

BLAIR E. BATES

Real Estate Consultant

Appraisal and Consultation

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October 20, 2016

Southern Lehigh School District
ATTN: Todd Bergey, PRSBO
5775 Main Street
Center Valley, PA 18034

Re: Proposal for Appraisal Services
Idle School Building

Good Day:

At your request, I am pleased to submit a proposal for appraisal services to you in the above referenced matter. This letter is my proposal and, upon acceptance by you, my letter of engagement to appraise the property detailed below.

Address	Tax Parcel	Land Area	Building Area	Current Use
7350 Elementary Rd., Zionsville, PA 18092	6402-3561-7437	19.559 Ac	40,086 SF	Idle school building

I propose to estimate the fee-simple Market Value, as of the date of my detailed property observation, of the subject real estate, in Lehigh County, PA, detailed above. The appraisal is to establish a market value basis for financial planning and to establish a marketing price if the board chooses to off the building for sale..

The scope of the appraisal will include my observation of the property, consideration of current market characteristics and trends, collection and analysis of pertinent market/property data and conclusion of Market Value reported in a narrative format. In the analysis I will consider national, regional and Eastern Pennsylvania market data, with an emphasis on proximate data from the last 3 years. It is my intention to consider all approaches to value in this appraisal and to develop all which are relevant to the appraisal problem. The analysis will consider all aspects of the property which are apparent to an appraisal observation and/or examination of governmental records, and assess its competitive position in the market. The analysis will reflect my standard assumptions and limiting conditions; a copy of these is attached. I propose to provide two written copies of my report, and one electronic (.PDF) copy.

This appraisal will be prepared by me, a MAI Designated, PA Certified General Appraiser, and prepared in conformity with the requirements of the Code of Ethics and Standards of Professional Practice established by the Appraisal Institute. I enclose for your review a copy of the general Assumptions and Limiting Conditions which will be incorporated in my appraisal. My report may further be subject to special assumptions and limiting conditions which become apparent during the course of the assignment.

In order to make this appraisal I will need:

- Observation access to the subject improvements
- Copy of site and building plans
- Engineering studies/analyses of the subject buildings

I anticipate final completion of this assignment 4 weeks from date of complete property observation. However, this proposal is submitted based on my current schedule of commitments; it may be necessary to alter the anticipated date of completion if there are delays in authorizing the assignment.

As with any profession, fees vary depending upon the education, experience and ability of the appraiser and the complexity of the appraisal problem. My estimate of the fees is based on our discussions, the outlined scope of work, and my experience with similar engagements in the past. I propose a two-stage analysis with a fee of \$3200 for developing an opinion of a market value range for planning and marketing. If the property is placed under agreement within 12 months, and the prospective sale price is less than or equal to my appraised value, I will prepare an Act 61 Affidavit for submission to Lehigh County Court for an additional fee of \$200. If you select another appraiser for this assignment, but later need an Act 61 Affidavit (two must be supplied to the court), my fee for preparation of that affidavit will be \$1,600.

No retainer is required, but my fee for professional services due and payable within 21-days of report delivery—for either assignment.. It is understood that, as a result of the execution of this assignment, the appraisal fee and payment thereof is not contingent upon the appraised value, an increase in the assessed value or any other pre-arranged condition.

Within the past few years I have appraised school buildings, or other school properties for financial planning or sale for: Pocono Mountain School District, Easton Area School District, Parkland School District, East Penn School District, Allentown School District and Salisbury School District.

Testimony in the Lehigh County Court of Common Pleas, though not expected, may become necessary as a result of my performing this assignment. My fees for such testimony before the Court, is \$250/hr with a minimum testimony billing charge of 3 hours. You agree to compensate me at a rate to be mutually agreed to for any time expended should I be required (by subpoena or otherwise) to become involved in any other litigation or legal proceedings to which I am not a party because of making this appraisal.

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You acknowledge that I am being retained hereunder as an independent contractor to perform the services described herein, and nothing in this agreement shall be deemed to create any other relationship between us. This assignment shall be deemed concluded and the services hereunder completed upon final payment for the appraisal reports and services called for herein.

Thank you for considering me to render these services; I look forward to working with you. Should you have any questions about the proposal or scope of work, or would like me to modify this proposal in any way, please contact me.

Yours truly,



BEB: yd

Blair E. Bates, MBA, MAI
Pa. General Appraiser Cert. No. GA-000359-L

AGREED AND ACCEPTED FOR: _____

BY: _____

TITLE: _____

DATE: _____

Encl.

Encl.

ASSUMPTIONS, LIMITING CONDITIONS AND CONTINGENCIES

The Appraiser(s) whose signature(s) appear on the Certificate of Appraisal do hereby certify that, except as otherwise noted in this appraisal report:

1. I/We have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
2. I/We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
3. To the best of my/our knowledge and belief, the statements of fact contained in this appraisal report, upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct.
4. This appraisal is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal.
5. Unless otherwise noted, the owner of record is assumed to have a free and clear fee simple title with encumbrances that can be cleared through normal channels.
6. The information on which this appraisal is based has been obtained from sources normally used by the appraiser and is considered to be reliable, but it is in no sense guaranteed.
7. No opinion of a legal or engineering nature is intentionally expressed or implied and no responsibility is assumed for matters of this nature.
8. The appraisers reserve the right to alter their opinion of value based on information withheld or not discovered in the normal course of a diligent investigation.
9. Load bearing capacity of subsoil is assumed adequate for the proposed utilization, but no borings or engineering studies have been made especially for this appraisal and the value conclusion could be affected by such information.
10. The property has been appraised as though under responsible ownership and competent, aggressive management.
11. The appraisers assume there are no hidden or unapparent conditions of the property, subsoil or otherwise, which would render it more or less valuable. The appraisers assume no responsibility for such conditions or for engineering, which might be required to discover such factors.
12. The appraisers assume no responsibility for matters of a legal nature affecting the property or the title thereto, nor do the appraisers render any opinion as to title, which is assumed good and marketable.
13. Unless otherwise stated, no consideration in the valuation process has been given to mineral deposits [oil, gas, coal, gravel, etc.] or timber, if any, that may be found on the subject.

14. It is assumed that the subject has never been utilized as a waste disposal site for toxic or other hazardous waste materials as defined by the appropriate government agencies.
15. The appraisers will not be required to give testimony or appear in court because of having made this appraisal with reference to the property in question. The fee charged for this appraisal does not include payment for court testimony or for further consultation.
16. [For improved properties] The appraisers make no representation or warranties as to the adequacy or condition of appliances, electrical systems, plumbing and heating, air conditions, presence of insulation, adequacy, or condition of structural systems or any other subsystem within the property. The appraisers assume no responsibility of any costs incurred to discover or correct any deficiencies present in the property. Unless specifically stated, the appraisal specifically assumes that all mechanical systems including electrical, plumbing, heating, and ventilating and air conditioning are in place and are in operating order.
17. [For improved properties] As of January 23, 1992, the Americans with Disabilities Act of 1990 became effective and may apply to this property. The users of the report are referred to the United States Architectural and Transportation Barriers Compliance Board [1-800-USA-ABLE] for specific instructions for satisfying the requirements of the Act. The appraisers are not qualified to analyze the building with respect to handicap accessibility rules. The value estimate contained in this report assumes full compliance with the act as appropriate unless otherwise stated. Other sources of information for compliance and accommodation include Centers for Living, Inc. and the Director of Housing for the Commonwealth of Pennsylvania at 1.717.783.8274.
18. The Bylaws and Regulations of the professional organizations with which the appraisers are affiliated govern disclosure of the contents of this appraisal.
19. Acceptance of and/or use of this report constitute acceptance of these conditions.

QUALIFICATIONS OF BLAIR E. BATES, MAI

REAL ESTATE EMPLOYMENT AND BUSINESS EXPERIENCE:

*Principal, -Blair E. Bates Real Estate Consultant-Lehigh Valley, PA 2009~
Appraiser and Consultant; Dietrick Group LLC, Allentown, PA. 2008-2009
Appraiser and Consultant; Patt White Whitney, Inc., Allentown, PA 1988-2008.
Real Estate Appraiser; Goertel Appraisal Group, Bethlehem, PA, 1984-1988.
Broker and Appraiser; Albert J. Bates Company, Hazleton, PA 1972-1984.
Pennsylvania Licensed Real Estate Broker AB-035004-L
Pennsylvania Certified General Appraiser GA-000359-L*

PROFESSIONAL AFFILIATIONS AND ASSOCIATIONS:

*MAI Member of the Appraisal Institute
Member, Philadelphia Metro Chapter of the Appraisal Institute; Director elect
Cooperative. Member; Assessors Association of PA.
Past Member; Lehigh-Northampton Joint Planning Commission
Associate Member - Institute of Real Estate Management
Member, Board of Directors and Executive Committee - Bethlehem Area
Moravians, Inc. (BAM) a not-for-profit corporation providing senior
housing and skilled nursing care.*

EDUCATION:

*Master of Business Administration Degree, Pennsylvania State University.
B.S. Degree, Business Administration, Pennsylvania State University.
Graduate-US Army Command and General Staff Officers College.*

Appraisal Institute Courses:

*All courses and examinations prerequisite to the MAI designation.
Seminars in appraisals, finance, computer applications, and technical valuation
by various institutions, agencies, and universities.*

Teaching:

*Valuation seminars for the Assessors Association of Pennsylvania and Lehigh
County Bar Association.*

APPRAISAL EXPERIENCE:

*Commercial Real Estate Appraiser since 1984. Have appraised industrial
commercial and special purpose real estate throughout Pennsylvania.*

REAL ESTATE BROKERAGE EXPERIENCE:

*Listed, sold and leased industrial, commercial and residential real estate in
the Commonwealth of Pennsylvania, 1972-1984.*

COURT TESTIMONY:

*U.S. Bankruptcy Court: Wilkes-Barre and Reading, PA.
Courts of Common Pleas: Carbon, Columbia, Lehigh, Monroe and Wyoming
Counties, PA.
Boards of View or Assessment Appeal: Pennsylvania Counties of Lehigh,
Carbon, Northampton, Monroe, Lackawanna, Luzerne, and Schuylkill.*