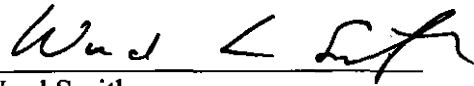


**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

VERIFICATION

I, Ward Smith, hereby declare that I am Assistant General Counsel for PECO Energy Company, that as such I am authorized to make this verification on behalf of PECO Energy Company; that the facts sets forth in the following Pleading are true to the best of my knowledge, information and belief, and that I make this verification subject to the penalties of 18 Pa. C.S. § 4904 pertaining to false statements to authorities.

Date: August 9, 2019



Ward Smith
Assistant General Counsel
PECO Energy Company

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SECRETARY'S BUREAU

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PECO Energy Company	:	Docket No. A-2019-_____
for approval of the Acquisition	:	
of Used or Useful Property	:	
(at the Richmond Substation)	:	Docket No. G-2019-_____
from an Affiliated Interest	:	
(Exelon Generation Company)	:	

APPLICATION OF PECO ENERGY COMPANY

PECO Energy Company ("PECO") hereby submits for filing its Application for authority, pursuant to 66 Pa. C.S. §§1102-03 and 2012, to acquire used or useful real property at its Richmond Substation from Exelon Generation Company, LLC ("ExGen"), which is an affiliated interest of PECO. The Agreement of Sale for which approval is sought is attached to this filing as Exhibit A.

PECO's owns and operates its Richmond Substation on the site of the former Richmond Generating Station. For the land that underlies the Richmond Substation, as well as certain access rights, PECO currently owns an easement rather than fee ownership. ExGen has the underlying fee ownership, as well as ownership of adjacent property. PECO wishes to purchase: (1) an easement for approximately 4 acres of adjacent land that will allow a future expansion of the Richmond Substation; (2) fee ownership of the existing access easement, as well as expansion of the existing access rights; and (3) conversion of the existing easement for the underlying Substation land to fee ownership of this land. PECO will pay \$950,000 for this additional real property; the amount being paid by PECO is at or below market value, as determined by a third-party appraiser.

Approval of this Application is in the public interest because it will allow PECO to (1) have flexibility to expand the Richmond Substation; (2) expand its right to access the Richmond Substation, and (3) convert the underlying land from easement ownership to fee ownership. In support, PECO states as follows:

A. PECO and the Affiliated Interest Involved in This Transaction

1. PECO is a Pennsylvania public utility corporation with its principal place of business at 2301 Market Street, Philadelphia, PA, 19103.

2. Correspondence about this Application should be addressed to:

Ward Smith
Assistant General Counsel
PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103
215-841-6863
ward.smith@exeloncorp.com

3. ExGen is a Pennsylvania limited liability company with its principal place of business at 300 Exelon Way, Kennett Square, PA, 19348.

4. Exelon Corporation (“Exelon”) is a Pennsylvania corporation with its principal place of business at 10 South Dearborn Street, Chicago, Illinois, 60680. PECO and ExGen are each wholly-owned subsidiaries of Exelon, either directly or through a chain of successive interposed companies.

5. Under 66 Pa. C. S. § 2101(a)(3), the term “affiliated interest” includes: “Every corporation 5% or more of whose voting securities are owned by any person or corporation owning 5% or more of the voting securities of such public utility or by any person or corporation in any such chain of successive ownership of 5% or more of voting securities.”

6. Under this statutory provision, PECO and ExGen are affiliated interests because, for both of those corporations, more than 5% of their voting securities are held by Exelon either directly or indirectly through successive ownership of interposed entities.

B. Background on the Transaction

7. ExGen previously operated the Richmond Generating Station, located at 3901 North Delaware Avenue, Philadelphia, Pennsylvania. Although the Richmond Generating Station is no longer in operation, ExGen continues to own the decommissioned Richmond Generating Station and land adjacent to and associated with the Richmond Generating Station.

8. PECO owns and operates the Richmond Substation, which is also located at 3901 North Delaware Avenue, Philadelphia, Pennsylvania. The Richmond Substation is located on real property owned by ExGen. PECO has an easement on the property that allows it to operate and access the Richmond Substation.

9. ExGen intends to sell the site of the former Richmond Generating Station, along with the adjacent land, to an unaffiliated third party, for commercial and/or industrial uses.

10. PECO intends to procure easement rights to a portion of the Richmond Generating site that would allow it to expand the Richmond Substation at a future date. As to its access rights to the existing Richmond Substation, PECO intends to convert the existing easement rights to fee property rights, and to expand the geographic footprint of the access area so that it has greater control over the access area and adjacent areas. Finally, PECO prefers to own the land underlying its substations in fee, rather than in easement, unless there is a countervailing reason that counsels use of easements. For Richmond Substation, this transaction allows PECO the opportunity to convert the existing easement to the preferred fee ownership.

11. PECO retained a third-party expert appraiser (Valbridge Property Advisors) to determine the market value of the parcel to be obtained. Valbridge advised PECO that the parcel to be acquired has a market value of \$950,000 or more; PECO will pay \$950,000 for the parcel. A copy of the Valbridge appraisal is attached as Exhibit B.

C. Requested Approvals

12. Section 1102(a)(3) of the Public Utility Code provides, in relevant part, that (with certain exceptions not relevant here) a public utility must obtain Commission approval to acquire or transfer property that is used or useful in the public service. A portion of the real property that will be acquired by PECO in this transaction has, for decades, been used as underlying support for the Richmond Substation and to provide access to the Richmond Substation, and will continue to be used for that purpose. In addition, some of the property was previously used as land adjacent to a generating station and will now be held for potential expansion of the Substation. PECO

therefore requests that the Commission authorize it to enter into this transaction pursuant to § 1102(a)(3) of the Public Utility Code.

13. Under Public Utility Code § 2102, Commission approval is required before any affiliated interest agreement can become effective. As noted previously in this application, PECO and ExGen are “affiliated interests” pursuant to 66 Pa. C. S. § 2101(a)(3). PECO therefore requests that the Commission authorize it to enter into this transaction pursuant to § 2102 of the Public Utility Code.

D. The Proposed Transactions Meets the Standards for Approval Under §§ 1102-03 and 2101

14. Section 1103 of the Public Utility Code provides that approval to transfer used or useful property under § 1102 shall be granted if the Commission shall find that approval “is necessary or proper for the service, accommodation, convenience, or safety of the public.”

15. This transaction, and Commission approval of it, “is necessary or proper for the service, accommodation, convenience, or safety of the public.” (1) Approximately four acres of the acquired property will be held for future expansion of the Richmond Substation; when that expansion occurs, the expanded Substation will be undertaken when it is necessary and proper to expand the Substation to provide service to the public; (2) the enhanced and enlarged easement rights will ensure that, even when the remainder of the site is owned by an unaffiliated third party, PECO will have uncontestable and expanded rights to access its Substation without interference

by third-party uses; and (3) PECO will own in fee the real property underlying its Richmond Substation, and PECO will continue to use that Substation to provide service to the public. Acquisition of this real property is thus “necessary or proper for the service of the public” served by the Richmond Substation. The transaction therefore meets the standard set forth in §§ 1102-1103 of the Public Utility Code.

16. Section 2102 of the Public Utility Code provides that approval of an affiliated interest agreement shall be granted if the Commission shall find that the agreement “is reasonable and consistent with the public interest.”

17. This transaction, and Commission approval of it, “is reasonable and consistent with the public interest.” As set forth above in the analysis of §§ 1102-03, this transaction will allow PECO to expand the Richmond Substation, to have unfettered access to the Richmond Substation, and to have full ownership and operational rights to the land underlying the Richmond Substation. That ability to expand, to access the Substation, and to have operational flexibility for the Substation is reasonable and in the public interest. Moreover, the purchase price for the property is at or less than market value as determined by a third-party appraiser, and the transaction price is therefore presumptively reasonable.

E. Notice and Proposed Procedure for Review

18. Pursuant to 52 Pa. Code § 5.14, notice of applications is to be published by the Commission in the Pennsylvania Bulletin. The Commission may also direct the applicant to provide additional notice if appropriate. PECO requests that the Commission publish notice of this application in the

Pennsylvania Bulletin at the earliest possible date after receipt of this application. In addition, PECO requests that, pursuant to 52 Pa. Code § 5.14(b), the public protest and comment period for this application be set at 15 days after publication in the Pennsylvania Bulletin.

19. The associated sale of property to the third party is contingent upon the conclusion of this regulatory approval process. PECO therefore requests that the Commission issue its order regarding this application at its scheduled October 3, 2019 Public Meeting if possible, but in any event no later than its scheduled October 24, 2019 Public Meeting.

F. Conclusion

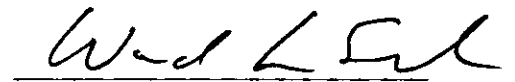
For the foregoing reasons, PECO respectfully requests that the Commission:

1. Publish notice of this Application in the Pennsylvania Bulletin at the earliest possible date and declare that the public protest and comment period shall expire 15 days after such publication,
2. Issue an order at its scheduled October 3, 2019 Public Meeting if possible, but in any event by its October 24, 2019 Public Meeting, that:
 - (a) approves this transaction as “necessary or proper for the service, accommodation, convenience, or safety of the public” under 66 Pa. C. S. §§ 1102-03, issuing such certificates to PECO as are required by that statute;

(b) approves this transaction as “reasonable and consistent with the public interest”
under 66 Pa. C. S. § 2102; and

(c) grants all other approvals that the Commission deems appropriate or necessary.

Respectfully submitted:



Ward L. Smith
Assistant General Counsel
PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103
215-841-6863
ward.smith@exeloncorp.com

August 9, 2019

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PECO Richmond Land Purchase

Exhibit A

Agreement of Sale

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**AGREEMENT OF SALE
IN LIEU OF CONDEMNATION**

THIS AGREEMENT OF SALE IN LIEU OF CONDEMNATION (this "**Agreement**") is made this 1st day of May, 2019 ("Effective Date"), between **EXELON GENERATION COMPANY, LLC**, a Pennsylvania limited liability company ("**Seller**") and **PECO ENERGY COMPANY**, a Pennsylvania corporation ("**Buyer**" or "**PECO**").

RECITALS

A. Seller is the owner of that certain tract or parcel of land commonly known as 3901 North Delaware Avenue and other possible addresses, situated in the City of Philadelphia, Pennsylvania, being known as Parcel Number 88-4-3522-43, together with the decommissioned generating station and buildings and improvements thereon, consisting of approximately 29.86 acres as described on **Exhibit "A"** and shown on the Lot Adjustment Plan prepared by Rettew Associates, Inc., dated March 12, 2019 ("**Rettew Plan**") attached hereto and incorporated herein as **Exhibit "A-1"** (the "**3901 Property**").

B. Buyer intended to condemn a portion of the 3901 Property and Seller has agreed hereby to convey that portion of the 3901 Property to PECO by agreement of sale in lieu of condemnation which parcel of land containing approximately 10.593 acres shall be described as Parcel 1 and shown on **Exhibit "B"** attached hereto and incorporated herein (the "**Property**").

C. Seller intends to convey to an unrelated third party the balance of the land constituting the 3901 Property which parcel of land containing approximately 19.273 acres described as Parcel 2 and shown on **Exhibit "C"** attached hereto and incorporated herein (the "**Other Property**").

D. Seller intends to sell to Buyer, and PECO intends to purchase from Seller, the Property upon the terms and conditions set forth in this Agreement.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and with the preceding paragraphs incorporated by reference, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. **RECITALS.** The recitals set forth above are true and correct and are incorporated herein by reference as if set forth at length below.

2. **PURCHASE AND SALE.** In lieu of condemnation and subject to the terms and conditions of this Agreement, Seller shall sell, transfer and convey to Buyer, and Buyer hereby agrees to purchase from Seller, on the Closing Date (as defined in **Section 5.1**), the following described property (collectively, "**Property**"):

2.1 **Property.** That certain parcel of land as more particularly described on **Exhibit "B"** attached hereto and incorporated herein, subject to the Amended and Restated Easement Agreement and the Reserved Easements as defined in Section 2.7 and 2.8 respectively;

2.2 Appurtenances. All of Seller's right, title and interest in and to all easements, rights of way, privileges, hereditaments and appurtenances, if any, belonging to Seller or inuring to the benefit of the Property, and all right, title and interest in and to any riparian rights, railroad sidings, or land or improvements lying in the bed of any river, highway, street or road in front of or abutting or adjoining the Property, and all air and mineral rights ("Appurtenances"). Seller shall have no obligation to acquire any riparian rights or railroad siding agreements pertaining to the Property but will convey to Buyer any interest in the same that Seller has, including any interest in any siding or pier, dock or improvement man-made or natural abutting or protruding into the Delaware River beyond the surveyed boundary line. The Property and Appurtenances are collectively referred to as the "Premises";

2.3 Leases. Any and all leases, subleases, licenses and other occupancy agreements affecting the Property.

2.4 Service Contracts. Any and all contract rights, guaranties, and warranties (if any) for the Premises to the extent transferrable.

2.5 Tangible Personal Property. Except as otherwise provided in the PECO Easements or the Reserved Easements, any and all equipment, fixtures, machinery, and personalty of Seller attached to or specifically used in connection with the Premises ("Personal Property"); Personal Property does not include anything located in the PECO Easements and Reserved Easements as hereinafter defined.

2.6 Intangible Property. Any and all plans, specifications, permits, licenses, certificates, and approvals in connection with the ownership of the Premises that are assignable without consent, approval or by mere substitution of parties (collectively, "Permits"). Collectively, Sections 2.3, 2.4, 2.5 and 2.6 are referred to as the "Personal Property". Buyer acknowledges that there is no Personal Property in this transaction. It is hereby acknowledged by the parties that Seller shall not convey to Purchaser claims relating to any real property tax refunds or rebates for periods accruing prior to the Closing, existing insurance claims and any existing claims against previous tenants of the Property, which claims shall be reserved by Seller.

2.7 PECO Easements. Prior to or at the Closing of this Agreement, Seller and Buyer shall record an Amended and Restated Easement Agreement, the original of which is identified as item 10 on Exhibit "D" substantially in the form attached hereto as Exhibit "E" (the "Amended and Restated Easement Agreement"). The Amended and Restated Easement Agreement shall include: (i) the exclusive perpetual PECO Substation Easement containing approximately 3.709 acres as described on Exhibit "F" and as shown on the Rettew Plan for the construction, operation, maintenance and replacement of electric facilities, including substation and transmission facilities; (ii) a perpetual 150 foot wide transmission line easement containing approximately 1.513 acres as described on Exhibit "G" and as shown on the Rettew Plan; and (iii) a perpetual 15 foot wide underground duct bank easement in the northeast corner of the Property containing approximately 0.05 acres as described on Exhibit "H", and as shown on the Rettew Plan. PECO Substation Easement, the other two easements referred to above and any other easement needed for access to, or the use and maintenance of any other PECO facilities located on the Premises, whether shown on the Rettew Plan or not, may collectively be referred to as "PECO Easements."

2.8 Reserved Easements. Seller shall reserve in the deed for the Other Property for the benefit of Seller, its successors and assigns, an exclusive easement to use, operate, maintain and replace the Combustion Turbines ("CT's") and appurtenances in an area identified as the CT Easement containing approximately 3.617 acres as described on Exhibit "I" and substantially as shown on the Rettew Plan, together with the right to access the CT Easement area across the Other Property, substantially in the form contained in the Deed, as hereinafter defined (collectively, the "Reserved Easements").

2.9 Buyer shall take under and subject to an easement for access as shown on the Rettew Survey pursuant to the Option Agreement held by National Railroad Passenger Corporation pursuant to an unrecorded Agreement dated January 1, 1984, a copy of which is attached hereto as Exhibit "N".

2.10 Survey. Seller engaged, at Seller's sole cost and expense, Rettew Associates, Inc., to provide the legal descriptions for the parcels of land described on Exhibits "A-1" through and including "C".

2.11 Utilities. Utility connections for water, sanitary sewer and electric utilities are located in N. Delaware Avenue. Section 2.2 of the Amended and Restated Easement Agreement provides an easement across the Property to the Other Property for water, sanitary sewer and electric utilities and provides for a one (1) year period of common use. The buyer of the Other Property, at that buyer's sole cost and expense, in order to have water service, sanitary sewer service and electric service thereafter, shall make such applications, construct such lines and connections, and/or install such meters as necessary to obtain utility service for the Other Property. The buyer of the Other Property acknowledges that the existing utilities are not sufficient for that buyer's intended use of the Other Property.

3. PURCHASE PRICE AND MANNER OF PAYMENT. Buyer shall pay the total sum of Nine Hundred Fifty Thousand Dollars (\$950,000.00) ("Purchase Price"), subject to adjustment as provided in this Agreement. The Purchase Price shall be paid in the following manner:

3.1 Deposit.

3.1.1 Buyer shall, within one (1) business day following the Effective Date, and as a condition precedent to the formation of this Agreement, deliver by bank cashier's check, certified check, or wire transfer to the Title Company (as hereinafter defined) the amount of Ten Thousand Dollars (\$10,000.00) (the "Deposit"). If Buyer shall fail to deposit the Deposit within the time period provided for above, Seller may at any time prior to the deposit of the Deposit, terminate this Agreement, in which case this Agreement shall be null and void ab initio and in such event Title Company and Buyer shall immediately deliver to Seller all copies of this Agreement in its possession and thereafter, neither party shall have any further rights or obligations to the other hereunder, except as otherwise set forth in this Agreement.

3.1.2 If the Closing occurs, the Deposit shall be paid to Seller and credited against the Purchase Price at Closing. Except for a default by Seller as set forth in Section 11.1, if the Closing does not occur in accordance with the terms of the Agreement, the Deposit shall be

non-refundable and delivered to the Seller in all instances.

3.1.3 Escrow. Title Company is executing this Agreement to acknowledge Title Company's responsibilities hereunder as escrow agent, which may be modified only by a written amendment signed by all of the parties. Any amendment to this Agreement that is not signed by Title Company shall be effective as to the parties thereto, but shall not be binding on Title Company. Title Company shall accept the Deposit with the understanding of the parties that Title Company is not a party to this Agreement except to the extent of its specific responsibilities hereunder, and does not assume or have any liability for the performance or non-performance of Buyer or Seller hereunder to either of them. Additional provisions with respect to the Title Company are set forth in Section 15. For Title Company's capacity as escrow agent, it may hereinafter be referred to as "Escrow Agent."

3.2 Closing Payment. On the Closing Date, Buyer shall deliver to Title Company the balance of the Purchase Price (subject to any prorations, credits and/or adjustments as set forth herein) by wire transfer of immediately available federal funds for disbursement pursuant to the terms and conditions of this Agreement.

4. CONDITION OF TITLE.

4.1 Condition of Title.

4.1.1 Fee simple title to the Property shall be conveyed to Buyer in accordance with all of the provisions of this Agreement, and such title shall be (i) good and marketable and free and clear of all liens, assessments, restrictions, encumbrances, easements, leases, tenancies, claims of rights of use or possession and other title objections, except for Permitted Exceptions (as defined in Section 4.1.2 below), and (ii) insurable as aforesaid at regular standard rates by any reputable title insurance company.

4.1.2 Within three (3) days after the Effective Date, Seller shall make available to Buyer a title insurance commitment No. PHL-1731347/25 424 935 (the "Commitment") for an Owner's Policy of Title Insurance, issued by Commonwealth Land Title Insurance Company ("Title Company") covering the Property and (ii) a survey of the Property prepared by Rettew Associates, Inc., dated March 12, 2019 (the "Survey"). Buyer shall notify Seller in writing no later than fifteen (15) days after the Effective Date of any title exceptions identified on Exhibit "D", the Commitment or Survey which Buyer reasonably disapproves (the "Title and Survey Objection Notice"). Any title exception or matter disclosed on the Commitment, Exhibit "D" or the Survey not disapproved in writing in Buyer's Title and Survey Objection Notice within said time period shall be deemed approved by Buyer and shall constitute a "Permitted Exception" hereunder. Seller agrees to be responsible for all applicable items related to Seller contained in Schedule B, Section 1 of the Commitment. Buyer and Seller hereby agree that (i) all non-delinquent property taxes and assessments, (iii) all matters created by, through or under Buyer, including, without limitation, any documents or instruments to be recorded as part of any financing for the acquisition of the Property by Buyer, and (iv) local, state and federal laws, ordinances or governmental regulations, including, but not limited to, riparian rights, railroad sidings, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Property, shall constitute "Permitted Exceptions". Without Seller's prior written consent,

which consent shall not be unreasonably withheld, conditioned or delayed, Buyer shall not make any application to any governmental agency for any permit, approval, license or other entitlement for the Property or the use or development thereof ("Approvals"). No less than five (5) business days after Seller's receipt of Buyer's Title and Survey Objection Notice, Seller shall notify Buyer in writing of any disapproved title exceptions or survey matters which Seller is unable or unwilling to cause to be removed, corrected or insured against prior to or at Closing and, with respect to such objections, Buyer then shall elect, by giving written notice to Seller prior to 5:00 PM Eastern Time on the thirtieth (30th) day after the Effective Date ("Title Review Period"), (x) to terminate this Agreement, or (y) to waive its disapproval of such objections, in which case such objections shall then be deemed to be Permitted Exceptions. Buyer's failure to give such notice shall be deemed an election to waive the disapproval of any such objection. In the event Buyer elects to terminate this Agreement in accordance with clause (x), then Buyer shall be responsible for any title fees. Notwithstanding anything to the contrary, then in no event shall Seller be obligated to remove or cure any title exceptions or survey matters, except only that Seller shall be obligated to remove at Seller's sole cost and expense (a) any mortgages and/or deeds of trust and financing statements securing any financing created or assumed in writing by Seller, and (b) any other voluntary monetary liens created by Seller, which are shown on the Commitment without the requirement that Buyer notify Seller of such matters or that the same are objections to title.

4.1.3 If title to the Property cannot be conveyed to Buyer at Closing pursuant to Section 4.1.2 above, then Buyer shall have the option of terminating this Agreement by notice to Seller, whereupon this Agreement shall become null and void, and thereafter neither party shall have any further right, liability or obligation under this Agreement.

5. CLOSING; CLOSING DATE.

5.1 Time and Date and Place. The closing on the sale of the Property ("Closing") shall take place on the date that is sixty (60) days after the later of (i) the Effective Date or (ii) satisfaction of the last of the items set forth in Subsections 8.7.2, 8.7.3 or 8.7.4 ("Closing Date"). Closing shall either occur through a closing escrow arrangement with the Title Company or be held at the offices of the Title Company. Closing shall be deemed to occur when the Deed and the Purchase Price have been received and the Title Company has been instructed by both parties to release escrow and record the Deed and transmit the Purchase Price. Time is hereby made of the essence. The date of Closing is referred to herein as the Closing Date.

5.2 Documents. At Closing, Buyer and Seller shall execute and deliver the following:

5.2.1 Seller's Closing Documents and Other Items. Seller shall execute and deliver or cause to be executed and delivered to Buyer in proper form for recording, as applicable:

5.2.1.1 Deed. A special warranty deed in form and substance attached hereto as Exhibit "J", conveying the Premises to Buyer, subject to the Permitted Exceptions set forth on Exhibit "D", duly executed and acknowledged by Seller in proper recordable form ("Deed").

5.2.1.2 General Assignment. A blanket conveyance and bill of sale and assignment in the form attached as Exhibit "K" ("General Assignment").

5.2.1.3 FIRPTA Certificate Required by Law. Certificate under Section 1445 of the Code in the form attached as Exhibit "L".

5.2.1.4 Title Insurance Affidavit. A standard affidavit of title from Seller in the form attached hereto as Exhibit "M".

5.2.1.5 Seller's Authority. Proof satisfactory to Title Company of Seller's existence, good standing, and authority to enter into this transaction.

5.2.1.6 Transfer Tax Form. Such transfer tax forms, if any, as are required by state and local authorities.

5.2.1.7 The following items, to the extent in Seller's possession: (i) all keys for all entrance gates which may be locked, other than to the Other Property or facilities; and (ii) all original (to the extent available, otherwise copies of) books, records, files, operating reports, plans and specifications and other materials reasonably necessary to the continuity of operation of the Property.

5.2.1.8 A closing statement duly executed by Seller setting forth the Purchase Price and any adjustments thereto.

5.2.1.9 A City of Philadelphia Department of Licenses and Inspections Certificate. Seller has no notices of existing violations. Seller shall have no obligation to cure any notices or violations identified on the Certificate.

5.2.2 Buyer's Documents. Buyer shall deliver or cause to be delivered to Seller:

5.2.2.1 Payment. All amounts required to be paid to Seller by Buyer pursuant to this Agreement, including, without limitation, balance of the Purchase Price.

5.2.2.2 Buyer's Authority. Proof satisfactory to Title Company of Buyer's existence, good standing, and authority to enter into this transaction.

5.2.2.3 Title Insurance Certificates. Such affidavit or certificate from Buyer as shall be reasonably required by Title Company to insure Buyer's title to the Premises herein.

5.2.2.4 Transfer Tax Form. Such transfer tax forms, if any, as are required by state and local authorities.

5.2.2.5 A closing statement duly executed by Buyer setting forth the Purchase Price and any adjustments thereto.

5.2.2.6 A General Assignment duly executed by Buyer.

5.2.3 Necessary Documents. Buyer and Seller shall execute and deliver such other documents and instruments as may be reasonably necessary to complete the transaction contemplated by this Agreement.

5.2.4 Possession. Possession of the Premises is to be given to Buyer on the Closing Date, by delivery of the Deed, and the keys, combinations and security codes at Closing as provided in Section 5.2.1.7.

6. CLOSING COSTS.

6.1 Buyer's Costs. Buyer shall pay: (i) 50% of all state and local realty transfer taxes, including all documentary stamp taxes, including, without limitation, any transfer tax due and owing as a result of Buyer's assignment of this Agreement; (ii) all costs incurred by Buyer in preparing and performing its due diligence investigations; (iii) the fees and expenses of Buyer's attorneys; (iv) the cost of obtaining a new survey (other than the Survey), title commitment, Buyer's premium and any endorsements; (v) all application, processing or permit fees for the Vacant Property License, Groundwater Discharge Permit and DEP Submerged Land License; and (vi) recording charges due in connection with the deed and any mortgages or other financing documents.

6.2 Seller's Costs. Seller shall pay: (i) 50% of all state and local realty transfer taxes; (ii) the fees and expenses of Seller's attorneys; and (iii) recording charges due on the satisfaction of any mortgages or liens created by or on behalf of Seller affecting the Premises.

6.3 Assessments. Seller shall be responsible to pay for all assessments for any improvements (including, but not limited to roads, curbs, sewer lines and the like) which serve the Premises, provided such assessments are levied against the Premises prior to Closing, and, if Closing is completed by Buyer, Buyer shall be responsible to pay for all assessments levied against the Premises after the date of Closing. If, at Closing, the Premises, or any portion or portions thereof, shall be affected by any assessment which is required to be paid by Seller pursuant to the provisions of this Section and which is or may be payable in annual or other installments of which the first installment is then a lien or has been paid, then for the purpose of this Agreement, all of the unpaid installments of any such assessment including those which would become due and payable after Closing shall be deemed to be due and payable and liened upon the Premises as of the date of Closing and shall be prorated and paid by Seller and Buyer as of the Closing Date. All taxes imposed due to a change of use of the Property after the Closing Date shall be paid by the Buyer.

6.4 Other Costs. Any other costs not specifically provided for herein shall be paid by the party who incurred those costs, or if neither party is charged with incurring any such costs, then by the party customarily assessed for such costs in Philadelphia County, Commonwealth of Pennsylvania.

7. REPRESENTATIONS AND WARRANTIES.

7.1 Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer that the following representations and warranties, as of the Effective Date,

contain no untrue statement of material fact and, as of the Closing Date, shall contain no untrue statement of material fact:

7.1.1 Seller's Authority for Binding Agreement. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. This Agreement has been duly authorized, executed and delivered by Seller, is the legal, valid and binding obligation of Seller, and does not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller is subject. All documents to be executed by Seller which are to be delivered at Closing, will, at the time of Closing, (i) be duly authorized, executed and delivered by Seller, (ii) be legal, valid and binding obligations of Seller, and (iii) not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller is subject.

7.1.2 Bankruptcy or Debt of Seller

7.1.3 . Seller has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally. Seller has received no written notice of (a) the filing of an involuntary petition by Seller's creditors, (b) the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, or (c) the attachment or other judicial seizure of all, or substantially all, of Seller's assets.

7.1.3 Foreign Person

7.1.4 . Seller is not a foreign person within the meaning of Section 1445(f) of the Internal Revenue Code, and Seller agrees to execute any and all documents necessary or required by the Internal Revenue Service or Buyer in connection with such declaration(s).

7.1.4 Leases

. There are no existing leases, whether oral or written, affecting the Property to be assigned.

7.1.5 Contracts

7.1.6 . There are no contracts with respect to the Property to be assigned.

7.1.6 Condemnation. Seller has not received written notice of any pending or threatened condemnations with respect to the Premises or any portion thereof.

7.1.7 Proceedings

7.1.8 . There are no proceedings pending or, to the best of Seller's knowledge, threatened by or against Seller or the Property or any portion thereof or Seller's interest in the Leases or relating to or arising out of Seller's ownership, management or operation of the Property in any court or before or by any federal, state, county or other municipal department, commission, board, bureau, or agency or other governmental instrumentality.

7.1.8 Zoning Classification

. The Property is zoned Heavy Industrial I-3 by the City of Philadelphia.

7.1.9 OFAC. Seller is not: (a) listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) ("Order") and all applicable provisions of Title III of the USA Patriot Act (Public Law No. 107-56 (October 26, 2001)); (b) listed on the Denied Persons List and Entity List maintained by the United States Department of Commerce; (c) listed on the List of Terrorists and List of Disbarred Parties maintained by the United States Department of State; (d) listed on any list or qualification of "Designated Nationals" as defined in the Cuban Assets Control Regulations 31 C.F.R. Part 515; (e) listed on any other publicly available list of terrorists, terrorist organizations or narcotics traffickers maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to the Order, the rules and regulations of OFAC (including without limitation the Trading with the Enemy Act, 50 U.S.C. App. 1-44; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06; the un repealed provision of the Iraq Sanctions Act, Publ.L. No. 101-513; the United Nations Participation Act, 22 U.S.C. § 2349 as-9; The Cuban Democracy Act, 22 U.S.C. §§ 6001-10; The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 233; and The Foreign Narcotic Kingpin Designation Act, Publ. L. No. 106-120 and 107-108, all as may be amended from time to time); or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called "Orders"); (f) engaged in activities prohibited in the Orders; or (g) (and has not been) convicted, pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes or in connection with the Bank Secrecy Act (31 U.S.C. §§ 5311 et. seq.).

7.1.10 Seller's Knowledge

7.1.11 . For purposes of this Agreement and any document delivered at Closing, whenever the phrases "to the best of Seller's knowledge", "to the current, actual, conscious knowledge of Seller" or the "knowledge" of Seller or words of similar import are used, they shall be deemed to refer to the current, actual, conscious knowledge only, of Dennis Dunning (the "Seller's Representative"). Seller's knowledge shall not include any implied, imputed or constructive knowledge of Seller's Representative and shall not constitute any representation that Seller's Representative have made or are obligated to make any independent investigation or have any implied duty to investigate.

7.1.11 Survival

7.1.12 . The express representations and warranties made in this Agreement shall not merge into any instrument or conveyance delivered at the Closing; provided, however, that any action, suit or proceeding with respect to the truth, accuracy or completeness of such representations and warranties shall be commenced, if at all, on or before the date which is thirty (30) days after the date of the Closing and, if not commenced on or before such date,

thereafter such representations and warranties shall be void and of no force or effect.

7.1.12 Inaccuracy of Representation or Warranty. If: (a) any fact, event, circumstance or condition occurs or is discovered by Seller after the date of this Agreement which renders any representation or warranty of Seller materially inaccurate, or such material inaccuracy is disclosed in writing to Buyer prior to Closing; or (b) Buyer otherwise has actual knowledge prior to Closing of any fact, event, circumstance or condition which renders any representation or warranty of Seller materially inaccurate, then Buyer shall either: (i) proceed with Closing, in which case such non-compliance shall be deemed waived; or (ii) terminate this Agreement by written notice to Seller, in which case: (A) this Agreement shall then become null and void and of no further force or effect, except as otherwise expressly set forth in this Agreement; and (B) neither Seller nor Buyer shall have any further liability or obligation to the other under this Agreement, except as expressly set forth in this Agreement.

7.2 Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller that the following representations and warranties, as of the Effective Date, contain no untrue statement of material fact and, as of the Closing Date, shall contain no untrue statement of material fact:

7.2.1 Authority. Buyer is a duly authorized and validly existing corporation formed under the laws of the Commonwealth of Pennsylvania. Buyer has full power, right, and authority to own its properties, to carry on its business as now conducted, and to enter into and fulfill its obligations under this Agreement. Each of the persons or entities executing this Agreement on behalf of Buyer is authorized to do so. This Agreement is the valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with its terms. The execution and delivery of this Agreement and compliance with its terms do not conflict with or result in the breach of any law, judgment, order, writ, injunction, decree, rule or regulation, or conflict with or result in the breach of any other agreement, document or instrument to which Buyer is a party or by which it is bound.

7.2.2 OFAC. Buyer is not: (a) listed on the OFAC pursuant to the Order and all applicable provisions of Title III of the USA Patriot Act (Public Law No. 107-56 (October 26, 2001)); (b) listed on the Denied Persons List and Entity List maintained by the United States Department of Commerce; (c) listed on the List of Terrorists and List of Disbarred Parties maintained by the United States Department of State; (d) listed on any list or qualification of "Designated Nationals" as defined in the Cuban Assets Control Regulations 31 C.F.R. Part 515; (e) listed on any other publicly available list of terrorists, terrorist organizations or narcotics traffickers maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to the Order, the rules and regulations of OFAC (including without limitation the Trading with the Enemy Act, 50 U.S.C. App. 1-44; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06; the un repealed provision of the Iraq Sanctions Act, Publ.L. No. 101-513; the United Nations Participation Act, 22 U.S.C. § 2349 as-9; The Cuban Democracy Act, 22 U.S.C. §§ 6001-10; The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 233; and The Foreign Narcotic Kingpin Designation Act, Publ. L. No. 106-120 and 107-108, all as may be amended from time to time); or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order; (f) engaged in activities prohibited in the Orders; or (g) (and has not been) convicted,

pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes or in connection with the Bank Secrecy Act (31 U.S.C. §§ 5311 et. seq.).

7.2.3 Litigation. There are no material claims, actions, suits, proceedings, or investigations pending, or to the current actual knowledge of officers and

directors of Buyer, without any duty of independent inquiry, threatened against Buyer that could reasonably be expected to materially impair the ability of Buyer to fulfill and perform its obligations under this Agreement.

7.2.4 Bankruptcy or Debt of Buyer. Buyer has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by Buyer's creditors, suffered the appointment of a receiver to take possession of all, or substantially all, of Buyer's assets, suffered the attachment or other judicial seizure of all, or substantially all, of Buyer's assets, admitted in writing its inability to pay its debts as they come due or made an offer of settlement, extension or composition to its creditors generally.

7.2.5 No Financing Contingency. It is expressly acknowledged by Buyer that this transaction is not subject to any financing contingency, and no financing for this transaction shall be provided by Seller.

7.2.6 Survival. The representations and warranties of Buyer set forth in this Section shall survive Closing and delivery of the Deed for a period of six (6) months after the Closing Date.

7.3 Buyer's Acknowledgment

Buyer acknowledges and agrees that, except as expressly provided in this Agreement, Seller has not made, does not make and specifically disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (a) the nature, quality or condition of the Property, including, without limitation, the water, soil and geology, (b) the income to be derived from the Property, (c) the suitability of the Property for any and all activities and uses which Buyer may conduct thereon, (d) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body, including, without limitation, the Americans with Disabilities Act and any rules and regulations promulgated thereunder or in connection therewith, (e) the habitability, merchantability or fitness for a particular purpose of the Property, or (f) any other matter with respect to the Property, and specifically that Seller has not made, does not make and specifically disclaims any representations regarding solid waste, as defined by the U.S. Environmental Protection Agency regulations at 40 C.F.R., Part 261, or the disposal or existence, in or on the Property, of any hazardous substance, as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and applicable state and City laws, and regulations promulgated thereunder. Buyer further acknowledges and agrees that, except as expressly provided in this Agreement, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and not on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that Buyer has received and reviewed the following: TRC Phase I Project Report dated November 22, 2013, 1Source ACM survey dated April, 2009, and CBI ACM report dated July, 2013 (collectively, "Environmental Reports"). A Phase II site assessment shall not be permitted. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent

investigation or verification of such information. **BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT (A) BUYER HAS COMPLETED ITS OWN INDEPENDENT INVESTIGATION OF THE PROPERTY AND IS ACQUIRING THE PROPERTY BASED SOLELY ON SUCH INDEPENDENT INVESTIGATION, (B) SELLER SHALL SELL AND BUYER SHALL PURCHASE THE PROPERTY "AS IS, WHERE IS AND WITH ALL FAULTS," AND (C). EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, FROM SELLER OR ANY REPRESENTATIVE, EMPLOYEE OR AGENT OF SELLER, AS TO ANY MATTER WHATSOEVER CONCERNING THE PROPERTY.** Buyer acknowledges, represents and warrants that Buyer is not in a significantly disparate bargaining position with respect to Seller in connection with the transaction contemplated by this Agreement; that Buyer freely and fairly agreed to this acknowledgment as part of the negotiations for the transaction contemplated by this Agreement; that Buyer is represented by legal counsel in connection with this transaction and Buyer has conferred with such legal counsel concerning this waiver.

7.4 Buyer's Release

Buyer on behalf of itself and its successors and assigns assumes all environmental risks and conditions existing on the Property and waives its right to recover from, and forever releases and discharges, Seller, Seller's affiliates, property manager, the shareholders, directors, officers, employees, attorneys and agents of each of them, and their respective heirs, successors, personal representatives and assigns from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (i) the physical condition of the Property, (ii) the condition of title to the Property, (iii) the presence on, under or about the Property of any hazardous or regulated substance, and any matter set forth in the Environmental Reports; or (iv) the Property's compliance with any applicable federal, state or local law, rule or regulation, except for Seller's fraud or intentional tortious wrongdoing. The terms and provisions of this Section 7.4 shall survive Closing and/or termination of this Agreement.

8. FUTURE OPERATIONS. Seller agrees between the Effective Date and Closing Date as follows:

8.1 Maintenance. Seller agrees to continue to maintain the Property through the Closing Date in the ordinary course of Seller's business and substantially in accordance with Seller's present practice, subject to ordinary wear and tear and further subject to Article XII of this Agreement.

8.2 Alterations. Seller shall not make or permit to be made any alterations, improvements, or additions to the Premises without the prior written consent of Buyer, except those made by Seller if required by applicable law or ordinance.

8.3 Lease. Seller shall not enter into any lease or other occupancy agreement

without Buyer's consent, which consent may be withheld or approved in Buyer's sole discretion.

8.4 Notice to Buyer. Seller shall notify Buyer promptly of the occurrence of any of the following: (i) a fire or other casualty causing damage to the Premises, or any portion thereof; (ii) receipt of notice of condemnation affecting the Premises, or any portion thereof; (iii) receipt of notice from any governmental authority or insurance underwriter relating to the condition, use or occupancy of the Premises, or any portion thereof, or any real property adjacent to any of the Premises, or setting forth any requirements with respect thereto; (iv) receipt or delivery of any default notice from any tenant; (v) delivery of any default notice to any tenant; or (vi) notice of any actual or threatened litigation against Seller or affecting or relating to the Property, or any portion thereof.

8.5 No New Agreements. Seller shall not, enter into any new Contract which shall extend beyond the Closing Date, or modify an existing Contract, or renew, extend or expand an existing Contract in each case without the prior written approval of Buyer, which in each case shall not be unreasonably withheld, conditioned or delayed. At the direction of Buyer, Seller will send to the service providers notice of termination of any Contracts, and Seller shall use good faith and reasonable efforts to make the termination of the Contracts effective as of the Closing Date (it being understood and agreed, however, that the termination date shall be governed by the termination provisions set forth in the applicable Contracts).

8.6 Consents.

8.7 Conditions to Obligations of Seller

The obligations of Seller under this Agreement to sell the Premises and consummate the other transactions contemplated hereby shall be subject to the satisfaction of the following conditions on or before the Closing Date except to the extent that any of such conditions may be waived by Seller in writing at Closing.

8.7.1 Representations, Warranties and Covenants of Purchaser. All representations and warranties of Purchaser in this Agreement shall be true and correct in all material respects as of the Closing Date, with the same force and effect as if such representations and warranties were made anew as of the Closing Date. Any changes to such representations disclosed by Purchaser shall be acceptable to Seller, and Purchaser shall have performed and complied with all covenants and agreements required by this Agreement to be performed or complied with by Purchaser prior to the Closing Date.

8.7.2 Approval of a lot line adjustment by the City of Philadelphia.

8.7.3 Recording of the Amended and Restated Easement Agreement.

8.7.4 Pennsylvania PUC approval as evidenced by the issuance of a Certificate of Public Convenience.

8.8 Conditions to Obligations of Purchaser. The obligations of Purchaser under this Agreement to purchase the Property and consummate the other transactions contemplated hereby shall be subject to the satisfaction of the following conditions on or before the Closing

Date, except to the extent that any of such conditions may be waived by Purchaser in writing at Closing.

8.8.1 Representations, Warranties and Covenants of Seller. All representations and warranties of Seller in this Agreement shall be true and correct in all material respects as of the Closing Date, with the same force and effect as if such representations and warranties were made anew as of the Closing Date. Any changes to such representations disclosed by Seller shall be acceptable to Purchaser, and Seller shall have performed and complied in all material respects with all covenants and agreement required by this Agreement to be performed or complied with by Seller prior to the Closing Date.

9. RISK OF LOSS.

9.1 Condemnation. If, prior to the Closing Date, all or any portion of the Property is taken by condemnation or eminent domain, or is the subject of a pending taking which has not been consummated, Seller shall notify Buyer of such fact promptly after Seller obtains knowledge thereof. If such condemnation is "Material" (as hereinafter defined), Buyer shall have the option to terminate this Agreement upon notice to Seller given not later than fifteen (15) days after receipt of Seller's notice, or the Closing Date, whichever is earlier. If this Agreement is terminated, neither Seller nor Buyer shall have any further rights or obligations to the other hereunder except with respect to the Surviving Termination Obligations. If this Agreement is not terminated, Seller shall not be obligated to repair any damage or destruction but (x) Seller shall assign, without recourse, and turn over to Buyer all of the condemnation proceeds, net of any costs of repairs and net of reasonable collection costs, in either case to the extent actually incurred or expended by Seller (or, if such have not been awarded, all of its right, title and interest therein) payable with respect to such condemnation including any rent abatement insurance for such condemnation and (y) the parties shall proceed to Closing pursuant to the terms hereof without abatement of the Purchase Price with respect to such condemnation.

9.2 Condemnation Not Material. If the condemnation is not Material, then the Closing shall occur without abatement of the Purchase Price and, after deducting Seller's reasonable costs and expenses incurred in collecting any award, Seller shall assign, without recourse, all remaining awards or any rights to collect awards to Buyer on the Closing Date.

9.3 Casualty. No destruction, damage or casualty to the Property or any part thereof shall affect the obligations of the parties hereto, Buyer hereby assuming all risk of loss.

9.4 Materiality

9.5 . For purposes of this Section 9, with respect to a taking by eminent domain, the term "Material" shall mean any taking whatsoever, regardless of the amount of the award or the amount of the Property taken, excluding, however, any taking solely of subsurface rights or takings for utility easements or right of way easements (other than access easements), if the surface of the Property, after such taking, may be used in substantially the same manner as though such rights had not been taken. For purposes of this Section 9, with respect to a casualty, the term "Material" shall mean any casualty such that the cost of repair, as reasonably estimated by Seller's engineer, is in excess of the Purchase Price.

10. CONFIDENTIALITY.

10.1 Confidentiality. The terms of that certain Confidentiality Agreement previously executed by Seller and Buyer's affiliate dated November 8, 2017, are incorporated herein as if set forth in full and complete detail. The provisions of this Section 10.1 shall survive any termination of this Agreement.

10.2 Publicity

10.3 . The parties hereto recognize and acknowledge that the joint benefits of publicizing this Agreement and the sale contemplated hereunder, and shall cooperate with each other with respect to any communications or releases either party furnishes to the press or the public.

11. DEFAULT; REMEDIES.

11.1 Default by Seller. In the event the Closing and the transactions contemplated hereby do not occur as provided herein by reason of the default of Seller, then Buyer shall have the right to elect any and all remedies available at law or in equity.

11.2 Default by Buyer. In the event the Closing and the transactions contemplated hereby do not occur as provided herein by reason of any default of Buyer, then Seller shall have the right to elect any and all remedies available at law or in equity.

12. PRORATIONS.

12.1 Items to be Prorated. The following items shall be prorated at Closing, as of the Closing Date:

12.1.1 Taxes; Apportionments; Assessments; Water and Sewer Charges. Real estate taxes and annual municipal or special district assessments, water and sewer charges or rentals (if any), any operating license fees or permits which are assigned and all other apportionable charges shall be prorated as of the Closing Date on a per diem basis, and such apportionments shall be made, where applicable, with relation to the fiscal year or billing period, as applicable of the levying authority. If the Closing Date shall occur before the tax rate or assessment is fixed, the apportionment of such real estate and personal property taxes at Closing shall be upon the basis of the tax rate for the next preceding year applied to the latest assessed valuation. All taxes imposed due to a change of use of the Property after the Closing Date shall be paid by the Buyer. If any taxes which have been apportioned shall subsequently be reduced by abatement, the amount of such abatement, less the cost of obtaining the same, shall be equitably apportioned between the parties hereto. Final adjustment will be made upon the actual tax amount, when determined. The parties shall correct any errors in prorations as soon after the Closing as amounts are finally determined.

12.1.2 Electricity, gas, steam, and fuel. Electricity, gas and steam and fuel oil (if any), based on meter readings or a fuel company letter showing measurement on the day immediately preceding Closing, and valued at current prices; provided, however, Buyer shall not be obligated to pay any cost or expense for any oil, gas or the like existing in any container or tank

at the Property at the time of Closing.

12.2 Custom and Practice. Except as set forth in this Agreement, the customs of the City of Philadelphia in which the Premises are located shall govern prorations.

12.3 Calculations. For purposes of calculating prorations, Buyer shall be deemed to be in title to the Property, and, therefore entitled to the income therefrom and responsible for the expenses thereof for the entire day upon which the Closing occurs. All such prorations shall be made on the basis of the actual number of days of the month which shall have elapsed as of the day of the Closing and based upon the actual number of days in the month and a three hundred sixty five (365) day year. Except as set forth in this Section 12.3, all items of income and expense which accrue for the period prior to the Closing will be for the account of Seller and all items of income and expense which accrue for the period on and after the Closing will be for the account of Buyer. The provisions of Section 12.3 shall survive the Closing.

12.4 Schedule of Prorations. The parties shall endeavor to jointly prepare a schedule of prorations for the Property no less than two (2) days prior to Closing.

12.5 Prorations. All matters involving prorations or adjustments to be made in connection with Closing and not specifically provided for in some other provision of this Agreement shall be adjusted in accordance with this Section 12.5. Except as otherwise set forth herein, all items to be prorated pursuant to this Section 12.5 shall be prorated as of midnight of the day immediately preceding the Closing Date, with Buyer to be treated as the owner of the Property, for purposes of prorations of income and expenses, on and after the Closing Date.

13. BROKERS. Each party hereby represents and warrants to the other that it has not employed or retained any broker or finder in connection with the transactions contemplated by this Agreement, and that neither has had any dealings with any other person or party that may entitle that person or party to a fee or commission. Each party shall indemnify the other of and from any claims for commissions by any person or party claiming such commission by or through the indemnifying party. The provisions of this Section shall survive the Closing.

14. GENERAL PROVISIONS.

14.1 Notices. All notices or other communications required or permitted to be given under the terms of this Agreement shall be in writing, and shall be deemed effective when received upon acceptance or rejection of delivery: (i) sent by nationally-recognized overnight courier; (ii) email with original following by certified mail; or (iii) deposited in the United States mail and sent by certified mail, postage prepaid, addressed as follows:

14.1.1 If to Seller, addressed to:

Exelon Generation Company, LLC
300 Exelon Way
Kennett Square, PA 19348 165 Township Line Road
Attention: Todd D. Cutler, Lead Counsel, Exelon Power
Email: todd.cutler@exeloncorp.com

With a copy to:

Dilworth Paxson LLP
1500 Market Street, Suite 3500E
Philadelphia, PA 19102
Attention: Joseph F. Kessler, Esq.
Email: jkessler@dilworthlaw.com

14.1.2 If to Buyer, addressed to:

PECO Energy Company
2301 Market Street
Philadelphia, PA 19103
Attn: Manager of Real Estate
& Facilities

With a copy to:

PECO Energy Corporation
2301 Market Street/S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699
Attn: John C. Halderman, Esq.
Email: john.halderman@exeloncorp.com

or to such other address or addresses and to the attention of such other person or persons as any of the parties may notify the other in accordance with the provisions of this Agreement.

14.2 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, and assigns.

14.3 Entire Agreement. This Agreement and the Exhibits attached hereto contain the final and entire agreement between the parties hereto with respect to the sale and purchase of the Property and are intended to be an integration of all prior negotiations and understandings. Buyer, Seller and their agents shall not be bound by any terms, conditions, statements, warranties or representations, oral or written, not contained herein. No change or modifications to this Agreement shall be valid unless the same is in writing and signed by all of the parties hereto. Each party reserves the right to waive any of the terms or conditions of this Agreement which are for their respective benefit and to consummate the transaction contemplated by this Agreement in accordance with the terms and conditions of this Agreement which have not been so waived. Any such waiver must be in writing signed by the party for whose benefit the provision is being waived.

14.4 Prevailing Party; Governing Law; Jurisdiction; Venue. If any litigation arises out of this Agreement, the prevailing party shall be entitled to receive from the losing party an amount equal to the prevailing party's reasonable and actual costs incurred in such litigation.

including, without limitation, the prevailing party's attorneys' fees, costs, and disbursements. The provisions of this Section 14.4 shall survive Closing and/or any termination of this Agreement. This Agreement shall be construed, interpreted, and governed in accordance with the laws of the Commonwealth of Pennsylvania. **THE PARTIES HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY, PENNSYLVANIA, IF AVAILABLE, FOR THE RESOLUTION OF ANY CONTROVERSY, DISPUTE, CLAIM, OR ALLEGED BREACH, ARISING OUT OF, OR RELATING TO THIS AGREEMENT AND THE RELATIONSHIP OF THE PARTIES HERETO, WHETHER STATUTORY OR SOUNDING IN CONTRACT, EQUITY, OR TORT. THE PARTIES HEREBY WAIVE THEIR RIGHT TO A TRIAL BY JURY.**

14.5 No Recording. This Agreement shall not be recorded in the Clerk's Office or in any other office or place of public record.

14.6 Counterparts; Electronic Transmittal. This Agreement may be executed in any number of counterparts, each of which when taken together shall be deemed to be one and the same instrument. Buyer shall provide two (2) executed original counterparts of this Agreement to Seller, and upon Seller's counter-signature Seller shall provide Buyer with one (1), fully executed original of this Agreement. The parties acknowledge and agree that notwithstanding any law or presumption to the contrary, the exchange of copies of this Agreement and signature pages by electronic transmission shall constitute effective execution and delivery of this Agreement for all purposes, and signatures of the parties hereto transmitted electronically shall be deemed to be their original signature for all purposes.

14.7 Further Instruments. Seller and Buyer will, whenever and as often as it shall be reasonably requested, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, to the other, any and all conveyances, assignments, correction instruments and all other instruments and documents as may be reasonably necessary in order to complete the transaction provided for in this Agreement and to carry out the intent and purposes of this Agreement. All such instruments and documents shall be satisfactory to the respective attorneys for Buyer and Seller. The provisions of this Section shall survive the Closing.

14.8 Time. Time is of the essence. If the last day permitted for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday, or legal holiday of the United States or the Commonwealth of Pennsylvania, the time for such performance will be extended to the next succeeding business day. Time periods under this Agreement will exclude the first day and include the last day of such time period. If any date herein set forth for the performance of any obligations of Seller or Buyer or for the delivery of any instrument or notice as herein provided should be on a Saturday, Sunday or legal holiday, the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or Federal holiday for which financial institutions or post offices are generally closed in the state where the Property is located.

14.9 Effective Date. The "Effective Date" of this Agreement shall be the date in the header of this Agreement which is the latest date of the execution by Seller and Buyer and shall

be the date on which both Seller and Buyer have fully executed this Agreement and have both received a copy thereof.

14.10 Assignment. Buyer shall not have the right to assign the Agreement without Seller's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned; provided that Buyer shall in no event be released from any of its obligations or liabilities hereunder as a result of any such assignment. Notwithstanding anything to the contrary stated above, Buyer shall be permitted to assign its rights under this Agreement without Seller's consent to any entity in which Buyer or any entity controlling, controlled by, or under common control with Buyer is a manager, managing member or general partner, provided that, (i) assignee assumes Buyer's obligations under this Agreement pursuant to a written agreement in form and substance reasonably acceptable to Seller; (ii) Seller receives a copy of such assignment and assumption agreement on or before three (3) business days after the execution thereof (and in no event less than three (3) business days prior to Closing); (iii) at Closing, Buyer reaffirms all of the representations and warranties of Buyer herein and (iv) Buyer shall remain liable for, and shall not be released from the performance of Buyer's obligations under this Agreement after such assignment. Whenever reference is made in this Agreement to Seller or Buyer, such reference shall include the successors and assigns of such party under this Agreement.

14.11 Waiver. The waiver by any party hereto of a breach of any provision of this Agreement shall not bar or be construed as a waiver of any subsequent breach by any party.

14.12 Severability. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

14.13 Exchange. The parties acknowledge and agree that either party may consummate this transaction as part of a so-called like/kind exchange (the "Exchange") pursuant to Section 1031 of the Code, provided, that: (a) the Closing shall not be delayed or affected by reason of the Exchange, nor shall the consummation or the accomplishment of the Exchange be a condition precedent or condition subsequent to either parties' obligations under this Agreement; (b) the exchanging party shall affect the Exchange through a qualified intermediary and accommodating party shall not be required to exchange property or be required to acquire or hold title to any real estate other than the Property as contemplated hereby; (c) the accommodating party shall not be required to incur any liability or expense in connection with the Exchange; and (d) the exchanging party shall pay any additional costs that would not otherwise have been incurred by the accommodating party had the exchanging party not consummated its sale through the Exchange. The accommodating party shall not, by this Agreement, or acquiescence to the Exchange (x) have its rights under this Agreement affected or diminished in any manner or (y) be responsible for compliance with or be deemed to have warranted to the exchanging party that the Exchange, in fact, complies with Section 1031 of the Code.

14.14 Legal Representation. Both parties acknowledge that they were represented by independent legal counsel in reference to the provisions of this Agreement and the fact that counsel for one of the parties drafted this Agreement shall not cause this Agreement to be construed against such party as this Agreement was negotiated with the assistance of such counsel.

14.15 Headings. The captions and headings herein are for convenience and reference only and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

14.16 Interpretation. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Seller and Buyer have contributed substantially and materially to the preparation of this Agreement.

14.17 Limitation of Liability. Seller's liability for damages arising out of any breach of the terms, covenants or conditions of this Agreement or the representatives and warranties of Seller contained herein, or arising out of or from the transactions contemplated hereby, shall be limited to Fifty Thousand Dollars (\$50,000.00). The obligations of Seller are binding only on Seller and Seller's assets and shall not be personally binding upon, nor shall any resort be had to, the private properties of any of the partners, officers, directors, shareholders or beneficiaries of Seller, or of any partners, officers, directors, shareholders or beneficiaries of any partners of Seller, or of any of Seller's employees or agents and any liability of Seller hereunder and under the documents executed and delivered by Seller at Closing shall be expressly limited. All documents to be executed by Seller shall also contain the foregoing exculpation.

14.18 All Property Only. Seller and Buyer hereby acknowledge that the Property is to be purchased in its entirety. In furtherance thereof, in the event that any condition precedent is not satisfied with respect to less than all of the Property, or any other condition arises with respect to less than all of the Property which entitles Buyer to exercise its remedies under this Agreement, Buyer shall have no right to purchase less than all of the Property.

15. ESCROW AGREEMENT

15.1 Instructions. Buyer and Seller each shall promptly deposit a copy of this Agreement executed by such party (or either of them shall deposit a copy executed by both Buyer and Seller) with Title Company, and, upon receipt of the Deposit from Buyer, Title Company shall immediately execute this Agreement where provided below. This Agreement, together with such further instructions, if any, as the parties shall provide to Title Company by written agreement, shall constitute the escrow instructions. If any requirements relating to the duties or obligations of title Company hereunder are not acceptable to Title Company, or if Title Company requires additional instructions, the parties hereto agree to make such deletions, substitutions and additions hereto as counsel for Buyer and Seller shall mutually approve, which additional instructions shall not substantially alter the terms of this Agreement unless otherwise expressly agreed to by Seller and Buyer.

15.2 Real Estate Reporting Person. Title Company is hereby designated the "real estate reporting person" for purposes of Section 6045 of Title 26 of the United States Code and Treasury Regulation 1.6045-4 and any instructions or settlement statement prepared by Title Company shall so provide. Upon the consummation of the transaction contemplated by this Agreement, Escrow Agent shall file Form 1099 information return and send the statement to Seller as required under the aforementioned statute and regulation. Seller and Buyer shall promptly furnish their federal tax identification numbers to Title Company and shall otherwise reasonably

cooperate with Escrow Agent in connection with Title Company's duties as real estate reporting person.

15.3 Liability of Title Company. The parties acknowledge that the Title Company shall be conclusively entitled to pay the Deposit to Seller except in the event of a Seller default in accordance with Section 11.1. Any notice sent by Seller or Buyer (the "Notifying Party") to the Escrow Agent shall be sent simultaneously to the other noticed parties pursuant to Section 16.1 herein (the "Notice Parties"). The parties hereto hereby acknowledge that Title Company shall have no liability to any party on account of Title Company's failure to disburse the Deposit if a dispute shall have arisen with respect to the propriety of such disbursement and, in the event of any dispute as to who is entitled to receive the Deposit, disburse them in accordance with the final order of a court of competent jurisdiction, or to deposit or interplead such funds into a court of competent jurisdiction pending a final decision of such controversy. The parties hereto further agree that Title Company shall not be liable for failure to any depository and shall not be otherwise liable except in the event of Title Company's gross negligence or willful misconduct. The Title Company shall be reimbursed on an equal basis by Buyer and Seller for any reasonable expenses incurred by the Title Company arising from a dispute with respect to the Deposit. The obligations of Seller with respect to the Title Company are intended to be binding only on Seller and Seller's assets and shall not be personally binding upon, nor shall any resort be had to, the private properties of any of the partners, officers, directors, shareholders or beneficiaries of Seller, or of any partners, officers, directors, shareholders or beneficiaries of any partners of Seller, or of any of Seller's employees or agents.

THIS AGREEMENT CONTAINS A WAIVER OF TRIAL BY JURY. IN CONNECTION THEREWITH, SELLER AND BUYER VOLUNTARILY AND KNOWINGLY WAIVE THEIR RIGHT TO A TRIAL BY JURY. SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD THE WAIVER OF JURY TRIAL, AND HAVE BEEN ADVISED BY COUNSEL AS NECESSARY OR APPROPRIATE.

(Signatures Follow on Next Page)

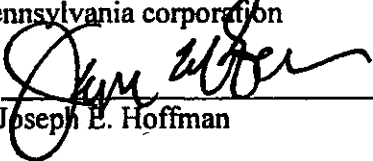
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first-above written.

BUYER:

SELLER:

PECO ENERGY COMPANY,
a Pennsylvania corporation

Exelon Generation Company, LLC
a Pennsylvania limited liability company

By: 
Joseph E. Hoffman

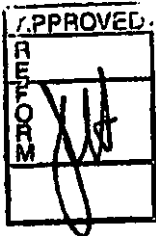
By: _____

Its: Manager, Real Estate & Facilities

Its: _____

Date: May 1, 2019

Date: _____



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first-above written.

BUYER:

SELLER:

PECO ENERGY COMPANY,
a Pennsylvania corporation

Exelon Generation Company, LLC
a Pennsylvania limited liability company

By: _____

By: 

Its: _____

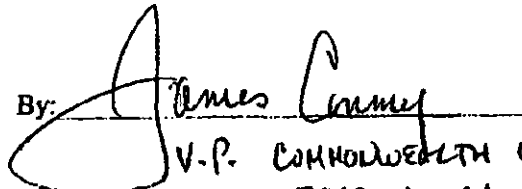
Its: SUP ENGINEERING

Date: _____

Date: 5/1/2019

JOINDER

Title Company has joined in the execution solely for purposes of serving as Escrow Agent.

By:  James Conroy
V.P. COMMONWEALTH LAND
TITLE INSURANCE CO.

AOS PECO + EXZLON
3901 N. DELAWARE AVE.

RECEIVED

AUG - 9 2019

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO Richmond Land Purchase

Exhibit B

Valbridge Appraisal

Verification

Confirmed With RFP, Public Records, Press Coverage

Remarks

This is a piece of the former Frankford Arsenal. PIDC released a request for proposal in early 2018 seeking industrial development proposals. Per the RFP, the usable land is 24.02 acres. The site is reportedly under contract.



Valbridge
PROPERTY ADVISORS

Appraisal Report

Portion of the Former Richmond Generating Station
3901 N. Delaware Avenue
Philadelphia, Pennsylvania 19137

Report Date: August 8, 2019



FOR:

PECO Energy Company
2301 Market Street
Philadelphia, PA 19103

Attn: Mr. Daniel F. Pacheco
Manager, Acquisition & Taxes

**Valbridge Property Advisors |
Philadelphia**

150 S. Warner Road, Suite 440
King of Prussia, PA 19406
215-545-1900 phone
215-545-8548 fax
valbridge.com

Valbridge File Number:
PA02-19-0022-000



150 S. Warner Road, Suite 440
King of Prussia, PA 19406
215-545-1900 phone
215-545-8548 fax
valbridge.com

August 8, 2019

PECO Energy Company
2301 Market Street
Philadelphia, PA 19103

Attn: Mr. Daniel F. Pacheco, Manager, Acquisition & Taxes

RE: Appraisal Report
Portion of the Former Richmond Generating Station
3901 N. Delaware Avenue
Philadelphia, Pennsylvania 19137

Dear Mr. Pacheco:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal is not valid if separated from the appraisal report.

The subject property, as referenced above, is located between the southeasterly side of N. Delaware Avenue and the Delaware River, south of Lewis Street. The subject site is two parcels. Parcel 1 is a 10.593-acre parcel to be subdivided from tax parcel number 88-4352243. Parcel SE (Substation Easement) is a 3.709-acre sub-parcel that will remain with tax parcel number 88-4352243 but will be encumbered by an easement to PECO. Improvements consist of various equipment used by PECO as part of their electrical power distribution network.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

The client in this assignment is PECO Energy Company and the intended user of this report is PECO Energy Company and no others. The intended use is to provide guidance in connection with a pending sale. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- The site is assumed to be free of substantive environmental contamination.
- Site area and parcel shapes were obtained from a site plan provided by the client and are assumed to be correct.

Hypothetical Conditions:

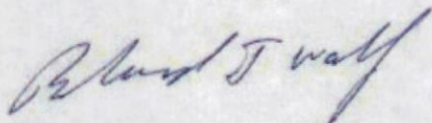
- For the purposes of this valuation, Parcel 1 (10.593 acres along N. Delaware Avenue) has been hypothetically subdivided from the overall tax parcel number 88-4352243.

Based on the analysis contained in the following report, our value conclusions which reflect market conditions and information available as of the date of value are summarized as follows:

Value Conclusions

Component	Hypothetically Sub-divided and Eased
Value Type	Market Value
Property Rights Appraised	Subject To Easements
Effective Date of Value	August 6, 2019
Value Conclusion	\$950,000
	\$66,424 per acre

Respectfully submitted,
Valbridge Property Advisors | Philadelphia



Richard F. Wolf, MAI, SRA, AI-GRS, CRE
Managing Director
PA Certified General Real Estate Appraiser
Certification No.: GA-001514-L
License Expires: June 30, 2021

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Summary of Salient Facts

Property Identification

Property Name	Former Richmond Generating Station
Property Address	3901 N. Delaware Avenue Philadelphia, Pennsylvania 19137
Latitude & Longitude	39.984777, -75.07741
Tax Parcel Number	portions of 88-4352243
Property Owner	Exelon Generation Co, LLC

Site

Zoning	(I-3)
FEMA Flood Map No.	4207570202H
Flood Zone	Zone X500, AE
Parcel 1	10.593 acres
Substation Easement	3.709 acres
Total Land Area	14.302 acres
Property Use	Processing, Energy Production

Valuation Opinions

Highest & Best Use - As Vacant	Industrial development
Highest & Best Use - As Improved	Continue current industrial use
Reasonable Exposure Time	6-12 months
Reasonable Marketing Time	6-12 months

Value Conclusions

Component	Hypothetically Sub-divided and Eased
Value Type	Market Value
Property Rights Appraised	Subject To Easements
Effective Date of Value	August 6, 2019
Value Conclusion	\$950,000
	\$66,424 per acre

Aerial and Front Views

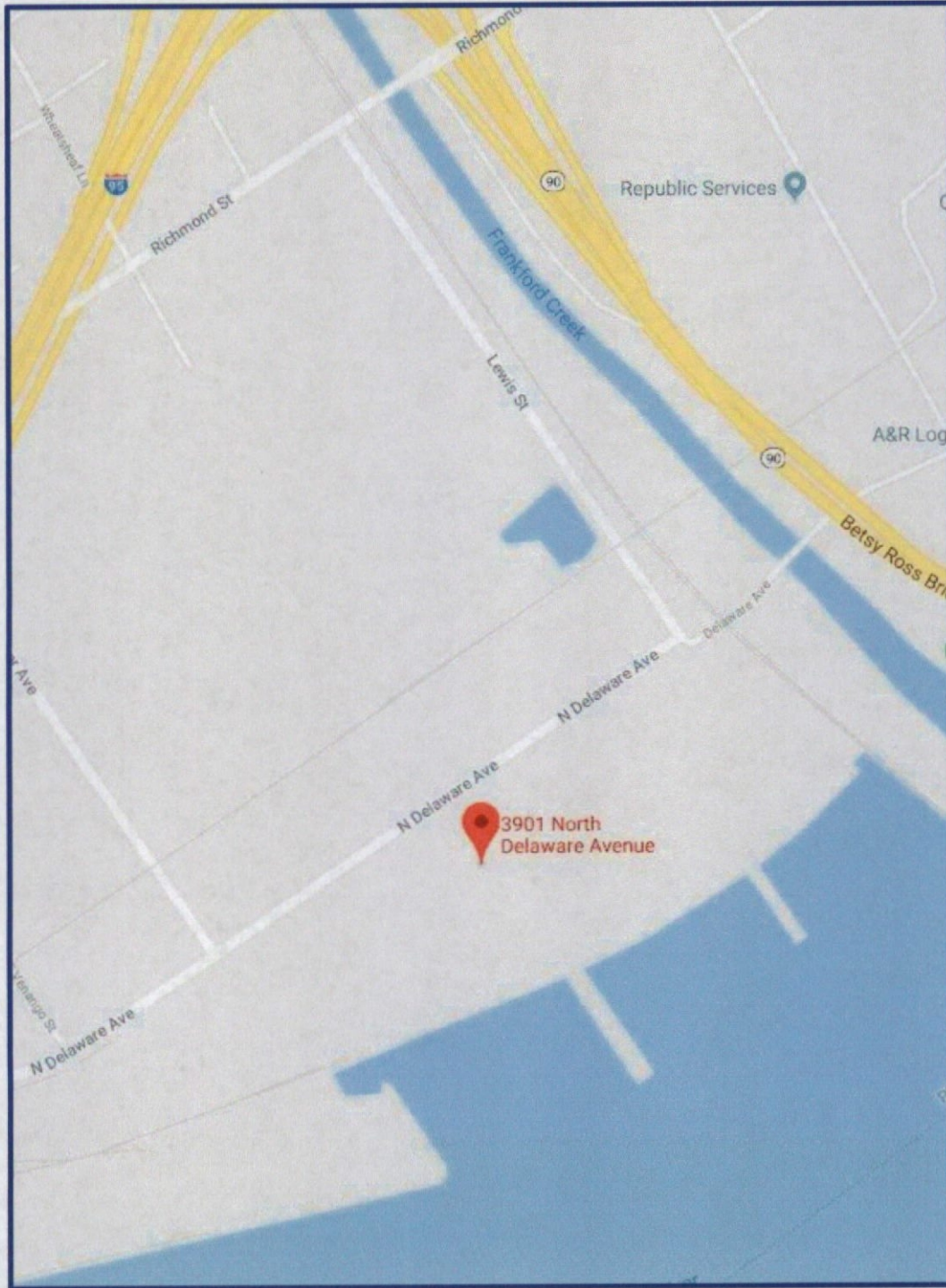
AERIAL VIEW



FRONT VIEW



Location Map



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is PECO Energy Company and the intended user of this report is PECO Energy Company.

Intended Use of the Appraisal

The intended use of this report is to provide guidance in connection with a pending sale.

Real Estate Identification

The subject property is located at 3901 N. Delaware Avenue, Philadelphia, Pennsylvania 19137. The subject property is to be either subdivided from tax parcel 88-4352243 or encumbered by an easement. This valuation is based on the hypothetical condition that Parcel 1 has been subdivided. Improvements consist of various equipment used by PECO as part of their electrical power distribution network.

Legal Description

Please see addendum.

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was an electric transmission station.

Use of Real Estate as Reflected in this Appraisal

Same as above.

Ownership of the Property

According to assessment records, title to the subject property is vested in Exelon Generation Co, LLC.

History of the Property

Ownership of the subject property has not changed within the past three years. The current owner acquired the subject property on January 12, 2001 for a recorded consideration of \$1,808,626. The grantor was PECO Energy Company.

When appropriate, we have considered and analyzed the known history of the subject in the development of our opinions and conclusions.

Listings/Offers/Contracts

To the best of our knowledge, the subject property is not actively listed for sale. It is occupied by PECO with various easements and licenses in place. PECO is to be the buyer of Parcel 1 as well as the grantee for the substation easement.

Type and Definition of Value

The appraisal problem is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each acting in what they consider their own best interests;*
- *A reasonable time is 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."¹*

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date of value.

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Per the scope of our assignment we developed opinions of value for the subject property under the following scenarios of value:

Valuation Scenario	Effective Date of Value
As Is Market Value Subject to Sub-division and Easements	August 6, 2019

We completed an appraisal inspection of the subject property on August 6, 2019.

Date of Report

The date of this report is August 8, 2019.

¹ Source: Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- The site is assumed to be free of substantive environmental contamination.
- Site area and parcel shapes were obtained from a site plan provided by the client and are assumed to be correct.

Hypothetical Conditions

- For the purposes of this valuation, Parcel 1 (10.593 acres along N. Delaware Avenue) has been hypothetically subdivided from the overall tax parcel number 88-4352243.

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via public records.
- Economic Characteristics - Economic characteristics of the subject property were identified via information provided by the property owner, market surveys, discussions with market participants, and our database, as well as a comparison to properties with similar locational and physical characteristics.
- Physical Characteristics - The subject was physically identified via an appraisal inspection that consisted of exterior observations only.

Extent to Which the Property Was Inspected

We completed an exterior only inspection of the subject on August 6, 2019

Type and Extent of Data Researched

We researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. We also interviewed people familiar with the subject market/property type.

Type and Extent of Analysis Applied (Valuation Methodology)

We observed surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations in concluding a highest and best use. We then valued the subject based on that highest and best use conclusion.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the cost approach, sales comparison approach, and income capitalization approach. One or more of these approaches are used in all estimations of value.

- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.
- Direct Capitalization: Land Residual Method - The land residual methodology involves estimating the residual net income to the land by deducting from total potential income the portion attributable to the improvements, assuming development of the site at its highest and best use. The residual income is capitalized at an appropriate rate, resulting in an indication of land value.

- Direct Capitalization: Ground Rent Capitalization – A market derived capitalization rate is applied to the net income resulting from a ground lease. This can represent the leased fee or fee simple interest, depending on whether the income potential is reflective of a lease in place or market rental rates.
- Yield Capitalization: Subdivision Development Method – Also known as Discounted Cash Flow Analysis (DCF), the methodology is most appropriate for land having multiple lot development in the near term as the highest and best use. The current site value is represented by discounting the anticipated cash flow to a present value, taking into consideration all necessary costs of development, maintenance, administration, and sales throughout the absorption period.

All of these approaches to value were considered. We assessed the availability of data and applicability of each approach to value within the context of the characteristics of the subject property and the needs and requirements of the client. Based on this assessment, we relied upon the Sales Comparison Approach. The Cost Approach was not used because market participants rarely employ the Cost Approach in their buy/sell decision making processes for properties like the subject. The Income Capitalization Approach was not used because the subject is a unique property and sufficient data was not available to generate a credible opinion of market value from this approach. Further discussion of the extent of our analysis and the methodology of each approach is provided later in the respective valuation sections.

Appraisal Conformity and Report Type

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

Population

Population characteristics relative to the subject property are presented in the following table.

Population

Area	2000	2010	Annual %	Estimated	Projected	Annual %
			Change			Change
			2000 - 10	2018	2023	2018 - 23
United States	281,421,906	308,745,538	1.0%	330,088,686	343,954,683	0.8%
Pennsylvania	12,281,054	12,702,379	0.3%	12,992,598	13,140,705	0.2%
Philadelphia MSA	5,687,144	5,965,343	0.5%	6,183,819	6,317,119	0.4%
City of Philadelphia	1,517,550	1,526,006	0.1%	1,591,765	1,625,976	0.4%
19137	8,054	8,627	0.7%	8,849	8,944	0.2%

Source: Site-to-Do-Business (STDB Online)

Transportation

Major transportation routes in the larger area include a number of highways such as the Pennsylvania Turnpike, the Schuylkill Expressway (I-76), the Vine Street Expressway (I-676), the Blue Route (I-476), I-95, and smaller highways such as Routes 1, 309 and 202. Public transportation in the region is provided by the Southeastern Pennsylvania Transportation Authority (SEPTA) and PATCO (New Jersey). Services include regional rail, subway, and bus service. Amtrak service is available at 30th Street Station. Access in the region is considered good.

Employment

Employment in the city of Philadelphia is heavily concentrated in the services industry, largely consisting of healthcare, educational, and hospitality services. This sector accounts for over 58% of jobs. Retail trade follows with nearly 10% of jobs.

Employment by Industry - Philadelphia, PA

Industry	2018 Estimate	Percent of Employment
Agriculture/Mining	1,339	0.20%
Construction	26,781	4.00%
Manufacturing	42,181	6.30%
Wholesale trade	12,052	1.80%
Retail trade	64,945	9.70%
Transportation/Utilities	34,816	5.20%
Information	11,382	1.70%
Finance/Insurance/Real Estate Services	43,520	6.50%
Education, Healthcare, and Hospitality Services	391,679	58.50%
Public Administration	41,511	6.20%
Total	669,537	100.0%

Source: Site-to-Do-Business (STDB Online)

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. The unemployment rates for Pennsylvania and the Philadelphia MSA are in line with the national rate.

Unemployment Rates

Area	YE 2011	YE 2012	YE 2013	YE 2014	YE 2015	YE 2016	YE 2017	2018 YTD
United States	8.5%	7.9%	6.7%	5.6%	5.0%	4.7%	4.1%	3.7%
Pennsylvania	7.6%	6.1%	4.9%	4.7%	4.8%	4.4%	4.0%	4.0%
Philadelphia MSA	8.0%	6.3%	5.2%	4.5%	4.4%	4.2%	3.7%	3.7%
City of Philadelphia	10.5%	8.5%	6.7%	6.1%	5.9%	5.6%	4.9%	4.9%

Source: Bureau of Labor Statistics - Year End - National & State Seasonally Adjusted

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA compares favorably to the state and the country.

Median Household Income

Area	Estimated 2018	Projected 2023	Annual % Change 2018 - 23
United States	\$58,100	\$65,727	2.6%
Pennsylvania	\$57,362	\$64,778	2.6%
Philadelphia MSA	\$67,424	\$76,303	2.6%
City of Philadelphia	\$41,506	\$48,040	3.1%
19137	\$43,042	\$50,319	3.4%

Source: Site-to-Do-Business (STDB Online)

Conclusions

The city of Philadelphia is a significant metropolitan area in the country and is the dominant metropolitan area in the state. Businesses continue to move into the area and investors continue to look for opportunities in the expanding markets. These trends are expected to continue in the near future.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

The subject is located in the Richmond section of the city of Philadelphia. As presented in the table in the previous section, the city's population as of 2018 was 1,591,765.

Neighborhood Location and Boundaries

The subject neighborhood is located in Richmond. The area is urban in nature. The neighborhood is bounded by Upper Kensington and Harrowgate to the north, Bridesburg to the east, Delaware River and New Jersey to the south, and East Kensington, Fishtown, and Port Richmond to the west.

Demographics

The following table depicts the area demographics in Philadelphia within a one-, three-, and five-mile radius from the subject.

Neighborhood Demographics

Radius	1 mile	3 miles	5 miles
Population Summary			
2000 Population	4,763	219,271	718,553
2010 Population	5,265	227,124	743,692
2018 Population	5,457	233,133	774,765
2023 Population Estimate	5,556	236,370	790,920
Annual % Change (2018 - 2023)	0.4%	0.3%	0.4%
Housing Unit Summary			
2000 Housing Units	2,076	86,026	289,632
% Owner Occupied	79.6%	59.2%	56.0%
% Renter Occupied	13.5%	29.0%	32.1%
2010 Housing Units	2,260	86,229	294,816
% Owner Occupied	74.1%	52.5%	50.1%
% Renter Occupied	18.3%	37.7%	39.7%
2018 Housing Units	2,310	87,496	303,345
% Owner Occupied	73.2%	51.2%	48.5%
% Renter Occupied	19.4%	38.8%	41.6%
2023 Housing Units	2,341	88,495	308,744
% Owner Occupied	73.6%	51.7%	48.8%
% Renter Occupied	18.9%	38.0%	41.4%
Annual % Change (2018 - 2023)	0.3%	0.2%	0.4%
Income Summary			
2018 Median Household Income	\$43,688	\$35,664	\$38,727
2023 Median Household Income Estimate	\$51,246	\$39,465	\$43,911
Annual % Change	3.2%	2.0%	2.5%
2018 Per Capita Income	\$22,437	\$17,152	\$20,910
2023 Per Capita Income Estimate	\$26,407	\$19,492	\$23,950
Annual % Change	3.3%	2.6%	2.8%

Source: Site-to-Do-Business (STDB Online)

Transportation Access

Within the immediate area of the subject property, transportation access helps define the character of its development. Major travel and commuter routes within the area of the subject property include Aramingo Avenue and Interstate 95. Access to the area is considered average.

Conclusions

Overall, the subject neighborhood is in the stable stage of its life cycle.

Site Description

The subject site is located between the southeasterly side of N. Delaware Avenue and the Delaware River, south of Lewis Street. The characteristics of the site are summarized as follows:

Site Characteristics

Parcel 1 Land Area:	10.593 Acres
Substation Easement Land Area:	3.709 Acres
Gross Land Area:	14.302 Acres
Shape:	Irregular
Average Depth:	1,100.00 feet
Topography:	Level
Drainage:	Assumed adequate
Grade:	At street grade
Utilities:	All Available
Interior or Corner:	Mid-Block
Signalized Intersection:	No

Street Frontage / Access

Frontage Road	Primary
Street Name:	N. Delaware Avenue
Street Type:	two lane road with one lane in each direction
Frontage (Linear Ft.):	1,195.00
Number of Curb Cuts:	1

Additional Access

Alley Access:	No
Water or Port Access:	Yes
Rail Access:	No

Flood Zone Data

Flood Map Panel/Number:	4207570202H
Flood Map Date:	11-18-2015
Portion in Flood Hazard Area:	73.84%
Flood Zone:	Zone X500, AE

Zone X500 is an area that is inundated by 500 year flooding. Per the FEMA flood map, it is an area with a 0.2% annual chance of flood hazard. This accounts for approximately 74% of the site. The remainder of the site is located in Zone AE which is an area inundated by 100 year flooding.

Other Site Conditions

Soil Type:	Assumed adequate for development
Environmental Issues:	This site is part of the former Richmond generation substation. Per a previous outside appraisal, environmental remediation was completed in the early 1990s. We recommended an environmental study by a qualified professional. For valuation purposes, we assume the site to be free of substantive environmental contamination.
Easements/Encroachments:	The property has various extensive access and use easements between Exelon and PECO.

Adjacent Land Uses

North:	Heavy Industrial Use
South:	Delaware River
East:	Heavy Industrial Use
West:	Heavy Industrial Use

Site Ratings

Access:	Below Average
Visibility:	Average

Zoning Designation

Zoning Jurisdiction:	City of Philadelphia
Zoning Classification:	I-3, Heavy Industrial
Permitted Uses:	A variety of intensive industrial and business uses.
Zoning Comments:	The heavy industrial zoning district has the least restrictions with regard to the types of industrial uses permitted on the site. Maximum occupied area is 100%, and a high limit of 60 feet only applies if the property abuts a residential or open space zoning district. Maximum floor area ratio is 500%.

Analysis/Comments on Site

The subject is part of an overall site that is a generally rectangular single tax parcel of approximately 30 acres located on the Delaware River. The subject site is two parcels. Parcel 1 is a 10.593-acre parcel to be subdivided from the overall parcel. Parcel SE (Substation Easement) is a 3.709-acre sub-parcel that will remain with the overall parcel but will be encumbered by an easement to PECO. The subject site accounts for approximately 47% of the overall site. The subject spans the entirety of the overall site's N. Delaware Avenue street frontage. The western side of the subject site reaches to the river and is bounded to the south and the east by the above storage tank and former generating station. The subject site is occupied by a small PECO administrative building and various improvements used by PECO as part of their power distribution network.

Descriptions of each parcel follow with an aerial illustration on the subsequent page:
Parcel 1 (Green): 10.593 acres with +/- 1,195 feet of frontage on N. Delaware Avenue

Sub-parcel SE (Substation Easement (Purple): 3.709 acres fronting on the river

SUBJECT SITE



TAX/PLAT MAP - ENTIRE PARCEL



FLOOD MAP

3901 N DELAWARE AVE, PHILADELPHIA, PA 19137-1905

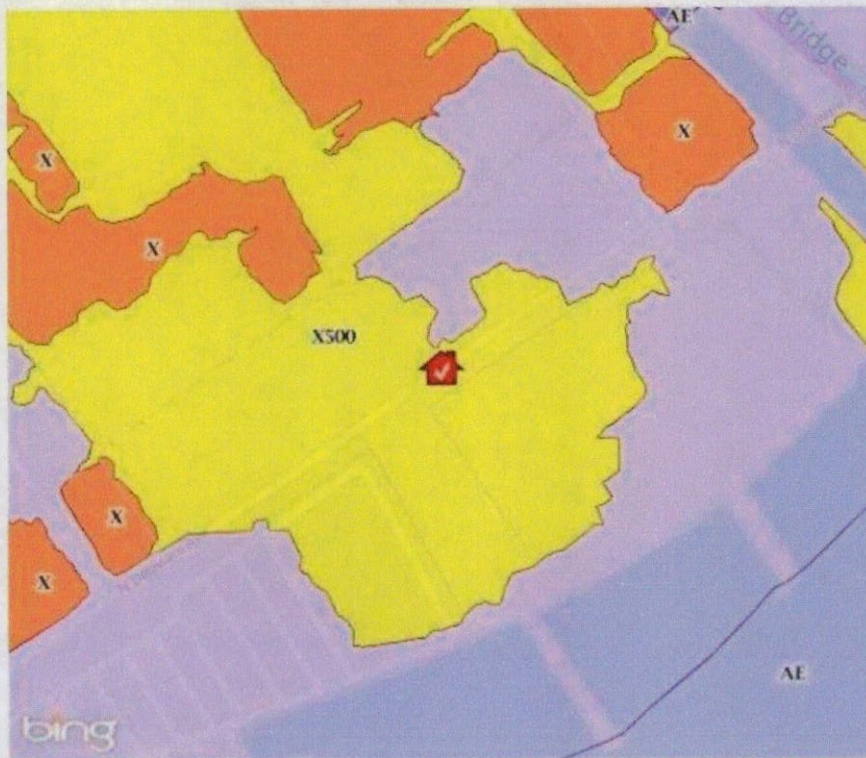
Report Date: 02/19/2019

County: PHILADELPHIA, PA

Flood Zone Code	Flood Zone Panel	Panel Date
X500	420757 - 4207570202H	11/18/2015
Special Flood Hazard Area (SFHA) Within 250 ft. of multiple flood zones?		Community Name
Out	Yes (AE,X500)	PHILADELPHIA

Flood Zone Description:

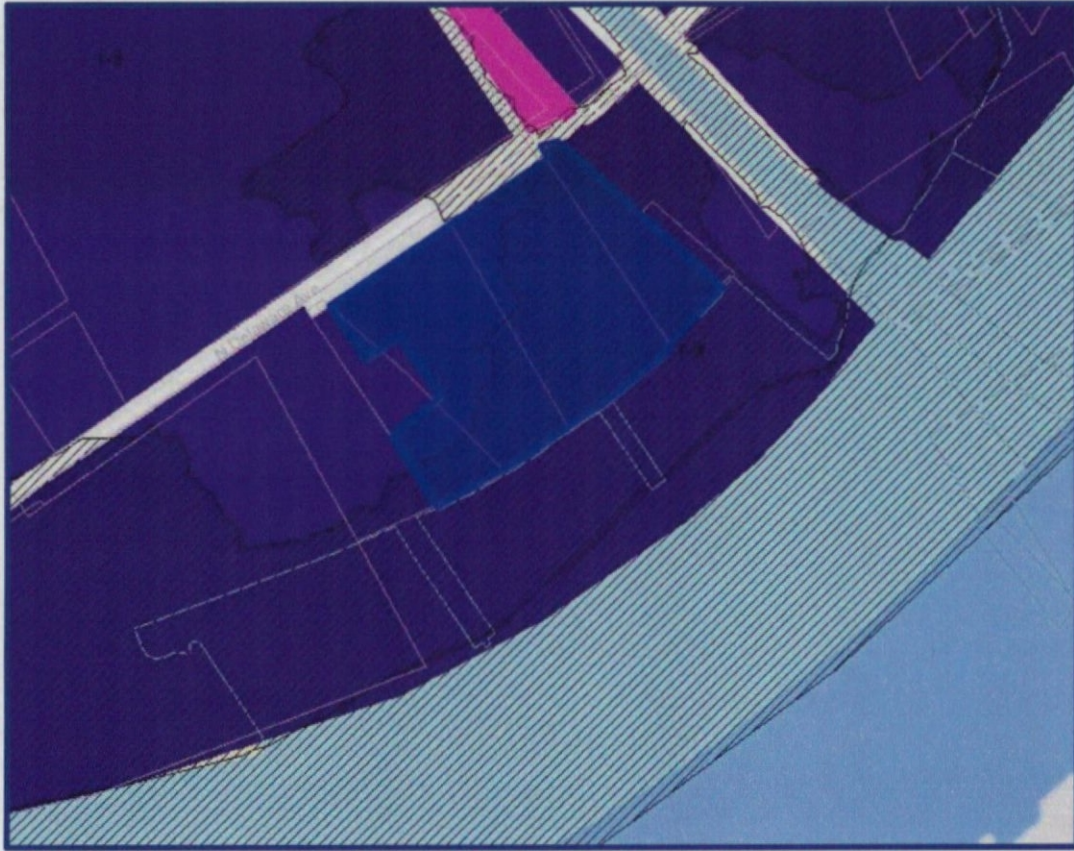
Zone X (500-year)-An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding.



Flood Zones

Coastal 100-year Floodway	100-year Floodway	Undetermined	500-year Floodplain incl. levee protected area
Coastal 100-year Floodplain	100-year Floodplain	Unknown or Area Not Included	Out of Special Flood Hazard Area

ZONING MAP



Subject Photos



Subject Land



Subject Land

Assessment and Tax Data

Assessed Values and Property Taxes

The assessed values, applicable tax rates and total taxes of the entire tax parcel, of which the subject is part, including direct assessments, are shown in the following table.

Ad Valorem Tax Schedule

Tax Parcel Number: portions of 88-4352243

Philadelphia County Year	Actual 2018	Actual 2019
Assessed Value		
Land:	\$2,493,072	\$2,420,514
Improvements:	\$372,528	\$361,686
Total:	\$2,865,600	\$2,782,200
Per Square Foot:	\$6.21	\$6.03
% Change:		-2.9%
Assessment Ratio	100.00%	100.00%
Implied Market Value		
Land:	\$2,493,072	\$2,420,514
Improvements:	\$372,528	\$361,686
Total:	\$2,865,600	\$2,782,200
% Change:		-2.9%
Tax Rate	\$13.980000	\$14.572000
% Change:		4.2%
Millage Rate	per \$1,000	per \$1,000
	Actual 2018	Actual 2019
Tax Expense		
Total:	\$40,061	\$40,542
Per Square Foot:	\$0.09	\$0.09

Market Analysis

The following market analysis of the Philadelphia Metro industrial market is based on data obtained from the CoStar Group, Inc., a leading provider of real estate information services. The analysis presents the subject property's macro and micro industrial markets.

Philadelphia Metro Market

The following table illustrates the historical market performance of the Philadelphia Metro market:

Industrial Market Statistics Philadelphia Metro Market

Quarter	Philadelphia Metro - All Industrial Space				
	Square Feet		Total	Total	Direct
	Total	Under	Net	Percent	Rental Rate
	Square Feet	Construction	Absorption	Vacant	(Triple Net)
2018 Q4	476,684,282	632,132	1,818,790	4.9%	\$5.10 psf
2018 Q3	474,933,592	2,382,822	1,192,704	4.9%	\$5.00 psf
2018 Q2	474,283,592	2,972,822	1,118,507	5.0%	\$4.87 psf
2018 Q1	474,251,592	2,516,262	603,553	5.3%	\$4.82 psf
2017 Q4	474,127,592	2,394,690	1,603,109	5.4%	\$4.82 psf
2017 Q3	472,470,632	3,462,110	3,689,574	5.4%	\$4.79 psf
2017 Q2	469,000,914	5,262,528	1,534,693	5.5%	\$4.80 psf
2017 Q1	467,801,868	5,687,414	4,996,229	5.6%	\$4.74 psf
2016 Q4	467,534,538	5,796,894	2,481,249	6.6%	\$4.68 psf
2016 Q3	467,096,494	6,226,452	5,175,341	7.0%	\$4.66 psf
2016 Q2	464,321,841	4,783,017	535,787	7.6%	\$4.59 psf
2016 Q1	462,780,391	5,088,276	1,868,094	7.4%	\$4.46 psf
2015 Q4	462,259,439	5,573,876	2,804,763	7.7%	\$4.45 psf
2015 Q3	461,185,019	5,009,934	-155,004	8.1%	\$4.44 psf
2015 Q2	461,185,019	3,908,108	2,768,055	8.0%	\$4.48 psf
2015 Q1	458,939,084	4,890,443	268,013	8.2%	\$4.42 psf
2014 Q4	458,821,584	3,157,487	715,306	8.2%	\$4.39 psf
2014 Q3	457,700,122	3,444,897	-458,100	8.2%	\$4.37 psf
2014 Q2	457,693,822	2,033,274	826,485	8.1%	\$4.39 psf
2014 Q1	457,681,382	530,919	1,844,501	8.2%	\$4.46 psf

Source: CoStar Group, Inc.

Rental Rates

The Philadelphia Metro had a 2018 4th Quarter average quoted rental rate of \$5.10 per square foot for all industrial space, compared to \$4.82 in the 2017 4th Quarter, or a 5.8% increase over the last year.

Vacancy

The Philadelphia Metro has a 2018 4th Quarter vacancy of 4.9% for all industrial space. Vacancy rates are relatively unchanged over the prior year.

Construction and Absorption

There is currently 632,132 square feet of industrial space under construction in the market. Net absorption for the prior year was positive.

City of Philadelphia Submarket

The following table illustrates the historical market performance of the City of Philadelphia submarket:

Industrial Market Statistics

City of Philadelphia Submarket

Quarter	City of Philadelphia - All Industrial Space				
	Total Square Feet	Square Feet Under Construction	Total Net Absorption	Total Percent Vacant	Direct Rental Rate (Triple Net)
2018 Q4	113,030,513	9,500	298,241	4.8%	\$4.82 psf
2018 Q3	113,030,513	9,500	430,976	5.1%	\$4.87 psf
2018 Q2	113,030,513	9,500	697,404	5.4%	\$4.73 psf
2018 Q1	113,030,513	9,500	613,962	6.1%	\$4.81 psf
2017 Q4	113,030,513	0	232,412	6.6%	\$4.60 psf
2017 Q3	113,030,513	0	-57,469	6.8%	\$4.53 psf
2017 Q2	113,008,513	22,000	-412,048	6.7%	\$4.46 psf
2017 Q1	113,008,513	22,000	1,534,942	6.4%	\$4.48 psf
2016 Q4	113,008,513	0	647,714	7.7%	\$4.48 psf
2016 Q3	113,008,513	0	48,667	8.3%	\$4.48 psf
2016 Q2	113,008,513	0	639,108	8.4%	\$4.38 psf
2016 Q1	113,001,351	7,162	3,219	8.9%	\$4.08 psf
2015 Q4	113,001,351	7,162	517,582	8.9%	\$4.13 psf
2015 Q3	112,801,351	200,000	148,862	9.2%	\$4.22 psf
2015 Q2	112,801,351	200,000	-94,215	9.3%	\$4.24 psf
2015 Q1	112,801,351	200,000	-240,556	9.3%	\$4.27 psf
2014 Q4	112,791,351	210,000	-182,197	9.0%	\$4.24 psf
2014 Q3	112,791,351	10,000	-70,710	8.9%	\$4.27 psf
2014 Q2	112,791,351	0	-62,114	8.8%	\$4.36 psf
2014 Q1	112,778,911	12,440	463,383	8.8%	\$4.69 psf

Source: CoStar Group, Inc.

Rental Rates

The City of Philadelphia submarket had a 2018 4th Quarter average quoted rental rate of \$4.82 per square foot for all industrial space, compared to \$4.60 in 2017 4th Quarter, or a 4.8% increase over the last year.

Vacancy

The City of Philadelphia submarket has a 2018 4th Quarter vacancy of 4.8% for all industrial space. Vacancy rates are relatively unchanged over the prior year.

Construction and Absorption

There is currently 9,500 square feet of industrial space under construction in the market. Net absorption for the prior year was positive.

Market Analysis Conclusions

The rental rates trends, inventory and new construction levels, vacancy rates and absorption trends indicate the market is in equilibrium.

Highest and Best Use

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Analysis of Highest and Best Use As If Vacant

The primary determinants of the highest and best use of the property as if vacant are the issues of (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is zoned I-3, Heavy Industrial which controls the general nature of permissible uses and is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. Currently a variety of access and use easements exist between PECO and Exelon; however, as this analysis is for the site as though vacant, it is assumed those would not exist on a vacant site. Therefore, there are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

Physically Possible

The physical attributes allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. There are no items of a physical nature that would materially limit appropriate and likely development.

Financially Feasible

The probable use of the site for industrial development conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that demand is sufficient to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, near-term development of the subject site is financially feasible.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is for industrial development.

Conclusion of Highest and Best Use As If Vacant

The conclusion of the highest and best use as if vacant is for industrial development.

Analysis of Highest and Best Use as Improved

In determining the highest and best use of the property as improved, the focus is on three possibilities for the property: (1) continuation of the existing use, (2) modification of the existing use, or (3) demolition and redevelopment of the land.

Retaining the improvements as they exist meets the tests for physical possibility, legal permissibility and financial feasibility.

The subject site is occupied by a small PECO administrative building and various improvements used by PECO as part of their power distribution network. As noted, the analyzed use is industrial. We believe the property to be a legal use per the zoning regulations.

Any alternative use of the existing improvements is unlikely to be economically feasible as relocating an electrical substation is costly and available heavy industrial land is scarce. The subject site has significant improvements which have value to ownership but are not considered to add value to the site for an alternative user.

Conclusion of Highest and Best Use As Improved

The highest and best use of the subject property, as improved, is to continue the current industrial use.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is an industrial user.

Land Valuation

Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

The purpose of this analysis is to determine the value of the property subject to a number of easements. In order to determine the value as currently eased, we first determined the value of the underlying property as though uneased. Upon completion of that analysis, we then considered the value of the site as eased. This involved considering each sub parcel and the effect of its shape and easements.

The process of developing the sales comparison approach consists of the following analyses: (1) researching and verifying transactional data, (2) selecting relevant units of comparison, (3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and (4) reconciling the adjusted sales into a value indication for the subject site.

Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison in this analysis is per usable acre.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

Comparable Sales Data

We conducted a search of public records, field surveys, interviews with knowledgeable real estate professionals in the area, and a review of our internal database to obtain and verify comparable sales of vacant land properties.

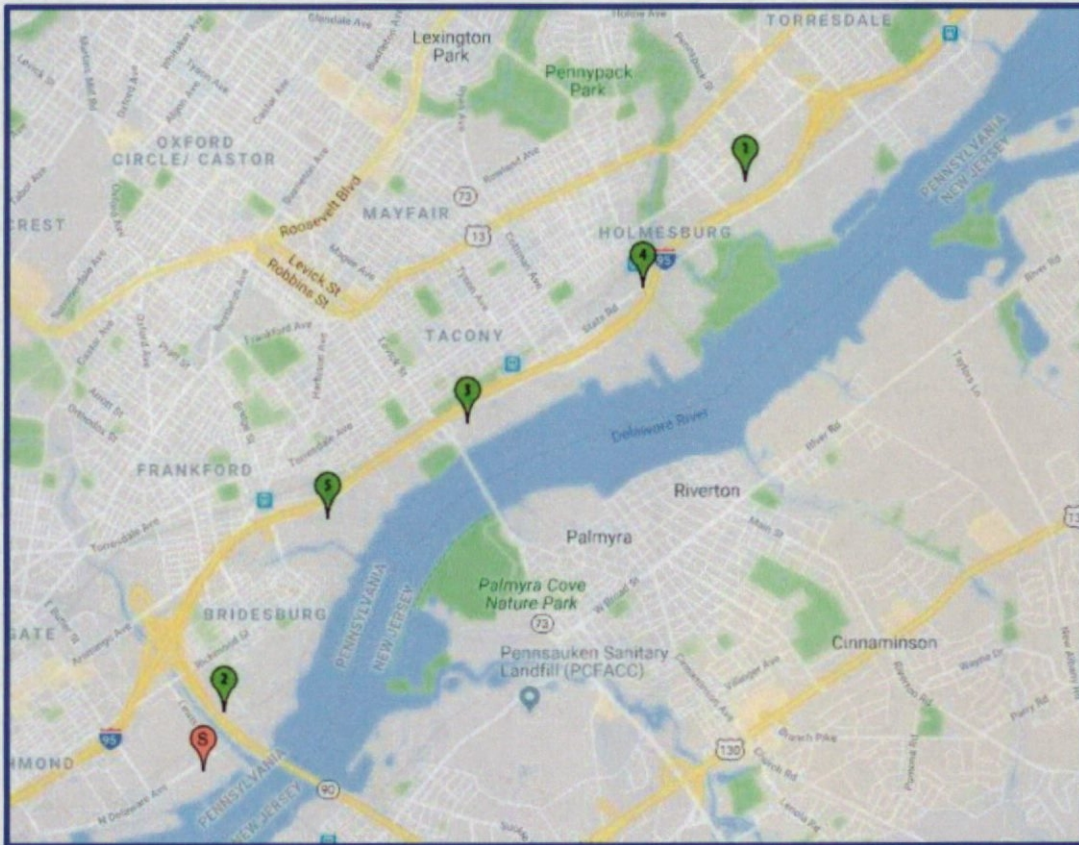
We included five sales in our analysis, as these sales were judged to be the most comparable to develop an indication of market value for the subject property. The land sales have been compared to the subject site, as a base. The indicated value was then adjusted accordingly and applied to two subject site parcels.

The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject. Details of each comparable follow the location map.

Land Sales Summary

Comp. No.	Date of Sale	Location	Zoning	Sales Price	
				Actual	Per Acre
1	July-15	8501 Hegerman Street	I-2	\$1,200,000	\$118,460
2	February-16	4100 Carbon Street	I-2	\$1,600,000	\$195,759
3	December-16	6501 New State Road	ICMX	\$4,200,000	\$221,460
4	July-17	7777 State Road	I-2	\$1,550,000	\$119,414
5	In-Contract	5501 Tacony St	I-2	\$6,540,000	\$272,273

COMPARABLE SALES MAP



LAND COMPARABLE 1



Property Identification

Property/Sale ID	10333622/704888
Property Type	Industrial
Address	8501 Hegerman Street
City, State Zip	Philadelphia, Pennsylvania 19019
MSA	Philadelphia, PA-NJ
Submarket	Philadelphia - Northeast
Latitude/Longitude	40.040493/-75.010237
Tax ID	88-4259001

Transaction Data

Sale Date	07-07-2015	Financing	Cash to seller
Sale Status	Closed	Conditions of Sale	Arm's Length
Grantor	David C. Wenger	Recording Number	52938964
Grantee	Knights Properties LLC	Sale Price	\$1,200,000
Property Rights	Fee Simple		

Property Description

Gross Acres	10.13	Shape	Nearly rectangular
Front Feet	710.34	Topography	Generally level
Depth	620.00	Utilities	All Available
No. of Lots	1	Drainage	Assumed adequate
Proposed Use	Industrial	Flood Hazard Zone	Zone X - Outside 100 and 500 year floodplains
Street Access	Average	Zoning Jurisdiction	City of Philadelphia
Rail Access	No	Zoning Code	I-2
Water/Port Access	No	Zoning Description	Medium Industrial District
Visibility	Average		
Corner/Interior	Corner		

Indicators

\$/Gross Acre \$118,476**Verification**

Confirmed With Listing Agent, Deed, Public Records**Remarks**

This site is located within 0.75 miles southwest of the Academy Road/Linden Avenue interchange of Interstate 95 in the Holmesburg section of Northeast Philadelphia. Although the tract abuts an active rail freight right-of-way to the northwest, the property is not rail-served. Access to Interstate 95 is available via Blakiston Street and Torresdale Avenue. The site was formerly utilized as a trailer storage lot for Great Dane. Present on the site is 2,500 square foot garage structure of nominal contributory value to the underlying land.

LAND COMPARABLE 2

Property Identification

Property/Sale ID	10299658/708671
Property Type	Industrial
Address	4100 Carbon Street
City, State Zip	Philadelphia, Pennsylvania 19137
MSA	Philadelphia, PA-NJ
Submarket	Philadelphia - Northeast
Latitude/Longitude	39.990382/-75.074886
Tax ID	88-5915120

Transaction Data

Sale Date	02-09-2016	Financing	Cash to seller
Sale Status	Closed	Conditions of Sale	Arm's Length
Grantor	River Drive, LLC	Deed Book/Page	53022294
Grantee	BSE Holdings, LLC	Sale Price	\$1,600,000
Property Rights	Fee Simple		

Property Description

Gross Acres	8.17	Topography	Generally level
No. of Lots	1	Utilities	Not available
Street Access	Average	Flood Hazard Zone	Mostly Zone X, Partially Zone AE
Water/Port Access	No	Zoning Jurisdiction	City of Philadelphia
Visibility	Average	Zoning Code	I-2
Corner/Interior	Interior	Zoning Description	Medium Industrial
Shape	Flag		

Indicators

\$/Gross Acre	\$195,759
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Verification

Confirmed With Listing Broker, Deed, Public Records**Remarks**

This is the sale of a flag-shaped parcel located within the Bridesburg neighborhood of Philadelphia. The property is located along the former Carbon Street. Carbon Street only exists on city tax maps, but is not open for public use.

According to the Philadelphia Survey District, the site is not served by public water or sewer. These utilities are available at Hedley and Bath Streets.

The site had stone paving and fencing at the time of sale. The buyer purchased for truck parking; therefore, the configuration did not impact the price. Only electric at site.

LAND COMPARABLE 3



Property Identification

Property/Sale ID	10337823/708742
Property Type	Mixed Use Land
Address	6501 New State Road
City, State Zip	Philadelphia, Pennsylvania 19135
MSA	Philadelphia, PA-NJ
Submarket	Philadelphia - Northeast
Latitude/Longitude	40.017770/-75.044631
Tax ID	77-8636100

Transaction Data

Sale Date	12-22-2016	Property Rights	Fee Simple
Sale Status	Closed	Financing	Cash to seller
Grantor	First Philadelphia Holdings LLC	Conditions of Sale	Arm's Length
Grantee	Isaac Newton Foundation Inc	Deed Book/Page	53153678
		Sale Price	\$4,200,000

Property Description

Gross Acres	18.97	Topography	Level
Front Feet	690.00	Utilities	All Available
Depth	1,280.00	Flood Hazard Zone	Zone AE - An area inundated by 100 year flooding
No. of Lots	1	Zoning Jurisdiction	City of Philadelphia
Street Access	Good	Zoning Code	ICMX
Rail Access	No	Zoning Description	Industrial Commercial Mixed Use
Water/Port Access	Yes		
Visibility	Good		
Corner/Interior	Mid-Block		
Shape	Mostly rectangular		

Indicators

\$/Gross Acre \$221,460**Verification**

Confirmed With Deed, Public Records, Press Releases**Remarks**

The 19 acre site, previously the Dodge steel plant, sold to the Isaac Newton Foundation, who developed a charter school to serve students from kindergarten through 12th grade.

LAND COMPARABLE 4

Property Identification

Property/Sale ID	10337791/708716
Property Type	Industrial
Address	7777 State Road
City, State Zip	Philadelphia, Pennsylvania 19136
MSA	Philadelphia, PA-NJ
Submarket	Philadelphia - Northeast
Latitude/Longitude	40.030485/-75.022845
Tax ID	87-4587630

Transaction Data

Sale Date	07-14-2017	Financing	Cash to seller
Sale Status	Closed	Conditions of Sale	Motivated Buyer
Grantor	Wilson State, LLC	Deed Book/Page	53246904
Grantee	Morris Iron & Steel Co., Inc.	Sale Price	\$1,550,000
Property Rights	Fee Simple		

Property Description

Gross Acres	12.98	Topography	Generally level
Front Feet	99.00	Utilities	All Available
Depth	182.00	Drainage	Assumed adequate for development
No. of Lots	1	Flood Hazard Zone	Zone X - Outside 100 and 500 year floodplains
Street Access	Good	Zoning Jurisdiction	City of Philadelphia
Rail Access	No	Zoning Code	I-2
Water/Port Access	No	Zoning Description	Medium Industrial
Visibility	Good		
Corner/Interior	Flag Lot		
Shape	Flag		

Indicators

\$/Gross Acre \$119,414**Verification**

Confirmed With Selling Broker, Deed, Public Records**Remarks**

Reportedly, there was an agreement of sale with a person who planned to develop the site with a storage facility. It is believed the local councilman didn't want the sale to happen and it wound up that a neighboring property owner purchased the property for the same price the original buyer had offered. This assemblage to the back parcel, which was landlocked, provided much needed street access for the buyer.

LAND COMPARABLE 5



Property Identification

Property/Sale ID	10332788/704177
Property Type	Industrial
Address	5501 Tacony St
City, State Zip	Philadelphia, Pennsylvania 19137
MSA	Philadelphia, PA-NJ
Submarket	Philadelphia - Northeast
Latitude/Longitude	40.008866/-75.062109
Tax ID	874584730

Transaction Data

Sale Date	09-09-2018	Property Rights	Fee Simple
Sale Status	In-Contract	Financing	Cash to seller
Grantor	Philadelphia Industrial Development Corporation	Conditions of Sale	Asking
		Sale Price	\$6,540,000

Property Description

Gross Acres	30.50	Corner/Interior	Mid-Block
Front Feet	780.00	Shape	Irregular
No. of Lots	1	Topography	Generally level
Proposed Use	Industrial	Utilities	All Available
Street Access	Good	Flood Hazard Zone	Zone X and AE
Rail Access	No	Zoning Jurisdiction	City of Philadelphia
Water/Port Access	Yes	Zoning Code	I-2
Visibility	Average	Zoning Description	Medium Industrial

Indicators

\$/Gross Acre	\$214,426
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Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include (1) real property rights conveyed, (2) financing terms, (3) conditions of sale and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sale prices and must be considered when analyzing a sale comparable. The appraised value and sale comparables all reflect the fee simple interest with no adjustments required.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the sale comparables involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value.

Sales 1, 2, and 3 had no atypical conditions of sale, therefore, no adjustments were warranted.

Sale 4 had a motivated buyer; however, it is reported that the buyer purchased the property at the originally accepted offering price after the initial sale fell through. Therefore, no adjustment was warranted.

Sale 5 is a property under contract. As such, a downward adjustment was made.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and/or costs to remediate environmental contamination.

The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison. The parties to these transactions did not anticipate atypical expenditures immediately after purchase; therefore, no adjustments were warranted.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

Discussions with market participants and a review of market data indicated overall market conditions for vacant land properties have been improving with recent transactions confirming this trend. As such, we applied an adjustment to each comparable based on a factor of 3.00% per year.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments.

Our reasoning for the property adjustments made to each sale comparable follows. The discussion analyzes each adjustment category deemed applicable to the subject property.

Location

Location adjustments may be required when the locational characteristics of a comparable property are different from those of the subject property. These include, but are not limited to, general neighborhood characteristics, freeway accessibility, street exposure, corner versus interior lot location, neighboring properties, view amenities, and other factors.

The subject property is located along N. Delaware Avenue with below average access and average visibility. It has water access a location less than one mile from the Interstate exchange and a bridge for river crossing. Being a heavy industrial property, highway access, truck access, and water access are all desirable qualities for a site. The comparables has varying access with regard to these three items and were adjusted as follows:

Sale 1 is considered inferior as it does not have water access, it is located on a street not ideal for truck maneuvering, and while it is proximate to the Interstate, it is more than a mile from bridge access, so an upward adjustment was warranted.

Sale 2 is considered inferior as it does not have water access, and is located on streets not ideal for truck maneuvering. It is proximate to both highway and bridge access, so an upward adjustment was warranted.

Sale 3 is considered superior as it has water access, streets more appropriate for truck maneuvering, and a proximate location to both highway and bridge access points, so a downward adjustment was warranted.

Sale 4 is considered inferior as it does not have water access, it is located on a street not ideal for truck maneuvering, and while it is proximate to the Interstate, it is more than a mile from bridge access, so an upward adjustment was warranted.

Sale 5 is considered superior as it has water access and streets more appropriate for truck maneuvering. It is proximate to bridge access but more than one mile from an interstate exchange, so a downward adjustment was warranted.

Size

The size adjustment addresses variance in the physical size of the comparables and that of the subject, as a larger parcel typically commands a lower price per unit than a smaller parcel. This inverse relationship is due, in part, to the principle of "economies of scale."

As such, parcels smaller than the subject were adjusted downward and parcels larger than the subject were given upward adjustments.

Zoning

The highest and best use of sale comparables should be very similar to that of the subject property. When comparables with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning, but a highest and use similar to that of the subject may be used as comparables. These comparables may require an adjustment for differences in utility if the market supports such adjustment.

The subject site is zoned Heavy Industrial which allows for the most intensive industrial uses.

Sales 1, 2, 4, and 5 are zoned I-2 medium industrial and are considered inferior due to their more restrictive zoning. Upward adjustments were made.

Sale 3 was zoned ICMX. While this zoning will not allow heavy industrial uses, it does allow for certain commercial uses not permitted in the I-3 district; therefore, no adjustment was warranted.

Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the sale comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.

LAND SALES ADJUSTMENT GRID

Subject		Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		704888	708671	708742	708716	704177
Date of Value & Sale	August-19	July-15	February-16	December-16	July-17	In-Contract
Unadjusted Sales Price		\$1,200,000	\$1,600,000	\$4,200,000	\$1,550,000	\$6,540,000
Gross Acres	14.302	10.129	8.173	18.965	12.980	30.500
Unadjusted Sales Price per Gross Acre		\$118,476	\$195,759	\$221,460	\$119,414	\$214,426
Transactional Adjustments						
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjusted Sales Price		\$118,476	\$195,759	\$221,460	\$119,414	\$214,426
Financing Terms	Cash to Seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Adjusted Sales Price		\$118,476	\$195,759	\$221,460	\$119,414	\$214,426
Conditions of Sale	Typical	Arm's Length	Arm's Length	Arm's Length	Motivated Buyer	Asking
Adjustment		-	-	-	-	-10.0%
Adjusted Sales Price		\$118,476	\$195,759	\$221,460	\$119,414	\$192,984
Expenditures after Sale						
Adjusted Sales Price		\$118,476	\$195,759	\$221,460	\$119,414	\$192,984
Market Conditions Adjustments						
Elapsed Time from Date of Value		4.08 years	3.49 years	2.62 years	2.06 years	0.00 years
Market Trend Through	August-19	12.3%	10.5%	7.9%	6.2%	-
Analyzed Sales Price		\$132,995	\$216,257	\$238,880	\$126,805	\$192,984
Physical Adjustments						
Location	3901 N. Delaware Avenue Philadelphia, Pennsylvania	8501 Hegerman Street Philadelphia, Pennsylvania	4100 Carbon Street Philadelphia, Pennsylvania	6501 New State Road Philadelphia, Pennsylvania	7777 State Road Philadelphia, Pennsylvania	5501 Tacony St Philadelphia, Pennsylvania
Adjustment		5.0%	2.5%	-5.0%	5.0%	-2.5%
Size	14.302 acres	10.129 acres	8.173 acres	18.965 acres	12.980 acres	30.500 acres
Adjustment		-2.5%	-5.0%	2.5%	-	5.0%
Zoning	I-3	I-2	I-2	ICMX	I-2	I-2
Adjustment		5.0%	5.0%	-	5.0%	5.0%
Net Physical Adjustment		7.5%	2.5%	-2.5%	10.0%	7.5%
Adjusted Sales Price per Gross Acre		\$142,970	\$221,664	\$232,908	\$139,486	\$207,457

Conclusion - Primary Site

From the market data available, we used five land sales in competitive market areas which were adjusted based on pertinent elements of comparison. The following table summarizes the unadjusted and adjusted unit prices:

Land Sale Statistics

Metric	Unadjusted	Analyzed	Adjusted
Minimum Sales Price per Gross Acre	\$118,476	\$126,805	\$139,486
Maximum Sales Price per Gross Acre	\$221,460	\$238,880	\$232,908
Median Sales Price per Gross Acre	\$195,759	\$192,984	\$207,457
Mean Sales Price per Gross Acre	\$173,907	\$181,584	\$188,897

Based on the adjusted prices, a unit value for the subject site as-if unencumbered above the mean of the adjusted range, or \$200,000 per acre is indicated.

Based on this analysis, the value indications are summarized as follows:

Land Value Indications

Primary Site - Reasonable Adjusted Comparable Range			
14.302 acres	x	\$175,000 per acre	= \$2,502,850
14.302 acres	x	\$225,000 per acre	= \$3,217,949
As-if Unencumbered Market Value Opinion			(Rounded)
14.302 acres	x	\$200,000 per acre	= \$2,850,000

Easements

Next, we will discuss the impact of the various use and access easements to the Fee Simple value of Parcel 1, and the eased value of Sub-parcel SE.

The subject site consists of two parcels. Parcel 1 is currently encumbered by permanent easements granted to PECO. It will be subdivided and the remaining interests conveyed. The substation sub-parcel which will have an easement granted to PECO. Details of each parcel are illustrated in the chart below:

Current Parcel Descriptions

Parcel	Area (Acres)	Est. Easement Area / Term	Est. Frontage
Parcel 1	10.593	100% / Permanent	1,195' +- N. Delaware Avenue
Substation Easement (SE)	3.709	None	River
Total	14.302		

In order to determine the as-eased value of Parcel 1, we need to adjust the previously determined overall as-if unencumbered value of \$200,000 per acre determined above to account for the existing easements. Because Parcel 1 was almost entirely eased in perpetuity, we made a downward adjustment of 95%. Here we recognize the interest is saleable and providing access to the substation easement parcel.

In order to determine the value of the substation easement, we need to adjust the previously determined overall as-if unencumbered value of \$200,000 per acre to account for the smaller size of this sub-parcel. Given its smaller size, and due to economies of scale, an upward adjustment was made. We then adjusted upward to account for the easement.

Calculations detailing the above adjustments are shown in the table below:

Value Allocation		Size Adjustment %	Size Adjustment \$	Easement Adjustment %	Easement Adjustment \$	Adjusted Value
Total Site Area	14.302 acres @ \$200,000 = \$2,850,000					
Parcel 1	10.593 acres @ \$200,000 = \$2,118,600	0.0%	\$0	-95.0%	(\$2,012,670)	\$105,930
Substation Easement (SE)	3.709 acres @ \$200,000 = \$741,800	20.0%	\$148,360	-5.0%	(\$44,508)	\$845,652
Total (Rounded):						\$950,000

This indicated a rounded value conclusion of \$950,000.

Valuation Summary

The indicated values from the approaches used and our concluded market values for the subject property are summarized in the following table.

Value Conclusions

Component	Hypothetically Sub-divided and Eased
Value Type	Market Value
Property Rights Appraised	Subject To Easements
Effective Date of Value	August 6, 2019
Value Conclusion	\$950,000 \$66,424 per acre

To reach a final opinion of value, we considered the reliability and relevance of each value indication based upon the quality of the data and applicability of the assumptions underlying each approach. Given the availability and reliability of data within the Sales Comparison Approach, we gave this approach primary weight in arriving at our final value conclusions. Furthermore, industrial properties such as the subject property are typically purchased by an industrial user, who primarily rely upon the methods employed by the Sales Comparison Approach.

Our findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- The site is assumed to be free of substantive environmental contamination.
- Site area and parcel shapes were obtained from a site plan provided by the client and are assumed to be correct.

Hypothetical Conditions:

- For the purposes of this valuation, Parcel 1 (10.593 acres along N. Delaware Avenue) has been hypothetically subdivided from the overall tax parcel number 88-4352243.

Exposure Time and Marketing Periods

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 6-12 months and 6-12 months, respectively, are considered reasonable and appropriate for the subject property.

General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Philadelphia will conduct no hazardous materials or contamination inspection of any kind. *It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.*
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Philadelphia is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.

11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Philadelphia and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors |Philadelphia.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

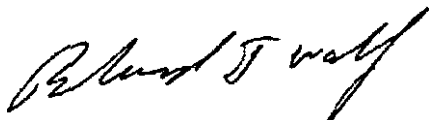
28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. **You and Valbridge Property Advisors | Philadelphia both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Philadelphia and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Philadelphia or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Philadelphia for this assignment, and under no circumstances shall any claim for consequential damages be made.**
36. **Valbridge Property Advisors | Philadelphia shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Philadelphia. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Philadelphia and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Philadelphia harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Philadelphia in such action, regardless of its outcome.**
37. **The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Lukens and Wolf LLC. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.**
38. **If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.**
39. **This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.**
40. **Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.**

Certification – Richard F. Wolf, MAI, SRA, AI-GRS, CRE

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Richard F. Wolf has personally inspected the subject property.
10. Stephanie L. Gaydis provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.



Richard F. Wolf, MAI, SRA, AI-GRS, CRE
Managing Director
PA Certified General Real Estate Appraiser
Certification No.: GA-001514-L
License Expires: June 30, 2021

Addenda

Legal Description

Glossary

Qualifications

- Richard F. Wolf, MAI, SRA, AI-GRS, CRE - Managing Director

Information on Valbridge Property Advisors

Office Locations

Legal Description – Original 2001 Deed and 2018 Deed of Correction

**Richmond Station
Philadelphia, Pennsylvania**

PREMISES "B" AND "C"

BEING ALL THOSE TWO CERTAIN pieces or parcels of land described on pages B-15 and B-16 of a Deed from The Connecting Railway Company, to Consolidated Rail Corporation dated March 30, 1976 and recorded in the Office of the Recorder of Deeds of said Philadelphia County in Deed Book Volume 1962 of Deeds at Page 452 on May 29, 1979 being described in said Deed as follows:

BEGINNING at a point on the Southeasterly line of Delaware Avenue distant 100 feet measured Southwestwardly and radially from the centerline of the railroad of the Pennel Company (formerly D.R.R.R. and Br. Company; thence extending from said beginning point the following Ten courses and distances: (1) Southeastwardly, parallel to said centerline of railroad of the Pennel Company (former D.R.R.R. and Br. Company) 272 feet, more or less, to a point on the Northwesterly line of land of a Penn Central Sub-Station; thence (2) Northeastwardly, along said Northwesterly line of land of said Sub-Station, 75 feet, more or less, to a point distant 25 feet measured Southwestwardly and radially from the said center line of said railroad of Pennel Company; thence (3) Northwestwardly, parallel to said centerline of said railroad of Pennel Company, 70 feet to a point; thence (4) Southwestwardly, at a right angle to the last described course 60 feet to a point; thence (5) Northwestwardly, at right angles to the last described course, 50 feet to a point; thence, (6) Northeastwardly, at right angles to the last described course, 34 feet to a point; thence (7) Northwestwardly at right angles to the last described course, 40 feet to a point; thence (8) Northeastwardly and radially to the said centerline of the railroad of the Pennel Company 26 feet, more or less, to a point distant 25 feet measured Southwestwardly and radially from said centerline of said railroad of Pennel Company; thence, (9) Northwestwardly, parallel to said centerline of railroad 80 feet, more or less, to a point in the Southeasterly line of Delaware Avenue; thence, (10) Southwestwardly, along said Southeasterly line of Delaware Avenue, 75 feet, more or less, to the place of beginning; thence the Second Part of said parcel is bounded and described as follows:

BEGINNING at a point on the Northwestwardly Bulkhead Line of the Delaware River distant 25 feet measured Southwestwardly at right angles from the centerline of the railroad of the Pennel Company (formerly the D.R.R.R. and Br. Company); thence, extending from said beginning point the following Four courses and distances: (1) South 42 degrees 25 minutes 48 seconds West, along said Northwestery Bulkhead Line of the Delaware River 75 feet to a point; thence (2) North 47 degrees 15 minutes 53 seconds West, 465 feet, more or less, to a point on a fence line of the Southeasterly line of land of a Penn Central Sub-Station; thence (3) Northeastwardly, along said Southeasterly line of land of said Sub-Station 75 feet, more or less, to a point distant 25 feet measured Southwestwardly and at right angles from the said centerline of said railroad of Pennel Company; thence (4) Southeastwardly parallel to said centerline of said railroad of Pennel Company 465 feet, more or

less, to a point in the Northwesterly Bulkhead Line of the Delaware River, the place of beginning.

ALSO ALL THE RIGHT, title and interest of the said Grantor of, in and to the muds, flats and lands under the waters of the Delaware River as such right, title and interest extends or should extend by law or custom and all riparian rights appertaining thereto.

PREMISES "D"

ALL THAT CERTAIN tract or piece of land.

SITUATE on the 45th Ward of the City of Philadelphia; described as follows, to wit:

BEGINNING at the point of intersection of the Southeasterly side of Delaware Avenue 150 feet wide with the Northeasterly side of Lewis Street 60 feet wide; thence extending South 57 degrees 35 minutes 34 seconds West crossing the said Lewis Street along the said side of Delaware Avenue 475 feet 6-3/4 inches to a point; thence South 27 degrees 38 minutes East along land of the Reading Company 995 feet 2-7/8 inches to the Bulkhead Line of the Delaware River established by the Secretary of War January 5th, 1894; thence along the same North 58 degrees 4 minutes 25 seconds East 175 feet 11-3/8 inches to a bend and North 53 degrees 3 minutes 5 seconds East 327 feet 6-1/2 inches to another bend; thence North 46 degrees 5 minutes 59 seconds East 57 feet 1 inch to a point in the Northeasterly side of said Lewis Street; and thence along the same North 32 degrees 24 minutes 26 seconds West 955 feet 11-1/2 inches to the place of beginning.

CONTAINING 11.6488 Acres.

PREMISES "E"

ALL THAT CERTAIN tract or piece of land.

SITUATE in the 45th Ward of the City of Philadelphia, described as follows, to wit:

BEGINNING at the point of intersection of the Southeast line of said Delaware Avenue 150 feet wide with the Northeast line of Wheat Sheaf Lane 70 feet wide; thence extending along the said line of Delaware Avenue North 57 degrees 35 minutes 34 seconds East 714 feet 5-1/4 inches to a point; thence along land now or late of Howard W. Lewis South 27 degrees 38 minutes East 995 feet 2-7/8 inches to the Bulkhead Line in the Delaware River as established by the Secretary of War January 5th, 1894; thence along said Bulkhead Line South 58 degrees 4 minutes 25 seconds West 418 feet 11 inches to an angle; thence still along said Bulkhead Line South 68 degrees 26 minutes 58 seconds West 216 feet 7 inches to a point in the Northeast line of Wheat Sheaf Lane, aforesaid along the Northeast line of said Wheat Sheaf Lane North 32 degrees 24 minutes 26 seconds West 947 feet 5-7/8 inches to the place of beginning.

CONTAINING 15.19 Acres.

EXCEPTING THEREFROM AND THEREOUT OF PREMISES "E".

ALL THAT CERTAIN lot or piece of ground.

SITUATE in the 45th Ward of the City of Philadelphia and described according to a Plan of Property made by James E. Shomper, Surveyor and Regulator of the 6th Survey District dated April 19, 1999, filed FF-44.

BEGINNING at a point on the Southeasterly side of Delaware Avenue (150 feet wide) measured South 57 degrees 35 minutes 37 seconds West along the Southeasterly side of said Delaware Avenue the distance of 1100.00 feet from the intersection of the Southeasterly side of said Delaware Avenue and the Northeasterly side of Lewis Street (60 feet wide); thence extending from said point of beginning South 32 degrees 24 minutes 23 seconds East the distance of 280.00 feet to a point; thence extending North 57 degrees 35 minutes 37 seconds East the distance of 170.00 feet to a point; thence extending South 32 degrees 24 minutes 23 seconds East the distance of 315.00 feet to a point; thence extending South 57 degrees 35 minutes 37 seconds West the distance of 260.00 feet to a point; thence extending North 32 degrees 24 minutes 23 seconds West the distance of 595.00 feet to a point and thence extending North 57 degrees 35 minutes 37 seconds East the distance of 90.00 feet to the point and place of beginning.

CONTAINING in Acres 107,100 Square feet or 2.45868 Acres.

(PREMISES B and C)

BEING THE SAME PREMISES which The Penn Central Corporation by Deed dated July 2, 1982 and recorded on July 20, 1982 in Deed Book EFP 514, page 478 granted and conveyed unto The Philadelphia Electric Company.

(PREMISES D and E)

BEING THE SAME PREMISES which Anthony N. Zane and Katie Isabel, his wife, by Deed dated September 25, 1923 and recorded on September 26, 1923 in Deed Book JMH 1595, page 64 granted and conveyed unto The Philadelphia Electric Company.

All that certain tract or piece of land situate in the Forty-fifth Ward of the City of Philadelphia and State of Pennsylvania, beginning at the intersection of the Northeasterly line of Lewis Street (sixty feet wide) as the said Street and Avenue are laid out but not yet open; extending thence within the lines of the said Delaware Avenue the following three courses and distances viz: (1) North thirty-two degrees twenty-four minutes twenty-three seconds West (in range with the said Northeasterly line of Lewis Street) thirty-five feet to the Southeasterly line of land of The Connecting Railway Company, (2) along the last mentioned line parallel with the line established as the center line of the railroad of the said Railway Company, known as the Kensington and Tacony Branch and fifteen feet distant Southeastwardly therefrom North fifty-seven degrees thirty-five minutes thirty-seven seconds East eighty-one feet ten inches and one-eighth of an inch, and (3) by other land of the Delaware River Railroad and Bridge Company on a line parallel with the line established as the center line of that Company's railroad and one hundred feet distant Southwestwardly therefrom curving toward the left with a radius of five thousand eight hundred and fifteen feet four inches and three-eighths of an inch a distance of thirty-seven feet four inches and one-half of an inch to the said Southeasterly line of Delaware Avenue; thence still by other land of said Railroad and Bridge Company and still on the line parallel with and distant from the center line of that Company's railroad as aforesaid, as follows, viz: (1) on a continuation of the last mentioned line curving toward the left with the same radius, a distance of three hundred and fifty-five feet eleven inches and one-eighth of an inch and (2) South forty-seven degrees fifteen minutes fifty-three seconds East five hundred and sixty-one feet nine inches and five-eighths of an inch to the bulkhead line of the Delaware River approved by the Secretary of War, September 4th, 1908; thence along said bulkhead line South forty-two degrees twenty-five minutes forty-eight seconds West thirty-nine feet eight inches and one-eighth of an inch; thence along the bulkhead line as approved by the Secretary of War, January 5th, 1894 South forty-six degrees six minutes one second West two hundred and eighty feet ten inches and one-eighth of an inch to the said Northeasterly line of Lewis Street; and thence along the same North thirty-two degrees twenty-four minutes twenty-three seconds West nine hundred and fifty-five feet eleven inches and one-half

of an inch to the place of beginning. Containing four acres and three thousand eight hundred and sixteen ten-thousandths of an acre (or one hundred and ninety thousand eight hundred and sixty-two square feet) more or less.

Being the same premises which the Delaware River Railroad and Bridge Company by Deed dated June 19, 1924 and recorded July 5, 1924 in Deed Book JMH 1711, Page 591 granted and conveyed unto the Philadelphia Electric Company.

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 6th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A

conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and

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

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

The date on which the appraisal or review opinion applies. (SVP)

In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

The time a property remains on the market. The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the *effective date of the appraisal*;

Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

Fee Simple Estate

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

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's

operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes *mezzanines and basements if and when typically included in the market area of the type of property involved*.

Gross leasable area plus all common areas.

For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values*, *aggregate retail selling price* or *sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)

[The] highest and most profitable use for which the property is adaptable and needed or likely

to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP)

Industrial Gross Lease

A type of modified gross lease of an industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real property taxes, as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees). (Dictionary)

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

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. (Dictionary)

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

The price represents the normal consideration for the property sold, unaffected by special or

creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 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 is allowed for exposure in the open market;

- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and

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

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. ... The prospective market value –as completed– reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report ...The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

TPO

Thermoplastic polyolefin, a resilient synthetic roof covering.

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

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

VTAB

Value of the Total Assets of a Business. The value of a going concern (i.e. the business enterprise). (Dictionary)

Qualifications of Richard F. Wolf, MAI, SRA, AI-GRS, CRE
Managing Director
Valbridge Property Advisors | Philadelphia

Independent Valuations for a Variable World

State Certifications

PA State Certified Appraiser
GA-001514-L – 2/97

NJ State Certified Appraiser
42RG00206200 – 7/06

DE State Certified Appraiser
X1-0000346 – 6/02

MD State Certified Appraiser
33107 – 1/18

License

PA Real Estate Salesperson License
NS-131771-A – 8/87

PA Real Estate Instructor
RI006507 - 3/15

Education

Villanova University
B.S., Business Administration -1983

Additional Background

Former Chairman of Skippack
Township Planning Commission

Former Member of Central
Perkiomen Valley Regional Planning
Commission

Member of Skippack Township
Open Space Committee

Owner/operator of an equestrian
facility which boards 50 horses,
employs 5 instructors, servicing
1,200 students and contains a 2,000
square foot retail store.

Contact Details

rwolf@valbridge.com

215-545-1900 (main)

215-545-1903 (direct)

Valbridge Property Advisors |
Philadelphia
150 S. Warner Road, Suite 440
King of Prussia, PA 19406

www.valbridge.com

Membership/Affiliations:

Member: Appraisal Institute - MAI Designation – Certificate No.
12292 – January 2005

SRA & AI-GRS - 2019

Chapter President – 2010

Chapter Education Chair 2011- 2017

Regional Director 2018 -

Member of Counselors of Real Estate – CRE Designation – Certificate
No. 12475 – November 2006

Experience:

Managing Director

Valbridge Property Advisors | Lukens & Wolf LLC (2013-Present)

Principal

Lukens & Wolf LLC (2011-2013)

Real Estate Appraiser

Reaves C. Lukens Company (1997-2011)

Investment Advisor

Vanguard Group (1992-1997)

Real Estate Appraiser

Donald J. Reape, MAI, SREA & Associates (1995-1997)

Independent Contractor

Dowling & Associates (1994-1997)

Scope of Appraisal and Counseling Activity

Experience in a wide range of property types including: multi-family,
industrial, office, retail and land in Greater Delaware Valley. Particular
concentration in mining operations and land development analysis.
Also experience with nursing homes, continuing care retirement
communities (CCRC), farm/equestrian facilities, apartment complexes,
hotels, and industrial/R & D facilities.

Court Testimony

Willistown Township - Chester County Zoning Board (Building Right)
Chester County, Pennsylvania - Court of Common Pleas (Environmental Damages)
Lancaster County, Pennsylvania – Board of View (Condemnation)
Lancaster County, Pennsylvania – Court of Common Pleas (Tax Appeal)
Chester County, Pennsylvania - Board of Appeals (Tax Appeals)
Chester County, Pennsylvania - Board of View (Condemnation)
Camden County, New Jersey – Superior Court (Condemnation)
Camden County, District of New Jersey – Federal Court (Bankruptcy)
Chester County, Pennsylvania – Court of Common Pleas (Damage case)
Chester County, Pennsylvania – Court of Common Pleas (Land Development)
Chester County, Pennsylvania - Board of Appeals (Tax Appeals)
Chester County Pennsylvania – Court of Common Pleas (Tax Appeals)
Montgomery County, Pennsylvania - Board of Appeals (Tax Appeals)
Montgomery County, Pennsylvania – Court of Common Pleas (Tax Appeals)
Montgomery County, Pennsylvania – Court of Common Pleas (Condemnation)
Bucks County, Pennsylvania - Divorce Proceeding (Appearance)
Bucks County, Pennsylvania - Board of Appeals (Tax Appeals)
Bucks County, Pennsylvania – Court of Common Pleas (Condemnation)
Pennsylvania Department of Revenue – Harrisburg (Transfer Tax case)
Delaware County, Pennsylvania - Board of Appeals (Tax Appeals)
York County, Pennsylvania – Court of Common Pleas (Board of View)
Northumberland County, Central District of Pennsylvania – Federal Court (Bankruptcy)
Delaware County, Pennsylvania – Court of Common Pleas (Tax Appeal)
Philadelphia County, Pennsylvania -- Court of Common Pleas
Philadelphia County, Pennsylvania – Board of Revision of Taxes

Teaching / Education

Appraisal Institute 2015 Real Estate Trends
Appraisal Institute 2016 Real Estate Trends
Appraisal Institute 2017 Real Estate Trends
Counselors of Real Estate 2017 Real Estate Symposium
Pennsylvania Bar Institute August 2016 “A Lawyer’s Guide to Appraisals and Appraisers”

Partial List of Client

PARTIAL LIST OF CLIENTS

BANKS AND SAVINGS & LOANS

TD Bank
Republic Bank
First Niagara
Crusader Bank
PNC Bank
The Bryn Mawr Trust Company
The Glenmede Trust Company

PRIVATE SECTOR

Better Materials, Inc.
Chester County Airport Authority
Clemens Markets
Delancey Investment Corp.
Hanson Aggregates, PLC
Highway Materials
Pennsylvania Hospital
SAP America
SmithKline Beecham
Waste Management, Inc.
The DePaul Group
Main Line Health Wisler Pearlstine, LLP

EDUCATIONAL AND GOVERNMENTAL

Abington School District
Archdiocese of Philadelphia
Archdiocese of Camden
Montgomery County, Pennsylvania
Presbytery of Philadelphia
Swarthmore College
University of Pennsylvania

DEVELOPERS AND INVESTORS

Acom Development Corporation
C & M Builders
Dewey Commercial
Westrum Development Co.
Toll Brothers, Inc.
Heritage Homes Group
Hovnanian

LAW FIRMS

Ballard, Spahr, LLP
Dechert LLP
Duane Morris LLP
Eastburn and Gray, PC
Fox Rothschild LLP
High Swartz LLP
Lamb McErlane, PC
Mette, Evans & Woodside
Montgomery McCracken Walker & Rhodes, LLP
Riley, Riper, Hollin & Colagreco, Attorneys at Law
Sprague and Sprague

Educational Background

APPRAISAL INSTITUTE - Courses / Seminars successfully completed:

Counselors of Real Estate – Real Estate Symposium 2017
Appraisal Institute – Real Estate Trends Seminar 2017
Appraisal Institute – NJ Regulations 2017
Appraisal Institute – USPAP 2017
Appraisal Institute – PA Regulations 2017
Appraisal Institute – Real Estate Trends Seminar 2016
Appraisal Institute – DE Regulations 2016
Appraisal Institute – Real Estate Trends Seminar 2015
Appraisal Institute – Supervisory / Trainee 2015
Appraisal Institute – USPAP 2014
Appraisal Institute – Review Theory – General 2014
Appraisal Institute - Fundamentals of Separating Real Property,
Personal Property and Intangible Business Assets, 2012
Appraisal Institute - Business Practices and Ethics, 2010
Appraisal Institute - Consumer Protection in the Appraisal Industry, 2010
Appraisal Institute - Real Estate Finance, Value and Investment Performance, 2010
Appraisal Institute - Legislative, Regulatory and Judicial Update, 2009
Appraisal Institute - Delaware State Regulations, 2009
Appraisal Institute - Appraising Distressed Commercial Real Estate, 2009
Appraisal Institute - PA State Regulations, 2009
Appraisal Institute - 7 Hour National USPAP Update Course, 2009
Appraisal Institute - Valuation of Conservation Easements, 2008
Appraisal Institute - Evaluating Commercial Construction, 2008
Appraisal Institute - Leadership Development & Advisory Council, 2008
Appraisal Institute - Delaware State Regulations, 2007
Appraisal Institute - Leadership Development Advisory Council, 2007
Appraisal Institute - 7 Hour National USPAP Update Course, 2007
Appraisal Institute - RECGA Conference, 2006
Appraisal Institute - Contemporary Legal & Appraisal Issues Involving Eminent Domain, 2006
Appraisal Institute - Pennsylvania Appraisal Statutes, Regs, Bd. Policies, 2006
Appraisal Institute - Market Analysis & Using the Site to Do Business, 2005
Appraisal Institute - The Latest Trends in Hotel Valuation and Market Studies, 2005
Appraisal Institute - Maximizing the Value of an Appraisal Practice, 2005
Appraisal Institute - Attacking and Defending an Appraisal in Litigation, 2005
Appraisal Institute - Subdivision Valuation, 2005
Appraisal Institute - Real Estate Finance, 2004
Appraisal Institute - Standards of Professional Practice A and B, 2001
Appraisal Institute - Advanced Applications, 1998
Appraisal Institute - Sales Comparison & Cost Approaches, 1998
Appraisal Institute - Highest and Best Use, 1997
Appraisal Institute - Advanced Income Capitalization, 1996
Appraisal Institute - Basic Income Capitalization, 1993
Appraisal Institute - Intro to Appraising Real Property, 1987

Real Estate Courses taken and successfully completed

Slischer Kratz Institute - Real Estate Investment, 2001
Polley Associates - Contemporary Legal Issues, 2000
Polley Associates - Using Technology, 2000
Polley Associates - Ethics (Let's Get It Right), 1996
Polley Associates - Appraisal Applications, 1995
Polley Associates - Standards of Practices & Ethics, 1994

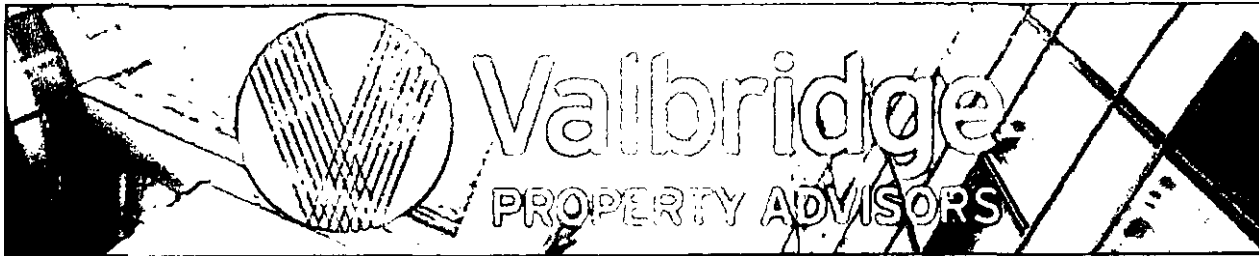
Valbridge Property Advisors Information / Office Locations



FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent national commercial real estate valuation and advisory services firm in North America.
 - Total number of MAI-designated appraisers (200+ on staff)
 - Total number of office locations (70+ across U.S.)
 - Total number of staff (675+ strong)
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge services all property types, including special-purpose properties.
- Valbridge provides independent valuation services. We are not owned by a brokerage firm or investment company.
- Every Valbridge office is led by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by our local office leaders.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market and other bulk-property engagements.


ALABAMA

4732 Woodmere Boulevard
 Montgomery, AL 36126
 334 277 5077

200 Cahaba Park Circle
 Suite 213
 Birmingham, AL 35242
 205 440 2998

ARIZONA

6081 E. Grand Road
 Suite 121
 Tucson, AZ 85712
 520 321 0000

CALIFORNIA

4915 Catoway Drive
 Suite 301
 Bakersfield, CA 93312
 805 347 1010

1370 N. Brea Boulevard
 Suite 256
 Fullerton, CA 92735
 714 440 0832

2813 Coffee Road
 Suite E-2
 Modesto, CA 95355
 209 569 0430

92 S. Lake Avenue
 Suite 21
 Pasadena, CA 91101
 626 744 0420

3353 Bradshaw Road
 Suite 213
 Sacramento, CA 95827
 916 361 2309

55 South Market Street
 Suite 1210
 San Jose, CA 95113
 408 279 1520

3160 Crow Canyon Place
 Suite 245
 San Ramon, CA 94583
 925 327 1600

COLORADO

7445 E. Peabody Avenue
 Centennial, CO 80111
 303 443 0000

5345 Arapahoe Avenue
 Suite 7
 Boulder, CO 80303
 303 443 9000

23272 Two Rivers Road
 Unit 101
 Basalt, CO 81621
 970 340 1010

1009 Main Avenue
 Suite 311
 Durango, CO 81301
 970 340 1018

CONNECTICUT

15 Concord Street
 Glastonbury, CT 06033
 860 246 4606

17 Covecroft Drive
 Norwalk, CT 06853
 203 286 6320

FLORIDA

2240 Venetian Court
 Naples, FL 34109
 239 514 4646

301 Alstera Avenue,
 Suite 350
 Coral Gables, FL 33134
 305 638 8029

603 Hiltner Street
 Orlando, FL 32803
 407 839 3008

2711 Poinsettia Avenue
 West Palm Beach, FL 33407
 561 833 5331

GEORGIA

2875 Paces Ferry Road
 Suite 145
 Atlanta, GA 30339
 678 444 4253

IDAHO

1459 Tynell Lane
 Suite B
 Boise, ID 83706
 208 336 1007

1875 N. Lakewood Drive
 Suite 100
 Coeur d'Alene, ID 83814
 208 790 2665

ILLINOIS

569 W. Lake Street
 Suite 240
 Chicago, IL 60661
 312 268 8687

INDIANA

820 Fort Wayne Avenue
 Indianapolis, IN 46204
 317 687 2747

KANSAS

10890 Quorra Road
 Suite 100
 Overland Park, KS 66210
 913 451 1451

KENTUCKY

6003 Wessons Place
 Suite 306
 Louisville, KY 40222
 502 530 3001

LOUISIANA

512 North Causeway Boulevard
 Metairie, LA 70001
 504 207 7730

MARYLAND

11130 Dovedale Court
 Annapolis, MD 21104
 443 333 5527

MASSACHUSETTS

260 Bear Hill Road
 Suite 106
 Waltham, MA 02451
 781 790 5645

MICHIGAN

1420 Washington Blvd
 Suite 301
 Dearborn, MI 48126
 313 986 3313

2127 University Park Drive
 Suite 300
 Okemos, MI 48864
 517 336 0001

MINNESOTA

222 South 14th Street
 Suite 825
 Minneapolis, MN 55402
 612 253 0650

275 East 4th Street
 Suite 325
 St. Paul, MN 55101
 651 981 2405

MISSISSIPPI

1010 Ford Street
 Gulfport, MS 39507
 767 604 1907

737 Highway 51
 Suite 1C
 Madison, MS 39110
 601 853 0736

MISSOURI

10990 Quorra Road
 Suite 100
 Overland Park, KS 66210
 913 451 1451

NEVADA

2034 S. Durango Drive
 Suite 180
 Las Vegas, NV 89117
 702 242 9360

NEW JERSEY

2740 Route 10 West, Suite 204
 Morris Plains, NJ 07950
 973 970 9333

3500 Route 9 South, Suite 202
 Howell, NJ 07731
 732 897 3113

NEW YORK

424 West 33rd Street
 Suite C30
 New York, NY 10001
 312 268 1113

NORTH CAROLINA

412 E. Chatham Street
 Cary, NC 27511
 919 650 2966

4530 Park Road, Suite 100
 Charlotte, NC 28209
 704 376 5400

OHIO

1628 W. Market Street
 Suite 130
 Akron, OH 44313
 330 890 9900

OHIO (Cont'd)

8291 Beechmont Ave.,
 Suite B
 Cincinnati, OH 45255
 513 785 0020

1422 Euclid Avenue
 Suite 616
 Cleveland, OH 44115
 216 387 9800

OKLAHOMA

8003 AMV Expressway
 Suite 104
 Oklahoma City, OK 73132
 405 603 1553

6006 South Sheridan Road
 Suite 104
 Tulsa, OK 74133
 918 712 9802

PENNSYLVANIA

150 S. Warner Road
 Suite 440
 King of Prussia, PA 19406
 215 343 1900

4701 Bayhill Road
 Suite 304
 Pittsburgh, PA 15227
 412 881 0080

SOUTH CAROLINA

11 Cleveland Court
 Greenville, SC 29607
 864 253 6277

920 Day Street
 Suite 26
 Beaufort, SC 29902
 843 342 2302

1250 Fairmont Avenue
 Mt. Pleasant, SC 29464
 843 681 1200

TENNESSEE

5005 Maryland Way
 Suite 300
 Brentwood, TN 37027
 615 368 0070

701 Broad Street
 Suite 209
 Chattanooga, TN 37402
 423 265 6435

213 Fox Road
 Knoxville, TN 37927
 865 522 2424

756 Ridge Lake Blvd
 Suite 225
 Memphis, TN 38120
 901 753 6977

TEXAS

High Point Center
 12225 Greenlake Avenue
 Suite 610
 Dallas, TX 75243
 214 446 1911

974 Campbell Road
 Suite 234
 Houston, TX 77024
 713 467 5858

2731 81st Street
 Lubbock, TX 79429
 806 744 1168

TEXAS (Cont'd)

9801 94-10 West
 Suite 1035
 San Antonio, TX 78230
 210 227 6229

UTAH

260 South 2200 West
 Suite 301
 Pleasant Grove, UT 84062
 801 482 8028

1108 East 6600 South
 Suite 201
 Salt Lake City, UT 84121
 801 267 3388

20 North Main
 Suite 304
 St. George, UT 84770
 435 773 6300

VIRGINIA

608 Independence Parkway
 Suite 220
 Chesapeake, VA 23320
 757 410 1222

4914 Farnham Avenue
 Suite 102
 Richmond, VA 23230
 804 677 4473

5107 Center Street
 Unit 2B
 Williamsburg, VA 23188
 757 345 0010

WASHINGTON

18726 Bothell Way, NE
 Suite B
 Bothell, WA 98011
 425 450 0040

2927 Colby Avenue
 Suite 100
 Everett, WA 98201
 425 256 2611

119 Bentley Avenue
 Suite A
 Federal, WA 98468
 253 274 0039

8378 W. Grandridge Boulevard
 Suite 110 O
 Kennewick, WA 98536
 509 221 1540

508 Second Avenue
 Suite 1001
 Seattle, WA 98104
 206 329 3016

324 N. Millan Road
 Spokane Valley, WA 99206
 509 747 0099

WISCONSIN

12600 W. North Avenue
 Brookfield, WI 53005
 262 782 7890

CORPORATE OFFICE

 2240 Venetian Court
 Naples, FL 34109

 216 336 0001
 216 336 0001

800 744 1168

Winter 2019

Each Valbridge office is independently owned and operated