

A SUMMARY APPRAISAL

OF

REAL PROPERTY OF

WILLIS CHRISTIAN HERR II
CHARLETOWN ROAD
LANCASTER, PA 17603

AS OF:

JUNE 17, 2010

FOR:

MR. STEPHEN B. SKROCKI, CFO
PENN MANOR SCHOOL DISTRICT
2950 CHARLETOWN ROAD
LANCASTER, PA 17603

BY

ANGELA L. TRACY
TRACY APPRAISAL SERVICES, INC.

TABLE OF CONTENTS

Letter of Transmittal	3
Photographs of the Appraised Real Estate.....	5
Assumptions and Limiting Conditions	8
Summary of Salient Facts and Conclusions.....	10
Scope	16
Market Trends.....	20
Sales Comparison Approach.....	23
Reconciliation, Final Estimate of Value	31
Marketing Time	31
Certification	32
Addenda, Market Data and Pertinent Exhibits	34
Qualifications of the Appraiser.....	50

TRACY APPRAISAL SERVICES, INC.

Commercial, Industrial, and Investment Appraisal

Angela L. Tracy, PA General Certified Appraiser

June 21, 2010

Mr. Steve B. Skrocki
Penn Manor School District
2950 Charlestown Road
Lancaster, PA 17603

RE: Herr - Residential Zoned Tract
Charlestown Road
Lancaster, PA 17603

Dear Mr. Skrocki:

As requested, I have inspected the captioned property for the purpose of estimating the "as is" market value of the property. The intended use of the appraisal is to establish the value for a possible purchase by Penn Manor School District. You and Penn Manor School District are the intended users. Please note that no consideration has been applied to any special form of financing that might be available. Different conclusions from those contained herein may be indicated if special financing arrangements can be achieved.

The subject is a tract of land, containing 44.2 acres. There are no improvements. The highest and best use of the tract is a residential subdivision. The owner of the subject has no preliminary sketch showing a possible residential subdivision or development approvals. Therefore, my comparables are other tracts of land with similar zoning and lacking any approvals or plans. The predominant land use surrounding the subject is residential housing, agricultural uses, and institutional use. The subject is zoned RL1, low density residential flex, in Manor Township.

In this zoning classification, the minimum lot size is 15,000 square feet (0.35 acre). Residential development is only allowed when both public water and sewer are available. Cluster provisions are allowed with special exception review.

Consideration has been given to the uses for which the property could be employed, location, parcel size, availability of utilities, zoning regulations, sales of similar properties, the current market conditions, and other pertinent data. With interviewing home builders and developers, my opinion of the current market was affirmed. Few builders are purchasing land at this time; they are using their inventory of parcels. The carrying costs of purchasing land without a more

positive market to absorb homes, is too risky and expensive. However, it is apparent that builders are willing to purchase in high demand areas, such as Manor Township, since buyers are attracted to this municipality due to schools, amenities, and ease in commuting to work.

The scope of this appraisal for the market value of the unencumbered fee simple interest is the collection and confirmation of comparable land sales for a sales comparison.

I have not been advised of any subsurface soil conditions which would adversely affect the subject property as developed. The existence of potentially hazardous materials, which may or may not be present on the subject property, was not observed; nor do I have any knowledge of the existence of any such materials. Real estate appraisers are not qualified to detect such materials. It is suggested that the client retain an expert in this field, if desired.

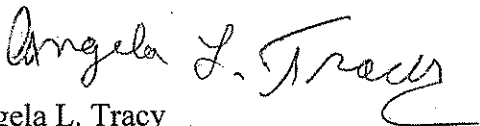
In my opinion, the market value "as is" in the property, known as Charlestown Road, Lancaster, PA; as of June 17, 2010, is:

FOUR MILLION DOLLARS
(\$4,000,000)

Following is a report of the data and analyses upon which these conclusions are based. Thank you for considering Tracy Appraisal Services, Inc. for the assignment.

Respectfully submitted,

TRACY APPRAISAL SERVICES, INC.



Angela L. Tracy
Associate Broker/PA Certified Appraiser #GA-000281-L

ALT/alt

SUBJECT PHOTOGRAPHS



VIEW OF SUBJECT FROM ADJACENT MANOR MIDDLE SCHOOL



SUBJECT PHOTOGRAPHS



VIEW OF SUBJECT FROM CHARLESTOWN ROAD



SUBJECT PHOTOGRAPHS



CHARLESTOWN ROAD



STATEMENT OF LIMITING CONDITIONS AND ASSUMPTIONS

This summary appraisal is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the Appraiser or firm with which he is connected, or any reference to the Appraisal Institute.

Possession of this report or a copy thereof does not carry with it the right of publication. Nor may it be used for any purposes by anyone but the client without the previous written consent of the Appraiser or the client and, in any event, only with proper qualification.

No responsibility is assumed by the Appraiser for matters which are of legal nature, nor is any opinion on the title rendered herewith. Good title is assumed.

This property has been appraised as though free of liens and encumbrances, except as herein described.

It has been assumed that the property will be efficiently managed and properly maintained.

The Appraiser herein, by reason of this report, is not required to give testimony in court with reference to the property appraised, unless arrangements have been previously made therefore.

Unless otherwise noted, it is assumed there are no encroachments, zoning violations, or restrictions existing that would affect the subject property.

The current (as of the date of appraisal) purchasing power of the dollar is the basis for the value estimates; no extreme fluctuations in economic cycles are anticipated.

The plans in this report are included to assist the reader in visualizing the property. The Appraiser has made no survey of the property and assumes no responsibility in connection with such matters.

Information, estimates, and the opinions contained in this report obtained from sources outside of this office are considered reliable; however, no liability for them can be assumed by the Appraiser.

The value found herein is subject to these and to any other assumptions set forth in the body of this report, but which may have been omitted herein.

This report is based on the assumption that there is not any existing negative environmental impact within/on/about the subject and any impact study will be favorable and will win approval of the appropriate regulatory authorities.

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.

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.

It is assumed that all required licenses, consents, 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 estimate contained in this report is based.

Unless otherwise stated herein, the value estimate assumes that urea-formaldehyde foam insulation or other toxic or hazardous building materials were never present in the subject property. In the event that any such harmful materials, and/or their residue would be present, the value estimate contained herein would be subject to revisions.

It is assumed that no wetlands are located on the subject which would affect the use and value of the subject.

Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing assumptions and limiting conditions.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

OWNER: Willis Christian Herr II

LOCATION: Charlestown Road, Lancaster, PA 17603. Located on the south side of Charlestown Road, in the northern section of Manor Township, in western Lancaster County, Pennsylvania.

PURPOSE: To estimate the market value of the fee simple interest. Market value is defined as:

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

1. Buyer and seller are typically motivated;
2. Both parties are well-informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special concessions granted by anyone associated with the sale.¹

APPRAISED

INTEREST: The property rights appraised in this report are the fee simple interest. Fee simple interest is defined as:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”²

¹ Federal Register, Vol. 55, No. 165, 8/24/90

² Appraisal Institute, The Appraisal of Real Estate, Eleventh Edition, Chicago, Illinois, 1996.

DATE OF INSPECTION
AND VALUATION:

June 17, 2010

LAND AREA:

Entire tract is 44.2 acres (according to the Lancaster County GIS).

ZONING:

RL1, Low Density Residential Flex in Manor Township

ASSESSMENT & TAXES: The assessed value for the subject property is \$308,500.

Real estate taxes for the subject property are estimated at a total of 20.106 mills for Penn Manor Township School District, Manor Township, and Lancaster County. Thus, the current total taxes are calculated as follows:

$$\$308,500 \times .020106 = \$6,202.70$$

It is assumed that this amount would be further reduced to \$6,079 with early payment.

IMPROVEMENTS:

None.

SALES HISTORY:

The subject is a parcel, used as cropland, that has been owned by Willis Christian Herr II since 1998. It was transferred from the estate of John G. Herr for \$277,000. The most recent deed reference is 5635-227.

LOCATION:

The subject property is located in Manor Township, a suburb in the southwest quadrant of Lancaster County. Lancaster County is situated in south central Pennsylvania, bordered by York County and the Susquehanna River to the west; Dauphin, Lebanon, and Berks Counties to the north; and Chester County to the east. The State of Maryland is located to the south. Lancaster County is ideally situated on the northern edge of the Washington/Baltimore market, the third largest consumer market in the nation and is within 250 miles of most major markets in the middle Atlantic region. Philadelphia and Washington DC are both within a two-hour's drive, and Baltimore, the second-largest port on the East Coast, is a 60 minute ride south. Harrisburg, the State Capitol, can be

reached within 45 minutes. Midtown Manhattan and Pittsburgh are both within 200 miles.

In conclusion, the area surrounding the subject property has shown growth in recent years and growth is expected in the future. The region provides an attractive place to live and work with numerous cultural and recreational amenities. Lancaster County has many desirable attributes and an affordable cost of living. Its desirability is evidenced in the strong historic population growth and projected future growth. It is anticipated that past trends will continue into the future.

ECONOMIC SUMMARY:

The economy of Lancaster County is considered diversified, providing stability from extreme swings in the national economy during periods of inflation and recession. Several main sources of income include manufacturing, agriculture, tourism, and retail and wholesale trades. Notably, Lancaster County is the top agricultural county and leading non-irrigated county in the United States in the value of goods produced. The County's highways, railways and air services provide for the efficient movement of goods to East Coast markets and mid-Atlantic seaports. Over 110 million people live within a 500-mile radius of the County, representing half of all U.S. personal buying power. Lancaster County's industrial community has grown steadily since World War I. As of December 2005, there were 256,700 employed in Lancaster County. In the past decade, over 130 new manufacturers and distributors have been added to the Lancaster communities. Industrial diversification in the county has continued throughout its 250-year history. According to the Lancaster Chamber of Commerce & Industry, all twenty Standard Industrial Classifications (S.I.C.) are represented within the county. Factors contributing to the County's healthy industrial employment growth rate are the broad diversification of industrial operations and the large number of small plants that prevents economic domination by few companies. Healthcare, education, construction, agriculture and food related industries are among the top industries in the county. The county's preliminary seasonally unadjusted unemployment rate for March 2010 was 8.0%, compared with 9.0% for Pennsylvania, and 9.7% in the nation. These numbers are

anticipated to rise if the current economic situation becomes worse.

Manor Township, in which the subject property is located, has grown rapidly over the past 20 years, and more growth is expected in the future, although at a slower pace. There is no dominant industry within the Township, but rather a mix of commercial, retail, agricultural, professional services, and industrial uses. The region surrounding the Township provides an attractive place to live and work with numerous cultural and recreational amenities. It is also considered one of the richest soils for agricultural uses within the county.

NEIGHBORHOOD:

The property is located along Charlestown Road, in Manor Township, a municipality directly west of the City of Lancaster. The subject is located south of Charlestown Road, west of the intersection with Ironstone Ridge Road. Manor Township's population is estimated at 16,498 based on the year 2000 census. This represents a 16% increase over 1990. To the west of the subject, Donnerville road is a two lane, north/south state artery with a traffic count of approximately 4,000. Charlestown Road has a traffic count of approximately 7,000 east of the subject. The location is two miles west of the City of Lancaster.

The immediate area around the subject is primarily agricultural and residential, with some commercial and institutional buildings. The subject is approximately two miles from Rt. 30, and twelve miles to the PA Turnpike. A map of the local area around the subject follows this section.

SITE:

The site is a 44.2 acre, irregular shaped parcel. The tract is level and no drainage problems were observed at the time of inspection. The frontage along Charlestown Road is 819 feet.

According to the latest federal insurance administration information as shown on the FIRM Community I.D. Map # 42071C0344E, dated April 19, 2005, the property is not located within a "Special Flood Hazard Area." The area is served by telephone and electric. Public water and sewer are near the site and would not be difficult to access for residential development uses. Zoning of the property is RL1, Low Density Residential Flex in Manor Township. The subject's current use as a farm is a permitted use by right in

this classification. The Lancaster County Tax Map Reference is 410-70753. The favorable site attributes include a desirable location in a growing area, availability of public water and sewer, a large parcel, and easy access to other local roads. There are no unfavorable site attributes.

HIGHEST AND
BEST USE:

According to the eleventh edition of "The Appraisal of Real Estate," the definition of highest and best use is as follows:

The reasonable probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible and that results in the highest value.

In the RL1, Low Density Residential Flex zoning classification, the permitted uses include:

1. Agricultural uses and necessary buildings.
2. Single family detached dwellings.
3. Public parks and public recreation areas.
4. Public uses and utilities.
5. Churches and related uses.
6. Accessory buildings and uses customarily incidental to the above permitted uses.

The location is ideal for a single family housing development. Therefore, this is the highest and best use of the property as improved.

PUBLIC UTILITIES: Public water and sewer are near, electric, and telephone.

PRESENT USE: An interim use of agricultural use.

EXPOSURE
TIME:

Exposure time is the estimated time period the property interest being appraised would have been offered on the market, prior to a sale. The sale date is assumed to be on the effective date of the appraisal. It is a retrospective opinion based on a study of past events assuming normal marketing conditions. In the case of the subject as a vacant tract, it is my opinion that the exposure time was 12-18 months.

EXTRAORDINARY ASSUMPTIONS: According to Uniform Standards of Professional Appraisal Practice, the definition is "An assumption, directly related to specific assignment, which if found to be false, could alter the appraiser's opinions or conclusions." There are none in this evaluation.

HYPOTHETICAL CONDITION: According to Uniform Standards of Professional Appraisal Practice, the definition is "That which is contrary to what exists, but is supposed for the purpose of analysis." There are none in this evaluation.

"AS IS" VALUE:

Sales Comparison Approach: \$4,000,000

FINAL ESTIMATE OF VALUE: \$4,000,000

SCOPE OF THE APPRAISAL

The scope of this summary appraisal includes:

- An on-site inspection of the subject site was conducted on June 17, 2010. The site was inspected in order to gather information about the physical characteristics of the subject that are relevant to the valuation problem. Pictures were taken of the subject property on June 17, 2010. The subject is a tract of land with no improvements.
- Collection, research and analysis of data on comparable land properties in the subject's trade area within the past few years. Comparable sales were researched in Lancaster County and surrounding areas. Sufficient data was found and comparable sales most similar to the subject were chosen. Verification of all information regarding comparable properties was done with buyers, sellers, brokers, public records, and/or with other knowledgeable sources.
- Analysis of market conditions including environmental factors (location, transportation, etc), social factors (population, education, demographics, etc.), economic factors (employment, income, local industrial markets, etc.), and government factors (use regulations, development restrictions, etc.). Market information included a neighborhood analysis as well as a regional analysis of the County. In order to determine the highest and best use of the real estate, supply and demand factors were observed and a logical determination was made. Feasible alternative uses were also examined.
- Development of the three recognized approaches to value if applicable: Income Capitalization Approach, Cost Approach, and Sales Comparison Approach. The Sales Comparison Approach was utilized to establish an opinion of value for the subject property. Comparable sales were chosen based on those that most similarly matched the subject with regards to the elements of comparison. The Income Approach was not utilized due to the type of property. The Cost Approach was not utilized due to the age of the improvements and adding no value to the evaluation process.

A conclusion of value was developed based on the value obtained via the sales comparison approach to value and drawing conclusions based on the appraiser's opinion of reliance on this approach.

LOCATION OF SUBJECT



TAX MAP



MARKET TRENDS

Numerous conflicting factors are present in current market trends:

The residential market started a decline in 2008. A 2008 Lancaster newspaper article cited, "a three year decline that's slowed construction crews and cut profits for Lancaster County home builders resumed with a fury in the past two months as residential building fell 75% compared to the same period in 2007". Existing home sales dropped 1/3 of sales in January 2008 compared to January 2007. On 5/20/08, a newspaper article described statistics that show another slump in the local housing market. Home sales dipped another 20% in April compared to April 2007 and the average price has decreased 8.9%. The overall decline has continued into 2010, as one looks at Lancaster County as a whole. However, Manor Township has not seen the same drastic decline as others areas have.

With talking to market participants, the demand for Manor Township is keeping pace due to the overall quality of life. Therefore, the current market conditions are not considered to be as drastic a reduction in value as other communities in Lancaster County. There are very few larger tracts of land remaining within this municipality that are zoned residential. Most large tracts are zoned agricultural and used for agricultural purposes.

From a much broader perspective, consumers are changing their buying habits. People who have lost their job or the fear of possibly losing a job in the future are creating a "wait and see" attitude. Bank financing for the developer and the home buyer is more stringent. Some developers have a reluctance to purchase land since the carrying costs are expensive and estimating when the demand may return, present too great a risk. Note the following Manor Township statistics from the Lancaster County Multiple List Service:

The first chart represents the last month's activity versus the second one is the last year's activity. Note the active listings and the average sales price.

Supply and Demand Report

For 5/24/2010 To 6/24/2010

Today's date: 6/24/2010

Price Range: 0 to 999,999,999,999

Property Type: Residential/Farm	
Municipality/Township: Manor Twp	MLS Total
Current Active Listings	
Number	180
List Price Volume	47,373,409
List Price Average	263,186
Average Days on Market	179
Total Sold	
Number	29
List Price Volume	6,530,000
List Price Average	225,172
Sale Price volume	6,389,700
Sale Price Average	220,334
Average Days on Market	70
Under Contract Listings	
Number	18
List Price Volume	3,046,100
List Price Average	169,228
Average Days on Market	53
Back On Market Listings	
Number	1
List Price Volume	249,900
List Price Average	249,900
Expired Listings	
Number	12
List Price Volume	2,775,650
List Price Average	231,304
Average Days on Market	173
Withdrawn Cancelled Listings	
Number	12
List Price Volume	2,775,650
List Price Average	231,304
Average Days on Market	108

Supply and Demand Report

For 6/24/2009 To 6/24/2010

Today's date: 6/24/2010

Price Range: 0 to 999,999,999,999

Property Type: Residential/Farm	
Municipality/Township: Manor Twp	MLS Total
Current Active Listings	
Number	180
List Price Volume	47,373,409
List Price Average	263,186
Average Days on Market	179
Total Sold	
Number	246
List Price Volume	48,565,217
List Price Average	197,420
Sale Price volume	47,616,938
Sale Price Average	193,565
Average Days on Market	84
Under Contract Listings	
Number	249
List Price Volume	47,974,545
List Price Average	192,669
Average Days on Market	79
Back On Market Listings	
Number	6
List Price Volume	1,724,600
List Price Average	287,433
Expired Listings	
Number	103
List Price Volume	22,962,695
List Price Average	222,939
Average Days on Market	186
Withdrawn Cancelled Listings	
Number	103
List Price Volume	22,962,695
List Price Average	222,939
Average Days on Market	120

SALES COMPARISON APPROACH

The typical actions of buyers and sellers in the marketplace are reflected in the sales comparison data approach to value. Although individual sales may deviate from a norm, a sufficient number of transactions generally produce a pattern for similar properties traded in the current market. The pattern resulting from the analysis provides a good indication of market value.

The market for any parcel of real estate consists of the potential purchasers. This market could be restricted to a specific economic segment of a population in a particular locale, or to major international industries, depending upon the particular characteristics of the subject property.

This potential market and the particular appraisal assignment determine the scope of the applicable research. The similarities and differences between the subject and a comparable property, in addition to the perceptions, opinions, and attitudes of potential buyers in the marketplace are analyzed. The magnitude of these variances from physical characteristics to the particular negotiations of a transaction indicated a value of the subject property, which is greater, less or the same value, on a per unit basis, as the comparable. A combined analysis results in a market value estimate. The basic variables for comparison in this approach include:

Time - The economic conditions prevailing when a comparable sale occurred in relation to current economic conditions and an analysis of this change.

Location - Neighborhood analysis is critical to this attribute and includes consideration for the relevant physical, social, economic and governmental factors.

Physical Characteristics - The quantity and quality of the site and building improvements are considered and analyzed. Construction, age, major variations, maintenance, functional utilities for buildings and frontage, size, landscaping, and terrain are a part of this investigation.

Conditions of the Sale - The factors affecting the arm's length transaction are studied for a particular sale, including assumptions of existing finance, unusual pressure on the part of the buyer or seller to buy or sell, real estate trades, consideration for whether a sale was subject to encumbrances, etc.

The principle of substitution underlies the theory of the sales comparison approach, as it is also the primary element of the cost approach. An investigation of sales of similar properties was conducted in order to estimate the market value of the subject property. All sales were verified by the appropriate County court house records, a personal inspection, and/or the current owner or owner's representative. Eight comparable land sales were found with similar size, functional utility, age, and/or condition. However, some adjustments were necessary to properly evaluate the subject property. Adjustments

were made for location, differences in site characteristics, functional utility, site size, zoning, market conditions, and utilities. Adjustments were made for time of sale because there has been appreciation in value in the last few years.

LAND VALUE

The subject's land was evaluated as if vacant and available for it's highest and best use. The most appropriate method of estimating the land value is through an analysis of recent sales of vacant tracts with similar size, location, topography, and zoning.

The most similar sales were selected for the evaluation after an investigation of numerous sales. The unit of comparison used in this analysis is the price paid per acre for each property. Detail of each comparable sale is found on the following pages. A total of 44.2 acres is estimated for the land area, ready for development.

COMPARABLE LAND SALE #1

LOCATION: Address: South Side of Petersburg Road Municipality: Manheim Township County, State: Lancaster, Pennsylvania Tax Identification: 390-57900-0-0000, 390-26830-0-0000, and Part of 390-96949-0-0000	SITE DESCRIPTION: Site Size: 16.8 acres total Zoning: R-2, Residential
LEGAL INFORMATION: Sale Date: June 19 and June 29, 2007 Libor/Folio: Reference 5631529, 5631530, and 5631531 Grantor: Galen L. Hoover & Rosene E. Hoover; William T. Plastino Jr. & Barbara B. Plastino; Hoover Family Partnership Grantee: SME Holdings, LP Property Rights: Fee simple	PHYSICAL DATA: Shape: Irregular Road Frontage: Petersburg Road & Weaver Road
CONSIDERATION: Contract Price: \$1,853,520 Unit Price: \$110,329.00 per acre Financing: Assumed cash to sellers Verified: Public record (deeds and tax assessment data)	COMMENTS: Known as Stone Mill Estates. Approved for 48 lots & 45 units.

COMPARABLE LAND SALE #2

LOCATION: Address: 738 Holly Tree Road Municipality: Penn Township County, State: Lancaster, Pennsylvania Tax Identification: 500-89573-0-0000	SITE DESCRIPTION: Site Size: 25 acres Zoning: R-2, Residential
LEGAL INFORMATION: Sale Date: February 3, 2006 Libor/Folio: Reference #5496617 Grantor: Thomas F. Houck Grantee: Forino Co. Inc. Property Rights: Fee simple	PHYSICAL DATA: Shape: Irregular Road Frontage: 1,960 feet along Holly Tree Road Utilities: Public water and sewer
CONSIDERATION: Contract Price: \$1,800,000 Unit Price: \$72,000 per acre Financing: Assumed cash to seller Verified: Public record (deed and tax assessment data)	COMMENTS: Property to be developed with 224 units (160 single family, 52 townhouses, and 12 duplexes). Subdivision called Holly Tree Farms. Minimal improvements when sold, were given a contributory value of \$100,000.

COMPARABLE LAND SALE #3

LOCATION: Address: 750 Kayo Avenue Municipality: W. Hempfield Township County, State: Lancaster, Pennsylvania Tax Identification: 300-76400-0-0000	SITE DESCRIPTION: Site Size: 12.7 acres total Zoning: R-2, Residential
LEGAL INFORMATION: Sale Date: September 25, 2007 Libor/Folio: Reference 5651649 Grantor: Terry Sherman	PHYSICAL DATA: Shape: Irregular Road Frontage: Kayo Avenue
Grantee: Elwood, LLC Property Rights: Fee simple CONSIDERATION: Contract Price: \$1,562,500 Unit Price: \$123,032.00 per acre Financing: Assumed cash to sellers Verified: Public record (deeds and tax assessment data)	COMMENTS: 41 lot residential development. Original farmhouse with 4 acres was sold on 4/08 For \$350,000.

COMPARABLE LAND SALE #4

LOCATION: Address: 140 Hackman Road Municipality: Clay Township County, State: Lancaster, Pennsylvania Tax Identification: 070-68017-0-0000	SITE DESCRIPTION: Site Size: 85,598 acres total Zoning: R-2, Residential
LEGAL INFORMATION: Sale Date: July 20, 2007 Libor/Folio: Reference 56421593 Grantor: Haskell Family LLC Grantee: Lincoln Land Group Property Rights: Fee simple	PHYSICAL DATA: Shape: Irregular Road Frontage: Hackman Road
CONSIDERATION: Contract Price: \$8,773,385 Unit Price: \$102,500.00 per acre Financing: See comments. Verified: Public record (deeds and tax assessment data) CASH EQUIVALENT PRICE: \$103,112 per acre	COMMENTS: This property was sold at public sale and the appraiser understands that the sellers will take back some financing for a period of time. This parcel of land is located on the northwest side of Hackman Road just northeast of West Main Street (Route 322) (Route 322) which is west of Ephrata Boro. The topography is rolling and there is Residential development abutting this property. Public water and sewer are located in the area. The appraiser understands that the developer is planning to subdivide the property into residential lots and is presently zoned for single-family and semi-detached houses. The property was in clean and green and the buyer is also obligated to pay \$52,000 in back real estate taxes.

COMPARABLE LAND SALE # 5

LOCATION: Address: Stony Battery and Kauffman Roads Municipality: East Hempfield Township County, State: Lancaster, Pennsylvania Tax Identification: 290-69018-0-0000 and 290-47603-0-0000	SITE DESCRIPTION: Site Size: 25.866 acres total Zoning: Village Residential
LEGAL INFORMATION: Sale Date: February 15, 2007 Libor/Folio: Reference 5597055 & 5597054 Grantor: Edward M. Wissler Family Trust & Estate of Susie S. Wissler Grantee: Stony Battery Asso., LLC Property Rights: Fee simple	PHYSICAL DATA: Shape: Irregular Road Frontage: Stony Battery and Kauffman Roads
CONSIDERATION: Contract Price: \$3,525,000 Unit Price: \$136,279.00 per acre Financing: Assumed cash to sellers Verified: Public record (deeds and tax assessment data)	COMMENTS: This parcel is located on the NE side Of Stoney Battery Rd. and Kauffman Roads; on the SW side of Landisville. The topography is Fairly level and was previously farmland. Public Water and sewer are located in the area. Developer Plans to construct 81 single family units.

COMPARABLE LAND SALE # 6

LOCATION: Address: West Penn Grant and West Willow Road Municipality: Pequea Township County, State: Lancaster, Pennsylvania Tax Identification: 510-54027-0-0000 and 510-48994-0-0000	SITE DESCRIPTION: Site Size: 32.889 acres total Zoning: R-2 Residential
LEGAL INFORMATION: Sale Date: September 23, 2008 Libor/Folio: Reference 5597055 & 05735126 Grantor: Nancy Jane Balmer-Stauffer Grantee: Willow Valley Associates, Inc. Property Rights: Fee simple	PHYSICAL DATA: Shape: Irregular Road Frontage: West Penn Grant and West Willow Roads
CONSIDERATION: Contract Price: \$2,400,000 Unit Price: \$72,973.00 per acre Financing: Assumed cash to sellers Verified: Public record (deeds and tax assessment data)	COMMENTS: This parcel is located on the N side Of West Penn Grant Rd., on the west side of Willow Street Pike. The topography is rolling. Presently tillable farmland. Public water and sewer are located in the area. Stream in the southern part. The .40 acre lot along West Willow Road has a Mobile home that will be removed and used as a 2nd Access when property is developed.

COMPARABLE LAND SALE # 7

<p>LOCATION: Address: 312 Petersburg Road</p> <p>Municipality: Manheim Township County, State: Lancaster, Pennsylvania Tax Identification: 390-431090-0000</p> <p>LEGAL INFORMATION: Sale Date: July 31, 2009 Libor/Folio: Reference 5801908</p> <p>Grantor: New Generation at Weaver Road LLC</p> <p>Grantee: Township of Manheim Property Rights: Fee simple</p> <p>CONSIDERATION: Contract Price: \$4,476,490 Unit Price: \$112,193.00 per acre Financing: Assumed cash to sellers Verified: Public record (deeds and tax assessment data)</p>	<p>SITE DESCRIPTION: Site Size: 39.9 acres Zoning: R-2 Residential</p> <p>PHYSICAL DATA: Shape: Irregular Road Frontage: Petersburg and Weaver Roads</p> <p>BUILDINGS: Older farmhouse and Barns given no value due To condition.</p> <p>COMMENTS: This parcel is located on the E side Of Weaver Rd. and the S side of Petersburg Road north of Lancaster City. The topography is level and was previously farmland. Will be a county park. Public water and sewer are in the area. Developer Was planning to construct 117 single family units.</p>
--	---

COMPARABLE LAND SALE # 8

<p>LOCATION: Address: 955 N. State Street Ephrata, PA</p> <p>Municipality: Ephrata Township County, State: Lancaster, Pennsylvania Tax Identification: 270-32107-0-0000</p> <p>LEGAL INFORMATION: Sale Date: September 23, 2007 Libor/Folio: Reference 5654253</p> <p>Grantor: Green Dragon, Inc.</p> <p>Grantee: Gardel, LLC</p> <p>Property Rights: Fee simple</p> <p>CONSIDERATION: Contract Price: \$1,965,000 Unit Price: \$98,103.00 per acre Financing: Assumed cash to sellers Verified: Public record (deeds and tax assessment data)</p>	<p>SITE DESCRIPTION: Site Size: 20.03 acres total Zoning: RLD Residential Low density</p> <p>PHYSICAL DATA: Shape: Irregular Road Frontage: E. Mohler Church and North State Roads</p> <p>COMMENTS: This parcel is located on the N side Of Ephrata, northern Lancaster County. The topography is rolling. Subdivided into 65 lots. Public water and sewer.</p>
---	--

PENDING SALES

1. I spoke with a prominent builder in Lancaster County concerning a property that he is purchasing. The seller has requested complete confidentiality till settlement occurs. The 43 acre tract is basically raw ground, without an approved plan and is zoned R-2 in Manheim Township. The contract price, was written two and a half years ago with a sizable down payment; and is approx. \$125,000 per acre. Settlement is scheduled for 2011, pending final approvals. The sellers may be privately financing the subject due to bank financing may be less than desirable. The preliminary investigation gave a total of 120 lots or units. He is requesting 60 TDR's (transferable development rights) to increase the units to 180. This could add approximately \$60,000 to the overall cost of the purchase. The purchase of TDR's allows greater lot coverage.

2. I spoke with another prominent builder in Lancaster County concerning a property that he is purchasing. The settlement is scheduled for late Summer 2010. The 70 acre tract is basically raw ground, without an approved plan and is zoned R-1 in Manheim Township. The contract price is approx. \$100,000 per acre for the 1st phase, with increases in Phases 2 and 3. He is anticipating the purchase of 53 TDR's (transferable development rights).

It is more interesting to note that both these transactions were under agreement last summer when I spoke to these developers. Both delayed settlement in the hopes of the overall market improving.

CONCLUSION

The subject's land as vacant as of the effective date of June 17, 2010 ("As Is") is estimated at \$90,000 per acre. This value was calculated with adjustments made for location, access, visibility, availability of public utilities, zoning, date of sale, parcel size, shape, utility, topography, and market conditions. The most important market condition is the current lack of sales of existing and new homes, relating to the economic climate. Most weight was given Comparables # 6 due to the similar location in Penn Manor School District, and # 7 due to the most recent sales date. Comments concerning pending sales were also taken into consideration, and the uncertain market conditions need to be considered also. The final opinion of value of the site as vacant as of the effective date of June 17, 2010 is **\$4,000,000 (Four Million Dollars)**.

FINAL ESTIMATE OF VALUE

The Sales Comparison Approach was considered to establish value for the subject property. Using recent sales of comparable land sales in the market, each sale was adjusted in order to accommodate for differences in comparison. The value established by the Sales Comparison approach is \$4,000,000.

The Income Approach was not utilized due to the type of property.

The Cost Approach was also not utilized due to the lack of improvements.

In the final reconciliation of the subject property as a tract of land as of the effective date of June 17, 2010, the Sales Comparison Approach is considered the best indication of the real estate.

FINAL ESTIMATE OF MARKET VALUE "AS IS"
AS OF APRIL 17, 2009: \$4,000,000

MARKETING TIME

If the property is on market for sale or lease at any time in the future at a realistic market value, it is my opinion that the marketing time will be 12-18 months. This is based on the low demand within Lancaster County and South-Central Pennsylvania for similar properties. The property has a good location next to the Manor Middle School and good access to several main routes. However, current market conditions have lengthened the anticipated marketing time.

CERTIFICATION

The undersigned does hereby certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and accurate. Matters affecting the value have been knowingly withheld or omitted.
2. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
3. I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. This appraisal assignment was not based on a requested minimum valuation, specific valuation, approval of a loan or any predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. To the best of my knowledge and belief, the statements for fact contained in this appraisal report upon which the analyses, opinions, and conclusions expressed herein are based are true and correct.
8. This appraisal report sets forth all of the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report.
9. The reported analyses, opinions, and conclusions were developed, and the report was prepared in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute.
10. I have personally inspected the property.
11. No one other than the undersigned prepared the analyses, opinions, and conclusions concerning real estate that are set forth in this appraisal report.

12. The value estimate is based upon appropriate research and applicable appraisal techniques in that, by its nature, the appraisal of real estate is not an exact science; the end product is an opinion with which others may differ; the final estimate of value is not guaranteed; and no warranty is implied or intended.
13. Angela L. Tracy is a general certified appraiser in the Commonwealth of Pennsylvania, # GA-000281-L. Expiration: July 2011.
14. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I further certify, in my opinion, the market value of the property known as Charlestown Road, Manor Township, Lancaster County, Pennsylvania as of June 17, 2010 ("As Is") is:

\$4,000,000

Respectfully submitted,

A handwritten signature in cursive script that reads "Angela L. Tracy". The signature is written in dark ink and has a fluid, connected style.

Angela L. Tracy
Associate Broker/PA General Certified Appraiser #GA-000281-L

ADDENDA

The following addenda contain:

1. Deed
2. Zoning Information
3. Engagement Letter
4. Qualifications

ap/jak
FEB 27 1998

998012009

I Certify This Document To Be
Recorded in Lancaster Co. Pa.



STEVE McDONALD
Recorder of Deeds

RECORDED OR FILED
98 FEB 27 AM 11:08
RECORDER OF DEEDS
LANCASTER, PA.

2700
57

LAW OFFICES of YAKELLIS, REESE & PUGH
A PROFESSIONAL CORPORATION, 129 E. ORANGE ST., LANCASTER, PA 17602

THIS DEED

Made the 5th day of FEBRUARY, in the
year Nineteen Hundred Ninety-Eight (1998).

BETWEEN CLERK OF COURT, COURT OF COMMON PLEAS IN AND FOR LANCASTER
COUNTY, PA, ORPHANS' COURT DIVISION, party of the first part
(hereinafter called GRANTOR) and CHRISTIAN WILLIS HERR, II, of the
Township of Manor, County of Lancaster and Commonwealth aforesaid,
party of the second part (hereinafter called GRANTEE);

WITNESSETH, That in consideration of Two Hundred Seventy-Seven
Thousand (\$277,000.00) Dollars, in hand paid, the receipt whereof is
hereby acknowledged, the said GRANTOR does hereby grant and convey
unto the said GRANTEE, his heirs and assigns,

ALL THAT CERTAIN lot or tract of land, situate on the South
side of Charlestown Road (T-597), in the Township of Manor, County of
Lancaster and Commonwealth of Pennsylvania, (Tax Map No. 14H-3-2;
District No. 410), and being more fully bounded and described in
accordance with Exhibit "A" attached hereto and incorporated herein by
reference.

AND the GRANTOR does hereby specially warrant the property

TAXES	
Pa.	2770.00
Local	1385.00
Local	1385.00

Manor Twp

Penn Manor

1

5635 0227

DIST 410 MAP 14H BLK 3 LOT 2

WT 50 RF 1300 1150 TOT 2700

hereby conveyed.

IN WITNESS WHEREOF, said GRANTOR has hereunto set his hand and seal the day and year first above written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

James R. Toms

CLERK OF ORPHANS' COURT, COURT OF
COMMON PLEAS OF LANCASTER COUNTY, PA
ORPHANS' COURT DIVISION

By: C. Thomas Walker, Jr.
C. Thomas Walker, Jr., Clerk of Court

COMMONWEALTH OF PENNSYLVANIA:
: SS:
COUNTY OF LANCASTER :

On this, the 5th day of February, 1998, before me, the undersigned officer, Judge of the Orphans' Court Division, of the Court of Common Pleas in and for Lancaster County, PA, personally appeared C. Thomas Walker, Jr., Clerk of Orphans' Court, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

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

My Term Expires the First
Monday of January, 2004.

James P. Baller
Judge

I HEREBY CERTIFY that the precise address of the GRANTEE herein is 690 Central Manor Road (Manor Township), Lancaster, PA 17603.

XAKELLIS, REESE & PUGH

By: George C. Xakellis
George C. Xakellis, Esquire

5635 0228

LAW OFFICES XAKELLIS, REESE, GARMAN & PUGH
A PROFESSIONAL CORPORATION, 129 E. ORANGE ST., LANCASTER, PA 17602

EXHIBIT "A"

Attached to the Deed from Clerk of Orphans Court - Court of
Common Pleas in and for Lancaster County, PA, GRANTOR to
Christian Willis Herr, II, GRANTEE

ALL THAT CERTAIN lot or tract of land, situate on the South
side of Charlestown Road (T-597), in the Township of Manor, County of
Lancaster, Commonwealth of Pennsylvania, as shown on a plan prepared
by RETTEW Associates, Inc., dated December 8, 1995, drawing number
951683-01 and being more fully bounded and described as follows:

BEGINNING AT A POINT, a P.K. (set) in or near the centerline of
Charlestown Road (T-597), said point being the Northeast corner of
herein described tract and also being the Northwest corner of lands
now or formerly of Penn Manor School District; thence along lands of
said Penn Manor School District, the following five (5) courses and
distances: (1) South fourteen (14) degrees, Thirty-two (32) minutes,
Fifty-seven (57) seconds East (astronomic), a distance of Five Hundred
Eighty-five and Seventy-five one-hundredths (585.75) feet to a rebar
(set); (2) South Ten (10) degrees, Twenty-nine (29) minutes, Fifty-
four (54) seconds East, a distance of Five Hundred and Fifteen and
Seventy-eight one-hundredths (515.78) feet to a rebar (set); (3) South
Forty-two (42) degrees, Fourteen (14) minutes, Forty-eight (48)
seconds East, a distance of Three Hundred Thirteen (313) feet to a
rebar (set); (4) South Seventeen (17) degrees, Fourteen (14) minutes,
Sixteen (16) seconds East, a distance of Two Hundred Fifteen (215)
feet to a rebar (set); and (5) North Seventy-two (72) degrees, Forty-
five (45) minutes, Forty-eight (48) seconds East, a distance of Two
Hundred Eighty-four (284) feet to a rebar (set); thence along lands
now or formerly of Manor Township, South Seventeen (17) degrees,
Fourteen (14) minutes, Sixteen (16) seconds East, a distance of Three
Hundred Seventy One and Forty-two one-hundredths (371.42) feet to a
rebar (set); thence along lands now or formerly of Roy H. Charles,
South Seventy-three (73) degrees, Twenty-eight (28) minutes, Thirty-
two (32) seconds West, a distance of One Thousand Three Hundred
Seventy-five and Ninety-nine one hundredths (1,375.99) feet to a rebar
(set); thence along lands now or formerly of Robert and Geraldine B.
Shuman (lot 1A recorded in Subdivision Plan Book J-131-108), now or
formerly of James P. and Dawn M. Doman (lot 6 recorded in Subdivision
Plan Book J-149-64) and now or formerly of Samuel L. and Cynthia L.
Bigler (lot 7 recorded in Subdivision Plan Book J-149-64), North
Fifteen (15) degrees, Thirteen (13) minutes, Fifteen (15) seconds
West, a distance of Eight Hundred Ninety-four and Nine one-hundredths
(894.09) feet to a stone (found); thence along lands nor or formerly
of Abram K. and Anna May Fisher the following three (3) courses and
distances: (1) North Fifteen (15) degrees, Thirty-seven (37) minutes,
Forty-three (43) seconds West, a distance of Four Hundred Sixty Three
(463) feet to a stone (found); (2) North Seventy-one (71) degrees,

Forty-one (41) minutes, Thirty-two (32) seconds East, a distance of Two Hundred Twenty-Five and Twenty-three one-hundredths (225.23) feet to a stone (found); and (3) North Fifteen (15) degrees, Sixteen (16) minutes, Seventeen (17) seconds West, a distance of Five Hundred Eighty-four and Eighty-two one-hundredths (584.82) feet to P.K. (set) in or near the centerline of Charlestown Road; thence in and along the centerline of Charlestown Road, North Seventy-two (72) degrees, Twenty-two (22) minutes, Three (03) seconds East, a distance of Seven Hundred Fifty-Seven and Eighty-six one-hundredths (757.86) feet to the POINT OF BEGINNING.

Containing: 44.481 acres

BEING PART OF THE SAME PREMISES which Girvin Herr, Robert C. Herr and John G. Herr, Executors of the Estate of C. Willis Herr, by their deed dated June 5, 1958 and recorded June 5, 1958 in the Office of the Recorder of Deeds in and for Lancaster County, PA, in Deed Book I, Volume 46, Page 332, granted and conveyed unto John G. Herr, his heirs and assigns.

AND THE SAID John Girvin Herr, a/k/a John G. Herr, died July 12, 1995, leaving a Will dated February 5, 1995, duly probated August 1, 1995 and remaining of record in the Office of the Register of Wills in and for Lancaster County, PA, to 1995 Term No. 1140, wherein he appointed Christian Willis Herr, II Executor to whom Letters Testamentary were granted.

AND THE SAID Christian Willis Herr, II by Final Decree entered and filed December 3, 1997 to Term No. 36-1995-1140 was given authority in his individual capacity to purchase subject premises herein and that for this purpose, the deed be executed by the Clerk of Orphans' Court Division of the Court of Common Pleas in and for Lancaster County, PA, and accordingly notarized by its Judge.

(Tax Map No. 14H-3-2; District 410)

(1998-310;COC2WILL.JGH)

02/27/98 11:07AM 010H5927	AXX
PA TAX	\$2770.00
02/27/98 11:07AM 010H5927	AXX
LOCAL TX	\$1385.00
02/27/98 11:07AM 010H5927	AXX
LOCAL TX	\$1385.00

XAKELLIS, REESE & PUGH, a Professional Corporation
129 East Orange Street, Lancaster, PA 17602

JOINDER

I, CHRISTIAN WILLIS HERR, II, EXECUTOR of the estate of JOHN GIRVIN HERR, a/k/a JOHN G. HERR, deceased, as an additional GRANTOR, join into this conveyance in order to release, quitclaim and discharge unto CHRISTIAN WILLIS HERR, II, individually and as GRANTEE, all the right, title and interest of the Estate of JOHN GIRVIN HERR, a/k/a JOHN G. HERR, deceased, in and to the premises herein conveyed.

DATED:

February 26, 1998

ESTATE of JOHN GIRVIN HERR,
a/k/a JOHN G. HERR, deceased

By: Christian Willis Herr II
CHRISTIAN WILLIS HERR, II
Executor

COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF LANCASTER

SS:

On this, the 26th day of February, 1998, before me, the undersigned officer, personally appeared Christian Willis Herr, II, Executor of the Estate of JOHN GIRVIN HERR, a/k/a JOHN G. HERR, deceased, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within deed and acknowledged that he executed the same in the capacity therein stated and for the purpose therein contained.

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



Timothy L. Breneman
notary public

(1998-901;joinder.CWH)

5635 0231

Section 217**(RL1) Low Density Residential Flex Zone****217.1.**

Purpose - This Zone accommodates low-density suburban residential development growth within the Township. This Zone coincides with expected public sewer and public water service areas. Based upon the findings and recommendations of the Township's Official Sewage Plan, residential development in this Zone is only permitted when both public sewer and public water are utilized. This ensures efficient use of the planned public utilities services areas by preventing their premature development with problematic on-lot utilities. Nonresidential uses have been largely excluded from this Zone to ensure a pleasant neighborhood setting. In order to allow for more flexibility of design, regulations are more flexible than those of the (RL) Low Density Residential Zone. Clustering provisions are furnished via special exception review.

217.2.**Permitted Uses**

1. Agricultural, horticultural and forestry-related uses, subject to the standards listed in Section 201 of this Ordinance;
2. Single-family detached dwellings provided that both public sewer and public water are utilized;
3. Public and/or nonprofit parks;
4. Public uses and public utilities structures;
5. Churches and related uses - but not to exceed 20,000 square feet in building area (See Section 413); and,
6. Accessory uses customarily incidental to the above permitted uses.

217.3.

Special Exceptions (Subject to the review procedures listed in Section 605.3. of this Ordinance.)

1. Churches and related uses greater than 20,000 square feet but not to exceed 70,000 square feet in building area (See Section 413);
2. Home occupations (See Section 433); and,
3. Cluster developments (See Section 415).

217.4.

Lot Area Requirements - Unless otherwise specified, all uses within this Zone shall contain a minimum of 15,000 square feet.

217.5.

Minimum Lot Width - Ninety feet (90') at the minimum front yard setback; seventy-five feet (75') at the lot frontage.

217.6.

Maximum Lot Coverage - Unless otherwise specified, forty percent (40%).

217.7.**Minimum Setback Requirements**

1. Principal structures:
 - A. Front yard setback - The following table lists required front yard setbacks from the right-of-way line of various road types depicted on the Zoning Map and/or defined herein.

Road Type	Setback
Arterial	40 ft.
Collector	30 ft.
Local	10 ft. (Subject to Section 304)

- B. Side yard setbacks - Ten feet (10') on each side (20 feet total both sides).
 - C. Rear yard setback - Twenty-five feet (25')
2. Accessory structures:
- A. Front yard setback - No accessory structure (except permitted signs) shall be located within the front yard.
 - B. Side yard setbacks -
 - Fifteen feet (15') or less in height - Five feet (5') on each side.
 - Up to thirty feet (30') in height - Fifteen feet (15') on each side.
 - C. Rear yard setback -
 - Fifteen feet (15') or less in height - Five feet (5')
 - Up to thirty feet (30') in height - Thirty-five feet (35').
3. Exceptions to Front Yard Requirements - Steps and unenclosed porches are permitted to extend into the front yard.

217.8. Maximum Permitted Height

- 1. Principal structures - Thirty-five feet (35').
- 2. Accessory structures - Thirty feet (30')- depending on setback from property line.

217.9. Driveways and Access Drives - All driveways serving single-family dwellings shall be in accordance with Section 310 of this Ordinance. All access drives serving other uses shall be in accordance with Section 311 of this Ordinance.

217.10. All uses permitted within this zone shall also comply with the General Provisions contained in Article 3 of this Ordinance.

217.11. Agricultural Setback Requirement - No dwelling unit shall be located within one hundred feet (100') of any land within the Agricultural Zone. In addition no shrub or tree shall be planted within twenty feet (20') and thirty feet (30'), respectively, of any land within the Agricultural Zone.

May 30, 2010

Mr. Steve B. Skrocki
Penn Manor School District
2950 Charlestown Road
Lancaster, PA 17603

RE: Herr - Residential Zoned Tract
Charlestown Road
Lancaster, PA 17603

Dear Mr. Skrocki:

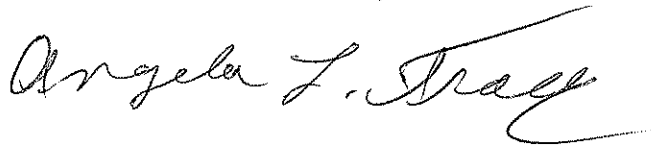
Per our recent conversation, you are requesting a summary appraisal report of the real estate described as an unimproved tract owned by the Willis C. Herr and located on the south side of Charlestown Road, Lancaster, PA 17603.

It is my understanding that the intended use of this report is to establish the market value for a possible purchase by Penn Manor School District. The fee will be \$1,000, and will be due upon receipt of the report. Two originals of the report will be provided on or before June 30, 2010.

Please sign this engagement letter, retain a copy for your records, and send or fax a copy to me. Thank you for this opportunity.

Sincerely,

TRACY APPRAISAL SERVICES, INC.

A handwritten signature in cursive script that reads "Angela L. Tracy". The signature is written in dark ink and is positioned above the printed name and title.

Angela L. Tracy
Associate Broker/ PA General Certified Appraiser #GA-000281-L

ACCEPTED BY: _____

DATE: _____

APPRAISER QUALIFICATIONS

NAME: **Angela L. Tracy**
Associate Broker 9/1/87
Certified General Appraiser in PA 8/91; #GA -000281-L

BUSINESS NAME AND ADDRESS: **Tracy Appraisal Services, Inc.**
224 Bethesda Church Road West
Holtwood, PA 17532

BUSINESS PHONE: (717) 284-0504 Fax (717) 284-0416
E-mail: altappraisal@comcast.net

PRIOR EMPLOYMENT: Royer Appraisal, LTD. Commercial real estate appraiser from 1992-2004.

EDUCATION: Bachelor of Science (May 1976) and Master of Science (August 1977) degrees from Bloomsburg University, Bloomsburg, PA

Completed CCIM 101 in 2/82 (Fundamentals of Real Estate Investment and Taxation) and CCIM 102 in 5/85 (Fundamentals of Location and Market Analysis)

Fundamentals of Real Estate - May 1983
Real Estate - May 1983
Real Estate Law - February 1985
Appraisal of Real Estate - February 1986
Investment Real Estate - April 1987

The following courses were completed as a candidate for the MAI designation from the Appraisal Institute:

Basic Valuation Procedures - April 1987
Real Estate Appraisal Principles- February 1988
Capitalization Theory and Techniques Part A & B - October 1988
Standards of Professional Practice - April 1995
Report Writing and Valuation Analysis - May 1990
Case Studies in Real Estate Evaluation - November 1990

CONTINUING EDUCATION SEMINARS: The Art of Negotiating - August 1986
Segregated Cost Method for Commercial Appraisals - April 1987
How To Value A Business - May 1990
Environmental Contamination Impact on Property Value - Sept. 1992
Americans with Disabilities Act - October 1992
Easement Valuation - June 1996
Data Confirmation & Verification Methods - May 1997

Dynamics of Office Building Valuation - October 1998
 Environmental Issues of Real Estate - March 1999
 Standards of Professional Practice, Part C - June 1999
 Partial Interest Valuation - Divided - April 2000
 Highest & Best Use Analysis - February 2001
 Contemporary Legal Issues - April 2001
 Land Valuation - April 2003
 Professional Liability - May 2003
 Uniform Standards of Professional Appraisal Practice - September 2004
 Commercial Construction - November 2004
 Review of PA Appraisers Recertification Act – April 2005
 History of Residential Construction – April 2005
 National USPAP Update – October 2006
 Appraising in the New Millenium – March 2007
 Subdivision Evaluation – March 2007
 Technology for Today's Appraiser – May 2007
 USPAP & State Appraiser Law - March 2009

EXPERIENCE: July 1983 to present: Twenty six plus years experience in industrial, commercial, and investment real estate (sales, leasing, and appraisals)

I have completed commercial/industrial appraisals for:

LENDING INSTITUTIONS:	Union National Community Bank Susquehanna Bank PA Fulton Bank Heritage Bank M & T Bank Northwest Saving Bank Patriot Bank Sovereign Bank Lebanon Valley Farmers Bank National Penn Bank	Alliance Bank Metro Bank Nova Bank Wachovia Bank Citizens Bank PA State Bank Peoples Bank Fleet Bank Graystone Bank Integrity Bank
------------------------------	--	---

ATTORNEYS:	Michael Babic, Esq. Jacque Geisenberger, Esq. John May, Esq. Richard Nuffort, Esq. John O. Shirk, Esq. Catherine Walters, Esq. Robert Pfannebecker, Esq. William McCarty, Esq.	Edgar Barnes, Esq. James Humphreys, Esq. David Morrison, Esq. Craig Russell, Esq. Mark Stanley, Esq. Joseph Muzic, Esq. Stacey Morgan, Esq. Richard Posey, Esq.
-------------------	---	--

ORGANIZATIONS: Associate Member - Central PA Chapter of the Appraisal Institute
 Lancaster Association of Realtors and Commercial & Industrial Council
 Chairwoman – Lancaster County Board of Assessment Appeal

08 0598464

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

08/30/1991

Certificate
Number

GA000281L

Expiration Date

06/30/2011

ANGELA LOUISE TRACY
224 BETHESDA CHURCH RD. W
HOLTWOOD PA 17532

Basil L. Moorhead
Commissioner of Professional and Occupational Affairs

Angela L. Tracy
Signature