The following additional information is hereby made a part of this RFP:

See various questions and answers below.

Also, site appraisal and tax maps are attached for viewing.

1. I am not locating the referenced cost summary form in the RFP documents or online. Can you please email me this form or direct me to where I can download it? Firms can utilize their own internal cost summary form.

2. Are you aware of any building systems that are currently failing at Donora Elementary? (that would otherwise not be visible or able to be detected during the building walk-through)? CCAC is not aware of the condition of the building systems. The building has not been occupied since 2011. The Donora Borough acquired the facility in 2013. Interviews with the Donora Borough administrator & maintenance group would be our only source of information.

3. If the Feasibility Study findings show that the current building isn’t large enough to meet the proposed programming needs, would a new addition in conjunction with renovating the existing elementary school be considered as an alternative to new construction for the entire facility? This could be a viable option for consideration.

4. Is there a Satellite Campus within the CCAC system that might be a good model for the vision that CCAC has for the Donora location? Not presently.

5. Who are the CCAC Stakeholders that will be involved in the Feasibility Study process to help establish the academic programming needs? For instance, is a Dean of Academic Affairs going to be involved, or the Chair of any particular departments? This will be determined by our South Campus President, V.P. for Workforce Development and V.P. for Academic Affairs.

6. Is a Geotechnical Report included in the information that CCAC is currently gathering from Donora for only the building or for the entire site? The reason this is asked is to be able to determine if the Report would have information applicable to an addition or new building. We are providing all the site information that was available to CCAC & the Donora Borough.

Continued
7. In the RFP, under Goal #2, it states the energy usage requirements should be determined for each program. Can you define “energy usage?” We are presuming it means the expected energy usage that would be unique for a program, as opposed to general energy usage for the building spaces housing the program. The exception might be if a particular program would require after hours or 24-hour energy usage. Please clarify what CCAC’s needs are in asking for energy usage information. We are asking for more of a general estimate for energy usage for a typical facility taking into account the types of programs being offered. Then apply that to a wholistic conceptual design. For instance, if it was determined that a portion of the building would have (50) welding stations with associated exhaust systems….that would certainly be different than a space with (3) computer stations, or a general classroom.

8. Under goal number 2: on page 3 of the RFP Is the College providing a survey, environmental and geotechnical report as part of this study to the design professional or is the design professional expected to provide these services as part of the scope and fee? If you feel it necessary to get to the end goal of the feasibility study.

9. Goal 5: on page 3 of the RFP what are the minimum deliverables required for the site plan and concept drawings? A basic conceptual idea of what the facility could look like, along with a basic floor plan that depicts the spatial requirements for each program.

10. Are there any future LEED / sustainable design requirements if the project moves forward? If so, will LEED v4 formal certification be required on that work? CCAC is committed to designing facilities with a visible commitment to sustainability, achieving results similar to those required for LEED Silver Certification, whether or not certification is pursued. We have partnered with the DOE to explore the potential of all future projects to achieve a “Net Zero” energy usage.

11. Regarding the RFP Goal 2: A feasibility analysis focusing on the expected quantity of students and staff for each program a spatial analysis of the square footage and design needs of each program… Please clarify and confirm that this goal description does not does not mean a market study to quantify the number of students that will enrollment in programs, but rather an evaluation of enrollment capacity for various developed programs. Utilize the report that was provided, along with interviews with our affected staff and community leaders.

Continued
12. Will existing building drawings be available? Yes. One set from 1977, and another set from 1994. These are the only drawings available from the two most recent large facility projects. They will be provided electronically to the successful firm.

13. Will a site survey with topography, utilities and metes and bounds be available? Only documents that are available. If not are survey services to be included? If you believe it necessary to get to your end goal.

14. Is a new hazardous materials assessment needed? Only if you believe it is necessary to provide an effective input to achieve the basic goals of the RFP.

15. May we include an allowance for geotechnical drilling investigation at this time? The need and location of a new building or addition is undetermined at this time. If you believe it necessary to provide an effective input to achieve the basic goals of the RFP.

End of Addendum 2.

*********************************************************************************************************
Sign addendum and submit to the College with your proposal.

_________________________________________  ______________________________
Company Name                             Bidder’s Signature
                                           (Vendor contact person)
This map has been prepared, as required by law, for Tax Assessment purposes ONLY. It has been compiled from records in the office of the Recorder of Deeds, the office of the Board of Assessment and Revision of Taxes, the office of collaborating engineers, and, in some cases, from information gathered by field work.

**NOTICE**
The Washington County Board of Assessment and Revision of Taxes

**ANNEX**

**SCALE** 1" = 1000'
This map has been prepared, as required by law, for Tax Assessment and Revision of Taxes. It has been compiled from records and information in the office of the County Commissioners, the office of the Auditor, and the office of the Board of Assessors and Revision of Taxes. The map has been compiled from information gathered by field work.

The Washington County Board of Assessment and Revision of Taxes.

DONORA BORO
WASHINGTON COUNTY
PENNSYLVANIA

SCALE 1"=50'

NOTICE
The Washington County Board of Assessment and Revision of Taxes

The Washington County Board of Assessment and Revision of Taxes
This map has been prepared, as required by law, for Tax Assessment purposes ONLY. It has been compiled from records in the office of the Recorded of Deeds, the office of the board of Assessment and Revision of Taxes, the office of collaborating engineers, and, in some cases, from information gathered by field work.

NOTICE

The Washington County Board of Assessment and Revision of Taxes
Summary Report of a Real Property Appraisal

Donora Elementary Center
401 Waddell Avenue
Donora Borough
Washington County, Pennsylvania

Prepared By

John F. Watt, PA Certified General Real Estate Appraiser
William K. Murtha, MAI, PA Certified General Real Estate Appraiser
Barone, Murtha, Shonberg & Associates
4701 Baptist Road, Suite 304
Pittsburgh, Pennsylvania 15227

Prepared For

Mr. Randall Skrinjorich
Director of Operations and Financial Services
Ringgold School District
400 Main Street
New Eagle, PA 15067

Relevant Dates

Effective Date of Value - March 1, 2013
Report Date - March 11, 2013

13-2981
March 11, 2013

Mr. Randall Skrinjorich
Director of Operations and Financial Services
Ringgold School District
400 Main Street
New Eagle, PA 15067

Dear Mr. Skrinjorich:

In response to your request, and for the purpose of providing an opinion of the Market Value, we have appraised the property located and known as:

Donora Elementary Center
401 Waddell Avenue
Donora Borough
Washington County, Pennsylvania

The real estate consists of a former school containing a gross building area of 75,000 on a 38.911-acre site. The final property inspection took place on March 11, 2013. The property rights appraised are those associated with the Fee Simple bundle of rights. The value conclusions presented herein are subject to the Definitions, Assumptions and Limiting Conditions that are set forth within the report.

The analysis, communicated in a written, summary appraisal report format, has been prepared in accordance with the Scope of Work described herein, the Code of Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP), specifically Standard Rule 2-2(b). The intended use of the appraisal is assist the client with internal decision making with respect to property disposition. The intended user is Ringgold School District.
As a result of our investigations, our opinion of the retrospective market value of the specified interest in the subject property, in cash or financial terms equivalent to cash, to be as follows:

<table>
<thead>
<tr>
<th>Property Rights</th>
<th>Opinion of Value</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Simple</td>
<td>$110,000</td>
<td>March 1, 2013</td>
</tr>
</tbody>
</table>

The appraisal was prepared for the exclusive use of the identified user. Any use of this appraisal by any other person or entity, or any reliance or decisions based on this appraisal, are the sole responsibility and at the sole risk of the third party. Neither Barone, Murtha, Shonberg & Associates, Inc., nor the individual appraisers, accept any responsibility for damages suffered by third parties as a result of reliance on, decisions made, or actions taken based on this report.

Should there be any questions regarding the data, methodology or conclusions presented in this appraisal, we can be reached during business hours at (412) 881-6080.

Respectfully Submitted,

Stephen J. Barone, MAI  
PA Licensed General Real Estate Appraiser  
Certification No. GA-000065-L

John F. Watt  
PA Licensed General Real Estate Appraiser  
Certification No. GA-003434

SJB:JFW:LF

Barone Murtha Shonberg & Associates
INTRODUCTION

I. Executive Summary

Donora Elementary Center
401 Waddell Avenue
Donora Borough
Washington County, Pennsylvania

Present Use: Vacant school.

Land Area (Acres): 38.911

Flood District: The subject is located on the F.I.R.M. 4208510001A, effective date September 30, 1995, within a Zone X, an area outside of 100 and 500-year flood plains.

Zoning District: S - Conservancy District

Site Summary: The subject consists of a generally level to sloping site that offers frontage along public roadways. The site is serviced by public utilities. Surrounding uses are primarily residential. Overall the site is adequately suited to residential use.

Gross Building Area: 75,000
INTRODUCTION

Improvement Summary: The subject consists of a school building that was recently closed and is currently vacant. The space has been unheated through the winter. The overall condition is average though the lack of heat has impacted the wall and ceiling finish. Many of the classrooms are smaller than current state standards. The improvements offer below average appeal for the legal alternative uses. The subject is a large building in an area with only modest demand for alternative uses.

Highest and Best Use

As Vacant: Recreational use or hold for future development
As Improved: Seek zoning approval for renovation to apartment or mixed use.

Property Rights Appraised: Fee Simple

Value Indications

Cost Approach Not Developed
Income Approach Not Developed
Sales Comparison Approach: $110,000
Opinion of Market Value: $110,000
Effective Date: March 1, 2013
Date of Final Inspection: March 11, 2013

II. Site Identification And Sale History

The subject is located at 401 Waddell Avenue in Donora Borough, Washington County. The tax parcel identification and ownership documentation are presented in the following table:

<table>
<thead>
<tr>
<th>Tax Parcel Identification #</th>
<th>Owner of Record</th>
<th>Deed Reference</th>
<th>Deed Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>240-020-00-00-0001-00</td>
<td>Ringgold School District</td>
<td>805/479</td>
<td>7/27/1951</td>
</tr>
<tr>
<td>240-020-00-00-0009-00</td>
<td></td>
<td>564/139</td>
<td>7/25/1929</td>
</tr>
</tbody>
</table>

Other than those specifically listed, the appraisers are not aware of any agreements, listings or encumbrances that would negatively impact the property nor are we aware of any transfer that has occurred within the past three years.

Barone Murtha Shonberg & Associates
INTRODUCTION

III. Extraordinary Assumptions and Hypothetical Conditions
Extraordinary Assumptions is an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. A Hypothetical Condition is that which is contrary to what exists but is supposed for the purpose of analysis. The analysis does not rely on any extraordinary assumptions or hypothetical conditions.

IV. Effective Date
The effective date of the opinion of value is March 1, 2013. The date of the report is March 11, 2013.

V. Intended Use of the Appraisal
The intended use of the appraisal is to assist the client with internal decisions related to property disposition.

VI. Intended User of The Appraisal
The intended user of the appraisal is Ringgold School District. The information and opinions contained in this appraisal set forth the appraiser’s best judgment in light of the information available at the time of the preparation of this report. Any use of the appraisal by any other person or entity other than the intended user, or any reliance or decisions based on this appraisal are the sole responsibility and at the sole risk of the third party. The appraiser(s) accepts no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this report.

VII. Competency Statement
The appraisers have provided opinions of market value on numerous special purpose properties throughout the region. They are familiar with the current trends impacting the property including mortgage interest rates, construction costs, home sales and demographic trends. Furthermore, the appraisers are familiar with current financing and investor return expectations and trends within the regional residential land development market as well as those in the manufacture housing land lease community market.


2 Ibid.
INTRODUCTION

VIII. Property Rights Appraised

Fee Simple: 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.

Leased Fee: The ownership interest held by the lessor, which includes the right to the contract rent specified within the lease plus the reversionary right when the lease expires.

Leasehold: The right held by the lessee to use and occupy real estate for a stated term and under certain conditions specified in the lease.

As no leases impact the property, the analysis considers an opinion of the value of the fee simple estate.

IX. Scope of Work

The scope of work is defined as the type and extent of research and analyses in an assignment. The scope of work must include the research and analyses that are necessary to develop credible assignment results. The scope of work completed in developing the value estimate included the following:

Exposure Period: Identify the scope of the marketing effort and potential buyers. Then estimate the exposure period based on the final value estimate, characteristics of the property and periodic discussions with brokers.

Area Data: Identify factors that may impact the development and operation of the property. Information presented in the Area Data was obtained from multiple sources, including local economic and development agencies, and the Census Bureau.

Property Description: Examine site characteristics. This includes a review of all available plans and data regarding zoning, flood zone and utilities. Data presented is based on a county records, municipal personnel, www.floodinsights.com and a personal inspection of the site conducted on March 11, 2013 by PA Certified General Real Estate Appraiser John F. Watt.


Barone Murtha Shonberg & Associates
INTRODUCTION

Highest and Best Use: Develop a highest and best use analysis considering the legal, physically possible and feasible uses of the subject property.

Sales Comparison Approach: The value indication was estimated using the sales of similar facilities. Sale data was derived from interviews with market participants, county records, various Internet sites and other appraisal firms. Data obtained from the first three sources was verified with a party to the transaction. Data obtained from other appraisal firms was selectively re-verified.

Reconciliation: In the Reconciliation each approach is reviewed for market orientation and the number of judgements required to develop the value estimate. Market orientation is given primary weight.

Reporting: Prepare a summary appraisal report format in accordance with the Code of Ethics of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice (USPAP) and specifically Standard Rule 2-2(b).

X. Market Value Defined
The most probable price which a property should bring in the competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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:

a. Buyer and seller are typically motivated.

b. Both parties are well informed or well advised and each acting in what they consider their own best interest.

c. A reasonable time is allowed for exposure in the open market.

d. Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and

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

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Barone Murtha Shonberg & Associates
XI. Exposure Period
Exposure period is the estimated length of time the property interest being appraised would have to be offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal. Exposure Time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. Given the location, size of the facility and current market conditions, it would likely have been marketed for a period of six to twelve months to locate a buyer. In addition, the alternative use of the structure would likely require a zoning change and multi-layered financing. As such, an additional six to twelve months for due diligence and arrangement of financing would have been anticipated. As such, it appears likely that the property would have been exposed for a period of between twelve to twenty-four months.

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INTRODUCTION

XII. General Limiting Conditions
This appraisal report has been made subject to the following general limiting conditions:

- The opinion of value expressed in the letter of transmittal is the result of and subject to the data and conditions described in detail in the accompanying report.

- No fractional part of this appraisal is to be used in conjunction with another appraisal. Such use renders it invalid.

- This report, or a copy thereof, may be transmitted to a third person or legal entity only in its entirety.

- Disclosure of the contents of this report is governed by the By-Laws and Regulations of The Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraisers.

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

- The Americans with Disabilities Act (“ADA”) became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
INTRODUCTION

XIII. General Assumptions
This appraisal report has been made subject to the following general assumptions:

► No responsibility has been assumed for the legal description or legal matters. Title to the property was assumed to be good and marketable unless otherwise stated.

► The property has been appraised free and clear of any and all liens or encumbrances unless otherwise stated.

► Responsible ownership and competent property management are assumed.

► Information furnished by others is believed to be reliable; however, no warranty is given for its accuracy.

► All engineering data were assumed to be correct. Plot plans and exhibits in this report have been included only to assist the reader in visualizing the property.

► It was 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.

► It was assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless a noncompliance is stated, defined and considered in the appraisal report.

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

► It was assumed that the utilization of the land and/or improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.
INTRODUCTION

XIV. Certification
We certify that, to the best of our knowledge and belief...

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

› the reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

› we 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.

› we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

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

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

› we have performed a previous appraisal of the subject property within the three years prior to this assignment.

› 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 & Standards of Professional Appraisal Practice of the Appraisal Institute.

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

› the use of this report is subject to the requirements of The Appraisal Institute relating to review by its duly authorized representatives.

› as of the date of this report, Stephen J. Barone has completed the requirements of the continuing education program of The Appraisal Institute.

› As of the date of this report, John F. Watt has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.
INTRODUCTION

- John F. Watt has and Stephen J. Barone has not made a personal inspection of the property that is the subject of this report.

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

__________________ ______________________________
Stephen J. Barone, MAI John F. Watt
PA State Certified General R. E. Appraiser PA State Certified General R. E. Appraiser
Certification No. GA-000065-L Certification No. GA-003434
I. Geography

Located in western Pennsylvania and part of the Mid-Atlantic region, Washington County is one of seven counties (Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland) that make up the Pittsburgh Metropolitan Statistical Area. The area is situated at the confluence of the Allegheny, Monongahela, and Ohio Rivers, and is centered around the City of Pittsburgh. The most proximate major markets are identified as follows:

<table>
<thead>
<tr>
<th>Primary Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
</tr>
<tr>
<td>Cleveland, OH</td>
</tr>
<tr>
<td>120 miles</td>
</tr>
</tbody>
</table>
II. Economy
The Bureau of Labor Statistics offers the following snapshot of comparative economic characteristics:

Comparative Economics

<table>
<thead>
<tr>
<th></th>
<th>Nation</th>
<th>State</th>
<th>Metro Area</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment Rate</td>
<td>7.9%</td>
<td>8.1%</td>
<td>7.3%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Average Weekly Wage</td>
<td>$924</td>
<td>$905</td>
<td>$900</td>
<td>$983</td>
</tr>
<tr>
<td>12-month Wage Growth</td>
<td>2.8%</td>
<td>3.0%</td>
<td>3.6%</td>
<td>3.0%</td>
</tr>
<tr>
<td>12-month Employment Growth</td>
<td>1.0%</td>
<td>2.2%</td>
<td>1.9%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

The unemployment rate and average weekly wage in the county are superior to the state and nation. The overall indication is for a comparatively strong economic profile that is above the Pennsylvania norm.

III. Demographics
ESRI Business Information Solutions presents the following demographic comparisons:

Comparative Demographics

<table>
<thead>
<tr>
<th></th>
<th>Nation</th>
<th>State</th>
<th>Metro Area</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>310,704,322</td>
<td>12,736,128</td>
<td>2,354,432</td>
<td>207,820</td>
</tr>
<tr>
<td>Median Age</td>
<td>37.2</td>
<td>40.2</td>
<td>42.7</td>
<td>43.5</td>
</tr>
<tr>
<td>Households</td>
<td>117,457,661</td>
<td>5,032,107</td>
<td>1,000,755</td>
<td>85,089</td>
</tr>
<tr>
<td>Annual HH Growth Projection</td>
<td>0.71%</td>
<td>0.35%</td>
<td>0.00%</td>
<td>0.44%</td>
</tr>
</tbody>
</table>

The primary observations relate to the greater median age and the expectation for household growth over the next five years. It should be noted that recent U.S. Census estimates suggest that the county population has increased in each of the last four years. This is counter to what the ESRI estimates suggest.

IV. Income and Wealth
The following information is drawn from ESRI Business Information Solutions.

Comparative Wealth

<table>
<thead>
<tr>
<th></th>
<th>Nation</th>
<th>State</th>
<th>Metro Area</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Household Income</td>
<td>$50,227</td>
<td>$49,405</td>
<td>$45,359</td>
<td>$46,925</td>
</tr>
<tr>
<td>Disposable Household Income</td>
<td>$43,033</td>
<td>$41,116</td>
<td>$38,781</td>
<td>$39,082</td>
</tr>
<tr>
<td>Median Net Worth</td>
<td>$93,084</td>
<td>$10,919</td>
<td>$104,122</td>
<td>$116,440</td>
</tr>
</tbody>
</table>
The county median household income is below that of the state and nation. The county per capita income (blue line), which has historically fallen below the state, is now above state and national levels. The disposable income is below both the state and nation, while the net worth is above that of the state and nation. These indicators suggest average economic resiliency, and an overall affluence level that is slightly above average.

V. Housing

Comparative Housing Characteristics

<table>
<thead>
<tr>
<th></th>
<th>Nation</th>
<th>State</th>
<th>Metro Area</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Housing Units</td>
<td>132,607,736</td>
<td>5,574,512</td>
<td>1,107,319</td>
<td>92,977</td>
</tr>
<tr>
<td>Median Home Value</td>
<td>$157,913</td>
<td>$159,178</td>
<td>$131,028</td>
<td>$132,261</td>
</tr>
<tr>
<td>Home Cost to Income Ratio</td>
<td>3.14</td>
<td>3.22</td>
<td>2.89</td>
<td>2.82</td>
</tr>
<tr>
<td>Owner Proportion</td>
<td>58.0%</td>
<td>62.9%</td>
<td>63.1%</td>
<td>69.4%</td>
</tr>
<tr>
<td>Renter Proportion</td>
<td>30.1%</td>
<td>25.9%</td>
<td>25.9%</td>
<td>22.1%</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>12.0%</td>
<td>11.2%</td>
<td>11.0%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Median Age (Year Built)</td>
<td>1971</td>
<td>1957</td>
<td>1954</td>
<td>1955</td>
</tr>
</tbody>
</table>

The median home value and the housing cost to income ratio are below state and national levels. This is likely, at least in part, due to the age of the housing stock and the historical negative household formation rates, which have limited home value growth. The implication is for average residential desirability coupled with an above average level of affordability.
VI. Summary
Washington County is situated in southwestern Pennsylvania and is part of the Pittsburgh Metropolitan Statistical Area. The economic hub for the county is the City of Washington. Employment and job growth statistics suggest a relatively strong economy. Household formation is projected to be positive. Income and wealth indicators suggest an affluence level that is average in comparison to the state and nation. The housing stock exhibits a median age that is consistent with the state but well below national levels. The housing cost to income ratio (affordability factor) is essentially average in comparison with the rest of the MSA but more affordable than the state and nation. The overall conclusion is for a stable environment which is likely to support slow and steady growth.
NEIGHBORHOOD DATA

I. Introduction
The neighborhood discussion addresses the relative desirability of the subject area within the region, and identifies dominant characteristics of the residential and non-residential properties within the area.

II. Neighborhood Identification

The subject is located in Donora Borough, in eastern Washington County. PA 837 is the major transportation route in the area, connecting Donora to Pittsburgh in the north. The roadway infrastructure provides adequate linkages to the commercial amenities and employment centers in the region.

III. Demographic Data
Demographic trends in the community compare with the county as follows:

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
<th>2017 Projection</th>
<th>% Change (2010-2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>5,653</td>
<td>4,781</td>
<td>4,856</td>
<td>1.57%</td>
</tr>
<tr>
<td>Households</td>
<td>2,469</td>
<td>2,095</td>
<td>2,138</td>
<td>2.05%</td>
</tr>
<tr>
<td>Median HH Income</td>
<td>$27,551</td>
<td>$35,252</td>
<td>$38,960</td>
<td>10.52%</td>
</tr>
</tbody>
</table>

As detailed above, demographic trends in the community are currently negative. Income levels in Donora are below average. The data suggests a reversal in the demographic trends in the near future.
IV. Residential Characteristics
Housing characteristics compare with the county as follows:

<table>
<thead>
<tr>
<th>ESRI 2010 Data</th>
<th>Housing Units</th>
<th>% Vacant</th>
<th>% Owner-Occupied</th>
<th>Median Home Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donora</td>
<td>2,710</td>
<td>22.70%</td>
<td>47.50%</td>
<td>$78,083</td>
</tr>
</tbody>
</table>

The borough exhibits vacancy levels above those of Washington County in conjunction with a lower percentage of owner occupied units. Additionally, median home values are lower than the median home values for Washington County. In comparison with other areas within the county, the subject neighborhood is below average for residential purposes.

V. Non-Residential Characteristics
The primary type of non-residential development in Donora is industrial, as is the case with many communities located along the Monongahela River. The majority of the limited commercial and retail services that are located in Donora are situated on or proximate to PA 837, which serves as the main thoroughfare through the borough. The internal roadways and linkage to primary transportation routes are adequate. The neighborhood desirability is below average for non-residential purposes.

VI. Specific Location
Specifically, the subject is situated on Waddell Avenue in the center of the municipality. Surrounding uses primarily consist of residential dwellings and undeveloped land. An aerial view of the subject site, provided by Google Earth, is presented as follows:
VII. Conclusion
Overall, the neighborhood characteristics suggest a stable to negative impact on the subject.
I. Site Description

Land Area (Acres): 38.911
Shape: Irregular.
Topography: Topography is generally level to sloping. The site topography limits the usable land area.

Frontage/Access: The site fronts Waddell Avenue. Access is provided via frontage.
Utilities: All customary public utilities are available and connected to the site.
Easements and Encroachments: The site is subject to street and utility easements as recorded. Other than those specifically listed, we are not aware of any easements, restrictions, encumbrances, leases, reservations, covenants, contracts, special assessments, ordinances or partial interests that would adversely affect value. We did not complete a title search or survey of the property and assume no responsibility for matters pertaining to title or ownership. We recommend that the client have such studies completed.
PROPERTY DATA

Environmental/Subsurface: An evaluation of the subsurface conditions is beyond the scope of this report. Similarly, we make no determination as to the absence or presence of any environmental hazard. It should be noted that the value conclusions reported herein assume that no adverse conditions exist.

Flood Hazard: The subject is located on the F.I.R.M. 4208510001A, effective date September 30, 1995, within a Zone X, an area outside of 100 and 500-year flood plains.

Site Summary: The subject consists of a generally level to sloping site that offers frontage along public roadways. The site is serviced by public utilities. Surrounding uses are primarily residential. Overall the site is adequately suited to residential use.

II. Building Description

Building Description: The subject is a vacant, two-story, brick school building that was originally constructed as a junior/senior high school. The school has been closed since 2011.

Gross Building Area: 75,000
Year Built: Mid 1920's.
Condition: Average, though the lack of heat has caused paint to peel.

Barone Murtha Shonberg & Associates
## PROPERTY DATA

<table>
<thead>
<tr>
<th>Construction Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation:</td>
<td>Concrete and tile.</td>
</tr>
<tr>
<td>Exterior Walls:</td>
<td>Brick.</td>
</tr>
<tr>
<td>Floors:</td>
<td>Ceramic and vinyl composite tile and hardwood in the gym.</td>
</tr>
<tr>
<td>Roof:</td>
<td>Flat with rubber membrane.</td>
</tr>
<tr>
<td>Windows:</td>
<td>Double-pane aluminum awning.</td>
</tr>
<tr>
<td>H.V.A.C.:</td>
<td>Gas boilers.</td>
</tr>
<tr>
<td>Electrical:</td>
<td>2,000 amp main service broken into various panels. Emergency generator backup.</td>
</tr>
<tr>
<td>Plumbing:</td>
<td>Copper supply, cast iron waste. Gas-fired water heaters.</td>
</tr>
<tr>
<td>School Interior:</td>
<td>The school consists of a basement, and a first and second level. The cafeteria/multi-purpose room, kitchen, utility rooms, and men’s and women’s locker rooms are located in the basement. All classrooms, office space, and faculty areas are located on the first and second floors. There are 27 classrooms ranging from roughly 350 to 1,000 square feet. There is also a 1,200 square foot library on the second floor. There is a 10,000 square foot auditorium that includes seating for 600 people, as well as two large group instructional rooms that provide an additional 120 seats.</td>
</tr>
<tr>
<td>Site Improvements:</td>
<td>There is an asphalt parking lot with 80 spaces. There is a football field and two baseball fields to the rear of the property. There is also a jungle gym and a paved play area.</td>
</tr>
<tr>
<td>Summary:</td>
<td>The subject consists of a school building that was recently closed and is currently vacant. The space has been unheated through the winter. The overall condition is average though the lack of heat has impacted the wall and ceiling finish. Many of the classrooms are smaller than current state standards. The improvements offer below average appeal for the legal alternative uses. The subject is a large building in an area with only modest demand for alternative uses.</td>
</tr>
</tbody>
</table>
III. Subject Photos

Views of the Subject Exterior:

[Images of the subject building exteriors]
PROPERTY DATA
PROPERTY DATA

Views of the Subject Interior:
PROPERTY DATA
PROPERTY DATA
PROPERTY DATA
PROPERTY DATA
PROPERTY DATA

Street Views:

![Street View 1](image1)

![Street View 2](image2)
# PROPERTY DATA

III. Real Estate Tax and Assessment Data

## Current Assessment

<table>
<thead>
<tr>
<th>Parcel I.D.</th>
<th>Land</th>
<th>Building</th>
<th>Total Assessment</th>
<th>Assessment Ratio</th>
<th>Implied Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>240-020-00-00-0001-00</td>
<td>$6,321</td>
<td>$2,711</td>
<td>$9,032</td>
<td>21.30%</td>
<td>$42,404</td>
</tr>
<tr>
<td>240-020-00-00-0009-00</td>
<td>$4,666</td>
<td>$37,000</td>
<td>$41,666</td>
<td>21.30%</td>
<td>$195,615</td>
</tr>
<tr>
<td>Total</td>
<td>$10,987</td>
<td>$39,711</td>
<td>$50,698</td>
<td>21.30%</td>
<td>$238,019</td>
</tr>
</tbody>
</table>

**Comment**

The current assessed value suggests an implied market value that is well above the value conclusion of this analysis. We note that the subject is currently in a tax exempt status. Upon sale, depending upon the ultimate use, it could be assessed at its market value.

## Tax Calculation

<table>
<thead>
<tr>
<th>Taxing Authority</th>
<th>Current Millage Rate</th>
<th>Current Assessment</th>
<th>Real Estate Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Land</td>
<td>Building</td>
<td>Land</td>
</tr>
<tr>
<td>Municipality</td>
<td>0.033000</td>
<td>0.033000</td>
<td>$10,987</td>
</tr>
<tr>
<td>School District</td>
<td>0.120000</td>
<td>0.120000</td>
<td>$10,987</td>
</tr>
<tr>
<td>County</td>
<td>0.024900</td>
<td>0.024900</td>
<td>$10,987</td>
</tr>
<tr>
<td>Total</td>
<td>0.177900</td>
<td>0.177900</td>
<td>$10,987</td>
</tr>
<tr>
<td>Less 2% Discount for Prompt Payment</td>
<td>$8,839</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Historical Millage Rates

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipality</td>
<td>0.030000</td>
<td>0.030000</td>
<td>0.030000</td>
<td>0.030000</td>
<td>0.030000</td>
<td>0.030000</td>
<td>0.030000</td>
<td>0.030000</td>
<td>0.033000</td>
</tr>
<tr>
<td>School District</td>
<td>0.105000</td>
<td>0.107000</td>
<td>0.107000</td>
<td>0.107000</td>
<td>0.113000</td>
<td>0.117000</td>
<td>0.120000</td>
<td>0.012000</td>
<td>0.120000</td>
</tr>
<tr>
<td>County</td>
<td>0.017500</td>
<td>0.021400</td>
<td>0.021400</td>
<td>0.021400</td>
<td>0.021400</td>
<td>0.021400</td>
<td>0.021400</td>
<td>0.021400</td>
<td>0.024900</td>
</tr>
<tr>
<td>Total</td>
<td>0.152500</td>
<td>0.158400</td>
<td>0.158400</td>
<td>0.158400</td>
<td>0.164400</td>
<td>0.168400</td>
<td>0.174900</td>
<td>0.066900</td>
<td>0.177900</td>
</tr>
</tbody>
</table>
## PROPERTY DATA

### V. Zoning

<table>
<thead>
<tr>
<th>Category</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning District</td>
<td>S - Conservancy District</td>
</tr>
<tr>
<td>Permitted Uses</td>
<td>Agricultural uses including field crops, truck gardening, berry or bush crops, tree crops, flower gardening, nurseries, orchards, aviaries, and apiaries; Recreation areas; Reforestation and public reservation;</td>
</tr>
<tr>
<td>Front Yard</td>
<td>75 feet or 100 feet from the center line of the street, whichever results in the greater dimension.</td>
</tr>
<tr>
<td>Side Yards</td>
<td>50 feet per side.</td>
</tr>
<tr>
<td>Rear Yard</td>
<td>75 feet.</td>
</tr>
<tr>
<td>Building Height</td>
<td>45 feet or three stories.</td>
</tr>
<tr>
<td>Comment</td>
<td>According to Ed Brletich, he subject is considered a permitted, non-conforming use in an “S” district.</td>
</tr>
</tbody>
</table>
HIGHEST AND BEST USE

I. Introduction
Market value is based on the highest and best use analysis. In short, market participants purchase properties predicated on the most probable and profitable use of the land or improved structure. Therefore, the analysis must reflect regional and local trends, as well as current developer and investor attitudes toward a variety of property types. The Appraisal Institute defines Highest and Best Use as follows:

“Highest and best use is the reasonably probable and legal use of vacant land or an improved property that is legally permissible, physically possible, appropriately supported, financially feasible and that results in the highest value.”

There are four criteria of highest and best use which are described briefly as follows:

Legal Permissibility: Examines permitted uses under zoning codes, building code requirements, restrictive covenants in title or other land use restrictions which impact a property's potential use.

Physical Adaptability: Recognizes that physical characteristics (size, shape, topography, etc.) and the influence of adjacent and nearby land uses impacts property development.

Financial Feasibility: Tests the economic viability of potential uses which meet the test of legality and adaptability. In order to meet the test of feasibility, a return equal to or greater than cost, is necessary.

Maximal Productivity: This test must meet all of the above tests and produce the greatest net benefit in light of variations in risk factors.

Every improved property potentially has two highest and best uses. One is as if the site were vacant and available for the development and the other as improved. The highest and best use of the land, if vacant and available, may be different from the highest and best use of the improved property. A determination must also be made whether to leave the land vacant or to improve it. In some cases, an interim use is necessary until development becomes feasible. The improved use remains the highest and best use until such time that the value of the land plus cost of demolition exceeds the value of the improvements. A determination must also be made to leave the improved property in its present form or to modify it for alternate use. The four tests of Highest and Best Use are applied to the subject property as discussed in the following narrative.


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HIGHEST AND BEST USE

II. Legal Uses
The subject is zoned S - Conservancy District. Legal uses are detailed in the property zoning section. Permitted uses are primarily agricultural or recreational in nature. The future use of the improvements would likely require a variance or change in the zoning code.

III. Physically Adaptable Uses
Physical adaptability relates to the topographical, shape, size, frontage, surrounding uses and other aspects that affect to what uses a parcel may be developed. The subject is situated on a 38.911 acre parcel with generally level areas and areas of significant slope. It is situated on a public roadway with adequate visibility. The site is served by all utilities. Surrounding uses are largely residential and institutional (cemetery). The site is suitable for a recreational or residential use.

The site is currently improved with a vacant school. The building contains a gross area of 75,000 square feet. The building has not been occupied for nearly two years and has not been heated through the winter. The building is in average condition though the paint is peeling in several areas due to the lack of heat. The layout consists of classrooms off a single-loaded hallway with the auditorium and gym in the center of the facility. This limits the appeal of the building for conversion to some degree. Conversion of the building for reuse is possible, but would require a significant capital infusion.

IV. Feasibility of Use
Feasibility is a function of demand, which in turn can be measured through achievable sale, rent and occupancy levels. Ultimately, the question is whether or not demand is adequate to assure sale or rent levels that warrant anticipated construction costs. The community has experienced declining population and negative household formation. Housing values in the neighborhood do not appear to support new housing development.

Special purpose properties typically achieve the highest values when the reuse is most similar to the existing use. That said, the subject is a large facility in a relatively small market. While there have been sales of similar facilities that were used for charter or religious schools, they are typically considerably smaller than the subject facility and located in more densely populated areas. Alternative uses would require a zoning variance or rezoning. Additionally, the size would limit buyers as would the layout and the combination of the gym and auditorium space.
HIGHEST AND BEST USE

Several buildings offering some similarity to the subject have been purchased for a variety of redevelopment plans. That said, the subject zoning would likely have to be changed. A senior living center would be possible but the costs associated with redevelopment, coupled with the demographics of the area and the specific location, call the feasibility of a market rate conversion into question. Demolition of the current improvements (assuming a cost of approximately $6.00 per square foot) would equate to in excess of $10,400 per acre of land. The usable land area does not appear to exceed 10 to 15 acres. Based on the usable land area, the demolition costs equate to between $27,000 and $40,600 per acre. Only the highest value communities in the region allow for single family development land values approaching $40,000. Most of the active markets in the region support development land prices between $15,000 to $30,000.

V. Highest and Best Use “As Vacant”
Considering all of the above tests, we conclude that were the land vacant and available for development, it would be used for recreation or held for future development, which would likely require a change of zoning to a residential classification.

VI. Highest and Best Use “As Improved”
Legally, the improvements allow for limited uses. The building is currently vacant. The improvements are adaptable to conversion, though there is little support in the current location for any of the legal uses. It is likely that the subject would be purchased speculatively with the intention of changing the zoning to allow for use as an affordable housing development.
APPRAISAL METHODOLOGY

I. Introduction
There are three classical approaches to real estate valuation, often referred to as the Cost, Income and Sales Comparison Approaches. A general summary of each is as follows:

Cost Approach: The Cost Approach is based on the “Principle of Substitution,” i.e., a knowledgeable buyer would pay no more for the property than the cost to produce a substitute property with similar utility. In this approach, the land value is estimated based on the highest and best use of the site as vacant. Then, either a replacement or reproduction cost is calculated and entrepreneurial profit is added to the indication. Finally, depreciation is subtracted from the cost new of the improvements. The depreciated value of the improvements is then added to the estimated land value for an indication of value.

Income Approach: In the Income Approach the potential revenues, vacancy (and credit loss) and operating expenses are all estimated in order to arrive at a net income projection. This income projection is then translated to a value indication through either direct or yield capitalization methods. Direct Capitalization considers the application of a single rate to the anticipated net income in the first operating year. Yield Capitalization considers a net cash flow over a holding period, a reversionary value at the end of the holding period, and discounts the net benefits to a present value.

Sales Comparison Approach: In the Sales Comparison Approach recently sold properties are examined based on either physical or financial characteristics and then compared to the subject property. For an analysis based on physical characteristics, the property is examined on a per unit basis and then adjusted based on comparable sales. For a financial analysis, adjustments are not required, but there must be an adequate number of sales of generally similar properties.

II. Conclusion
Property characteristics, as well as data availability, generally dictate which approaches are most germane to a particular valuation assignment. Given the characteristics of the subject property, it is appropriate to develop the Sales Comparison Approach.
SALES COMPARISON APPROACH

I. Introduction
The Sales Comparison Approach is based on the premise that the market value of a property is directly related to the prices paid for comparable, competitive properties. The market value of a property is set by the availability of substitute properties similar in terms of utility and desirability. The Sales Comparison Approach is most applicable in the instance where sufficient sales of reasonably similar, comparable sales are available. The following is the recommended five step procedure for developing the Sales Comparison Approach as outlined in the Appraisal of Real Estate, Thirteenth Edition.

- Gather data on actual sales as well as listings, offers and options based on the highest and best use.
- Identify the similarities and differences in the data (comparability).
- Identify the highest and best use of each potential comparable sale and then choose the appropriate sales for analysis.
- Identify units of comparison that explain market behavior.
- Adjust the appropriate unit price of the comparable sales to account for the dissimilar characteristics of the property being appraised.
- Form a conclusion as to the market value of the subject property.

The second two steps largely relate to the level of comparability of the data.

II. Research and Verification
Research involved county records searches, discussions with brokers active in the market and the Barone, Murtha, Shonberg & Associates, Inc. data base. Each of the sales was verified with a party to the transaction or a broker representing the grantor or grantee.

III. Data Comparability
Differences in the sales include location, scale of development, anticipated land development costs and the point in the approval process. The buildings were purchased for conversion to alternative use, either residential or storage.

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Barone Murtha Shonberg & Associates
SALES COMPARISON APPROACH

IV. Unit of Comparison

The unit of comparison considered to be most appropriate is the sale price per square foot of gross building area to include the value of the underlying land.

V. Application

The following sales are deemed to be the most relevant in the appraisal of the subject.

<table>
<thead>
<tr>
<th>Sale</th>
<th>Location</th>
<th>Date of Sale</th>
<th>Sale Price</th>
<th>Building Area</th>
<th>S/SF</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>631 Watt Street 5th Ward, Pittsburgh Allegheny County</td>
<td>6/21/2011</td>
<td>$350,000</td>
<td>66,560</td>
<td>$5.26</td>
<td>Three-level masonry school building constructed in 1914. Purchased for use as a school/religious facility. 1.8-acre site.</td>
</tr>
<tr>
<td>2</td>
<td>1500 Woodcrest Ave Moon Township Allegheny County</td>
<td>4/30/07</td>
<td>$170,000</td>
<td>53,681</td>
<td>$3.17</td>
<td>Four-level, elevator serviced school building constructed in 1965. Purchased for conversion to affordable housing. 1.48 acre site.</td>
</tr>
<tr>
<td>3</td>
<td>1318 19th Avenue Altoona Blair County</td>
<td>10/29/07</td>
<td>$200,000</td>
<td>132,532</td>
<td>$1.51</td>
<td>Three level school building that was operating at the time of the sale. The building had a large auditorium and a gym. The buyer purchased the facility for conversion to affordable housing.</td>
</tr>
<tr>
<td>4</td>
<td>Wilson Avenue Clairton Allegheny County</td>
<td>5/18/06</td>
<td>$80,000</td>
<td>60,138</td>
<td>$1.33</td>
<td>Two and three-story school building constructed in 1953. Situated on a 1.07 acre site.</td>
</tr>
<tr>
<td>5</td>
<td>10 West Church Ave Masontown Fayette County</td>
<td>3/31/05</td>
<td>$36,000</td>
<td>49,502</td>
<td>$0.73</td>
<td>Multi-level, masonry school facility purchased for conversion to affordable housing. 1.0 acre site.</td>
</tr>
</tbody>
</table>

The sales suggest the following range:

<table>
<thead>
<tr>
<th>Range</th>
<th>Low</th>
<th>Mean</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Area</td>
<td>49,502</td>
<td>72,483</td>
<td>132,532</td>
</tr>
<tr>
<td>Sale Price/Square Foot</td>
<td>$0.73</td>
<td>$2.40</td>
<td>$5.26</td>
</tr>
</tbody>
</table>

The subject is compared on a qualitative basis in the following narrative:

- **Conditions of Sale:** Each of the sales was verified to have occurred under conditions consistent with a market oriented transaction, with no adjustments for conditions of sale required.

Barone Murtha Shonberg & Associates
SALES COMPARISON APPROACH

- **Market Conditions**: Based on the assembled sales no adjustment for market conditions is necessary.

- **Location**: Sales in the upper end of the range offer superior locations. Sales in the lower end of the range offer similar to inferior locations. The subject falls within the lower end of the range with respect to location.

- **Building Size**: The subject falls within the middle portion of the range with respect to size.

- **Utility**: The subject has an auditorium and gym, which offer limited appeal for alternative use. This is similar to Sale 3.

- **Land Area**: The subject offers a larger parcel than any of the assembled comparables, though much of the land has challenging topography.

- **Condition/Quality**: The subject is in the mid-point of the range.

VI. **Conclusion**

Sales 3 and 4 offer the greatest degree of insight into the likely market response to the subject. The larger land area associated with the subject suggests a value at the upper end of these indicators. The data suggests a value as follows:

<table>
<thead>
<tr>
<th>Square Feet</th>
<th>Value/Square Foot</th>
<th>Suggested Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>75,000</td>
<td>$1.50</td>
<td>$112,500</td>
</tr>
<tr>
<td>Rounded To</td>
<td></td>
<td>$110,000</td>
</tr>
</tbody>
</table>

Barone Murtha Shonberg & Associates
RECONCILIATION

I. Introduction
The purpose of this appraisal is to estimate market value of the fee simple interest of the property known as:

Donora Elementary Center
401 Waddell Avenue
Donora Borough
Washington County, Pennsylvania

The subject consists of a former school containing a gross building area of 75,000 on a 38.911-acre site. Three approaches to value were considered in the appraisal though only one was fully developed. The value indicated by this approach produced the following result:

<table>
<thead>
<tr>
<th>Approach</th>
<th>Value Indication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Approach</td>
<td>Not Developed</td>
</tr>
<tr>
<td>Income Approach</td>
<td>Not Developed</td>
</tr>
<tr>
<td>Sales Comparison Approach</td>
<td>$110,000</td>
</tr>
</tbody>
</table>

II. Cost Approach
The judgements required to develop a value estimate by this method relate to land value, site and building improvement costs, profit expectations and depreciation. In this instance, due to the level of subjectivity required in order to estimate accrued depreciation resulting from the chronological age of the subject, the Cost Approach was considered, but not developed.

III. Income Approach
The subject is a vacant building. The most likely buyer would consider converting the building for alternative use. The cost necessary to convert the building to its alternative use would be a critical factor. Without these costs, development of the income approach is not practical. As such, the income approach was not fully developed.

IV. Sales Comparison Approach
If sales exist of generally similar properties on which there is reliable data, the Sales Comparison Approach is considered to be very reliable. The Sales Comparison Approach involved the assemblage of recent sales
RECONCILIATION

of shell buildings and the comparison of these to the subject. The sales were compared to the subject on the basis of sale price per square foot of building to include the underlying land. Adjustments were considered for age and condition, and physical characteristics. Given the characteristics of the subject, the activity in the market and the quality of the comparable sales, the Sales Comparison Approach was relied upon exclusively in this analysis.

V. Conclusion
Based on the data presented herein, it is our opinion that the market value of the stated interest in the subject property, in cash or financial terms equivalent to cash, is as follows:

<table>
<thead>
<tr>
<th>Property Rights Appraised</th>
<th>Opinion of Value</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Simple</td>
<td>$110,000</td>
<td>March 1, 2013</td>
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Barone Murtha Shonberg & Associates
January 9, 2013

Randall Skriniorich, Director of Operations & Financial Services
Ringgold School District
400 Main Street
New Eagle, PA 15067

Dear Mr. Skriniorich:

Thank you for inquiring about real estate services through Barone Murtha Shonberg and Associates, Inc. The services and terms of engagement are proposed as follows:

Client: Ringgold School District
Property: Donora Elementary Center
Location: 401 Waddell
          Donora
          Washington County
Assignment Type: Narrative Appraisal
Appraisal Fee: $2,750
Retainer: None
Delivery: 40-Days
Number of Copies: 3
Engagement: Services are deemed to have been engaged upon written authorization to proceed and receipt of the specified retainer.
Conditions: The delivery timing is measured from the date of engagement and is predicated on a complete response to the data request within five business days.

Final Payment: Not to exceed 30 days from completion of the specified services. A cumulative charge of 1 percent per month will be assessed for all past due payments.

Should you have any questions regarding the fee, time frame or services to be rendered, please call me at (412) 881-6080 ext. 302. Thank you for the opportunity to present this proposal.

Sincerely,

Stephen J. Barone, MAI

[Signature]

Print or Type Name and Title

Authorized Signature

Date 1/18/13

Ringgold School District

Company Name

Phone 724-758-9329

SJB: LF
APPRAISER'S QUALIFICATIONS

Stephen J. Barone, MAI

POSITION:
- President - Barone, Murtha, Shonberg and Associates, Inc.
- Vice President - Barone & Sons, Inc.

EDUCATION:
B.S./Business Administration, Duquesne University
A.I.R.E.A., Course II, Indiana University, 1979
A.I.R.E.A., Litigation Valuation, 1988
A.I., Pro-Ject Basic Seminar, 1991
A.I., Hotel/Motel Valuation Seminar, 1992
A.I., Americans With Disabilities Act Seminar, 1993
A.I., Appraising Troubled Properties, 1993
A.I., Highest and Best Use, 1994
A.I., Understanding Limited Appraisals, 1994
A.I., The Internet and Appraising, 1997
A.I., Litigation Skills for the Appraiser, 1997

STATE CERTIFICATION
- Pennsylvania GA-000065-L

PROFESSIONAL AFFILIATIONS
- MAI Designated member of the Appraisal Institute
- Realtors Association of Metropolitan Pittsburgh
- Pennsylvania Association of Realtors
- National Association of Realtors
- Brokers License - Commonwealth of Pennsylvania (1979)

EXPERIENCE

Since 1977, Mr. Barone has completed hundreds of appraisals on all types of property throughout the Tri-State Area. Currently, Mr. Barone specializes in commercial, industrial and multi-family appraisals, with emphasis on retail, commercial, multi-family and service station properties.
Commonwealth of Pennsylvania
Department of State
Bureau of Professional and Occupational Affairs
PO Box 2649 Harrisburg PA 17105-2649

Certificate Type
Certified General Appraiser

Certificate Status
Active

Initial Certification Date
07/01/1991

Certificate Number
GA000065L

Expiration Date
06/30/2013

Commissioner of Professional and Occupational Affairs

Alteration of this document is a criminal offense under 18 Pa.C.S. 4911
APPRAISER'S QUALIFICATIONS

John F. Watt

Position

- Real Estate Market Analyst and Appraiser; Barone, Murtha, Shonberg & Assoc., Inc.

Certifications

- Pennsylvania State Certified General Real Estate Appraiser - Certification # GL-003434.
- Kentucky State Certified General Real Estate Appraiser - Certification # 003694.
- Ohio State Certified General Real Estate Appraiser - Certification # 2006002246.
- Georgia State Certified General Real Estate Appraiser - Certification # 303794.
- West Virginia State Certified General Real Estate Appraiser - Certification #CG398

Affiliations

- Urban Land Institute - Pittsburgh District Council, Governance Chair.
- Urban Land Institute - Residential Neighborhood Development Council (Blue).
- Appraisal Institute - Associate Member.

Education

- Bethany College; Bachelor of Arts, Political Science.
- University of Pittsburgh; Master of Arts, Public Policy and Management.
- University of Pittsburgh; Graduate Certificate, Local and Regional Development: Focusing on economic redevelopment with emphasis on real estate development through public/private partnerships.

Course Work

- Appraisal Institute; Highest and Best Use and Market Analysis
- Appraisal Institute; Advanced Sales Comparison and Cost Approaches
- Appraisal Institute; Advanced Income Capitalization
- Appraisal Institute; Advanced Applications
- Appraisal Institute; Report Writing and Valuation Analysis
- Appraisal Institute; National USPAP
- Appraisal Institute; Business Practice and Ethics
- Board of Realtors; Real Estate Investment
- Board of Realtors; Real Estate Principles
- Board of Realtors; Real Estate Practice
- Neighborhood Reinvestment Training Institute; Creating Neighborhoods of Choice through Revitalization
- Neighborhood Reinvestment Training Institute; Measuring the Impact of your Revitalization Strategy
- Neighborhood Reinvestment Training Institute; Strategies for Promoting Social and Economic Equity in Neighborhood Revitalization

Experience

Mr. Watt has twelve years experience providing valuation and analysis for a wide variety properties but specializing in residential land development in the Pennsylvania, West Virginia, Ohio, Eastern Kentucky and Western Maryland area. Other areas of concentration include market analysis and valuation of market rate and affordable multifamily housing and valuation of industrial properties. Mr. Watt is in the process of completing the requirements necessary for Appraisal Institute candidacy. Prior to employment with Barone, Murtha, Shonberg and Associates, Mr. Watt had over ten-years experience in residential construction.
Commonwealth of Pennsylvania
Department of State
Bureau of Professional and Occupational Affairs
PO Box 2649 Harrisburg PA 17105-2649

Certificate Type
Certified General Appraiser

Certificate Status
Active

Initial Certification Date
10/27/2005

Certificate Number
GA003434

Expiration Date
06/30/2013

John F. Watt
4701 Baptist Road
Suite 304
Pittsburgh PA 15227

Active Commissioner of Professional and Occupational Affairs

Alteration of this document is a criminal offense under 18 P.A.C.S. § 4911
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<td>M&amp;T Bank</td>
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<td>Rodriguez Associates</td>
<td>Marion Center Bank</td>
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**Partial Client List**

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<tr>
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<td>Connellsville Area School District</td>
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<td>Beaver County Housing Authority</td>
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<td>Berks County Redevelopment Authority</td>
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<td>Butler County Housing Authority</td>
<td>Municipality of Bethel Park</td>
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<td>Presbyterian Senior Care</td>
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