



Borough of Chambersburg

*A full service municipality in Franklin County
Celebrating over 50 years of consumer owned natural gas service
Over 100 years of community electric and a
Regional wastewater, water, and municipal solid waste utility*

Southgate Shopping Center Valuation Reports

In this unique and unusual redevelopment project, the Borough's valuation consultants, APEX Valuation Services of Shippensburg, Pennsylvania, looked at the facility in several different industry-acceptable ways.

The first examination from August 6, 2020, was as a blighted, rundown, code enforcement violated, and partially abandoned shopping center. Known as the "As-Is" or "present use" valuation, the entire facility was estimated to be worth between \$2,070,000 and \$2,610,000.

This valuation is reflective of the needed improvements to return the facility to be a fully operational shopping center, which is not the goal of the project.

A summary memo enclosed herein is from November 9, 2021, and explained the complexity of the valuation of the shopping center as, "All real estate appraisals are based on a highest and best use analysis. That poses a problem for this property in particular. I would classify this facility as a dysfunctional shopping center that has or is reaching the end of its economic life. However, there remains considerable opportunity for redevelopment, which would increase the potential value of the site."

A word about "Highest and Best Use" and specifically if this had not been what is known as a *Negotiated Purchase*. The Town Council and the Chambersburg Area Municipal Authority have negotiated an amicable purchase of the shopping center. The shopping center was not acquired using "eminent domain." Eminent domain is the "forced sale of private property for a public purpose" (i.e., economic redevelopment). In eminent domain proceedings, a property owner has the ability to dispute, through the Courts, the fair market value offered by the public entity. The "fair market value" to be paid by the public entity includes the consideration of present use and highest and best use. The public entity is also required to pay a portion of the property owner's attorney and appraisal fees. Where, as with the shopping center, real property is leased, the public body is required to compensate the lessee for the difference between the fair rental value and the rent value established in the lease.

Highest and best use is not necessarily the present use of a property, but rather it is any use for which the property is capable of being used, provided such use is reasonably available. In determining reasonable availability, consideration is given to market demand, property inventory, and land use regulations.

It is with these factors in mind that Town Council negotiated the purchase price of the shopping center.

According to Property Metrics, “The concept of highest and best use is one of the fundamental principles that underlie real estate appraisal. Highest and best use requires that the appraisal considers not just the current use of the property but also the potential value associated with alternative uses.” In other words, the value of land is not “what is there today,” but rather, “what might be there tomorrow.” Furthermore, the “what might be there tomorrow,” is assumed to be the absolutely highest value thing that could ever possibly be on that land in the future.

On March 25, 2022, at the request of Town Council, the valuation consultants, APEX Valuation Services of Shippensburg, Pennsylvania, conducted a “Highest and Best Use” evaluation using the revised concept plan for the redevelopment of the shopping center, approved by Council.

The enclosed reports provide the market data and analysis supporting the opinion of potential assessment for the subject property, as of March 25, 2022, estimated as:

\$2,000,000 (Two Million Dollars) Franklin County assessed valuation. Since Franklin County has not reassessed since 1961 (the oldest assessment in the Commonwealth) the “assessed valuation is the 1961 value.” To arrive at today’s fair market value, the assessed value is multiplied by the Common Level Ratio (a factor established by the Commonwealth) which, for Franklin County is 9.43 for 2022. This results in an estimated implied value for the subject property, as of March 25, 2022 of:

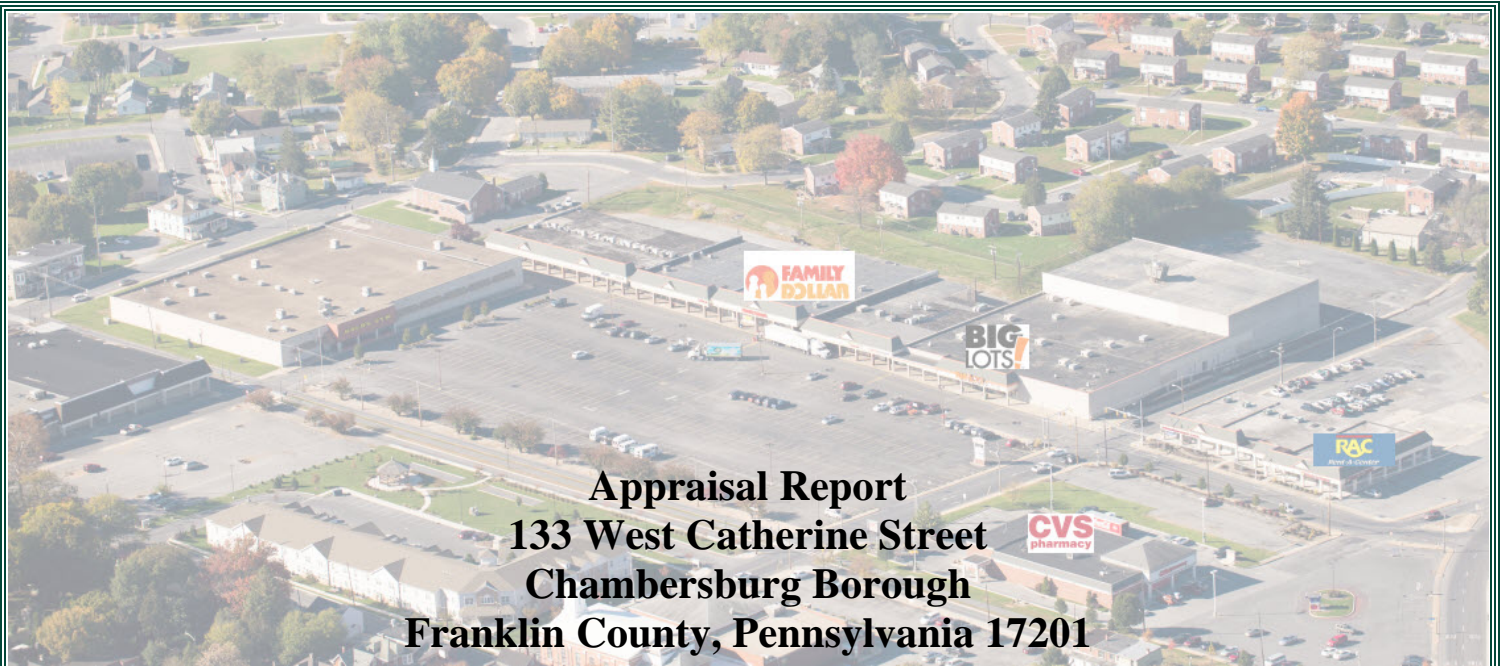
\$18,860,000 land value, highest and best use.

(Eighteen Million Eight Hundred Sixty Thousand Dollars).

Given this estimated potential assessment, the estimated tax liability for the subject property, as of March 25, 2022, is estimated as:

\$360,000 annual real estate tax revenue.

(Three Hundred Sixty Thousand Dollars).

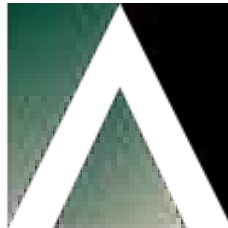


**Appraisal Report
 133 West Catherine Street
 Chambersburg Borough
 Franklin County, Pennsylvania 17201**

**Prepared For:
 Jeffrey Stonehill
 Borough Manager and Director of Utilities
 Borough of Chambersburg
 100 South Second Street
 Chambersburg, Pennsylvania 17201**

Date of Report August 6, 2020	Date of "As-Is" Market Value" July 29, 2020
------------------------------------------	--------------------------------------------------------

Prepared By:



APEX
 VALUATION SERVICES

**1 West King Street, Suite 2A
 Shippensburg, Pennsylvania 17257
 (717) 530-8701
 Apex File No: 08-20-2900**

This report was solely prepared for our client's use. Third parties who receive this report properly from our client may use it for evaluating the property or properties to which it relates for our client. The unpublished report contains confidential information owned by Apex Valuation Services and is protected under the United States Copyright Law. All unauthorized use is prohibited without the prior consent of Apex Valuation Services.

Apex Valuation Services

Real Estate Appraising & Consulting

1 West King Street, Suite 2A
Shippensburg, PA 17257

535 North Church Street, Suite 226
West Chester, PA 19380

Phone - 717-530-8701

Fax - 717-530-8704

apexval.com



August 6, 2020

Jeffrey Stonehill
Borough Manager and Director of Utilities
Borough of Chambersburg
100 South Second Street
Chambersburg, Pennsylvania 17201

Re: Estimate of Current Market Value of
133 West Catherine Street
Chambersburg, Pennsylvania 17201

Dear Client:

We are transmitting the appraisal report you requested on the property known as and located at:

**133 West Catherine Street
Chambersburg Borough
Franklin County, Pennsylvania 17201.**

The subject property is comprised of a single parcel improved with a neighborhood shopping center known as "Southgate Shopping Center". The center is comprised of a large, multi-tenant retail center, a small, multi-tenant retail strip and a single-tenant retail box totaling 200,000+/- gross square feet. Of note, 20,000+/- square feet is located on the second floor above Big Lots and has been considered unrentable; therefore, the net rentable square footage for the shopping center has been considered 180,000+/- square feet. The majority of the center was reportedly constructed circa 1968 with the smaller retail strip being constructed in 1985.

Suites across the center range from 1,200 square feet to 55,560 square feet. The majority of the suites (and overall square footage) are vacant. The subject was approximately 38% occupied as of the date of inspection. A number of vacant suites contain signs of water damage and are without HVAC systems and/or electric and/or plumbing indicating that the suites are not ready for potential tenants. The center is in need of numerous capital expenditures ranging from new roofs to stormwater management maintenance to parking lot maintenance. Overall, the improvements are considered to be in below average condition.

Re: 133 West Catherine Street
 August 6, 2020
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The improvements are situated on a single tax parcel comprised of 13.44+/- acres, identified on the tax maps of Franklin County as District 05, Map 1D08, Parcel 002. The center is located on both sides of West Washington Street which bisects the center into a smaller northern portion and a larger southern portion. An overview of the center, published by ownership/management, is provided below for reference.



According to the most recent legal description, of which the subject is a portion, the subject is identified as “Parcel Nos. 1, 4 and 5” and contains 13.44+/- acres. This is further supported by a survey titled, “*Southgate Shopping Center – Existing Conditions Survey – for Franklin Southgate Company, LLC*”, prepared by Dennis E. Black Engineering, Inc. and dated February 13, 2018. Of note, the subject’s tax card indicates that the parcel is 13.97+/- acres. For purposes of this analysis, the Appraiser is relying on the acreage supported by the legal description in the most recent deed and the recent survey, of **13.44+/- acres**.

The subject property is currently owned, managed and leased by Paran Management Company. Of note, a portion of the center is identified as being available for purchase; however, no price point was indicated. The large, detached, retail box that was previously partially occupied by Gold’s Gym, is a subdivided tract that can be sold separately from the rest of the shopping center. This portion of the subject consists of 55,560 square feet on 2.05 acres.



Re: 133 West Catherine Street
August 6, 2020
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As discussed in the body of this analysis, the subject will be evaluated both as currently operating (“As Is”) and as land for purposes of redevelopment.

The Sales Comparison Approach was developed comparing the subject property “As Is” to similar facilities. A second Sales Comparison Approach was developed comparing the subject property “As Land for Redevelopment” to similar properties with demolition costs subtracted. The Income Approach to value was considered but not applied as the subject generates limited to negative net operating income. The Cost Approach to value was considered but not applied. It is considered to have minimal applicable support for the subject due to subjective estimates for physical deterioration and functional obsolescence based on the age and configuration of the subject.

One extraordinary assumption has been applied in this analysis. COVID-19 has been declared a pandemic by the World Health Organization (WHO) and a national state of emergency is in place. Substantial turmoil has occurred in financial markets and due to the developing situation, it is not possible at this time to quantify its long-term or short-term effects on real estate markets or on the subject property. The value opinion contained in this appraisal is based on findings of an analysis of market data available to the appraiser at the time of the assignment. The appraiser makes no representation as to the effect on the subject property by any unforeseen event, subsequent to the effective date of the appraisal. The reader should note that this assumption may have an effect on value.

The reader should note that this office (Apex Valuation Services) previously appraised a portion of the subject property in October 2018. Any changes in value are (or may be due to) market changes or physical characteristics.

The enclosed report provides the market data and analysis supporting the opinion of current market value for the subject, with no consideration for FF&E, estimated as:

\$2,070,000 – \$2,610,000

(Two Million Seventy Thousand Dollars to Two Million Six Hundred Ten Thousand Dollars)

leased fee interest, as of the effective date of this analysis, July 29, 2020. This estimate assumes a purchase in cash or its equivalent (in typically available financing terms) and negotiations free of seller or buyer duress.

This report has been completed in compliance with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Boards of the Appraisal Foundation. This appraisal has also been completed in conformity with the Code of Ethics and Standards of Professional Practice of the Appraisal Institute.



Re: 133 West Catherine Street
August 6, 2020
Page iv

We expect you will find the details of this analysis relevant to your decisions, and we would be pleased to answer any questions you might have.

Sincerely,
APEX VALUATION SERVICES

A handwritten signature in black ink, appearing to read 'Joseph W. Elhajj'.

Joseph W. Elhajj, MAI, AI-GRS
PA Certified General Real Estate Appraiser
#GA-001599-L

A handwritten signature in black ink, appearing to read 'Edward R. Costa'.

Edward R. Costa
PA Licensed Appraiser Trainee
#LAT-000835



APPRAISER CERTIFICATION

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

- The statements of fact contained within this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have previously appraised a portion of the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment. A portion of the subject property was previously appraised in October 2018.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- Edward Costa provided significant real property appraisal assistance to the person signing this certification.
- 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.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for the MAI Designation of the Appraisal Institute.

A handwritten signature in black ink, appearing to read 'Joseph W. Elhajj'.

Joseph W. Elhajj, MAI, AI-GRS
Pennsylvania Certified General Appraiser
#GA-001599-L



APPRAISER CERTIFICATION

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

- The statements of fact contained within this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have previously appraised a portion of the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment. A portion of the subject property was previously appraised in October 2018.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- Joseph W. Elhadj, MAI provided significant real property appraisal assistance to the person signing this certification.

A handwritten signature in black ink, appearing to read 'Edward Costa', written over a horizontal line.

Edward Costa
Pennsylvania Licensed Appraiser Trainee
#LAT-000835



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EXECUTIVE SUMMARY

Type of Property: Neighborhood Shopping Center.

Location: The subject's improvements have a physical address of 133 West Catherine Street, Chambersburg, Pennsylvania, 17201.

Tax ID Number: The subject is comprised of a single parcel identified on the Tax Maps of Franklin County, Pennsylvania as District 05, Map 1D08 Parcel 002.

Property Rights Appraised: The property rights appraised in this report are the leased fee interests in the subject property. Leased fee interest is defined as:

"The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires."¹ The property is considered to be leased fee regardless of the duration of the lease, the specific rent, or any other terms restricting the lessor or lessee.²

History and Ownership: The subject property is currently owned by Franklin Properties Company, who acquired the subject from Rose Krefetz (one-half interest), Susan Alice Krefetz (one-quarter interest) and Lillian Judith Krefetz (one-quarter interest) on March 25, 1986 for a recorded consideration of \$3,100,000 as recorded in the Franklin County Recorder of Deeds Office via Deed Book 953, Page 413. Of note, this purchase was for several parcels, of which the subject is a portion.

Recorded just after the above transaction – a portion of the subject property was conveyed via a Quitclaim Deed from Rose Krefetz (one-half interest), Susan Alice Krefetz (one-quarter interest) and Lillian Judith Krefetz (one-quarter interest) to Franklin Properties Company on March 25, 1986 for a recorded consideration of \$1.00 as recorded in the Franklin County Recorder of Deeds Office via Deed Book 953, Page 429.

The subject property is currently owned, managed and leased by Paran Management Company. Of note, a portion of the center is identified as being available for purchase; however, no price point was indicated. The large, detached, retail box that was previously partially occupied by Gold's Gym, is a subdivided tract that can be sold separately from the rest of the shopping center. This portion of the subject consists of 55,560 square feet on 2.05 acres.

Copies of the most recent legal description(s) and the marketing brochure are contained in the Addenda to this analysis.

¹ The Dictionary of Real Estate Appraisal, Appraisal Institute, 6th Edition.

² The Appraisal of Real Estate, Appraisal Institute, 11th Edition, Page 139



Client: Jeffrey Stonehill - Borough Manager and Director of Utilities for the Borough of Chambersburg - 100 South Second Street Chambersburg, Pennsylvania 17201.

Site Area: The subject property is comprised of 13.44+/- acres.

Current Use: The subject is currently operating as a neighborhood center.

Improvement Description: The subject property is comprised of a single parcel improved with a neighborhood shopping center known as "Southgate Shopping Center". The center is comprised of a large, multi-tenant retail center, a small, multi-tenant retail strip and a single-tenant retail box totaling 200,000+/- gross square feet. Of note, 20,000+/- square feet is located on the second floor above Big Lots and has been considered unrentable; therefore, the net rentable square footage for the shopping center has been considered 180,000+/- square feet. The majority of the center was reportedly constructed circa 1968 with the smaller retail strip being constructed in 1985.

Suites across the center range from 1,200 square feet to 55,560 square feet. The majority of the suites (and overall square footage) are vacant and the subject was approximately 38% occupied as of the date of inspection. A number of vacant suites contain signs of water damage and are without HVAC systems and/or electric and/or plumbing indicating that the suites are not ready for potential tenants. The center is in need of numerous capital expenditures ranging from new roofs to stormwater management maintenance to parking lot maintenance. Overall, the improvements are considered to be in below average condition.

Zoning: Based on a review of the zoning ordinance and a physical inspection of the site, it appears that the subject property currently operating as a retail shopping center is a permitted use under the regulations governing the DCH district, as designated by Chambersburg Borough, Franklin County, Pennsylvania.

Highest and Best Use "As if Vacant and Available for Development": Considering the four factors of Highest and Best Use, namely legally permissible, physically possible, financially feasible, and maximally productive, the Highest and Best Use of the subject site, as if vacant and available for development is concluded to be for commercial (office/retail) and/or multi-family residential development.

Highest and Best Use "As Improved": Also considering the same four factors as in the "as if vacant" scenario but applied to the subject as currently improved, the highest and best use of the subject property, as improved, could be for continued use / adaptive re-use of the existing improvements or to raze the existing improvements for commercial redevelopment. Both uses appear to be reasonable in the analysis of the subject property as supported in the Approaches to Value sections of this analysis. The site improvements are considered to be typical in design and layout of other retail centers in the subject marketplace.



Most Likely Buyer: Regional or local investor or developer.

Valuation Issues: As discussed in the body of this analysis, the subject will be evaluated both as currently operating (“As Is”) and as land for purposes of redevelopment.

The Sales Comparison Approach was developed comparing the subject property “As Is” to similar facilities. A second Sales Comparison Approach was developed comparing the subject property “As Land for Redevelopment” to similar properties with demolition costs subtracted. The Income Approach to value was considered but not applied as the subject generates limited to negative net operating income. The Cost Approach to value was considered but not applied. It is considered to have minimal applicable support for the subject due to subjective estimates for physical deterioration and functional obsolescence based on the age and configuration of the subject.

Assessment Issues: The subject is currently assessed at \$553,260. When applying the local common level ratio factor of 9.09 it yields an implied value of \$5,029,133. The annual tax liability for the subject parcel equates to \$99,216. Based on the concluded opinion of value, the subject appears over assessed and a tax appeal may be warranted.



Scope Of Work

- Intended Use
 - The function of this appraisal assignment will be to render guidance for internal use; including but not limited to, rendering a decision relative to a financial transaction or asset valuation.
- Intended User
 - Jeffrey Stonehill – Borough Manager and Director of Utilities for the Borough of Chambersburg. Use of this report by others is not intended by the appraiser.
- Purpose
 - The Client requested the current market value of the subject property as of the effective date of this analysis.
- Effective Date/Inspection Date/Date of Report
 - The effective date for this assignment is July 29, 2020 which is the date of most recent inspection.
 - The date of this analysis is August 6, 2020.
- Market Value Definition³
 - The definition of market value used herein is the same as that used by agencies that regulate federally insured financial institutions in the United States, as follows:

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 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:

 - buyer and seller are typically motivated;
 - both parties are well informed or well advised, and acting in what they consider their own best interests;
 - a reasonable time allowed for exposure in the open market;
 - payment is made in terms of cash in U.S. 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 sale concessions granted by anyone associated with the sale.”

³ This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989 between July 5, 1990 and August 24, 1990 by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994 and in the Interagency Appraisal and Evaluation Guidelines dated October 27, 1994. The definition is also provided as an example definition of *Market Value* in Advisory Opinion 22 of the 2014-2015 edition of the Appraisal Standards Board's *Uniform Standards of Professional Appraisal Practice* (Washington, D.C. The Appraisal Foundation).



- Extraordinary Assumptions and Hypothetical Conditions
 - One extraordinary assumption has been applied in this analysis.
 - COVID-19 has been declared a pandemic by the World Health Organization (WHO) and a national state of emergency is in place. Substantial turmoil has occurred in financial markets and due to the developing situation, it is not possible at this time to quantify its long-term or short-term effects on real estate markets or on the subject property. The value opinion contained in this appraisal is based on findings of an analysis of market data available to the appraiser at the time of the assignment. The appraiser makes no representation as to the effect on the subject property by any unforeseen event, subsequent to the effective date of the appraisal.
 - The reader should note that this assumption may have an effect on value.
 - No hypothetical conditions have been used in this analysis.

- Research
 - The subject is identified in this analysis by tax records coupled with a review of most recent deeds, site/engineering plans, and building plans.
 - The subject was inspected by all of the appraisers signing the report to catalog its physical attributes with a physical inspection of the subject's site, exterior and/or complete interior.
 - The neighborhood was toured and researched for pertinent characteristics.
 - Economic conditions and public infrastructure were researched with government publications and third-party reports.
 - Comparable data was selected from the immediate market area and verified. Reliable sources are considered to be appraisal files, public records, primary research, and national trade surveys; complemented with exterior inspections of the comparables.

- Analyses Considered
 - A highest and best use analysis was completed using inferred methods or fundamental methods.
 - An appraisal, considering the cost approach, sales comparison approach, and income approach was performed. An Appraisal is defined as one in which the appraiser completes thorough subject and market research and completes all applicable approaches to value.
 - The Sales Comparison Approach was developed comparing the subject property "As Is" to similar facilities.
 - A second Sales Comparison Approach was developed comparing the subject property "As Land for Redevelopment" to similar properties with demolition costs subtracted.
 - The Income Approach to value was considered but not applied as the subject generates limited to negative net operating income.
 - The Cost Approach to value was considered but not applied. It is considered to have minimal applicable support for the subject due to subjective estimates for physical deterioration and functional obsolescence based on the age and configuration of the subject.



➤ Reporting

- In conformity with USPAP and also the client’s requirements, an appraisal was completed.
- This analysis includes a signed certification that is signed by any appraiser providing professional assistance and the principal appraiser stating the principal appraiser inspected the subject.
- This analysis includes statements of standard assumptions & limiting conditions including a statement with the following wording:

“Disclosure of the contents of this appraisal report shall be governed by the terms and conditions stated herein, provided, however, that anything contained herein before or hereinafter to the contrary notwithstanding, the client may distribute copies of this appraisal report to such third parties as may be selected by it, and provided further that neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, or other media for public communications without prior written consent of the signatories of this appraisal report.”

Definition of Appraisal for this Assignment: per the Uniform Standards of Professional Appraisal Practice 2020-2021 edition, “appraisal” is defined as the act or process of developing an opinion of value.⁴ The content of an Appraisal Report must be consistent with the intended use of the appraisal, and at a minimal.⁵

- i. state the identity of the client, or if the client requested anonymity; state the identity is withheld at the clients request;
- ii. state the identity of any other intended users by name or type
- iii. state the intended use of the appraisal;
- iv. contain information, documents and/or exhibits sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment;
- v. state the real property interest appraised;
- vi. state the type and definition of value and cite the source of the definition;
- vii. state the effective date of the appraisal and the date of the report;
- viii. summarize the scope of the work used to develop the appraisal;
- ix. summarize the extent of any significant real property appraisal assistance;
- x. provide sufficient information to indicate that the appraiser complied with the requirements of Standard 1 by:
 - i. summarizing the appraisal methods and techniques employed
 - ii. stating the reasoning for excluding the sales comparison, cost, or income approach(es) if any have not been developed;
 - iii. summarizing the results of analyzing the subject sales, agreements of sale, options, and listings in accordance with Standards Rule 1-5; and
 - iv. stating the value opinion(s) and conclusion(s); and
 - v. summarizing the information analyzed and the reasoning that supports the analyses, opinions and conclusions, including reconciliation of the data and approaches.
- xi. state the use of the real estate existing as of the effective date and the use of the real estate reflected in the appraisal;
- xii. when an opinion of highest and best use was developed by the appraiser, state that opinion and summarize the support and rationale for that opinion;

⁴ Uniform Standards of Professional Appraisal Practice 2020-2021 Edition, Definitions, page 3

⁵ Uniform Standards of Professional Appraisal Practice 2020-2021 Edition, Advisory Opinion 38 (AO-38) page 172-173



- xiii. clearly and conspicuously:
 - i. state all extraordinary assumptions and hypothetical conditions; and
 - ii. state that their use might have affected the assignment results
- xiv. include a signed certification in accordance with Standards Rule 2-3.

The appraiser's qualifications and experiences are included in this report. This information serves as evidence of the appraiser's competence for the completing of this appraisal assignment in compliance with the competency rule of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation, Washington, D.C.

It is our opinion that our analysis is comprehensive enough to meet the client's need.

Exposure Time⁶

Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal. Exposure time may be defined as:

“an opinion, based on supporting market data, of the 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.”

Exposure time is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. This statement focuses on the time component. The estimate may be expressed as a range and can be based on one or more of the following:

- Statistical information about days on market;
- Information gathered through sales verification; and,
- Interviews with market participants.

Based on the information presented in the body of the report which follows, a reasonable exposure time for the subject property at the estimated market value is twelve (12) months. The reader should note that exposure time is different than marketing time in that exposure time is always presumed to precede the effective date of an appraisal, whereas marketing time is a time period immediately subsequent to the date of the appraisal.

Marketing Time

While it is impossible to know exactly how long a marketing period might be, there are some indicators, which help to understand the basic dynamics of any market in relation to equilibrium. These elements may include matters such as volume of sales, occupancy rates, average daily room rates, availability of capital and investment yield expectations.

⁶ Uniform Standards of Professional Appraisal Practice 2020-2021 edition, Definitions page 4



In addition to the above information regarding market activity, it should be noted that the various judgments regarding property performance and investor expectations contained within the appraisal are based on criteria, which are currently in use in this market. Therefore, the estimate of value reflects current market and investment criteria. No changes in the real estate or capital markets are required for the estimate of value to be realized.

The reasonable marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal.⁷ Marketing Time is different from Exposure Time, which is always presumed to precede the effective date of an appraisal.

The estimate of marketing time uses some of the same data analyzed in the process of estimating reasonable exposure time as part of the appraisal process and is not intended to be a prediction of a date of sale.

The estimate may be expressed as a range and can be based on one or more of the following:

- Statistical information about days on market;
- Information gathered through sales verification;
- Interviews with market participants; and,
- Anticipated changes in market conditions.

Considering the information presented above regarding market activity, the uniqueness of the subject property, and the estimated market value, a reasonable estimate of marketing time for the subject property is twelve (12) months.

⁷ Uniform Standards of Professional Appraisal Practice 2020-2021 edition, Advisory Opinion 7 (AO-7) page 74



Valuation Summary Tables

Value Indications of “As Is” Market Value:	Total
Estimated Value by the Income Approach	Not Applicable
Estimated Value by the Sales Comparison Approach	\$2,070,000 – \$2,610,000
Estimated Value by the Cost Approach	Not Applicable
Final Estimate of “As Is” Market Value (as of July 29, 2020)	\$2,070,000 – \$2,610,000

Value Indications of “As Land Only” Market Value:	Total
Estimated Value by the Income Approach	Not Applicable
Estimated Value by the Sales Comparison Approach	\$2,250,000
Estimated Value by the Cost Approach	Not Applicable
Final Estimate of “As Land Only” Market Value (as of July 29, 2020)	\$2,250,000

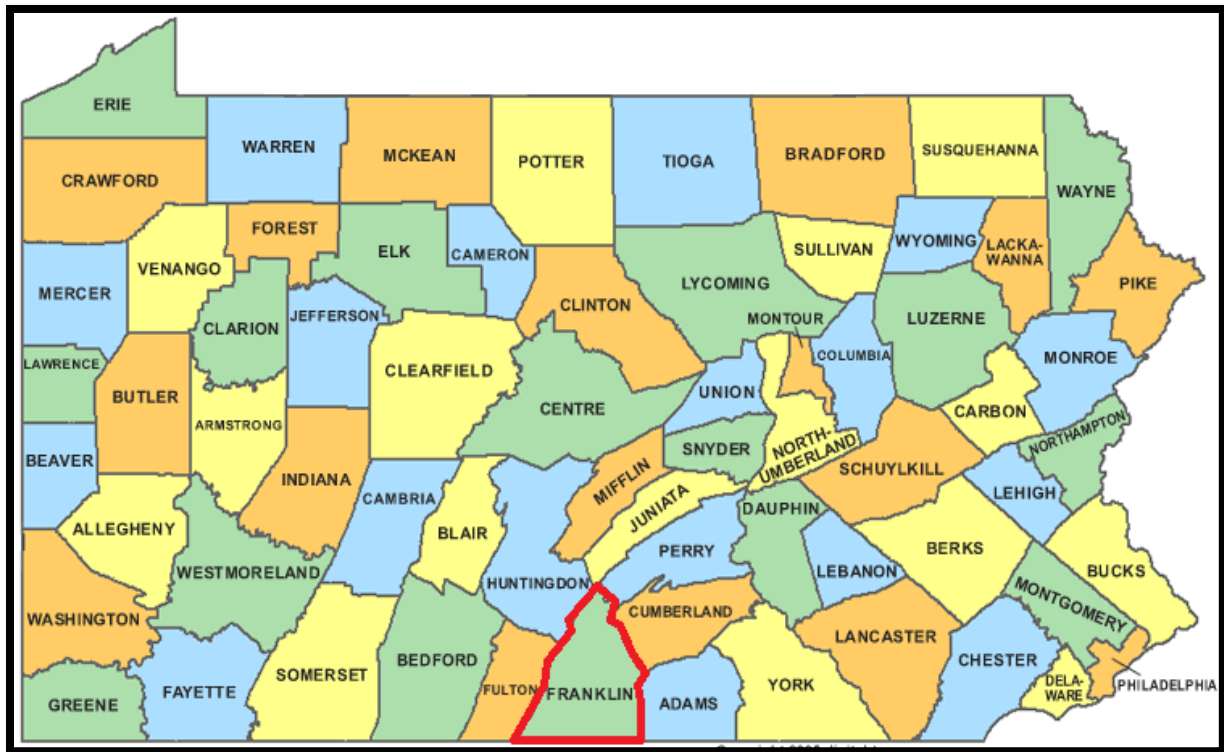
Concluded Opinion of Market Value:

Therefore, in terms of the subject, as defined in this analysis, it is concluded that the current market value, as of July 29, 2020, is estimated as **\$2,070,000 – \$2,610,000 (Two Million Seventy Thousand Dollars to Two Million Six Hundred Ten Thousand Dollars)**.



FRANKLIN COUNTY AREA ANALYSIS

The subject property is located in Franklin County in South Central Pennsylvania, on the Mason-Dixon Line. Franklin County is bounded on the west by Fulton County, on the east by Adams County and on the north by Cumberland, Juniata and Huntingdon Counties. The map below shows Franklin County's location in Pennsylvania.



Franklin County is approximately 754 square miles with seven Boroughs and fifteen Townships. The county seat of Franklin County is Chambersburg Borough.

One of Franklin County's greatest assets is its location and easy access to substantial and growing industrial and consumer markets. Franklin County is situated within one day's drive of more than 50% of the North American population.



Franklin County's extensive interstate highways, two Class-1 railroads, and intermodal services provide immediate and cost-effective access to major markets and talent from Charlotte, NC to Toronto, Canada and beyond.

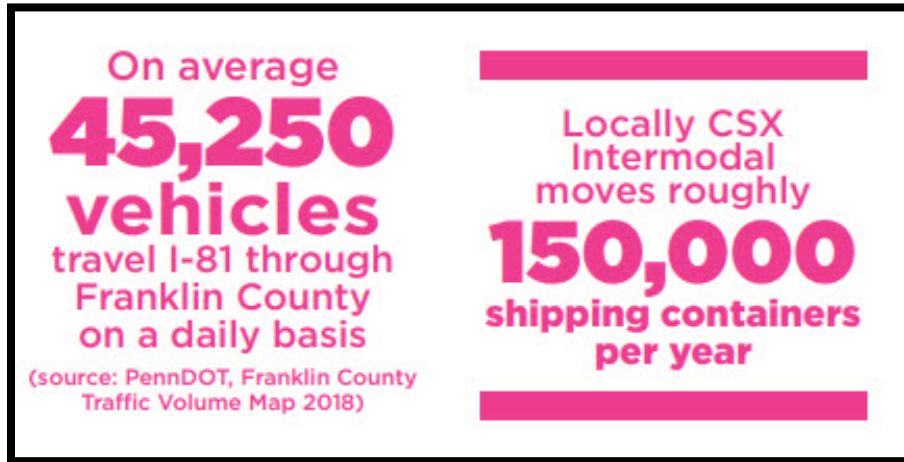
Chambersburg is centrally located within the county at the junction of U.S. Route 30 and U.S. Route 11. Both of these routes are predominately two-lane roadways with center turn lanes in peak traffic areas. U.S. Route 11 extends northeast/southwest across the county, linking Chambersburg with Harrisburg, Pennsylvania to the north and Hagerstown, Maryland to the south. U.S. Route 30 extends east/west across the county linking Chambersburg with Gettysburg and York to the east. Due to traffic congestion along U.S. Route 30 east of the Borough of Chambersburg, plans have been proposed to widen U.S. Route 30 to a four-lane roadway.

There are two interstate highways supporting regional transportation needs. Interstate I-76, the Pennsylvania Turnpike, runs east and west as the primary corridor between Philadelphia at the east side of the state and Pittsburgh on west side of the state as well as the Pennsylvania-Ohio border. The other interstate is I-81, which runs north and south through Franklin County. U.S. Route 30 and Pennsylvania Route 16 have interchanges with Interstate I-81 and provide additional easy access to the south-central sector of Pennsylvania and secondary rural highway connections to the state of Maryland.

There are more than 20 freight carriers that provide services to Franklin County. Rail service is provided by Conrail, Norfolk-Southern, and the Western Maryland Railway Company (CSX). The rail lines run north and south through Greencastle and Chambersburg. Commercial air service is available near Hagerstown, Maryland just south of Franklin County. Other air freight and passenger service is available at the Harrisburg International Airport approximately 65 miles northeast of Franklin County. There is also passenger and freight air service from the Baltimore-Washington International Airport (BWI), the National and Dulles Airports in the Washington, DC area.



The transportation system that serves this region is among the prime catalysts that help keep the region's economy competitive with other areas of the state and nation. This integrated system allows goods and services produced within the region to be exported to other markets, both nationally and internationally.



Franklin County maintains a well-preserved rural and small-town landscape in proximity to several major markets such as:

- Baltimore, MD – 76 miles
- Harrisburg, PA – 52 miles
- New York, NY – 238 miles
- Philadelphia, PA – 140 miles
- Pittsburgh, PA – 154 miles
- Washington, DC – 94 miles



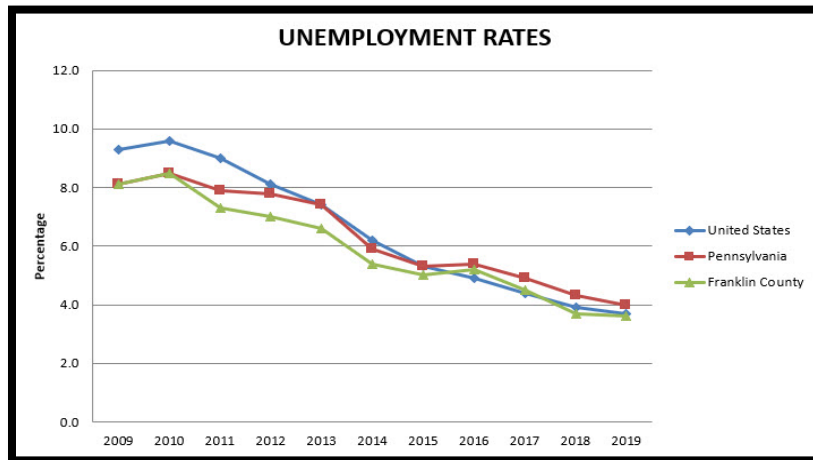
Franklin County’s economic strength in relation to the surrounding counties is supported by the table below which summarizes the area’s median family income and per capita income. Again, these indicators in Franklin County have demonstrated to be comparable to the neighboring counties.

COUNTY	PER CAPITA PERSONAL INCOME	MEDIAN HOUSEHOLD INCOME
ADAMS	\$30,822	\$63,592
CUMBERLAND	\$38,232	\$71,049
DAUPHIN	\$35,143	\$57,939
FRANKLIN	\$29,491	\$58,505
FULTON	\$26,056	\$50,448
HUNTINGDON	\$24,436	\$49,466
PERRY	\$29,617	\$60,649
PENNSYLVANIA	\$34,386	\$60,671
NATION	\$34,136	\$62,203

Source: Stdbonline.com⁸

Unemployment Rate:

The following chart illustrates the historical unemployment rates in United States, Pennsylvania, and Franklin County. Average annual unemployment rates in 2019 were 3.6% for Franklin County, 4.0% for Pennsylvania and 3.7% for the nation. Franklin County has historically performed better than the state and better than or on par with the nation.

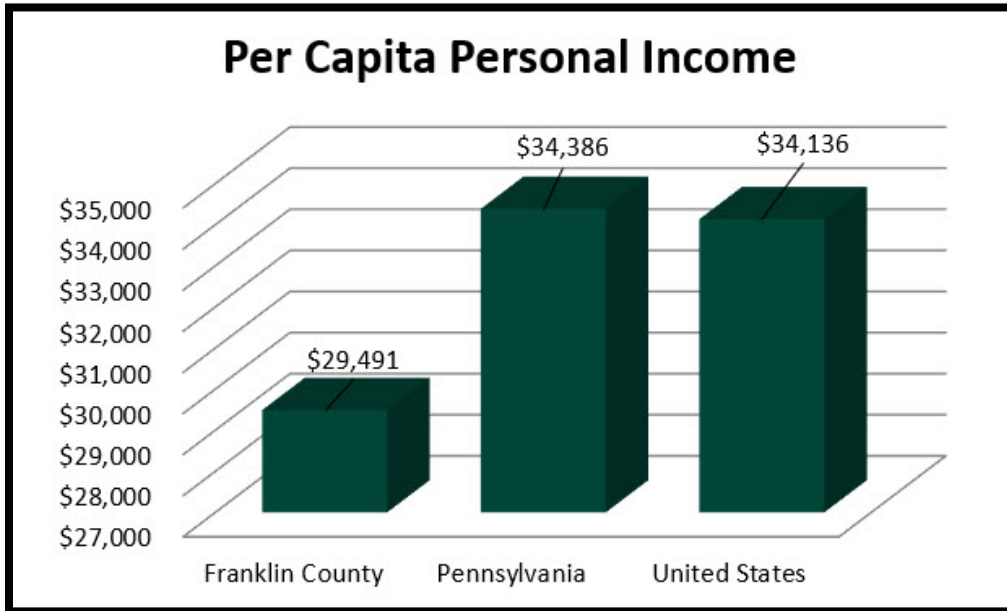


(Prepared February 2020)

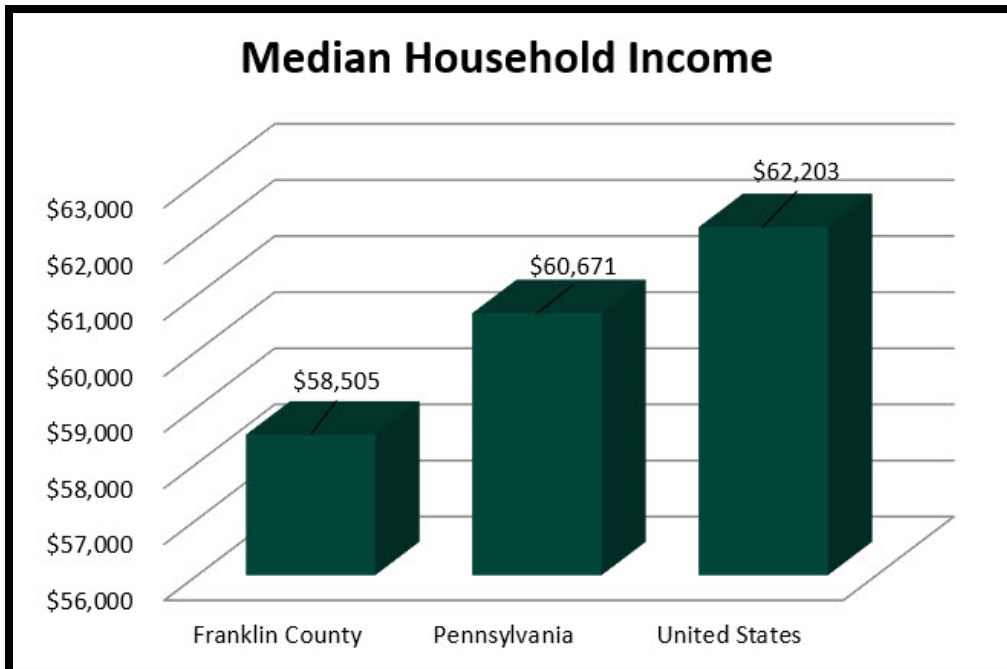
⁸ Stdbonline.com (July 2020)



The graphs below illustrate 2020 figures pertaining to Franklin County's per capita personal income and median household income levels in relation to state and national levels. In terms of per capita personal income and median household income, the County performed below the state and national figures.



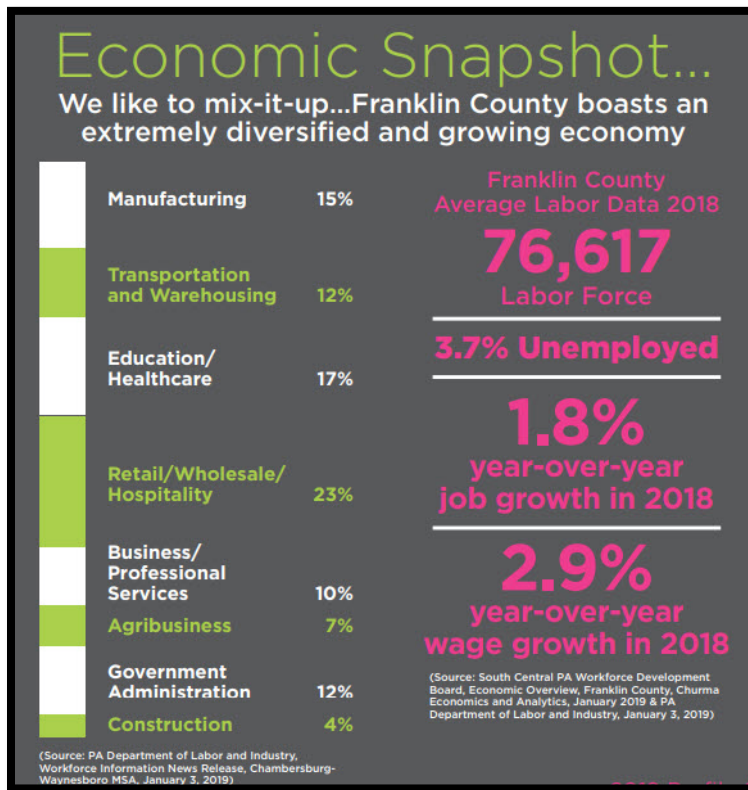
Source: STDB (Prepared July 2020)



Source: STDB (Prepared July 2020)



Franklin County boasts a diversified and growing economy as shown in the following chart.



(Franklin County Area Development Corporation – 2019 County Profile)

Franklin County manufacturers contributed more than \$1.1 Billion of the County GDP in 2019, the most of any sector.

Volvo Construction Equipment is the second largest manufacturer in Franklin County and one of the largest private employers in the County. In May 2012 the plant, located in the Shippensburg area, began a \$100 million plant expansion. This plant serves as the company’s headquarters for operations in North and South America. Volvo acquired the facility in 2007 (and other facilities) from Ingersoll-Rand’s road construction division. Company representatives indicated that Shippensburg was chosen in part for its desirable location due transportation infrastructure and proximity to population centers.

Located in Southampton Township (Franklin County) is a recently completed regional distribution center (1,700,000+ sf) occupied by Proctor-Gamble. Proctor-Gamble chose this location due to proximity to Interstate I-81. It was estimated 1,000 jobs were created from this development.

Also, Georgia-Pacific, maker of pulp and paper products, recently built a new distribution facility in the Shippensburg area at an area known as ProLogis Park due to the accessibility to Interstate I-81. The facility contains 1.5 million square feet.



Franklin County’s strength in manufacturing is not a surprise when considering that manufacturing contributes \$64 billion to the state’s gross product which is by far the largest share of any sector. Franklin County has demonstrated its ability to support and expand in the area of manufacturing, distribution, wholesale and retail trade. Over the past several years, multiple nationally recognized companies have developed distribution centers in Franklin County specifically in proximity to the Borough of Chambersburg.



Antrim Commons Business Park is a 348-acre rail-served business park situated at I-81's Exit #3 and Route 11 in Greencastle, Pennsylvania. As of early 2019, 134 acres were under a purchase option to Northpoint Development. Approximately 24 acres are still available for lease or sale.

The project supports in excess of five million square feet of large-box industrial, highway retail and flex-industrial uses. Immediately adjacent to Antrim Commons is Norfolk Southern's 200-acre, \$97 million, Franklin County Regional Intermodal Facility, which provides direct rail access to the park. The Intermodal Facility, which opened in January 2013, has the capacity to handle more than 85,000 shipping containers annually.

The park currently includes a 400,000 square foot rail served, refrigerated distribution center for Hub One Logistics, the U.S. headquarters for Gate 7, a Sheetz convenience store and gasoline station, a medical office building for Summit Health, a Blaze Alexander Chevrolet dealership, two industrial buildings totaling 2,247,000 square feet developed by Northpoint Development, and a 432,000 square foot manufacturing facility for Eldorado Stone.

The overview below illustrates the planned park.





On August 22, 2018 the FCADC broke ground on a new 50,000 square foot industrial building for Hagerstown, Maryland-based Jamison Door Company. The FCADC is serving as the project developer. The facility will serve as Jamison's latest plant for the production of high-speed roll-up doors in partnership with Italy-based manufacturer BMP Group. The project represents a \$3.6 Million capital investment within the Wharf Road Industrial Park.

The FCADC completed the construction and ultimately settled on the sale of its 20,000 square foot spec building located within the Wharf Road Industrial Park in Waynesboro. The new building was acquired by Smithsburg, Maryland-based Fil-Tec, Inc. The property is immediately adjacent to Fil-Tec's 45,000 square foot production and warehouse facility. The project represents a \$1.5 Million capital investment.

In April 2018, Herbruck's Poultry Ranch celebrated the opening of its \$2 Million warehouse and cooler facility on Sunset Pike in Chambersburg. Herbruck's purchased the property from the FCADC. In addition to storing eggs from the Company's Michigan location, the facility will provide storage and cooler space for their future Montgomery Township egg-layer operation.

In early 2018 the Franklin County Commissioners formally approved a \$67 Million County Court Facility Improvement Program. The plan includes construction of a new 108,000 SF courthouse building as well as renovations to the existing Court House and adjoining Court Annex building. Additional work includes the renovation and expansion of the County Administrative Annex on North Second Street and the construction of a new County archives building. The project is underway and should be completed in 2021.

As of January 2019, agriculture reportedly comprises more than 242,600 acres of land in Franklin County. The County ranks 2nd in the state for the production of milk, cattle, apples, peaches, and corn for silage. To date more than 17,000 acres of production agricultural land have been preserved for future generations. There are nearly 1,600 acres of family farms in Franklin County.



Franklin County is serviced by two hospitals. Chambersburg Hospital is a 273-bed acute and critical facility and Waynesboro Hospital is a 57-bed facility. Both are under the Summit Health umbrella of ownership. In 2015, Summit opened a new \$16 million medical office building adjacent to the Waynesboro Hospital and a new urgent care clinic at Exit 17 of Interstate I-81. In November 2018, Summit Health and York-PA based WellSpan Health merged healthcare systems. WellSpan brings six hospitals, a group of more than 1,200 highly experienced physicians and practice clinicians, and 15,000 employees to join forces with Summit's more than 280 skilled physicians and specialists and 3,700 employees.



In addition to WellSpan/Summit, Franklin County is also served by Keystone Health, a nationally recognized, Federally Qualified Community Health Center. Keystone operates several state-of-the-art locations throughout the County and employs 475 healthcare professionals.

Interstate I-81 is a primary north/south artery which links Harrisburg to Hagerstown and accesses other major interstate highways. In addition, Interstate I-81 accesses other major traveling arteries such as Interstate I-70 in Hagerstown to the south and Interstate I-83 and Interstate I-76 (Pennsylvania Turnpike) to the north in Harrisburg and Carlisle.

HIGHWAY ACCESS/TRANSPORTATION

DID YOU KNOW?
Franklin County's extensive interstate highways and two Class-1 intermodal terminals provide immediate and cost effective access to **major markets and talent** from Charlotte, NC to Toronto, Canada and beyond.

HIGHWAYS

-  I-81
-  I-76 PA Turnpike
-  I-70
-  US Route 30
-  US Route 11

Extensive network of state owned/maintained roadways

RAIL

- Norfolk Southern
- Norfolk Southern Franklin County Regional Intermodal Terminal (PA Exit 3, I-81)
- CSX
- CSXI Intermodal Terminal (PA Exit 14, I-81)
- Pennsylvania & Southern Rail (short line service within the Cumberland Valley Business Park)
- The Railroad Associates Corporation, TRAC (short line service within the Chambers-5 Business Park)

12%

of the US Economy travels on Interstate 81.

AIR

- Thurgood Marshall/BWI, Dulles International, and Reagan National
75 minutes
- Harrisburg, PA International Airport
60 minutes
- Hagerstown, MD Regional Airport (general aviation, limited commuter service) 10 minutes

WATER

- Port of Baltimore 75 minutes
- Port of Philadelphia 3 hours
- Port of Pittsburgh 3 hours

Conclusion:

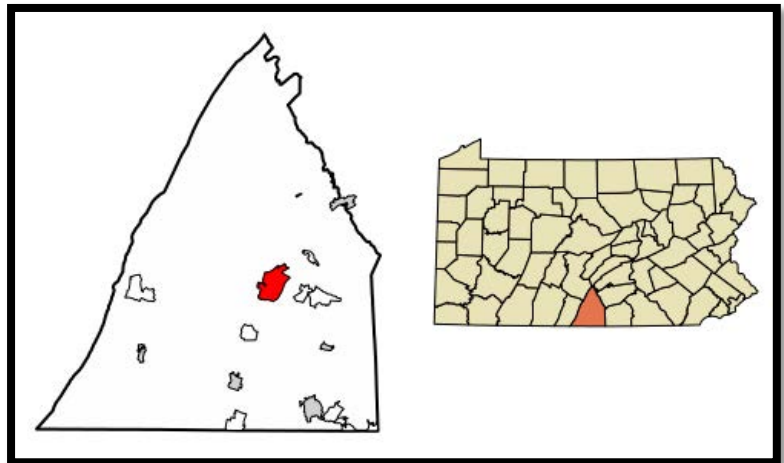
Both population and employment have been steadily increasing along Interstate I-81 in Cumberland, Dauphin, Franklin and Lebanon Counties and continued growth is anticipated for Franklin County.



NEIGHBORHOOD ANALYSIS

The Neighborhood Analysis provides a bridge between the Area Analysis and the study of the subject property. As with Area Analysis, the goal of the Neighborhood Analysis is to determine how the operations of social, economic, governmental and environmental factors influence the value of real estate. The focus is on how these factors interact in the immediate vicinity of the subject property.

The subject property is known as the Southgate Shopping Center and is located at the physical address of 133 West Catherine Street, Chambersburg Borough, Franklin County, Pennsylvania 17201. The subject's improvements, collectively, are bound on the north by West Washington Street and West Loudon Street, on the east by



South Water Street and Cedar Street, on the south by West Catherine Street and on the west by a residential development and the Conococheague Creek. The center is located on both sides of West Washington Street which bisects the center into a smaller, northern portion and a larger, southern portion.

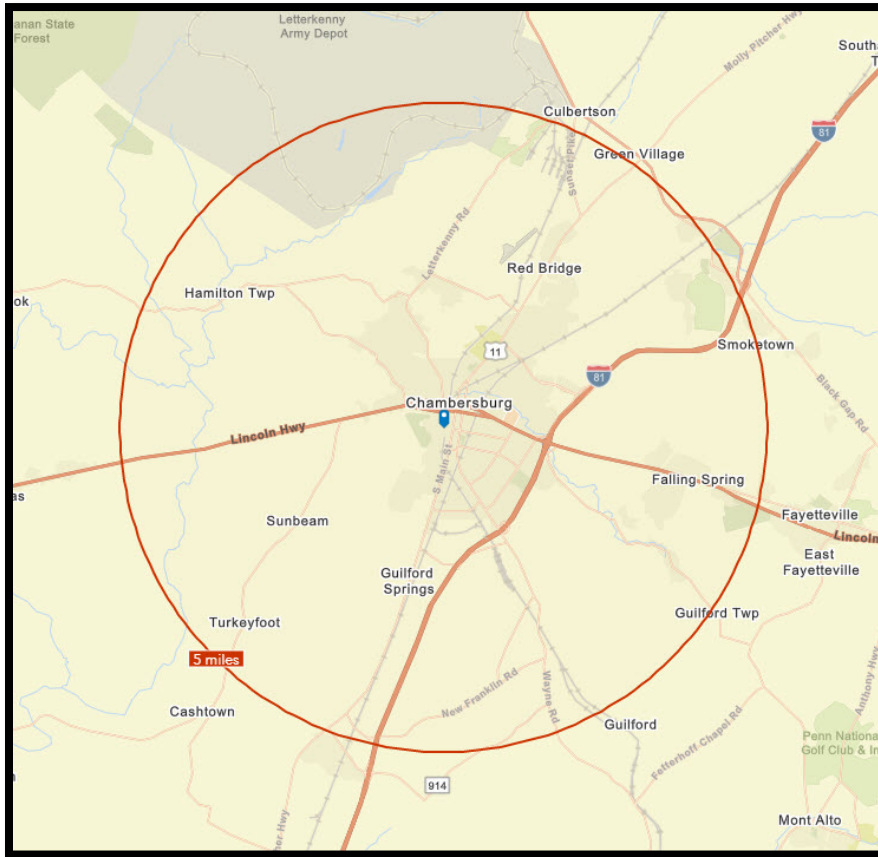
Demographics:

Chambersburg Borough is comprised of 6.92 square miles. According to the 2020 ESRI figures, the Borough contains an estimated population of 21,553 people. This is an increase of 6.34% from the 2010 figures. Additionally, there are 8,709 households and 4,914 families in the Borough. The population density of Chambersburg Borough is 3,115 people per square mile.

The median household income in the Borough is \$46,493 and the per capita income is \$24,173.



The following map illustrates the 5-mile ring around the subject property.



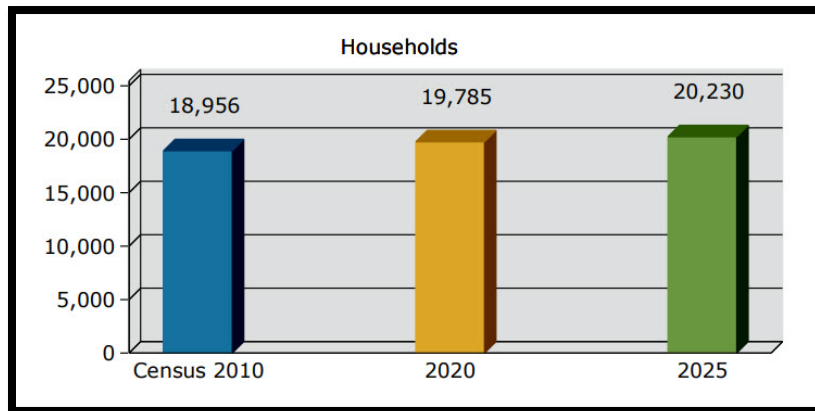
The table below summarizes historic trends in population, families, and households for a five-mile ring of the subject property.

Population				
Year	2010	2020	Projected 2025	% Increase or Decrease (2020-2025)
5-Mile Ring	47,264	49,734	50,951	+2.45%
Families				
Year	2010	2020	Projected 2025	% Increase or Decrease (2020-2025)
5-Mile Ring	12,467	12,809	13,030	+1.73%
Households				
Year	2010	2020	Projected 2025	% Increase or Decrease (2020-2025)
5-Mile Ring	18,956	19,785	20,230	+2.25%

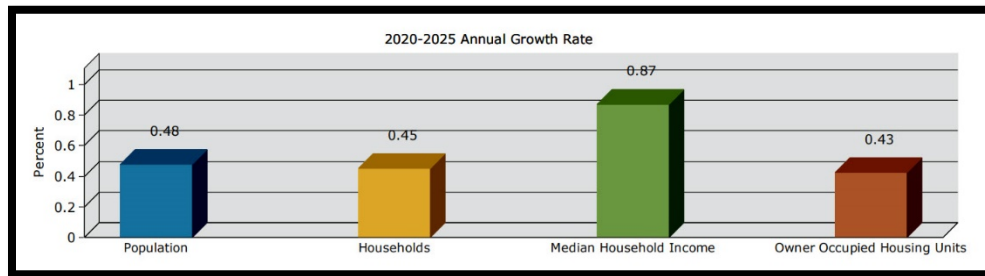


Examining the five-mile ring of the subject property shows that population, families, and housing units have increased and that this pattern is anticipated to increase up to 2025. Most areas in Pennsylvania are experiencing similar increases in these categories and tend to be a key components used by developers and investors.

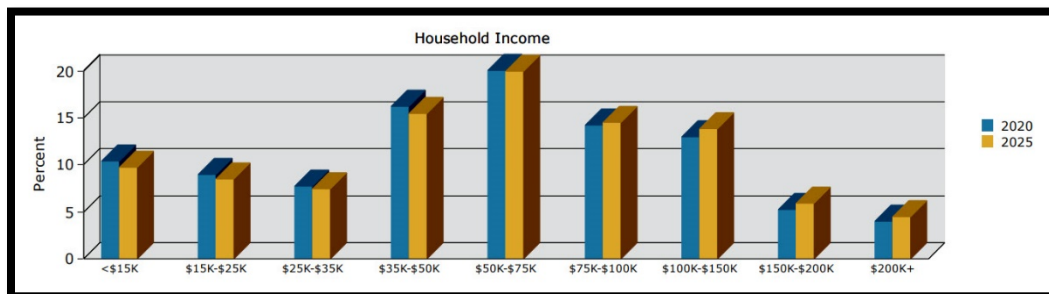
The following chart presents the number of households for the immediate 5-mile radius. It should be noted the 2020 figures are estimates and the 2025 figures are projections.



The following chart presents the 2020-2025 annual growth rates for the immediate 5-mile radius. It should be noted the 2020 figures are estimates and the 2025 figures are projections.

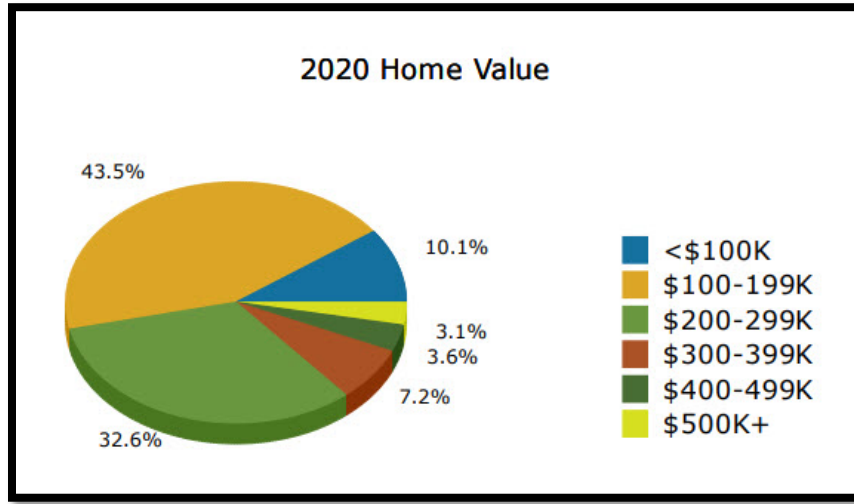


The following chart presents the 2020 and 2025 household income for the immediate 5-mile radius. It should be noted the 2020 figures are estimates and the 2025 figures are projections.

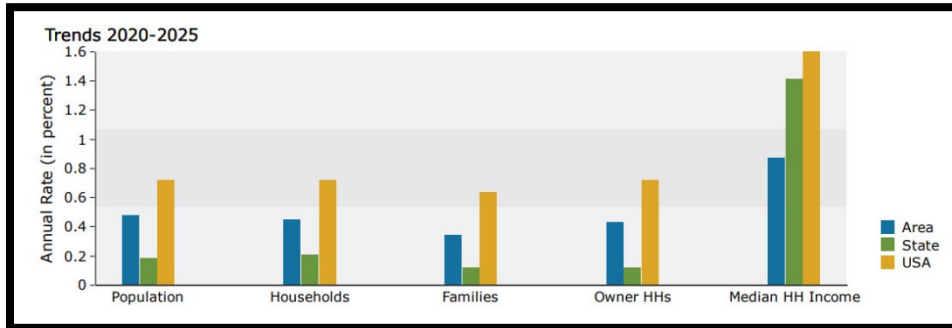




The following chart presents the 2020 home values for the immediate 5-mile radius.



The following chart presents the growth trends of the population, households, families, owners of homes and the median income for the immediate 5-mile radius compared to the State and the Nation:



The charts and graphs on the previous pages indicate that the subject area is anticipated to experience population and household growth greater than the projected figures for the state and less than those of the nation. The area is also anticipated to perform slightly below the annual median household income growth rate of the state and the nation; however, moderate growth is projected at approximately 0.9% per year.



Local Development:

The subject is the Southgate Shopping Center which is the prominent retail shopping center in the immediate area; however, many retailers have opted to be located closer to major roadways such as US Route 30 and Interstate 81. Within this section, more desirable retail locations are shown to have superior location and visibility to major roadways. In those centers, strong anchors and shadow-anchors attract in-line users and pad sites. Southgate Shopping Center is lacking a true anchor tenant, other than Big Lots and Family Dollar; therefore, the center is showing strong vacancies among the variously sized suites.

Route 30 traverses the heart of downtown Chambersburg and is comprised of a mixture of free-standing retail buildings and older homes converted for office / retail use. The Chambersburg Hospital is also situated along Route 30 in downtown Chambersburg. Retailers along Route 30 include Burger King, AutoZone, Cricket Wireless, Long John Silver's, McDonald's, Ruby Tuesday, Hoss's Steakhouse and Sheetz.

The largest retail center in the area is the Chambersburg Crossing. Chambersburg Crossing includes Target, Kohl's, Giant, Staples, Michaels, PetSmart, and six out parcels which includes Red Robin Restaurant, Panera Bread, and TGI Fridays. Total leasable area is 475,000+/- square feet. In September 2014, BJ's Warehouse Club built an 88,750 square foot retail center known as Chambersburg Village Shopping Center planned on a 20.2863+/-acre site. This site was purchased in September 2013 for \$8,000,000 or \$394,355 per acre. Across Gateway Avenue from BJ's is an ALDI grocery store, which was built in 2016.

Across Walker Road from Chambersburg Crossing, several parcels have been developed in 2016, including two multi-tenant retail strips and a freestanding Buffalo Wild Wings restaurant.

A second retail center is also located in this area known as Gateway Shopping Center. Gateway Center comprises of 70,000+ leasable square feet and include tenants such Wolf Furniture, AKI Japanese Restaurant, and Fuddruckers.



On-going development in this area includes various office and bank branches, automotive dealerships, and multiple recently built franchise hotels entered the market in the past several years (Springhill Suites, Candlewood Suites and La Quinta Inns). A Tru by Hilton is on-line to hit the market in the second half of 2020 along Walker Road.

Recent development off Exit 14, along Wayne Avenue, includes a Dunkin Donuts, a Wendy's and a Starbucks. These sites were former gas stations (Exxon and Gulf) that were redeveloped.

North of Chambersburg Borough is the Letterkenny Army Depot. Letterkenny Industrial Development Authority (LIDA) is developing the park on the former Army real estate. Development has been slow at the business park. The Army completed their most recent five-year review for the SE (Southeastern) and PDO (Property Disposal) Areas in March 2017. The purpose of the five-year review is to determine whether the remedies at a site continue to be protective of human health and the environment. The Army concluded that these remedies are in fact protective, and the EPA and Pennsylvania Department of Environmental Protection (PADEP) concurred.

The Letterkenny Army Depot was originally a 19,243-acre Army facility, most of which is devoted to ammunition storage (16,614 acres). It is located 5-miles north of Chambersburg, Franklin County, Pennsylvania. Approximately 36,000 people live within 5-miles of the Letterkenny Army Depot.

The Letterkenny Army Depot was established in 1942 for ammunition storage. Since 1947, activities at the Letterkenny Army Depot expanded to include the testing, maintenance, and overhaul of wheeled and tracked vehicles and missiles; the storage and transportation of industrial chemicals and petroleum; and storage, maintenance, demilitarization, and modification of ammunition. The PDO Area includes areas associated with the storage and disposal of industrial chemicals and petroleum. The PDO Area site also encompasses areas covered under Resource Conservation and Recovery Act (RCRA) corrective action investigations, including areas associated with the storage, maintenance, demilitarization, and modification of ammunition that are located in a section of the facility commonly referred to as the Ammunition Area (AA).



The Depot was included in the 1995 Base Realignment and Closure Act (BRAC), with approximately 1,462 acres designated for transfer to the private sector for local redevelopment. Most of the remaining land will continue to be part of the active Letterkenny Army Depot. To date, approximately 833 acres have been transferred to the private sector.

Located at Exit 20 of Interstate I-81 is the Chambersburg Mall. Chambersburg Mall is a 454,423-square foot regional mall. The mall began operations in 1982. Many of the larger, anchor tenants left in previous years leaving some smaller, in-line tenants in place. There has been sporadic development on the outparcels of the mall including a Dollar General. Larger, more modern development, including those recently discussed seem to be more prominent locations for new development and retail activity.

The Volvo Construction Equipment facility is located northeast of Chambersburg Borough and is the second largest manufacturer in Franklin County and one of the largest private employers in the County. In March of 2011, Volvo CE invested in a \$100 million USD expansion which brought in wheel loaders and will bring the edition of articulated haulers and excavators in the future. The investment also relocated the Sales team from Asheville, NC to Shippensburg, PA into a new Sales office that is attached to the Operations plant. This plant will serve as the company's headquarters for operations in North and South America. Volvo acquired the facility in 2007 (and other facilities) from Ingersoll-Rand's road construction division. Company representatives indicated that Shippensburg was chosen in part for its desirable location due transportation infrastructure and proximity to population centers.

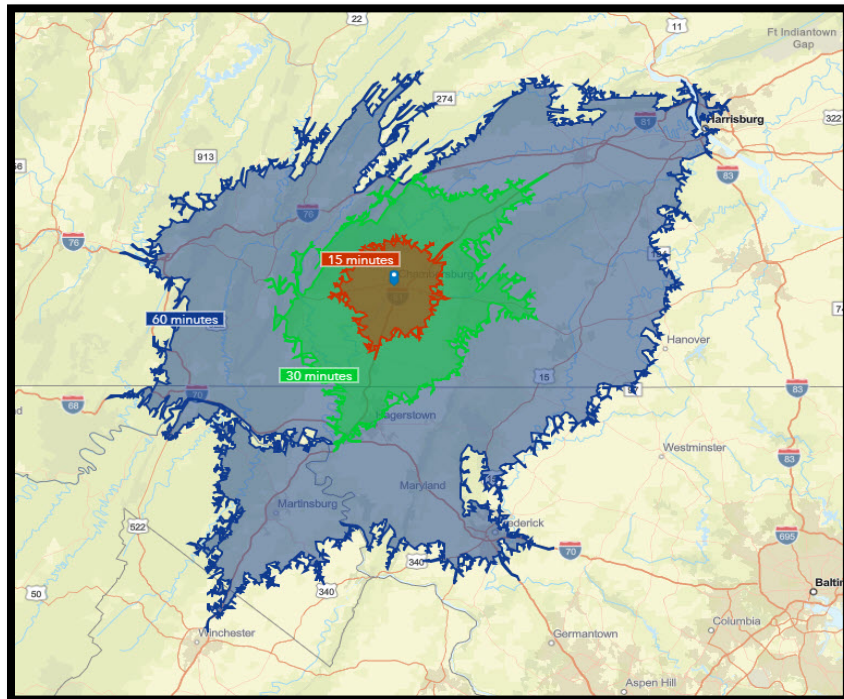
Situated along Philadelphia Avenue (Route 11) is Wilson College, a private liberal arts college, offering Associate, Bachelor's and Master's degrees. Wilson College, which was a women's college until becoming coeducational in 2013-14, has a current enrollment of 1,600+ students. The Chambersburg Hospital is also located in Chambersburg Borough, along N. Seventh Street.

Highways:

The Borough is served by State Route 30, which is a 324-mile-long east–west state highway which traverses through southern Pennsylvania. The western end is at Chester, WV and the eastern terminus is at Camden, NJ.

The Borough is served by US Route 11, which is a 284.4-mile state highway that roughly parallels Interstate 81 in Pennsylvania. It serves Harrisburg and Scranton. Between those two cities, US 11 follow the Susquehanna River, while I-81 follows a shorter route over the mountains. Interstate I-81 is less than two miles east of the subject which provides access to Chambersburg, Carlisle, and Harrisburg to the north and Hagerstown, Maryland to the south. Interstate I-81 also provides access to other major traveling arteries such as Interstate I-70 in Hagerstown to the south and Interstate I-83 and Interstate I-76 (Pennsylvania Turnpike) to the north in Harrisburg and Carlisle.

The following chart depicts the travel times from the subject to other geographical locations. Red represents driving times of 15 minutes; Green represents driving times of one-half hour; and Blue represents driving times of one hour.



Conclusion:

Overall, this location is considered average. The anticipated outlook for the area is considered positive.



MARKET ANALYSIS – GENERAL ECONOMY

The economy has been and will undoubtedly continue to be affected by the on-going Coronavirus pandemic. Below is a report on the overall real estate market provided by FTI Consulting. FTI Consulting is a business advisory firm headquartered in Washington, D.C. FTI is one of the largest financial consulting firms in the world and consistently ranks as one of the top global management consulting firms.



Commercial real estate (CRE) valuations are currently in a state of uncertainty for various property sectors, as the depth and duration of an economic downturn is still unknown.

Landlords, tenants and lenders are hungry for data that reflect COVID-19's immediate effects on levels of rent deferrals and abatements and the longer-term effects on rents, expenses and occupancies, but the script is still being written. All parties are in the middle of multi-faceted negotiations between stakeholders with diverging interests. Many landlords are initially taking "hardball" positions to preserve asset values but ultimately recognize that they need their tenants to successfully navigate the crisis. Yet, landlords risk tripping debt covenants by granting too much forbearance to help ailing tenants, which brings lenders and special servicers into the mix. The following is a collection of observations based on FTI Consulting's review of current economic indicators and interactions with landlords, tenants, and their creditors.

Debt Financing Markets

Owing to this uncertainty, capital markets are in flux, with lenders looking to moderate risk.

- Fewer interest-only loan offerings from CMBS lenders as bond markets recover from credit market turmoil in March.
- Rising spreads leading to higher but still attractive interest rates.
- Tougher underwriting assumptions to protect lenders against collateral risk.
- Rising debt yields coupled with tighter underwriting is reducing available loan proceeds to borrowers.

Clarity on pricing and values will take months to resolve.

- Lenders will have to contend with dramatically increasing defaults.
- Ability and/or willingness to grant forbearance and restructure troubled loans will dictate the flow and resolution of distressed assets.
- V-shaped, U-shaped or L-shaped economic recovery.
- Canceled transactions and sidelined capital in anticipation of growing distress and lower prices.

EXPERTS WITH IMPACT™



Below are market developments that will influence valuations in the months ahead.

Sector and Market Developments

Hotel & Lodging

- Hotel closings are widespread during the pandemic, with upscale and luxury brands hardest hit.
- Approximately 70% of hotel employees have been furloughed or laid off, and nearly four million hotel-supported jobs have been lost since the crisis began. (Oxford Economics)
- Key hotel operating metrics, such as occupancy and RevPAR, have been severely impacted.
 - Per STR, nearly 80% of hotel rooms were empty as of April 29th. The 1Q20 occupancy rate of 52% was the lowest since 1Q09 during the global financial crisis and the 16% YoY occupancy decline was the largest on record.
- Steep projected declines (YOY) for RevPAR and occupancy are expected to continue through the end of 2020.

Office

- Declining demand will push down occupancy and effective rents.
- The pandemic is hitting co-working offices the hardest.
- Corporate shutdowns have driven rent relief requests, with no immediate end in sight.
- Successful work-at-home policies may reduce space needs after the pandemic.
- Alternatively, space per employee may increase as current office configurations are redesigned to accommodate social distancing.

Industrial

- Robust online shopping sales continue to spur demand for modern distribution space.
 - Amazon, accounting for nearly 40% of the e-commerce market, hired 175,000 people in March and April.
- Far fewer industrial tenants are requesting rent relief than other users.
- “Last mile” distribution facilities continue to emerge to shorten the supply chain to facilitate the faster delivery of goods.
- Cold storage demand is way up, which may lead to grocery stores incorporating more storage and fulfillment areas.
- As warehouse design transitions to more automation in order to limit labor risks, building costs are expected to increase.

Retail

- In April, total retail sales declined 21.7% (YOY), the largest monthly decline on record.
- On a positive note, grocery sales increased a record 20% in March-April (YOY), which has benefitted grocery-anchored retail. However, much of this increase reflects hoarding and a pull-forward effect, which is not sustainable.
- Between 25% to 50% of retail tenants were estimated to have paid rent in April, with owners typically budgeting for three months of lost rent, as tenant assistance takes on greater significance.
- Retail bankruptcies have accelerated since the pandemic, with liquidations or mass store closings becoming most likely outcomes. Many non-distressed retailers have already announced intentions to upsize store closing plans.
- Cancelled and delayed transactions reflected investor caution.
- Retailers continue to adapt new logistical models for the most efficient delivery of goods in the anticipation of further store closures and retail consolidations/bankruptcies.
- Regional mall owners in the process of transforming their centers to include more food and entertainment concepts have been hard hit by the pandemic.

Apartment/Multi-Family

- The National Multifamily Housing Council reported that 92% of April rents were paid as of April 26th, down from 96% YoY, in its survey of 11.5 million units.
- Fewer potential new renters in markets dependent on trade and tourism hit harder than in economically diverse markets.
- Lower-income residents of Class B and C properties will have difficulty paying deferred rent, leading to reduced income for owners.
- Oversupplied luxury apartment markets will struggle to lease-up vacant units.
- Owners will continue to focus on sustaining cash flows through tenant retention by offering more concessions and rent deferments.

Declining Investor Sentiment

COVID-19 is having a significant impact on sale transactions.

- Through April 17th, CoStar estimated that 17% of deals scheduled for an April closing were cancelled, a record high as compared to 5.6% cancellations in 1Q08 during the global financial crisis.
- Nearly 33% of hotel deals were reportedly cancelled, followed by cancelled deals in multi-family (19.1%), office (13.9%), retail (12.6%) and industrial (8.0%) sectors.
- In March, Real Capital Analytics reported the number of deals in contract that failed to close more than tripled the monthly average between 2016 and 2019, and that a shrinking buyer pool and more cancelled deals reflect a growing disconnect in pricing expectations between owners and buyers.



Cash Flow Projections and Valuations

As sale transactions become more scarce and historical data become less relevant, more emphasis will be placed on cash flow forecasts in an exceedingly difficult time to make such projections. Metrics will naturally vary on a case-by-case basis, based on property type, location, market conditions and tenant profiles. Below are general considerations when projecting cash flows across all sectors.

- Market rent and growth rates will be lower for most markets and property types over the next 12 months and probably longer.
- Rent relief requests will continue through the summer, with more landlords deferring payments and some offering abatements to maintain occupancy.
- Vacancy and credit losses will rise in the short term as more downsizing and bankruptcies occur.
- A higher stabilized vacancy allowance over the projection period may be warranted.
- As the vacancies rise, lease-up of vacant space will slow dramatically as tenants regain their economic stability.
- Expense outlays, such as security and janitorial, will need to be closely analyzed and will likely rise.
- Capital costs to reconfigure space for a post-pandemic environment will need to be considered.
- Capitalization and discount rates will need to reflect lingering uncertainties caused by the pandemic.

Conclusion

It will be many months before the full impact of the pandemic on domestic/global economies and real property markets is understood. In the meantime, real estate owners, investors, appraisers, financial institutions, special servicers and other advisors will need to make difficult projections about an uncertain future in order to make strategic decisions. The level of distress (vacancies, foreclosures, bankruptcies, etc.) over the next year or more will be driven, at least in part, by the level of cooperation and forbearance between owners and tenants, lenders and other creditors, as parties-in-interest seek solutions that preserve value. Otherwise, there is plenty of opportunistic capital waiting to pick up the pieces.

Conclusion:

COVID-19 has been declared a pandemic by the World Health Organization (WHO) and a national state of emergency is in place. Substantial turmoil has occurred in financial markets and due to the developing situation, it is not possible at this time to quantify its long-term or short-term effects on real estate markets or on the subject property. The value opinion contained in this appraisal is based on findings of an analysis of market data available to the appraiser at the time of the assignment. The appraiser makes no representation as to the effect on the subject property by any unforeseen event, subsequent to the effective date of the appraisal.



MARKET ANALYSIS – RETAIL

The subject property is located in Chambersburg Borough (Franklin County, PA), which has minimal local publications. The Franklin County (Chambersburg-Waynesboro) market area will be further examined below, as provided by CoStar.

Overview

Overview			
Chambersburg-Waynesboro Retail			
12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
5.7 K	(47.3 K)	8.6%	-0.2%

Retail rents in the Chambersburg-Waynesboro - PA Market were essentially unchanged over the past year, but have posted an average annual gain of 1.3% over the past three years. There is 36,000 SF currently underway, representing the largest under construction pipeline in over three years. Over the past three years, 32,000 SF has delivered, or a cumulative inventory expansion of 0.5%. Vacancies in the metro were somewhat above the ten-year average as of 2020Q3, and trended slightly upwards over the past four quarters.

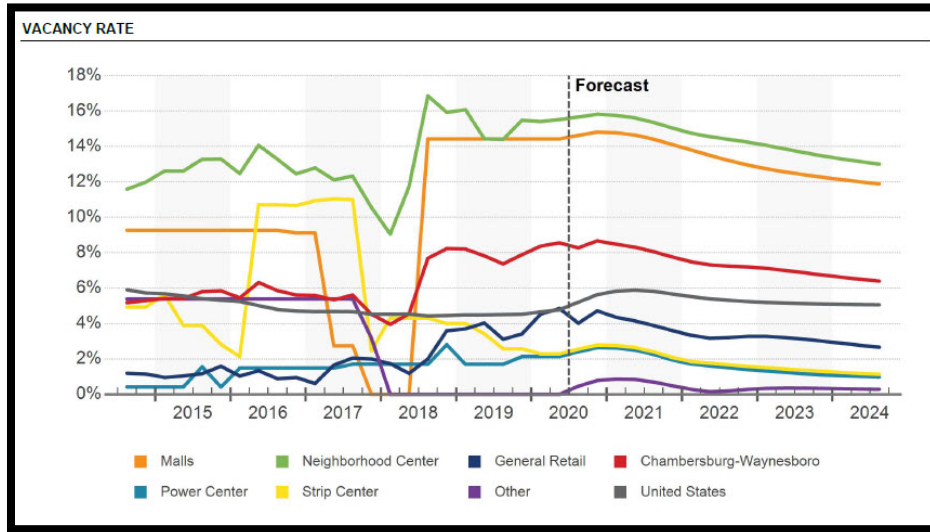
Nonfarm payrolls decreased by about -15.3% over the past year. Over the past five years, employment has changed at an average annual rate of 0.3% (a cumulative difference of about -7,500 jobs), compared to a 0.8% average increase nationally. Retail trade employment has shown little change over the past five years. During that timeframe, retail jobs have posted an average annual change of -0.3%, compared to a -1.0% average annual change nationally.

KEY INDICATORS							
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	546,108	14.4%	\$10.56	14.4%	0	0	0
Power Center	721,951	2.1%	\$17.64	3.8%	0	0	0
Neighborhood Center	2,136,140	15.5%	\$11.43	20.4%	0	0	0
Strip Center	207,795	2.3%	\$13.45	3.8%	0	0	0
General Retail	3,134,674	4.8%	\$11.96	7.6%	0	0	35,660
Other	63,125	0%	\$5.96	0%	0	0	0
Market	6,809,793	8.6%	\$12.27	11.6%	0	0	35,660



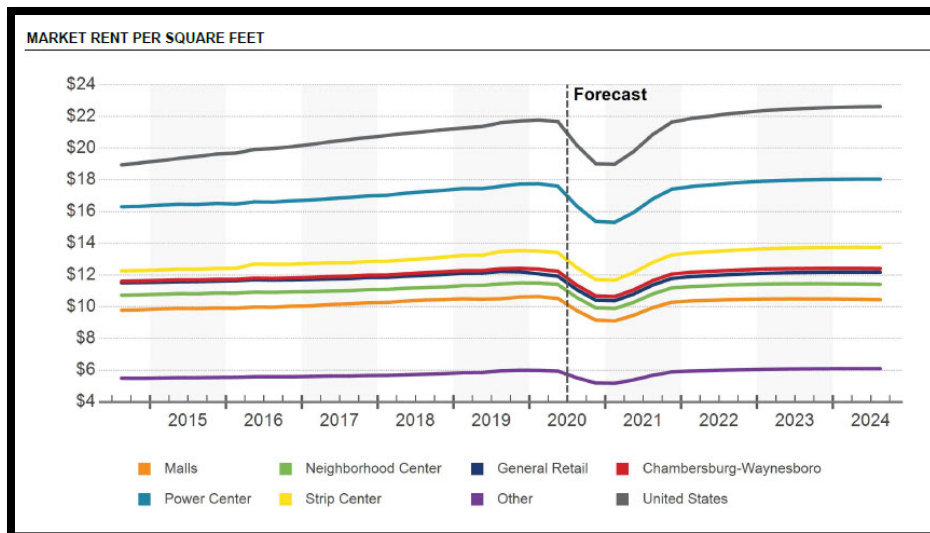
Vacancy:

The vacancy rate for the market has been in the 8% range in recent years. General Retail, Power Center and Strip Center rates are around or sub-5% and are offset by high vacancy rates for Malls and Neighborhood Centers, as show below.



Market Rental Rates:

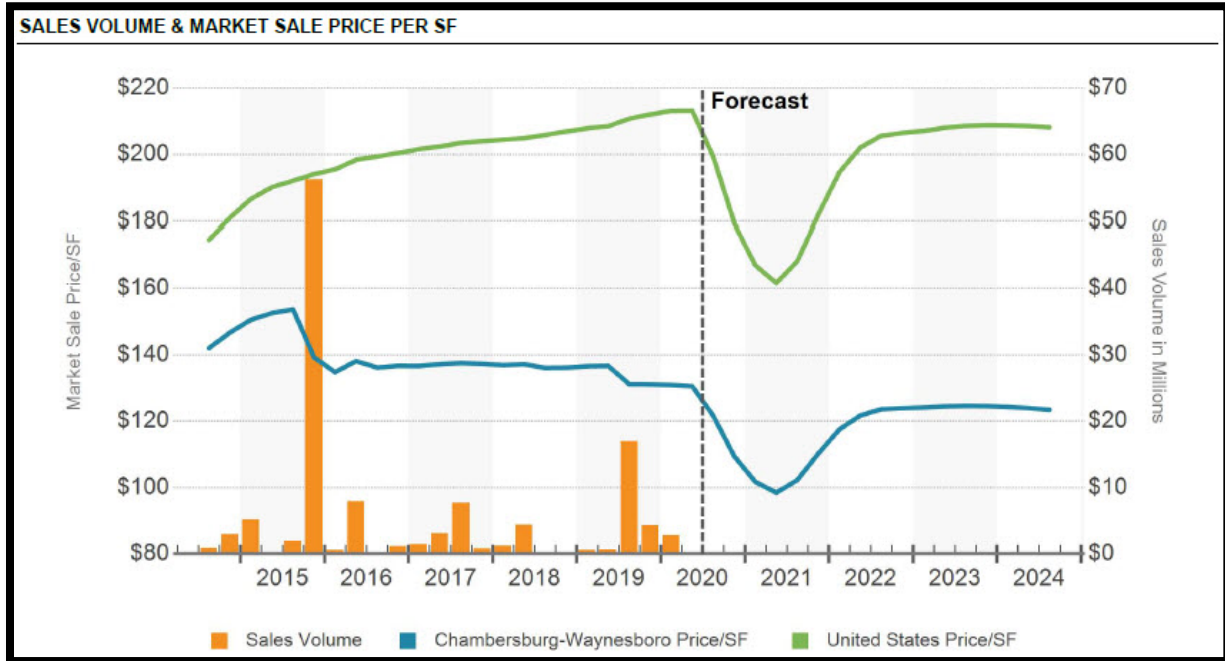
The market rate per square foot is around \$12 per square foot. The General Retail rate mirrors this figure. Malls and Neighborhood Centers are generally lower, around \$10 to \$11 per square foot, while Strip Center are around \$13 to \$14 per square foot and Power Centers are around \$17 per square foot, as shown below.





Sales:

Sales in the market have been sporadic in recent years. The market has generally reflected an overall price point between \$130 and \$140 per square foot over the past 4+ years, as shown below.



Over the past 12 months, there have been 19 reported sales, with an average sale price of \$132 per square foot and an average cap rate of 7.5%.

Sales Past 12 Months			
Chambersburg-Waynesboro Retail			
Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
19	7.5%	\$132	0%

Subject Property:

The Appraiser was provided with 2017, 2018, 2019 and year-to-date 2020 financials and a current rent roll for the subject property. The Appraiser was required to sign a Confidentiality Agreement that does not permit the distribution or publishing of the financials / rent roll; however, upon examination the subject produces minimal and / or potentially negative net operating income at the end of each year examined when taking into account a necessary capital expenditure account, commissions and deferred maintenance requirements. The financials / rent roll are retained in the Appraiser’s work file.



Further, many of the vacant suites have noticeable water / potential mold issues with numerous suites having no electric, water / sewer and / or HVAC to the individual suites. Based on the potential market rent an owner could receive to rent the space, it would most likely be cost prohibitive to bring suites up to rentable condition.



SITE DATA

The subject of this analysis is comprised of a single parcel identified by Franklin County Assessment Office with a physical address of 133 West Catherine Street, Chambersburg, Pennsylvania 17201. The subject is further identified on the tax maps of Franklin County as being District 05, Map 1D08, Parcel 002.

Size and relative conformity to adjacent sites: According to the most recent legal description, of which the subject is a portion, the subject is identified as “Parcel Nos. 1, 4 and 5” and contains 13.44+/- acres. This is further supported by a survey titled, “Southgate Shopping Center – Existing Conditions Survey – for Franklin Southgate Company, LLC”, prepared by Dennis E. Black Engineering, Inc. and dated February 13, 2018. Of note, the subject’s tax card indicates that the parcel is 13.97+/- acres. For purposes of this analysis, the Appraiser is relying on the acreage supported by the legal description in the most recent deed and the recent survey, of **13.44+/- acres**. Surrounding properties are predominately residential in nature.

Frontage and Visibility: The subject site has approximately 850+/- feet of frontage along South Water Street (eastern border), 800+/- feet of frontage along West Washington Street (bisecting the two portions of the subject), 300+/- feet of frontage along West Catherine Street (southern border) and, 225+/- feet of frontage along Cedar Avenue. The northern portion of the subject also contains frontage 230+/- feet along West Loudon Street. The intersection of West Washington Street and Cedar Avenue is a signalized intersection that provides access and visibility to both portions of the subject property. Overall visibility to the subject property is considered average.

Access and Circulation: Access into the subject property is granted via multiple access points; however, the primary access point for both portions of the subject, is the traffic light intersection of West Washington Street and Cedar Avenue. From this intersection, an internal roadway called “Southgate Mall” extends south into the southern portion of the subject property. There are also secondary access points for the southern section of the center off of West Washington Street and West Liberty Street. The northern portion of the center is also accessible by West Loudon Street. Circulation appears adequate for the current use of both portions of the subject property.

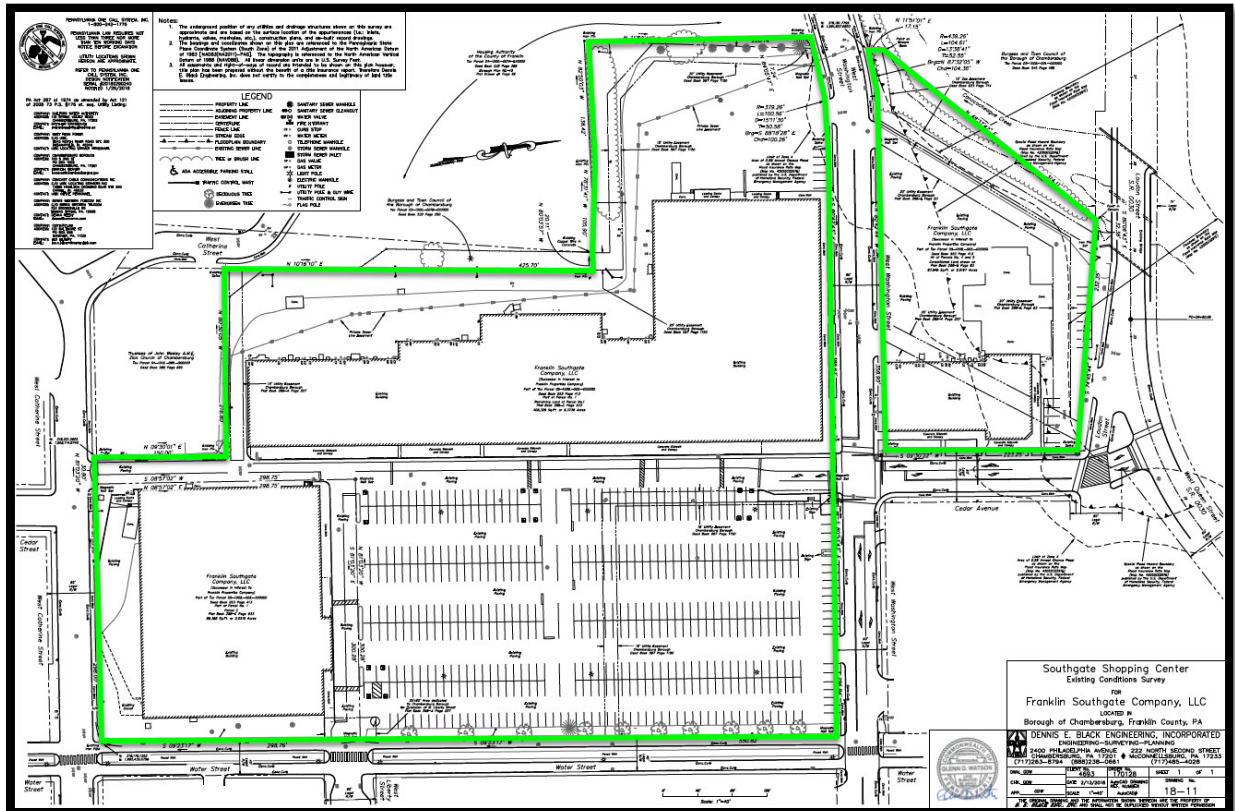


Topography, Soils & Drainage: No apparent drainage problems were observed but it should be noted that the scope of this appraisal does not include specific tests for adequacy. Similarly, soils have not been tested but are believed to be adequate for this type development. The topography generally slopes downward from southeast to northwest.

Utilities: The subject is serviced by public sewer, public water and natural gas. All utility services are considered to be adequate for the property's current use. No issues were noted with the facility.

Site Improvements: Site improvements other than the subject's main improvement include a parking lot featuring ample parking, concrete walkways and curbing, pole mounted lighting, monument signage and average landscaping. Of note, the parking lot is various states of disrepair, including, but not limited to: downed pole lighting in the parking lot, eroded portions of macadam, numerous small and large pot holes (sink holes).

Easements and Encroachments: Since a survey of title is beyond the scope of this report, a precise rendering of recorded easements and encroachments was not available. The appraiser did not uncover any evidence to suggestion the existence of any atypical easements or encroachments exist on the subject parcel. However, from a review of the current deed and from a physical inspection of the subject site, no easements or encroachments are apparent on the subject which would inhibit full utilization of the site. There are various utility easements in place which are typical of a property that fronts a public roadway. Included in the deed as Schedule B, Permitted Exceptions, are a list of past and present easements and rights-of-way that pertain to the shopping center. Due to the deed being from 1986, some of the items are outdated and the most recent survey indicates a better representation of existing easements and rights-of-way that are present on the subject property. That survey is shown on the following page with the subject property outlined in green.



Environmental Concerns: No environmental site assessment was supplied to the appraiser. It is assumed that no environmental concerns exist at the subject site; however, if any environmental concerns are present a revaluation may be necessary. Due to the nature of the current and previous businesses located around the subject property, the appraiser would suggest a complete Phase I and Phase II Environmental Site Assessment (ESA) of the subject property in order to provide a more thorough analysis of the environmental concerns. However, there were no environmental issues disclosed by the ownership of the subject property.

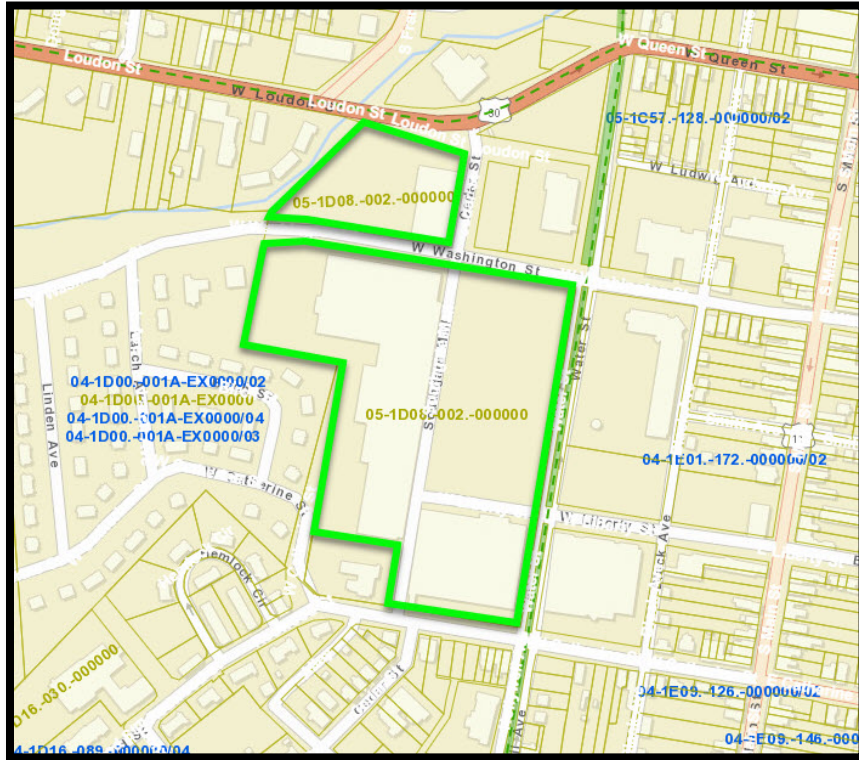
Comments: The subject site appears to have adequate size, shape, location, and topography for the continued use of the site as a retail shopping center. There does not appear to be any adverse easements or encroachments that would affect the marketability or market value of the site.

PHOTOGRAPHS OF SUBJECT STREET SCENES / PARKING



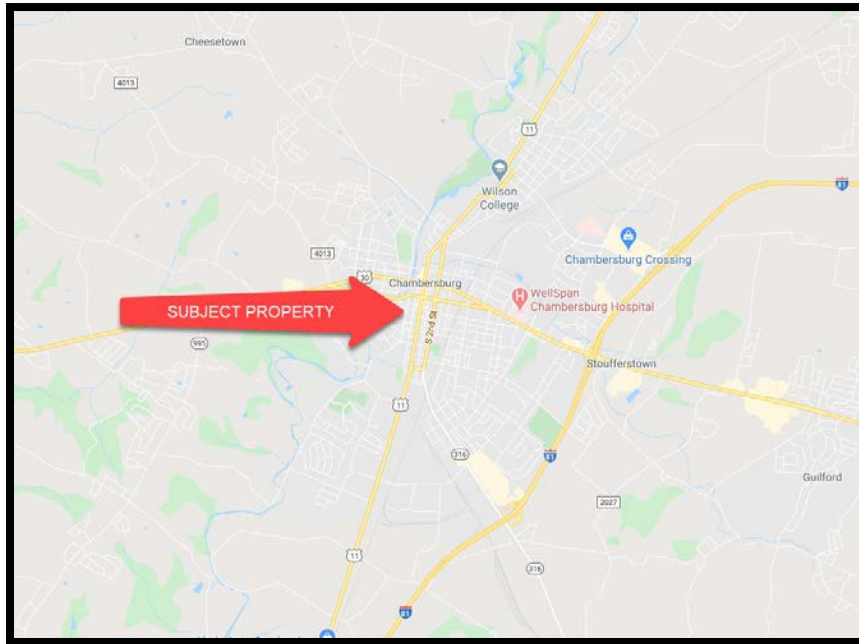
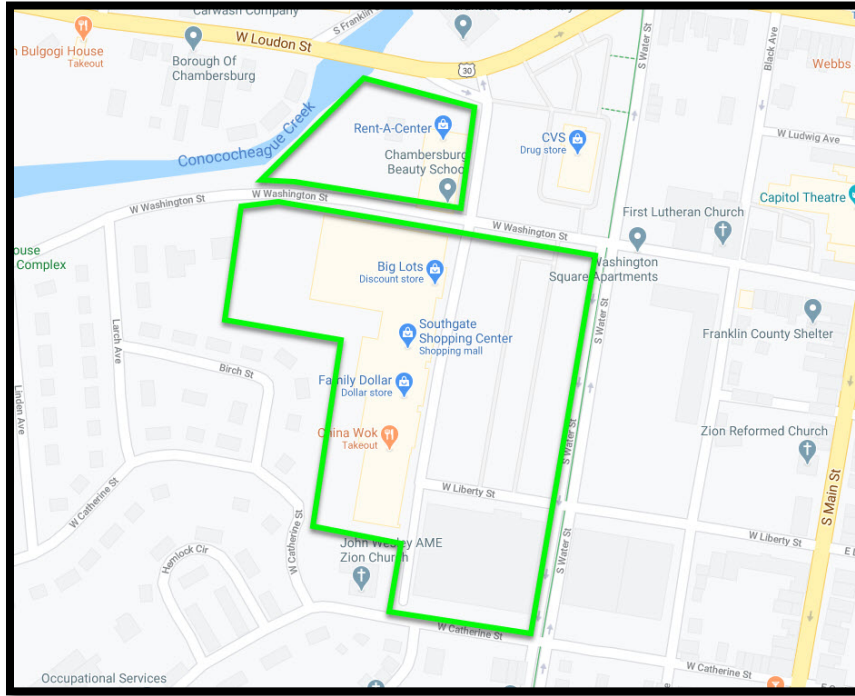


SUBJECT TAX MAPS



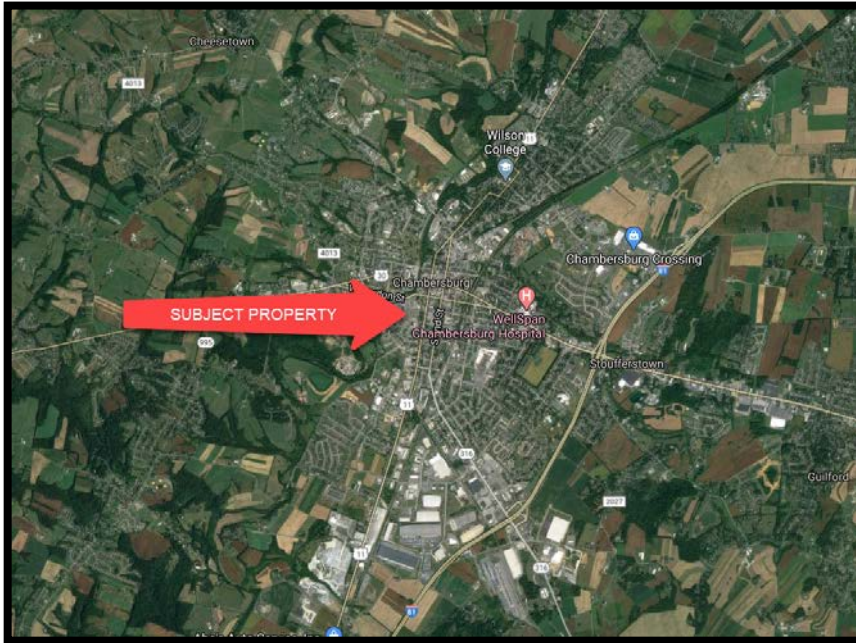
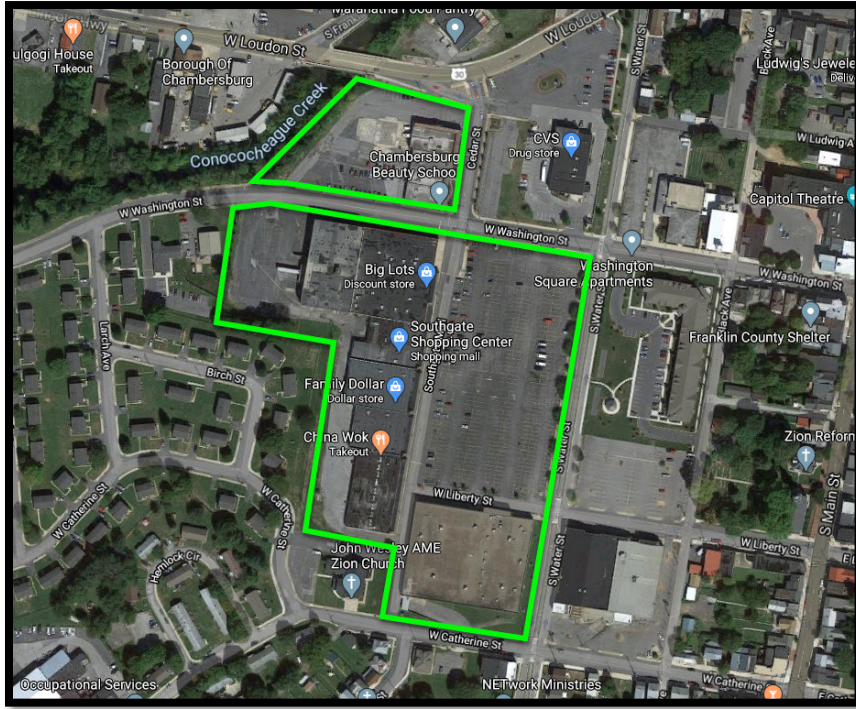


SUBJECT LOCATION MAPS





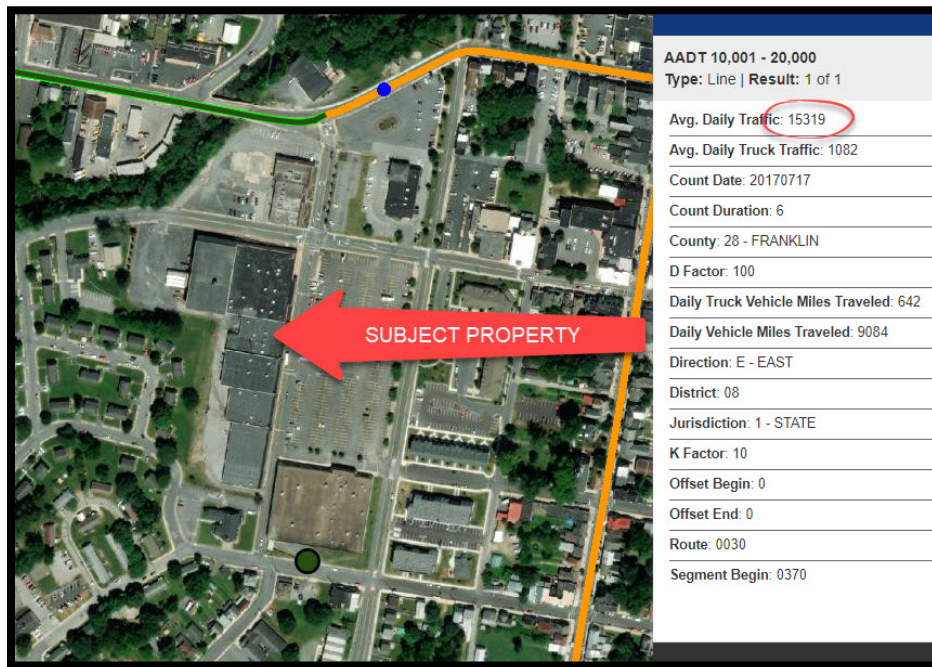
SUBJECT AERIAL MAPS





TRAFFIC VOLUME MAP

The subject property sits along South Water Street, West Catherine Street, West Liberty Street, West Washington Street, Cedar Avenue and West Loudon Street. There is an average of 15,319 daily vehicles that travel on West Loudon Street as reported in the Pennsylvania Internet Traffic Monitoring System. This portion of West Loudon Street that is highlighted below is a two-way portion of the roadway. As travelers drive east into the Borough West Loudon Street becomes a one-way roadway at the intersection with Cedar Avenue. The other listed access roadways are not monitored by the Pennsylvania Internet Traffic Monitoring System.

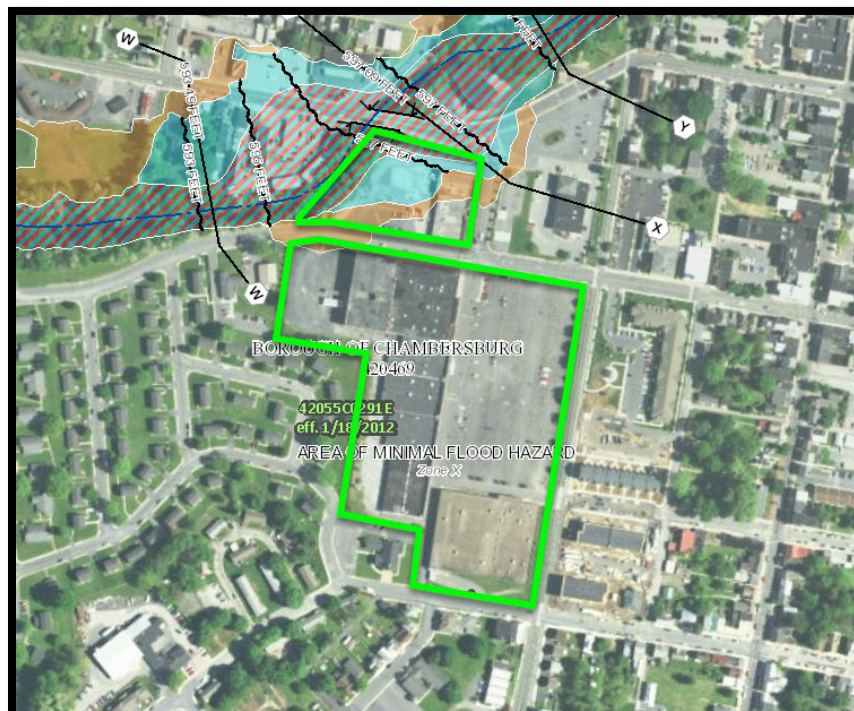


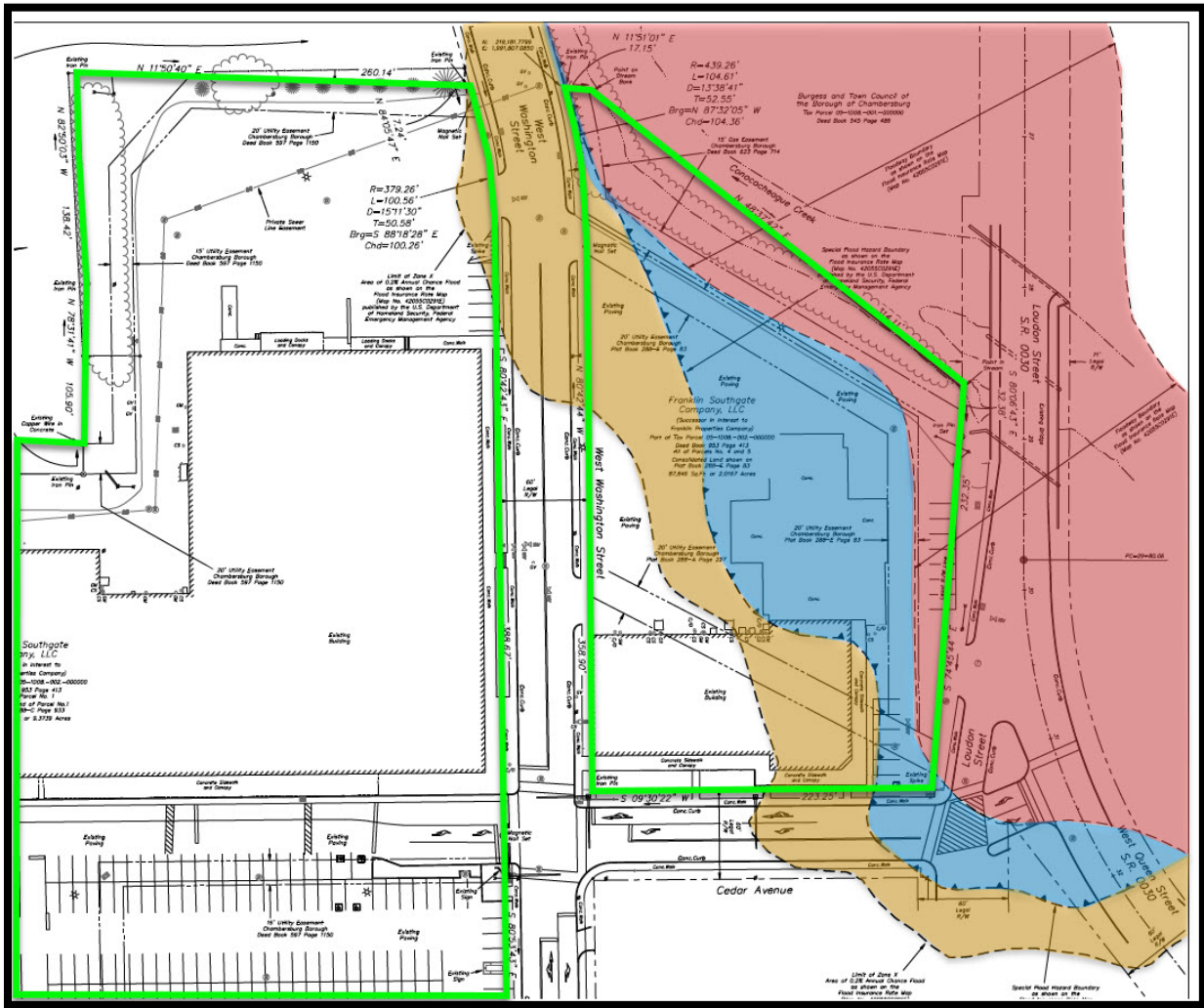


SUBJECT FLOOD DATA

According to FEMA Map #42055C0291E, dated January 18, 2012, the subject is mostly located within Zone X; however, the northern portion of the subject property is located within Zone X (shaded orange), Zone AE (shaded blue) and Floodway AE (striped red/blue). Some of the improvements are included in one or more of these various hazard zones, as described in the table below. Mandatory flood insurance purchase requirements and floodplain management standards may apply. On the following page is the most recent survey that shows the floodplain areas highlighted in orange, blue and red (pertaining to the FEMA map below).

ZONE	DESCRIPTION
X	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.
X (shaded orange)	Area of minimal flood hazard, usually depicted on FIRMs as within the 500-year flood level (or 0.2% annual risk).
AE (shaded blue)	Flood hazard areas identified on the Flood Insurance Rate Map are identified as a Special Flood Hazard Area (SFHA). SFHA are defined as the area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to as the base flood or 100-year flood.
AE (striped red/blue)	A "Regulatory Floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. Communities must regulate development in these floodways to ensure that there are no increases in upstream flood elevations.





Above is the most recent survey that has been referenced throughout the report, which shows the various floodplains that affect the subject property. The subject is within Zone X (500-year floodplain), within the Special Flood Hazard Boundary (100-year floodplain), and the Floodway Boundary (Regulatory Floodway) being highlighted above in orange, blue and red respectively. The subject is outlined in green.



DESCRIPTION OF IMPROVEMENTS

The subject property is comprised of a single parcel improved with a neighborhood shopping center known as “Southgate Shopping Center” located at 133 West Catherine Street, Chambersburg Borough, Franklin County, Pennsylvania. The descriptions that follow have been drawn from discussions with property representatives as well as observations and conclusions reached during the inspection and public records.

General Description

The subject property is comprised of a single parcel improved with a neighborhood shopping center known as “Southgate Shopping Center”. The center is comprised of a large, multi-tenant retail center, a small, multi-tenant retail strip and a single-tenant retail box totaling 200,000+/- gross square feet. Of note, 20,000+/- square feet is located on the second floor above Big Lots and has been considered unrentable; therefore, the net rentable square footage for the shopping center has been considered 180,000+/- square feet. The majority of the center was reportedly constructed circa 1968 with the smaller retail strip being constructed in 1985.

Suites across the center range from 1,200 square feet to 55,560 square feet. The majority of the suites (and overall square footage) are vacant and the subject was approximately 38% occupied as of the date of inspection. A number of vacant suites contain signs of water damage and are without HVAC systems and/or electric and/or plumbing indicating that the suites are not ready for potential tenants. The center is in need of numerous capital expenditures ranging from new roofs to stormwater management maintenance to parking lot maintenance. Overall, the improvements are considered to be in below average condition.

The descriptions that follow will be a general description of the improvements. Fit-out and finishes vary from suite to suite.



Exterior Finishes

Foundation: Concrete slab foundation.

Exterior Walls: Predominately masonry with portions of block, brick, concrete, stone veneer and metal.

Frame: Mixture of masonry, wood and metal.

Roof System: Flat rubber (portions with ballast) with the front of the storefronts being pitched asphalt shingles. A portion of the flat rubber ballast roof was replaced; however, the majority of the center is in need of a new roof.

Exterior Doors: Mixture of plexiglass and commercial glass storefronts with metal personnel doors on sides and/or rear of suites. There is a loading dock in the rear of the large retail center with several overhead doors. The retail box also has one loading dock with an overhead door.

Windows: Mixture of plexiglass and commercial glass storefronts.

Lighting: Pole mounted lighting in the parking lot. Building mounted lighting underneath canopy and surrounding the exterior of the building. One lighting pole was knocked over as of the date of inspection.

Interior Finishes

Interior Walls: Masonry exterior and firewalls between suites along with wood-studded walls.

Walls: Varies from unfinished to painted drywall

Floors: Varies from unfinished to vinyl tile.

Ceilings: Suspended acoustical tiles (if finished) or exposed.



Doors: Varies on tenant needs.

Ceiling Clearances: Varies by suite from 8-foot to 14-foot. The retail box has up to 17-foot clearance.

Lighting: Fluorescent lighting, ceiling mounted or recessed in ceiling tile.

Basement: None.

Restrooms: Most units have at least one restroom; however, at least one suite has no plumbing in place. All plumbing is assumed adequate for tenant's use.

Fire and Security: The larger suites (Big Lots and former Gold's Gym) are wet sprinklered. Smoke detectors and fire extinguishers throughout. Security systems vary by tenant needs.

Mechanical Systems

Heating and Cooling: Gas-fired, roof-mounted HVAC units for heating and cooling (if in place). A number of vacant suites do not have HVAC systems in place.

Electrical and Lighting: There is ample electric supplied to the subject. Electrical appears adequate for the subject's current use. At least one unit was noted to not have electrical.

Plumbing: The subject operates on public water and public sewer. Most units have at least one restroom; however, at least one suite has no plumbing in place.

Elevators: There is one inoperable freight elevator in the rear of the large anchor space of the main shopping center (behind Big Lots).



Age and Condition

Economic life is the period of time over which improvements to real estate contribute to property value. An improvement's total economic life begins when that improvement is built. It ends when the improvement no longer contributes value for the use for which it was originally intended and is no longer the highest and best use of the underlying land. This period is usually shorter than the improvement's physical life expectancy. Economic life and useful life can differ widely. Useful life of a building is typically longer than its economic life, while the short-lived components have a useful life that is shorter than that of the whole building. Both economic and useful life acknowledge that market forces operate in such a way that buildings are either renovated, converted to a new use, rehabilitated, remodeled, or torn down long before they physically wear out.⁹

Actual Age: The majority of the center was reportedly constructed circa 1968 with the smaller retail strip being constructed in 1985. The overall chronological age ranges from 35 to 52+ years.

Effective Age: Effective age is the age indicated by the condition and utility of a structure, and an estimate of effective age is based on an appraiser's judgment and interpretation of market perceptions.¹⁰ It is typically less than the actual age if the property has been maintained in a better than average condition or is of superior quality or design, or if there is a scarcity of such buildings in the market. However, if the improvements have been inadequately maintained or suffer from a significant lack of utility such as a design deficiency, then the effective age is likely to be greater than the actual age.

The subject is in below average condition, as outlined in this analysis, and has an estimated effective age of approximately 40 years.

⁹ *The Appraisal of Real Estate*, Appraisal Institute, 14th Edition, Page 601.

¹⁰ *The Appraisal of Real Estate*, Appraisal Institute, 14th Edition, Page 600.



Estimated Remaining Economic Life: Estimated remaining economic life is the estimated period over which existing improvements are expected to continue to contribute economically to property value. This is calculated by the total economic life of similar structures minus the effective age of the improvement will approximate the remaining economic life of the improvements of the subject property.¹¹ Based on the original design of the subject, its utility, its location in its marketplace, and its physical attributes noted above, the property's total economic life is estimated as 40 years.

Therefore, the remaining economic life of the buildings is 0 years. The reader should note that the total economic life and effective ages discussed above assume the continued use of the subject as designed.

¹¹ *The Appraisal of Real Estate*, Appraisal Institute, 14th Edition, Page 604.



SUBJECT PHOTOGRAPHS



Retail Strip Exterior



Retail Strip Exterior



Retail Strip Exterior



Retail Strip Exterior

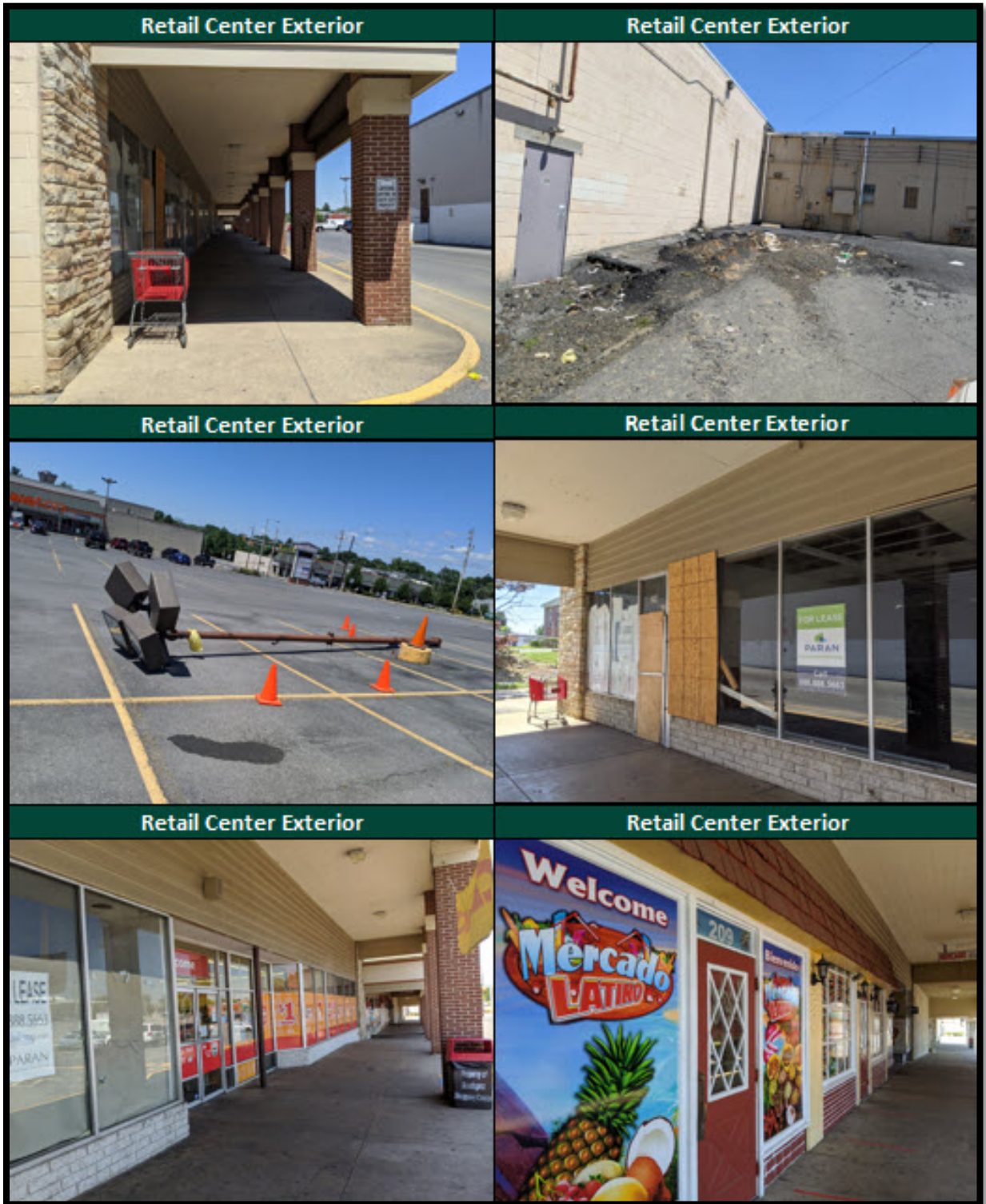


Retail Box Exterior

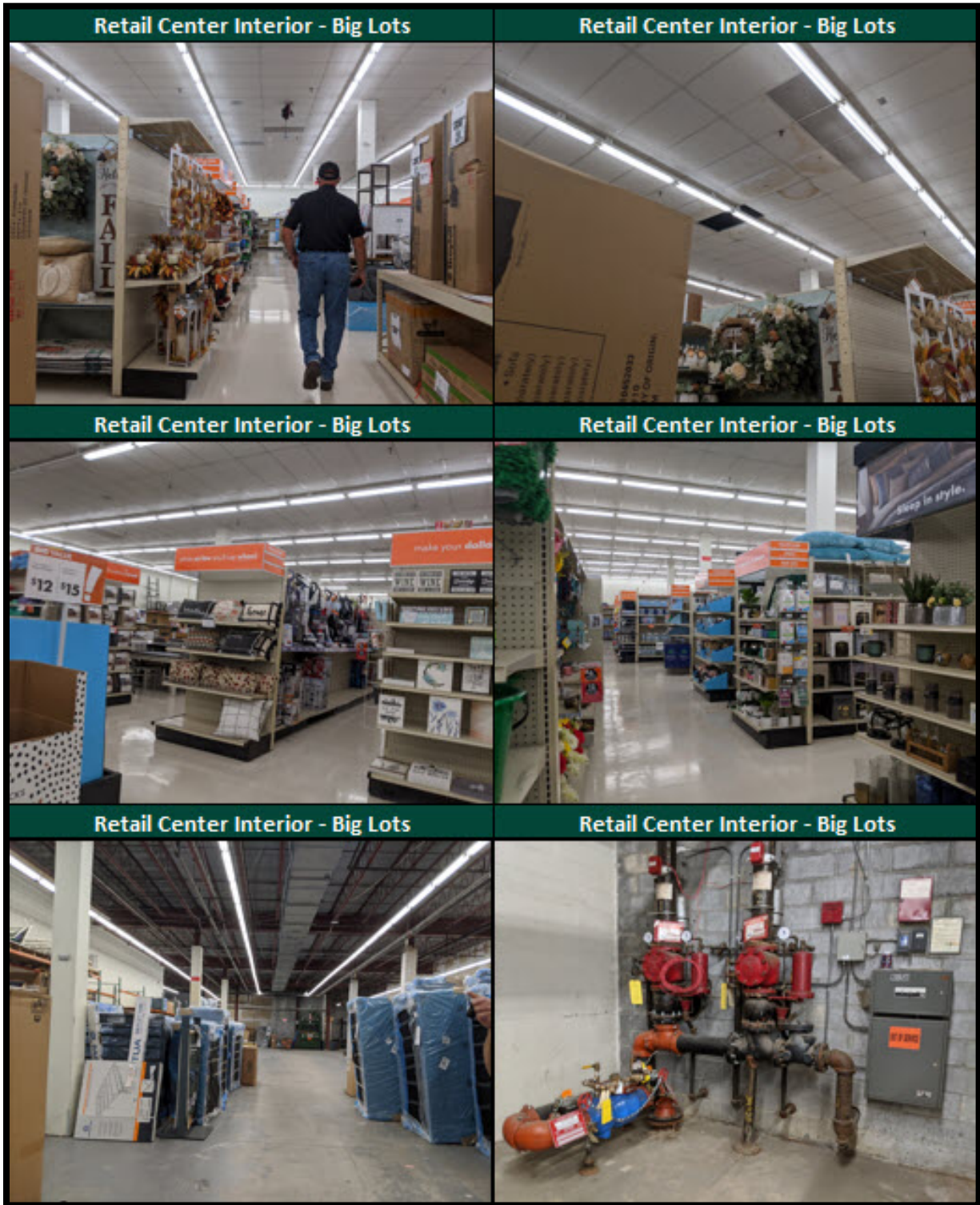


Retail Box Exterior









Retail Center Interior - Big Lots



Retail Center Interior - Vacant Suite



Retail Center Interior - Vacant Suite



Retail Center Interior - Vacant Suite



Retail Center Interior - Vacant Suite



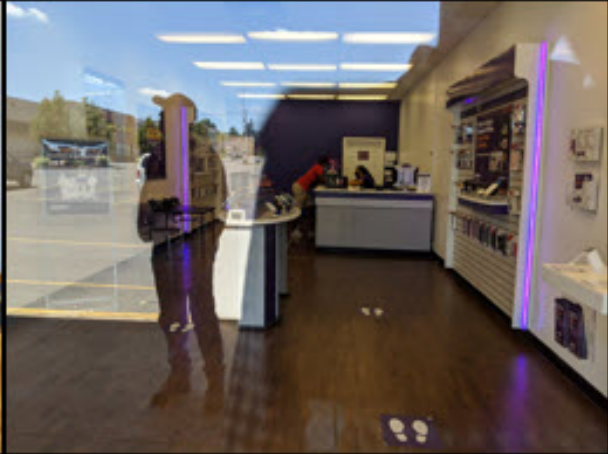
Retail Center Interior - Vacant Suite



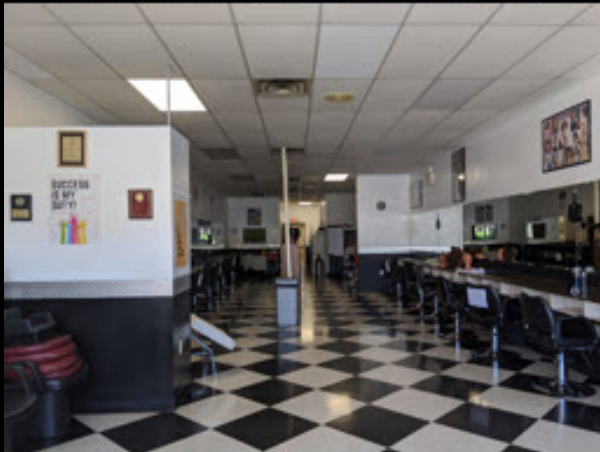
Retail Center Interior - China Wok



Retail Center Interior - Metro PCS



Retail Strip Interior - Beauty School



Retail Strip Interior - Vacant Suite

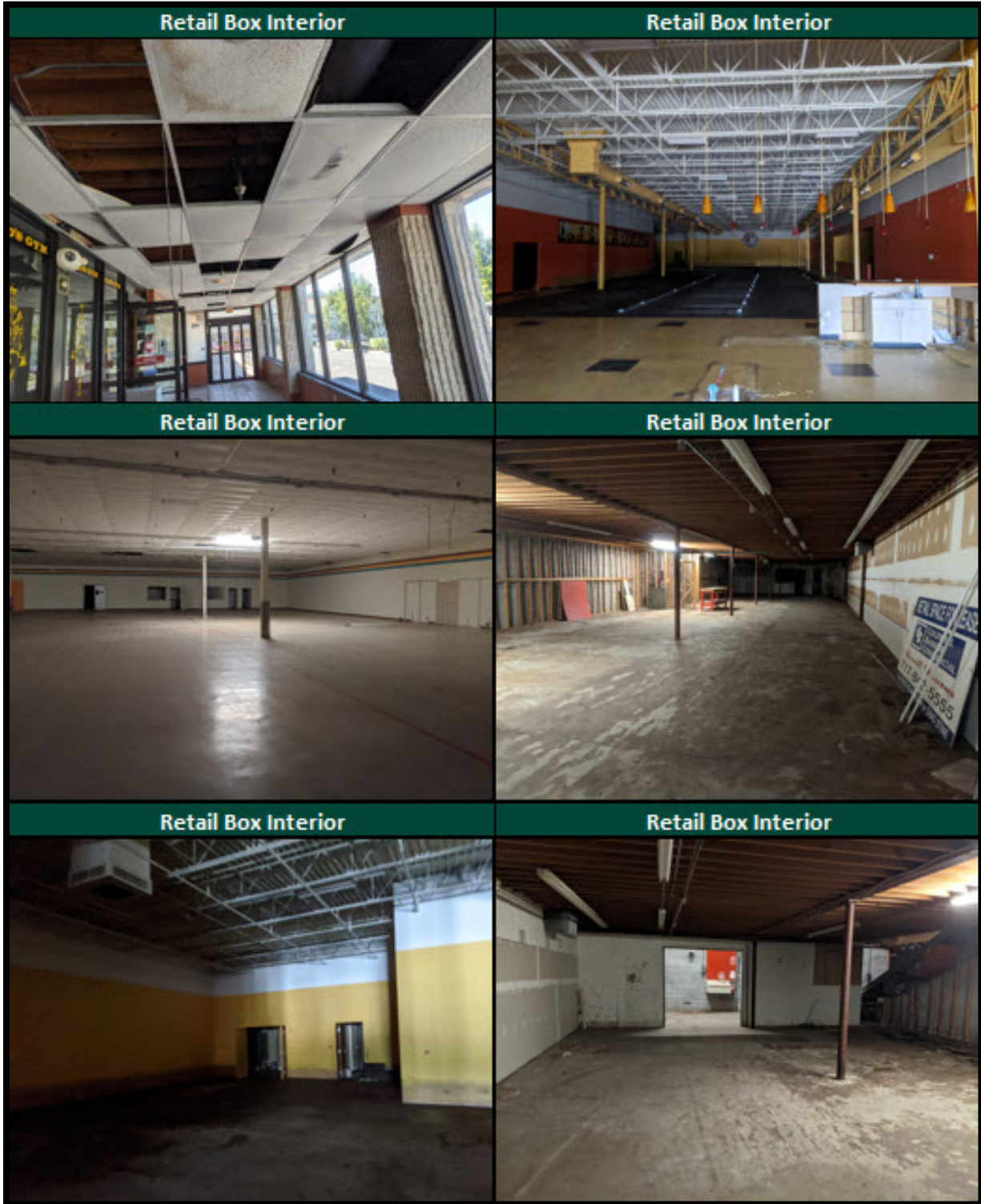


Retail Strip Interior - Vacant Suite



Retail Strip Interior - Rent-A-Center





SUBJECT LAYOUT



The above layout was gleaned from a marketing brochure, published by ownership/management. Of note, not all tenant information is reflective of the most up-to-date information, as of the effective date of this analysis. However, the overview is provided to give a general idea of the layout and tenancy of the property, as a whole.



REAL ESTATE TAX ASSESSMENT ANALYSIS

The subject property is comprised of a single parcel located in Chambersburg Borough, Franklin County, Pennsylvania. The total assessed value for the property is \$553,260. A breakdown of the subject's land and building values are represented below.

Parcel	Land	Building	Total Assessment
05-1D08.-002.-000000	\$121,680	\$431,580	\$553,260

Legislation passed in 1982 empowered the State Tax Equalization Board to establish the Common Level Ratio of each county. The common level ratio factor from July 2020 to June 2021 in Franklin County is 9.09 as published by the Commonwealth of Pennsylvania's State Tax Equalization Board.¹² Based on this 9.09 ratio factor, the implied market value of the subject property by Franklin County is approximately \$5,029,133 (\$553,260 times 9.09). Based on the concluded opinion of value, the subject appears over assessed and a tax appeal may be warranted.

Total millage rates for Franklin County and Chambersburg Borough are shown in the table below.

2020 County / Municipal & 2020-21 School Tax Rates					
	County	Library	Municipal	School	<i>Total</i>
Chambersburg Borough	29.10	1.30	30.00	118.9296	<i>179.3296</i>

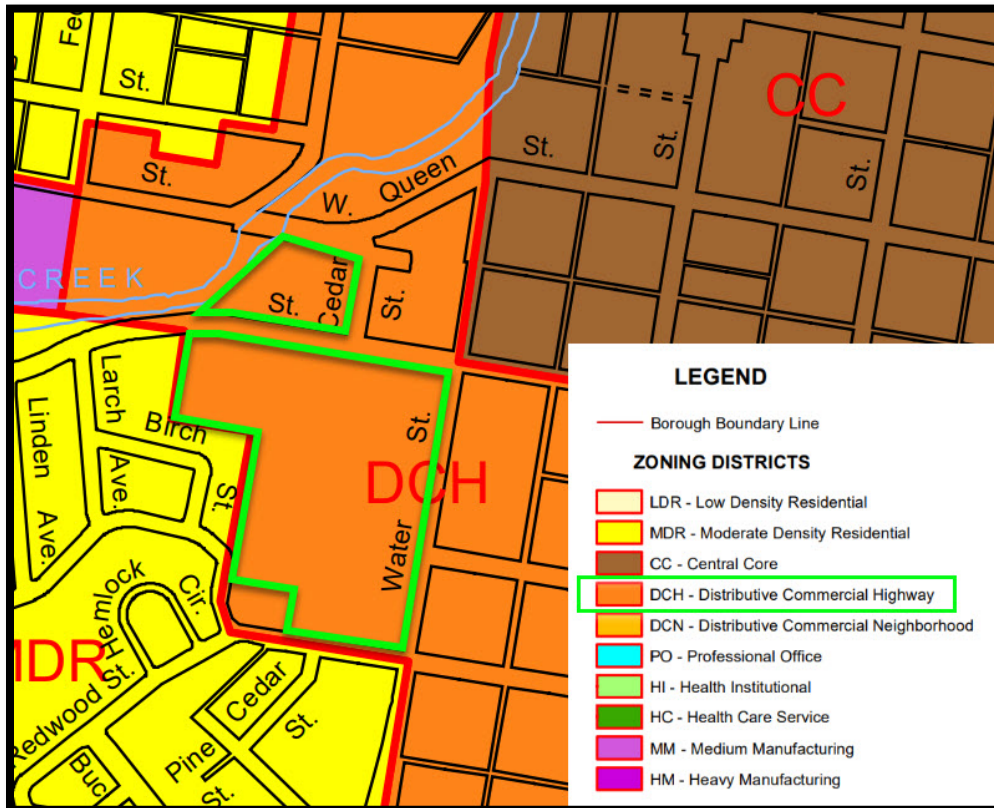
Applying the total millage to the assessed value of the subject parcel(s) results in an annual tax liability of **\$99,216** (\$553,260 times 0.1793296).

¹² Published July 2020



ZONING

The subject property is currently zoned **Distributive Commercial Highway (DCH)** under regulations set forth in the Chambersburg Borough Zoning Ordinance. A summary of the important regulations of the DCH zone follows:



Distributive Commercial Highway (DCH) Zoning District

Permitted Uses.

- Any use permitted in the Neighborhood Business District.
- Amusement enterprises, subject to certain regulations.
- Hotels, motels, lodging houses and boardinghouses.
- Clubs and lodges.



- **Any retail, wholesale, service, repair or storage activity, provided that no manufacturing shall be permitted except that which is incidental to the main business conducted on the lot, automotive service stations and public garages for the repair of motor vehicles but no automobile body shops. The foregoing notwithstanding, wholesale bakeries, wholesale food distribution activities, truck stops and truck terminals shall not be permitted uses. This notwithstanding, a truck dealership shall not be considered a truck stop or truck terminal. A garage that is accessory to a residential use cannot be used for automotive service stations or public garages for the repair of motor vehicles.**
- Car washes.
- Florists and nurseries, provided that all incidental equipment and supplies, including fertilizers and empty cans, are kept within the building.
- Railway or bus passenger stations and express offices.
- Accessory buildings and uses customarily incidental to the above uses.
- Mobile home parks.

Additional ordinances and regulations are contained in the Addenda to this analysis.

Conclusions:

Based on a review of the zoning ordinance and a physical inspection of the site, it appears that the subject property currently operating as a retail shopping center is a permitted use under the regulations governing the DCH district, as designated by Chambersburg Borough, Franklin County, Pennsylvania.



HIGHEST AND BEST USE ¹³

Highest and best use reflects a basic assumption about real estate market behavior; that the price a buyer will pay for a property is based on their conclusions about the most profitable use of the site or property. The determination of highest and best use must be based on careful consideration of prevailing market conditions, trends affecting market participation and change, and the existing use of the subject property.

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 results in the highest value."

Because the use of land can be limited by the presence of improvements, highest and best use is determined separately for the land or site as though vacant and available to be put to its highest and best use, or for the property as improved.

The first determination reflects that land value is derived from potential land use. Land has limited value unless there is a present or anticipated use for it. The amount of value depends on the nature of the land's anticipated use according to the concept of surplus productivity. Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination, is generally regarded as the highest and best use of the land as though vacant. This is the "classic" definition of a land residual analysis.

For the purpose of analysis, the appraiser assumes that the parcel of land in question is vacant. Even a site with a large building on it can be made vacant by demolishing the building. The question to be answered is: If the land were vacant, what new improvement(s) should be constructed on the site?

¹³ *The Appraisal of Real Estate*, Appraisal Institute, 14th Edition, 2013, page 333



The highest and best use of a property as improved refers to the optimal use that could be made of the property including all existing structures. The implication is that the existing improvement should be renovated or retained so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

The determination of the highest and best use of land as though vacant is useful for land or site valuation. Determining the highest and best use of an improved property provides a decision regarding continued use or demolition of the property. [The reader should note that demolition is indicated when the land as though vacant has more value than the parcel as presently improved.]

The relationship between the supply of, and demand for, land adaptable to a particular use is significant in determining highest and best use. A site or improved property may be placed under an interim use until demand is sufficient to support its highest and best use. If a more profitable use must be delayed due to insufficient present demand, the interim use will continue until the value of the land as though vacant, minus the cost of demolishing the existing improvements, exceeds the total value of the improved property at its current use.

When properties are devoted to temporary, interim uses, the concept of consistent use must be addressed. Consistent use is the concept that land cannot be valued on the basis of one use while the improvements are valued on the basis of another. Improvements that do not represent the land's highest and best use, but do have substantial remaining physical lives, may have an interim use of temporary value, or they may have no value at all.

The highest and best use analysis requires the employment of various categories of use-oriented decisions.



To conclude that a given use is the highest and best use, the use must meet four criteria. The highest and best use must be:

- 1) legally permissible;
- 2) physically possible;
- 3) financially feasible; and
- 4) maximally profitable.

In sequential order, usually from the most general to the most specific, each criteria is considered in turn, thereby eliminating at each level, proposed uses that do not qualify. This process stimulates the thought process of the rational and informed decision maker and helps the appraiser identify the most likely users and buyers for the subject property.

Highest and Best Use As Though Vacant and Available for Development

Highest and best use of land or a site as though vacant is defined as the use of a property based on the assumption that a parcel of land is vacant or can be made vacant through demolition of any improvements.¹⁴ Land value, as though vacant, is a fundamental concept of valuation theory and the basis for the Cost Approach.

The four factors of highest and best use, that is whether the use is legally permissible, physically possible, financially feasible, or maximally profitable will be developed for the property as though it were vacant and available for development.

Legally Permissible: The applicable zoning was discussed in the Zoning Description section. The subject property is located within the Distributive Commercial Highway (DCH) district by Chambersburg Borough, Franklin County, Pennsylvania. The DCH district allows for a myriad of development ranging from retail to office to residential (with no single-family, detached).

¹⁴ *The Appraisal of Real Estate*, Appraisal Institute, 14th Edition, 2013, page 337



Physically Possible: A detailed description of the subject site is presented in the Site Description section. The site's physical characteristics are typical of those in the subject neighborhood.

The topography provides adequate drainage and no extensive excavation would be required. The site's generally favorable characteristics could support a wide range commercial (retail/office) and/or multi-family residential development.

Financially Feasible: The uses that are both legally permissible and physically possible are the focus of this section of the analysis. This section eliminates uses that are incapable of supporting development costs through potential income streams. This general area is zoned for a myriad of uses.

In general, any of the physically possible and legally permitted uses, which are capable of generating enough income to satisfy operating expenses, financial obligations and capital amortization, are considered financially feasible. Commercial (retail/office) and/or multi-family residential development is deemed financially feasible.

Maximally Profitable: The highest and best use is usually a long-term consideration, expected to remain on the site for the normal useful life of the improvements. It represents that use which results in the highest value.

Considering the physical characteristics of the site, immediate neighborhood uses, zoning parameters, location, and financial parameters, the highest and best use of the subject site would be for commercial (retail/office) and/or multi-family residential development.



Highest and Best Use as Improved

The highest and best use as improved is defined as the use that should be made of a property, as it exists.¹⁵ There are two reasons to analyze the highest and best use of a property as improved. The first is to identify the property use(s) that can be expected to produce the highest overall return for each dollar of capital invested. The second reason is to help identify comparable properties in the Sales Comparison Approach section of this analysis.

As in the previous analysis, the four factors of highest and best use must be studied. These are legal, physical adaptability, financially feasible, and maximally profitable.

Legally Permissible: Based on the subject and the zoning ordinances of Chambersburg Borough, Franklin County, Pennsylvania of which it is located within and a physical review of the site and improvements, the subject is currently operating as a permissible use; however, commercial (retail/office) and/or multi-family residential development is also permissible on the subject property.

Physically Possible: The improved subject site is currently operating as a neighborhood center (shopping center) and is considered functional for this purpose. However, commercial (retail/office) and/or multi-family residential development is also considered physically possible.

Financially Feasible: The analysis of the most financially feasible use of the subject improvements answers the question of what, if anything, to do with the existing improvements. The options to be considered are expansion, demolition, renovation, or nothing.

The Appraiser was provided with 2017, 2018, 2019 and year-to-date 2020 financials for the subject property. The Appraiser was required to sign a Confidentiality Agreement that does not permit the distribution or publishing of the financials; however, upon examination the subject produces minimal and / or potentially negative net operating income at the end of each year examined when taking into account a necessary capital expenditure account, commissions and deferred maintenance requirements.

¹⁵ *The Appraisal of Real Estate*, Appraisal Institute, 14th Edition.



Further, many of the vacant suites have noticeable water / potential mold issues with numerous suites having no electric, water / sewer and / or HVAC to the individual suites. Based on the potential market rent an owner could receive to rent the space, it would most likely be cost prohibitive to bring suites up to rentable condition.

Many centers such as the subject that are nearing the end of their useful life are either demolished for redevelopment or extensively transformed for adaptive re-use.

The most financially feasible use for the subject property could be for continued use / adaptive re-use of the existing improvements or to raze the existing improvements for commercial / multifamily redevelopment. Both uses appear to be reasonable in the analysis of the subject property as supported in the Approaches to Value sections of this analysis.

Maximally Profitable: The highest and best use is usually a long-term consideration, expected to remain on the site for the normal useful life of the improvements. It represents that use which results in the highest value.

The highest and best use of the subject property, as improved, could be for continued use / adaptive re-use of the existing improvements or to raze the existing improvements for commercial redevelopment. Both uses appear to be reasonable in the analysis of the subject property as supported in the Approaches to Value sections of this analysis. The site improvements are considered to be typical in design and layout of other retail centers in the subject marketplace.

The reader should note that this conclusion is based on demolition estimates. Actual demolition estimates provided by a specialist are recommended.



THE APPROACHES TO VALUE

In estimating the market value of a given property, it is normal appraisal practice to assemble as much relevant data from the marketplace as possible. This data is then applied in the three recognized approaches to value: the Income Approach, the Cost Approach, and the Sales Comparison Approach.

The Income Approach analysis is concerned with the present worth of anticipated future benefits derived from the ownership of the subject property, expressed in terms of rental income which the ownership of a property may be expected to produce. The anticipated stabilized net operating income available from the ownership of a property is then converted into a value estimate by means of the application of an appropriate rate derived from market observations.

In the Cost Approach, an estimate of the site's value would first be derived by comparing the subject site with other similar sites which have been sold. The subject site would be valued in accordance with the conclusions reached in the Highest and Best Use - As Though Vacant section of this report.

Based on the physical characteristics of the property, the subject's replacement cost new can be estimated based on comparative costs derived from the market and from Marshall Valuation Service estimates. Accrued depreciation from all observed sources is then subtracted from replacement cost new to yield depreciated replacement cost. An appropriate level of entrepreneurial profit is added to this and added to indicated land value to yield an estimate of value based on the Cost Approach.

The Sales Comparison Approach is essential to almost every appraisal of real property. This approach best mirrors the actions of buyers in the marketplace for similar-type properties. The Sales Comparison Approach uses the sales of similar properties as the basis of an indication of value for the subject property. This comparison may be made on a square foot, cubic foot, front foot, or any other basis which is recognized in the marketplace and provides an adequate unit of measure of indicated market value.



The Sales Comparison Approach was developed comparing the subject property “As Is” to similar facilities. A second Sales Comparison Approach was developed comparing the subject property “As Land for Redevelopment” to similar properties with demolition costs subtracted. The Income Approach to value was considered but not applied as the subject generates limited to negative net operating income. The Cost Approach to value was considered but not applied. It is considered to have minimal applicable support for the subject due to subjective estimates for physical deterioration and functional obsolescence based on the age and configuration of the subject.

One extraordinary assumption has been applied in this analysis. COVID-19 has been declared a pandemic by the World Health Organization (WHO) and a national state of emergency is in place. Substantial turmoil has occurred in financial markets and due to the developing situation, it is not possible at this time to quantify its long-term or short-term effects on real estate markets or on the subject property. The value opinion contained in this appraisal is based on findings of an analysis of market data available to the appraiser at the time of the assignment. The appraiser makes no representation as to the effect on the subject property by any unforeseen event, subsequent to the effective date of the appraisal. The reader should note that this assumption may have an effect on value.

All pertinent data and facts which were used in the appraisal process have been analyzed and are presented on the following pages of this report.



SALES COMPARISON APPROACH – Shopping Center

The Sales Comparison Approach is the process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when adequate supply of comparable sales is available.¹⁶

The Sales Comparison Approach is considered important to most appraisal problems since it indicates the price paid for similar properties by typically knowledgeable buyers in the open market. It is applicable to the appraisal of all properties for which there are a sufficient number of comparable sales. This approach is most reliable when the property type under analysis is bought and sold regularly.

Units of Comparison: In this analysis, the unit of comparison is deemed to be the price per square foot since, based on improved sales similar to the subject, it appears that this is the unit of comparison in which the market participants place the most weight. The following pages contain outline profiles of the comparables used in this analysis of the subject property. A narrative analysis of the adjustments indicated by these sales is included following the outline profiles.

¹⁶ The Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, 6th Edition, 2015



Comparable Improved Sale #1



LOCATION:	Address:	1800 Daisy Street Extension Lawrence Township Clearfield County, Pennsylvania
	Tax Map:	1230-L08-276-00002
LEGAL INFORMATION:	Sale Date:	September 20, 2018
	Liber/Folio	Instrument #201813045
	Grantor:	ZRAJ Clearfield LP
	Grantee:	Penmark Clearfield Holdings LLC
CONSIDERATION:	Sale Price:	\$3,042,500
	Unit Price:	\$18.39 per square foot
	Financing:	Conventional
	Verification:	Public Records / Buyer (Bob Sichelstiel of Penmark Properties)
SITE DESCRIPTION:	Site Size:	14.73 Acres
	Utilities:	Public
	Zoning:	Commercial
BUILDING DATA:	Year Built:	1978
	Parking:	Adequate
	Size:	165,472 Square Feet
	Land-to-Building Ratio:	3.88 to 1
COMMENTS:	<p>The sale represents a multi-tenanted shopping center known as the Clearfield Mall which was partially vacant at the time of sale. JCPenney had been an anchor tenant in the center who had closed the store in 2017. Their lease expired in January 2019 which was part of the Sellers motivation to sell. The property was auctioned on Ten-X.com but did not sell due to the reserve not being met. The Buyer (Penmark Properties) then purchased the property after the auction. Property has 67,088 square feet (41%) of vacant space. Tenants include but not limited to; Ollie's Bargain Outlet, Dollar General, Peebles, Goodwill, Rent-A-Center and Pizza Hut. Property was inspected by Appraiser on July 18, 2019.</p>	



Comparable Improved Sale #2



LOCATION:	Address:	1 Dairyland Square York Township York County, Pennsylvania
	Tax Map:	54-000-38-0001-B0
LEGAL INFORMATION:	Sale Date:	June 21, 2018
	Liber/Folio	Instrument #2018029324
	Grantor:	Dairyland One, LLC
	Grantee:	AC DLand, LLC; AF DLand, LLC; and Red Lion Investments, LLC
CONSIDERATION:	Sale Price:	\$2,100,000
	Unit Price:	\$14.50 per square foot
	Financing:	Conventional
	Verification:	Public Records / CoStar / Owner's Broker Brad Rohrbaugh (Bennett Williams)
SITE DESCRIPTION:	Site Size:	19.13 Acres
	Utilities:	Public
	Zoning:	Commercial Industrial
BUILDING DATA:	Year Built:	1970
	Parking:	Adequate
	Size:	144,780 Square Feet
	Land-to-Building Ratio:	5.76 to 1
COMMENTS:	The sale represents a multi-tenanted shopping center known as the Dairyland Square Shopping Center which was partially vacant at the time of sale. Tenants include but not limited to; Jerry's Great Valu, Family Dollar, Beer and Soda Mart, Curves and Dominoes. Property was inspected by Appraiser on December 27, 2018.	



Comparable Improved Sale #3



LOCATION:	Address:	6180 Morgantown Road Caernarvon Township Berks County, Pennsylvania
	Tax Map:	35531012963174, 35531012869780, 35531012865129
LEGAL INFORMATION:	Sale Date:	September 22, 2016
	Liber/Folio:	Instrument #2016033689
	Grantor:	Thomas W Morelli & Morelli Properties L.P.
	Grantee:	MOM Associates LLC
CONSIDERATION:	Sale Price:	\$3,862,500
	Price Per Square Foot	\$11.50 per square foot
	Financing:	Cash to seller
	Verification:	Public Records & Costar
SITE DESCRIPTION:	Site Size:	42.94 Acres
	Utilities:	Public
BUILDING DATA:	Construction:	Masonry
	Building Area:	336,000 Square Feet
	Year Built:	1985
	Parking:	Adequate, on-site
	Stories:	One-story
COMMENTS:	Comparable represents a one-story factory outlet enclosed mall. Property is situated just off of the Morgantown / Reading exit of PA Turnpike with visibility from the Turnpike. Property is located 1+/- mile from the subject property. Property features a land-to-building ratio of 5.57 to 1.	



Comparable Improved Sale #4



LOCATION:	Address:	260 Plaza Drive Lawrence Township Clearfield County, Pennsylvania
	Control #:	123094672
	Parcel #:	123-L07-000-122
LEGAL INFORMATION:	Sale Date:	October 22, 2015
	Liber/Folio	Instrument #201514146
	Grantor:	Clearfield-DFC, LLC
	Grantee:	Farmington Land ABG, LLC
CONSIDERATION:	Sale Price:	\$1,625,000
	Unit Price:	\$17.11 per square foot
	Financing:	Conventional
	Verification:	Public Records / Seller (Bob Sichelstiel of Penmark Properties)
SITE DESCRIPTION:	Site Size:	11.83 Acres
	Utilities:	Public
	Zoning:	C- Commercial
BUILDING DATA:	Year Built:	1993
	Parking:	Adequate
	Size:	95,000 Square Feet
	Land-to-Building Ratio:	5.42 to 1
COMMENTS:	Sale represents a 95,000 square foot, free-standing, former K-Mart building within the Clearfield Plaza Shopping Center. Property was purchased and is occupied by Rural King. Seller noted this was an arms-length transaction. Property was inspected by Appraiser on July 18, 2019.	



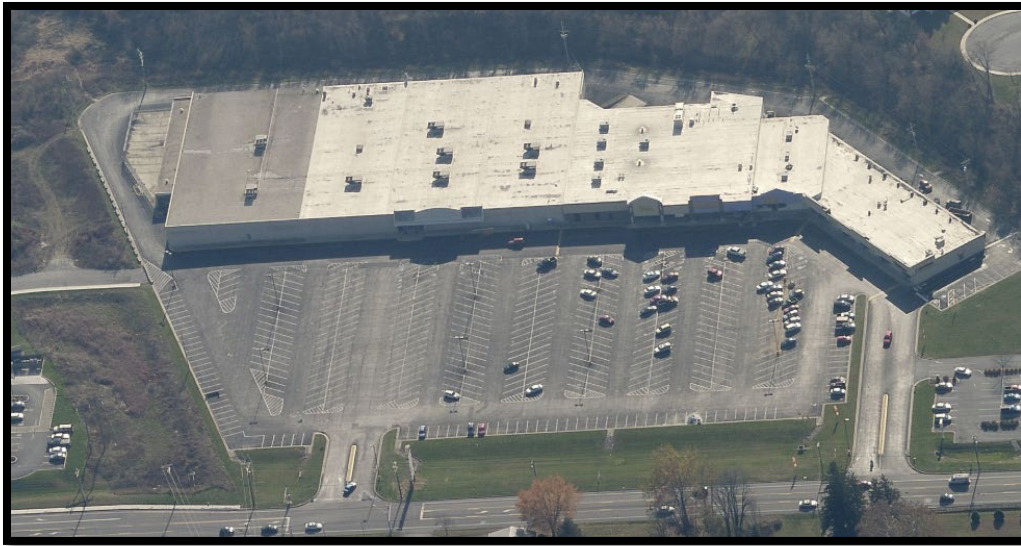
Comparable Improved Sale #5



LOCATION:	Address:	506-510 South 29 th Street City of Harrisburg Dauphin County, Pennsylvania
	Tax Map:	13-030-002
LEGAL INFORMATION:	Sale Date:	May 14, 2015
	Liber/Folio	Instrument #20150011197
	Grantor:	Weis Markets Inc
	Grantee:	The Salvation Army
CONSIDERATION:	Sale Price:	\$1,250,000
	Unit Price:	\$19.26 per square foot
	Financing:	Conventional
	Verification:	Public Records / CoStar / Listing Broker Pat Gallagher (Metro Commercial RE)
SITE DESCRIPTION:	Site Size:	6.70 Acres
	Utilities:	Public
	Zoning:	Commercial General
BUILDING DATA:	Year Built:	1959
	Parking:	Adequate
	Size:	64,913 Square Feet
	Land-to-Building Ratio:	4.5 to 1
COMMENTS:	Sale represents a shopping center located in Harrisburg. Property was formerly owned and predominately occupied by WEIS Markets. Weis closed and sold the property to The Salvation Army. According to the Listing Broker, it was the grantee's intention to occupy the WEIS space and keep the other tenants; however, the improvements were later demolished for the redevelopment of the property for a new Salvation Army Service and Worship Center.	



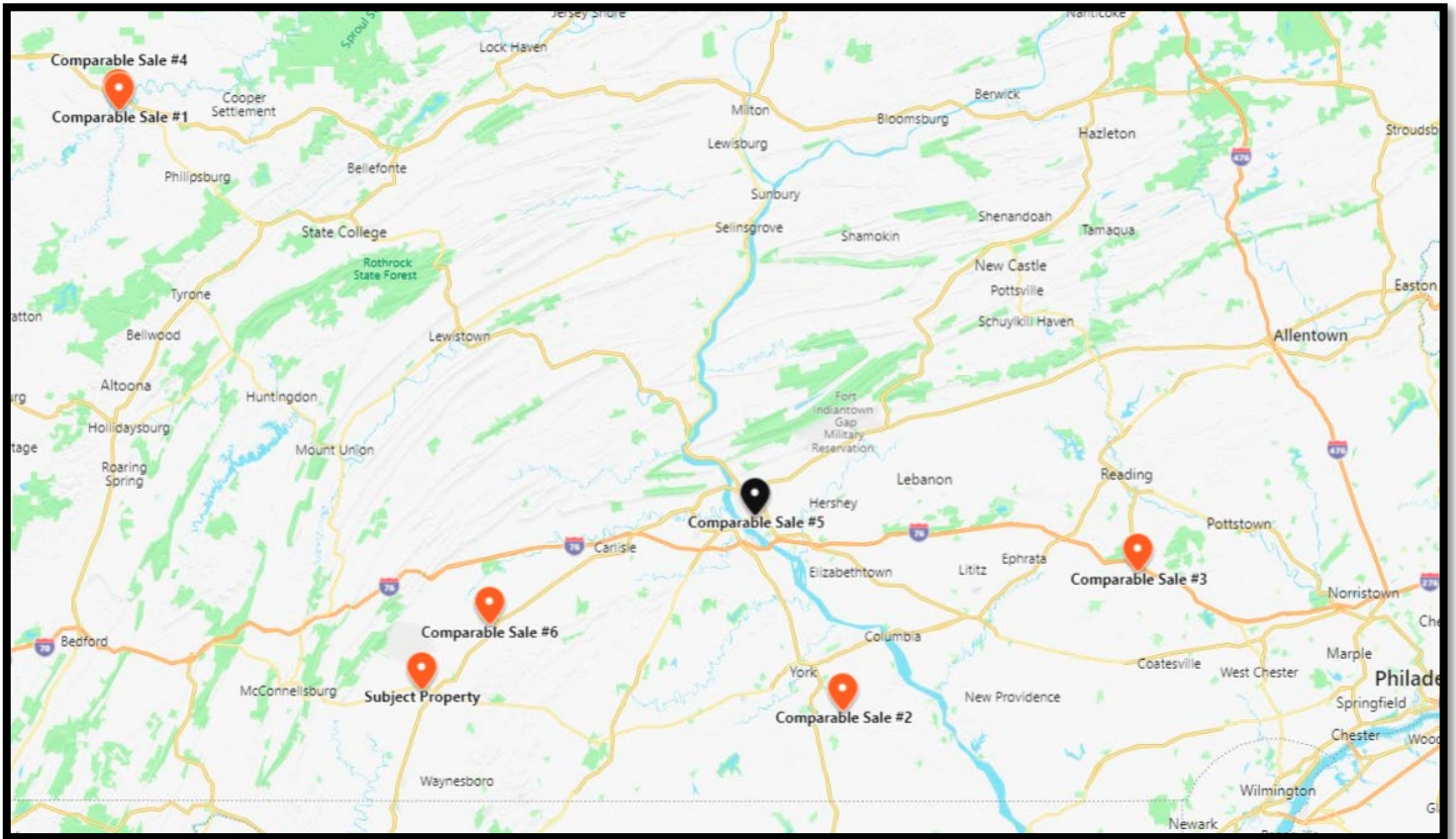
Comparable Improved Sale #6



LOCATION:	Address:	40 Shippensburg Shopping Center Shippensburg Township Cumberland County, Pennsylvania
	Tax Map:	36-33-1871-016
LEGAL INFORMATION:	Sale Date:	December 17, 2012
	Liber/Folio:	Instrument #201240728
	Grantor:	Shippensburg Shopping Center, LLC
	Grantee:	WRD Shippensburg, LP
CONSIDERATION:	Sale Price:	\$2,600,000
	Price Per Square Foot	\$19.73 per square foot
	Financing:	Cash to seller
	Verification:	Public Records / Costar / Buyer Broker Brad Rohrbaugh
SITE DESCRIPTION:	Site Size:	14.99 acres
	Utilities:	Public
BUILDING DATA:	Year Built:	1964
	Parking:	Adequate, on-site
	Size:	131,812 square feet
COMMENTS:	Sale represents a shopping center that was formerly anchored by Kmart who closed the store. Property featured some inline vacancy due to the anchor going dark. Property has since been completely remodeled and new tenants have been secured. Property features a land-to-building ratio of 4.95 to 1.	



SUBJECT AND COMPARABLE SALES MAP





Specific Analysis of the Comparable Sales

The Comparable Sales were not adjusted due to subjective estimates required for condition, location, occupancy and size. The comparables indicate a value range of \$11.50 per square foot (Comparable Sale #3) to \$19.73 per square foot (Comparable Sale #6). The subject is most similar to Comparable Sale #2 (\$14.50 per square foot) which would indicate the subject's value is on the low to middle end of the range.

Conclusions to the Sales Comparison

Therefore, applying the low to middle end of the value range (\$11.50 - \$14.50 per square foot) to the subject's 180,000+/- rentable square feet yields an estimated market value, as of July 29, 2020 of **\$2,070,000 to \$2,610,000.**



SALES COMPARISON APPROACH – As Land

The Sales Comparison Approach is the process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when adequate supply of comparable sales is available.¹⁷

The Sales Comparison Approach is considered important to most appraisal problems since it indicates the price paid for similar properties by typically knowledgeable buyers in the open market. It is applicable to the appraisal of all properties for which there are a sufficient number of comparable sales. This approach is most reliable when the property type under analysis is bought and sold regularly.

Units of Comparison: An important step in the Sales Comparison Approach is the selection of an appropriate unit of comparison. In this analysis, the unit of comparison is deemed to be the price per acre of land area, as it appears that this is the unit of comparison in which the market participants place the most weight when purchasing a similar property. The following page offers a summary of the comparables used for this portion of the analysis.

¹⁷ The Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, 6th Edition, 2015



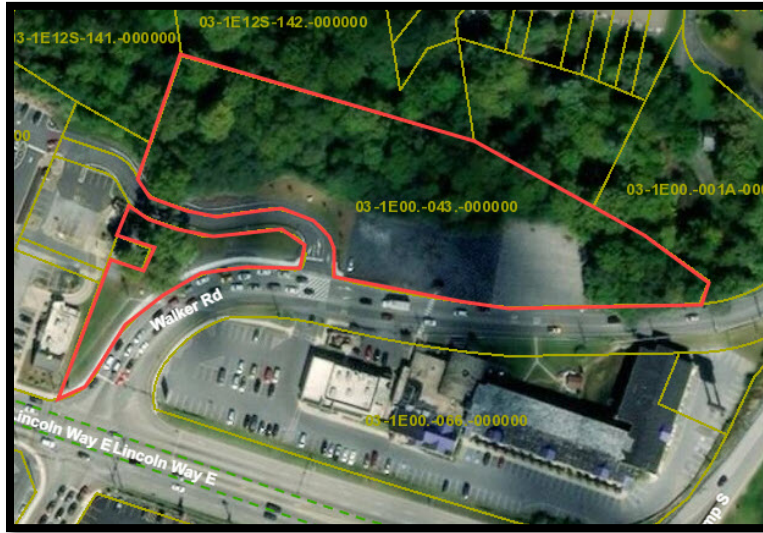
Comparable Land Sale #1



LOCATION:	Address:	12248 Molly Pitcher Highway Antrim Township Franklin County, Pennsylvania
	Tax Map:	01-0A22-034
LEGAL INFORMATION:	Sale Date:	May 16, 2019
	Liber/Folio:	Instrument #201909117
	Grantor:	Hoffman MPH LLC
	Grantee:	A Duie Pyle Inc
CONSIDERATION:	Sale Price:	\$6,950,000
	Price Per Acre:	\$195,115 per Acre
	Financing:	Cash to seller
	Verification:	Public Records
SITE DESCRIPTION:	Site Size:	35.62 Acres
	Zoning:	Highway Commercial
	Utilities:	Available
COMMENTS:	Property was formerly a farm. All improvements were razed prior to the sale of the property and the parcel was considered raw land. Property has frontage along both Molly Pitcher Highway and I-81	



Comparable Land Sale #2



LOCATION:	Address:	101 Walker Road Chambersburg Borough Franklin County, Pennsylvania
	Tax ID:	03-1E00-043
LEGAL INFORMATION:	Sale Date:	October 17, 2018
	Liber/Folio:	Instrument #201820349
	Grantor:	CBURG Hotels LLC
	Grantee:	Golden Leaf LLC
CONSIDERATION:	Sale Price:	\$900,000
	Price Per Acre:	\$302,013 per Acre
	Financing:	Cash to seller
	Verified:	Public Records / Appraisal Files
SITE DESCRIPTION:	Site Size:	2.98 Acres
	Utilities:	Available
	Zoning:	Distributive Commercial Highway
COMMENTS:	Comparable was vacant at the time of sale other than a small macadam lot. Approvals were subsequently granted for construction of a Tru by Hilton off Chambersburg's I-81 Exit 16. The hotel will feature an indoor pool, a fitness center, a breakfast and dining area in addition to a lounge and small conference room. The hotel is scheduled to enter the market in early 2020.	



Comparable Land Sale #3



LOCATION:	Address:	Along Gateway Avenue Chambersburg Borough Franklin County, Pennsylvania
	Tax Map:	03-1C00-160A
LEGAL INFORMATION:	Sale Date:	December 28, 2017
	Liber/Folio:	Instrument #201725915
	Grantor:	Magnolia Gateway Holdings LLC
	Grantee:	Chambersburg Gateway Shopping Center LLC
CONSIDERATION:	Sale Price:	\$1,300,000
	Price Per Acre:	309,524 per Acre
	Financing:	Cash to seller
	Verified:	Appraisal Records / Public Records
SITE DESCRIPTION:	Site Size:	4.20 Acres
	Utilities:	Available
	Zoning:	Distributive Commercial Highway
COMMENTS:	Property was vacant at the time of sale. Property is considered part of Gateway Shopping Center.	



Comparable Land Sale #4



LOCATION:	Address:	1490 Ebberts Spring Court Antrim Township Franklin County, Pennsylvania
	Tax Map:	01-0A27-162
LEGAL INFORMATION:	Sale Date:	August 30, 2016
	Liber/Folio:	Instrument #201617637
	Grantor:	Antrim Business Park
	Grantee:	Greencastle LLC
CONSIDERATION:	Sale Price:	\$2,350,000
	Price Per Acre:	\$182,312 per acre
	Financing:	Assumed cash to seller
	Verified:	Public Records
SITE DESCRIPTION:	Site Size:	12.89 Acres
	Zoning:	Highway Commercial
	Utilities:	Public
COMMENTS:	Property was purchased as vacant land and developed with an auto dealership in 2017 operating as Blaise Alexander Chevrolet.	



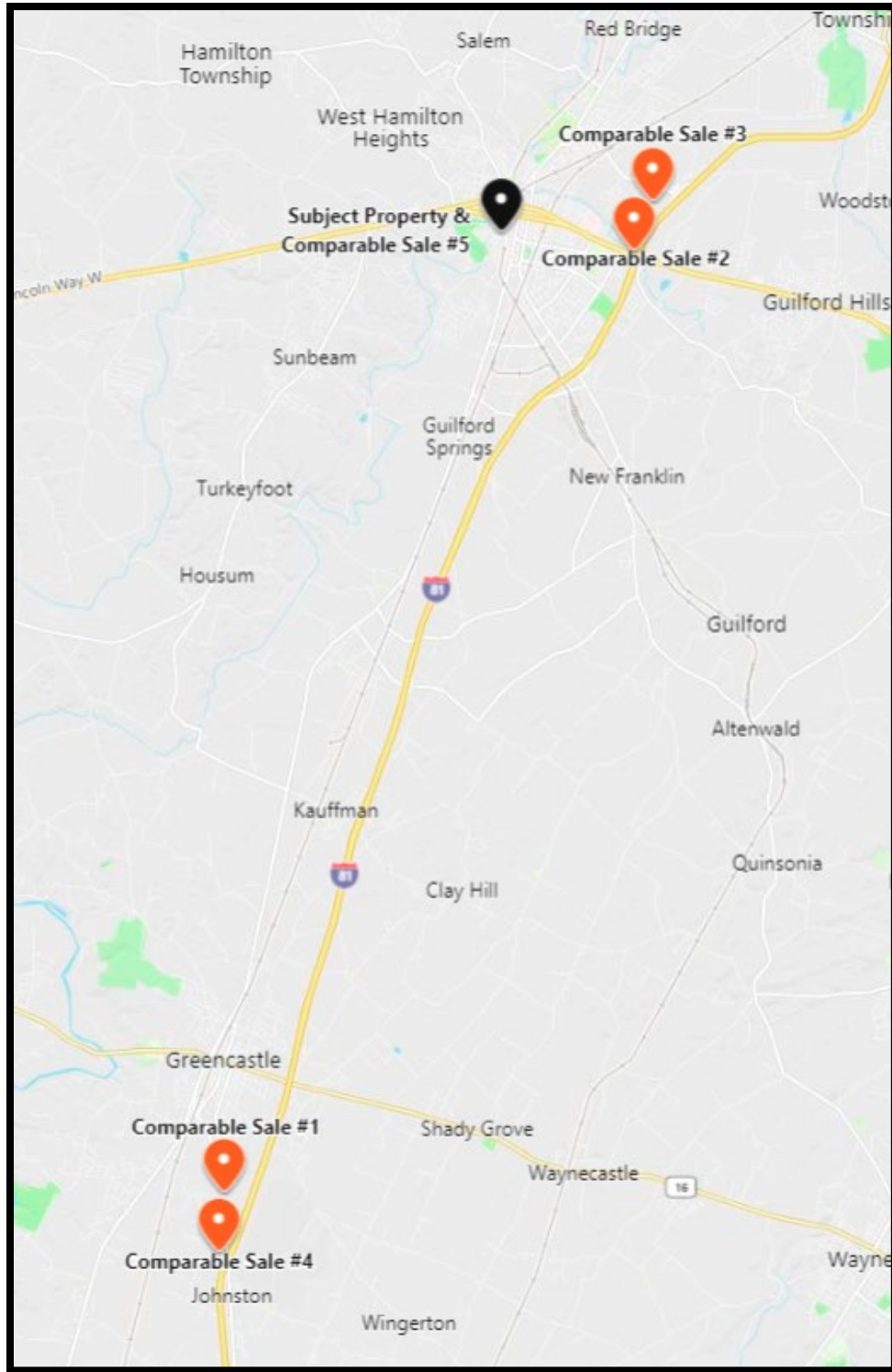
Comparable Land Sale #5



LOCATION:	Address:	76 West Liberty Street Chambersburg Borough Franklin County, Pennsylvania
	Tax Map:	04-1D16-087 & 05-1D08-002
LEGAL INFORMATION:	Sale Date:	December 16, 2015
	Liber/Folio:	Instrument #201524473
	Grantor:	Franklin Southgate Company, LLC
	Grantee:	Washington Square Town Homes, LP
CONSIDERATION:	Sale Price:	\$608,500
	Price Per Acre:	\$331,677 per acre (adjusted)
	Financing:	Assumed cash to seller
	Verified:	Public Records
SITE DESCRIPTION:	Site Size:	2.42 Acres
	Zoning:	Distributive Commercial Highway
	Utilities:	Public
COMMENTS:	Property was improved with a 38,918 square foot building and a parking lot that required demolished by the buyer. The Appraiser estimated \$5.00 per square foot for demolition expense (\$194,590) and adjusted the price per acre accordingly. Property was re-developed into a 54-unit townhome community. Property sits across the street from the subject.	



COMPARABLE LAND SALES MAP





Specific Discussion of Comparable Land Sales

In general, there is an upward adjustment if the comparable is inferior to the subject for a given element of comparison and a downward adjustment where the comparable is superior to the subject for a given element of comparison. The appropriate adjustments and their resulting indications are summarized below and presented on the adjustment grid below.

ELEMENTS OF COMPARISON	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5
ADDRESS	133 West Catherine Street	12248 Molly Pitcher Highway	101 Walker Road	Along Gateway Avenue	1490 Ebberts Spring Court	76 West Liberty Street
MUNICIPALITY	Chambersburg Borough	Antim Township	Chambersburg Borough	Chambersburg Borough	Antrim Township	Chambersburg Borough
COUNTY, STATE	Franklin, PA	Franklin, PA	Franklin, PA	Franklin, PA	Franklin, PA	Franklin, PA
DATE OF SALE	-	May-19	Oct-18	Dec-17	Aug-16	Dec-15
CONSIDERATION	-	\$6,950,000	\$900,000	\$1,300,000	\$2,350,000	\$608,500
LAND AREA	13.44	35.62	2.98	4.20	12.89	2.42
PRICE PER ACRE		\$195,115	\$302,013	\$309,524	\$182,312	\$251,446
PROPERTY RIGHTS	Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
		0%	0%	0%	0%	0%
ADJUSTED PRICE		\$195,115	\$302,013	\$309,524	\$182,312	\$251,446
FINANCING	Assumed Market	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
		0%	0%	0%	0%	0%
ADJUSTED PRICE		\$195,115	\$302,013	\$309,524	\$182,312	\$251,446
CONDITIONS OF SALE	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
		0%	0%	0%	0%	0%
ADJUSTED PRICE		\$195,115	\$302,013	\$309,524	\$182,312	\$251,446
EXPENDITURES AFTER PURCHASE	None	None	None	None	None	Demolition
		0%	0%	0%	0%	\$194,590
ADJUSTED PRICE		\$195,115	\$302,013	\$309,524	\$182,312	\$331,855
MARKETING CONDITIONS (TIME)	Effective Date of Analysis	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%
ADJUSTED PRICE		\$195,115	\$302,013	\$309,524	\$182,312	\$331,855
LOCATION	Average	Inferior	Similar	Similar	Inferior	Similar
		10%	0%	0%	10%	0%
ACCESS / VISIBILITY	Average / Good	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%
SITE CHARACTERISTICS	Flat / Irregular Shape	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%
UTILITIES	Public / Available	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%
ZONING	Commercial	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%
ECONOMIES OF SCALE / SITE SIZE	13.44 Acres	Inferior / 35.62 Acres	Superior / 2.98 Acres	Superior / 4.20 Acres	Similar / 12.89 Acres	Superior / 2.42 Acres
		10%	-20%	-20%	0%	-20%
NET ADJUSTMENT		20.0%	-20.0%	-20.0%	10.0%	-20.0%
ADJUSTED PRICE PER ACRE		\$234,138	\$241,611	\$247,619	\$200,543	\$265,484



Property Rights Conveyed: This adjustment normally attempts to equate differentials associated with investor versus owner purchases as well as the positive and negative effects of leasehold interests on a property. The subject features fee simple interests; therefore, no adjustments are necessary.

Financing Adjustments: The comparable sales have been adjusted first for financing terms, if necessary. This adjustment renders the sales price to cash equivalent terms where favorable financing terms are made available by the seller. The present value of this difference represents an advantage to the comparable sale and warrants a negative adjustment. In this appraisal, no adjustments were warranted for this line item.

Conditions of Sale: Conditions of sale adjustments typically reflect the motivations of the buyer and seller. Each completed transaction was verified to be an arm's length transaction between knowledgeable and willing market participants under no duress either to buy or sell. In this appraisal, no adjustments were warranted for this line item.

Expenditures After Purchase: Comparable Sale #5 required the demolition of a 38,918 square foot building by the buyer in order to redevelop the property into a townhome rental community. The Appraiser estimated demolition costs at \$5 per square foot and added the expense to the adjusted price. There were no reported expenditures made after purchase for the other comparable sales; therefore, no adjustments were deemed necessary.

Date of Sale Adjustments (time): After adjusting all the comparables to a cash equivalent price the sales must be brought current by means of a time adjustment to account for changing market conditions from the date of each comparable sale to the effective date of this appraisal. In this appraisal, there were no adjustments warranted.



Location Adjustments: These are based on the relative strength of the surrounding land uses and overall economic strength of a property's location. This adjustment is based on each comparable's location relative to the subject. The subject is located along Lincoln Way East and Catherine Street in Chambersburg Borough. Comparable Sales #2, #3 and #5 are located in relative proximity within Chambersburg Borough; therefore no adjustments were warranted. Comparable Sales #1 and #4 are located in Antrim Township and their locations were considered inferior to the subject's; therefore upward adjustments were warranted.

Access / Visibility: The subject is located along Lincoln Way East and Catherine Street with good to average visibility. All Comparable Sales are considered to have good to average access and visibility; therefore no adjustments were warranted.

Site Characteristics: The subject and all Comparable Sales feature flat parcels with typical site configurations; therefore no adjustments were warranted.

Utilities: As a factor in land pricing, before purchasing a site a developer will take into consideration if utilities such as water, sewer, and electric are readily available to the site. The availability of such utilities to a site will increase the value of land purchased since monetary reserves are not necessary to provide utilities to the site. The subject property and all Comparable Sales have access to public utilities; therefore, no adjustments were warranted.

Zoning: The subject and all Comparable Sales featured similar, commercial zoning regulations and warranted no adjustments.

Economies of Scale (Size): Economies of scale are derived from the difference in the subject square footage to the comparable's square footage; as it is assumed, the larger the gross area of the land, the less per square foot the property will sell for per square foot. The subject consists of 13.44 acres. Comparable Sales #4 featured similar economies of scale and warranted no adjustment. Comparable Sale #1 featured inferior economies of scale and warranted an upward adjustment. Comparable Sales #2, #3 and #5 featured superior economies of scale and warranted downward adjustments.



Specific Analysis of the Comparable Land Sales

After the appropriate adjustments have been made, the adjusted unit prices (price per acre of land area) for the comparable sales are:

Comparable	Adjusted Price per Unit
Comparable Land Sale #1	\$234,138
Comparable Land Sale #2	\$241,611
Comparable Land Sale #3	\$247,619
Comparable Land Sale #4	\$200,543
Comparable Land Sale #5	\$265,484
MEAN	\$237,879
MEDIAN	\$241,611
CONCLUSION	\$240,000

These comparable land sales indicate a value range of \$200,543 per acre to \$265,484 per acre with a mean of \$237,879 per acre and a median of \$241,611 per acre. Based on the sales, it is the appraiser’s opinion that \$240,000 per acre appears reasonable will be used in this analysis.

Demolition Estimate

Demolition costs typically range from \$4 to \$8 per square foot. Based on interviews with experts in the field it is the Appraiser’s opinion \$5 per square foot is an appropriate estimate for a mostly single-story structure. Given this estimate, demolition costs of \$1,000,000 (\$5.00 times 200,000 square feet) are considered appropriate and will be deducted from the indicated land value.

Conclusion - Current Market Value – Land Only

It is concluded that the subject property's current market value of land only as of July 29, 2020 based on the Sales Comparison Approach, is equivalent to \$240,000 per acre. Applying a rate of \$240,000 per acre to the land area of 13.44 acres indicates a market value of the subject of \$3,255,600. After deducting estimated demolition costs of \$1,000,000 the indicated “as is” market value of the subject land is \$2,255,600 rounded to **\$2,250,000 (Two Million Two Hundred Fifty Thousand Dollars).**



RECONCILIATION AND CORRELATION

Two Sales Comparison Approaches have been developed to appraise the subject known as the “Southgate Shopping Center” and located at 133 West Catherine Street, Chambersburg Borough, Franklin County, Pennsylvania. The following charts summarize the indicated value estimates:

Valuation Summary Table

Value Indications of “As Is” Market Value:	Total
Estimated Value by the Income Approach	Not Applicable
Estimated Value by the Sales Comparison Approach	\$2,070,000 – \$2,610,000
Estimated Value by the Cost Approach	Not Applicable
Final Estimate of “As Is” Market Value (as of July 29, 2020)	\$2,070,000 – \$2,610,000

Value Indications of “As Land Only” Market Value:	Total
Estimated Value by the Income Approach	Not Applicable
Estimated Value by the Sales Comparison Approach	\$2,250,000
Estimated Value by the Cost Approach	Not Applicable
Final Estimate of “As Land Only” Market Value (as of July 29, 2020)	\$2,250,000

As discussed in the body of this analysis, the subject has been evaluated both as currently operating (“As Is”) and as land for purposes of redevelopment.

The Sales Comparison Approach was developed comparing the subject property “As Is” to similar facilities. A second Sales Comparison Approach was developed comparing the subject property “As Land for Redevelopment” to similar properties with demolition costs subtracted. The Income Approach to value was considered but not applied as the subject generates limited to negative net operating income. The Cost Approach to value was considered but not applied. It is considered to have minimal applicable support for the subject due to subjective estimates for physical deterioration and functional obsolescence based on the age and configuration of the subject.



One extraordinary assumption has been applied in this analysis. COVID-19 has been declared a pandemic by the World Health Organization (WHO) and a national state of emergency is in place. Substantial turmoil has occurred in financial markets and due to the developing situation, it is not possible at this time to quantify its long-term or short-term effects on real estate markets or on the subject property. The value opinion contained in this appraisal is based on findings of an analysis of market data available to the appraiser at the time of the assignment. The appraiser makes no representation as to the effect on the subject property by any unforeseen event, subsequent to the effective date of the appraisal. The reader should note that this assumption may have an effect on value.

Concluded Opinion of Market Value:

Therefore, in terms of the subject, as defined in this analysis, it is concluded that the current market value, as of July 29, 2020, is estimated as **\$2,070,000 – \$2,610,000 (Two Million Seventy Thousand Dollars to Two Million Six Hundred Ten Thousand Dollars).**

BASIC ASSUMPTIONS AND LIMITING CONDITIONS (BUILDINGS)

This appraisal report has been made with the following general assumptions (if applicable):

- The valuation estimate and any market or feasibility conclusions apply only to the property specifically identified and described in this report.
- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens, encumbrances, encroachments, easements and restrictions, unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- Information and data contained in the appraisal, although obtained from public record and other reliable sources and, to the extent possible, carefully checked by the appraiser, are accepted as satisfactory evidence upon which rest our final conclusions of value. Any information furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed. Unless otherwise noted, it is assumed that all information known to the client and relative to the valuation has been accurately furnished and that there are no undisclosed leases, agreements, liens or other encumbrances affecting the use of the property. Any financial information provided to us with respect to the operation of the property, such as financial statements and reports, rent rolls and lease data, is assumed to be complete, true and correct. Any lease, mortgage, deed of trust or other agreement or instrument relating to the property reviewed by us is assumed to be legal, valid, binding and enforceable in accordance with its express terms.
- All engineering studies are assumed to be correct. The appraiser has made no legal survey nor has he commissioned one to be prepared; therefore, any plot plans or other such illustrative materials in this report are included only to help the reader visualize the property.
- It is assumed that there are no hidden or unapparent conditions of the property, such as sink holes, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the appropriate engineering studies that may be required to discover them. Unless otherwise noted, the property is not located in an area in which the purchase of flood insurance is required as a condition for federal related financial assistance.

- It is assumed that there are not structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in average condition unless otherwise noted in the report.
- No responsibility beyond reason is assumed for matters of a legal nature, whether existing or pending.
- It is assumed that the property is in full compliance with all applicable federal, state and local laws and environmental regulations unless the lack of compliance is stated, described and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the use of the land and/or improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- Unless otherwise noted in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. The valuation is subject to modification if any such potentially hazardous materials or conditions are detected by a qualified expert in these areas. The appraiser reserves the right to modify this valuation if so warranted.
- The appraiser is not an engineer and any references to physical property characteristics in terms of quality, condition, cost, suitability soil conditions, sink hole or floor risk, obsolescence, etc., are strictly related to their economic impact on the property. No liability is assumed for any engineering-related issues.

- If the appraisal is for property to be built or under construction, it is assumed that construction will be completed as outlined in the report. The appraiser reserves the right to review finalized plans, require a current on-site inspection prior to the release of any funds and/or recertify any values reported herein.
- Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability or utility.
- An appraisal is inherently subjective and represents only an estimate of a property's value.
- The conclusions stated in the appraisal apply only as of the date indicated and no representation is made as to the effect of any subsequent events.
- The values reported herein are only applicable to the Property Rights Appraised in conjunction with the Purpose of the Appraisal and the Function of the Appraisal as herein set fourth; the appraisal is not to be used for any other purposes or functions.
- Any allocation of the total value estimated in this report between the land and the improvements applies only to the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are not valid if so used.
- No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in the appraisal.
- Possession of the report, or any type of copy thereof, does not carry with it the right of publication.
- The appraiser, by reason of this appraisal, shall not be required to give testimony as Expert Witness in any legal hearing or before any court of law with reference to the property in question unless arrangements have been previously made for just and fair compensation for such services.

- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or Apex Valuation Services) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
- The forecasts, projections and operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions. This appraisal is based on the condition of local and national economies, purchasing power of money and financing rates prevailing at the effective date of value.
- This appraisal shall be considered only in its entirety and no part of this appraisal shall be utilized separately or out of context. Any separation of the signature pages from the balance of the appraisal report invalidates the conclusions established herein.
- The liability of Apex Valuation Services is limited to the client only. Further, there is no accountability, obligation or liability to any other party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment. Apex Valuation Services is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the properties – physically, financially or/or legally. Acceptance and use of this analysis by the client or any third party constitutes acceptance of the above conditions. The appraiser has no liability to any parties other than the client.
- The value conclusions found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from these Basic Assumptions and Limited Conditions.

SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS

In addition to the Basic Assumptions and Limiting Conditions presented previously, this appraisal report has been made with the following Special Assumptions and Limiting Conditions:

This is an appraisal report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report. As stated by Standards Rule 2-2 (a):

- (a) The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:
 - i. state the identity of the client and any intended users, by name or type;
 - ii. state the intended use of the appraisal;
 - iii. summarize information sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment;
 - iv. state the real property interest appraised;
 - v. state the type and definition of value and cite the source of the definition;
 - vi. state the effective date of the appraisal and the date of the report;
 - vii. summarize the scope of work used to develop the appraisal;
 - viii. summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;
 - ix. state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal
 - x. when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion;
 - xi. clearly and conspicuously:
 - state all extraordinary assumptions and hypothetical conditions; and
 - state that their use might have affected the assignment results; and
 - xii. include a signed certification in accordance with Standards Rule 2-3.

Any additional and/or supporting documentation (if applicable) as it relates to the analysis is retained in the appraiser's file.

BASIC ASSUMPTIONS AND LIMITING CONDITIONS (LAND)

This appraisal report has been made with the following general assumptions:

- The valuation estimate and any market or feasibility conclusions apply only to the property specifically identified and described in this report.
- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens, encumbrances, encroachments, easements and restrictions, unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- Information and data contained in the appraisal, although obtained from public record and other reliable sources and, to the extent possible, carefully checked by the appraiser, are accepted as satisfactory evidence upon which rest our final conclusions of value. Any information furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed. Unless otherwise noted, it is assumed that all information known to the client and relative to the valuation has been accurately furnished and that there are no undisclosed leases, agreements, liens or other encumbrances affecting the use of the property. Any financial information provided to us with respect to the operation of the property, such as financial statements and reports, rent rolls and lease data, is assumed to be complete, true and correct. Any lease, mortgage, deed of trust or other agreement or instrument relating to the property reviewed by us is assumed to be legal, valid, binding and enforceable in accordance with its express terms.
- All engineering studies are assumed to be correct. The appraiser has made no legal survey nor has he commissioned one to be prepared; therefore, any plot plans or other such illustrative materials in this report are included only to help the reader visualize the property.
- It is assumed that there are no hidden or unapparent conditions of the property, such as sink holes, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the appropriate engineering studies that may be required to discover them. Unless otherwise noted, the property is not located in an area in which the purchase of flood insurance is required as a condition for federal related financial assistance.
- No responsibility beyond reason is assumed for matters of a legal nature, whether existing or pending.

- It is assumed that the property is in full compliance with all applicable federal, state and local laws and environmental regulations unless the lack of compliance is stated, described and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
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- Unless otherwise noted in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. The valuation is subject to modification if any such potentially hazardous materials or conditions are detected by a qualified expert in these areas. The appraiser reserves the right to modify this valuation if so warranted.
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- Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability or utility.
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- The forecasts, projections and operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions. This appraisal is based on the condition of local and national economies, purchasing power of money and financing rates prevailing at the effective date of value.
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 - iii. summarize information sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment;
 - iv. state the real property interest appraised;
 - v. state the type and definition of value and cite the source of the definition;
 - vi. state the effective date of the appraisal and the date of the report;
 - vii. summarize the scope of work used to develop the appraisal;
 - viii. summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;
 - ix. state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal
 - x. when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion;
 - xi. clearly and conspicuously:
 - state all extraordinary assumptions and hypothetical conditions; and
 - state that their use might have affected the assignment results; and
 - xii. include a signed certification in accordance with Standards Rule 2-3.

Any additional and/or supporting documentation (if applicable) as it relates to the analysis is retained in the appraiser's file.

APEX Valuation Services
1 West King Street, Suite 2A
Shippensburg, PA 17257
535 North Church Street, Suite 226
West Chester, PA 19380



Real Estate Appraising & Consulting
Phone 717-530-8701
Fax 717-530-8704

www.apexval.com

Joseph W. Elhajj, MAI, AI-GRS **Appraiser Qualifications**

Current Position (1998 to Present)

President, Apex Valuation Services, Shippensburg, PA & West Chester, PA
Certified General Real Estate Appraiser & Reviewer

Real Estate Certificates, Licenses and Memberships

Appraisal Institute General Review Specialist Designation (2018 to Present)
Member of the Appraisal Institute (2014 to Present)
Maryland State Certified General Real Estate Appraiser #32124 (2014 to Present)
Virginia State Certified General Real Estate Appraiser #4001 014037 (2009 to Present)
Pennsylvania State Certified General Real Estate Appraiser #GA-001599-L (1998 to Present)
Pennsylvania State Licensed Real Estate Standard Broker #SB065397 (2008 to Present)
Pennsylvania State Licensed Real Estate Sales Agent #RS-194417L (1998 to Broker)

Previous Work Experience

Weinstein Realty Advisors, York, PA (1994-1998)
Certified General Real Estate Appraiser
Pennsylvania Licensed Real Estate Sales Agent
Real Estate Tax Consultant

Real Estate Investment Activity

2007-Present
Owner: Nick's Properties, Ltd, LLC, Shippensburg, PA
Various Multi-Family Residential Dwellings
2004-Present
Owner: 615 Lincoln Way West Associates, LLC, Shippensburg, PA
Various Multi-Family Residential Dwellings
Commercial/Office Properties
1992-Present
Owner/Partner: BJ Realty Investments, Shippensburg, PA
Various Multi-Family Residential Dwellings
Commercial/Office Properties
1992-Present
Owner: Lincoln Investments, Shippensburg, PA
Various Multi-Family and Single-Family Residential Dwellings

General Education

2009-2014
University of Phoenix; Bachelor of Arts – Business Management
1988-1990
Pennsylvania State University; Associates Degree - Business Administration

Real Estate Education

Appraisal Institute

Eminent Domain & Condemnation, 2020
Cool Tools & New Technology for Real Estate Appraisers, 2020
Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications, 2018
Review Theory – General, 2018
2016-2017 - 7-Hour National USPAP Update Course, Online Seminar, 2017
Beyond The Numbers: Market Analysis Tips and Trends, 2017
Capstone General Demonstration Report Program, 2016
Advanced Concepts & Case Studies, Louisville KY, 2015
Quantitative Analysis, Louisville KY, 2015
General Demonstration Report Writing, Chicago IL, 2015
Quantitative Analysis, Louisville KY, 2015
Advanced Market Analysis and Highest & Best Use, Louisville KY, 2015
Advanced Income Capitalization, Plymouth Meeting PA, 2015
General Appraiser Report Writing and Case Studies, Tampa FL, 2014
Business Practices and Ethics, Online Seminar, 2014
Section 8/HUD: Rent Comparability Course – Washington, DC, 2001
Basic Income Capitalization, Course #310 - Boulder Colorado, 1997
Advanced Income Capitalization, Course #510 - Boulder Colorado, 1997
Affordable Housing Valuation – Atlanta Georgia, 1997
Appraisal Principals, Course #110 - Pittsburgh Pennsylvania, 1995
Appraisal Procedures, Course #120 - Pittsburgh, Pennsylvania, 1995

McKissock

Appraisals of Owner-occupied Commercial Facilities: Maryland, 2020
Appraisals of Self Storage Facilities: Maryland, 2020
Basic Hotel Appraising for Limited Service Hotels: Maryland, 2020
From Contract to Closing: A Breakdown of the Real Estate Market, 2020
Lead Alert: A Guide for Property Managers, 2020
Finding Your Focus: Niche Marketing for Real Estate, 2020
Millennials are Changing Real Estate – Are You Ready?, 2020
Pennsylvania State Mandated Law for Appraisers, 2018
2018-2019 National USPAP Update Course (7-Hours), 2018
Essential Elements of Disclosures & Disclaimers (5-Hours), 2018
Basic Hotel Appraising – Limited Service Hotels, 2017
Appraising Small Apartment Properties, 2017
Appraisal of Single Tenant Distribution Centers, 2017
Your Guide to the Code of Ethics, 2016
A Day in the Life of a Buyer Agent, 2016
A Homebuyer's Guide to Credit Scores, 2016
Helping Buyers Narrow in on Their Dream Home, 2016
Pennsylvania State Mandated Law for Appraisers, 2015
How to Work with Real Estate Investors, 2014
Niche Marketing: Narrow Your Focus, 2014
Real Estate Safety: Protect Yourself During a Showing, 2014
Pocket Listings: Is This Trend for You?, 2014
Drilling Down to the Facts about Marcellus Shale, 2014
Land and Site Valuation, 2013
Appraising and Analyzing Industrial/Flex Buildings for Mortgage Underwriting, 2013
Appraising and Analyzing Retail Shopping Centers for Mortgage Underwriting, 2013
Financial Reform, Fannie Mae and Appraisers, 2011

McKissock, cont.

Delaware Appraisal Laws and Regulations, 2011
Two Hour Mandated Law Course, 2011
Income Capitalization (Pennsylvania & Delaware), 2011
Appraising Apartments: The Basics, (Pennsylvania & Delaware), 2011
The Art of Addenda, 2011
Introduction to Expert Witness Testimony, 2011
Technology for Today's Appraiser, 2009
Private Appraisal Assignments, 2009
Made in America: Appraising Factory Built Housing, 2009

Institute of Real Estate Studies

PA Appraisal Law and Emerging Issues, 2007
Residential Construction II, 2005
Basic Income Property Valuation, 2005
Fifteen Hour USPAP Compliance, 2005
Real Estate Investment I, 2005
Real Estate Investment II, 2005
Basics of Residential Valuation & Sales Comparison Approach, 2005
Residential Valuation Using Cost & Income Approach, 2005
Narrative Valuation Report, 2005 & 2007
Real Estate Law, 2005
Real Estate Finance I, 2004
Real Estate Finance II, 2004
Home Inspections, 2004
Brokerage & Office Management, 2004
Residential Construction I, 2004
Pennsylvania Real Estate Salesperson Licensing Requirements, 1991

The International Right of Way Association

The Uniform Act Executive Summary, 2017

Commercial Investment Real Estate Institute

Financial Analysis for Commercial Investment Real Estate, Las Vegas NV, 2000

The Real Estate School of York County

Property Investment, 1998
"Let's Get It Right", 1998
New Home Construction, Course III, 1996

Maryland Association of Appraisers

FHA Review Guidelines, 1998

Education Division of Don Paul Shearer Inc.

USPAP and State Appraiser Law Updates, 2005
Fifteen Hour USPAP Compliance, 2003
Professional Liability, 2003
Tax Assessment Law & Tax Appeals in Pennsylvania, 2003
New Concerns and Issues of Real Estate Practice in Pennsylvania, 2002
Contemporary Legal Issues, 2001-2001
Income Capitalization and Partial Interest, 1999

Published Articles

“Better Measurement of Apartment Vacancy and Collection Loss”

The Appraisal Journal, January 1998

“Assessment of Low Income Housing Tax Credit Projects”

The Advisor, A publication of Weinstein Realty Advisors; Volume 1, Issue 2, July 1997

Expert Court Testimony

Board of Assessment Appeals - Adams County

Board of Assessment Appeals - Berks County

Board of Assessment Appeals - Blair County

Board of Assessment Appeals - Cumberland County

Board of Assessment Appeals - Dauphin County

Board of Assessment Appeals - Franklin County

Board of Assessment Appeals - Lancaster County

Board of Assessment Appeals – Lebanon County

Board of Assessment Appeals - Luzerne County

Board of Assessment Appeals – Mifflin County

Board of Assessment Appeals – Northumberland County

Board of Assessment Appeals – Schuylkill County

Board of Assessment Appeals – York County

Blair County Court of Common Pleas

Dauphin County Court of Common Pleas

Franklin County Court of Common Pleas

Fulton County Court of Common Pleas

Types of Properties Appraised

Apartment Complexes

Joseph W. Elhajj has personally appraised over 12,000 apartment units in more than 120 complexes which ranged in size from 40 to 800 units. Primary geographic areas for apartment appraisals in Pennsylvania have been Adams County, Berks County, Blair County, Cumberland County, Dauphin County, Fayette County, Franklin County, Greene County, Lancaster County, Lawrence County, Lebanon County, Luzerne County, Mifflin County, and York County. Additionally, apartment appraisals have been performed in Delaware, New Jersey, and Maryland. Apartment appraisals have been completed for various clients including but not limited to local lenders, regional lenders, property owners, Pennsylvania Department of Housing and Urban Development, and subcontract work from other appraisal firms.

Various other smaller apartment complexes have also been completed for various local lenders. Smaller apartment communities have varied in size from four to forty units.

Commercial Facilities

Commercial properties previously appraised include retail strips, shopping centers, regional malls, self-storage units, fast food restaurants, retail stores, gas stations, and convenience stores. The geographic area of focus for commercial facilities has been primarily south-central Pennsylvania; however, various commercial appraisals have been performed throughout Pennsylvania; as well as in Delaware, Maryland, Virginia and West Virginia.

Office buildings

Office appraisals have been performed all across central Pennsylvania and include facilities ranging in size from 2,800 square feet to 250,000 square feet. Both owner-occupied and investor-owned office facilities have been analyzed. The investor-owned facilities have been both single-tenant and multi-tenant and have ranged from large nationally ranked tenants to small local professional firms as well as government facilities.

Industrial Facilities

Industrial appraisals have been performed for both new construction and existing facilities throughout Pennsylvania. Industrial properties appraised have ranged in size from 9,000 square feet to over 800,000 square feet. Both owner-occupied and investor-owned industrial facilities have been appraised.

Land

Land valuations have included vacant, undeveloped land in commercial, industrial, residential, manufacturing, agricultural and various other zoning districts. Appraisals have been performed on vacant land for both new construction purposes and asset management purposes. Consulting assignments for vacant land include various highest and best use analyses for determining potential development strategies, easements and right of ways.

Other

Other special purpose properties such as government facilities, churches, nursing homes, residential subdivisions, mobile home parks, recreational facilities and golf courses have been appraised in various locations across Pennsylvania, Delaware, Maryland, Virginia and West Virginia.

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

20 0062063

License Type
Broker (Sole Proprietor)-Standard

JOSEPH ELHAJJ
APEX VALUATION SERVICES
1 WEST KING STREET - SUITE 2A
SHIPPENSBURG, PA 17257



License Status
Active

Initial License Date
10/10/2008

Expiration Date
05/31/2022

License Number
SB065397

Acting Commissioner of Professional and Occupational Affairs

Signature

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

19 0760518

License Type
Certified General Appraiser

JOSEPH W ELHAJJ
1 WEST KING STREET
SUITE 2A
SHIPPENSBURG, PA 17257



License Status
Active

Initial License Date
12/15/1997

License Number
GA001599L

Expiration Date
06/30/2021

Acting Commissioner of Professional and Occupational Affairs

Signature

THIS DOCUMENT IS VOID WITHOUT BLUE BACKGROUND. CONTAINS COPY VOID FEATURE & ARTIFICIAL WATERMARK ON THE BACK.



LICENSE * REGISTRATION * CERTIFICATION * PERMIT

Lawrence J. Hogan, Jr.
Governor

STATE OF MARYLAND

Boyd K. Rutherford
Lt. Governor

MARYLAND DEPARTMENT OF LABOR

Tiffany P. Robinson
Secretary

COMMISSION OF RE APPRAISERS & HOME INSPECTORS
CERTIFIES THAT:



JOSEPH W ELHAJJ

IS AN AUTHORIZED: **04 - CERTIFIED GENERAL**

LIC/REG/CERT
32124

EXPIRATION
06-11-2023

EFFECTIVE
07-01-2020

CONTROL NO
5540589

Joseph W Elhadj
Signature of Bearer

Tiffany P. Robinson
Secretary

Signature of Bearer

Secretary

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation

9960 Mayland Drive, Suite 400, Richmond, VA 23233

Telephone: (804) 367-8500

EXPIRES ON

01-31-2021

NUMBER

4001014037

REAL ESTATE APPRAISER BOARD

CERTIFIED GENERAL REAL ESTATE APPRAISER



JOSEPH W ELHAJJ
1 WEST KING STREET
SUITE 2A
SHIPPENSBURG, PA 17257



Status can be verified at <http://www.dpor.virginia.gov>

Jay W. DeBost
Jay W. DeBost Director

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)

APEX Valuation Services
535 North Church Street, Ste 226
West Chester, PA 19380



Real Estate Appraising & Consulting
Phone 717-530-8701
Fax 717-530-8704

Edward Costa

Professional Qualifications

Current Position

Pennsylvania State Licensed Appraisal Trainee, Apex Valuation Services

Current Position

Licensed Pennsylvania State Licensed Real Estate Sales Agent, Zommick McMahon Commercial Real Estate, Inc.

Real Estate Certificate and Licenses

Pennsylvania State Licensed Appraisal Trainee #LAT000835 (March 2017 to Present)

Pennsylvania State Licensed Real Estate Sales Agent #RS316456 (December 2010 to Present)

Work Experience

2017-Present

Pennsylvania State Licensed Appraisal Trainee, Apex Valuation Services

2010-Present

Licensed Pennsylvania State Licensed Real Estate Sales Agent, Zommick McMahon Commercial Real Estate, Inc.

General Education

2005-2009

Shippensburg University, Bachelor of Science in History

Shippensburg University, Minor in Business

Real Estate Education

Polley Institute

Basic Appraisal Principles, July 2016

2016-2017 15-Hour National USPAP, January 2017

Basic Appraisal Procedures, August 2015

National Appraising for Supervisor and Trainee, May 2016

Real Estate Law, February 2015

Real Estate Office Management, March 2015

Commercial Real Estate Development, April 2017

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

19 0780197

License Type
Licensed Appraiser Trainee

EDWARD R COSTA
902 BAYLOWELL DR
WEST CHESTER, PA 19380



License Status
Active
Initial License Date
03/30/2017

License Number
LAT000835

Expiration Date
06/30/2021

Acting Commissioner of Professional and Occupational Affairs

Signature

**PENNSYLVANIA STATE BOARD OF CERTIFIED REAL ESTATE APPRAISERS
REQUIRED CHECKLIST FOR LICENSED APPRAISAL TRAINEE**

THE BOARD REQUIRES THIS CHECKLIST BE USED WHEN A LICENSED APPRAISAL TRAINEE IS UTILIZED IN THE PERFORMANCE OF AN APPRAISAL. THIS CHECKLIST MUST BE SIGNED BY THE CERTIFIED APPRAISER AND MADE PART OF THE APPRAISAL REPORT THAT IS SUBMITTED TO THE CLIENT AND RETAINED IN THE APPRAISAL WORKFILE.

BY COMPLETING THIS CHECKLIST AND MAKING IT PART OF THE APPRAISAL REPORT SUBMITTED TO THE CLIENT, THE TRAINEE AND SUPERVISORY APPRAISER HAVE MET APPLICABLE USPAP REQUIREMENTS FOR ACKNOWLEDGMENT AND DISCLOSURE OF SIGNIFICANT REAL PROPERTY APPRAISAL ASSISTANCE.

THE BOARD CANNOT GRANT EXPERIENCE HOURS FOR APPRAISAL ASSIGNMENTS IN WHICH THE LICENSED APPRAISAL TRAINEE IS NOT PROPERLY ACKNOWLEDGED IN THE REPORT.

SUBJECT PROPERTY ADDRESS: Southgate Mall, Catherine St, Chambersburg, PA

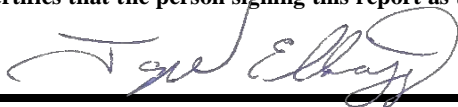
The licensed appraisal trainee to the certified real estate appraiser has contributed significant real property appraisal assistance in this appraisal assignment. Specifically, the licensed appraisal trainee:

- | Yes | No | N/A | |
|-------------------------------------|--------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in the preparation of the workfile with all forms and general information for the appraisal. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in determining the scope of work of the appraisal. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in gathering and entering data as follows: tax assessment information and map, flood hazard information and map, zoning information and map, location map and similar information. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Inspected the subject property.
If yes, accompanied by supervisor? <u>Yes</u> (yes/no)
Type of inspection (check one): <input checked="" type="checkbox"/> interior <input type="checkbox"/> exterior |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in analyzing the highest and best use of the subject property. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in gathering information for comparable land sales data, verified and analyzed the comparable land sales data. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in gathering data for the cost approach, including estimates of cost new and accrued depreciation. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in data and analysis for the income approach, including estimates of market rent, vacancy/expense analysis, and development of GRM or capitalization rate. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in gathering and verifying comparable sales data, and analysis of the comparable sales. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in the exterior inspection of the sales, rentals, land and/or other comparables. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in sketch drawing. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in entering subject and comparable data on the form and in the comment areas. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in reconciliation and final opinion of value for the subject property. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in the final review of this report. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Other _____ |

SIGNATURE OF THE APPRAISAL TRAINEE Edward R Costa

PRINT/TYPER NAME: Edward R Costa

The supervising certified real estate appraiser certifies that the named individual did assist with the items checked above, and also certifies that he/she reviewed all work done by the trainee. The supervising appraiser further certifies that the person signing this report as trainee understands the concepts and processes associated with the appraisal process.

SIGNATURE OF SUPERVISING CERTIFIED REAL ESTATE APPRAISER: 



MEMORANDUM

To: Kalonji Johnson, Acting Commissioner, BPOA
Jessica Mathis, Director, Bureau of Elections & Notaries

CC: Richard Vague, Acting Secretary of Banking and Securities

From: Kathy Boockvar, Secretary

Date: April 10, 2020

Re: **REVISED** Limited Guidance for Appraisers, Notaries, Title Companies, and Home Inspectors for Transactions Begun Prior to March 18, 2020

On March 6th, 2020 in response to the spread of the novel coronavirus COVID-19, Governor Tom Wolf executed an Emergency Disaster Declaration for Pennsylvania. Subsequently, on March 19th, 2020, Governor Wolf ordered the closure of non-life-sustaining businesses.

Since that date, the Department worked in consultation with the Governor's Office and the Department of Banking and Securities to develop guidance for appraisers, notaries, title companies and home inspectors. In response to concerns regarding residential real estate transactions, specifically those transactions initiated prior to the Emergency Disaster Declaration, the following limited guidance is being issued:

1. In-person activities as listed below are permitted for only those residential real estate transactions which, with respect to existing homes, were under contract (signed) prior to the date of the March 18th, 2020, or, with respect to new construction, which were under a previously executed contract that provides for closing and delivery to the customer on or after March 18th, 2020 :
 - Inspections;
 - Appraisals;
 - Final walk-throughs;
 - In-person Title Insurance activities.
2. Permitted inspections, appraisals, final walk-throughs, and title insurance activities shall be arranged by appointment and limited to no more than two people on site at any one time. Exercising of social distancing during these activities is required, and wearing

further protective gear (gloves, shoe covers, masks) is strongly encouraged. No construction activities may occur at such site other than limited activities necessary to stabilize the site, temporarily prevent weather damage, or make emergency repairs only. Emergency repairs, limited to performing those tasks necessary to provide repair services to customers, may continue. Further, residential construction projects that have been issued a final occupancy permit may continue such work as may be necessary to complete delivery to the purchaser. For all other residential construction projects limited activities may continue to the extent necessary to stabilize the site, temporarily prevent weather damage, or make emergency repairs only.

3. Any real estate business which is executed remotely is permissible, including virtual or telework operation for desktop appraisals. This includes appraisals for commercial real estate.
4. For residential real estate contracts entered into after March 18th, 2020, in-person inspections, appraisals, final walk-throughs, and title insurance activities are prohibited until the Emergency Disaster Declaration is lifted for Pennsylvania. This does not apply to residential or commercial appraisals that do not require entrance into a physical location.

The COVID-19 global pandemic has created an unprecedented situation and we understand the concerns of businesses and individuals impacted by this virus. However, due to significant health concerns for the residents of this commonwealth, only in-person residential real estate activities that meet the provisions of this guidance are permissible.

This memo applies to home equity loans and home refinancing transactions. For real estate transactions begun after March 18, 2020, drive-by (exterior only) or desktop appraisals are considered permissible activities.

THIS INDENTURE made this 25th day of March in the year of our Lord one thousand nine hundred and eighty-six.

BETWEEN Rose Krefetz as Sole Surviving Executrix of the Estate of Nathan Krefetz, deceased; Rose Krefetz as Sole Surviving Trustee under Paragraph Third A of the Last Will and Testament of Nathan Krefetz, deceased, for the benefit of Rose Krefetz, an Undivided one-half interest; Rose Krefetz as Sole Surviving Trustee under Paragraph Third B(5) of the Last Will and Testament of Nathan Krefetz for the benefit of Susan Alice Krefetz, an Undivided one-quarter interest; Rose Krefetz as Sole Surviving Trustee under Paragraph Third B(5) of the Last Will and Testament of Nathan Krefetz for the benefit of Lillian Judith Krefetz, an Undivided one-quarter interest; and Rose Krefetz, individually, as Surviving Spouse of Nathan Krefetz, deceased, residing at 26 Merrivale Road, Great Neck, New York 11020 (hereinafter referred to as "Grantor") and FRANKLIN PROPERTIES COMPANY, an Ohio partnership, c/o Paran Management Co., Suite 100, 13212 Shaker Square, Cleveland, Ohio 44120 (hereinafter referred to as "Grantee").

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX
APR 1986
998.00

WITNESSETH, that the said Grantor for and in consideration of the sum of THREE MILLION ONE HUNDRED THOUSAND (\$3,100,000) DOLLARS lawful money of the United States of America, unto her well and truly paid by the said Grantee at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, enfeoffed, released and confirmed, and by these presents does grant, bargain, sell, alien, enfeoff, release and confirm unto the said Grantee, its successors and assigns, all of the real estate lying and being situate in Chambersburg, Franklin County, Pennsylvania, more particularly described on Schedule A, annexed hereto and made a part hereof.

BEING the same premises conveyed to the Grantor by Rose Krefetz as Sole Surviving Executrix of the Last Will and Testament of Nathan Krefetz, deceased, by deed dated July 8, 1975 and recorded in Deed Book Volume 714, Page 973, et seq., in the Franklin County Recorder's Office on July 15, 1975.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX
APR-1976

998.00

TOGETHER will all and singular the Buildings, Improvements, Streets, Alleys, Passages, Ways, Waters, Water-Courses, Rights, Liberties, Privileges, Hereditaments and Appurtenances, whatsoever thereunto belonging, or in any wise appertaining, and the Reversions and Remainders, Rents, Issues and Profits thereof; and

69680

all the estate, right, title interest, property, claim and demand whatsoever of her the Grantor, in law, equity, or otherwise, howsoever, of, in, and to the same and every part thereof,

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX
APR-1976

999.00

TO HAVE AND TO HOLD the said lot or piece of ground above described, with the Buildings and Improvements erected thereon, Hereditaments and Premises hereby granted, or mentioned and intended so to be, with the Appurtenances, unto the said Grantee, its Successors and Assigns, to and for the only proper use and behoof of the said Grantee, its Successors and Assigns forever, under and subject as set forth herein.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX
APR-1976

999.00

UNDER AND SUBJECT TO the Exceptions set forth in Schedule B, annexed hereto and made a part hereof.

AND the said Grantor does by these presents, covenant, grant and agree, to and with the said Grantee, its Successors and Assigns, that she the said Grantor all and singular the Hereditaments and Premises herein above described and granted, or mentioned and intended so to be, with the Appurtenances, unto the said Grantee, its Successors and Assigns, against them, the said Grantor and

against all and every 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, shall and will SUBJECT as aforesaid, WARRANT and forever DEFEND.

IN WITNESS WHEREOF, the party of the first part has caused these presents to be duly executed the day and year first above writ-

COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF REVENUE
 REALTY TRANSFER TAX
 APR-98
 998.00
 998.00
 998.00
 998.00
 998.00
 998.00

Sealed and Delivered
 in the Presence of Us:

Remond Hauth
Constance D. Terry

Remond Hauth
Constance D. Terry

Remond Hauth
Constance D. Terry

Remond Hauth
Constance D. Terry

Remond Hauth
Constance D. Terry

Remond Hauth
Constance D. Terry

Rose Krefetz
 ROSE KREFETZ, as Sole Surviving Executrix of the Estate of Nathan Krefetz, deceased

Rose Krefetz
 ROSE KREFETZ, as Sole Surviving Trustee under Paragraph Third A of the Last Will and Testament of Nathan Krefetz, deceased, f/b/o Rose Krefetz

Rose Krefetz
 ROSE KREFETZ, as Sole Surviving Trustee under Paragraph Third B(5) of the Last Will and Testament of Nathan Krefetz, deceased, f/b/o Susan Alice Krefetz

Rose Krefetz
 ROSE KREFETZ, as Sole Surviving Trustee under Paragraph Third B(5) of the Last Will and Testament of Nathan Krefetz, deceased, f/b/o Lillian Judith Krefetz

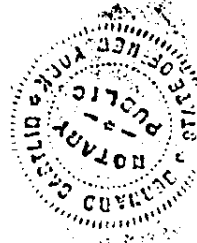
Rose Krefetz
 ROSE KREFETZ, individually, as Surviving Spouse of Nathan Krefetz, deceased

STATE OF NEW YORK)
) SS.1
 COUNTY OF NEW YORK)

On the 25th day of March, 1986, before me came ROSE
 KREFETZ, to me known to be the individual described in and who
 executed the foregoing instrument, and acknowledged that she
 executed the same.

Rose Krefetz

BERNARD GARTLIR
 Notary Public, State of New York
 No. 306700100
 Qualified in Nassau County
 Term Expires March 30, 1986



COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF REVENUE
 REALTY TRANSFER APR-4'86
 TAX
 999.00
 RB.11.669

I, ROSE KREFETZ, hereby Certify that Grantee precise
 residence and complete post office
 address is *90 Perma Management Co*
Suite 100, 13212 Shaffer Square, Cleveland Ohio 44120
 Witness my hand this *25*
 day of *April* 19 *86*
Rose Krefetz for her self

COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF REVENUE
 REALTY TRANSFER APR-4'86
 TAX
 999.00
 RB.11.669

COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF REVENUE
 REALTY TRANSFER APR-4'86
 TAX
 999.00
 RB.11.669

RECORDED
 1986 APR -4 A 9 38
 DAVID W. BOWERS
 RECORDER OF DEEDS
 FRANKLIN COUNTY
 27.52

COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF REVENUE
 REALTY TRANSFER APR-4'86
 TAX
 999.00
 RB.11.669

COMMONWEALTH OF PENNSYLVANIA
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 999.00
 RB.11.669

COMMONWEALTH OF PENNSYLVANIA
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 RB.11.669

COMMONWEALTH OF PENNSYLVANIA
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 999.00
 RB.11.669

COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF REVENUE
 REALTY TRANSFER APR-4'86
 TAX
 999.00
 RB.11.669

SCHEDULE A
LEGAL DESCRIPTIONS

008987 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

986800 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

008988 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

886900 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

008991 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

046800 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

008993 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

266800 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

008995 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

00694 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

008985
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

008384
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 999.00

PARCEL NO. 1

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALLY TRANSFERRED APR-1986
TAX
PR 11559
998.00

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALLY TRANSFERRED APR-1986
TAX
RB 11559
31.00
7 6 6 8 0 0

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set Bathey Marker on the north right-of-way line on West Catherine Street (60 feet wide) at corner of lands of John Wesley A.M.E. Zion Church; thence along lands of John Wesley A.M.E. Zion Church, North 9 degrees 39 minutes 36 seconds East 150.00 feet to a set iron pin; thence still with the same North 80 degrees 20 minutes 30 seconds West 216.80 feet to a set iron pin at lands of the Borough of Chambersburg; thence still along the same North 10 degrees 25 minutes 45 seconds East 425.70 feet to a set iron pin; thence still with the same North 79 degrees 54 minutes 22 seconds West 20.11 feet to an existing copper wire in concrete at lands of the Housing Authority of Franklin County; thence along lands of the Housing Authority of Franklin County North 78 degrees 22 minutes 06 seconds West 105.90 feet to a set iron pin; thence still with the same North 82 degrees 40 minutes 28 seconds West 138.42 feet to a set iron pin; thence still with the same North 12 degrees 00 minutes 15 seconds East 260.18 feet to a set iron pin on the south right-of-way line of West Washington Street (60 feet wide); thence with the south right-of-way line of said West Washington Street North 84 degrees 15 minutes 00 seconds East 7.22 feet to a point; thence still with the same on a curve to the right with a radius of 379.26 feet, an arc distance of 100.56 feet, a chord bearing of South 88 degrees 09 minutes 15 seconds East a distance of 100.26 feet to a set spike; thence still with the same South 80 degrees 33 minutes 30 seconds East 388.67 feet to a set spike; thence still with the same South 80 degrees 44 minutes 30 seconds East 296.88 feet to a set iron pin at the western right-of-way line of Water Street (40 feet wide); thence with the western right-of-way line of Water Street South 9 degrees 32 minutes 30 seconds West 849.70 feet to a set iron pin on the north right-of-way line on West Catherine Street; thence with the north right-of-way line on West Catherine Street North 80 degrees 53 minutes 45 seconds West 328.80 feet to a set Bathey Marker, being the Place of Beginning.

Being Tract No. 2 as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 11.4271 acres.

PARCEL NO. 2

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set nail & washer on the North right-of-way line of West Liberty Street (60 feet wide) at its intersection with the Eastern right-of-way line of Water Street (40 feet wide); thence with the Eastern right-of-way line of Water Street North 9 degrees 32 minutes 30 seconds East 532.09 feet to a set spike on the South right-of-way line of West Washington Street (60 feet wide); thence with the South right-of-way line of West Washington Street South 80 degrees 31 minutes 30 seconds East 261.32 feet to a set iron pin at the Western right-of-way line of Black Avenue (23 feet wide); thence with the Western right-of-way line of said Black Avenue South 9 degrees 28 minutes 45 seconds West 529.95 feet to a set spike on the North right-of-way line of said West Liberty Street; thence with the North right-of-way line of said West Liberty Street North 80 degrees 59 minutes 15 seconds West 261.92 feet to a set nail & washer, being the Place of Beginning.

Being Tract No. 3 as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 3.1893 acres.

COPY

PARCEL NO. 3

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set spike along the North right-of-way line of West Washington Street (60 feet wide), said set spike being South 80 degrees 44 minutes 30 seconds East 47.07 feet from the intersection of the North right-of-way line of West Washington Street and the East right-of-way line of Cedar Avenue (60 feet wide); thence along other lands of Franklin Properties Company, being known as Tract No. 4A, North 9 degrees 38 minutes 30 seconds East 95.68 feet to a set spike; thence along the same, South 80 degrees 21 minutes 30 seconds East 77.00 feet to a set iron pin; thence along the same, North 9 degrees 38 minutes 30 seconds East 117.98 feet to a set iron pin on the South right-of-way line of Loudon Street (60 feet wide); thence along the South right-of-way line of Loudon Street, South 80 degrees 17 minutes 54 seconds East 122.65 feet to a set iron pin at lands of the Borough of Chambersburg; thence along lands of the Borough of Chambersburg, South 9 degrees 38 minutes 30 seconds West 212.19 feet to a point on the North right-of-way line of West Washington Street (60 feet wide); thence along the North right-of-way line of West Washington Street, North 80 degrees 44 minutes 30 seconds West 199.64 feet to a set spike being the Place of Beginning.

Being Tract No. 4 as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 0.7674 acres.

PARCEL NO. 4

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set spike on the north right-of-way line of West Washington Street (60 feet wide) at its intersection with the west right-of-way line of Cedar Avenue (60 feet wide); thence with the north right-of-way line of West Washington Street North 80 degrees 33 minutes 30 seconds West 358.90 feet to a set spike; thence still with the north right-of-way line of said West Washington Street on a curve to the left with a radius of 439.26 feet, an arc length of 104.61 feet, and a chord bearing of North 87 degrees 22 minutes 51 seconds West a distance of 104.36 feet to a set spike; thence North 12 degrees 00 minutes 15 seconds East 17.15 feet to a point on the bank of the Conococheague Creek; thence through said Conococheague Creek North 48 degrees 46 minutes 56 seconds East 198.56 feet to a point at corner of Tract No. 6; thence with the latter South 74 degrees 36 minutes 30 seconds East 338.17 feet to a point on the west right-of-way line of said Cedar Avenue; thence with the latter South 9 degrees 39 minutes 36 seconds West 123.25 feet to a set spike, being the Place of Beginning.

Being Tract No. 5 as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 1.3316 acres.

PARCEL NO. 5

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set spike on the South right-of-way line of Loudon Street (60 feet wide) at its intersection with the West right-of-way line of Cedar Avenue (60 feet wide); thence with the West right-of-way line of Cedar Avenue South 9 degrees 39 minutes 36 seconds West 100.00 feet to a point on said West right-of-way line of Cedar Avenue and at other lands of Franklin Properties Company known as Tract No. 5; thence along the same, North 74 degrees 36 minutes 30 seconds West 338.17 feet to a point in the Conococheague Creek; thence through the Conococheague Creek, North 48 degrees 46 minutes 56 seconds East 119.17 feet to a set Bathey Marker at the Southern right-of-way line of Loudon Street; thence along the Southern right-of-way line of Loudon Street, South 74 degrees 36 minutes 30 seconds East 262.60 feet to a set spike at the intersection of the Southern right-of-way line of Loudon Street and West right-of-way line of Cedar Avenue, being the Place of Beginning.

Being Tract No. 6 as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 0.6861 acres.

COPY

PARCEL NO. 6

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a point at the intersection of the Northern right-of-way line of West Washington Street (60 feet wide) and the Eastern right-of-way line of Cedar Avenue (60 feet wide); thence along the Eastern right-of-way line of Cedar Avenue, North 9 degrees 39 minutes 36 seconds East 214.10 feet to a set iron pin on the Southern right-of-way line of Loudon Street (60 feet wide); thence along the Southern right-of-way line of Loudon Street, South 80 degrees 17 minutes 54 seconds East 124.00 feet to a set iron pin at corner of other lands of Franklin Properties Company, known as Tract No. 4; thence along other lands of Franklin Properties Company, South 9 degrees 38 minutes 30 seconds West 117.98 feet to a set iron pin; thence continuing along the same, North 80 degrees 21 minutes 30 seconds West 77.00 feet to a set spike; thence continuing along the same, South 9 degrees 38 minutes 30 seconds West 95.68 feet to a set spike on the Northern right-of-way line of West Washington Street; thence along the Northern right-of-way line of West Washington Street, North 80 degrees 44 minutes 30 seconds West 47.07 feet to a point, being the Place of Beginning. Being Tract No. 4A as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 0.4396 acres.

TOGETHER WITH the rights and easements for the benefit of the above described Parcel Nos. 1, 2, 3, 4, and 5, as provided in a certain Declaration of Southgate Mall, Inc., dated May 3, 1966, and recorded in Deed Book 602, at Page 610, of Franklin County, Pennsylvania Records encumbering, inter alia, the following described real property:

Situate in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set spike on the North right-of-way line of West Catherine Street (60 feet wide) at its intersection with the Eastern right-of-way line of Water Street (40 feet wide); thence with the Eastern right-of-way line of Water Street North 9 degrees 32 minutes 30 seconds East 257.54 feet to a set spike on the South right-of-way line of West Liberty Street (60 feet wide); thence with the South right-of-way line of West Liberty Street South 80 degrees 59 minutes 15 seconds East 262.20 feet to a set spike at Western right-of-way line of Black Avenue (23 feet wide); thence with the Western right-of-way line of Black Avenue South 9 degrees 28 minutes 45 seconds West 257.88 feet to an existing spike on the North right-of-way line of West Catherine Street; thence with the North right-of-way line of said West Catherine Street North 80 degrees 54 minutes 45 seconds West 262.47 feet to a set spike, being the Place of Beginning.

Being Tract No. 3A as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 1.5520 acres.

TOGETHER WITH the rights and easements for the benefit of the above described Parcel No. 6 as provided in a certain Declaration of Rose Krefetz, dated October 24, 1983, and recorded in Deed Book 892, at Page 51, of Franklin County, Pennsylvania Records.

* 1, 2, 3, 4, 5, AND

SCHEDULE B

Permitted Exceptions

1. Declaration of Southgate Mall, Inc., dated May 3, 1966 and recorded in Deed Book 602, at Page 610 of Franklin County Records.
2. Lease between Southgate Mall, Inc., (Landlord) and J. C. Penney Company, Inc., (Tenant), dated June 17, 1965, a Memorandum of which is recorded in Deed Book 598, at Page 521 of Franklin County Records.
3. Agreement between Southgate Mall, Inc., (Landlord) and J. C. Penney Company, Inc., (Tenant), dated August 1, 1967 and recorded in Deed Book 618, at Page 397 of Franklin County Records.
4. Agreement between Nathan Krefetz, (Landlord) and J. C. Penney Company, Inc., (Tenant), dated February 6, 1969 and recorded in Deed Book 636, at Page 636 of Franklin County Records.
5. Lease between Southgate Mall, Inc., (Landlord) and Chambersburg Trust Company (Tenant), dated April 21, 1967 and recorded in Deed Book 614, at Page 799 of Franklin County Records.
6. Agreement between Nathan Krefetz, (Landlord) and Chambersburg Trust Company, (Tenant), dated April 11, 1969 and recorded in Deed Book 651, at Page 36 of Franklin County Records.
7. Rights granted to The Mayor and Town Council of the Borough of Chambersburg in Deed Book 619, at Page 864 of Franklin County Records.
8. Rights granted to The Mayor and Town Council of the Borough of Chambersburg, in Deed Book 623, at Page 714 of Franklin County Records.
9. Lease between Joseph Krefetz and Rose Krefetz, Executors of the Last Will and Testament of Nathan Krefetz, (Lessor) and William Goldman Theatres, Inc., a Delaware

corporation, (Lessee), dated October 15, 1970, a Memorandum of which is recorded in Deed Book 657, at Page 168 of Franklin County Records. Supplemental to same, dated February 1, 1971 and recorded in Deed Book 659, at Page 30, of Franklin County Records and an Amendment of same between Rose Krefetz, as surviving trustee under the Last Will and Testament of Nathan Krefetz, deceased, (Landlord), and Budco-Goldman Theatres, Inc., a Pennsylvania corporation, (Tenant), and William Goldman Theatres, Inc., (Original Tenant), dated June 21, 1978, a Memorandum of which is recorded in Deed Book 768, at Page 514 of Franklin County Records.

10. Landlord's Waiver and Agreement Re Fixtures as in Deed Book 707, at Page 457 of Franklin County Records.
11. Declaration of Rose Krefetz, as sole surviving Executrix of the Estate of Nathan Krefetz, deceased, "et al.", dated October 24, 1983 and recorded in Deed Book 892, at Page 51 of Franklin County Records.
12. Lease between Franklin Properties Company, (Landlord) and Super Valu Stores, Inc., a Delaware corporation, (Tenant), dated November 5, 1984, a Memorandum of which is recorded in Deed Book 919, at Page 99 of Franklin County Records.
13. Agreement of Lease Commencement and Expiration Dates between Franklin Properties Company, an Ohio Partnership, (Landlord) and Super Valu Stores, Inc., a Delaware corporation, (Tenant), dated July 25, 1985 and recorded in Deed Book 936, at Page 130 of Franklin County Records.
14. Conveyance for widening of Streets to The Mayor and Town Council of the Borough of Chambersburg as in Deed Book 597, at Page 73 of Franklin County Records.
15. Revocation of Resolutions regarding dedication of Cedar Street as in Deed Book 597, at Page 79 of Franklin County Records.
16. Dedication for Street widening as in Deed Book 597, at Page 81 of Franklin County Records.
17. Dedication for right-of-way of Cedar Street as in Deed Book 597, at Page 84 of Franklin County Records.
18. Dedication of Streets as in Deed Book 597, at Page 87 of Franklin County Records.

19. Unrecorded Sanitary Sewer Agreement between Franklin Properties company and The John Wesley Church.
20. Dedication and Release Agreement between the Redevelopment Authority of Franklin County and The Mayor and Town Council of the Borough of Chamberssburg recorded November 18, 1965 in Deed Book 597, at Page 1150 of Franklin County Records.
21. Water Easement, of fifteen feet, as contained in Land subdivision for Nathan Krafetz Estate recorded in Plan Book 288A, at Page 227 of Franklin County Records.
22. Riparian rights in others, for that portion of Parcels 4 and 5 which lie in the bed of the Conococheague Creek.
23. Zoning ordinances.
24. Taxes and assessments which are a lien but are not yet due and payable.

COPY

19103

31-11-11-11
31-11-11-11

ROSE KREFFTZ, Trustee

and

FRANKLIN PROPERTIES COMPANY

REALTY TRANSFER TAX

School District of

Manhasset Neck Borough

Superior

Amount Of Tax Received 15,500.00

Tax on Deeds Resolution
David W. Rowers Collector

DEED

Dated: *March 25, 1986*

ROSEMINER GARTLIN GOTTLEB & GROSS
409 FIFTH AVENUE, NEW YORK, N.Y. 10017

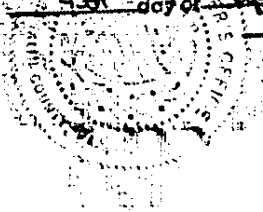
RECORDED

F86 APR -4 A 9 38

DAVID W. ROWERS
RECORDER OF DEEDS
FRANKLIN COUNTY

3252

State of Franklin } S.S.
County of Franklin
I, David W. Rowers, the collector for recording deeds, etc.
in and for said county in Book
No. 953 Page 418 do hereby certify that
Witness my hand and seal of the said office this
4th day of March 1986
David W. Rowers
Collector



19104
QUITCLAIM DEED

THIS INDENTURE, made the 25th day of March, nineteen hundred and eighty-six.

BETWEEN ROSE KREFETZ as Sole Surviving Executrix of the Estate of Nathan Krefetz, deceased; Rose Krefetz as Sole Surviving Trustee under Paragraph Third A of the Last Will and Testament of Nathan Krefetz, deceased, for the benefit of Rose Krefetz, un Undivided one-half interest; Rose Krefetz as Sole Surviving Trustee under Paragraph Third B(5) of the Last Will and Testament of Nathan Krefetz for the benefit of Susan Alice Krefetz, an Undivided one-quarter interest; Rose Krefetz as Sole Surviving Trustee under Paragraph Third B(5) of the Last Will and Testament of Nathan Krefetz for the benefit of Lillian Judith Krefetz, an Undivided one-quarter interest; and Rose Krefetz, individually, as Surviving Spouse of Nathan Krefetz, deceased, residing at 26 Merrivale Road, Great Neck, New York 11020, party of the first part, and FRANKLIN PROPERTIES COMPANY, an Ohio partnership, c/o Paran Management Co., Suite 100, 13212 Shaker Square, Cleveland, Ohio 44120, party of the second part.

WITNESSETH, that the party of the first part, in consideration of one dollar paid by the party of the second part, does hereby remise, release and quitclaim unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in Chambersburg, Franklin County, Pennsylvania, and more particularly described on Schedule A, annexed hereto and made a part hereof.

BEING part of the same premises conveyed to the Grantor by Rose Krefetz as Sole Surviving Executrix of the Last Will and Testament of Nathan Krefetz, deceased, by deed dated July 8, 1975 and recorded in Deed Book Volume 714, Page 973, et seq., in the Franklin County Recorder's Office on July 15, 1975.

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads abutting the above-described premises to the center lines thereof; TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises; TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

IN THE PRESENCE OF:

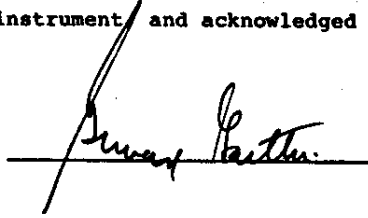
General Martin

Constance D. Terry

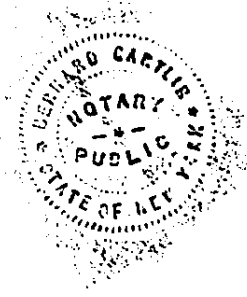
Rose Krefetz
ROSE KREFETZ, ~~Trustee~~
Individually and as Executrix
and Trustee under the Last
Will and Testament of Nathan
Krefetz, Deceased

STATE OF NEW YORK)
 :
COUNTY OF NEW YORK)

On the 25th day of March, 1986, before me came
ROSE KREFETZ, to me known to be the individual described in
and who executed the foregoing instrument and acknowledged
that she executed the same.



BERNARD CARTER
Notary Public, State of New York
Cuchinco, Franklin County, NY
Term Expires March 30, 1986



Witness my hand and seal this _____ day of _____, 1986.
at _____
13212 Shaker Sq. Cleveland Ohio 44120
40 Parax Management Co Suite 100
3rd
MBW/awc/jal/als

RECORDED
1986 APR -4 A 9 44
DAVID W. BOWERS
RECORDER OF DEEDS
FRANKLIN COUNTY
1452

Situate in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set spike on the North right-of-way line of West Catherine Street (60 feet wide) at its intersection with the Eastern right-of-way line of Water Street (40 feet wide); thence with the Eastern right-of-way line of Water Street North 9 degrees 32 minutes 30 seconds East 257.54 feet to a set spike on the South right-of-way line of West Liberty Street (60 feet wide); thence with the South right-of-way line of West Liberty Street South 80 degrees 59 minutes 15 seconds East 262.20 feet to a set spike at Western right-of-way line of Black Avenue (23 feet wide); thence with the Western right-of-way line of Black Avenue South 9 degrees 28 minutes 45 seconds West 257.88 feet to an existing spike on the North right-of-way line of West Catherine Street; thence with the North right-of-way line of said West Catherine Street North 80 degrees 54 minutes 45 seconds West 262.47 feet to a set spike, being the Place of Beginning.

Being Tract No. 3A as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 1.5520 acres.

SCHEDULE A

LEGAL DESCRIPTION

4168E/03-26-86

Vol. 953 432

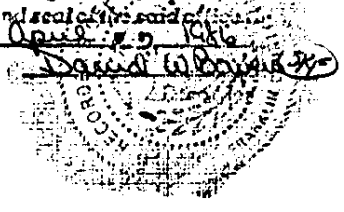
HOPKINSON GARTLIN GOTTLEBERG & GROSS
469 FIFTH AVENUE, NEW YORK, N. Y. 10017

ROSE KREFFETZ
and
FRANKLIN PROPERTIES COMPANY

QUITCLAIM DEED
Dated: _____, 1986

COPY

State of New York }
County of Franklin } s.s.
Recorded in the office for Recording Deeds, etc.
in and for said county on _____ Day
No. 953 Page 2129 of _____
Witness my hand and seal of the said _____
4th day of April 1986





CURRENT OWNER INFORMATION

CURRENT: FRANKLIN PROPERTIES COMPANY
SEC OWNER: C/O PARAN MANAGEMENT COMPANY
ADDRESS: 2720 VAN AKEN BLVD 200
 CLEVELAND OH 44120

SALE INFORMATION

DEED: 0953-0429
SOLD: 3/25/1986 **PRICE:** \$0.00

PROPERTY INFORMATION

DESC: Tax Parcel
UPI: 05-1D08.-002.-000000
PARENT: UNKNOWN
CONTROL: 00009966
TAX DIST: 05
MUNCPLTY: Chambersburg 4
SCHL DIST: Chambersburg Area School District (CASD)
LOT #: SOUTHGATE MALL
ADDRESS: 0 CEDAR STREET

ASSESSMENT VALUES

BLDG \$431,580.00
LAND \$121,680.00
TOTAL \$553,260.00 **EXEMPT:** NO

OWNERSHIP HISTORY

GRANTOR / GRANTEE	DEED	SOLD	PRICE
KREFETZ NATHAN EST	0953-0413	03/25/1986	\$3,100,000.00
KREFETZ NATHAN	0817-0273	01/01/1901	\$0.00
KREFETZ NATHAN		01/01/1901	\$0.00
KREFETZ NATHAN	0880-0351	/	\$0.00
KREFETZ NATHAN	0880-0344	/	\$0.00

**OUTSTANDING TAXES
PAST 3 YEARS**

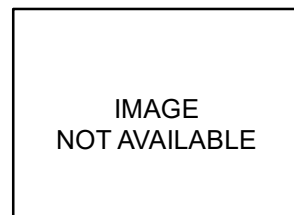
2017 : 2018: 2019: TOTAL:

LAND BREAKDOWN

PROP TYPE: COMMERCIAL - STORE
USE CODE: 346
USE DESC.:
TERRAIN:
FRONTAGE: 0 FT **TYPE:** ACTUAL
DEPTH: 0 FT **TYPE:** ACTUAL
SITE SQ FT: 0 FT
BASE ACRE: 14 ACRE(S)
TILLABLE: 0 ACRE(S)
WOODED: 0 ACRE(S)
NON TILL: 0 ACRE(S)
DEED AREA: 13.97 ACRE(S)

PROPERTY NOTES

ADD CHG PER TC 9/29/97
 ADD CHG PER TC 2/98 PG 1
 BLDG 1-AMES,GAS FRCD AIR FRN,2 TLT RMS
 W/8 FIX,FLTD BLCK FRNT
 BLDG 2-UNKNOWN USE,AGE EST
 BLDG 4-FRCD AIR FRN,6 FIX,AUTO WTR HTR,
 RNDM ROCK ON BLCK EXT



RESIDENTIAL BUILDING SKETCH UNAVAILABLE

COMMERCIAL OUTBUILDING									
SKETCH ID	USE	HEIGHT	DIM 1	DIM 2	STORY	BASEMENT	BUILT	AGE	SQ FT
01.01	Store	0	0	0	1	NONE	0	1985	55650
04.01	Store	0	0	0	1	NONE	0	1968	111420
04.02	Store	0	0	0	2	NONE	0	1968	43456
04.03	Canopy	0	0	0	1		0	1968	7696
05	Surfaced	0	0	0	1		0	1968	300000
06.01	Store	0	0	0	1		0	1968	14732
06.02	Canopy	0	0	0	1	NONE	0	1968	888
06.03	Canopy	0	0	0	1	NONE	0	1968	1280

ADDITIONAL COMMERCIAL OUTBUILDINGS EXIST - CONTACT TAX DEPT FOR DETAILS

TOTAL COMMERCIAL BUILDING SQ FT: 556272

IMPROVEMENT INFORMATION

DWELLING:		HEAT DISTRIBUTION:	
STYLE:		HEAT SOURCE:	
BUILT:		COOLING:	
EFF AGE:	YEAR(S)	WATER:	
GRADE:		SEWER:	
LVNG AREA:	SQ FT	GAS:	
STORIES:		BSMT %:	
EXTERIOR:		BSMT FIN:	SQ FT
ROAD TYPE:		TTL RM #:	
SIDEWALK:	NO	FULL BATH:	
CLSD PRCH:	YES AREA: SQ FT	HALF BATH:	
ATTCH GAR:	YES AREA: SQ FT	FIREPLACE:	
BSMT GAR:	YES AREA: SQ FT	BEDS:	

OUTBUILDING						
TYPE	DESC	SIZE	STORY	SQ FT	BUILT	GRADE

MOBILE HOME INFORMATION

PARK ID:		CLASS:	
VIN:		MANUFACTURER:	
TITLE:		WIDTH:	
ID:		LENGTH:	
ADDITIONS:			



Routing Number:

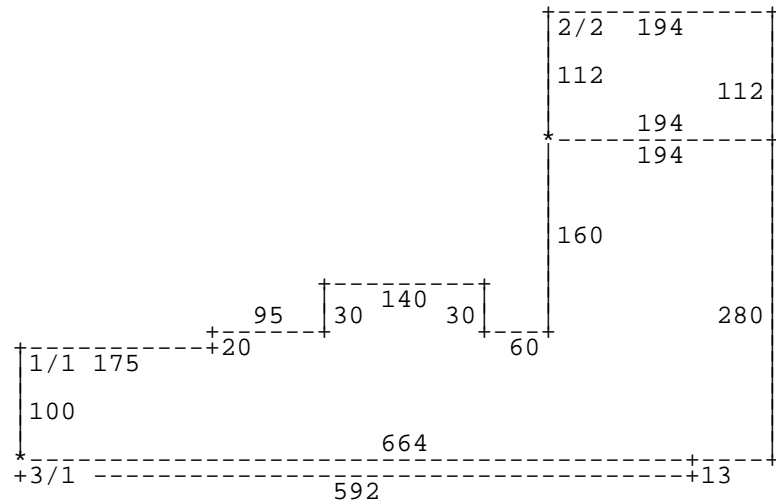
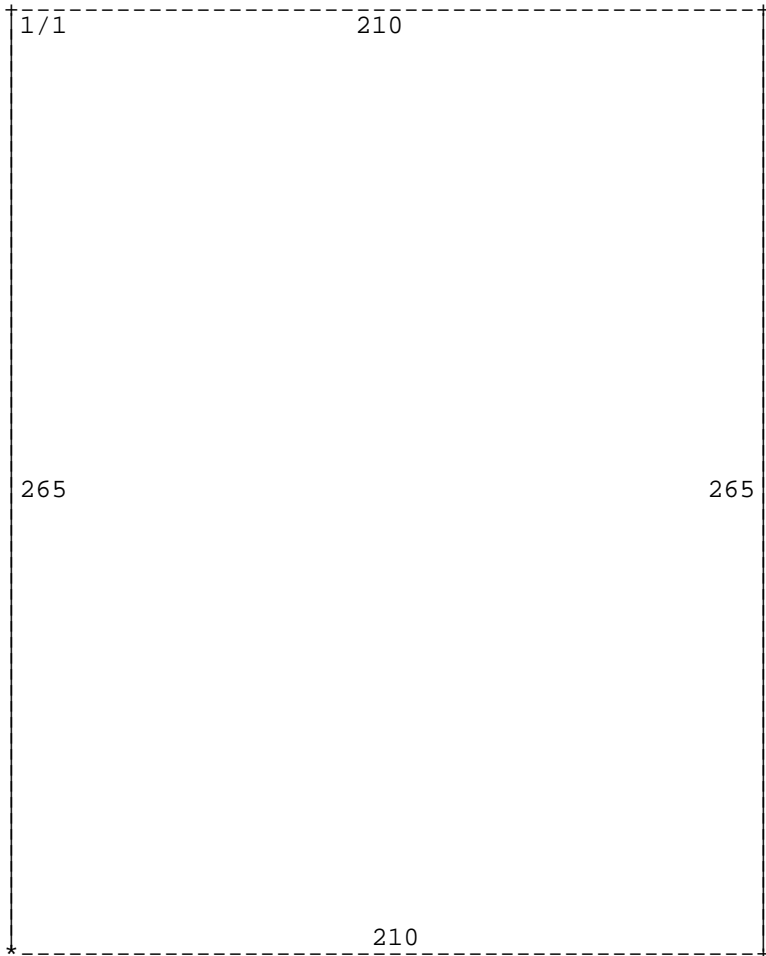
Property Type: CS

Land Use: 346

Neighborhood: 500

Description: Southgate Mall

Sketch 01	Section	Sqft	Story	Count	Sketch 04	Section	Sqft	Story	Count
	1	55650	1	1.000		1	162572	1	1.000
	2					2	21728	2	2.000
	3					3	7696	1	1.000
	4					4			
	5					5			
	6					6			
	7					7			
	8					8			
	9					9			
	Total	55650			Total		162572		



Parcel Number: 05-1D08.-002.-000000

Location:

Routing Number:

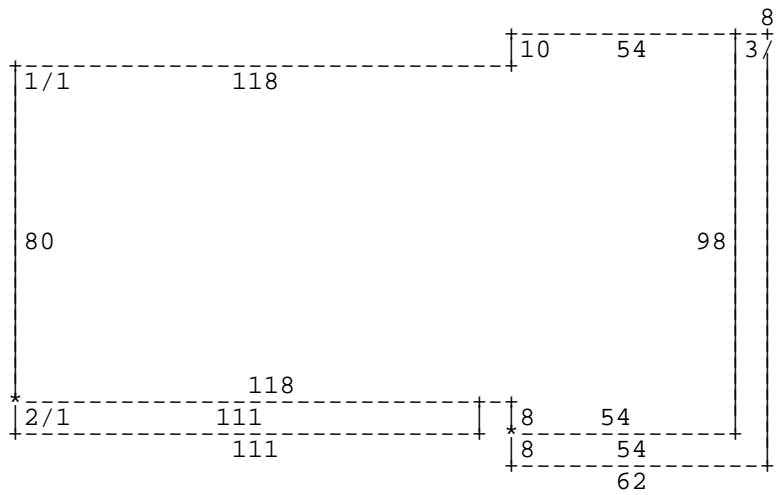
Property Type: CS

Land Use: 346

Neighborhood: 500

Description: Southgate Mall

Sketch 06	Section	Sqft	Story	Count	Sketch	Section	Sqft	Story	Count
	1	16900	1	1.000		1			
	2	888	1	1.000		2			
	3	1280	1	1.000		3			
	4					4			
	5					5			
	6					6			
	7					7			
	8					8			
	9					9			
	Total	16900				Total			



PENNSYLVANIA ONE CALL SYSTEM, INC.
1-800-242-1776

PENNSYLVANIA LAW REQUIRES NOT LESS THAN THREE NOR MORE THAN TEN WORKING DAYS NOTICE BEFORE EXCAVATION

UTILITY LOCATIONS SHOWN HEREON ARE APPROXIMATE.

REFER TO PENNSYLVANIA ONE CALL SYSTEM, INC. DESIGN NOTIFICATION SERIAL #20180290240 NOTIFIED 1/29/2018

PA Act 287 of 1974 as amended by Act 121 of 2008 73 P.S. §176 et. seq. Utility Listing:

COMPANY: GULFORD WATER AUTHORITY
ADDRESS: 115 SPRING VALLEY ROAD
CHAMBERSBURG, PA. 17202
CONTACT: MATTHEW DRAMBUGH
EMAIL: mdrambugh@gulfordwp.us

COMPANY: WEST PENN POWER
ADDRESS: C/O USFC
3645 NORTH RIVER ROAD STE 300
INDIANAPOLIS, IN 46240
CONTACT: USFC LOCATING SERVICE PERSONNEL

COMPANY: CHAMBERSBURG BOROUGH
ADDRESS: 100 S 2ND ST
PO BOX 1009
CHAMBERSBURG, PA. 17201
CONTACT: KENNETH HEAVER
EMAIL: kheaver@chambersburgpa.gov

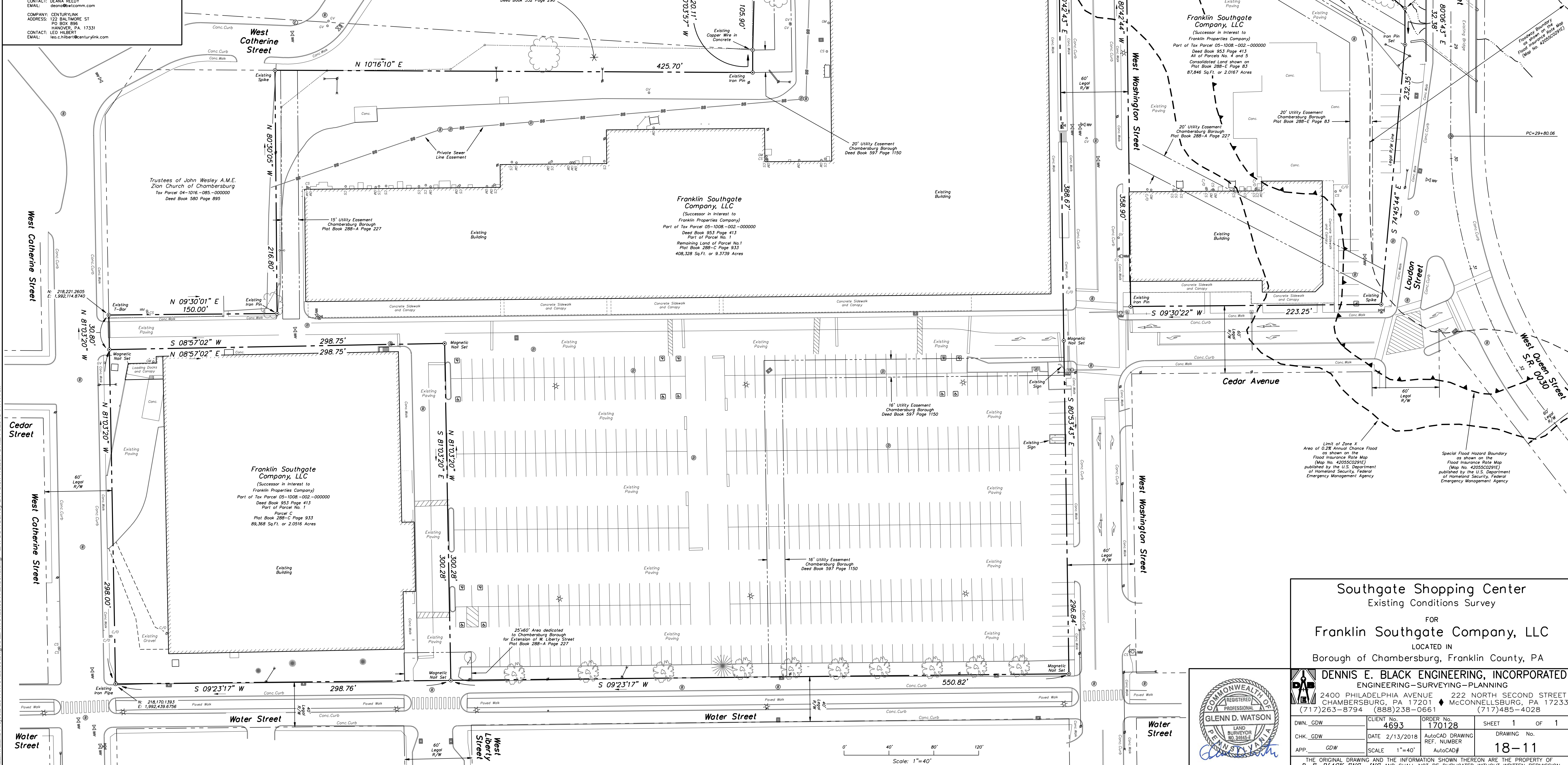
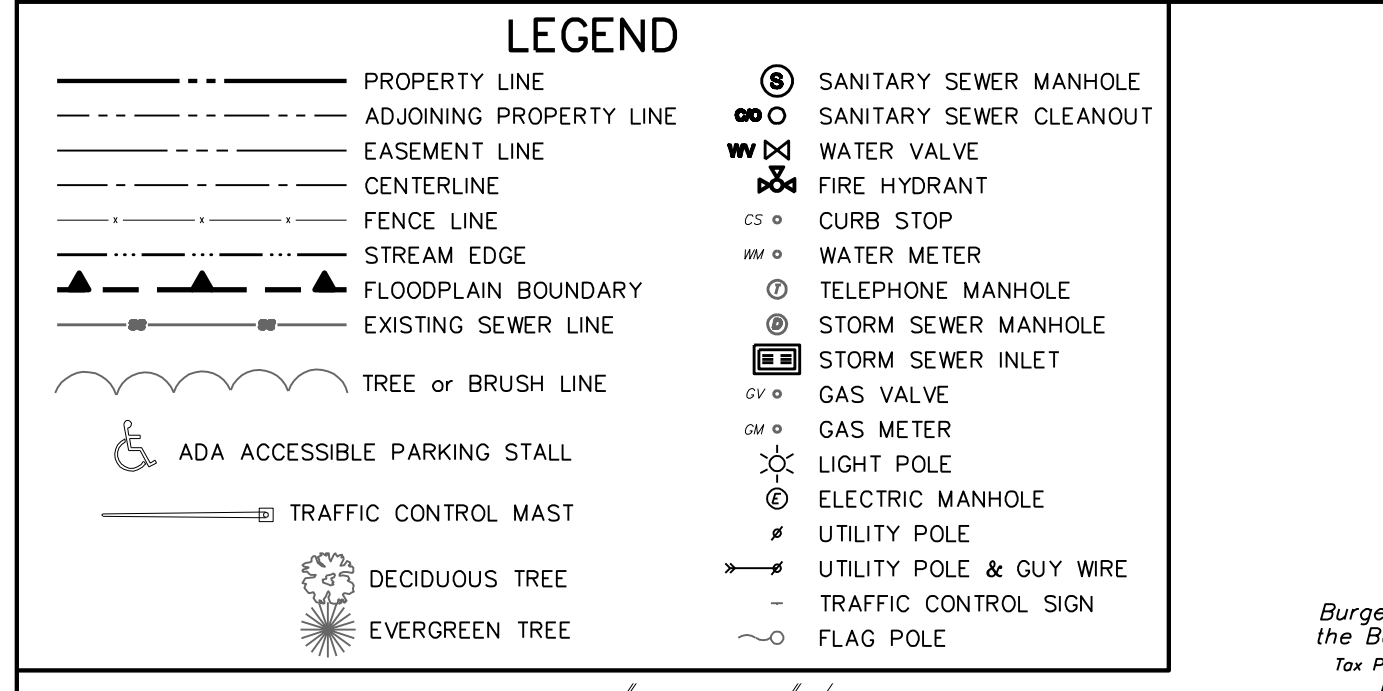
COMPANY: COMCAST CABLE COMMUNICATIONS INC
ADDRESS: C/O USFC LOCATING SERVICES INC
2305 HAMILTON CROSSING BLVD STE 200
CARMEL, IN 46032
CONTACT: USFC OFFICE PERSONNEL

COMPANY: BERKS WESTERN TELECOM INC
ADDRESS: C/O BERKS WESTERN TELECOM
723 BROWNVILLE RD
SINKING SPRING, PA. 19608
CONTACT: DEAN REEDY
EMAIL: deanr@wicom.com

COMPANY: CENTURYLINK
ADDRESS: 122 BALTIMORE ST
PO BOX 896
HANOVER, PA. 17331
CONTACT: LEO CHIBERT
EMAIL: leo.chibert@centurylink.com

Notes:

- The underground position of any utilities and drainage structures shown on this survey are approximate and are based on the surface location of the appurtenances (i.e.: inlets, hydrants, valves, manholes, etc.), construction plans, and as-built record drawings.
- The bearings and coordinates shown on this plan are referred to the Pennsylvania State Plane Coordinate System (South Zone) of the 2011 Adjustment of the North American Datum of 1983 [NAD83(NA2011)-PAS]. The topography is referenced to the North American Vertical Datum of 1988 (NAVD88). All linear dimension units are in U.S. Survey Feet.
- All easements and right-of-ways of record are intended to be shown on this plan however, this plan has been prepared without the benefit of a title insurance report. Therefore Dennis E. Black Engineering, Inc. does not certify to the completeness and legitimacy of land title issues.



Southgate Shopping Center
Existing Conditions Survey

FOR
Franklin Southgate Company, LLC
LOCATED IN
Borough of Chambersburg, Franklin County, PA

DENNIS E. BLACK ENGINEERING, INCORPORATED
ENGINEERING—SURVEYING—PLANNING

2400 PHILADELPHIA AVENUE 222 NORTH SECOND STREET
CHAMBERSBURG, PA 17201 MCCONNELLSBURG, PA 17233
(717)263-8794 (888)238-0661 (717)485-4028

DWN_GDW	CLIENT No. 4693	ORDER No. 170128	SHEET 1 OF 1
CHK_GDW	DATE 2/13/2018	AutoCAD DRAWING REF. NUMBER	DRAWING No.
APP_GDW	SCALE 1"=40'	AutoCAD#	18-11

THE ORIGINAL DRAWING AND THE INFORMATION SHOWN THEREON ARE THE PROPERTY OF D. E. BLACK ENG., INC. AND SHALL NOT BE DUPLICATED WITHOUT WRITTEN PERMISSION

LAYOUT: JTW 1/28/2018 10:00 AM; PLOT: JTW 1/28/2018 10:00 AM; PLOT: JTW 1/28/2018 11:41 AM

SOUTHGATE SHOPPING CENTER

Chambersburg, Pennsylvania



133 West Catherine Street Chambersburg, PA 17201

PROPERTY DESCRIPTION

- Neighborhood shopping center located in the historic market of downtown Chambersburg, PA - 201,000 SF
- Situated along Route 30 with traffic counts in excess of 25,000 vehicles per day
- Anchors include Big Lots, Family Dollar and Rent-a-Center
- Small shop and anchor space available for lease
- Anchor space available for sale

DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
Population	12,205	32,858	48,331
Households	4,735	13,299	19,243
Avg. HH Income	\$55,963	\$68,429	\$72,653

CONTACT:

Joe Del Balso

jdalbalo@paranmgt.com

216.921.5663 or 800.888.5663

WWW.PARANMGT.COM

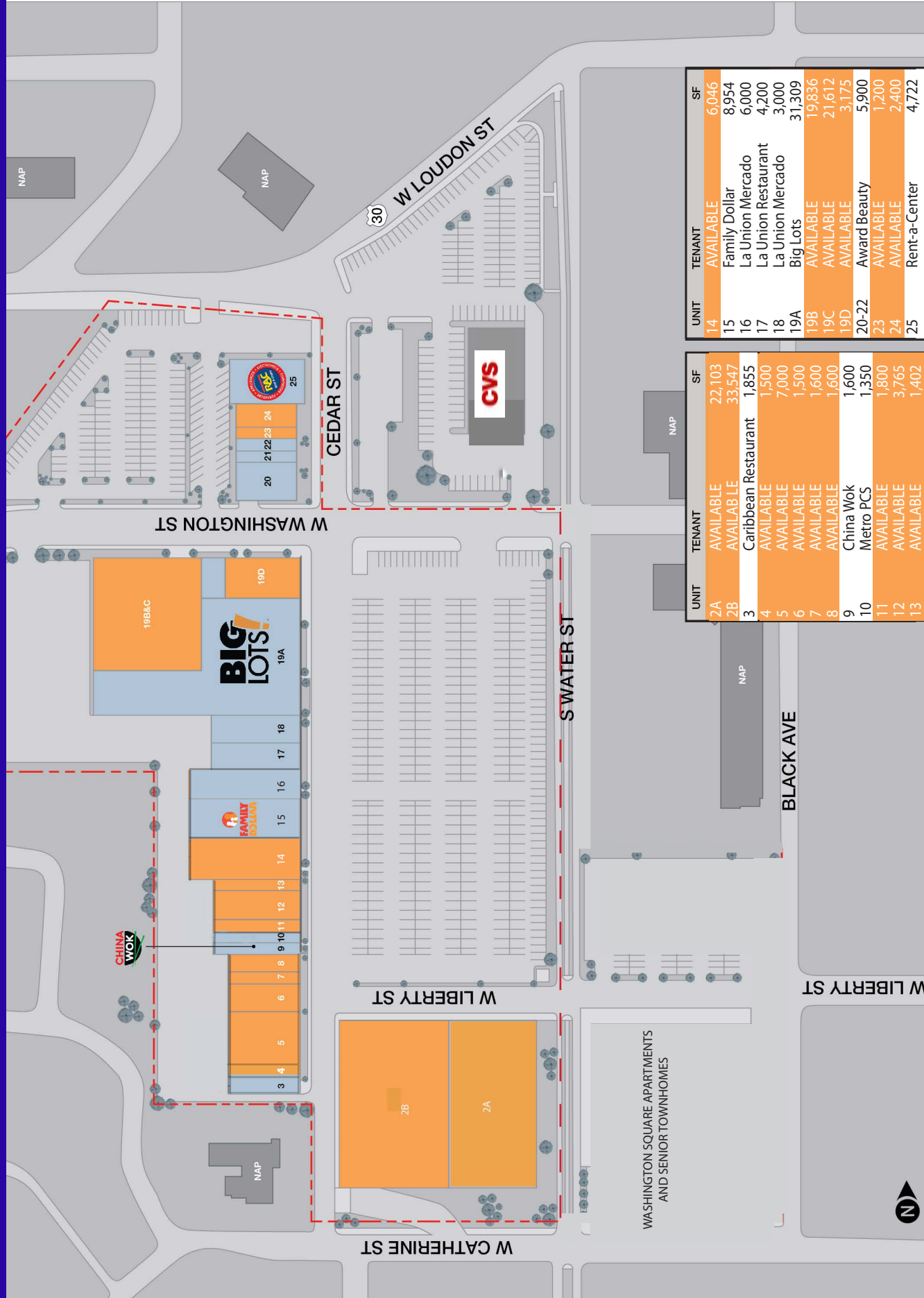
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Paran Management Company, Ltd.
2720 Van Aken Blvd. | Suite 200 | Cleveland, Oh 44120
P: 216.921.5663 or 800.888.5663 | info@paranmgt.com

SOUTHGATE SHOPPING CENTER



CONTACT: Joe Del Balso 216.921.5663 or 800.888.5663 | jdelbalso@paranmgt.com



UNIT	TENANT	SF
14	AVAILABLE	6,046
15	Family Dollar	8,954
16	La Union Mercado	6,000
17	La Union Restaurant	4,200
18	La Union Mercado	3,000
19A	Big Lots	31,309
19B	AVAILABLE	19,836
19C	AVAILABLE	21,612
19D	AVAILABLE	3,175
20-22	Award Beauty	5,900
23	AVAILABLE	1,200
24	AVAILABLE	2,400
25	Rent-a-Center	4,722

UNIT	TENANT	SF
2A	AVAILABLE	22,103
2B	AVAILABLE	33,547
3	Caribbean Restaurant	1,855
4	AVAILABLE	1,500
5	AVAILABLE	7,000
6	AVAILABLE	1,500
7	AVAILABLE	1,600
8	AVAILABLE	1,600
9	China Wok	1,600
10	Metro PCS	1,350
11	AVAILABLE	1,800
12	AVAILABLE	3,765
13	AVAILABLE	1,402

The information presented here is deemed to be accurate, but it has not been independently verified. We make no guarantee, warranty or representation to accuracy. It is the buyer or lessee's responsibility to verify accuracy.

CONCLUSION MEMO 2021

APEX Valuation Services

1 West King Street, Suite 2A
Shippensburg, PA 17257

535 North Church Street, Suite 226
West Chester, PA 19380



Real Estate Appraising & Consulting

Phone 717-530-8701
Fax 717-5308704

Apexval.com

November 9, 2021

Jeffrey Stonehill
Borough Manager, Director of Utilities
Borough of Chambersburg
100 South Second Street
Chambersburg, Pennsylvania 17201

Re: Real Estate Appraisal of property identified as:
Tax Parcel #05-1D08.-002.-000000
Southgate Mall Shopping Center, 133 West Catherine Street
Chambersburg Borough, Franklin County, Pennsylvania 17201

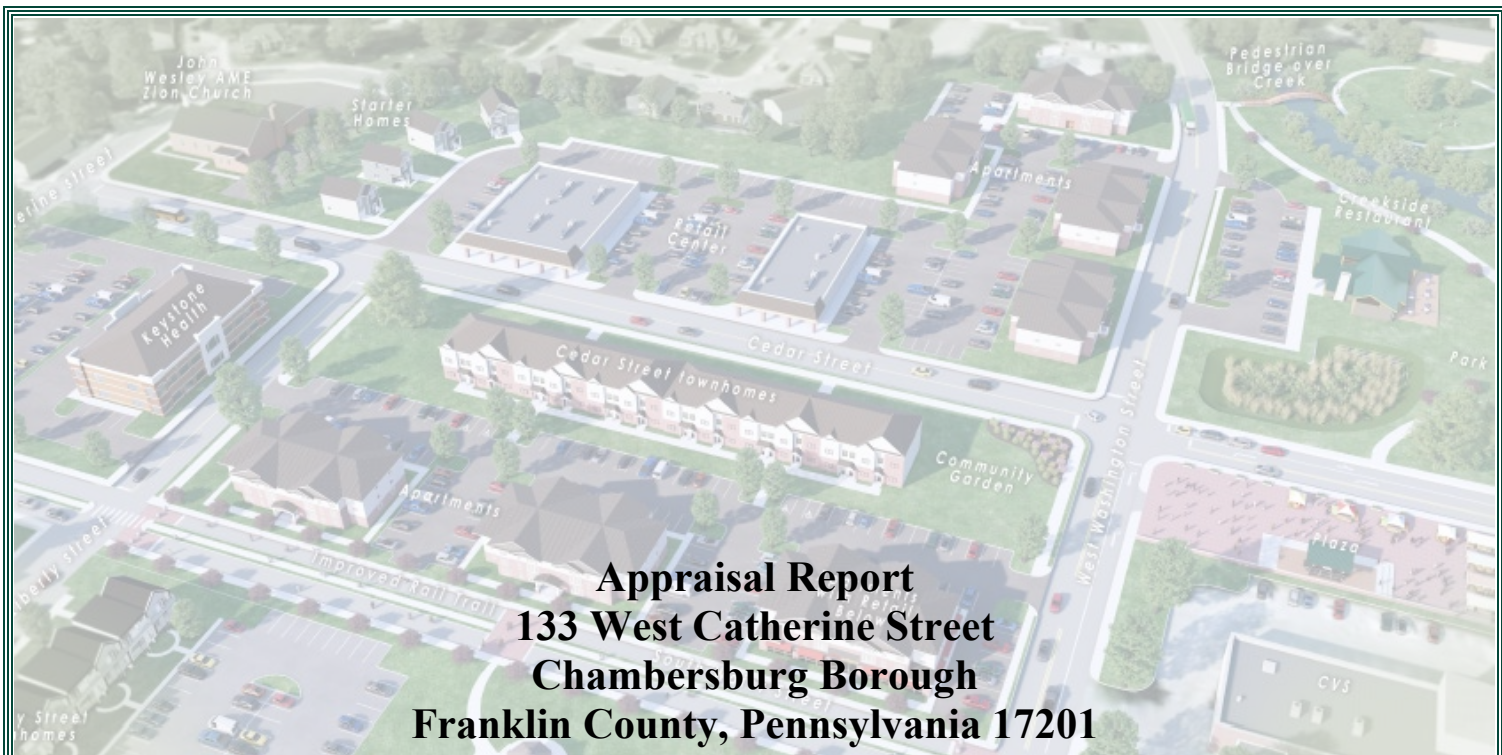
Dear Mr. Stonehill,

In reference to the above-mentioned property, we have considered your request for valuation analysis. This is a complex property with a significant number of moving parts. All real estate appraisals are based on a highest and best use analysis. That poses a problem for this property in particular. I would classify this facility as a dysfunctional shopping center that has or is reaching the end of its economic life. However, there remains considerable opportunity for redevelopment, which would increase the potential value of the site. To further complicate the situation some of the center will be replaced entirely by new infrastructure, even new streets. Even further, all of the center is not needed for the remaining tenants, the potential sections for repurpose allow for immediate redevelopment potential. All of these factors would need market studies and engineering to determine factual information so that we are not guessing from an appraisal standpoint. The bottom line is this. The highest and best use could be wide and varied depending on many factors. For this reason, the market value in my opinion would be best represented in a range of value and the variance of that range would be substantial. To even further complicate this property, there are many definitions of value that may apply here, such as market value, which is too subjective without additional information, or investment value which is a specific value to a particular user based on his or her own concept or plan. In conclusion, it is clear that the facility has significant, if undetermined economic value both in its current use and in its potential highest and best use following redevelopment. We are available for continuing consulting services throughout the purchase and redevelopment process.

Cordially,
APEX VALUATION SERVICES

A handwritten signature in blue ink, appearing to read 'Joseph W. Elhadj', is written over a horizontal line.

Joseph W. Elhadj, MAI, AI-GRS
APEX VALUATION SERVICES



**Appraisal Report
133 West Catherine Street
Chambersburg Borough
Franklin County, Pennsylvania 17201**

**Prepared For:
Jeffrey Stonehill
Borough Manager and Director of Utilities
Borough of Chambersburg
100 South Second Street
Chambersburg, Pennsylvania 17201**

Date of Report April 14, 2022	Effective Date of Report March 25, 2022
------------------------------------------	----------------------------------------------------

Prepared By:



APEX
VALUATION SERVICES

**1 West King Street, Suite 2A
Shippensburg, Pennsylvania 17257
(717) 530-8701
Apex File No: 04-22-3248**

This report was solely prepared for our client's use. Third parties who receive this report properly from our client may use it for evaluating the property or properties to which it relates for our client. The unpublished report contains confidential information owned by Apex Valuation Services and is protected under the United States Copyright Law. All unauthorized use is prohibited without the prior consent of Apex Valuation Services.

Apex Valuation Services

Real Estate Appraising & Consulting

1 West King Street, Suite 2A
Shippensburg, PA 17257

535 North Church Street, Suite 226
West Chester, PA 19380

Phone - 717-530-8701
Fax - 717-530-8704
apexval.com



April 14, 2022

Jeffrey Stonehill
Borough Manager and Director of Utilities
Borough of Chambersburg
100 South Second Street
Chambersburg, Pennsylvania 17201

Re: Estimate of Potential Assessment of
133 West Catherine Street
Chambersburg, Pennsylvania 17201

Dear Client:

We are transmitting the appraisal report you requested on the property known as and located at:

**133 West Catherine Street
Chambersburg Borough
Franklin County, Pennsylvania 17201.**

The function of this assignment is to estimate a reasonable potential assessment and associated tax liability for the subject property, based on the concept plan provided by the Client that depicts the proposed redevelopment of the subject property. The Conceptual Land Use Sketch Plan at the Southgate Shopping Center, drawn by Dennis E. Black Engineering, Inc., dated January 24, 2022 will be relied upon for purposes of this analysis.

The subject property is planned for redevelopment of a commercial and residential, mixed-use neighborhood, comprised of the following proposed improvements:

- Seven (7), three-story, 12-unit Apartment buildings,
- A 16-unit, three-story Townhouse building,
- Four (4), single-family, detached Dwellings,
- A 10,000 square foot, two-story, Medical Office building,
- Two (2) existing Retail buildings (portions of current center), containing 11,428 square feet and 7,166 square feet respectively, and
- A 7,600 square foot Retail building identified as a Restaurant in the 3D renderings.



Re: 133 West Catherine Street
April 14, 2022
Page ii

Two extraordinary assumptions have been applied in this analysis. The **first** extraordinary assumption is the future development is consistent with the conceptual plans provided to the appraiser and discussed in this analysis. The **second** extraordinary assumption is that the proposed improvements are consistent with typical market-rate improvements in the subject area, as the appraiser was not provided with detailed land development, buildings plans, unit design/composition, etc.; therefore, the appraiser has assumed the proposed improvements will be similar to typical improvements in the subject market. The reader should note that these assumptions may have an effect on value.

One hypothetical condition has been applied in this analysis. The subject property is not currently improved with the improvements proposed on the Conceptual Land Use Sketch Plan. The hypothetical condition is that the proposed improvements exist on the subject property as of the effective date of this analysis. The reader should not that the use of this condition may have an effect on value.

It should be noted that the subject property is currently improved with a multi-tenant, retail shopping center totaling 180,000+/- rentable square feet. The subject is planned for acquisition and redevelopment by the Borough of Chambersburg. As the purpose of this analysis is to estimate the potential assessment of the proposed redevelopment, there will be no further discussion or consideration given to the existing improvements.

A Resolution was approved by Town Council on October 11, 2021 authorizing entering into an agreement to purchase of the Southgate Shopping Center in the two phases. Phase 1 is identified as the shopping center between W. Catherine Street and W. Washington Street, which contains the majority of the site, as well as the majority of the current and proposed improvements. Phase 2 is identified as the shopping center between W. Washington Street and Loudon Street. Town Council authorized the execution of an Agreement of Sale for the purchase of the Property, for a total purchase price of \$4,500,000 for both phases.

The subject property is identified on the tax maps of Franklin County as District 05, Map 1D08 Parcel 002. According to the most recent legal description, of which the subject is a portion, the subject is identified as "Parcel Nos. 1, 4 and 5" and contains 13.44+/- acres. This is further supported by a survey titled, "*Southgate Shopping Center – Existing Conditions Survey – for Franklin Southgate Company, LLC*", prepared by Dennis E. Black Engineering, Inc. and dated February 13, 2018. Of note, the subject's tax card indicates that the parcel is 13.97+/- acres. For purposes of this analysis, the Appraiser is relying on the acreage supported by the legal description in the most recent deed and the recent survey, of **13.44+/- acres**.

It should be noted that the concept plans include two small parcels, being District 04, Map 1D08 Parcel 047 (0.32+/- acres) and District 05, Map 1D00 Parcel 001B (0.74+/- acres), currently owned by the Franklin County Redevelopment Authority and the Borough of Chambersburg, respectively. The appraiser was not asked to evaluate either of these parcels; however, the appraiser is also of the opinion that there should be no significant changes to the current assessments.



Re: 133 West Catherine Street
April 14, 2022
Page iii

The enclosed report provides the market data and analysis supporting the opinion of potential assessment for the subject property, as of March 25, 2022, estimated as:

\$2,000,000
(Two Million Dollars).

Given this estimated potential assessment, the estimated implied value for the subject property, as of March 25, 2022, is estimated as:

\$18,860,000
(Eighteen Million Eight Hundred Sixty Thousand Dollars).

Given this estimated potential assessment, the estimated tax liability for the subject property, as of March 25, 2022, is estimated as:

\$360,000
(Three Hundred Sixty Thousand Dollars), annually.

It should be noted that the estimated tax liability is as of the effective date of this analysis. The proposed timeline for development and completion of the proposed improvements is currently unknown. Millage rates in the Borough have increased at a rate of 0.5% to 3.0% annually over the past three years. In the appraiser's opinion, millage rates generally increase at a rate of 2% annually throughout the greater market.

This report has been completed in compliance with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Boards of the Appraisal Foundation. This appraisal has also been completed in conformity with the Code of Ethics and Standards of Professional Practice of the Appraisal Institute.

The reader should note that this office (Apex Valuation Services) previously appraised the subject property in August 2020. Any changes in value are (or may be due to) market changes or physical characteristics.



Re: 133 West Catherine Street
April 14, 2022
Page iii

We expect you will find the details of this analysis relevant to your decisions, and we would be pleased to answer any questions you might have.

Sincerely,
APEX VALUATION SERVICES

A handwritten signature in blue ink, appearing to read 'Joseph W. Elhajj'.

Joseph W. Elhajj, MAI, AI-GRS
PA Certified General Real Estate Appraiser
#GA-001599-L

A handwritten signature in blue ink, appearing to read 'Robert M. Hudome'.

Robert M. Hudome
PA Licensed Appraiser Trainee
#LAT001071



APPRAISER CERTIFICATION

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

- The statements of fact contained within this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have appraised the property that is the subject of this analysis within the three-year period immediately preceding acceptance of this assignment, in August 2020.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- Robert Hudome provided significant real property appraisal assistance to the person signing this certification.
- 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.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for designated members of the Appraisal Institute.

A handwritten signature in blue ink, appearing to read "Joseph W. Elhaggi".

Joseph W. Elhaggi, MAI, AI-GRS
Pennsylvania Certified General Appraiser
#GA-001599-L



Table of Contents

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EXECUTIVE SUMMARY

Type of Property: Proposed Mixed-Use Neighborhood.

Location: The subject property is identified with a physical address of 133 West Catherine Street, Chambersburg, Pennsylvania 17201. Of note, the property is also identified as 143 Cedar Street, as well as several other addresses, given the existence of several currently existing on the parcel.

Tax ID Number: The subject is comprised of a single parcel identified on the tax maps of Franklin County, Pennsylvania as District 05, Map 1D08 Parcel 002.

Property Rights: The existing improvements currently feature leased fee interests. Leased fee interest is defined as:

" The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires."¹ In appraisal practice, the lessor's, or landlord's, position is referred to as the leased fee. The rights of the lessor and the lessee are specified by contract terms contained in the lease. Although the specific details of leases vary, a lease generally provides the lessor with the following:

- Rent to be paid by the lessee under stipulated terms
- The right of repossession at the termination of the lease
- Default provisions

In appraisal practice, the lessor's interest in a property is considered a leased fee regardless of the duration of the lease, the specified rent, the parties to the lease, or any of the terms in the lease contract.²

The proposed redevelopment would signify fee simple interest. Fee simple interest is defined as:

" Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."³

As noted previously in this analysis, the function of this assignment is to estimate a reasonable potential assessment and associated tax liability for the subject property, based on the concept plan provided by the Client that depicts the proposed redevelopment of the subject property; therefore, the current property rights (and existing improvements) will not be further discussed or considered in this analysis.

1 The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition.

2 The Appraisal of Real Estate, Appraisal Institute, 15th Edition.

3 The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition.



History and Ownership: The subject property is currently owned by Franklin Properties Company, who acquired the subject from Rose Krefetz (one-half interest), Susan Alice Krefetz (one-quarter interest) and Lillian Judith Krefetz (one-quarter interest) on March 25, 1986 for a recorded consideration of \$3,100,000 as recorded in the Franklin County Recorder of Deeds Office via Deed Book 953, Page 413. This purchase was for several parcels, of which the subject is a portion.

Recorded just after the above transaction – a portion of the subject property was conveyed via a Quitclaim Deed from Rose Krefetz (one-half interest), Susan Alice Krefetz (one-quarter interest) and Lillian Judith Krefetz (one-quarter interest) to Franklin Properties Company on March 25, 1986 for a recorded consideration of \$1.00 as recorded in the Franklin County Recorder of Deeds Office via Deed Book 953, Page 429.

The subject is planned for acquisition and redevelopment by the Borough of Chambersburg. A Resolution was approved by Town Council on October 11, 2021 authorizing entering into an agreement to purchase of the Southgate Shopping Center in the two phases. Phase 1 is identified as the shopping center between W. Catherine Street and W. Washington Street, which contains the majority of the site, as well as the majority of the current and proposed improvements. Phase 2 is identified as the shopping center between W. Washington Street and Loudon Street. Town Council authorized the execution of an Agreement of Sale for the purchase of the Property, for a total purchase price of \$4,500,000 for both phases.

Copies of the most recent legal description(s) and applicable plans are contained in the Addenda to this analysis.

Client: Jeffrey Stonehill, Borough Manager and Director of Utilities for the Borough of Chambersburg – 100 South Second Street Chambersburg, Pennsylvania 17201.

Site Area: The subject property is comprised of 13.44+/- acres.

Proposed Improvements: The function of this assignment is to estimate a reasonable potential assessment and associated tax liability for the subject property, based on the concept plan provided by the Client that depicts the proposed redevelopment of the subject property. The Conceptual Land Use Sketch Plan at the Southgate Shopping Center, drawn by Dennis E. Black Engineering, Inc., dated January 24, 2022 will be relied upon for purposes of this analysis.

The subject property is planned for redevelopment of a commercial and residential, mixed-use neighborhood, comprised of the following proposed improvements:

- Seven (7), three-story, 12-unit Apartment buildings,
- A 16-unit, three-story Townhouse building,
- Four (4), single-family, detached Dwellings,
- A 10,000 square foot, two-story, Medical Office building,
- Two (2) existing Retail buildings (portions of current center), containing 11,428 square feet and 7,166 square feet respectively, and
- A 7,600 square foot Retail building, identified as a Restaurant in the 3D renderings.



Zoning: The subject property is currently zoned Distributive Commercial Highway (DCH) under regulations set forth in the Chambersburg Borough Zoning Ordinance. The proposed concept plan is considered to be permissible, pending future land development plans.

Highest and Best Use: The function of this assignment is to estimate a reasonable potential assessment and associated tax liability for the subject property, based on the proposed redevelopment of the subject property, a highest and best use analysis has not been developed.

Assessment Issues: The function of this assignment is to estimate a reasonable potential assessment and associated tax liability for the subject property, based on the concept plan provided by the Client that depicts the proposed redevelopment of the subject property. The Conceptual Land Use Sketch Plan at the Southgate Shopping Center, drawn by Dennis E. Black Engineering, Inc., dated January 24, 2022 will be relied upon for purposes of this analysis.

The appraiser interviewed Jodi Martin, Chief Appraiser with Franklin County for background into the assessment process for new and proposed construction within the County. The appraiser also researched the local market for comparable improvements to those proposed in the subject's concept plans. A detailed assessment analysis will be included in the body of this report.



Scope Of Work

- Intended Use
 - The function of this assignment is to estimate a reasonable potential assessment and associated tax liability for the subject property, based on the concept plan provided by the Client that depicts the proposed redevelopment of the subject property.
- Intended User
 - Jeffrey Stonehill, Borough Manager and Director of Utilities for the Borough of Chambersburg. Use of this report by others is not intended by the appraiser.
- Purpose
 - The Client requested the potential assessment and associated tax liability for the subject property, based on the concept plan that depicts the proposed redevelopment of the subject property.
- Effective Date/Inspection Date/Date of Report
 - The effective date for this assignment is March 25, 2022 which is the date of most recent inspection.
 - The date of this analysis is April 14, 2022.
- Analyses Considered
 - An Appraisal⁴ is defined as:
 1. The act or process of developing an opinion of value; an opinion of value. An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, more than, not less than, less than) to a specified amount.
 2. (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services. Comment: An appraisal is numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, not less than) to a previous value opinion or numerical benchmark (e.g., assessed value, collateral value).
- Assessed Value⁵
 - “The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value or based on an assessment ratio that is a percentage of market value.”
 - Assessment⁶:
 1. The official valuation of property for ad valorem taxation.
 2. A single charge levied against a parcel of real estate to defray the cost of a public improvement that presumably will benefit only the properties it serves, e.g., assessment for the installation of sidewalks, curbs, or sewer and water lines.
 3. A determination of the amount paid by or to the owners of real property to defray the cost of a public improvement that is presumed to benefit the properties it serves in an amount at least equal to the cost of the improvement, e.g., assessment of benefits or damages for public sewer or water lines.

4 The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition.

5 The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition.

6 The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition.



- Extraordinary Assumptions and Hypothetical Conditions
 - **Two** extraordinary assumptions have been applied in this analysis.
 - The **first** extraordinary assumption is the future development is consistent with the conceptual plans provided to the appraiser and discussed in this analysis.
 - The **second** extraordinary assumption is that the proposed improvements are consistent with typical market-rate improvements in the subject area, as the appraiser was not provided with detailed land development, buildings plans, unit design/composition, etc.; therefore, the appraiser has assumed the proposed improvements will be similar to typical improvements in the subject market.
 - The reader should note that these assumptions may have an effect on value.
 - **One** hypothetical condition has been applied in this analysis.
 - The subject property is not currently improved with the improvements proposed on the Conceptual Land Use Sketch Plan. The hypothetical condition is that the proposed improvements exist on the subject property as of the effective date of this analysis.
 - The reader should not that the use of this condition may have an effect on value.

- Analyses Considered
 - Given the function of this analysis, a Highest and Best Use analysis, Cost Approach, Sales Comparison Approach and Income Approach were not developed. They bear no weight and are not considered in the potential assessment value of the subject property.

- Research
 - The subject is identified in this analysis by tax records coupled with a review of most recent deeds, site/engineering plans, and concept plans.
 - The subject was inspected by all of the appraisers signing the report to catalog its physical attributes with a physical inspection of the subject's site, exterior and/or complete interior.
 - The neighborhood was toured and researched for pertinent characteristics.
 - Economic conditions and public infrastructure were researched with government publications and third-party reports.
 - Comparable data was selected from the immediate market area and verified. Reliable sources are considered to be appraisal files, public records, primary research, and national trade surveys; complemented with exterior inspections of the comparables.



➤ Reporting

- In conformity with USPAP and also the client’s requirements, an appraisal was completed.
- This analysis includes a signed certification that is signed by the principal appraiser stating the principal appraiser inspected the subject.
- This analysis includes statements of standard assumptions & limiting conditions including a statement with the following wording:

“Disclosure of the contents of this appraisal report shall be governed by the terms and conditions stated herein, provided, however, that anything contained herein before or hereinafter to the contrary notwithstanding, the client may distribute copies of this appraisal report to such third parties as may be selected by it, and provided further that neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, or other media for public communications without prior written consent of the signatories of this appraisal report.”

Definition of Appraisal for this Assignment: per the Uniform Standards of Professional Appraisal Practice 2020-2021 edition, “appraisal” is defined as the act or process of developing an opinion of value.⁷ The content of an Appraisal Report must be consistent with the intended use of the appraisal, and at a minimal.⁸

- i. state the identity of the client, or if the client requested anonymity; state the identity is withheld at the client’s request;
- ii. state the identity of any other intended users by name or type;
- iii. state the intended use of the appraisal;
- iv. contain information, documents and/or exhibits sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment;
- v. state the real property interest appraised;
- vi. state the type and definition of value and cite the source of the definition;
- vii. state the effective date of the appraisal and the date of the report;
- viii. summarize the scope of the work used to develop the appraisal;
- ix. summarize the extent of any significant real property appraisal assistance;
- x. provide sufficient information to indicate that the appraiser complied with the requirements of Standard 1 by:
 - i. summarizing the appraisal methods and techniques employed
 - ii. stating the reasoning for excluding the sales comparison, cost, or income approach(es) if have not been developed;
 - iii. summarizing the results of analyzing the subject sales, agreements of sale, options, and listings in accordance with Standards Rule 1-5; and
 - iv. stating the value opinion(s) and conclusion(s); and
 - v. summarizing the information analyzed and the reasoning that supports the analyses, opinions and conclusions, including reconciliation of the data and approaches.
- xi. state the use of the real estate existing as of the effective date and the use of the real estate reflected in the appraisal;
- xii. when an opinion of highest and best use was developed by the appraiser, state that opinion and summarize the support and rationale for that opinion;
- xiii. clearly and conspicuously:
 - i. state all extraordinary assumptions and hypothetical conditions; and
 - ii. state that their use might have affected the assignment results

⁷ Uniform Standards of Professional Appraisal Practice 2020-2021 Edition, Definitions, page 3

⁸ Uniform Standards of Professional Appraisal Practice 2020-2021 Edition, Advisory Opinion 38 (AO-38) page 172-173



- xiv. include a signed certification in accordance with Standards Rule 2-3.

The appraiser's qualifications and experiences are included in this report. This information serves as evidence of the appraiser's competence for the completing of this appraisal assignment in compliance with the competency rule of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation, Washington, D.C.

It is our opinion that our analysis is comprehensive enough to meet the client's need.

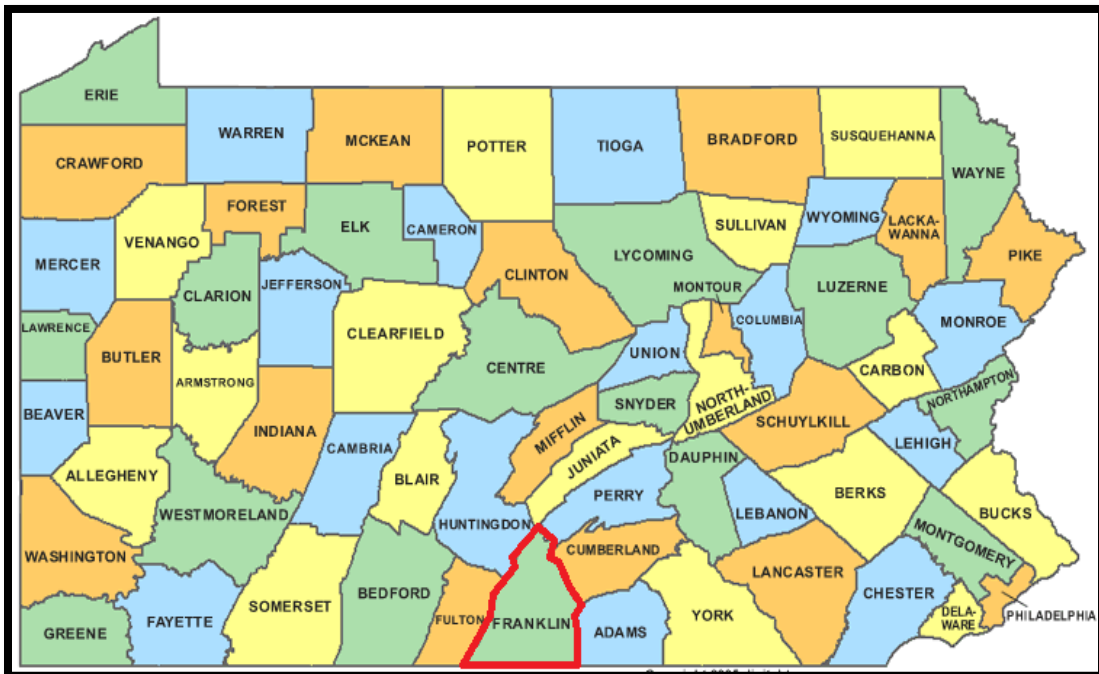
Valuation Summary Table

Value Indications (as of March 25, 2022):	Total
Estimate of Potential Assessment	\$2,000,000
Estimate of Implied Value	\$18,860,000
Estimate of Annual Tax Liability	\$360,000 annually



FRANKLIN COUNTY AREA ANALYSIS

The subject property is located in Franklin County in South Central Pennsylvania, on the Mason-Dixon Line. Franklin County is bounded on the west by Fulton County, on the east by Adams County and on the north by Cumberland, Juniata and Huntingdon Counties. The map below shows Franklin County's location in Pennsylvania.



Franklin County is approximately 754 square miles with seven Boroughs and fifteen Townships. The county seat of Franklin County is Chambersburg Borough.

One of Franklin County's greatest assets is its location and easy access to substantial and growing industrial and consumer markets. Franklin County is situated within one day's drive of more than 50% of the North American population.

Franklin County's extensive interstate highways, two Class-1 railroads, and intermodal services provide immediate and cost-effective access to major markets and talent from Charlotte, NC to Toronto, Canada and beyond.



Chambersburg is centrally located within the county at the junction of U.S. Route 30 and U.S. Route 11. Both of these routes are predominately two-lane roadways with center turn lanes in peak traffic areas. U.S. Route 11 extends northeast/southwest across the county, linking Chambersburg with Harrisburg, Pennsylvania to the north and Hagerstown, Maryland to the south. U.S. Route 30 extends east/west across the county linking Chambersburg with Gettysburg and York to the east. Due to traffic congestion along U.S. Route 30 east of the Borough of Chambersburg, plans have been proposed to widen U.S. Route 30 to a four-lane roadway.

There are two interstate highways supporting regional transportation needs. Interstate I-76, the Pennsylvania Turnpike, runs east and west as the primary corridor between Philadelphia at the east side of the state and Pittsburgh on west side of the state as well as the Pennsylvania-Ohio border. The other interstate is I-81, which runs north and south through Franklin County. U.S. Route 30 and Pennsylvania Route 16 have interchanges with Interstate I-81 and provide additional easy access to the south-central sector of Pennsylvania and secondary rural highway connections to the state of Maryland.

There are more than 20 freight carriers that provide services to Franklin County. Rail service is provided by Conrail, Norfolk-Southern, and the Western Maryland Railway Company (CSX). The rail lines run north and south through Greencastle and Chambersburg. Commercial air service is available near Hagerstown, Maryland just south of Franklin County. Other air freight and passenger service is available at the Harrisburg International Airport approximately 65 miles northeast of Franklin County. There is also passenger and freight air service from the Baltimore-Washington International Airport (BWI), the National and Dulles Airports in the Washington, DC area.

The transportation system that serves this region is among the prime catalysts that help keep the region's economy competitive with other areas of the state and nation. This integrated system allows goods and services produced within the region to be exported to other markets, both nationally and internationally.



Franklin County maintains a well-preserved rural and small-town landscape in proximity to several major markets such as:

- Baltimore, MD – 76 miles
- Harrisburg, PA – 52 miles
- New York, NY – 238 miles
- Philadelphia, PA – 140 miles
- Pittsburgh, PA – 154 miles
- Washington, DC – 94 miles

Franklin County’s economic strength in relation to the surrounding counties is supported by the table below which summarizes the area’s median family income and per capita income. Again, these indicators in Franklin County have demonstrated to be comparable to the neighboring counties.

COUNTY	PER CAPITA PERSONAL INCOME	MEDIAN HOUSEHOLD INCOME
ADAMS	\$32,325	\$67,108
CUMBERLAND	\$39,186	\$75,772
DAUPHIN	\$33,269	\$59,226
FRANKLIN	\$29,920	\$62,132
FULTON	\$27,304	\$55,161
HUNTINGDON	\$26,177	\$53,207
PERRY	\$31,038	\$63,543
<i>PENNSYLVANIA</i>	<i>\$35,311</i>	<i>\$62,724</i>
<i>NATION</i>	<i>\$35,106</i>	<i>\$64,730</i>

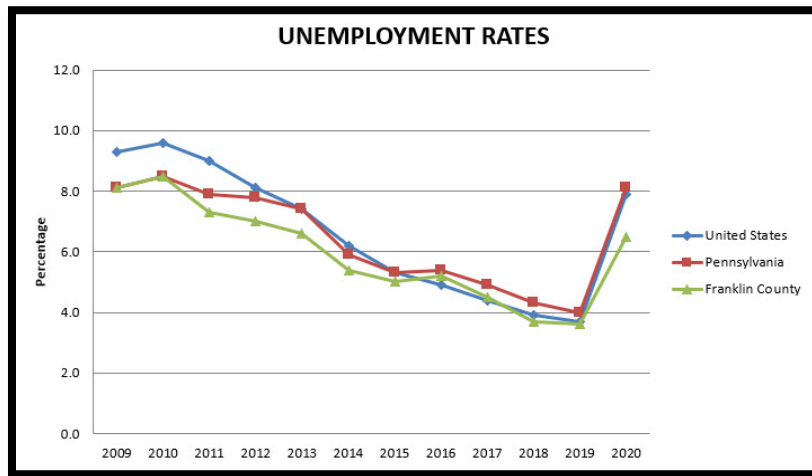
Source: Stdbonline.com⁹

⁹ Stdbonline.com (July 2021)

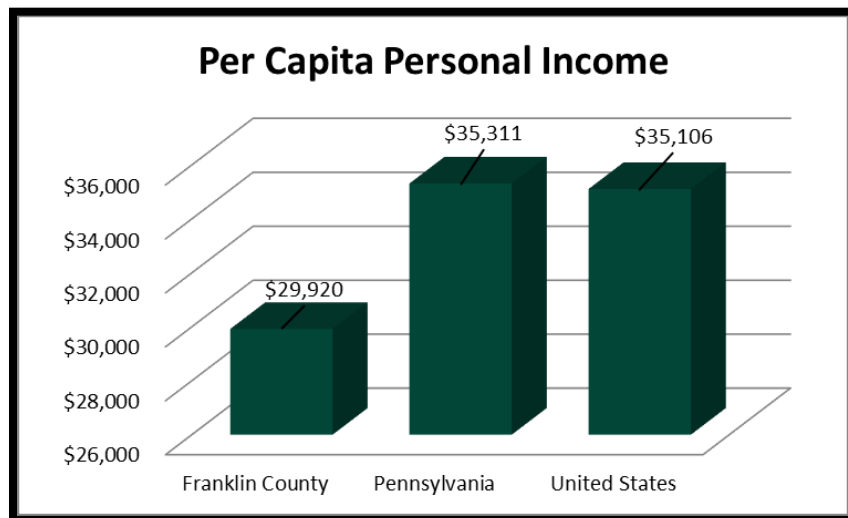


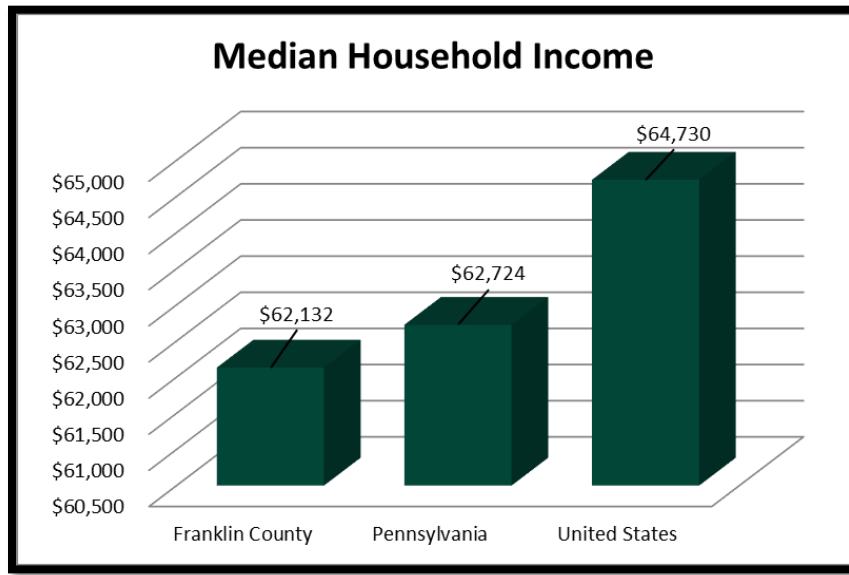
Unemployment Rate:

Annual unemployment for Franklin County for 2020 was 6.8%; which was slightly below the state’s rate of 8.1% and the national rate of 7.9%: however, this is due to unemployment spiking across all areas through 2020. Historically, Franklin County has had unemployment rates below or on-par with the state and national averages. The following chart illustrates annual unemployment rates for the past ten or so years. It should be noted that as of December 2021, which reflects the most recent County unemployment statistics, Franklin County unemployment has dropped to 3.0%, as compared to 3.9% for the nation and 4.4% for Pennsylvania.



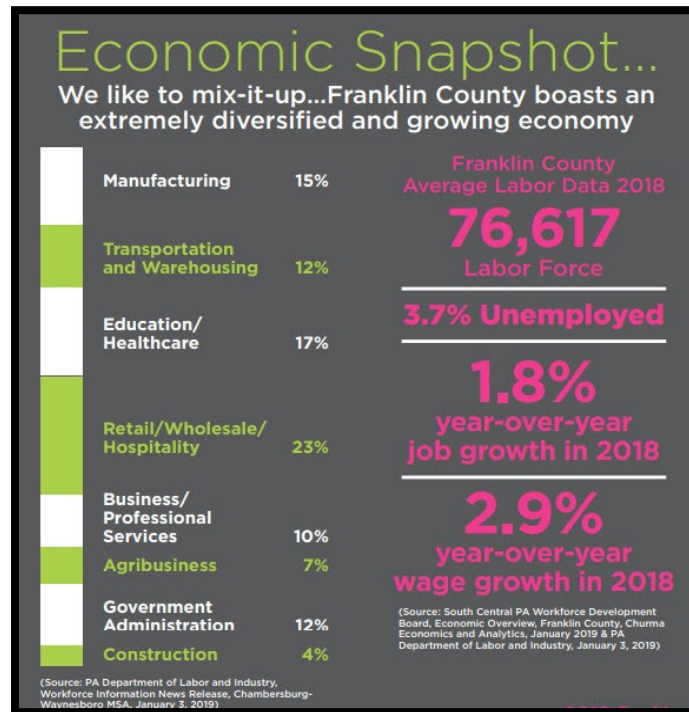
The graphs below illustrate 2021 figures pertaining to Franklin County’s per capita personal income and median household income levels in relation to state and national levels. In terms of per capita personal income, the County performed below the state and national figures. In terms of median household income, the County performed on par with the state but below national figures.





Source: STDB (Prepared July 2021)

Franklin County boasts a diversified and growing economy as shown in the following chart.



(Franklin County Area Development Corporation – 2019 County Profile)

Franklin County manufacturers contributed more than \$1.1 Billion of the County GDP in 2019, the most of any sector.



Volvo Construction Equipment is the second largest manufacturer in Franklin County and one of the largest private employers in the County. In May 2012 the plant, located in the Shippensburg area, began a \$100 million plant expansion. This plant serves as the company’s headquarters for operations in North and South America. Volvo acquired the facility in 2007 (and other facilities) from Ingersoll-Rand’s road construction division. Company representatives indicated that Shippensburg was chosen in part for its desirable location due transportation infrastructure and proximity to population centers.

Located in Southampton Township (Franklin County) is a recently completed regional distribution center (1,700,000+ sf) occupied by Proctor-Gamble. Proctor-Gamble chose this location due to proximity to Interstate I-81. It was estimated 1,000 jobs were created from this development.

Also, Georgia-Pacific, maker of pulp and paper products, recently built a new distribution facility in the Shippensburg area at an area known as ProLogis Park due to the accessibility to Interstate I-81. The facility contains 1.5 million square feet.





Franklin County's strength in manufacturing is not a surprise when considering that manufacturing contributes \$64 billion to the state's gross product which is by far the largest share of any sector. Franklin County has demonstrated its ability to support and expand in the area of manufacturing, distribution, wholesale and retail trade. Over the past several years, multiple nationally recognized companies have developed distribution centers in Franklin County specifically in proximity to the Borough of Chambersburg.

Antrim Commons Business Park is a 348-acre rail-served business park situated at I-81's Exit #3 and Route 11 in Greencastle, Pennsylvania. As of early 2019, 134 acres were under a purchase option to Northpoint Development. Approximately 24 acres are still available for lease or sale.

The project supports in excess of five million square feet of large-box industrial, highway retail and flex-industrial uses. Immediately adjacent to Antrim Commons is Norfolk Southern's 200-acre, \$97 million, Franklin County Regional Intermodal Facility, which provides direct rail access to the park. The Intermodal Facility, which opened in January 2013, has the capacity to handle more than 85,000 shipping containers annually.

The Park currently includes a 400,000 square foot rail served, refrigerated distribution center for Hub One Logistics, the U.S. headquarters for Gate 7, a Sheetz convenience store and gasoline station, a medical office building for Summit Health, a Blaze Alexander Chevrolet dealership, two industrial buildings totaling 2,247,000 square feet developed by Northpoint Development, and a 432,000 square foot manufacturing facility for Eldorado Stone.

The overview below illustrates the planned park.



On August 22, 2018 the FCADC broke ground on a new 50,000 square foot industrial building for Hagerstown, Maryland-based Jamison Door Company. The FCADC is serving as the project developer. The facility will serve as Jamison’s latest plant for the production of high-speed roll-up doors in partnership with Italy-based manufacturer BMP Group. The project represents a \$3.6 Million capital investment within the Wharf Road Industrial Park.

The FCADC completed the construction and ultimately settled on the sale of its 20,000 square foot spec building located within the Wharf Road Industrial Park in Waynesboro. The new building was acquired by Smithsburg, Maryland-based Fil-Tec, Inc. The property is immediately adjacent to Fil-Tec’s 45,000 square foot production and warehouse facility. The project represents a \$1.5 Million capital investment.



In April 2018, Herbruck's Poultry Ranch celebrated the opening of its \$2 Million warehouse and cooler facility on Sunset Pike in Chambersburg. Herbruck's purchased the property from the FCADC. In addition to storing eggs from the Company's Michigan location, the facility will provide storage and cooler space for their future Montgomery Township egg-layer operation.

In early 2018 the Franklin County Commissioners formally approved a \$67 Million County Court Facility Improvement Program. The plan includes construction of a new 108,000 SF courthouse building as well as renovations to the existing Court House and adjoining Court Annex building. Additional work includes the renovation and expansion of the County Administrative Annex on North Second Street and the construction of a new County archives building. The project is underway and should be completed in 2021.

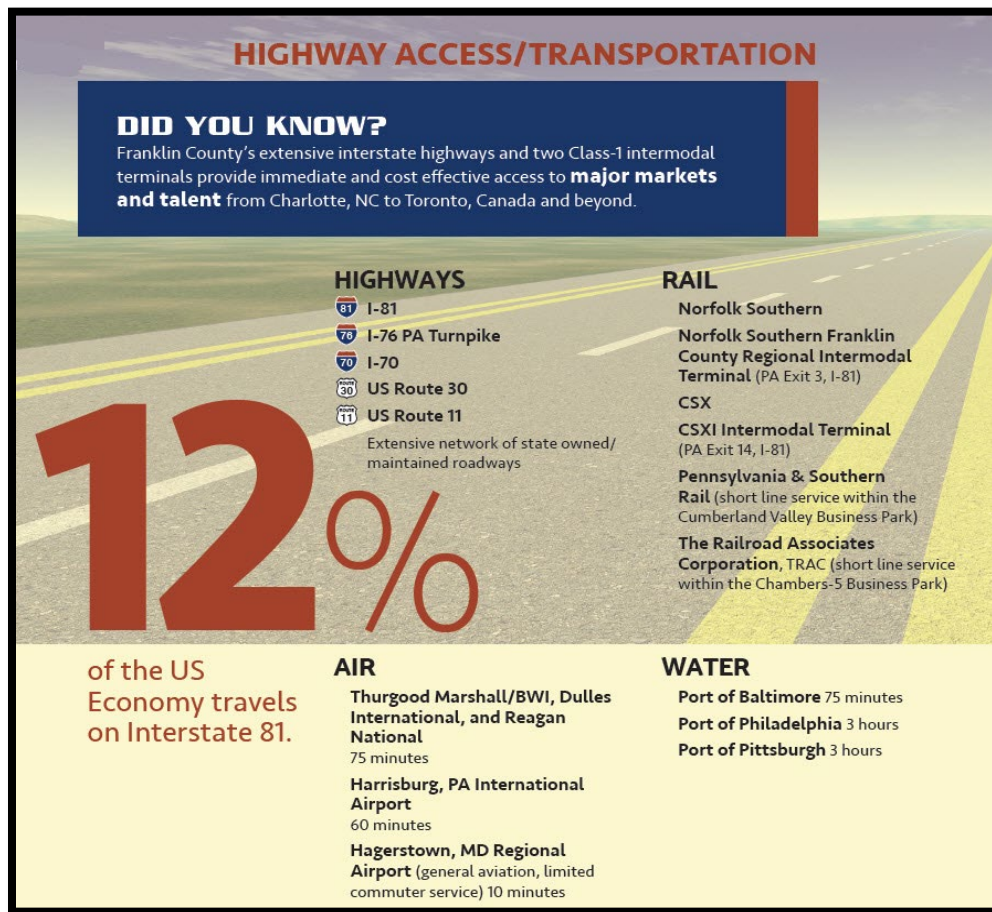
As of January 2019, agriculture reportedly comprises more than 242,600 acres of land in Franklin County. The County ranks 2nd in the state for the production of milk, cattle, apples, peaches, and corn for silage. To date more than 17,000 acres of production agricultural land have been preserved for future generations. There are nearly 1,600 acres of family farms in Franklin County.

Franklin County is serviced by two hospitals. Chambersburg Hospital is a 273-bed acute and critical facility and Waynesboro Hospital is a 57-bed facility. Both are under the Summit Health umbrella of ownership. In 2015, Summit opened a new \$16 million medical office building adjacent to the Waynesboro Hospital and a new urgent care clinic at Exit 17 of Interstate I-81. In November 2018, Summit Health and York-PA based WellSpan Health merged healthcare systems. WellSpan brings six hospitals, a group of more than 1,200 highly experienced physicians and practice clinicians, and 15,000 employees to join forces with Summit's more than 280 skilled physicians and specialists and 3,700 employees.



In addition to WellSpan/Summit, Franklin County is also served by Keystone Health, a nationally recognized, Federally Qualified Community Health Center. Keystone operates several state-of-the-art locations throughout the County and employs 475 healthcare professionals.

Interstate I-81 is a primary north/south artery which links Harrisburg to Hagerstown and accesses other major interstate highways. In addition, Interstate I-81 accesses other major traveling arteries such as Interstate I-70 in Hagerstown to the south and Interstate I-83 and Interstate I-76 (Pennsylvania Turnpike) to the north in Harrisburg and Carlisle.



HIGHWAY ACCESS/TRANSPORTATION

DID YOU KNOW?
Franklin County's extensive interstate highways and two Class-1 intermodal terminals provide immediate and cost effective access to **major markets and talent** from Charlotte, NC to Toronto, Canada and beyond.

HIGHWAYS

- I-81
- I-76 PA Turnpike
- I-70
- US Route 30
- US Route 11

Extensive network of state owned/maintained roadways

RAIL

- Norfolk Southern
- Norfolk Southern Franklin County Regional Intermodal Terminal (PA Exit 3, I-81)
- CSX
- CSXI Intermodal Terminal (PA Exit 14, I-81)
- Pennsylvania & Southern Rail (short line service within the Cumberland Valley Business Park)
- The Railroad Associates Corporation, TRAC (short line service within the Chambers-5 Business Park)

12%
of the US Economy travels on Interstate 81.

AIR

- Thurgood Marshall/BWI, Dulles International, and Reagan National 75 minutes
- Harrisburg, PA International Airport 60 minutes
- Hagerstown, MD Regional Airport (general aviation, limited commuter service) 10 minutes

WATER

- Port of Baltimore 75 minutes
- Port of Philadelphia 3 hours
- Port of Pittsburgh 3 hours

Conclusion:

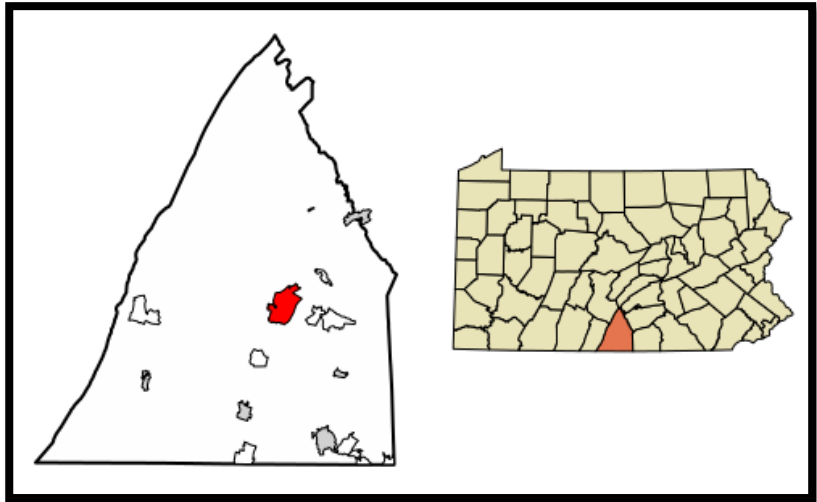
Both population and employment have been steadily increasing along Interstate I-81 in Cumberland, Dauphin, Franklin and Lebanon Counties. Continued growth is anticipated for Franklin County.



NEIGHBORHOOD ANALYSIS

The Neighborhood Analysis provides a bridge between the Area Analysis and the study of the subject property. As with Area Analysis, the goal of the Neighborhood Analysis is to determine how the operations of social, economic, governmental and environmental factors influence the value of real estate. The focus is on how these factors interact in the immediate vicinity of the subject property.

The subject property is located at the physical address of 133 West Catherine Street, Chambersburg, PA 17201. The subject property is bound on the north by West Washington Street and West Loudon Street, on the east by South Water Street and Cedar Street, on the south by West Catherine Street and on the west



by a residential development and the Conococheague Creek. The property is located on both sides of West Washington Street which bisects the center into a smaller, northern portion and a larger, southern portion.

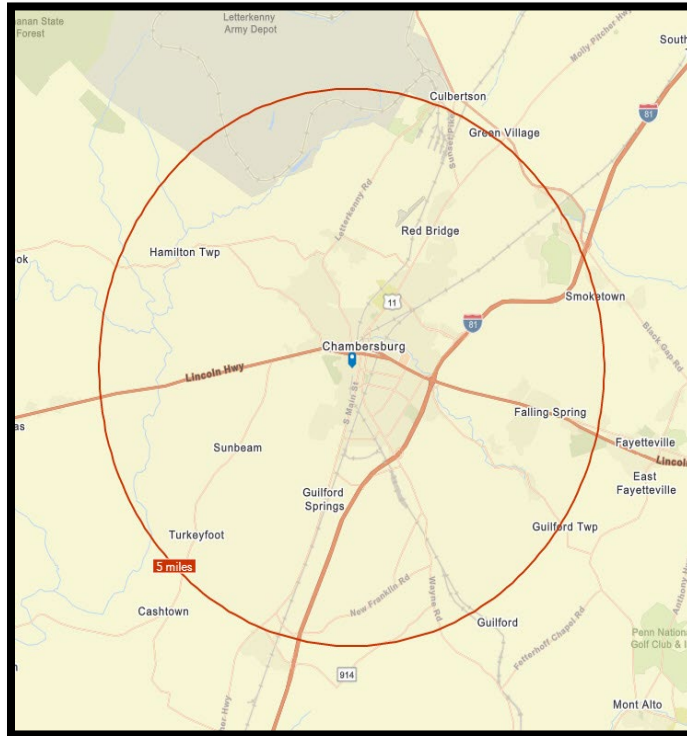
Demographics:

Chambersburg Borough is comprised of 6.92 square miles. According to the 2021 ESRI figures, the Borough contains an estimated population of 21,577 people. This is an increase of 6.46% from the 2010 figures. Additionally, there are 8,712 households and 4,889 families in the Borough. The population density of Chambersburg Borough is 3,118 people per square mile.

The median household income in the Borough is \$48,662 and the per capita income is \$25,542.



The following map illustrates the 5-mile ring around the subject property.



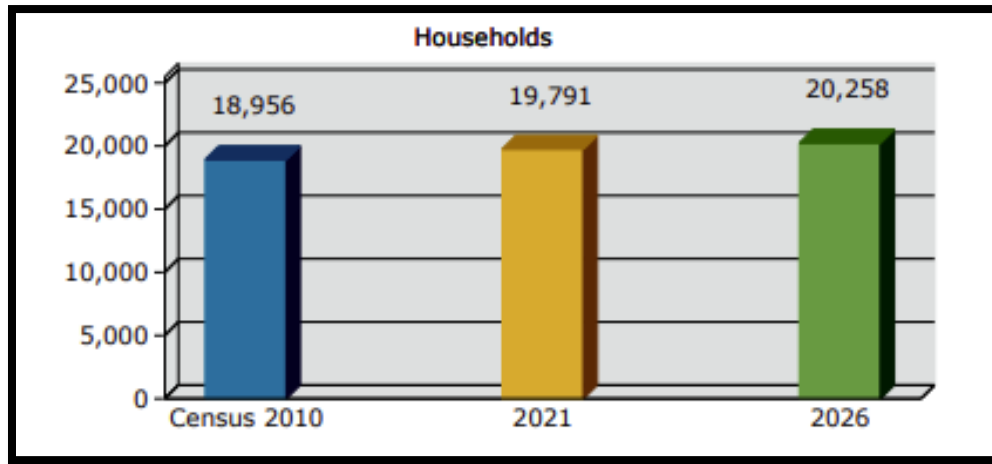
The table below summarizes historic trends in population, families, and households for a five-mile ring of the subject property.

Population				
Year	2010	2021	Projected 2026	% Increase or Decrease (2021-2026)
5-Mile Ring	47,250	49,682	50,910	+ 2.47%
Households				
Year	2010	2021	Projected 2026	% Increase or Decrease (2021-2026)
5-Mile Ring	18,956	19,791	20,258	+ 2.36%
Families				
Year	2010	2021	Projected 2026	% Increase or Decrease (2021-2026)
5-Mile Ring	12,463	12,757	12,984	+ 1.78%

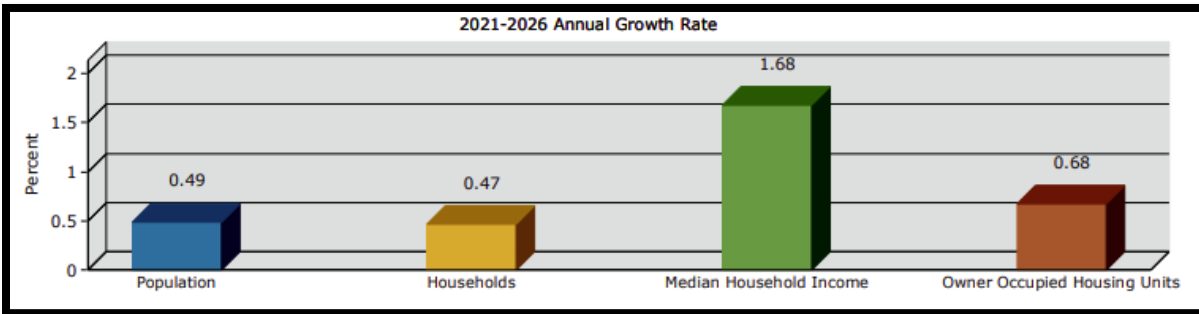
Examining the five-mile ring of the subject property shows that population, families, and housing units have increased and that this pattern is anticipated to increase up to 2026. Most areas in Pennsylvania are experiencing similar increases in these categories and tend to be a key components used by developers and investors.



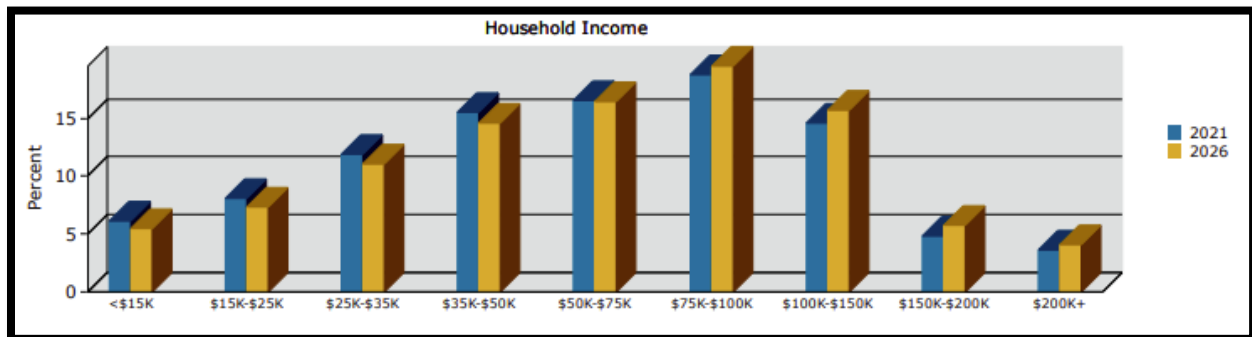
The following chart presents the number of households for the immediate 5-mile radius. It should be noted the 2021 figures are estimates and the 2026 figures are projections.



The following chart presents the 2021-2026 annual growth rates for the immediate 5-mile radius. It should be noted the 2021 figures are estimates and the 2026 figures are projections.

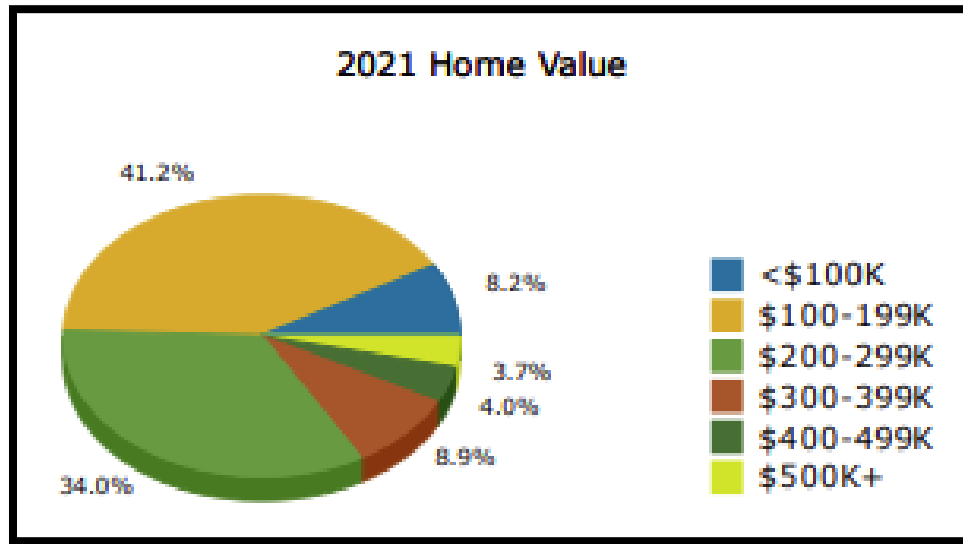


The following chart presents the 2021 and 2026 household income for the immediate 5-mile radius. It should be noted the 2021 figures are estimates and the 2026 figures are projections.

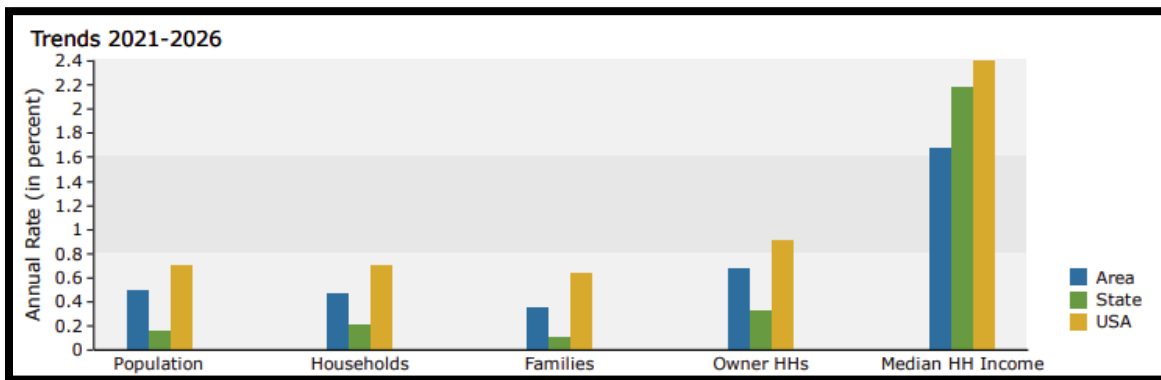




The following chart presents the 2021 home values for the immediate 5-mile radius.



The following chart presents the growth trends of the population, households, families, homeowners and the median income for the 5-mile radius compared to the State and the Nation:



Summary:

The area is anticipated to experience population and household growth slightly below national levels; however, the growth is anticipated to outperform state figures. In terms of median household income, the area is anticipated to experience moderate +/- 1.7% annual growth, which is below the anticipated state and national growth.



Local Development:

Route 30 traverses the heart of downtown Chambersburg and is comprised of a mixture of free-standing retail buildings and older homes converted for office / retail use. The Chambersburg Hospital is also situated along Route 30 in downtown Chambersburg. Retailers along Route 30 include Burger King, AutoZone, Cricket Wireless, Long John Silver's, McDonald's, Ruby Tuesday, Hoss's Steakhouse and Sheetz.

The largest retail center in the area is the Chambersburg Crossing. Chambersburg Crossing includes Target, Kohl's, Giant, Staples, Michaels, PetSmart, and six out parcels which includes Red Robin Restaurant, Panera Bread, and TGI Fridays. Total leasable area is 475,000+/- square feet. In September 2014, BJ's Warehouse Club built an 88,750 square foot retail center known as Chambersburg Village Shopping Center planned on a 20.2863+/-acre site. This site was purchased in September 2013 for \$8,000,000 or \$394,355 per acre. Across Gateway Avenue from BJ's is an ALDI grocery store, which was built in 2016.

Across Walker Road from Chambersburg Crossing, several parcels have been developed in 2016, including two multi-tenant retail strips and a freestanding Buffalo Wild Wings restaurant. Along Norland Avenue a new car wash is currently under construction.

A second retail center is also located in this area known as Gateway Shopping Center. Gateway Center comprises of 70,000+ leasable square feet and include tenants such Wolf Furniture, AKI Japanese Restaurant, and Fuddruckers.

On-going development in this area includes various office and bank branches, automotive dealerships, and multiple recently built franchise hotels entered the market in the past several years (Springhill Suites, Candlewood Suites and La Quinta Inns). A Tru by Hilton has recently come on-line in the second half of 2020 along Walker Road.



Recent development off Exit 14, along Wayne Avenue, includes a Dunkin Donuts, a Wendy's and a Starbucks. These sites were former gas stations (Exxon and Gulf) that were redeveloped.

North of Chambersburg Borough is the Letterkenny Army Depot. Letterkenny Industrial Development Authority (LIDA) is developing the park on the former Army real estate. Development has been slow at the business park. The Army completed their most recent five-year review for the SE (Southeastern) and PDO (Property Disposal) Areas in March 2017.

The Letterkenny Army Depot was originally a 19,243-acre Army facility, most of which is devoted to ammunition storage (16,614 acres). It is located 5-miles north of Chambersburg, Franklin County, Pennsylvania. Approximately 36,000 people live within 5-miles of the Letterkenny Army Depot.

The Letterkenny Army Depot was established in 1942 for ammunition storage. Since 1947, activities at the Letterkenny Army Depot expanded to include the testing, maintenance, and overhaul of wheeled and tracked vehicles and missiles; the storage and transportation of industrial chemicals and petroleum; and storage, maintenance, demilitarization, and modification of ammunition.

The Depot was included in the 1995 Base Realignment and Closure Act (BRAC), with approximately 1,462 acres designated for transfer to the private sector for local redevelopment. Most of the remaining land will continue to be part of the active Letterkenny Army Depot. To date, approximately 833 acres have been transferred to the private sector.

Located at Exit 20 of Interstate I-81 is the Chambersburg Mall. Chambersburg Mall is a 454,423-square foot regional mall. The mall began operations in 1982. Many of the larger, anchor tenants left in previous years leaving some smaller, in-line tenants in place. There has been sporadic development on the outparcels of the mall including a Dollar General. Larger, more modern development, including those recently discussed seem to be more prominent locations for new development and retail activity.



The Volvo Construction Equipment facility is located northeast of Chambersburg Borough and is the second largest manufacturer in Franklin County and one of the largest private employers in the County. In March of 2011, Volvo CE invested in a \$100 million USD expansion which brought in wheel loaders and will bring the edition of articulated haulers and excavators in the future. The investment also relocated the Sales team from Asheville, NC to Shippensburg, PA into a new Sales office that is attached to the Operations plant. This plant will serve as the company's headquarters for operations in North and South America. Volvo acquired the facility in 2007 (and other facilities) from Ingersoll-Rand's road construction division. Company representatives indicated that Shippensburg was chosen in part for its desirable location due transportation infrastructure and proximity to population centers.

Situated along Philadelphia Avenue (Route 11) is Wilson College, a private liberal arts college, offering Associate, Bachelor's and Master's degrees. Wilson College, which was a women's college until becoming coeducational in 2013-14, has a current enrollment of 1,600+ students. The Chambersburg Hospital is also located in Chambersburg Borough, along N. Seventh Street.

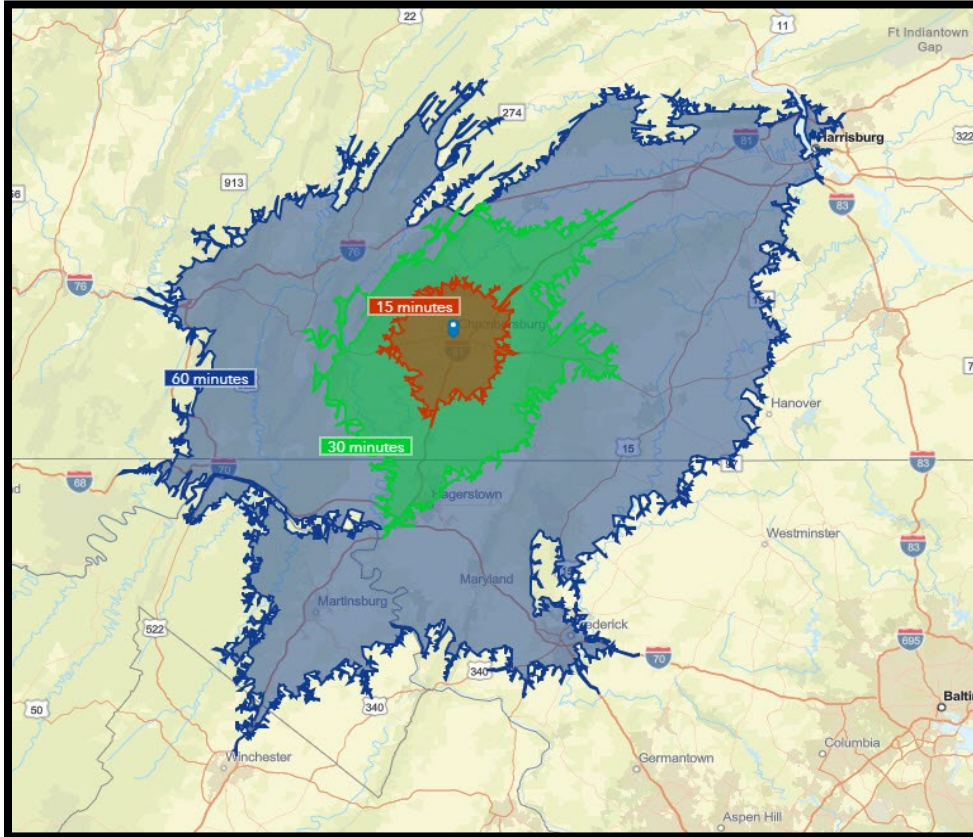
Highways:

Chambersburg is served by State Route 30, which is a 324-mile-long east-west state highway which traverses through southern Pennsylvania. The western end is at Chester, WV and the eastern terminus is at Camden, NJ.

Chambersburg is also served by U.S. Route 11, which is a 284.4-mile state highway that roughly parallels Interstate 81 in Pennsylvania. It serves Harrisburg and Scranton. Between those two cities, U.S. 11 follows the Susquehanna River, while I-81 follows a shorter route over the mountains. Interstate I-81 is less than two miles east of the subject which provides access to Chambersburg, Carlisle, and Harrisburg to the north and Hagerstown, Maryland to the south. Interstate I-81 also provides access to other major traveling arteries such as Interstate I-70 in Hagerstown to the south and Interstate I-83 and Interstate I-76 (Pennsylvania Turnpike) to the north in Harrisburg and Carlisle.



The following chart depicts the travel times from the subject to other geographical locations. Red represents driving times of 15 minutes; Green represents driving times of one-half hour; and Blue represents driving times of one hour.



Conclusion:

Overall, the subject is considered to be located in a good commercial location in downtown Chambersburg. The anticipated outlook for the neighborhood is considered positive with modest growth projections for both population and income figures.



MARKET ANALYSIS – GENERAL ECONOMY

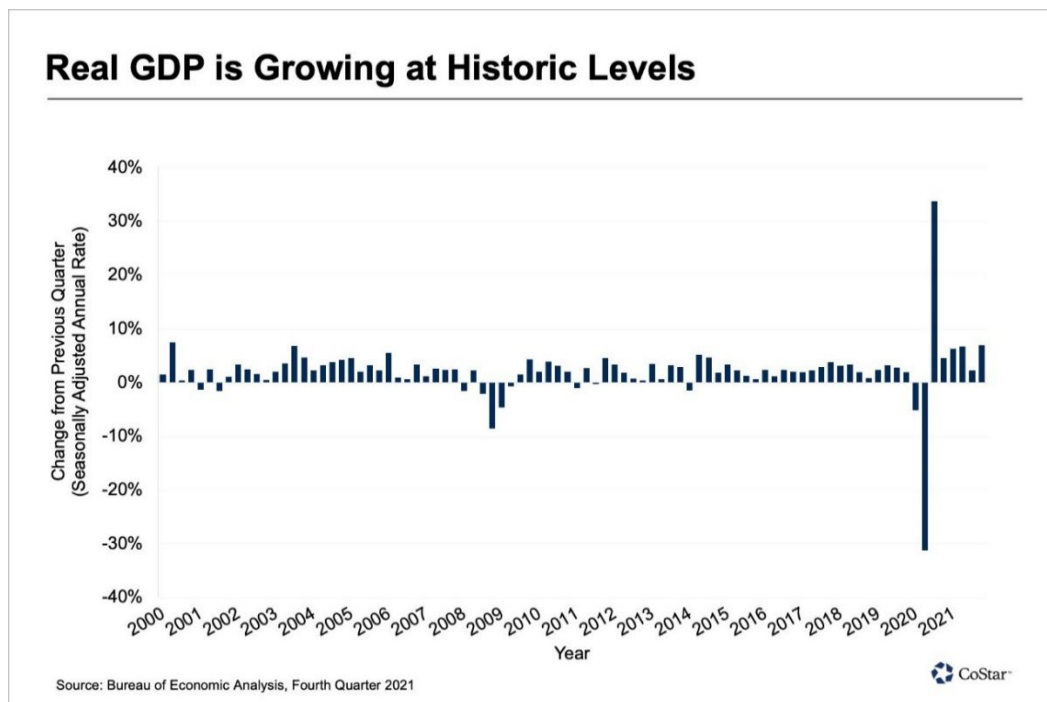
The economy has been and will undoubtedly continue to be affected by the on-going Coronavirus pandemic. Below is a report on the overall United States Market as provided by Costar.

Economic Momentum Weakens as US Enters the New Year

As the Federal Reserve signals its intention to raise interest rates soon to battle rising inflation, it's been easy to overlook how well the economy performed over the past year — and especially during the final quarter.

Real gross domestic product (GDP) grew by a seasonally adjusted annual rate of 6.9% in the fourth quarter of 2021, according to the Bureau of Economic Analysis. That marked the fastest pace of growth since the massive bounce back from the pandemic-induced recession in the third quarter of 2020, and faster than in any quarter prior to the pandemic since the second quarter of 2000.

For the entire year, real GDP ended 5.7% higher in 2021 compared to 2020, the highest rate of growth since 1984.

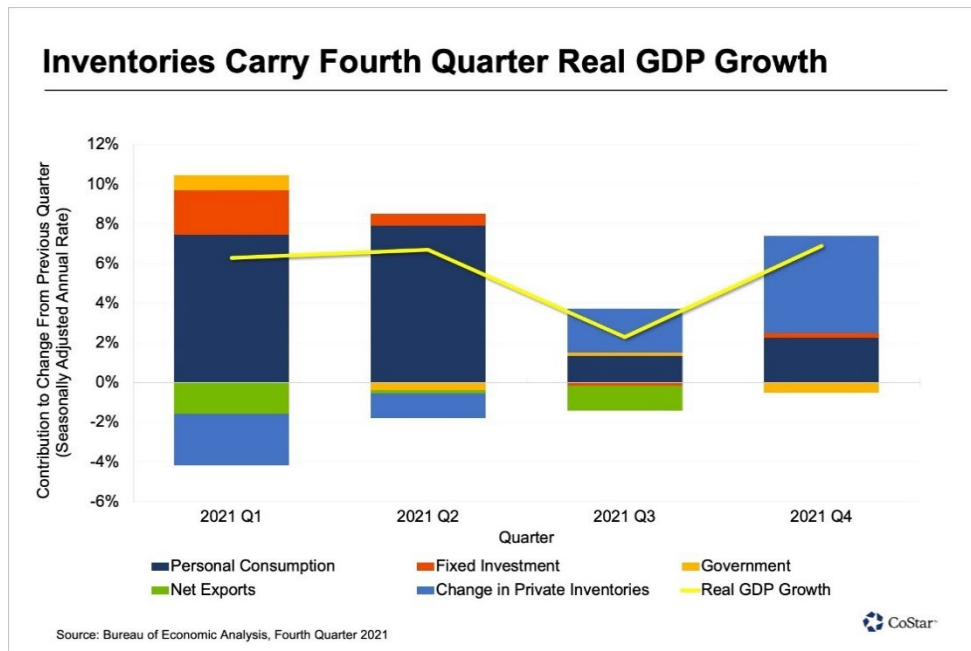


While the initial headlines were encouraging, the details of the report were more underwhelming, and additional data for the month of December revealed a loss of momentum heading into the new year.

Specifically, although we typically care most about consumers, whose spending accounts for roughly two-thirds of GDP, the buildup of business inventories was the largest contributor to economic growth in the fourth quarter of 2021, accounting for 70% of the gain. The pandemic disrupted factory activity across the world as workers fell sick or were otherwise unable or unwilling to work, creating shortages in the U.S. of many products, including both final goods and component parts that are used in manufacturing other goods.

Combined with robust demand generated from people hunkering down with lots of stimulus-fueled cash and limited options to spend, whatever materials and finished products that firms already had on hand were easily depleted by early 2021. But the return of some factory activity to American shores helped ease supply chain bottlenecks somewhat during the second half of the year, and outside demand slowed somewhat, allowing firms to restock their shelves.

This increase in inventories was the largest factor in the strong GDP growth registered in the fourth quarter. That might give us pause when looking at potential growth in the first quarter this year. While inventories may continue to grow in the short term — after all, we continue to face a severe shortage of microchips and automobiles — they’ll eventually return to normal levels, causing a drag on real GDP growth in future quarters.

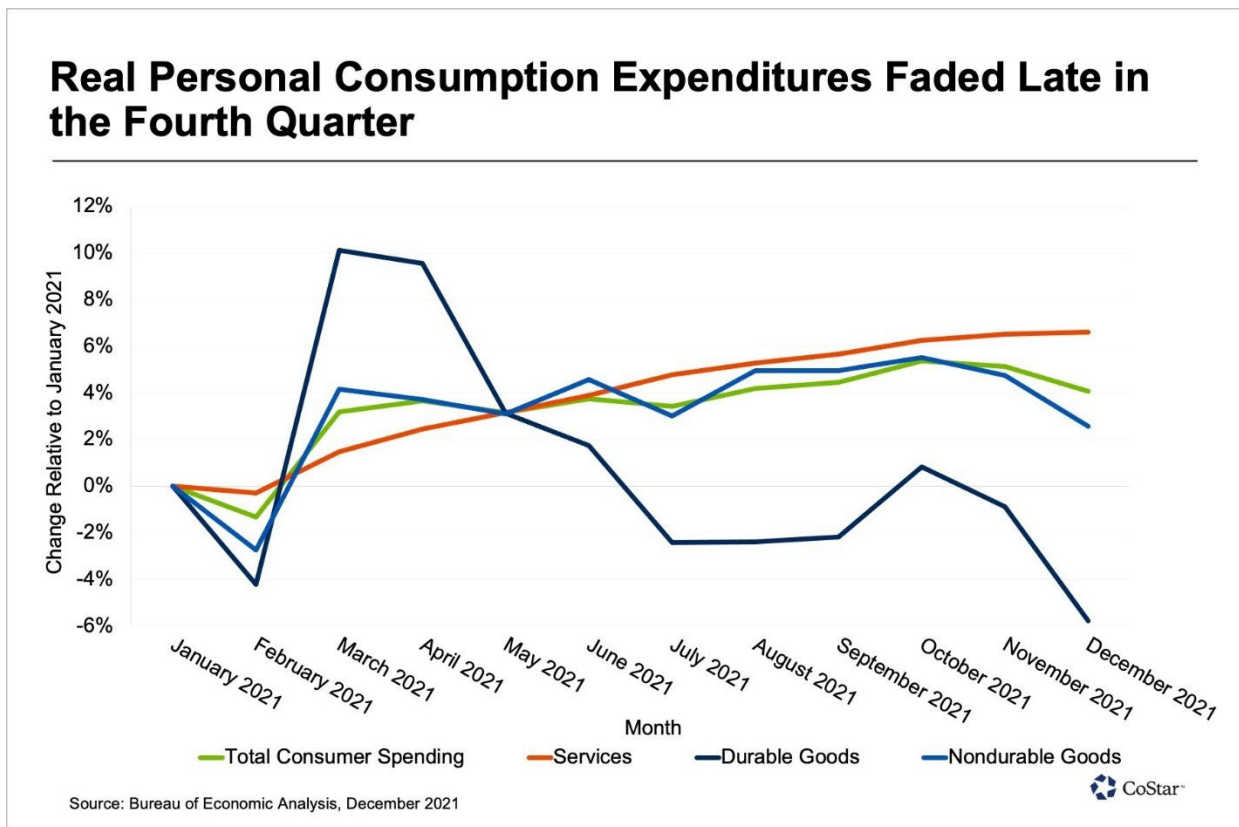


Private domestic investment excluding inventories, government and net exports were nonfactors in real GDP growth in the fourth quarter of 2021, while consumer spending contributed 2.3

percentage points of the 6.9% growth of real GDP in the fourth quarter of 2021, with spending on services contributing much more than goods, a hopeful sign of a return to more normal times.

Evidence of any impact the spread of the omicron variant had on economic growth in the fourth quarter of 2021 is difficult to see in the quarterly report. But [monthly data released on real consumer spending](#) show it to have fallen by 1% in December and by 0.2% in November. Spending on goods, both durable and nondurable, fell for the second month in a row in December, while spending on services continued its trend higher, now within 0.7% of pre-pandemic levels.

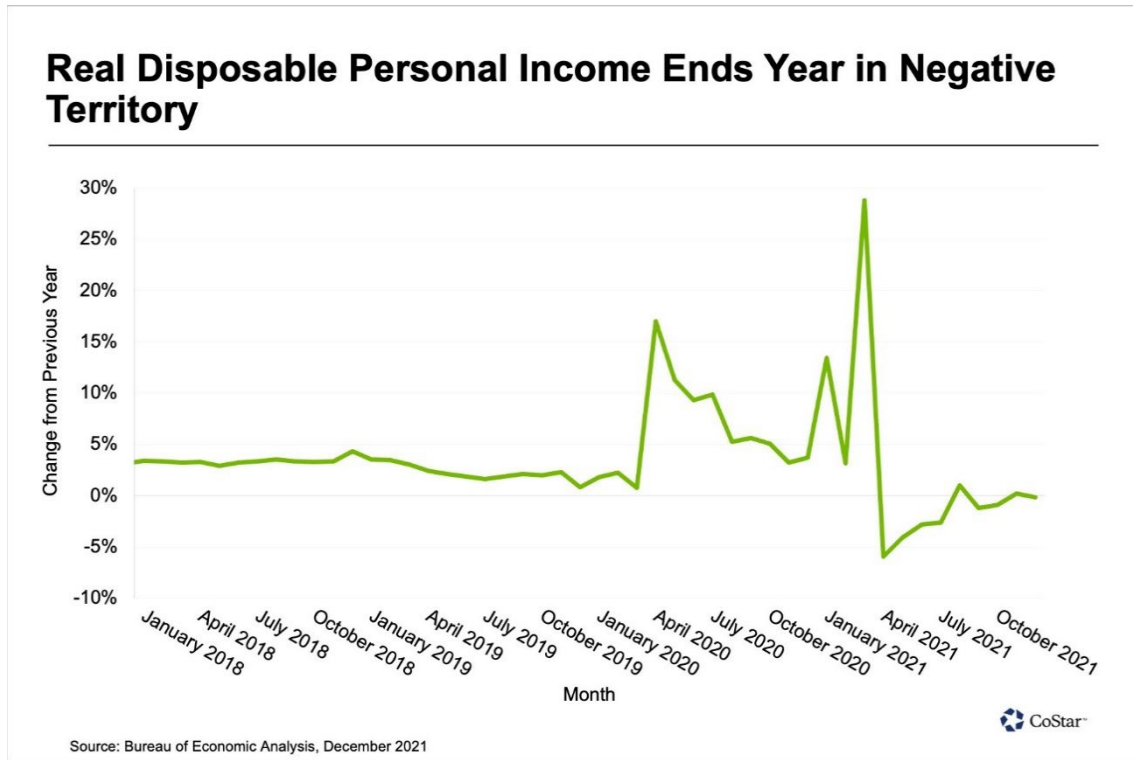
Consumers pulled back on discretionary items that have been affected by rising inflation, such as jewelry, clothing, furniture and furnishings, and household appliances. While prices for nondiscretionary goods have also risen, households are often not able to pull back on those items as easily. The overall slowdown in spending suggests that economic growth in the first quarter of 2022 will be relatively weak.



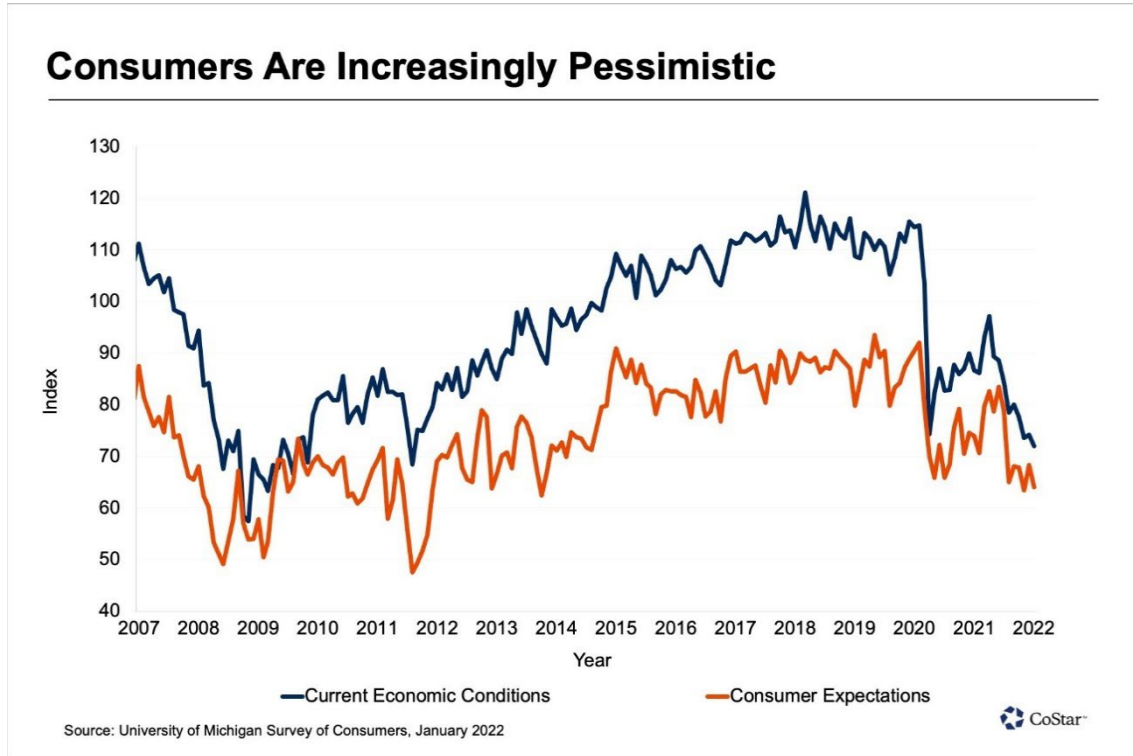
With regard to prices, the personal consumption expenditures price index grew by 0.4% in December, ending the year 5.8% higher than in December 2020. That marked the fastest pace of growth since 1981. Higher prices ate into incomes in December, which even in nominal terms



were moderating at the end of the year. Real disposable personal income fell by 0.2% in December and ended the year 0.2% lower than in December 2020.



The rapid spread of omicron, inflation and worries about what the Federal Reserve will do this year and next are weighing on consumers. The University of Michigan’s consumer sentiment for January fell by 3.4 percentage points to 67.2, its lowest level in more than a decade. Assessments of both current conditions and expectations of future conditions have headed lower over the last three months as the pandemic lingers, prices keep rising and financial markets swing in response to developments, or lack thereof, in fiscal and monetary policies.



What We're Watching

Omicron became news in December 2021, with the spread of infections through the middle of January. This wave of COVID-19 caused fewer disruptions than earlier waves, but people for the most part still needed to quarantine if they tested positive, and layoffs during this period were higher. These impacts are likely to be reflected in the January jobs report that is set to be released on Friday. Expectations of job growth are all over the place, ranging from a gain of 180,000 jobs to a loss of 150,000. The report will include revisions from the annual benchmarking process and new population controls for the household survey, so the wide range is understandable. The unemployment rate could edge lower yet again, but there's no indication that the labor participation rate, which is stuck at just below 62%, will improve.

The good news — for workers, anyway — is that labor shortages are driving wages higher, so we'll expect to see that trend continue in this report as well.



Conclusion:

Since March 2020, the COVID-19 pandemic has caused substantial turmoil across financial sectors and throughout commercial real estate sectors across the country. The impact of the pandemic has ranged drastically across property types and by location. Commercial segments such as warehousing and suburban residential (and multifamily) have far exceeded expectations while other segments have been slower to respond due to the impact of the quarantine and lockdown during much of 2020. Many retail buyers have shifted to purchasing more goods and necessary items, including groceries, on-line than ever before and many office workers are able and allowed to work from home on a part-time or full-time basis. Thus far in 2022, the focus has been on putting an end to the pandemic through vaccine distribution. While some short-term effects and trends can be observed over the past year, it is not possible at this time to quantify the long-term effects on the real estate markets or on the subject property. The value opinion contained in this appraisal is based on findings of an analysis of market data available to the appraiser at the time of the assignment. The appraiser makes no representation as to the effect on the subject property by any unforeseen event, subsequent to the effective date of the appraisal.



SITE DATA

The subject of this analysis is comprised of a single parcel identified by Franklin County Assessment Office with a physical address of 133 West Catherine Street, Chambersburg, Pennsylvania 17201. Of note, the property is also identified as 143 Cedar Street, as well as several other addresses, given the existence of several currently existing on the parcel. The subject is also identified on the tax maps of Franklin County as being District 05, Map 1D08, Parcel 002.

Size and relative conformity to adjacent sites: According to the most recent legal description, of which the subject is a portion, the subject is identified as “Parcel Nos. 1, 4 and 5” and contains 13.44+/- acres. This is further supported by a survey titled, “Southgate Shopping Center – Existing Conditions Survey – for Franklin Southgate Company, LLC”, prepared by Dennis E. Black Engineering, Inc. and dated February 13, 2018. Of note, the subject’s tax card indicates that the parcel is 13.97+/- acres. For purposes of this analysis, the Appraiser is relying on the acreage supported by the legal description in the most recent deed and the recent survey, of **13.44+/- acres**. Surrounding properties are commercial and residential in nature.

Frontage and Visibility: The subject site has approximately 850+/- feet of frontage along South Water Street (eastern border), 800+/- feet of frontage along West Washington Street (bisecting the two portions of the subject), 300+/- feet of frontage along West Catherine Street (southern border) and, 225+/- feet of frontage along Cedar Avenue. The northern portion of the subject also contains frontage 230+/- feet along West Loudon Street. The intersection of West Washington Street and Cedar Avenue is a signalized intersection that provides access and visibility to both portions of the subject property. Overall visibility to the subject property is considered average.

Access and Circulation: Access into the subject property is granted via multiple access points; however, the primary access point for both portions of the subject, is the traffic light intersection of West Washington Street and Cedar Avenue. There are also secondary access points for the southern section of the center off of West Washington Street and West Liberty Street. The northern portion of the center is also accessible by West Loudon Street. Access and circulation appear adequate for many uses.

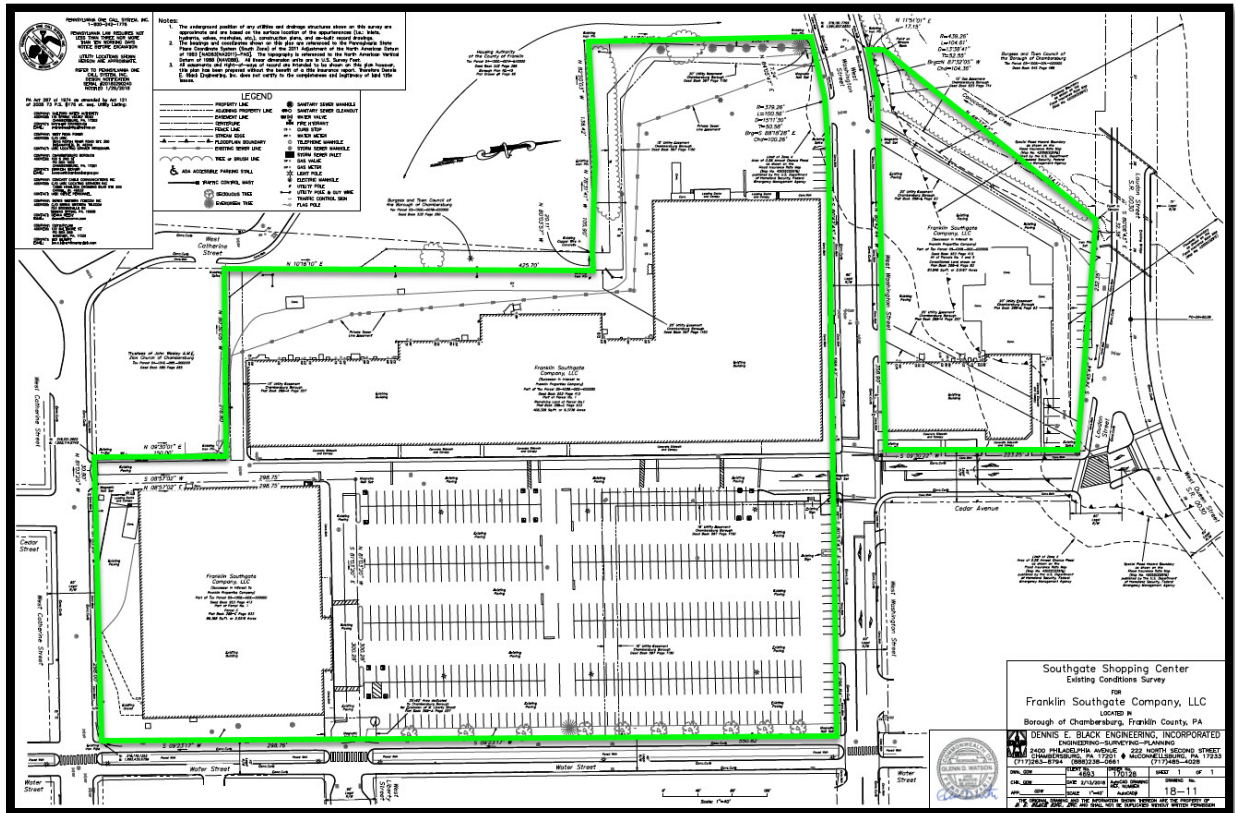


Topography, Soils & Drainage: No apparent drainage problems were observed but it should be noted that the scope of this appraisal does not include specific tests for adequacy. Similarly, soils have not been tested but are believed to be adequate for this type of development. The topography generally slopes downward from southeast to northwest.

Utilities: The subject is serviced by public sewer, public water and natural gas. All utility services are considered to be adequate. No issues were noted.

Site Improvements: Site improvements other than the existing shopping center include a parking lot featuring ample parking, concrete walkways and curbing, pole mounted lighting, monument signage and average landscaping. Of note, the subject is planned for redevelopment into a commercial and residential, mixed-use neighborhood.

Easements and Encroachments: Since a survey of title is beyond the scope of this report, a precise rendering of recorded easements and encroachments was not available. The appraiser did not uncover any evidence to suggestion the existence of any atypical easements or encroachments exist on the subject parcel. However, from a review of the current deed and from a physical inspection of the subject site, no easements or encroachments are apparent on the subject which would inhibit full utilization of the site. There are various utility easements in place which are typical of a property that fronts a public roadway. Included in the deed as Schedule B, Permitted Exceptions, are a list of past and present easements and rights-of-way that pertain to the shopping center. Due to the deed being from 1986, some of the items are outdated and the most recent survey indicates a better representation of existing easements and rights-of-way that are present on the subject property. That survey is shown on the following page with the subject property outlined in green.



Environmental Concerns: No environmental site assessment was supplied to the appraiser. It is assumed that no environmental concerns exist at the subject site; however, if any environmental concerns are present a revaluation may be necessary. Due to the nature of the current and previous businesses located around the subject property, the appraiser would suggest a complete Phase I and Phase II Environmental Site Assessment (ESA) of the subject property in order to provide a more thorough analysis of the environmental concerns. However, there were no environmental issues disclosed by the ownership of the subject property.

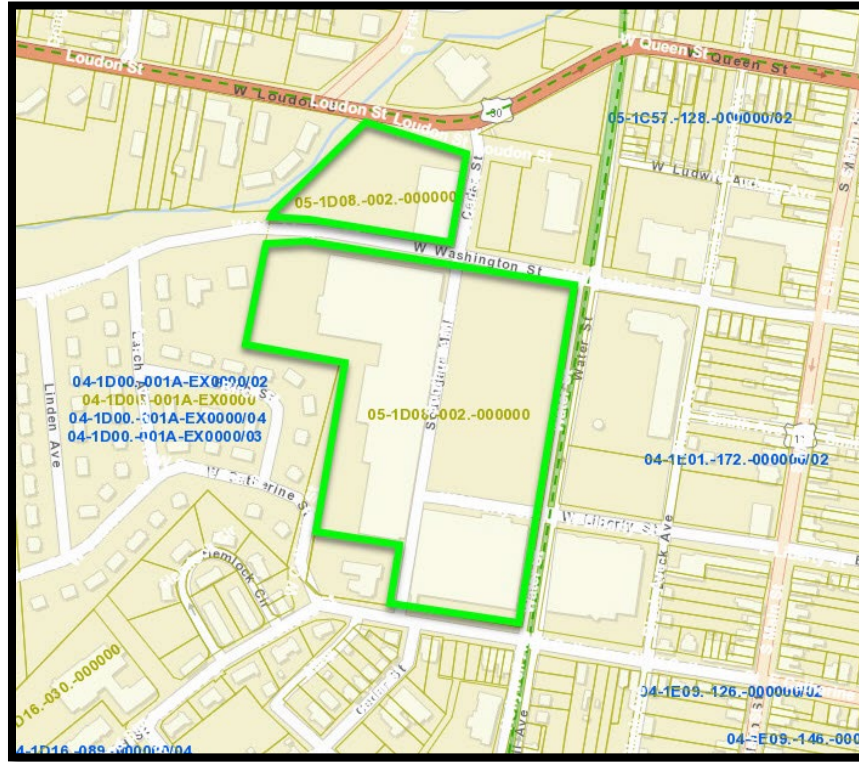
Comments: The subject site appears to have adequate size, shape, location, and topography for the continued use of the site as a retail shopping center. There does not appear to be any adverse easements or encroachments that would affect the marketability or market value of the site.

PHOTOGRAPHS OF SUBJECT STREET SCENES / PARKING



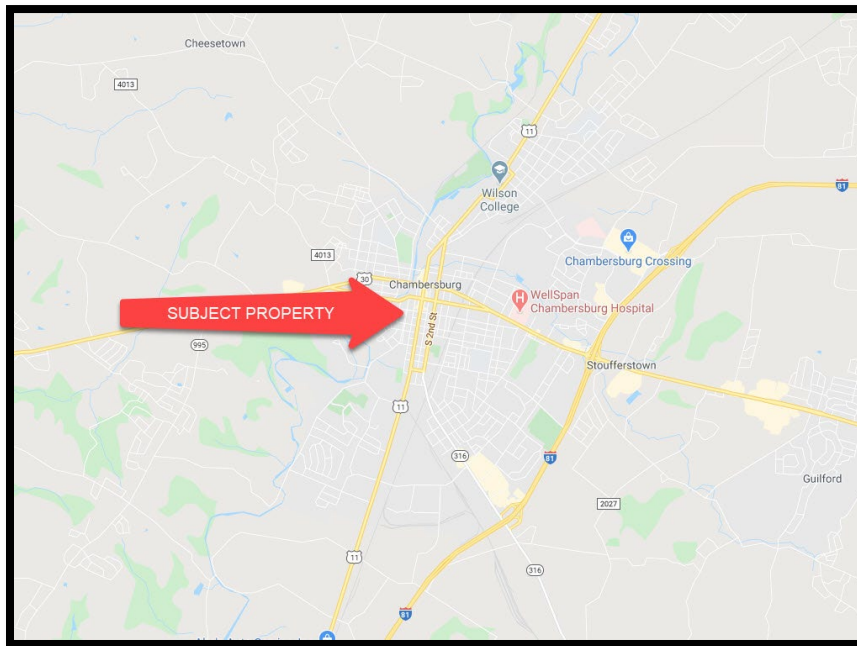
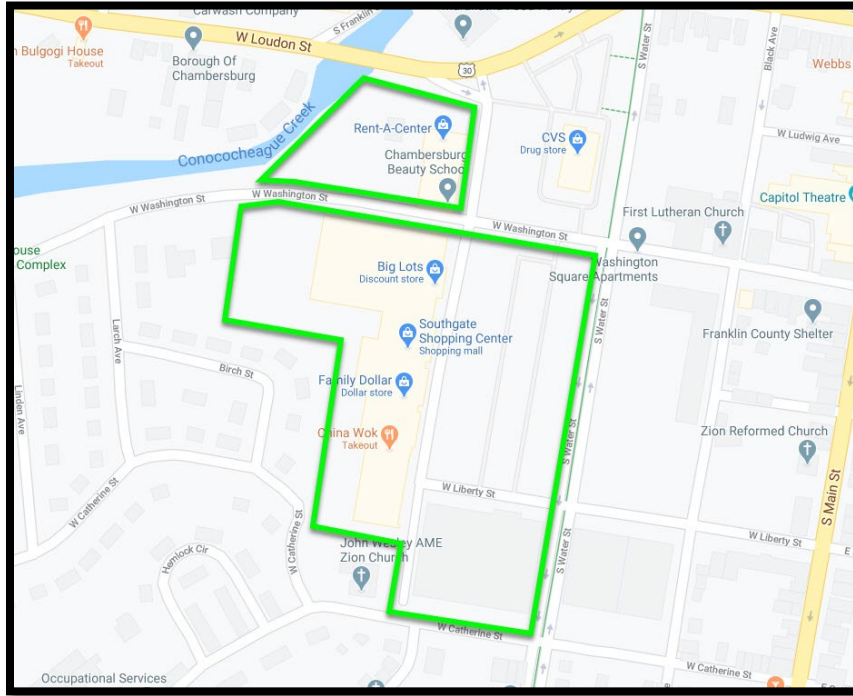


SUBJECT TAX MAPS



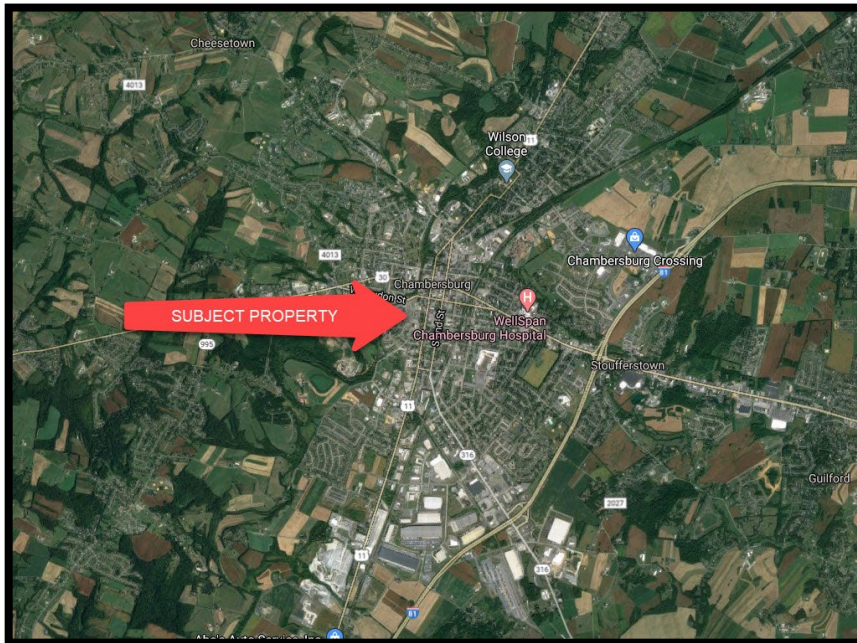
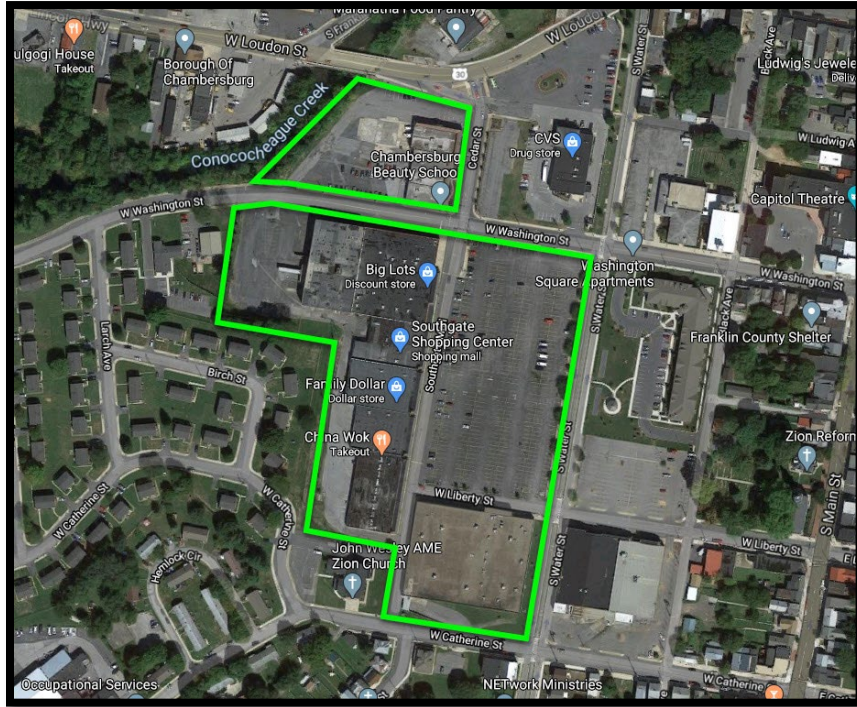


SUBJECT LOCATION MAPS





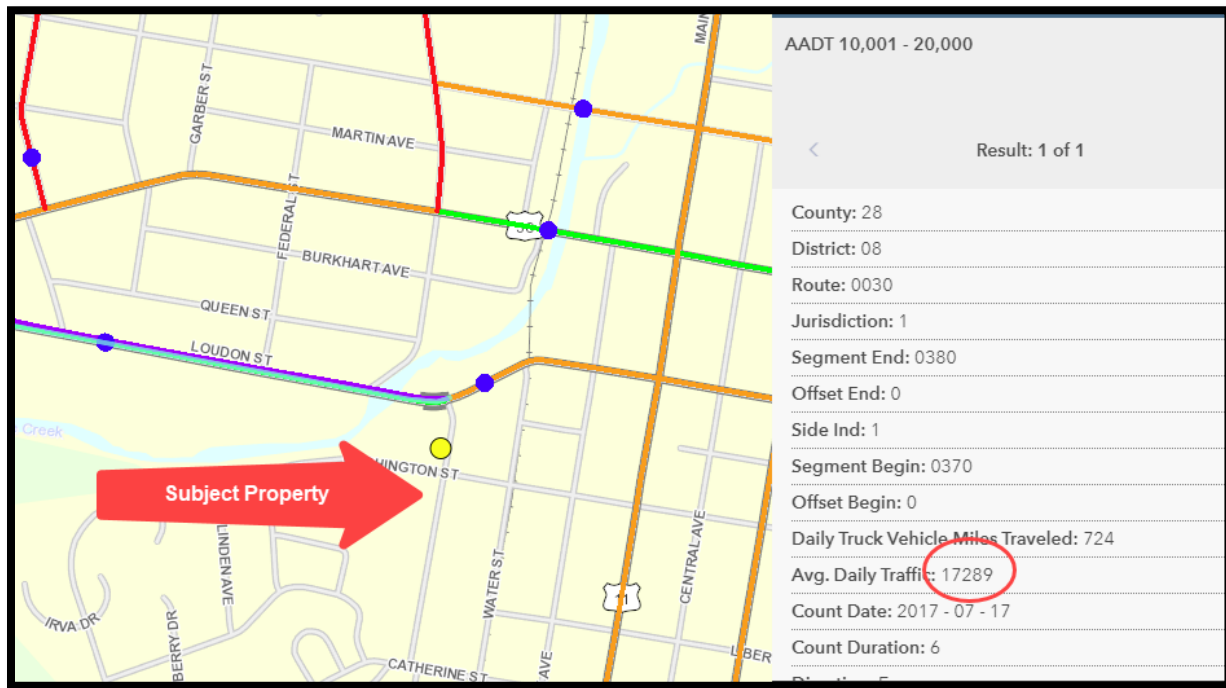
SUBJECT AERIAL MAPS





TRAFFIC VOLUME MAP

The subject property sits along South Water Street, West Catherine Street, West Liberty Street, West Washington Street, Cedar Avenue and West Loudon Street. There is an average of 17,289 daily vehicles that travel on West Loudon Street as reported in the Pennsylvania Internet Traffic Monitoring System. This portion of West Loudon Street that is highlighted below is a two-way portion of the roadway. As travelers drive east into the Borough, West Loudon Street becomes a one-way roadway at the intersection with Cedar Avenue. The other listed access roadways are not monitored by the Pennsylvania Internet Traffic Monitoring System.

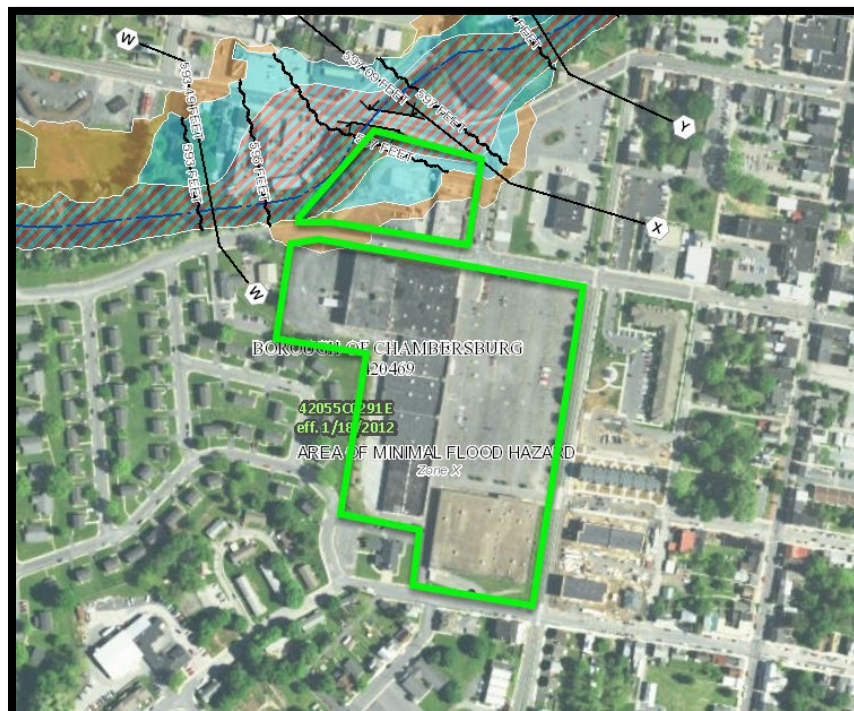


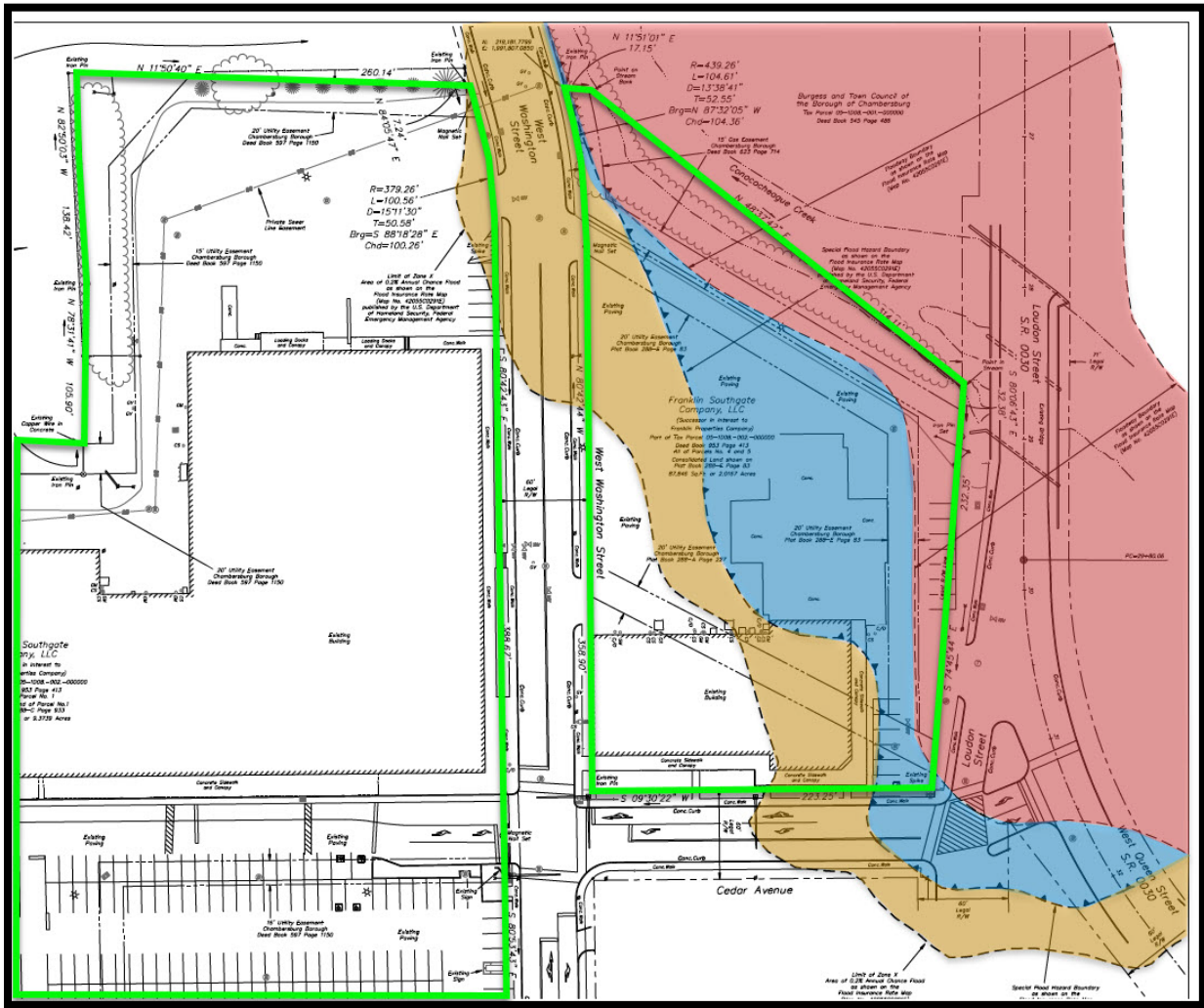


SUBJECT FLOOD DATA

According to FEMA Map #42055C0291E, dated January 18, 2012, the subject is mostly located within Zone X; however, the northern portion of the subject property is located within Zone X (shaded orange), Zone AE (shaded blue) and Floodway AE (striped, red/blue). Some of the improvements are included in one or more of these various hazard zones, as described in the table below. Mandatory flood insurance purchase requirements and floodplain management standards may apply. On the following page is the most recent survey that shows the floodplain areas highlighted in orange, blue and red (pertaining to the FEMA map below).

ZONE	DESCRIPTION
X	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.
X (shaded orange)	Area of minimal flood hazard, usually depicted on FIRMs as within the 500-year flood level (or 0.2% annual risk).
AE (shaded blue)	Flood hazard areas identified on the Flood Insurance Rate Map are identified as a Special Flood Hazard Area (SFHA). SFHA are defined as the area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to as the base flood or 100-year flood.
AE (striped, red/blue)	A "Regulatory Floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. Communities must regulate development in these floodways to ensure that there are no increases in upstream flood elevations.





Above is the most recent survey that has been referenced throughout the report, which shows the various floodplains that affect the subject property. The subject is within Zone X (500-year floodplain), within the Special Flood Hazard Boundary (100-year floodplain), and the Floodway Boundary (Regulatory Floodway) being highlighted above in orange, blue and red respectively. The subject is outlined in green.



PROPOSED IMPROVEMENTS

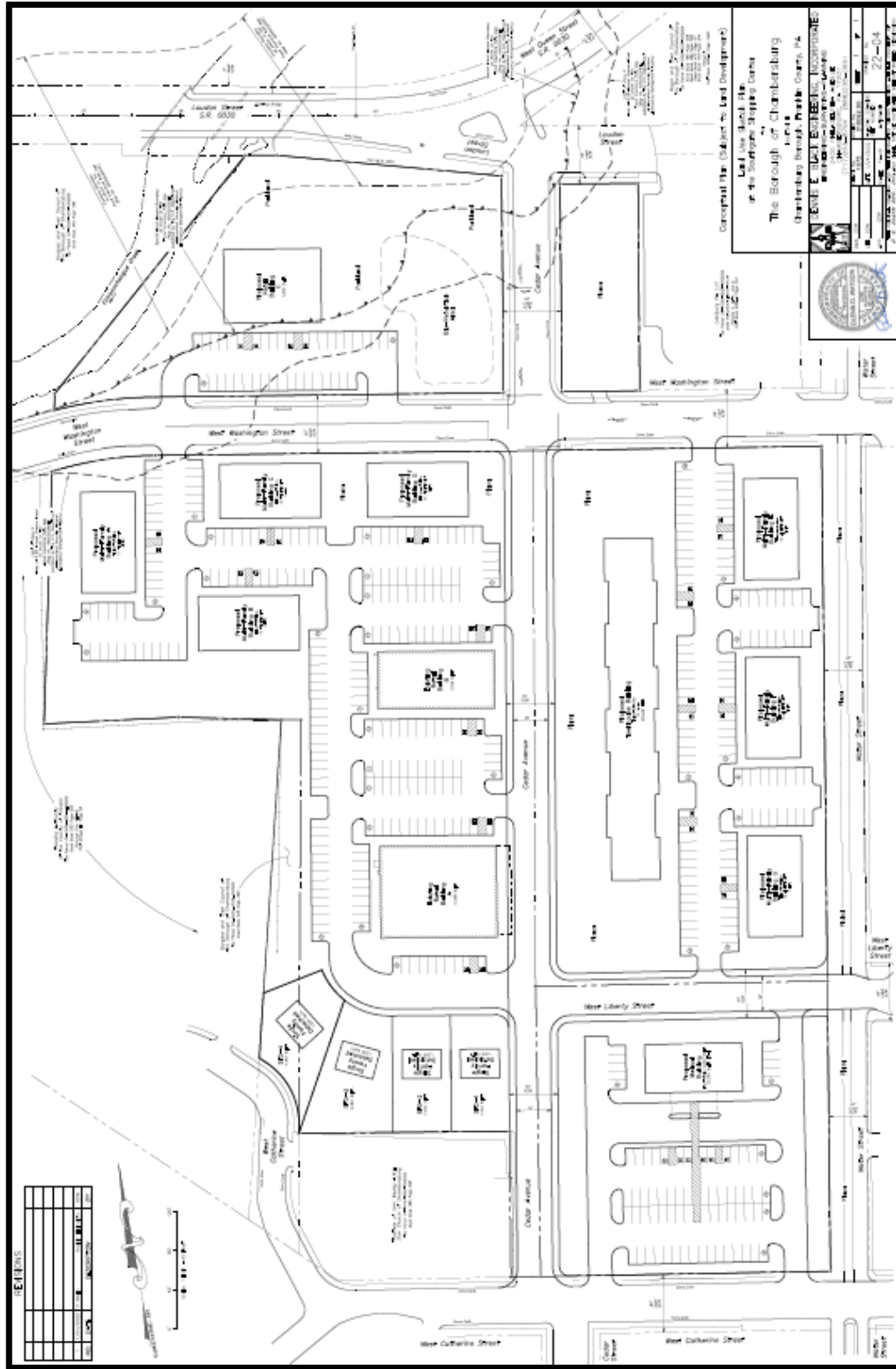
The function of this assignment is to estimate a reasonable potential assessment and associated tax liability for the subject property, based on the concept plan provided by the Client that depicts the proposed redevelopment of the subject property. The Conceptual Land Use Sketch Plan at the Southgate Shopping Center, drawn by Dennis E. Black Engineering, Inc., dated January 24, 2022 will be relied upon for purposes of this analysis.

The subject property is planned for redevelopment of a commercial and residential, mixed-use neighborhood, comprised of the following proposed improvements:

- Seven (7), three-story, 12-unit Apartment buildings,
- A 16-unit, three-story Townhouse building,
- Four (4), single-family, detached Dwellings,
- A 10,000 square foot, two-story, Medical Office building,
- Two (2) existing Retail buildings (portions of current center), containing 11,428 square feet and 7,166 square feet respectively, and
- A 7,600 square foot Retail building identified as a Restaurant in the 3D renderings.



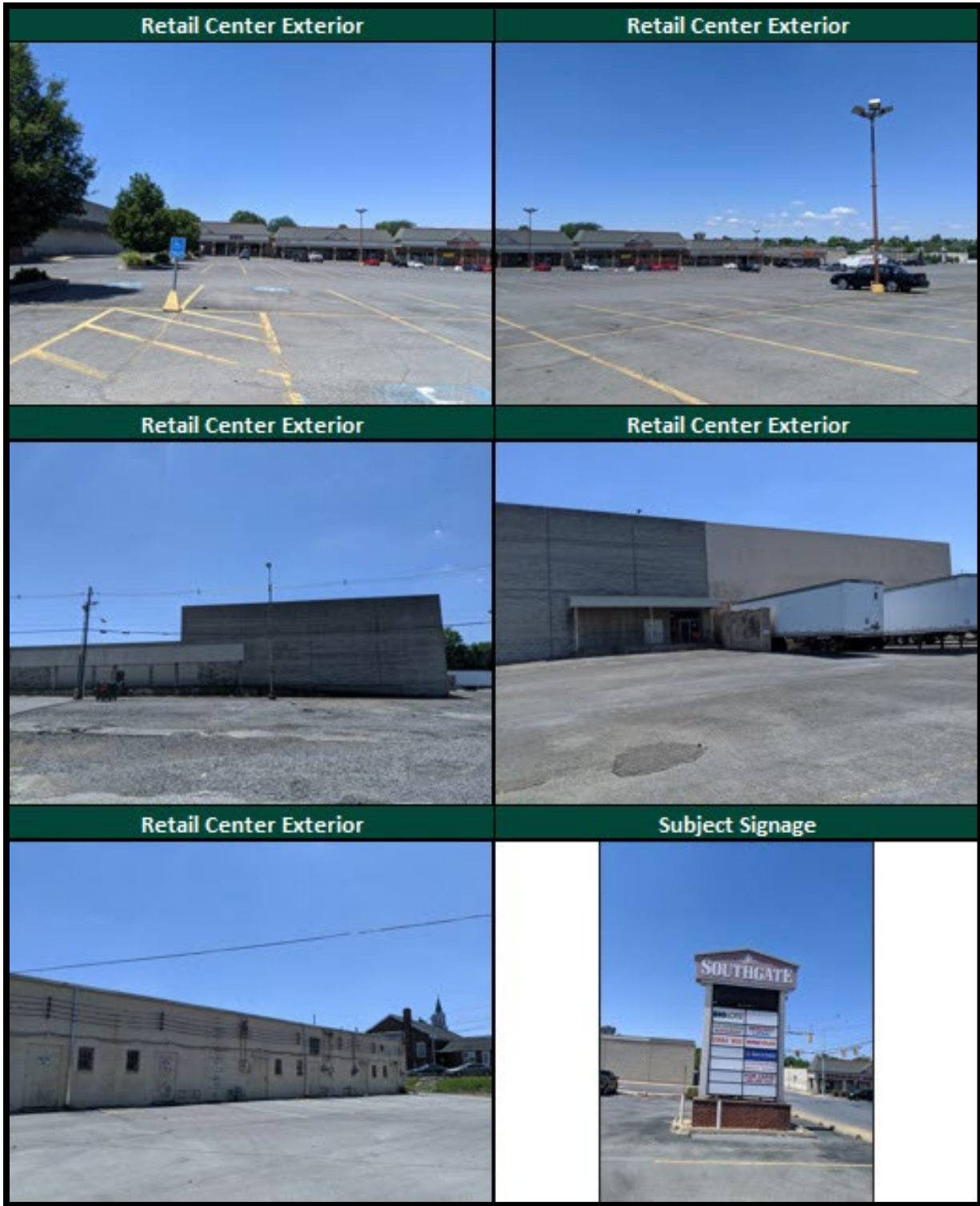
CONCEPT PLAN



3D RENDERING



EXISTING IMPROVEMENTS PHOTOGRAPHS



Retail Strip Exterior



Retail Strip Exterior



Retail Strip Exterior



Retail Strip Exterior



Retail Box Exterior



Retail Box Exterior



EXISTING IMPROVEMENT LAYOUT

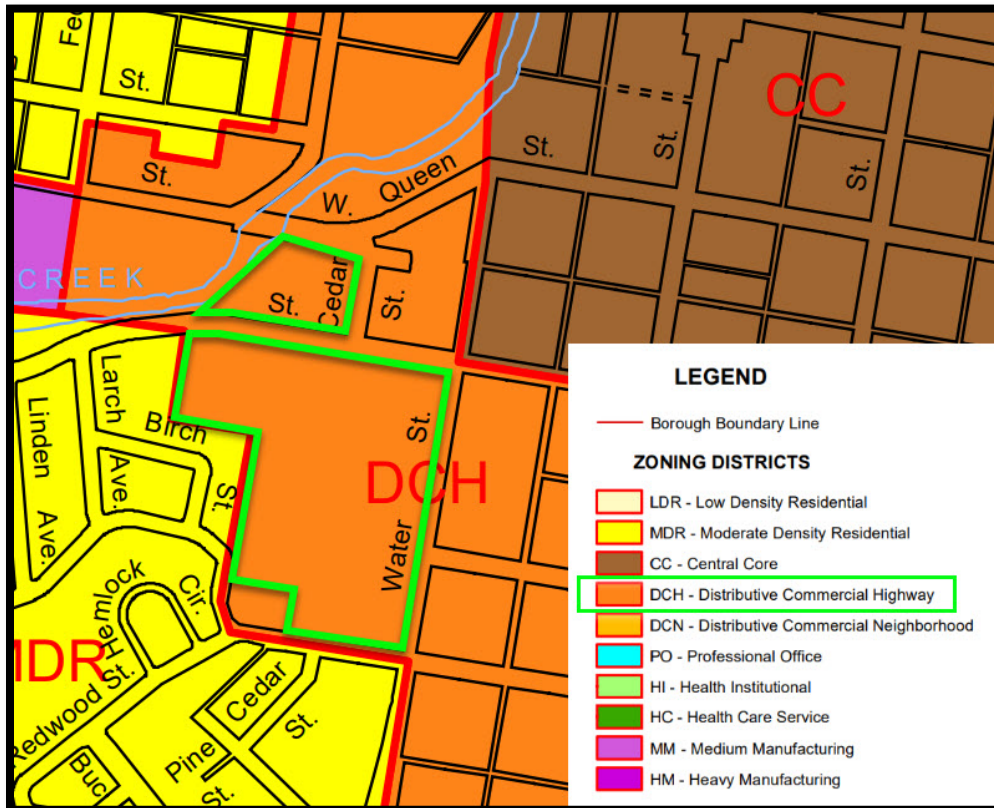


The above layout was gleaned from a previous marketing brochure. Of note, not all tenant information is reflective of the most up-to-date information, as of the effective date of this analysis. However, the overview is provided to give a general idea of the layout and tenancy of the property, as a whole.



ZONING

The subject property is currently zoned **Distributive Commercial Highway (DCH)** under regulations set forth in the Chambersburg Borough Zoning Ordinance. A summary of the important regulations of the DCH zone follows:



Distributive Commercial Highway (DCH) Zoning District

Permitted Uses.

- Any use permitted in the Neighborhood Business District.
- Amusement enterprises, subject to certain regulations.
- Hotels, motels, lodging houses and boardinghouses.
- Clubs and lodges.



- Any retail, wholesale, service, repair or storage activity, provided that no manufacturing shall be permitted except that which is incidental to the main business conducted on the lot, automotive service stations and public garages for the repair of motor vehicles but no automobile body shops. The foregoing notwithstanding, wholesale bakeries, wholesale food distribution activities, truck stops and truck terminals shall not be permitted uses. This notwithstanding, a truck dealership shall not be considered a truck stop or truck terminal. A garage that is accessory to a residential use cannot be used for automotive service stations or public garages for the repair of motor vehicles.
- Car washes.
- Florists and nurseries, provided that all incidental equipment and supplies, including fertilizers and empty cans, are kept within the building.
- Railway or bus passenger stations and express offices.
- Accessory buildings and uses customarily incidental to the above uses.
- Mobile home parks.

Conclusions:

The subject property is currently zoned Distributive Commercial Highway (DCH) under regulations set forth in the Chambersburg Borough Zoning Ordinance. The proposed concept plan is considered to be permissible, pending future land development plans.



REAL ESTATE TAX ASSESSMENT ANALYSIS

The subject property is comprised of a single parcel located in Chambersburg Borough, Franklin County, Pennsylvania. The total assessed value for the property is \$553,260. A breakdown of the subject's land and building values are represented below.

Parcel	Land	Building	Fair Market Assessment	Implied Value	Tax Liability
05-1D08.-002.	\$121,680	\$431,580	\$553,260	\$5,217,242	\$99,769

Legislation passed in 1982 empowered the State Tax Equalization Board to establish the Common Level Ratio of each county. The common level ratio factor for July 2021 to June 2022 (as of the effective date of this analysis) in Franklin County is 9.43 as published by the Commonwealth of Pennsylvania's State Tax Equalization Board.¹⁰ Based on this 9.43 ratio factor, the implied market value of the subject property by Franklin County is approximately \$5,217,242 (\$553,260 times 9.43).

Total millage rates for Franklin County and Chambersburg Borough are shown in the table below.

2021 County/Municipal & 2021-22 School Tax Rates					
Chambersburg Borough	County	Library	Municipal	School	<i>Total</i>
	29.10	1.30	31.00	118.9296	180.3296

Applying the total millage to the assessed value of the subject parcel(s) results in an annual tax liability of **\$99,769** (\$553,260 times 0.1803296).

The function of this assignment is to estimate a reasonable potential assessment and associated tax liability for the subject property, based on the concept plan provided by the Client that depicts the proposed redevelopment of the subject property. The Conceptual Land Use Sketch Plan at the Southgate Shopping Center, drawn by Dennis E. Black Engineering, Inc., dated January 24, 2022 will be relied upon for purposes of this analysis.

¹⁰ Published July 2021



Estimate of Potential Assessment:

The appraiser interviewed Jodi Martin, Chief Appraiser with Franklin County for background into the assessment process for new and proposed construction within the County. The following information was gleaned from the interview, which relate to the potential assessment for the subject property:

1. The current land assessment for the subject parcel will remain consistent with the current assessment.
2. Building (Improvement) assessments will be based on comparable improvements in the subject market. For example, the proposed medical office building will be assessed similarly to other newer construction, medical office buildings in the market.
3. It was also indicated that adjustments could be made to the “comparable assessments” for additional amenities (such as basement, etc.) or programs (such as affordable housing, etc.).

As the appraiser was not provided with detailed land development, buildings plans, unit design/composition, etc.; therefore, the appraiser has assumed the proposed improvements will be similar to typical improvements in the subject market.

The following analysis will attempt to provide a reasonable estimated assessment for the subject property, beginning with Land, followed by the various proposed improvements.

Land:

As noted above, the land assessment is not anticipated to change and is estimated to remain \$121,680.



Apartments:

The proposed development includes seven (7), three-story, 12-unit Apartment buildings, totaling 84 units.

The following table contains building assessment information for the most comparable, newer construction, garden-style apartment buildings in the market. The majority of the units in the market are 2-bedroom units; however, Parcel 04-1G01.-179 contains a mixture of 2- and 3-bedroom units. The information also indicates that comparables outside Chambersburg Borough are assessed at a lower rate.

Comparable Apartment Assessments				
Parcel	Bldg Assessment	Units	Built	Assessment/Unit
02-1C06.-081A	\$226,440	24	2005	\$9,435
02-1C07.-001	\$291,050	36	2005	\$8,085
02-1C07.-029	\$233,910	24	2006	\$9,746
02-1C07.-030	\$123,780	12	2006	\$10,315
02-1C07.-031	\$103,980	12	2006	\$8,665
02-1C07.-032	\$102,740	12	2005	\$8,562
02-1C07.-033	\$102,740	12	2005	\$8,562
04-1G01.-174	\$223,860	24	2008	\$9,328
04-1G01.-179	\$937,180	96	2017-2019	\$9,762
Outside Chambersburg Borough				
09-0C13.-232C	\$123,480	18	2012	\$6,860
23-0Q12R-020A	\$857,600	132	2005-2008	\$6,497
23-0Q12R-029				

The comparable apartments properties within Chambersburg Borough feature assessments ranging from \$8,085 per unit to \$10,315 per unit. Of note, the majority of the comparables (within map 1C07) are within the same community on separate parcels and contain the high and low of the range. The average for the parcels within the community is \$8,872 (108 units), which is below the other comparable assessments of \$9,435, \$9,328 and \$9,762. Given this information, the appraiser has estimated a reasonable assessment at \$9,500 per unit for the subject's proposed apartment units. Applying \$9,500 per unit to the 84 proposed units equates to an assessment of \$798,000.



Townhouses:

The proposed development includes a 16-unit, three-story Townhouse building.

The following table contains building assessment information for the most comparable, newer construction, townhouse rental buildings in the market. The comparable properties range from 2-to-3-story with some units containing attached garages/driveways. None of the comparables within Chambersburg Borough contain 3-story units with communal parking (no garage/driveway) and generally trend upward from 2-story units to 3-story (individual parcel) units. The comparable information from outside the Borough appears to be slightly lower for similar units; however, the comparables in District 25 support the fact that 3-story units (communal parking) are slightly higher than 2-story units and similar to 3-story units with garages.

Comparable Townhouse Assessments					
Parcel	Bldg Assessment	Units	Built	Assessment/Unit	
04-1G01R-001A	\$639,990	48	2011-2012	\$13,333	
04-1G01R-001B	\$511,850	38	2013-2014	\$13,470	
04-1G02C-001H	\$289,240	16	2017	\$18,078	
04-1G02C-075A	\$78,320	4	2009	\$19,580	
04-1G02C-221B	\$78,880	4	2015	\$19,720	
04-1G02C-078A	\$40,370	2	2008	\$20,185	
04-1G02C-082A	\$46,180	2	2009	\$23,090	
04-1G01R-293 to 300, & 406	\$18,500 to \$25,250	8	2006	\$23,450	
Outside Chambersburg Borough					
11-0E09.-184	\$51,490	4	2004	\$12,873	
11-0E09.-168	\$51,490	4	2006	\$12,873	
11-0E09.-183	\$52,500	4	2005	\$13,125	
25-5A00.-182.-0015A	\$247,890	16	2008	\$15,493	
08-2B20.-001	\$161,240	10	2008	\$16,124	
25-5A00.-182.	\$805,380	49	2009-2014	\$16,436	
01-0A16B-047	\$118,810	6	2008	\$19,802	

The comparable townhouse properties within Chambersburg Borough feature assessments ranging from \$13,333 per unit to \$23,450 per unit. Outside the Borough, the range is \$12,873 per unit to \$19,802 per unit. The comparable information from outside the Borough appears to be slightly lower for similar units; however, the comparables in District 25 support the fact that 3-story units (communal parking) are slightly higher than 2-story units and similar to 3-story units with garages. Given this information, the appraiser has estimated a reasonable assessment at \$20,000 per unit for the subject's proposed townhome units. Applying \$20,000 per unit to the 16 proposed units equates to an assessment of \$320,000.



Single-Family Dwellings:

The proposed development includes four (4) single-family, detached dwellings. Given the footprint of 1,200-sf (with garage) indicated on the concept/rendering, the unit would be anticipated to be approximately 2,100-sf (not including garage).

The following table contains assessment information for the most comparable, newer construction, single-family dwellings in the market. There are no noted, newer construction, single-family dwellings within Chambersburg Borough; therefore, this estimate will be based on the surrounding municipalities. Given that there is no basis for an adjustment for location within (or outside) the Borough, no adjustments have been made.

Comparable Dwelling Assessments				
Parcel	Bldg Assessment	SF	Built	Assessment/SF
09-0C22.-266	\$25,280	2,096	2020	\$12.06
09-0C22.-267	\$28,660	2,276	2019	\$12.59
11-0E17.-507	\$28,920	2,314	2019	\$12.50
11-0E17-523	\$28,970	2,212	2021	\$13.10
09-0C08A-042	\$26,310	1,988	2021	\$13.23
09-0C08A-038	\$28,400	2,112	2019	\$13.45
10-0D05F-143	\$27,700	2,108	2020	\$13.14
09-0C04P-136	\$26,380	2,183	2020	\$12.08
09-0C04P-056	\$32,370	2,224	2021	\$14.55
09-0C13A-137	\$27,850	2,148	2021	\$12.97

The comparable dwellings feature assessments ranging from \$12.06 per square foot to \$14.55 per square foot. The majority of the assessments are in the range of \$13.00 per square foot (which does not include garage square footage, which each comparable also includes). Given this information, the appraiser has estimated a reasonable assessment at \$13.00 per square foot to the estimated 2,100 square foot of livable space. Applying \$13.00 per square foot to the estimated 2,100 livable square feet (per dwelling) to the 4 proposed dwellings equates to an assessment of \$109,200.



Medical Office Building:

The proposed development includes a two-story, 10,000 square foot, medical office building.

The following table contains assessment information for the most comparable, newer construction, office (and medical office) buildings in the market. All comparables are within Chambersburg Borough; however, the latter comparables represent condo units. The first four comparables on the table below are considered most similar to the subject property.

Comparable Office Assessments				
Parcel	Bldg Assessment	SF	Built	Assessment/SF
03-1C00.-005E	\$89,560	5,390	2015	\$16.62
03-1C00.-212A	\$167,160	10,104	2018	\$16.54
03-1C00.-186B	\$174,130	10,284	2021	\$16.93
02-1C00.-172(EX)	\$210,270	12,642	2017	\$16.63
02-1C00.-174.-0001	\$69,270	5,009	2015	\$13.83
02-1C00.-174.-0003	\$48,110	5,017	2015	\$9.59
02-1C00.-174.-0004	\$17,950	1,131	2015	\$15.87
02-1C00.-174.-0005	\$19,560	1,208	2015	\$16.19
02-1C00.-173.-0001	\$69,400	4,550	2015	\$15.25
02-1C00.-173.-0002	\$58,430	5,031	2015	\$11.61

The comparable office buildings feature assessments ranging from \$9.59 per square foot to \$16.93 per square foot. The first four comparables, which are considered most similar (not condo units) range in assessed value from \$16.54 per square foot to \$16.93 per square foot. Given this information, the appraiser has estimated a reasonable assessment at \$16.75 per square foot for the proposed office building. Applying \$16.75 per square foot to the proposed 10,000 square feet equates to an assessment of \$167,500.



Retail Buildings:

The proposed development includes two (2) existing retail buildings, which are portions of the current shopping center. It is assumed that these improvements will be updated to “like new” condition to remain consistent with the design of the overall neighborhood center. The buildings total 18,594 square feet, being 11,428 square feet and 7,166 square feet, respectively.

The following table contains assessment information for the most comparable, newer construction, retail buildings in the market. All comparables are within Chambersburg Borough.

Comparable Retail Assessments				
Parcel	Bldg Assessment	SF	Built	Assessment/SF
03-1C00.-160A	\$375,550	30,368	2020	\$12.37
03-1C00.-166	\$165,750	9,600	2018	\$17.27
03-1C00.-125	\$74,790	7,230	2019	\$10.34
03-1C00.-195	\$269,200	17,901	2016	\$15.04
03-1C00.-316	\$147,930	9,546	2016	\$15.50
03-1C00.-318	\$115,230	6,480	2016	\$17.78

The comparable retail buildings feature assessments ranging from \$10.34 per square foot to \$17.78 per square foot. The mean of the data set is \$14.72, and the median is \$15.27. Given this information, the appraiser has estimated a reasonable assessment at \$15.00 per square foot for the proposed retail buildings. Applying \$15.00 per square foot to the proposed 18,594 total square feet equates to an assessment of \$278,910.



Restaurant:

The proposed development includes a 7,600 square foot retail building, identified as a restaurant in the 3D renderings; therefore, the appraiser has researched restaurants in the market area.

The following table contains assessment information for the most comparable, newer construction, restaurants in the market. All comparables are within Chambersburg Borough.

Comparable Restaurant Assessments				
Parcel	Bldg Assessment	SF	Built	Assessment/SF
03-1C00.-168	\$147,250	6,774	2012	\$21.74
03-1C00.-317	\$146,000	4,864	2016	\$30.02
03-1C00.-322	\$53,530	2,223	2012	\$24.08
03-1C00.-328	\$105,800	4,132	2007	\$25.61
03-1C00.-324	\$175,410	6,000	2007	\$29.24
03-1C00.-323	\$62,440	2,535	2017	\$24.63

The comparable restaurants feature assessments ranging from \$21.74 per square foot to \$30.02 per square foot. The mean of the data set is \$25.88, and the median is \$25.12. Given this information, the appraiser has estimated a reasonable assessment at \$25.50 per square foot for the proposed restaurant. Applying \$25.50 per square foot to the proposed 7,600 square feet equates to an assessment of \$193,800.



Summary of Potential Assessment:

Per discussions with a representative of the assessment office, the Land assessment is not likely to change. The Building assessments will reportedly be based on comparable, newer construction properties in the local market. The appraiser has estimated assessments for each proposed component, based on the concept plans provided to the appraiser.

The following table summarizes the data presented in this real estate tax assessment analysis.

Component	Land	Building	Total Assessment
Land	\$121,680	-	\$121,680
Apartments	-	\$798,000	\$798,000
Townhouses	-	\$320,000	\$320,000
Single-Family Dwellings	-	\$109,200	\$109,200
Medical Office	-	\$167,500	\$167,500
Retail Buildings	-	\$278,910	\$278,910
Restaurant	-	\$193,800	\$193,800
Total	\$121,680	\$1,867,410	\$1,989,090

Conclusion:

As supported by this analysis, the potential assessment for the redevelopment concept plans, as defined in this analysis, is estimated at \$1,989,090, rounded to **\$2,000,000 (Two Million Dollars)**.

Based on the 9.43 common level ratio factor, the implied market value of the potential assessment is approximately **\$18,860,000 (Eighteen Million Eight Hundred Sixty Thousand Dollars)**.

Applying the total millage to the potential assessment of the subject property results in an annual tax liability of \$360,659 (\$2,000,000 times 0.1803296), rounded to **\$360,000 (Three Hundred Sixty Thousand Dollars)**. This estimated tax liability is approximately \$260,000 above the current annual tax liability for the property and represents a +/-260% increase to tax revenue.

It should be noted that the estimated tax liability is as of the effective date of this analysis. The proposed timeline for development and completion of the proposed improvements is currently unknown. Millage rates in the Borough have increased at a rate of 0.5% to 3.0% annually over the past three years. In the appraiser's opinion, millage rates generally increase at a rate of 2% annually throughout the greater market.



RECONCILIATION AND CORRELATION

A Real Estate Tax Assessment Analysis been developed to appraise the subject property, as defined in this analysis, located at 133 West Catherine Street, Chambersburg Borough, Franklin County, Pennsylvania. The following chart summarizes the indicated value estimates:

Valuation Summary Table

Value Indications (as of March 25, 2022):	Total
Estimate of Potential Assessment	\$2,000,000
Estimated of Implied Value	\$18,860,000
Estimate of Annual Tax Liability	\$360,000 annually

Two extraordinary assumptions have been applied in this analysis. The **first** extraordinary assumption is the future development is consistent with the conceptual plans provided to the appraiser and discussed in this analysis. The **second** extraordinary assumption is that the proposed improvements are consistent with typical market-rate improvements in the subject area, as the appraiser was not provided with detailed land development, buildings plans, unit design/composition, etc.; therefore, the appraiser has assumed the proposed improvements will be similar to typical improvements in the subject market. The reader should note that these assumptions may have an effect on value.

One hypothetical condition has been applied in this analysis. The subject property is not currently improved with the improvements proposed on the Conceptual Land Use Sketch Plan. The hypothetical condition is that the proposed improvements exist on the subject property as of the effective date of this analysis. The reader should not that the use of this condition may have an effect on value.



Concluded Opinion of Potential Assessment:

The enclosed report provides the market data and analysis supporting the opinion of potential assessment for the subject property, as of March 25, 2022, estimated as **\$2,000,000 (Two Million Dollars)**.

Given this estimated potential assessment, the estimated implied value for the subject property, as of March 25, 2022, is estimated as **\$18,860,000 (Eighteen Million Eight Hundred Sixty Thousand Dollars)**.

Given this estimated potential assessment, the estimated tax liability for the subject property, as of March 25, 2022, is estimated as **\$360,000 (Three Hundred Sixty Thousand Dollars), annually**.

BASIC ASSUMPTIONS AND LIMITING CONDITIONS (LAND)

This appraisal report has been made with the following general assumptions:

- The valuation estimate and any market or feasibility conclusions apply only to the property specifically identified and described in this report.
- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens, encumbrances, encroachments, easements and restrictions, unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- Information and data contained in the appraisal, although obtained from public record and other reliable sources and, to the extent possible, carefully checked by the appraiser, are accepted as satisfactory evidence upon which rest our final conclusions of value. Any information furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed. Unless otherwise noted, it is assumed that all information known to the client and relative to the valuation has been accurately furnished and that there are no undisclosed leases, agreements, liens or other encumbrances affecting the use of the property. Any financial information provided to us with respect to the operation of the property, such as financial statements and reports, rent rolls and lease data, is assumed to be complete, true and correct. Any lease, mortgage, deed of trust or other agreement or instrument relating to the property reviewed by us is assumed to be legal, valid, binding and enforceable in accordance with its express terms.
- All engineering studies are assumed to be correct. The appraiser has made no legal survey nor has he commissioned one to be prepared; therefore, any plot plans or other such illustrative materials in this report are included only to help the reader visualize the property.
- It is assumed that there are no hidden or unapparent conditions of the property, such as sink holes, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the appropriate engineering studies that may be required to discover them. Unless otherwise noted, the property is not located in an area in which the purchase of flood insurance is required as a condition for federal related financial assistance.
- No responsibility beyond reason is assumed for matters of a legal nature, whether existing or pending.

- It is assumed that the property is in full compliance with all applicable federal, state and local laws and environmental regulations unless the lack of compliance is stated, described and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the use of the land and/or improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- Unless otherwise noted in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. The valuation is subject to modification if any such potentially hazardous materials or conditions are detected by a qualified expert in these areas. The appraiser reserves the right to modify this valuation if so warranted.
- The appraiser is not an engineer and any references to physical property characteristics in terms of quality, condition, cost, suitability soil conditions, sink hole or floor risk, obsolescence, etc., are strictly related to their economic impact on the property. No liability is assumed for any engineering-related issues.
- If the appraisal is for property to be built or under construction, it is assumed that construction will be completed as outlined in the report. The appraiser reserves the right to review finalized plans, require a current on-site inspection prior to the release of any funds and/or recertify any values reported herein.

- Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability or utility.
- An appraisal is inherently subjective and represents only an estimate of a property's value.
- The conclusions stated in the appraisal apply only as of the date indicated and no representation is made as to the effect of any subsequent events.
- The values reported herein are only applicable to the Property Rights Appraised in conjunction with the Purpose of the Appraisal and the Function of the Appraisal as herein set forth; the appraisal is not to be used for any other purposes or functions.
- Any allocation of the total value estimated in this report between the land and the improvements applies only to the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are not valid if so used.
- No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in the appraisal.
- Possession of the report, or any type of copy thereof, does not carry with it the right of publication.
- The appraiser, by reason of this appraisal, shall not be required to give testimony as Expert Witness in any legal hearing or before any court of law with reference to the property in question unless arrangements have been previously made for just and fair compensation for such services.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or Apex Valuation Services) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.

- The forecasts, projections and operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions. This appraisal is based on the condition of local and national economies, purchasing power of money and financing rates prevailing at the effective date of value.
- This appraisal shall be considered only in its entirety and no part of this appraisal shall be utilized separately or out of context. Any separation of the signature pages from the balance of the appraisal report invalidates the conclusions established herein.
- The liability of Apex Valuation Services is limited to the client only. Further, there is no accountability, obligation or liability to any other party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment. Apex Valuation Services is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the properties – physically, financially or/ or legally. Acceptance and use of this analysis by the client or any third party constitutes acceptance of the above conditions. The appraiser has no liability to any parties other than the client.
- The value conclusions found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from these Basic Assumptions and Limited Conditions.

SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS

In addition to the Basic Assumptions and Limiting Conditions presented previously, this appraisal report has been made with the following Special Assumptions and Limiting Conditions:

This is an appraisal report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report. As stated by Standards Rule 2-2 (a):

- (a) The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:
 - i. state the identity of the client and any intended users, by name or type;
 - ii. state the intended use of the appraisal;
 - iii. summarize information sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment;
 - iv. state the real property interest appraised;
 - v. state the type and definition of value and cite the source of the definition;
 - vi. state the effective date of the appraisal and the date of the report;
 - vii. summarize the scope of work used to develop the appraisal;
 - viii. summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;
 - ix. state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal
 - x. when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion;
 - xi. clearly and conspicuously:
 - state all extraordinary assumptions and hypothetical conditions; and
 - state that their use might have affected the assignment results; and
 - xii. include a signed certification in accordance with Standards Rule 2-3.

Any additional and/or supporting documentation (if applicable) as it relates to the analysis is retained in the appraiser's file.

APEX Valuation Services
1 West King Street, Suite 2A
Shippensburg, PA 17257

535 North Church Street, Suite 226
West Chester, PA 19380



Real Estate Appraising & Consulting
Phone 717-530-8701
Fax 717-530-8704

www.apexval.com

Joseph W. Elhadj, MAI, AI-GRS **Appraiser Qualifications**

Current Position (1998 to Present)

President, Apex Valuation Services, Shippensburg, PA & West Chester, PA
Certified General Real Estate Appraiser & Reviewer

Real Estate Certificates, Licenses and Memberships

Appraisal Institute General Review Specialist Designation (2018 to Present)
Member of the Appraisal Institute (2014 to Present)
Maryland State Certified General Real Estate Appraiser #32124 (2014 to Present)
Virginia State Certified General Real Estate Appraiser #4001 014037 (2009 to Present)
Pennsylvania State Certified General Real Estate Appraiser #GA-001599-L (1998 to Present)
Pennsylvania State Licensed Real Estate Standard Broker #SB065397 (2008 to Present)
Pennsylvania State Licensed Real Estate Sales Agent #RS-194417L (1998 to Broker)

Previous Work Experience

Weinstein Realty Advisors, York, PA (1994-1998)
Certified General Real Estate Appraiser
Pennsylvania Licensed Real Estate Sales Agent
Real Estate Tax Consultant

Real Estate Investment Activity

2007-Present

Owner: Nick's Properties, Ltd, LLC, Shippensburg, PA
Various Multi-Family Residential Dwellings

2004-Present

Owner: 615 Lincoln Way West Associates, LLC, Shippensburg, PA
Various Multi-Family Residential Dwellings
Commercial/Office Properties

1992-Present

Owner/Partner: BJ Realty Investments, Shippensburg, PA
Various Multi-Family Residential Dwellings
Commercial/Office Properties

1992-Present

Owner: Lincoln Investments, Shippensburg, PA
Various Multi-Family and Single-Family Residential Dwellings

General Education

2009-2014

University of Phoenix; Bachelor of Arts – Business Management

1988-1990

Pennsylvania State University; Associates Degree - Business Administration

Real Estate Education

Appraisal Institute

Eminent Domain & Condemnation, 2020
Cool Tools & New Technology for Real Estate Appraisers, 2020
Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications, 2018
Review Theory – General, 2018
2016-2017 - 7-Hour National USPAP Update Course, Online Seminar, 2017
Beyond The Numbers: Market Analysis Tips and Trends, 2017
Capstone General Demonstration Report Program, 2016
Advanced Concepts & Case Studies, Louisville KY, 2015
Quantitative Analysis, Louisville KY, 2015
General Demonstration Report Writing, Chicago IL, 2015
Quantitative Analysis, Louisville KY, 2015
Advanced Market Analysis and Highest & Best Use, Louisville KY, 2015
Advanced Income Capitalization, Plymouth Meeting PA, 2015
General Appraiser Report Writing and Case Studies, Tampa FL, 2014
Business Practices and Ethics, Online Seminar, 2014
Section 8/HUD: Rent Comparability Course – Washington, DC, 2001
Basic Income Capitalization, Course #310 - Boulder Colorado, 1997
Advanced Income Capitalization, Course #510 - Boulder Colorado, 1997
Affordable Housing Valuation – Atlanta Georgia, 1997
Appraisal Principals, Course #110 - Pittsburgh Pennsylvania, 1995
Appraisal Procedures, Course #120 - Pittsburgh, Pennsylvania, 1995

McKissock

Appraisals of Owner-occupied Commercial Facilities: Maryland, 2020
Appraisals of Self Storage Facilities: Maryland, 2020
Basic Hotel Appraising for Limited Service Hotels: Maryland, 2020
From Contract to Closing: A Breakdown of the Real Estate Market, 2020
Lead Alert: A Guide for Property Managers, 2020
Finding Your Focus: Niche Marketing for Real Estate, 2020
Millennials are Changing Real Estate – Are You Ready?, 2020
Pennsylvania State Mandated Law for Appraisers, 2018
2018-2019 National USPAP Update Course (7-Hours), 2018
Essential Elements of Disclosures & Disclaimers (5-Hours), 2018
Basic Hotel Appraising – Limited Service Hotels, 2017
Appraising Small Apartment Properties, 2017
Appraisal of Single Tenant Distribution Centers, 2017
Your Guide to the Code of Ethics, 2016
A Day in the Life of a Buyer Agent, 2016
A Homebuyer's Guide to Credit Scores, 2016
Helping Buyers Narrow in on Their Dream Home, 2016
Pennsylvania State Mandated Law for Appraisers, 2015
How to Work with Real Estate Investors, 2014
Niche Marketing: Narrow Your Focus, 2014
Real Estate Safety: Protect Yourself During a Showing, 2014
Pocket Listings: Is This Trend for You?, 2014
Drilling Down to the Facts about Marcellus Shale, 2014
Land and Site Valuation, 2013
Appraising and Analyzing Industrial/Flex Buildings for Mortgage Underwriting, 2013
Appraising and Analyzing Retail Shopping Centers for Mortgage Underwriting, 2013
Financial Reform, Fannie Mae and Appraisers, 2011

McKissock, cont.

Delaware Appraisal Laws and Regulations, 2011
Two Hour Mandated Law Course, 2011
Income Capitalization (Pennsylvania & Delaware), 2011
Appraising Apartments: The Basics, (Pennsylvania & Delaware), 2011
The Art of Addenda, 2011
Introduction to Expert Witness Testimony, 2011
Technology for Today's Appraiser, 2009
Private Appraisal Assignments, 2009
Made in America: Appraising Factory Built Housing, 2009

Institute of Real Estate Studies

PA Appraisal Law and Emerging Issues, 2007
Residential Construction II, 2005
Basic Income Property Valuation, 2005
Fifteen Hour USPAP Compliance, 2005
Real Estate Investment I, 2005
Real Estate Investment II, 2005
Basics of Residential Valuation & Sales Comparison Approach, 2005
Residential Valuation Using Cost & Income Approach, 2005
Narrative Valuation Report, 2005 & 2007
Real Estate Law, 2005
Real Estate Finance I, 2004
Real Estate Finance II, 2004
Home Inspections, 2004
Brokerage & Office Management, 2004
Residential Construction I, 2004
Pennsylvania Real Estate Salesperson Licensing Requirements, 1991

The International Right of Way Association

The Uniform Act Executive Summary, 2017

Commercial Investment Real Estate Institute

Financial Analysis for Commercial Investment Real Estate, Las Vegas NV, 2000

The Real Estate School of York County

Property Investment, 1998
"Let's Get It Right", 1998
New Home Construction, Course III, 1996

Maryland Association of Appraisers

FHA Review Guidelines, 1998

Education Division of Don Paul Shearer Inc.

USPAP and State Appraiser Law Updates, 2005
Fifteen Hour USPAP Compliance, 2003
Professional Liability, 2003
Tax Assessment Law & Tax Appeals in Pennsylvania, 2003
New Concerns and Issues of Real Estate Practice in Pennsylvania, 2002
Contemporary Legal Issues, 2001-2001
Income Capitalization and Partial Interest, 1999

Published Articles

“Better Measurement of Apartment Vacancy and Collection Loss”

The Appraisal Journal, January 1998

“Assessment of Low Income Housing Tax Credit Projects”

The Advisor, A publication of Weinstein Realty Advisors; Volume 1, Issue 2, July 1997

Expert Court Testimony

Board of Assessment Appeals - Adams County

Board of Assessment Appeals - Berks County

Board of Assessment Appeals - Blair County

Board of Assessment Appeals - Cumberland County

Board of Assessment Appeals - Dauphin County

Board of Assessment Appeals - Franklin County

Board of Assessment Appeals - Lancaster County

Board of Assessment Appeals – Lebanon County

Board of Assessment Appeals - Luzerne County

Board of Assessment Appeals – Mifflin County

Board of Assessment Appeals – Northumberland County

Board of Assessment Appeals – Schuylkill County

Board of Assessment Appeals – York County

Blair County Court of Common Pleas

Dauphin County Court of Common Pleas

Franklin County Court of Common Pleas

Fulton County Court of Common Pleas

Types of Properties Appraised

Apartment Complexes

Joseph W. Elhajj has personally appraised over 12,000 apartment units in more than 120 complexes which ranged in size from 40 to 800 units. Primary geographic areas for apartment appraisals in Pennsylvania have been Adams County, Berks County, Blair County, Cumberland County, Dauphin County, Fayette County, Franklin County, Greene County, Lancaster County, Lawrence County, Lebanon County, Luzerne County, Mifflin County, and York County. Additionally, apartment appraisals have been performed in Delaware, New Jersey, and Maryland. Apartment appraisals have been completed for various clients including but not limited to local lenders, regional lenders, property owners, Pennsylvania Department of Housing and Urban Development, and subcontract work from other appraisal firms.

Various other smaller apartment complexes have also been completed for various local lenders. Smaller apartment communities have varied in size from four to forty units.

Commercial Facilities

Commercial properties previously appraised include retail strips, shopping centers, regional malls, self-storage units, fast food restaurants, retail stores, gas stations, and convenience stores. The geographic area of focus for commercial facilities has been primarily south-central Pennsylvania; however, various commercial appraisals have been performed throughout Pennsylvania; as well as in Delaware, Maryland, Virginia and West Virginia.

Office Buildings

Office appraisals have been performed all across central Pennsylvania and include facilities ranging in size from 2,800 square feet to 250,000 square feet. Both owner-occupied and investor-owned office facilities have been analyzed. The investor-owned facilities have been both single-tenant and multi-tenant and have ranged from large nationally ranked tenants to small local professional firms as well as government facilities.

Medical Office Buildings

Medical office appraisals include facilities from 4,000 square feet to 40,000+ square feet, both single tenant and multi-tenant, throughout Central Pennsylvania and Washington County, Maryland. Clients include developers and lending institutions as well as direct medical providers such as Geisinger Medical and WellSpan (formerly Summit Health), and several local medical, pediatric and dental providers in Adams, Cumberland and Franklin County Pennsylvania and Washington County Maryland, some of which have been appraised multiple times over the years as their businesses have grown or changed.

Industrial Facilities

Industrial appraisals have been performed for both new construction and existing facilities throughout Pennsylvania. Industrial properties appraised have ranged in size from 9,000 square feet to over 800,000 square feet. Both owner-occupied and investor-owned industrial facilities have been appraised.

Land

Land valuations have included vacant, undeveloped land in commercial, industrial, residential, manufacturing, agricultural and various other zoning districts. Appraisals have been performed on vacant land for both new construction purposes and asset management purposes. Consulting assignments for vacant land include various highest and best use analyses for determining potential development strategies, easements and right of ways.

Other

Other special purpose properties such as government facilities, churches, nursing homes, residential subdivisions, mobile home parks, recreational facilities and golf courses have been appraised in various locations across Pennsylvania, Delaware, Maryland, Virginia and West Virginia.

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

20 0062063

License Type
Broker (Sole Proprietor)-Standard

JOSEPH ELHAJJ
APEX VALUATION SERVICES
1 WEST KING STREET - SUITE 2A
SHIPPENSBURG, PA 17257



License Status
Active

Initial License Date
10/10/2008

Expiration Date
05/31/2022

License Number
SB065397

Acting Commissioner of Professional and Occupational Affairs

Signature

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

21 0049460

License Type
Certified General Appraiser

JOSEPH W ELHAJJ
1 WEST KING STREET
SUITE 2A
SHIPPENSBURG, PA 17257



License Status
Active

Initial License Date
12/15/1997

License Number
GA001599L

Expiration Date
06/30/2023

Commissioner of Professional and Occupational Affairs

Signature

THIS DOCUMENT IS VOID WITHOUT BLUE BACKGROUND. CONTAINS COPY VOID FEATURE & ARTIFICIAL WATERMARK ON THE BACK



LICENSE * REGISTRATION * CERTIFICATION * PERMIT

Lawrence J. Hogan, Jr.
Governor

STATE OF MARYLAND

Boyd K. Rutherford
Lt. Governor

MARYLAND DEPARTMENT OF LABOR

Tiffany P. Robinson
Secretary

COMMISSION OF RE APPRAISERS & HOME INSPECTORS
CERTIFIES THAT:



JOSEPH W ELHAJJ

IS AN AUTHORIZED: **04 - CERTIFIED GENERAL**

LIC/REG/CERT
32124

EXPIRATION
06-11-2023

EFFECTIVE
07-01-2020

CONTROL NO
5540589

Joseph W Elhadj
Signature of Bearer

Tiffany P. Robinson
Secretary

Signature of Bearer

Secretary

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation

9960 Mayland Drive, Suite 400, Richmond, VA 23233

Telephone: (804) 367-8500

EXPIRES ON

01-31-2023

NUMBER

4001014037

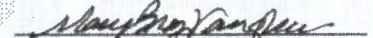
REAL ESTATE APPRAISER BOARD

CERTIFIED GENERAL REAL ESTATE APPRAISER



JOSEPH W ELHAJJ
1 WEST KING STREET
SUITE 2A
SHIPPENSBURG, PA 17257




Mary Broz-Vaughan, Director

Status can be verified at <http://www.dpor.virginia.gov>

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)

Apex Valuation Services
Real Estate Appraising & Consulting

1 West King Street, Suite 2A
Shippensburg, PA 17257

535 North Church Street, Suite 226
West Chester, PA 19380

Phone - 717-530-8701
Fax - 717-530-8704
apexval.com



Robert M. Hudome
Professional Qualifications

Current Position

Pennsylvania State Licensed Appraisal Trainee, Apex Valuation Services

Real Estate Certificate and Licenses

Pennsylvania State Licensed Appraisal Trainee #LAT001071 (February 2020 to Present)

Work Experience

2018 – Present

Apex Valuation Services

Research, 2018 – 2020

Licensed Appraisal Trainee, 2020 – Present

2009 – 2018

Masonry Contractor

General Education

2007-2009

West Chester University

2005-2007

Montgomery County Community College, Associates in Accounting

2004-2005

University of Pittsburgh

Real Estate Education

Polley Associates

Basic Appraisal Procedures, June 2018

Basic Appraisal Principles, August 2018

National Appraising for Supervisor & Trainee, March 2019

15-Hour Equivalent USPAP, March 2019

McKissock Learning

7-Hour USPAP Course Update Course for Non-Residential Real Property, June 2021

Pennsylvania State Mandated Law for Appraisers, June 2021

Appraisal Institute

General Appraiser Income Approach/Part 1, June 2021

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

21 0099974

License Type
Licensed Appraiser Trainee

ROBERT MICHAEL HUDOME
1256 QUEEN ST
POTTSTOWN, PA 19464



License Status
Active

Initial License Date
02/20/2020

License Number
LAT001071

Expiration Date
06/30/2023

Commissioner of Professional and Occupational Affairs

Signature

**PENNSYLVANIA STATE BOARD OF CERTIFIED REAL ESTATE APPRAISERS
REQUIRED CHECKLIST FOR LICENSED APPRAISAL TRAINEE**

THE BOARD REQUIRES THIS CHECKLIST BE USED WHEN A LICENSED APPRAISAL TRAINEE IS UTILIZED IN THE PERFORMANCE OF AN APPRAISAL. THIS CHECKLIST MUST BE SIGNED BY THE CERTIFIED APPRAISER AND MADE PART OF THE APPRAISAL REPORT THAT IS SUBMITTED TO THE CLIENT AND RETAINED IN THE APPRAISAL WORKFILE.

BY COMPLETING THIS CHECKLIST AND MAKING IT PART OF THE APPRAISAL REPORT SUBMITTED TO THE CLIENT, THE TRAINEE AND SUPERVISORY APPRAISER HAVE MET APPLICABLE USPAP REQUIREMENTS FOR ACKNOWLEDGMENT AND DISCLOSURE OF SIGNIFICANT REAL PROPERTY APPRAISAL ASSISTANCE.

THE BOARD CANNOT GRANT EXPERIENCE HOURS FOR APPRAISAL ASSIGNMENTS IN WHICH THE LICENSED APPRAISAL TRAINEE IS NOT PROPERLY ACKNOWLEDGED IN THE REPORT.

SUBJECT PROPERTY ADDRESS: 133 West Catherine Street, Chambersburg, PA

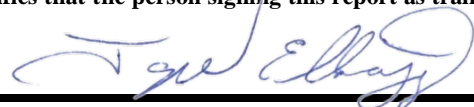
The licensed appraisal trainee to the certified real estate appraiser has contributed significant real property appraisal assistance in this appraisal assignment. Specifically, the licensed appraisal trainee:

- | Yes | No | N/A | |
|-------------------------------------|--------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in the preparation of the workfile with all forms and general information for the appraisal. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in determining the scope of work of the appraisal. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in gathering and entering data as follows: tax assessment information and map, flood hazard information and map, zoning information and map, location map and similar information. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Inspected the subject property.
If yes, accompanied by supervisor? <u>Yes</u> (yes/no)
Type of inspection (check one): <input type="checkbox"/> interior <input checked="" type="checkbox"/> exterior |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in analyzing the highest and best use of the subject property. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in gathering information for comparable land sales data, verified and analyzed the comparable land sales data. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in gathering data for the cost approach, including estimates of cost new and accrued depreciation. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in data and analysis for the income approach, including estimates of market rent, vacancy/expense analysis, and development of GRM or capitalization rate. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in gathering and verifying comparable sales data, and analysis of the comparable sales. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in the exterior inspection of the sales, rentals, land and/or other comparables. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in sketch drawing. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in entering subject and comparable data on the form and in the comment areas. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in reconciliation and final opinion of value for the subject property. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Assisted in the final review of this report. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Other _____ |

SIGNATURE OF THE APPRAISAL TRAINEE Robert M. Hudome

PRINT/TYPE NAME: Robert M. Hudome

The supervising certified real estate appraiser certifies that the named individual did assist with the items checked above, and also certifies that he/she reviewed all work done by the trainee. The supervising appraiser further certifies that the person signing this report as trainee understands the concepts and processes associated with the appraisal process.

SIGNATURE OF SUPERVISING CERTIFIED REAL ESTATE APPRAISER: 



MEMORANDUM

To: Kalonji Johnson, Acting Commissioner, BPOA
Jessica Mathis, Director, Bureau of Elections & Notaries

CC: Richard Vague, Acting Secretary of Banking and Securities

From: Kathy Boockvar, Secretary

Date: April 10, 2020

Re: **REVISED** Limited Guidance for Appraisers, Notaries, Title Companies, and Home Inspectors for Transactions Begun Prior to March 18, 2020

On March 6th, 2020 in response to the spread of the novel coronavirus COVID-19, Governor Tom Wolf executed an Emergency Disaster Declaration for Pennsylvania. Subsequently, on March 19th, 2020, Governor Wolf ordered the closure of non-life-sustaining businesses.

Since that date, the Department worked in consultation with the Governor's Office and the Department of Banking and Securities to develop guidance for appraisers, notaries, title companies and home inspectors. In response to concerns regarding residential real estate transactions, specifically those transactions initiated prior to the Emergency Disaster Declaration, the following limited guidance is being issued:

1. In-person activities as listed below are permitted for only those residential real estate transactions which, with respect to existing homes, were under contract (signed) prior to the date of the March 18th, 2020, or, with respect to new construction, which were under a previously executed contract that provides for closing and delivery to the customer on or after March 18th, 2020 :
 - Inspections;
 - Appraisals;
 - Final walk-throughs;
 - In-person Title Insurance activities.
2. Permitted inspections, appraisals, final walk-throughs, and title insurance activities shall be arranged by appointment and limited to no more than two people on site at any one time. Exercising of social distancing during these activities is required, and wearing

further protective gear (gloves, shoe covers, masks) is strongly encouraged. No construction activities may occur at such site other than limited activities necessary to stabilize the site, temporarily prevent weather damage, or make emergency repairs only. Emergency repairs, limited to performing those tasks necessary to provide repair services to customers, may continue. Further, residential construction projects that have been issued a final occupancy permit may continue such work as may be necessary to complete delivery to the purchaser. For all other residential construction projects limited activities may continue to the extent necessary to stabilize the site, temporarily prevent weather damage, or make emergency repairs only.

3. Any real estate business which is executed remotely is permissible, including virtual or telework operation for desktop appraisals. This includes appraisals for commercial real estate.
4. For residential real estate contracts entered into after March 18th, 2020, in-person inspections, appraisals, final walk-throughs, and title insurance activities are prohibited until the Emergency Disaster Declaration is lifted for Pennsylvania. This does not apply to residential or commercial appraisals that do not require entrance into a physical location.

The COVID-19 global pandemic has created an unprecedented situation and we understand the concerns of businesses and individuals impacted by this virus. However, due to significant health concerns for the residents of this commonwealth, only in-person residential real estate activities that meet the provisions of this guidance are permissible.

This memo applies to home equity loans and home refinancing transactions. For real estate transactions begun after March 18, 2020, drive-by (exterior only) or desktop appraisals are considered permissible activities.

APEX Valuation Services

1 West King Street, Suite 2A
Shippensburg, PA 17257

535 North Church Street, Suite 226
West Chester, PA 19380



Real Estate Appraising & Consulting

Phone 717-530-8701
Fax 717-5308704

Apexval.com

February 25, 2022

Jeffrey Stonehill
Borough Manager, Director of Utilities
Borough of Chambersburg
100 South Second Street
Chambersburg, Pennsylvania 17201

Re: Real Estate Appraisal of property identified as:
Tax Parcel #05-1D08.-002.-000000
133 West Catherine Street
Chambersburg Borough
Franklin County, Pennsylvania 17201

Dear Mr. Stonehill,

Thank you for the opportunity to provide an appraisal on the above referenced property.

The purpose of this analysis will be to attempt to determine the value of the real property and improvements of the subject property based on the concept plan provided by the client that depicts potential redevelopment of the subject property.

METHODOLOGY

A field inspection will be made of the subject property. Research of applicable data and consideration of the recognized approaches to value (comparable sales approach, income approach and cost approach), and a final value conclusion will be developed through currently accepted methods and valuation techniques. Our appraisals are in conformity with the Standards of Professional Practice, FIRREA. The appraisal will be a complete, summary, narrative appraisal in accordance with USPAP.

February 25, 2022

Page 2

FEE

The fee for the appraisal report will be Three Thousand (\$3,000.00) Dollars. A retainer of One Thousand Five Hundred (\$1,500.00) Dollars will be due upon acceptance of this agreement. Payment of the remaining balance of One Thousand Five Hundred (\$1,500.00) Dollars will be due and payable upon receipt of the completed report. An interest charge of 1.5% will be assessed on any unpaid balance after 30 days of delivery of the final product, and every month thereafter until the balance is paid in full. Expert court testimony will be billed at a flat rate of \$1,000 per day and any personal appearance negotiations and/or phone consultations, if required, will be billed separately at a rate of Two Hundred (\$200.00) Dollars per hour. Any legal fees associated with collection of monies due from this agreement will be the sole responsibility of the client.

REPORT

A PDF version of the appraisal will be submitted. One (1) original printed and bound copy will be provided upon request at no additional charge. Any additional printed and bound copies will be provided at \$50 each.

COMPLETION OF APPRAISAL REPORT

We realize time is of the essence to you and will work diligently to have the report completed and delivered to you as soon as possible, but no later than forty-five (45) calendar days from the signing of this agreement, subsequent to our receipt of the ratified agreement, the above stated retainer, and the following, if deemed applicable:

- Building Plans
- Site Plans
- Projected income/expenses
- Historical income/expenses for the most recent past three (3) years
- Construction Costs
- Deed/Legal Description
- Lease sample, or copies of current leases in place

Any expense attributable to the attainment of the above information is the responsibility of the client. Any expenses incurred by Apex Valuation Services in procurement of this information will be billed to the client in addition to our fee; however, none are anticipated.

February 25, 2022

Page 3

INDEPENDENCE/FIDUCIARY RESPONSIBILITY

It must be emphasized that the employment to make this appraisal, and the fee, is NOT contingent upon reporting a predetermined value, our market value, or future value of the subject property.

Apex Valuation Services has no personal interest or bias with respect to the subject matter of the appraisal report or the parties involved.

CONFIDENTIALITY

Apex Valuation Services and Employees thereof, agree not to discuss or divulge any confidential information pertaining to the subject property, nor discuss the completed appraisal's content with any unauthorized parties without the expressed written consent of Jeffrey Stonehill, and/or any Representatives thereof.

AUTHORIZATION

Your authorization to proceed with the appraisal assignment can be initiated by returning a signed copy of this letter which will constitute an agreement between Jeffrey Stonehill, and/or his representative(s), and Apex Valuation Services, for services and fees as described herein.

We look forward to this opportunity to assist you in your real estate appraisal requirements. Please sign and return the enclosed copy of this letter to the undersigned, acknowledging receipt of this letter and the facts stated in it.

Cordially,
APEX VALUATION SERVICES

I agree with the above terms and conditions,



Joseph W. Elhajj, MAI, AI-GRS
APEX VALUATION SERVICES
PENNSYLVANIA LIC. #GA001599L



Date: 3/10/22
Jeffrey Stonehill, Borough Manager/Director of Utilities
BOROUGH OF CHAMBERSBURG

THIS INDENTURE made this 25th day of March in the year of our Lord one thousand nine hundred and eighty-six.

BETWEEN Rose Krefetz as Sole Surviving Executrix of the Estate of Nathan Krefetz, deceased; Rose Krefetz as Sole Surviving Trustee under Paragraph Third A of the Last Will and Testament of Nathan Krefetz, deceased, for the benefit of Rose Krefetz, an Undivided one-half interest; Rose Krefetz as Sole Surviving Trustee under Paragraph Third B(5) of the Last Will and Testament of Nathan Krefetz for the benefit of Susan Alice Krefetz, an Undivided one-quarter interest; Rose Krefetz as Sole Surviving Trustee under Paragraph Third B(5) of the Last Will and Testament of Nathan Krefetz for the benefit of Lillian Judith Krefetz, an Undivided one-quarter interest; and Rose Krefetz, individually, as Surviving Spouse of Nathan Krefetz, deceased, residing at 26 Merrivale Road, Great Neck, New York 11020 (hereinafter referred to as "Grantor") and FRANKLIN PROPERTIES COMPANY, an Ohio partnership, c/o Paran Management Co., Suite 100, 13212 Shaker Square, Cleveland, Ohio 44120 (hereinafter referred to as "Grantee").

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX
APR 1986
998.00

WITNESSETH, that the said Grantor for and in consideration of the sum of THREE MILLION ONE HUNDRED THOUSAND (\$3,100,000) DOLLARS lawful money of the United States of America, unto her well and truly paid by the said Grantee at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, enfeoffed, released and confirmed, and by these presents does grant, bargain, sell, alien, enfeoff, release and confirm unto the said Grantee, its successors and assigns, all of the real estate lying and being situate in Chambersburg, Franklin County, Pennsylvania, more particularly described on Schedule A, annexed hereto and made a part hereof.

BEING the same premises conveyed to the Grantor by Rose Krefetz as Sole Surviving Executrix of the Last Will and Testament of Nathan Krefetz, deceased, by deed dated July 8, 1975 and recorded in Deed Book Volume 714, Page 973, et seq., in the Franklin County Recorder's Office on July 15, 1975.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALLY TRANSFER TAX
APR-1976

998.00

TOGETHER will all and singular the Buildings, Improvements, Streets, Alleys, Passages, Ways, Waters, Water-Courses, Rights, Liberties, Privileges, Hereditaments and Appurtenances, whatsoever thereunto belonging, or in any wise appertaining, and the Reversions and Remainders, Rents, Issues and Profits thereof; and

69680

all the estate, right, title interest, property, claim and demand whatsoever of her the Grantor, in law, equity, or otherwise, howsoever, of, in, and to the same and every part thereof,

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALLY TRANSFER TAX
APR-1976

999.00

TO HAVE AND TO HOLD the said lot or piece of ground above described, with the Buildings and Improvements erected thereon, Hereditaments and Premises hereby granted, or mentioned and intended so to be, with the Appurtenances, unto the said Grantee, its Successors and Assigns, to and for the only proper use and behoof of the said Grantee, its Successors and Assigns forever, under and subject as set forth herein.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALLY TRANSFER TAX
APR-1976

999.00

UNDER AND SUBJECT TO the Exceptions set forth in Schedule B, annexed hereto and made a part hereof.

AND the said Grantor does by these presents, covenant, grant and agree, to and with the said Grantee, its Successors and Assigns, that she the said Grantor all and singular the Hereditaments and Premises herein above described and granted, or mentioned and intended so to be, with the Appurtenances, unto the said Grantee, its Successors and Assigns, against them, the said Grantor and

against all and every 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, shall and will SUBJECT as aforesaid, WARRANT and forever DEFEND.

IN WITNESS WHEREOF, the party of the first part has caused these presents to be duly executed the day and year first above writ-

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX
APR-798
999.00
APR-798
999.00
APR-798
999.00
APR-798
999.00
APR-798
999.00
APR-798
999.00

SEALED AND DELIVERED
IN THE PRESENCE OF US:

Ronald Hauth
Constance D. Terry

Ronald Hauth
Constance D. Terry

Ronald Hauth
Constance D. Terry

Ronald Hauth
Constance D. Terry

Ronald Hauth
Constance D. Terry

Rose Krefetz
ROSE KREFETZ, as Sole Surviving
Executrix of the Estate of Nathan
Krefetz, deceased

Rose Krefetz
ROSE KREFETZ, as Sole Surviving
Trustee under Paragraph Third A
of the Last Will and Testament of
Nathan Krefetz, deceased, f/b/o
Rose Krefetz

Rose Krefetz
ROSE KREFETZ, as Sole Surviving
Trustee under Paragraph Third
B(5) of the Last Will and
Testament of Nathan Krefetz,
deceased, f/b/o Susan Alice
Krefetz

Rose Krefetz
ROSE KREFETZ, as Sole Surviving
Trustee under Paragraph Third
B(5) of the Last Will and
Testament of Nathan Krefetz,
deceased, f/b/o Lillian Judith
Krefetz

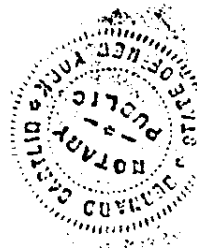
Rose Krefetz
ROSE KREFETZ, individually, as
Surviving Spouse of Nathan
Krefetz, deceased

STATE OF NEW YORK)
: SS.1
COUNTY OF NEW YORK)

On the 25th day of March, 1986, before me came ROSE
KREFETZ, to me known to be the individual described in and who
executed the foregoing instrument, and acknowledged that she
executed the same.

Rose Krefetz

BERNARD GARTLIR
Notary Public, State of New York
No. 306700100
Qualified in Nassau County
Term Expires March 30, 1986



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
RE 11.653
REALLY TRANSFER APR-4'86
999.00
TAX

5 2 6 8 0 0 hereby Certify that Grantee precise
residence and complete post office
address is *90 Parson Management Co
Suite 100, 13212 Shaffer Square, Cleveland Ohio 44120*
Witness my hand this *3rd*
day of *April* 19 *86*
W.B. Wilmer for R.K. Gtz.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
RE 11.669
REALLY TRANSFER APR-4'86
999.00
TAX

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
RE 11.669
REALLY TRANSFER APR-4'86
999.00
TAX

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
RE 11.660
REALLY TRANSFER APR-4'86
999.00
TAX

RECORDED
1986 APR - 4 A 9 38
DAVID W. BOWERS
RECORDER OF DEEDS
FRANKLIN COUNTY
- 27 -

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
RE 11.669
REALLY TRANSFER APR-4'86
999.00
TAX

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
RE 11.669
REALLY TRANSFER APR-4'86
999.00
TAX

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
RE 11.660
REALLY TRANSFER APR-4'86
999.00
TAX

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
RE 11.669
REALLY TRANSFER APR-4'86
999.00
TAX

SCHEDULE A
LEGAL DESCRIPTIONS

008987 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008988 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008989 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008990 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008991 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008992 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008993 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008994 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008995 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008996 COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008995
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008984
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008994
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008993
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008992
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008991
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008990
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008989
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008988
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

008987
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALTY TRANSFER TAX APR-4'86 RR-11563 **999.00**

PARCEL NO. 1

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALLY TRANSFERRED APR-1986
TAX
PR 11559
998.00

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
REALLY TRANSFERRED APR-1986
TAX
RB 11559
31.00
7 6 6 8 0 0

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set Bathey Marker on the north right-of-way line on West Catherine Street (60 feet wide) at corner of lands of John Wesley A.M.E. Zion Church; thence along lands of John Wesley A.M.E. Zion Church, North 9 degrees 39 minutes 36 seconds East 150.00 feet to a set iron pin; thence still with the same North 80 degrees 20 minutes 30 seconds West 216.80 feet to a set iron pin at lands of the Borough of Chambersburg; thence still along the same North 10 degrees 25 minutes 45 seconds East 425.70 feet to a set iron pin; thence still with the same North 79 degrees 54 minutes 22 seconds West 20.11 feet to an existing copper wire in concrete at lands of the Housing Authority of Franklin County; thence along lands of the Housing Authority of Franklin County North 78 degrees 22 minutes 06 seconds West 105.90 feet to a set iron pin; thence still with the same North 82 degrees 40 minutes 28 seconds West 138.42 feet to a set iron pin; thence still with the same North 12 degrees 00 minutes 15 seconds East 260.18 feet to a set iron pin on the south right-of-way line of West Washington Street (60 feet wide); thence with the south right-of-way line of said West Washington Street North 84 degrees 15 minutes 00 seconds East 7.22 feet to a point; thence still with the same on a curve to the right with a radius of 379.26 feet, an arc distance of 100.56 feet, a chord bearing of South 88 degrees 09 minutes 15 seconds East a distance of 100.26 feet to a set spike; thence still with the same South 80 degrees 33 minutes 30 seconds East 388.67 feet to a set spike; thence still with the same South 80 degrees 44 minutes 30 seconds East 296.88 feet to a set iron pin at the western right-of-way line of Water Street (40 feet wide); thence with the western right-of-way line of Water Street South 9 degrees 32 minutes 30 seconds West 849.70 feet to a set iron pin on the north right-of-way line on West Catherine Street; thence with the north right-of-way line on West Catherine Street North 80 degrees 53 minutes 45 seconds West 328.80 feet to a set Bathey Marker, being the Place of Beginning.

Being Tract No. 2 as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 11.4271 acres.

PARCEL NO. 2

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set nail & washer on the North right-of-way line of West Liberty Street (60 feet wide) at its intersection with the Eastern right-of-way line of Water Street (40 feet wide); thence with the Eastern right-of-way line of Water Street North 9 degrees 32 minutes 30 seconds East 532.09 feet to a set spike on the South right-of-way line of West Washington Street (60 feet wide); thence with the South right-of-way line of West Washington Street South 80 degrees 31 minutes 30 seconds East 261.32 feet to a set iron pin at the Western right-of-way line of Black Avenue (23 feet wide); thence with the Western right-of-way line of said Black Avenue South 9 degrees 28 minutes 45 seconds West 529.95 feet to a set spike on the North right-of-way line of said West Liberty Street; thence with the North right-of-way line of said West Liberty Street North 80 degrees 59 minutes 15 seconds West 261.92 feet to a set nail & washer, being the Place of Beginning.

Being Tract No. 3 as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 3.1893 acres.

COPY

PARCEL NO. 3

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set spike along the North right-of-way line of West Washington Street (60 feet wide), said set spike being South 80 degrees 44 minutes 30 seconds East 47.07 feet from the intersection of the North right-of-way line of West Washington Street and the East right-of-way line of Cedar Avenue (60 feet wide); thence along other lands of Franklin Properties Company, being known as Tract No. 4A, North 9 degrees 38 minutes 30 seconds East 95.68 feet to a set spike; thence along the same, South 80 degrees 21 minutes 30 seconds East 77.00 feet to a set iron pin; thence along the same, North 9 degrees 38 minutes 30 seconds East 117.98 feet to a set iron pin on the South right-of-way line of Loudon Street (60 feet wide); thence along the South right-of-way line of Loudon Street, South 80 degrees 17 minutes 54 seconds East 122.65 feet to a set iron pin at lands of the Borough of Chambersburg; thence along lands of the Borough of Chambersburg, South 9 degrees 38 minutes 30 seconds West 212.19 feet to a point on the North right-of-way line of West Washington Street (60 feet wide); thence along the North right-of-way line of West Washington Street, North 80 degrees 44 minutes 30 seconds West 199.64 feet to a set spike being the Place of Beginning.

Being Tract No. 4 as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 0.7674 acres.

PARCEL NO. 4

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set spike on the north right-of-way line of West Washington Street (60 feet wide) at its intersection with the west right-of-way line of Cedar Avenue (60 feet wide); thence with the north right-of-way line of West Washington Street North 80 degrees 33 minutes 30 seconds West 358.90 feet to a set spike; thence still with the north right-of-way line of said West Washington Street on a curve to the left with a radius of 439.26 feet, an arc length of 104.61 feet, and a chord bearing of North 87 degrees 22 minutes 51 seconds West a distance of 104.36 feet to a set spike; thence North 12 degrees 00 minutes 15 seconds East 17.15 feet to a point on the bank of the Conococheague Creek; thence through said Conococheague Creek North 48 degrees 46 minutes 56 seconds East 198.56 feet to a point at corner of Tract No. 6; thence with the latter South 74 degrees 36 minutes 30 seconds East 338.17 feet to a point on the west right-of-way line of said Cedar Avenue; thence with the latter South 9 degrees 39 minutes 36 seconds West 123.25 feet to a set spike, being the Place of Beginning.

Being Tract No. 5 as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 1.3316 acres.

PARCEL NO. 5

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set spike on the South right-of-way line of Loudon Street (60 feet wide) at its intersection with the West right-of-way line of Cedar Avenue (60 feet wide); thence with the West right-of-way line of Cedar Avenue South 9 degrees 39 minutes 36 seconds West 100.00 feet to a point on said West right-of-way line of Cedar Avenue and at other lands of Franklin Properties Company known as Tract No. 5; thence along the same, North 74 degrees 36 minutes 30 seconds West 338.17 feet to a point in the Conococheague Creek; thence through the Conococheague Creek, North 48 degrees 46 minutes 56 seconds East 119.17 feet to a set Bathey Marker at the Southern right-of-way line of Loudon Street; thence along the Southern right-of-way line of Loudon Street, South 74 degrees 36 minutes 30 seconds East 262.60 feet to a set spike at the intersection of the Southern right-of-way line of Loudon Street and West right-of-way line of Cedar Avenue, being the Place of Beginning.

Being Tract No. 6 as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 0.6861 acres.

COPY

PARCEL NO. 6

Situated in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a point at the intersection of the Northern right-of-way line of West Washington Street (60 feet wide) and the Eastern right-of-way line of Cedar Avenue (60 feet wide); thence along the Eastern right-of-way line of Cedar Avenue, North 9 degrees 39 minutes 36 seconds East 214.10 feet to a set iron pin on the Southern right-of-way line of Loudon Street (60 feet wide); thence along the Southern right-of-way line of Loudon Street, South 80 degrees 17 minutes 54 seconds East 124.00 feet to a set iron pin at corner of other lands of Franklin Properties Company, known as Tract No. 4; thence along other lands of Franklin Properties Company, South 9 degrees 38 minutes 30 seconds West 117.98 feet to a set iron pin; thence continuing along the same, North 80 degrees 21 minutes 30 seconds West 77.00 feet to a set spike; thence continuing along the same, South 9 degrees 38 minutes 30 seconds West 95.68 feet to a set spike on the Northern right-of-way line of West Washington Street; thence along the Northern right-of-way line of West Washington Street, North 80 degrees 44 minutes 30 seconds West 47.07 feet to a point, being the Place of Beginning. Being Tract No. 4A as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 0.4396 acres.

TOGETHER WITH the rights and easements for the benefit of the above described Parcel Nos. 1, 2, 3, 4, and 5, as provided in a certain Declaration of Southgate Mall, Inc., dated May 3, 1966, and recorded in Deed Book 602, at Page 610, of Franklin County, Pennsylvania Records encumbering, inter alia, the following described real property:

Situate in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set spike on the North right-of-way line of West Catherine Street (60 feet wide) at its intersection with the Eastern right-of-way line of Water Street (40 feet wide); thence with the Eastern right-of-way line of Water Street North 9 degrees 32 minutes 30 seconds East 257.54 feet to a set spike on the South right-of-way line of West Liberty Street (60 feet wide); thence with the South right-of-way line of West Liberty Street South 80 degrees 59 minutes 15 seconds East 262.20 feet to a set spike at Western right-of-way line of Black Avenue (23 feet wide); thence with the Western right-of-way line of Black Avenue South 9 degrees 28 minutes 45 seconds West 257.88 feet to an existing spike on the North right-of-way line of West Catherine Street; thence with the North right-of-way line of said West Catherine Street North 80 degrees 54 minutes 45 seconds West 262.47 feet to a set spike, being the Place of Beginning.

Being Tract No. 3A as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 1.5520 acres.

TOGETHER WITH the rights and easements for the benefit of the above described Parcel No. 6 as provided in a certain Declaration of Rose Krefetz, dated October 24, 1983, and recorded in Deed Book 892, at Page 51, of Franklin County, Pennsylvania Records.

* 1, 2, 3, 4, 5, AND

SCHEDULE B

Permitted Exceptions

1. Declaration of Southgate Mall, Inc., dated May 3, 1966 and recorded in Deed Book 602, at Page 610 of Franklin County Records.
2. Lease between Southgate Mall, Inc., (Landlord) and J. C. Penney Company, Inc., (Tenant), dated June 17, 1965, a Memorandum of which is recorded in Deed Book 598, at Page 521 of Franklin County Records.
3. Agreement between Southgate Mall, Inc., (Landlord) and J. C. Penney Company, Inc., (Tenant), dated August 1, 1967 and recorded in Deed Book 618, at Page 397 of Franklin County Records.
4. Agreement between Nathan Krefetz, (Landlord) and J. C. Penney Company, Inc., (Tenant), dated February 6, 1969 and recorded in Deed Book 636, at Page 636 of Franklin County Records.
5. Lease between Southgate Mall, Inc., (Landlord) and Chambersburg Trust Company (Tenant), dated April 21, 1967 and recorded in Deed Book 614, at Page 799 of Franklin County Records.
6. Agreement between Nathan Krefetz, (Landlord) and Chambersburg Trust Company, (Tenant), dated April 11, 1969 and recorded in Deed Book 651, at Page 36 of Franklin County Records.
7. Rights granted to The Mayor and Town Council of the Borough of Chambersburg in Deed Book 619, at Page 864 of Franklin County Records.
8. Rights granted to The Mayor and Town Council of the Borough of Chambersburg, in Deed Book 623, at Page 714 of Franklin County Records.
9. Lease between Joseph Krefetz and Rose Krefetz, Executors of the Last Will and Testament of Nathan Krefetz, (Lessor) and William Goldman Theatres, Inc., a Delaware

corporation, (Lessee), dated October 15, 1970, a Memorandum of which is recorded in Deed Book 657, at Page 168 of Franklin County Records. Supplemental to same, dated February 1, 1971 and recorded in Deed Book 659, at Page 30, of Franklin County Records and an Amendment of same between Rose Krefetz, as surviving trustee under the Last Will and Testament of Nathan Krefetz, deceased, (Landlord), and Budco-Goldman Theatres, Inc., a Pennsylvania corporation, (Tenant), and William Goldman Theatres, Inc., (Original Tenant), dated June 21, 1978, a Memorandum of which is recorded in Deed Book 768, at Page 514 of Franklin County Records.

10. Landlord's Waiver and Agreement Re Fixtures as in Deed Book 707, at Page 457 of Franklin County Records.
11. Declaration of Rose Krefetz, as sole surviving Executrix of the Estate of Nathan Krefetz, deceased, "et al.", dated October 24, 1983 and recorded in Deed Book 892, at Page 51 of Franklin County Records.
12. Lease between Franklin Properties Company, (Landlord) and Super Valu Stores, Inc., a Delaware corporation, (Tenant), dated November 5, 1984, a Memorandum of which is recorded in Deed Book 919, at Page 99 of Franklin County Records.
13. Agreement of Lease Commencement and Expiration Dates between Franklin Properties Company, an Ohio Partnership, (Landlord) and Super Valu Stores, Inc., a Delaware corporation, (Tenant), dated July 25, 1985 and recorded in Deed Book 936, at Page 130 of Franklin County Records.
14. Conveyance for widening of Streets to The Mayor and Town Council of the Borough of Chambersburg as in Deed Book 597, at Page 73 of Franklin County Records.
15. Revocation of Resolutions regarding dedication of Cedar Street as in Deed Book 597, at Page 79 of Franklin County Records.
16. Dedication for Street widening as in Deed Book 597, at Page 81 of Franklin County Records.
17. Dedication for right-of-way of Cedar Street as in Deed Book 597, at Page 84 of Franklin County Records.
18. Dedication of Streets as in Deed Book 597, at Page 87 of Franklin County Records.

19. Unrecorded Sanitary Sewer Agreement between Franklin Properties company and The John Wesley Church.
20. Dedication and Release Agreement between the Redevelopment Authority of Franklin County and The Mayor and Town Council of the Borough of Chamberssburg recorded November 18, 1965 in Deed Book 597, at Page 1150 of Franklin County Records.
21. Water Easement, of fifteen feet, as contained in Land subdivision for Nathan Krafetz Estate recorded in Plan Book 288A, at Page 227 of Franklin County Records.
22. Riparian rights in others, for that portion of Parcels 4 and 5 which lie in the bed of the Conococheague Creek.
23. Zoning ordinances.
24. Taxes and assessments which are a lien but are not yet due and payable.

COPY

19103

31-1111-11
31-1111-11

ROSE KREFFTZ, Trustee

and

FRANKLIN PROPERTIES COMPANY

REALTY TRANSFER TAX

School District of

Manhasset Neck Borough

Superior

Amount Of Tax Received 15,500.00

Tax on Deeds Resolution
David W. Rowers Collector

Dated: *March 25, 1986*

DEED

ROSEMINER GARTLIN GOTTLEB & GROSS
409 FIFTH AVENUE, NEW YORK, N.Y. 10017

RECORDED

F86 APR -4 A 9 38

DAVID W. ROWERS
RECORDER OF DEEDS
FRANKLIN COUNTY

3252

State of Franklin } S.S.
County of Franklin
I, David W. Rowers, the collector for recording deeds, etc.
in and for said county in Book
No. 953 Page 418 do hereby certify that
Witness my hand and seal of the said office this
4th day of March 1986
David W. Rowers
Collector



19104
QUITCLAIM DEED

THIS INDENTURE, made the 25th day of March, nineteen hundred and eighty-six.

BETWEEN ROSE KREFETZ as Sole Surviving Executrix of the Estate of Nathan Krefetz, deceased; Rose Krefetz as Sole Surviving Trustee under Paragraph Third A of the Last Will and Testament of Nathan Krefetz, deceased, for the benefit of Rose Krefetz, an Undivided one-half interest; Rose Krefetz as Sole Surviving Trustee under Paragraph Third B(5) of the Last Will and Testament of Nathan Krefetz for the benefit of Susan Alice Krefetz, an Undivided one-quarter interest; Rose Krefetz as Sole Surviving Trustee under Paragraph Third B(5) of the Last Will and Testament of Nathan Krefetz for the benefit of Lillian Judith Krefetz, an Undivided one-quarter interest; and Rose Krefetz, individually, as Surviving Spouse of Nathan Krefetz, deceased, residing at 26 Merrivale Road, Great Neck, New York 11020, party of the first part, and FRANKLIN PROPERTIES COMPANY, an Ohio partnership, c/o Paran Management Co., Suite 100, 13212 Shaker Square, Cleveland, Ohio 44120, party of the second part.

WITNESSETH, that the party of the first part, in consideration of one dollar paid by the party of the second part, does hereby remise, release and quitclaim unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in Chambersburg, Franklin County, Pennsylvania, and more particularly described on Schedule A, annexed hereto and made a part hereof.

BEING part of the same premises conveyed to the Grantor by Rose Krefetz as Sole Surviving Executrix of the Last Will and Testament of Nathan Krefetz, deceased, by deed dated July 8, 1975 and recorded in Deed Book Volume 714, Page 973, et seq., in the Franklin County Recorder's Office on July 15, 1975.

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads abutting the above-described premises to the center lines thereof; TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises; TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

IN THE PRESENCE OF:

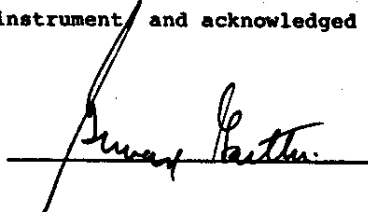
General Martin

Constance D. Terry

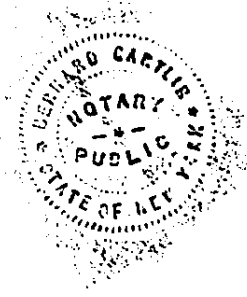
Rose Krefetz
ROSE KREFETZ, ~~Trustee~~
Individually and as Executrix
and Trustee under the Last
Will and Testament of Nathan
Krefetz, Deceased

STATE OF NEW YORK)
 :
COUNTY OF NEW YORK)

On the 25th day of March, 1986, before me came
ROSE KREFETZ, to me known to be the individual described in
and who executed the foregoing instrument and acknowledged
that she executed the same.



BERNARD CARTER
Notary Public, State of New York
Cuchinco, Franklin County, NY
Term Expires March 30, 1986



Witness my hand and seal this _____ day of _____, 1986.
at _____
13212 Shaker Sq. Cleveland Ohio 44120
40 Parax Management Co Suite 100
3rd
MBW/awc/jal/als

RECORDED
1986 APR -4 A 9 44
DAVID W. BOWERS
RECORDER OF DEEDS
FRANKLIN COUNTY
1452

Situate in the Borough of Chambersburg, Franklin County, Pennsylvania, beginning at a set spike on the North right-of-way line of West Catherine Street (60 feet wide) at its intersection with the Eastern right-of-way line of Water Street (40 feet wide); thence with the Eastern right-of-way line of Water Street North 9 degrees 32 minutes 30 seconds East 257.54 feet to a set spike on the South right-of-way line of West Liberty Street (60 feet wide); thence with the South right-of-way line of West Liberty Street South 80 degrees 59 minutes 15 seconds East 262.20 feet to a set spike at Western right-of-way line of Black Avenue (23 feet wide); thence with the Western right-of-way line of Black Avenue South 9 degrees 28 minutes 45 seconds West 257.88 feet to an existing spike on the North right-of-way line of West Catherine Street; thence with the North right-of-way line of said West Catherine Street North 80 degrees 54 minutes 45 seconds West 262.47 feet to a set spike, being the Place of Beginning.

Being Tract No. 3A as shown on a Survey of Land prepared by William A. Brindle Associates for Franklin Properties Company, dated March 5, 1986, and containing 1.5520 acres.

SCHEDULE A

LEGAL DESCRIPTION

4168E/03-26-86

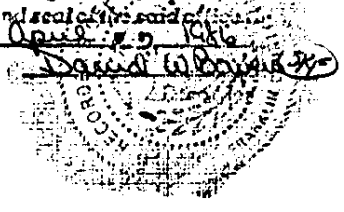
Vol. 953 432

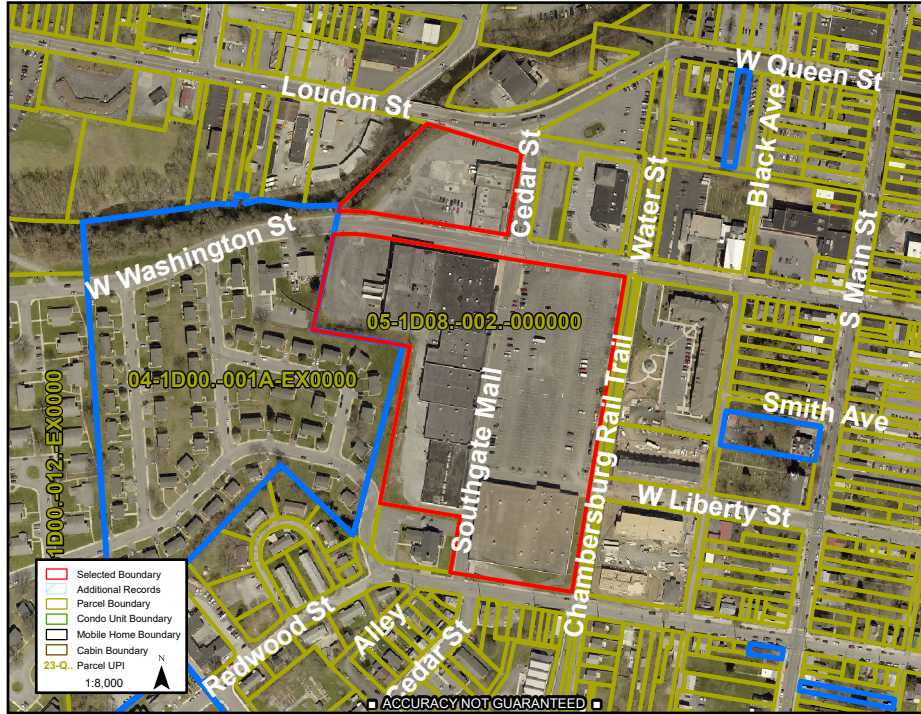
HOPKINSON GARTLIN GOTTLEBERG & GROSS
469 FIFTH AVENUE, NEW YORK, N. Y. 10017

FRANKLIN PROPERTIES COMPANY
and
ROSE KREFFETZ
QUITCLAIM DEED
Dated: _____, 1986

COPY

State of New York }
County of Franklin } s.s.
Recorded in the office for Recording Deeds, etc.
in and for said county on _____ Day
No. 953 Page 2129 of _____
Witness my hand and seal of the said _____
4th day of April 1986





CURRENT OWNER INFORMATION

CURRENT: FRANKLIN PROPERTIES COMPANY
SEC OWNER: C/O PARAN MANAGEMENT COMPANY
ADDRESS: 2720 VAN AKEN BLVD 200
 CLEVELAND OH 44120

SALE INFORMATION

DEED: 0953-0429
SOLD: 3/25/1986 **PRICE:** \$0.00

PROPERTY INFORMATION

DESC: Tax Parcel
UPI: 05-1D08.-002.-000000
TIEBACK: UNKNOWN
CONTROL: 00009966
TAX DIST: 05
MUNCPLTY: Chambersburg 4
SCHL DIST: Chambersburg Area School District (CASD)
LOT #: SOUTHGATE MALL
ADDRESS: 171 CEDAR STREET
 CHAMBERSBURG PA 17201

ASSESSMENT VALUES

BLDG \$431,580.00
LAND \$121,680.00
TOTAL \$553,260.00 **EXEMPT:** NO

OWNERSHIP HISTORY

GRANTOR / GRANTEE	DEED	SOLD	PRICE
KREFETZ NATHAN EST	0953-0413	03/25/1986	\$3,100,000.00
KREFETZ NATHAN	0817-0273	01/01/1901	\$0.00
KREFETZ NATHAN		01/01/1901	\$0.00
KREFETZ NATHAN	0880-0351	/	\$0.00
KREFETZ NATHAN	0880-0344	/	\$0.00

LAND BREAKDOWN

PROP TYPE: COMMERCIAL - STORE

USE CODE: 346

USE DESC.:

TERRAIN:

FRONTAGE: 0 ft **TYPE:** ACTUAL

DEPTH: 0 ft **TYPE:** ACTUAL

BASE ACRE: 14 ACRE(S)

TILLABLE: 0 ACRE(S)

WOODED: 0 ACRE(S)

NON TILL: 0 ACRE(S)

DEED AREA: 13.97 ACRE(S)

LOT	FRONTAGE	DEPTH
1	0 ft	0 ft
2	0	0
3	0	0

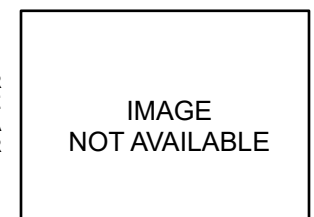
CALCULATION: ACTUAL
SITE SQ FT: 0 sqFt

PROPERTY NOTES

ADD CHG PER TC 9/29/97
 ADD CHG PER TC 2/98 PG 1
 BLDG 1-AMES, GAS FRCD AIR FRN, 2 TLT RMS
 W/8 FIX, FLTD BLCK FRNT
 BLDG 2-UNKNOWN USE, AGE EST
 BLDG 4-FRCD AIR FRN, 6 FIX, AUTO WTR HTR,
 RNDM ROCK ON BLCK EXT

**OUTSTANDING TAXES
PAST 3 YEARS**

2019 : 2020: 2021: \$111,656.05 **TOTAL: \$111,656.05**



**RESIDENTIAL BUILDING
SKETCH UNAVAILABLE**

COMMERCIAL OUTBUILDING									
SKETCH ID	USE	HEIGHT	DIM 1	DIM 2	STORY	BASEMENT	BUILT	AGE	SQ FT
01.01	Store	0	0	0	1	NONE	0	1985	55,650
04.01	Store	0	0	0	1	NONE	0	1968	111,420
04.02	Store	0	0	0	2	NONE	0	1968	43,456
04.03	Canopy	0	0	0	1		0	1968	7,696
05	Surfaced	0	0	0	1		0	1968	300,000
06.01	Store	0	0	0	1		0	1968	14,732
06.02	Canopy	0	0	0	1	NONE	0	1968	888
06.03	Canopy	0	0	0	1	NONE	0	1968	1,280

ADDITIONAL COMMERCIAL OUTBUILDINGS EXIST - CONTACT TAX DEPT FOR DETAILS

TOTAL COMMERCIAL BUILDING SQ FT: 556,272

IMPROVEMENT INFORMATION

DWELLING:		HEAT DISTRIBUTION:	
STYLE:		HEAT SOURCE:	
BUILT:		COOLING:	
EFF AGE:	YEAR(S)	WATER:	
GRADE:		SEWER:	
LVNG AREA:	SQ FT	GAS:	
STORIES:		BSMT %:	
EXTERIOR:		BSMT FIN:	SQ FT
ROAD TYPE:		TTL RM #:	
SIDEWALK:	NO	FULL BATH:	
CLSD PRCH:	YES AREA: SQ FT	HALF BATH:	
ATTCH GAR:	YES AREA: SQ FT	FIREPLACE:	
BSMT GAR:	YES AREA: SQ FT	BEDS:	

OUTBUILDING						
TYPE	DESC	SIZE	STORY	SQ FT	BUILT	GRADE

MOBILE HOME INFORMATION

PARK ID:		CLASS:	
VIN:		MANUFACTURER:	
TITLE:		WIDTH:	
ID:		LENGTH:	
ADDITIONS:			



PENNSYLVANIA ONE CALL SYSTEM, INC.
1-800-242-1776

PENNSYLVANIA LAW REQUIRES NOT LESS THAN THREE NOR MORE THAN TEN WORKING DAYS NOTICE BEFORE EXCAVATION

UTILITY LOCATIONS SHOWN HEREON ARE APPROXIMATE.

REFER TO PENNSYLVANIA ONE CALL SYSTEM, INC. DESIGN NOTIFICATION SERIAL #20180290240 NOTIFIED 1/29/2018

PA Act 287 of 1974 as amended by Act 121 of 2008 73 P.S. §176 et. seq. Utility Listing:

COMPANY: GULFORD WATER AUTHORITY
ADDRESS: 115 SPRING VALLEY ROAD
CHAMBERSBURG, PA. 17202
CONTACT: MATTHEW DRAMBROUGH
madrambrough@gulfordwater.com

COMPANY: WEST PENN POWER
ADDRESS: C/O USFC
5645 NORTH RIVER ROAD STE. 300
INDIANAPOLIS, IN 46240
CONTACT: USFC LOCATING SERVICE PERSONNEL

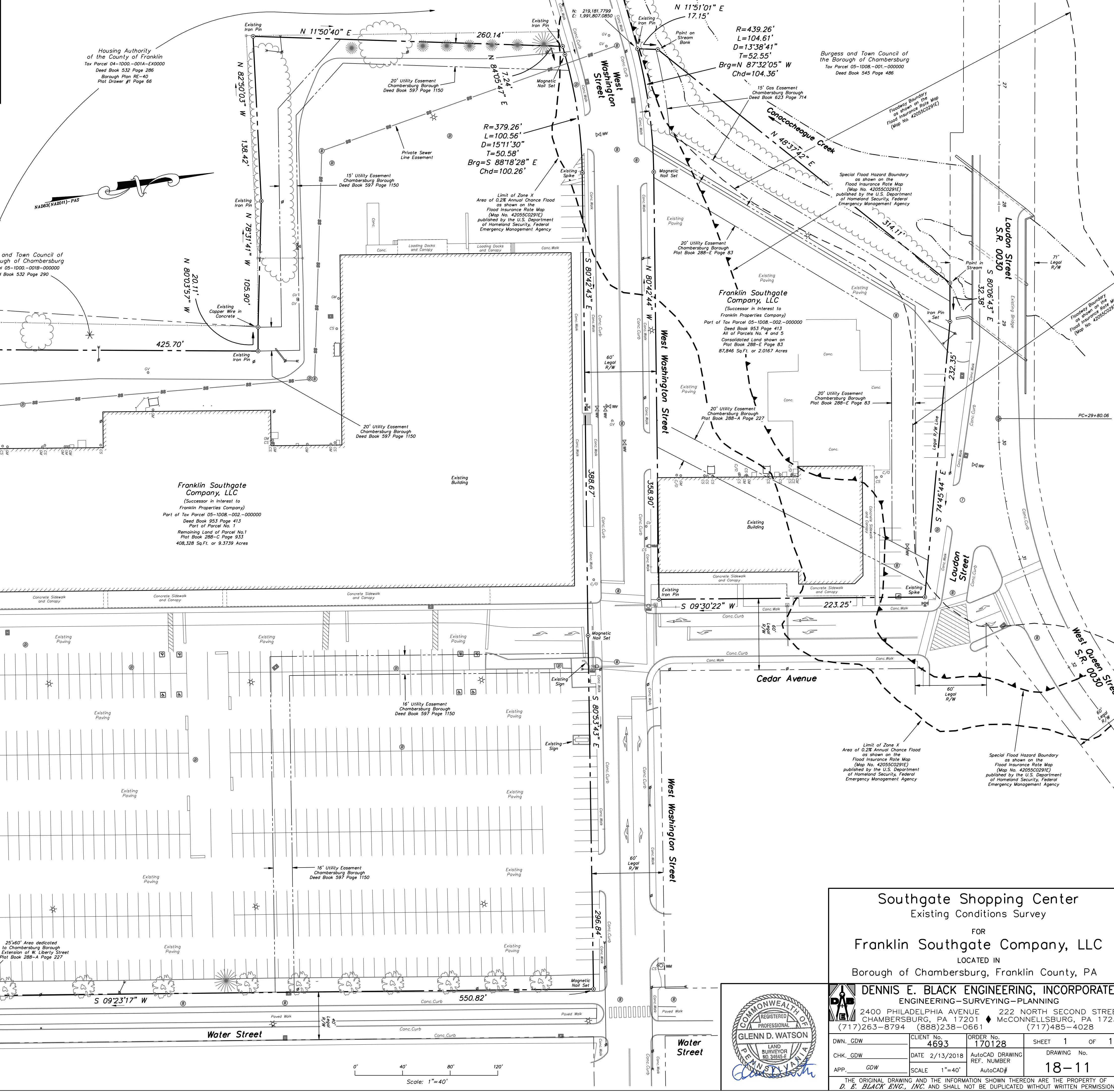
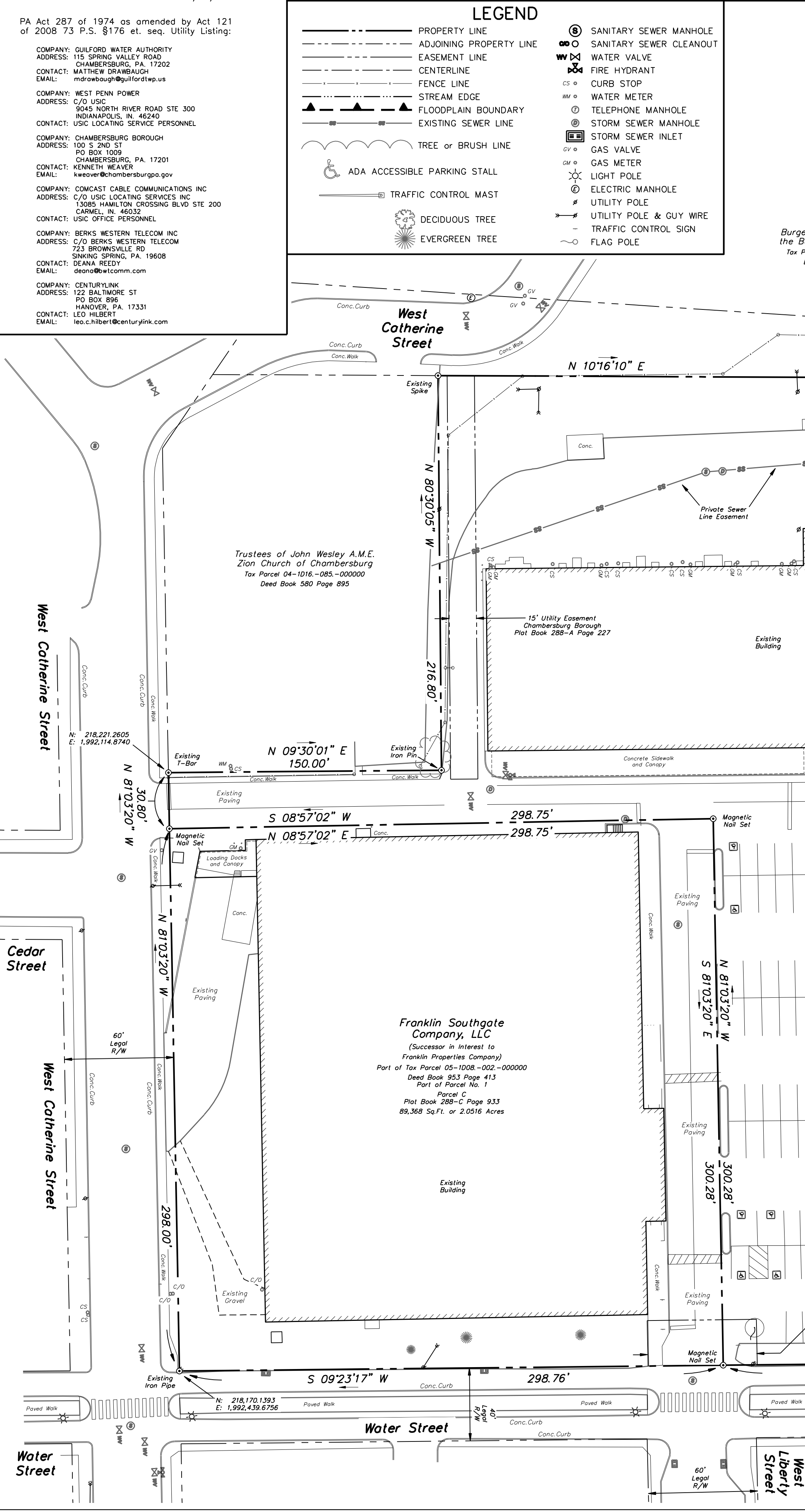
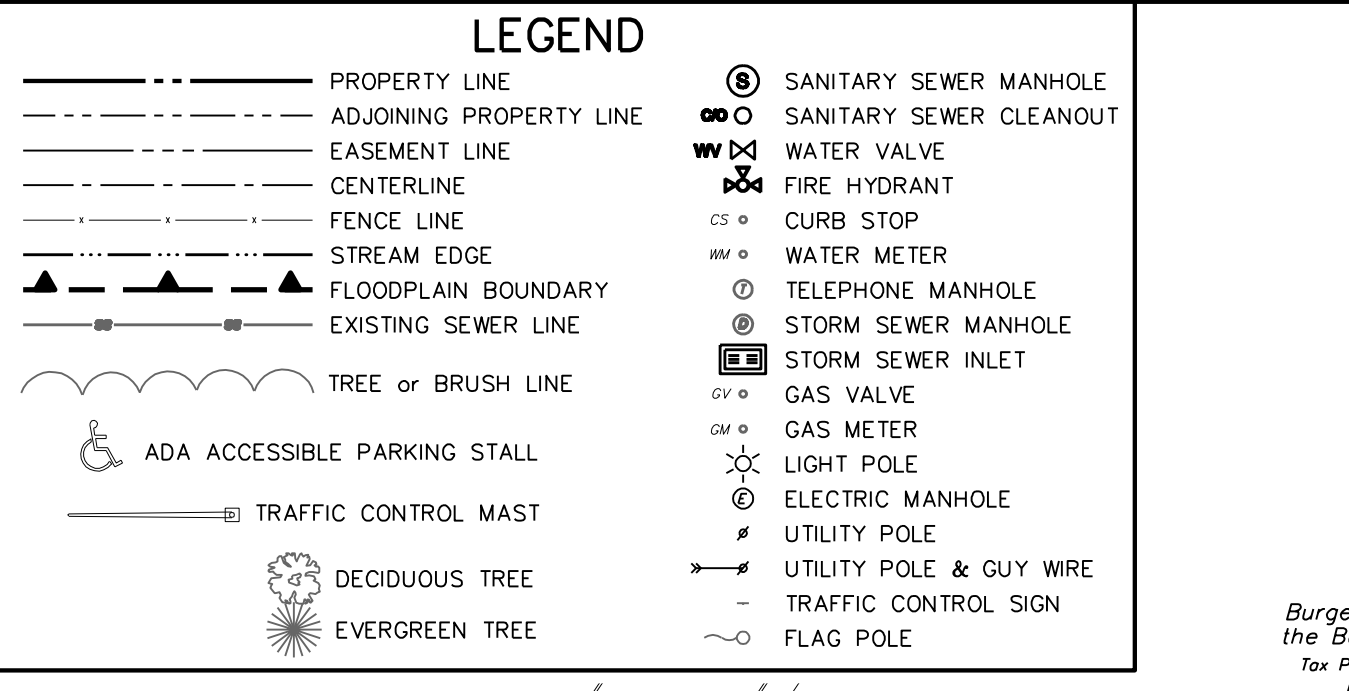
COMPANY: CHAMBERSBURG BOROUGH
ADDRESS: 100 S 2ND ST
PO BOX 1009
CHAMBERSBURG, PA. 17201
CONTACT: KENNETH HEAVER
kheaver@chambersburgpa.gov

COMPANY: COMCAST CABLE COMMUNICATIONS INC
ADDRESS: C/O USFC LOCATING SERVICES INC
2305 HAMILTON CROSSING BLVD STE 200
CARMEL, IN 46032
CONTACT: USFC OFFICE PERSONNEL

COMPANY: BERKS WESTERN TELECOM INC
ADDRESS: C/O BERKS WESTERN TELECOM
723 BROWNVILLE RD
SINKING SPRING, PA. 19608
CONTACT: DEAN REEDY
deanr@wctelcomm.com

COMPANY: CENTURYLINK
ADDRESS: 122 BALTIMORE ST
PO BOX 896
HANOVER, PA. 17331
CONTACT: LEO CHILBERT
leo.chilbert@centurylink.com

- Notes:**
- The underground position of any utilities and drainage structures shown on this survey are approximate and are based on the surface location of the appurtenances (i.e.: inlets, hydrants, valves, manholes, etc.), construction plans, and as-built record drawings.
 - The bearings and coordinates shown on this plan are referred to the Pennsylvania State Plane Coordinate System (South Zone) of the 2011 Adjustment of the North American Datum of 1983 [NAD83(NA2011)-PAS]. The topography is referenced to the North American Vertical Datum of 1988 (NAVD88). All linear dimension units are in U.S. Survey Feet.
 - All easements and right-of-ways of record are intended to be shown on this plan however, this plan has been prepared without the benefit of a title insurance report. Therefore Dennis E. Black Engineering, Inc. does not certify to the completeness and legitimacy of land title issues.



Southgate Shopping Center
Existing Conditions Survey

FOR
Franklin Southgate Company, LLC
LOCATED IN
Borough of Chambersburg, Franklin County, PA

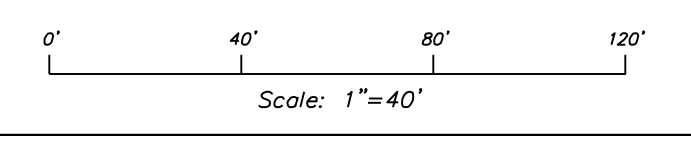
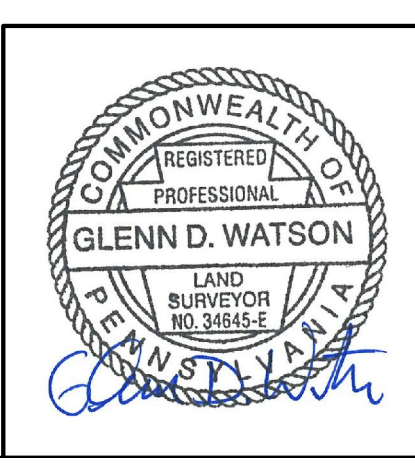
DENNIS E. BLACK ENGINEERING, INCORPORATED
ENGINEERING—SURVEYING—PLANNING

2400 PHILADELPHIA AVENUE
CHAMBERSBURG, PA 17201
(717)263-8794

222 NORTH SECOND STREET
MC CONNELLSBURG, PA 17233
(717)485-4028

DWN_GDW	CLIENT NO. 4693	ORDER NO. 170128	SHEET 1 OF 1
CHK_GDW	DATE 2/13/2018	AUTO CAD DRAWING REF. NUMBER	DRAWING NO.
APP_GDW	SCALE 1"=40'	AUTO CAD#	18-11

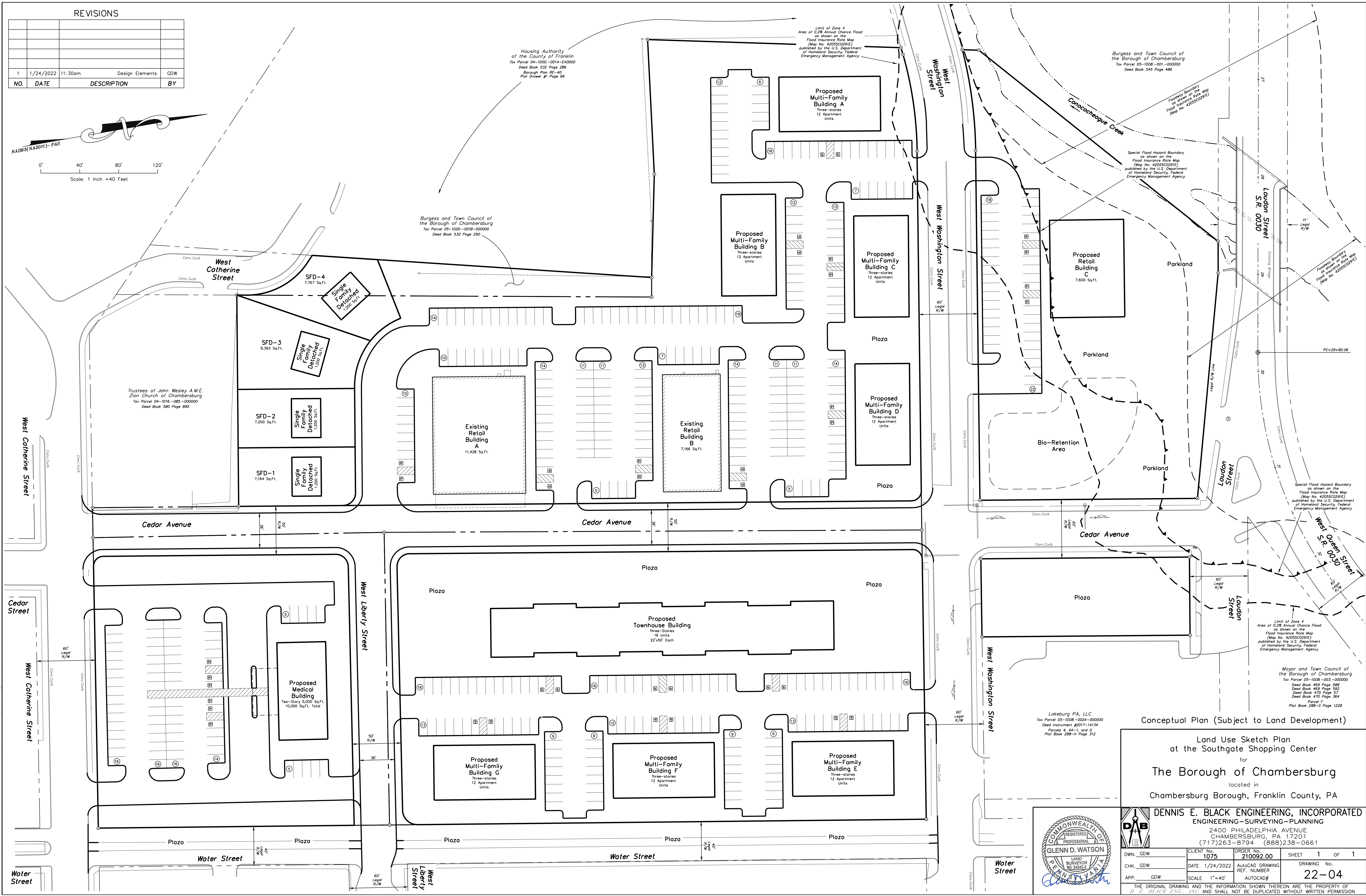
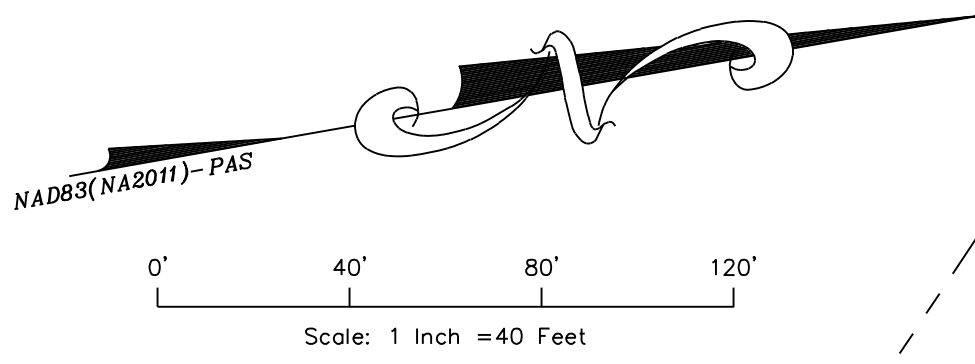
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LAYOUT: 1/17/2018 10:00 AM; PLOT: 2/13/2018 11:41 AM; FILE: N:\Land Projects\2017\170128_00\DWG\DWG\170128_00-X-ExcCond.dwg

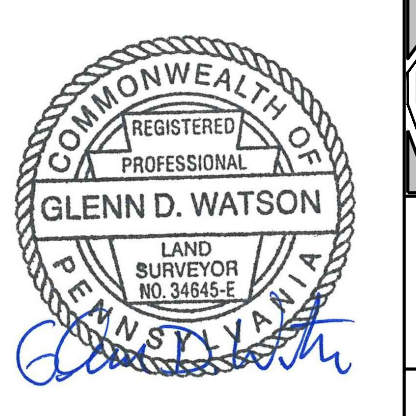
REVISIONS

NO.	DATE	DESCRIPTION	BY	
1	1/24/2022	11:30am	Design Elements	GDW



Conceptual Plan (Subject to Land Development)

Land Use Sketch Plan
at the Southgate Shopping Center
for
The Borough of Chambersburg
located in
Chambersburg Borough, Franklin County, PA



DENNIS E. BLACK ENGINEERING, INCORPORATED
ENGINEERING-SURVEYING-PLANNING
2400 PHILADELPHIA AVENUE
CHAMBERSBURG, PA 17201
(717) 263-8794 (888) 238-0661

DWN, GDW	CLIENT No. 1075	ORDER No. 210092.00	SHEET 1 OF 1
CHK, GDW	DATE 1/24/2022	AUTOCAD DRAWING REF. NUMBER	DRAWING No. 22-04
APP, GDW	SCALE 1"=40'	AUTOCAD#	

THE ORIGINAL DRAWING AND THE INFORMATION SHOWN THEREON ARE THE PROPERTY OF D. E. BLACK ENG., INC. AND SHALL NOT BE DUPLICATED WITHOUT WRITTEN PERMISSION

FILE:\Land Projects\2021\10092\00\Sheet Files\210092.00-SketchPlan_Rev1.dwg LAYOUT:LandUseSketchPlan_BV:Glen Watson ON:1/24/2022 11:34 AM



John Wesley AME Zion Church

Starter Homes

Retail Center

Apartments

Pedestrian Bridge over Creek

Creekside Restaurant

Park

Keystone Health

Cedar Street townhomes

Cedar Street

Community Garden

Apartments

Improved Rail Trail

Apartments with Retail Below

Plaza

CVS

South Water Street

West Washington Street

Senior Housing

Merine street

Liberty street

ty Street
n homes