangent; thence South 46° 34' 50" West along the north right-of-way line of Flower Road, a distance of Three hundred ten and eighty hundredths (310.80) feet to a point in the center of a creek; thence approximately along the center of a creek by following courses and distances:

North 67° 17' 42" West, a distance of 51.29 feet,
South 89° 46' 13" West, a distance of 58.93 feet,
North 70° 25' 26" West, a distance of 74.37 feet,
South 83° 04' 07" West, a distance of 34.70 feet,
North 54° 24' 38" West, a distance of 39.24 feet,
South 58° 55' 52" West, a distance of 18.07 feet,
North 57° 01' 01" West, a distance of 37.50 feet,
South 80° 09' 30" West, a distance of 32.07 feet,
North 55° 52' 11" West, a distance of 33.60 feet,
North 78° 14' 22" West, a distance of 53.70 feet.

Thence North 8° 38' 25" East, a distance of Five hundred eighty nine (589.00) feet to a point; thence South 81° 15' 45" East along the south edge of the existing Parking Area, a distance of two hundred twenty and fifty eight hundredths (220.58) feet to a point; thence North 9° 03' 35" East along the east edge of the existing Parking Area, a distance of Thirty eight (38.00) feet to a point; thence South 78° 16' 40" East partly along the north edge of the existing driveway, a distance of Five hundred ninety nine and twenty five hundredths (599.25) feet to a point; thence South 34° 24' 40" East along the centerline of the existing driveway, a distance of One hundred fourteen and three hundredths (114.03) feet to the point of beginning, containing 9.476 Acres of land.

TOGETHER with all and singular the rights, liberties, privileges, hereditaments and appurtenances, whatsoever thereto belonging, including those granted in the above-recited deed and the reversions and remainders rents, issues and profits thereof; and also all the estate and interest whatsoever of the Grantor, in law or equity, of, in to or out of the same.

TO HAVE AND TO HOLD the premises hereby granted, or intended so to be, with the appurtenances, unto the Grantees, their successors and assigns, to the use of the Grantees, their successors and assigns forever.

AND the said State Public School Building Authority does covenant, promise and agree to and with the above mentioned Grantees, their successors and assigns, by these presents, that it, the said State Public School Building Authority has not done, committed, or knowingly or willingly suffered to be done, committed any act, matter or thing whatsoever, the premises hereby granted, or any part thereof, is, are, shall or may be impeached, charged or encumbered in title, charge estate or otherwise howsoever.

AND the said State Public School Building Authority doth hereby constitute and appoint James R. Clippinger to be its Attorney for it and in its name and as and for its corporate act and deed to acknowledge this Indenture before any person having authority by the laws of the Commonwealth of Pennsylvania to take such acknowledgment to the intent that the same may be duly recorded.

IN WITNESS WHEREOF, the said Board of the State Public School Building Authority has caused this Indenture to be signed by its President and the corporate seal of the State Public School Building Authority to be hereto affixed, attested by its Assistant Secretary the day and year first above written.

STATE PUBLIC SCHOOL BUILDING AUTHORITY

By [signature]
President

(SEAL)

Attest:

[signature]
Assistant Secretary

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COMMONWEALTH OF PENNSYLVANIA :
: SS
COUNTY OF DAUPHIN :

I HEREBY CERTIFY that on this 11th day of March, the year of our Lord, One Thousand Nine Hundred and Seventy-Six, (1976), before me, William K. Rice, the undersigned officer, personally appeared James R. Clippinger, the Attorney named in the foregoing Indenture and by virtue of and in pursuance of the authority therein conferred upon him acknowledged the said Indenture to be the act and deed of the said State Public School Building Authority.

WITNESS my hand and official seal the day and year aforesaid.

William K. Rice

William K. Rice, Notary Public

(SEAL)

Being part of the same premises conveyed to the grantor herein, State Public School Building Authority, by deed dated October 27, 1966, and recorded November 21, 1966 in Erie County, Pennsylvania, Deed Book 951 at page 407.

The address of the grantee herein is 3500 Oliver Road, Erie, Pennsylvania.

TABLE 310.2
R-1 RESIDENTIAL DISTRICT

PERMITTED PRINCIPAL USE	USES ON SPECIAL EXCEPTIONS
Accessory Buildings	Churches & Community Houses (400.01)
Agriculture	
Antennae - **(on pre-existing structures) (Added 10/05/98)**	
Essential Services	Golf Courses (400.06)
Municipal Bldgs. & Libraries	Home Occupations (400.07)
Parks & Playgrounds	
Schools	
Single Family Dwellings	Public Utility (400.02)
Fences (See Art. II): Four feet in height allowed on side yards; six feet in height on side yards by mutual consent.	Water Recreation & Storage (400.05)

R-2 RESIDENTIAL DISTRICT

PERMITTED PRINCIPAL USES	USES ON SPECIAL EXCEPTIONS
Accessory Buildings	Churches & Community Houses (400.01)
Agriculture	
Antennae - **(on pre-existing structures)** (Added 10/05/98)	
Essential Services	Family Day/Night Care Home (400.08)
Fire Stations	Funeral Homes (400.10
Municipal Bldgs. & Libraries	Golf Courses (400.06)
Parks & Playgrounds	Home Occupations (400.07)
Schools	Multi Family Dwellings (400.12)
Single Family Dwellings	Public Utilities (400.02)
Two Family Dwellings	Water Recreation & Storage (400.05)
Fences (See Art. II): Four feet in height allowed on side yards; six feet in height on side yards by mutual consent.	

R-3 RESIDENTIAL DISTRICT

PERMITTED PRINCIPAL USE	USES ON SPECIAL EXCEPTIONS
Accessory Buildings	Churches & Community Houses (400.01)
Antennae - **(on pre-existing structures)** (Added 10/05/98)	
Essential Services	Cemeteries (400.27)
Fire Stations	Family Day/Night Care Home (400.08)
Municipal Bldgs. & Libraries	Funeral Homes (400.10)
Parks & Playgrounds	Golf Courses (400.06)
Schools	Home Occupations (400.07)
Single Family Dwellings	Public Utilities (400.02)
Two Family Dwellings	Water Recreation & Storage (400.05)
Multi Family Dwellings	

TABLE 310.2A
T-1 TRANSITIONAL DISTRICT

TABLE 312.01
YARD SET BACK REQUIREMENTS (MINIMUM)

District	Use	Front (A) (C) (D)	Side (A) (C) (G)	Rear (A) (C) (G)	Maximum Height (B)
A-1	Dwellings	50 feet	25 feet	50 feet	45 feet
	All other uses	50 feet	50 feet	50 feet	45 feet
A-2	Dwellings	50 feet	25 feet	50 feet	45 feet
	All other uses	50 feet	25 feet	50 feet	45 feet
R-1	Principal Bldg	50 feet	10 feet	50 feet	45 feet
	Accessory or Structures	50 feet	10 feet	10 feet	45 feet
R-2	Dwellings	50 feet	10 feet	50 feet	45 feet
	All other uses	50 feet	10 feet	10 feet	45 feet
R-3	Dwellings	30 feet	10 feet	30 feet	45 feet
	All other uses	30 feet	10 feet	10 feet	30 feet
T-1	All Uses	50 feet	25 feet	25 feet	45 feet
B-1	All uses	50 feet	10 feet **(F)**	10 feet	30 feet
B-2	All uses	50 feet	10 feet **(F)**	10 feet	30 feet
I-1	All uses	100 feet	50 feet	50 feet	45 feet
I-2	All uses	100 feet	50 feet	50 feet	45 feet
I-3	All uses	100 feet	50 feet	50 feet	45 feet
IP	All uses	50 feet **(E)**	25 feet	50 feet	50 feet

(A) Building set back requirements to comply with Summit Township Overall Transportation Plan. The setbacks listed in the above chart are from the road right-of-way line, with exceptions listed below.

--On route 19, 97 and 99, setback is 125 feet from centerline of the road.

--On regional or internal collector roads (Bloomfield Parkway, Douglas Parkway, Downs Drive, Hershey Road, Oliver Road [North of 5-points intersection], Robison Road, Townhall Road,), the setback is 100 feet from the centerline of the road (example: 75 feet from edge of right-of-way line of a 50' road right-of-way.

--Corner lots provide front yards on both streets (refer to Section 602.1).

(B) May be increased if front, rear, and side yards are increased one foot each for each one foot of increased height, excluding stand alone signs. (amended 10/18/93)

- Continued -

(C) Building setbacks for properties abutting a Marginal Access Street will be minimum of 30 ft for rear and side yards. No lot will front a Marginal Access Street.