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APPRAISAL OF REAL PROPERTY

Dunbar Asphalt Products

Industrial Property

255 Ohio Street

City of Hermitage and City of Farrell, Mercer County,
Pennsylvania 16161

Client Reference Number: W912DR-11-T-0061

PREPARED FOR:

M. Carla Wall

Acting Chief, Technical Services Branch

U.S. Army Corps of Engineers - Baltimore District

P.O. Box 1715

Baltimore, MD 21201

EFFECTIVE DATE OF THE APPRAISAL:

August 8, 2011

REPORT FORMAT:

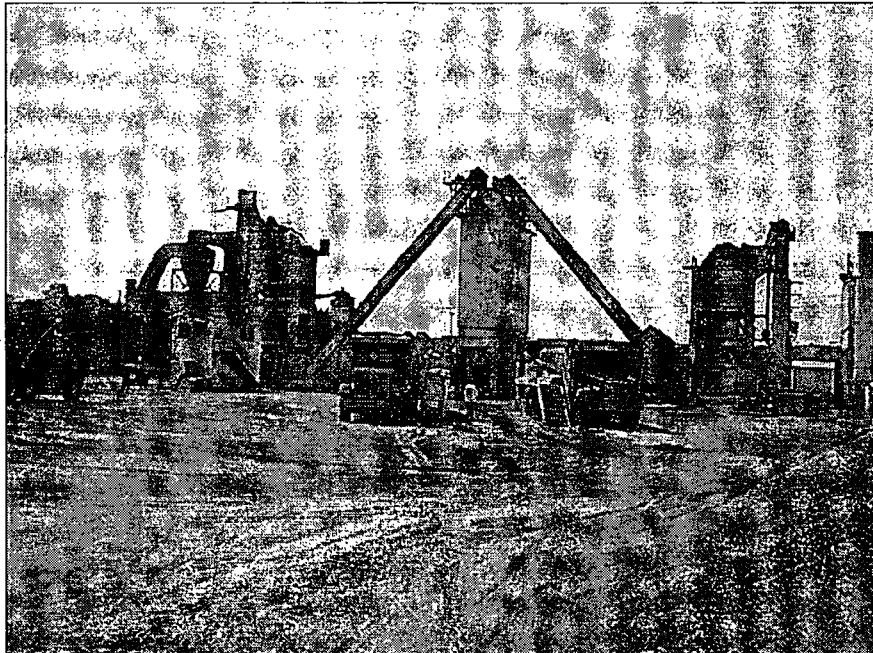
Self-Contained

INTEGRA REALTY RESOURCES - PITTSBURGH

File Number: 133-2011-0524

INTEGRA Realty Resources

LOCAL EXPERTISE...NATIONALLY



**Dunbar Asphalt Products
255 Ohio Street
City of Hermitage and City of Farrell, Pennsylvania**

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	August 8, 2011	\$540,000

EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. It is an extraordinary assumption that the estimated number of piers and the size of the piers is a reasonably accurate estimate of the number and average size of the piers.

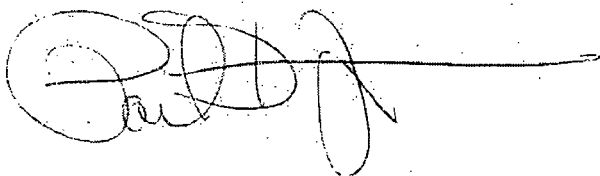
The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

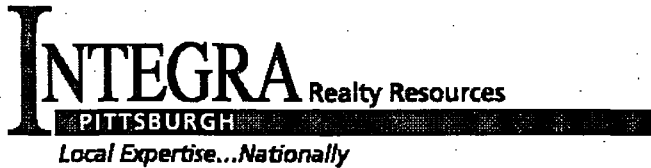
INTEGRA REALTY RESOURCES - PITTSBURGH



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August 23, 2011

M. Carla Wall
Acting Chief, Technical Services Branch
U.S. Army Corps of Engineers - Baltimore District
P.O. Box 1715
Baltimore, MD 21201

SUBJECT: Market Value Appraisal
Dunbar Asphalt Products
255 Ohio Street
City of Hermitage and City of Farrell, Mercer County, Pennsylvania 16161
Client Reference Number: W912DR-11-T-0061
Integra Pittsburgh File No. 133-2011-0524

Dear Ms. Wall:

Integra Realty Resources – Pittsburgh is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property. The client for the assignment is U.S. Army Corps of Engineers - Baltimore District, and the intended use is for property acquisition purposes.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations and the Uniform Standards for Federal Land Acquisitions.

To report the assignment results, we use the self-contained report option of Standards Rule 2-2 of USPAP. Accordingly, this report contains all information significant to the solution of the appraisal problem.

The subject is an existing asphalt plant situated on approximately 25 acres of land. The site is 90% usable. Building improvements are limited to five small buildings housing two control units, a lab, electrical equipment and a compressor. Most of the improvements on the site are equipment and are not part of this appraisal. The original plant is believed to have been constructed in the 1960's and expanded in the late 1990's. The property is 100% owner occupied as of the effective date of the appraisal. The site area is 24.998 acres or 1,088,913 square feet.

IRR.

TABLE OF CONTENTS

SUMMARY OF SALIENT FACTS AND CONCLUSIONS.....	1
GENERAL INFORMATION	2
Identification of Subject.....	2
Current Ownership and Sales History.....	2
Type of Value, Property Rights and Effective Date	2
Definition of Market Value.....	2
Definition of Property Rights Appraised	3
Client, Intended User and Intended Use	3
Applicable Requirements.....	3
Prior Services	3
Scope of Work	3
ECONOMIC ANALYSIS	6
Mercer County Area Analysis	6
Surrounding Area Analysis.....	13
Industrial Market Analysis.....	17
PROPERTY ANALYSIS	18
Land Description and Analysis.....	18
Improvements Description and Analysis	25
Real Estate Tax Analysis	29
Highest and Best Use Analysis.....	30
VALUATION ANALYSIS.....	32
Valuation Methodology	32
Land Valuation.....	33
Cost Approach	40
Reconciliation and Conclusion of Value	45
CERTIFICATION	47
ASSUMPTIONS AND LIMITING CONDITIONS.....	49
ADDENDA	
A. Appraiser Qualifications	
B. Definitions	
C. Property Information	
D. Comparable Data	
E. Letter of Authorization	

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PART ONE

Property Name	Dunbar Asphalt Products
Address	255 Ohio Street City of Hermitage and City of Farrell, Pennsylvania
Property Type	Industrial - Asphalt Plant
Owner of Record	Dunbar Asphalt Products, Inc.
Tax ID	12-170-017-001
Land Area (Gross)	24.998 acres; 1,088,913 SF
Year Built	1960's, 1997
Zoning Designation	H1, Heavy Industrial
Highest and Best Use - As if Vacant	Industrial use
Highest and Best Use - As Improved	Continued industrial use
Exposure Time; Marketing Period	12 months; 12 months
Effective Date of the Appraisal	August 8, 2011
Date of the Report	August 23, 2011
Property Interest Appraised	Fee Simple
Market Value Indications	
Cost Approach	\$540,000
Sales Comparison Approach	Not Used
Income Capitalization Approach	Not Used
Market Value Conclusion	\$540,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than U.S. Army Corps of Engineers - Baltimore District may use or rely on the information, opinions, and conclusions contained in the report. The summary shown above is for the convenience of U.S. Army Corps of Engineers - Baltimore District, and therefore it is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. It is an extraordinary assumption that the estimated number of piers and the size of the piers is a reasonably accurate estimate of the number and average size of the piers.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

GENERAL INFORMATION

IDENTIFICATION OF SUBJECT

The subject is an existing asphalt plant situated on approximately 25 acres of land. The site is 90% usable. Building improvements are limited to five small buildings housing two control units, a lab, electrical equipment and a compressor. Most of the improvements on the site are equipment and are not part of this appraisal. The original plant is believed to have been constructed in the 1960's and expanded in the late 1990's. The property is 100% owner occupied as of the effective date of the appraisal. The site area is 24.998 acres or 1,088,913 square feet.

PROPERTY IDENTIFICATION

Property Name	Dunbar Asphalt Products
Address	255 Ohio Street City of Hermitage and City of Farrell, Pennsylvania
Tax ID	12-170-017-001

CURRENT OWNERSHIP AND SALES HISTORY

The owner of record is Dunbar Asphalt Products, Inc. This party acquired the property from Sharon Steel Corporation on July 25, 1994 for a price of \$250,000. The transaction is recorded in Mercer County Deed Book 94DR, Page 11322.

To the best of our knowledge, no other sale or transfer of ownership has occurred within the past ten years, and as of the effective date of this appraisal, the property is not subject to an agreement of sale or option to buy, nor is it listed for sale.

TYPE OF VALUE, PROPERTY RIGHTS AND EFFECTIVE DATE

The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property as of the effective date of the appraisal, August 8, 2011. The date of the report is August 23, 2011. The appraisal is valid only as of the stated effective date or dates.

DEFINITION OF MARKET VALUE

Market value is defined as:

- “the amount of cash, or on terms reasonable equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.”

(Source: Uniform Appraisal Standards for Federal Land Acquisitions)

DEFINITION OF PROPERTY RIGHTS APPRAISED

Fee simple estate 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."

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010)

CLIENT, INTENDED USER AND INTENDED USE

The client and intended user is U.S. Army Corps of Engineers - Baltimore District. The intended use is for property acquisition purposes. The appraisal is not intended for any other use or user. No party or parties other than U.S. Army Corps of Engineers - Baltimore District may use or rely on the information, opinions, and conclusions contained in this report.

APPLICABLE REQUIREMENTS

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Uniform Appraisal Standards for Federal Land Acquisitions

PRIOR SERVICES

USPAP requires appraisers to disclose to the client any services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

SCOPE OF WORK

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

VALUATION METHODOLOGY

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

APPROACHES TO VALUE		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Applicable	Utilized
Sales Comparison Approach	Not Applicable	Not Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

COST APPROACH

The cost approach is most reliable for newer properties that have no significant amount of accrued depreciation. However, in this instance because the preponderance of the value is in the land and the improvements have minimal contributory value, the Cost Approach is considered the best indicator of value.

Sales Comparison Approach

The sales comparison approach is used only to estimate the market value of the land.

INCOME CAPITALIZATION APPROACH

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return.

An owner-user is the most likely purchaser of the appraised property, and the income capitalization approach does not represent the primary analysis undertaken by the typical owner-user. Accordingly, this approach is not developed in this appraisal.

DATA RESEARCH AND ANALYSIS

The process employed to collect, verify, and analyze relevant data is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make a concerted effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

PROPERTY INSPECTION

Paul D. Griffith, MAI, CRE, FRICS conducted an interior and exterior inspection of the property on August 8, 2011. Thomas M. Korpiel, MAI conducted an exterior inspection on August 18, 2011.

SIGNIFICANT APPRAISAL ASSISTANCE

It is acknowledged that Jonathan Kuzma made a significant professional contribution to this appraisal, consisting of conducting research on the subject, competitive markets and comparable sales, and assisting in the report writing, all under appropriate supervision.

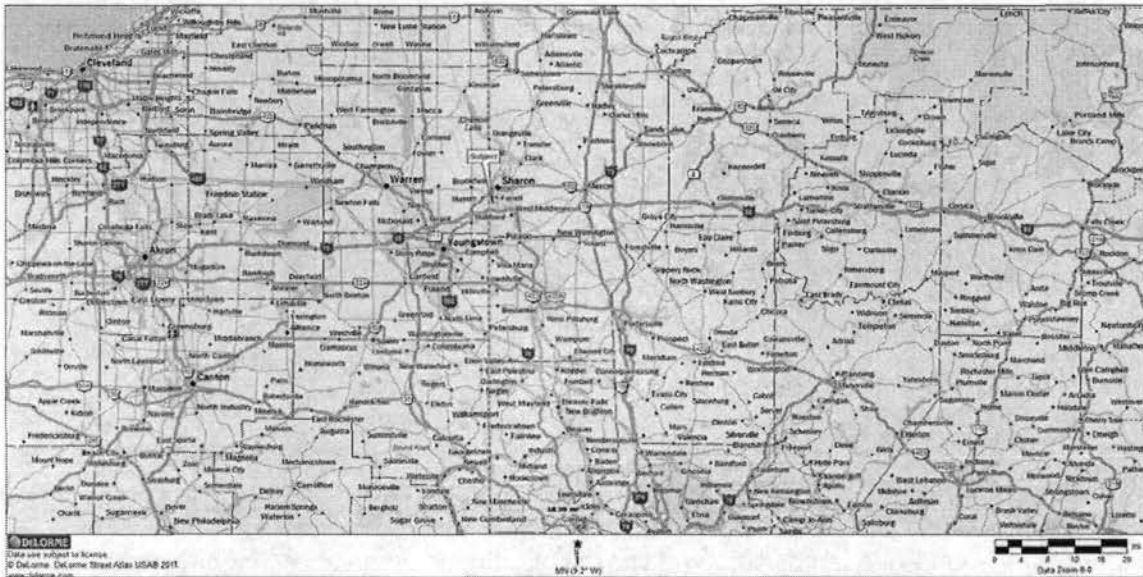
REPORT FORMAT

This report is prepared under the self-contained report option of Standards Rule 2-2 of USPAP. Accordingly, the report contains all information significant to the solution of the appraisal problem.

ECONOMIC ANALYSIS

MERCER COUNTY AREA ANALYSIS

Mercer County is a generally rural county located in western Pennsylvania. It is 672 square miles in size and has a population density of 175 persons per square mile. Mercer County is part of the Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area, hereinafter called the Youngstown MSA, as defined by the U.S. Office of Management and Budget.



POPULATION

Mercer County has an estimated 2010 population of 117,398, which represents an average annual 0.2% decrease from the 2000 census of 120,293. Mercer County lost an average of 290 residents per year over the 2000-2010 period, and its downward trend in population contrasts with the State of Pennsylvania which had a 0.2% average annual increase in population over this time.

	POPULATION TRENDS			Compound Ann. % Chng	
	2000 Census	2010 Est.	2015 Est.	2000 - 2010	2010 - 2015
Mercer County	120,293	117,398	115,445	-0.2%	-0.3%
Pennsylvania	12,281,054	12,574,407	12,637,100	0.2%	0.1%

Source: STDB/ ESRI

Looking forward, Mercer County's population is projected to decrease at a 0.3% annual rate from 2010-2015, equivalent to the loss of an average of 391 residents per year. Mercer County's decline in population contrasts with Pennsylvania, which is projected to increase at a 0.1% rate.

EMPLOYMENT

Total employment in Mercer County is currently estimated at 46,231 jobs. Between year end 1999 and the present, employment declined by 2,661 jobs, equivalent to a 5.4% loss over the entire period. Over the past decade, there were decreases in employment for five years out of ten.

Although many areas suffered drops in employment over the last decade; Mercer County underperformed Pennsylvania, which experienced a decline in employment of 1.3% or 69,966 jobs over this period. Trends in employment are a key indicator of economic health and strongly correlate with real estate demand.

Year	EMPLOYMENT TRENDS					
	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Mercer County	Change %	Pennsylvania	Change %	Mercer County	Pennsylvania
1999	48,892		5,544,478		5.0%	4.4%
2000	49,755	1.8%	5,641,391	1.7%	5.0%	4.2%
2001	48,257	-3.0%	5,559,458	-1.5%	5.3%	4.8%
2002	48,391	0.3%	5,534,883	-0.4%	5.7%	5.6%
2003	47,844	-1.1%	5,524,698	-0.2%	6.2%	5.7%
2004	47,812	-0.1%	5,573,736	0.9%	6.4%	5.4%
2005	48,156	0.7%	5,620,456	0.8%	6.3%	5.0%
2006	48,846	1.4%	5,680,840	1.1%	5.5%	4.6%
2007	49,408	1.2%	5,717,355	0.6%	5.5%	4.3%
2008	48,337	-2.2%	5,647,404	-1.2%	6.7%	5.3%
2009	46,231	-4.4%	5,474,512	-3.1%	11.3%	8.1%
Overall Change 1999-2009	-2,661	-5.4%	-69,966	-1.3%		
Avg Unemp. Rate 1999-2009					6.3%	5.2%
Unemployment Rate - June 2011					8.6%	7.6%

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

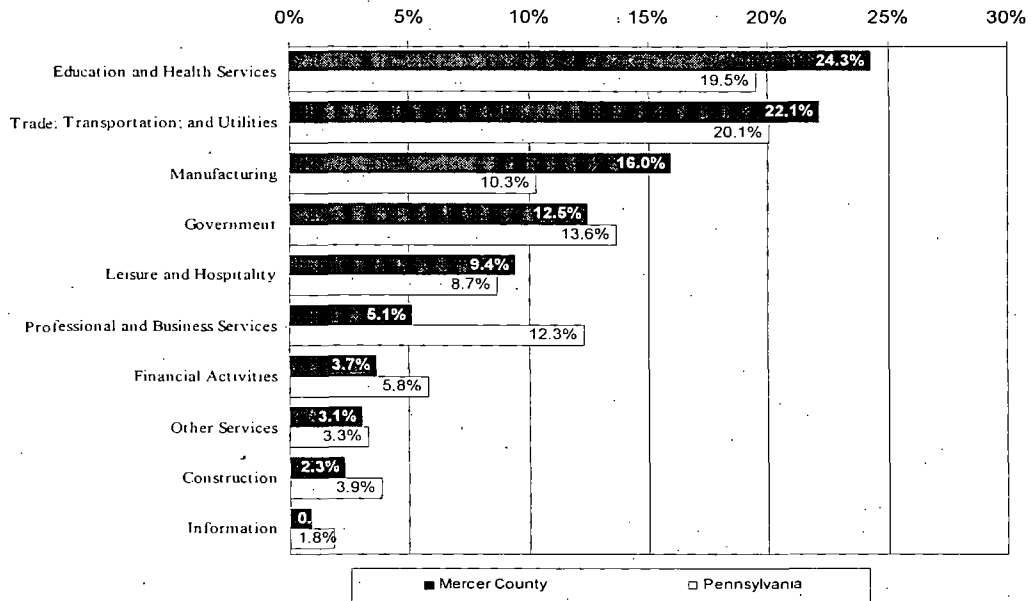
Unemployment rate trends are another way of gauging an area's economic health. Over the past decade, the Mercer County unemployment rate has been consistently higher than that of Pennsylvania, with an average unemployment rate of 6.3% in comparison to a 5.2% rate for Pennsylvania. This is another indication of the weakness of the Mercer County economy over the longer term.

As of June 2011, the Mercer County unemployment rate is 8.6% in comparison to a 7.6% rate for Pennsylvania, a sign that Mercer County has been harder hit in the current downturn. This is attributed in part to Mercer County's historic reliance on the manufacturing sector.

EMPLOYMENT SECTORS

The composition of the Mercer County job market is depicted in the chart below, along with that of Pennsylvania. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Mercer County jobs in each category.

EMPLOYMENT SECTORS - 2009



Source: Bureau of Labor Statistics and Economy.com

Mercer County has greater concentrations than Pennsylvania in the following employment sectors:

1. Education and Health Services, representing 24.3% of Mercer County payroll employment compared to 19.5% for Pennsylvania as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Trade; Transportation; and Utilities, representing 22.1% of Mercer County payroll employment compared to 20.1% for Pennsylvania as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Manufacturing, representing 16.0% of Mercer County payroll employment compared to 10.3% for Pennsylvania as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
4. Leisure and Hospitality, representing 9.4% of Mercer County payroll employment compared to 8.7% for Pennsylvania as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.

Mercer County is underrepresented in the following sectors:

1. Government, representing 12.5% of Mercer County payroll employment compared to 13.6% for Pennsylvania as a whole. This sector includes employment in local, state, and federal government agencies.
2. Professional and Business Services, representing 5.1% of Mercer County payroll employment compared to 12.3% for Pennsylvania as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
3. Financial Activities, representing 3.7% of Mercer County payroll employment compared to 5.8% for Pennsylvania as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
4. Other Services, representing 3.1% of Mercer County payroll employment compared to 3.3% for Pennsylvania as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.

MAJOR EMPLOYERS

Major employers in Mercer County are shown in the table below.

MAJOR EMPLOYERS	
Mercer County	
	Name
1	Sharon Regional Health System
2	UPMC Horizon
3	Pennsylvania State Government
4	John Maneely Co.
5	General Electric Co.
6	Wal-Mart Associates, Inc.
7	George Junior Republic
8	Duferco Farrell Corp.
9	Grove City College
10	First National Bank of Pennsylvania

Source: Center for Workforce Information & Analysis

GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Youngstown MSA is considered meaningful when compared to the nation overall, as Mercer County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been considerably lower in the Youngstown MSA than the United States overall during the past eight years. The Youngstown MSA has declined at a 0.2% average annual rate while the United States has grown at a 2.3% rate. The area appears to be hit harder in the current downturn, as the Youngstown MSA's GDP declined by 4.3% in 2008 while the United States GDP grew by 0.7%.

The Youngstown MSA has a per capita GDP of \$24,974, which is 34% less than the United States GDP of \$37,899. This means that Youngstown MSA industries and employers are adding relatively less value to the economy than their counterparts in the United States overall.

GROSS DOMESTIC PRODUCT				
Year	(\$ Mil)	%	(\$ Mil)	%
	Youngstown MSA	Change	US	Change
2001	14,346		9,836,580	
2002	14,682	2.3%	9,981,850	1.5%
2003	14,702	0.1%	10,225,700	2.4%
2004	14,883	1.2%	10,580,200	3.5%
2005	15,035	1.0%	10,912,200	3.1%
2006	14,983	-0.3%	11,218,800	2.8%
2007	14,765	-1.5%	11,439,200	2.0%
2008	14,134	-4.3%	11,523,600	0.7%
Compound % Chg (2001-2008)		-0.2%		2.3%
GDP Per Capita 2008	\$24,974		\$37,899	

Source: Bureau of Economic Analysis and Economy.com

The figures in the table above represent inflation adjusted "real" GDP, with Youngstown MSA figures stated in 2001 dollars and the United States figures stated in 2000 dollars.

HOUSEHOLD INCOME

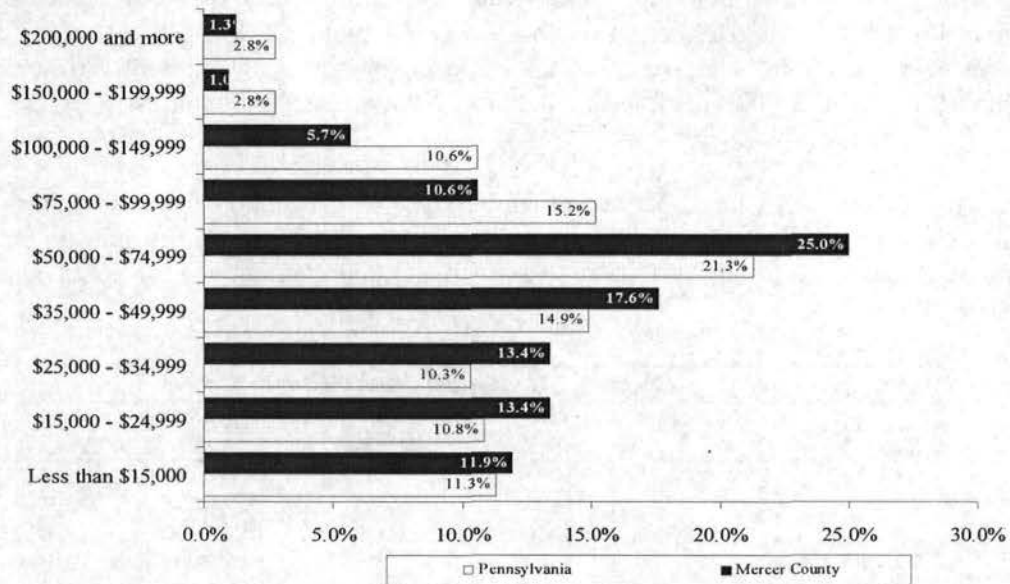
Mercer County has a considerably lower level of household income than Pennsylvania. Median household income for Mercer County is \$43,688, which is 17.1% less than the corresponding figure for Pennsylvania.

MEDIAN HOUSEHOLD INCOME - 2010	
Mercer County	\$43,688
Pennsylvania	\$52,723
Comparison of Mercer County to Pennsylvania	▼ 17.1%

Source: STDB/ ESRI

The chart below shows the distribution of households across nine income levels. Mercer County has a greater concentration of households in the middle income levels than Pennsylvania. Specifically, 43% of Mercer County households are between the \$35,000 - \$75,000 levels in household income as compared to 36% of Pennsylvania households. A lesser concentration of households is apparent in the higher income levels, as 19% of Mercer County households are at the \$75,000 or greater levels in household income versus 31% of Pennsylvania households.

HOUSEHOLD INCOME DISTRIBUTION - 2010

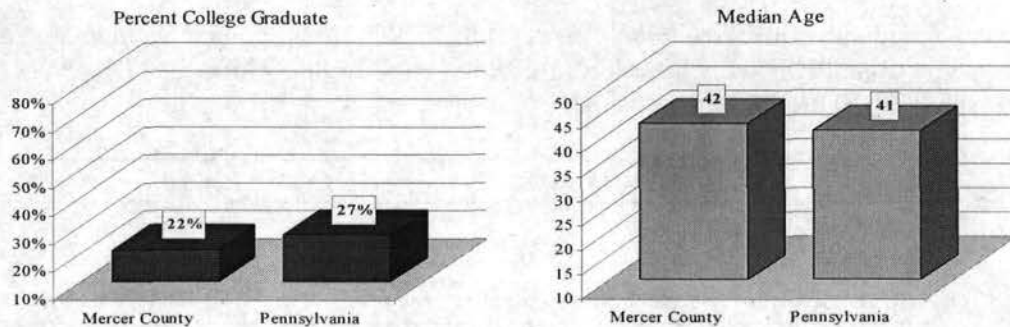


Source: STDB/ ESRI

EDUCATION AND AGE

Residents of Mercer County have a lower level of educational attainment than those of Pennsylvania. An estimated 22% of Mercer County residents are college graduates with four year degrees, versus 27% of Pennsylvania residents. People in Mercer County are slightly older than their Pennsylvania counterparts. The median age for Mercer County is 42 years, while the median age for Pennsylvania is 41 years.

EDUCATION AND AGE - 2010



Source: STDB/ ESRI

CONCLUSION

In the short term, Mercer County will continue to suffer the effects of the current downturn, including job losses and an abnormally high unemployment rate that are exerting a negative influence on real estate demand.

Over the long term, Mercer County will struggle with a flat to declining population base and lower income and education levels. Mercer County experienced a decline in the number of jobs, and had a consistently higher unemployment rate than Pennsylvania over the past decade. Moreover, economic weakness is evident in the decline of Gross Domestic Product (GDP) at the Youngstown MSA level, of which Mercer County is a part. Based on these factors, we anticipate that growth in Mercer County will be limited, and there will be continued weakness in the demand for real estate in general.

SURROUNDING AREA ANALYSIS

BOUNDARIES

The subject is located in the City of Hermitage, along the Shenango River, southwest of the City of Farrell in Mercer County Pennsylvania. This area generally is delineated as follows:

North	City of Farrell
South	Interstate 80
East	SR 18
West	State Line Industrial Park and Ohio state border

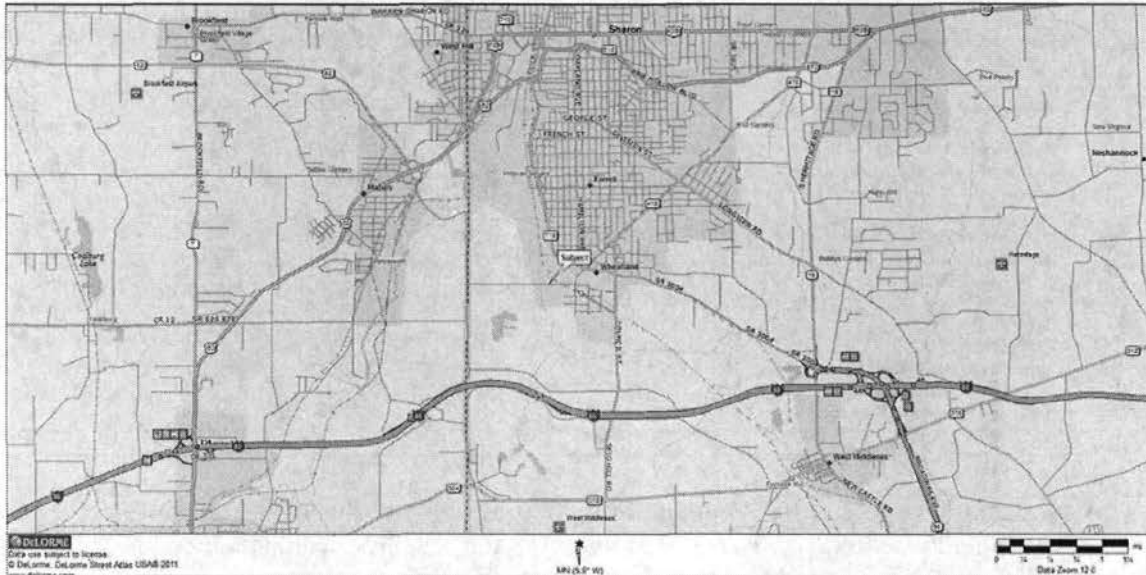


ACCESS AND LINKAGES

Primary access to the area is provided by Interstate 80 and Interstate 376. I-80 is a major east/west route that connects New York and Chicago. The West Middlesex exit is located three miles to the east of the subject. The West Middlesex exit interchanges with I-376. This east route connects directly to the Pittsburgh International Airport and the City of Pittsburgh. Overall, regional vehicular access is good.

Public transportation is limited in the area compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Pittsburgh International Airport is located about fifty miles southeast of the property; travel time is about one hour, depending on traffic conditions. The Pittsburgh CBD, the economic and cultural center of the region, is approximately 77 miles southeast of the property.



DEMAND GENERATORS

Major employers include Wheatland Tube, Armco/Sawhill Tubular, Sharon Tube, and Damascus Bishop - all pipe and tube industries. These industries are located within three miles of the property.

The top employers in the county include

- Horizon Hospital Systems, Inc.
- Sharon Regional Health System
- Trinity Industries Inc
- Werner-Ladder Co.
- Pennsylvania State Government
- Armco Inc.
- Cooper Industries Inc.
- John Maneely Co
- First National Bank of PA
- Mercer County

DEMOGRAPHICS

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

SURROUNDING AREA DEMOGRAPHICS					
2010 Estimates	3-Mile Radius	5-Mile Radius	10-Mile Radius	Mercer County	Pennsylvania
Population 2000	31,526	62,655	145,512	120,293	12,281,054
Population 2010	29,158	59,206	135,905	117,398	12,574,407
Population 2015	28,239	57,582	131,282	115,445	12,637,100
Compound % Change 2000-2010	-0.8%	-0.6%	-0.7%	-0.2%	0.2%
Compound % Change 2010-2015	-0.6%	-0.6%	-0.7%	-0.3%	0.1%
Households 2000	13,079	26,108	57,958	46,712	4,777,003
Households 2010	12,369	25,298	55,493	46,257	4,950,056
Households 2015	12,046	24,762	53,935	45,705	4,992,057
Compound % Change 2000-2010	-0.6%	-0.3%	-0.4%	-0.1%	0.4%
Compound % Change 2010-2015	-0.5%	-0.4%	-0.6%	-0.2%	0.2%
Median Household Income 2010	\$35,377	\$42,023	\$40,566	\$43,688	\$52,723
Average Household Size	2.3	2.3	2.4	2.4	2.5
College Graduate %	16%	21%	19%	22%	27%
Median Age	42	44	43	42	41
Owner Occupied %	57%	63%	62%	68%	63%
Renter Occupied %	30%	26%	25%	22%	26%
Median Owner Occupied Housing Value	\$67,729	\$89,774	\$86,890	\$98,849	\$159,178
Median Year Structure Built	1946	1952	1955	1955	1957
Avg. Travel Time to Work in Min.	17	18	20	20	25

Source: STDB/ ESRI

As shown above, the current population within a 5-mile radius of the subject is 59,206, and the average household size is 2.3. Population in the area has declined since the 2000 census, and this trend is projected to continue over the next five years. Compared to Mercer County overall, the population within a 3-mile radius is projected to decline at a faster rate.

Median household income is \$42,023, which is lower than the household income for Mercer County. Residents within a 5-mile radius have a similar level of educational attainment to those of Mercer County, while median owner occupied home values are considerably lower.

SERVICES AND AMENITIES

The nearest commercial area with restaurants, convenience stores and support services is located in Hermitage, about 10 minutes driving time from the property. The closest lodging facilities are located within five minutes of the property at the West Middlesex exit of Interstate 80. There are over 400 rooms at this exit.

LAND USE

In the immediate vicinity of the subject, predominant land uses are industrial. The location of the subject and land directly north and south of the subject was part of the Sharon Steel facility and had historically been used as a slag dump. Other land use characteristics are summarized as follows.

SURROUNDING AREA LAND USES

Character of Area	Rural/City
Predominant Age of Improvements	Over 50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	75%
Infrastructure/Planning	Average
Predominant Location of Undeveloped Land	South
Prevailing Direction of Growth	NA

SUBJECT'S IMMEDIATE SURROUNDINGS

North	Former Sharon Steel plant
South	Former Sharon Steel slag dump
East	Industrial
West	Vacant land

Development Activity and Trends

During the last five years, development has been very limited. The local economy has been stagnant and very little new development has occurred. The pace of development has generally slow over this time.

OUTLOOK AND CONCLUSIONS

The area is in the stable stage of its life cycle. Given the history of the area and the lack of growth, it is anticipated that property values will remain stable in the near future.

In comparison to other areas in the region, the area is rated as follows:

SURROUNDING AREA ATTRIBUTE RATINGS

Highway Access	Above Average
Demand Generators	Average
Convenience to other supporting land uses	Above Average
Convenience to Public Transportation	Below Average
Employment Stability	Average
Police and Fire Protection	Average
Property Compatibility	Average
General Appearance of Properties	Average
Price/Value Trend	Below Average

INDUSTRIAL MARKET ANALYSIS

AREA OVERVIEW

The Shenango River Valley has a long history of industrial development. In the early 20th century there were multiple mills in the area of the subject. By the mid-1930's most of the steel mills were operating under the name of Sharon Steel. The fully integrated steel mill continued to operate until the company's bankruptcy and the mill's closure in 1992.

Since that time steel manufacturing has been concentrated in the area of steel tubing and pipe. The largest local manufacturers operate under the Wheatland Tube name. The remnants of the primary Sharon Steel mill are owned and operated by Durferco, a steel slag processing company. Although demand for steel pipe has increased with the development of the Marcellus Shale gas fields in central Pennsylvania, overall the demand for industrial sites has been very limited.

The area immediately surrounding the subject includes dozens of industrial buildings. Occupancy is relatively high and a number of transfers of buildings less than 100,000 square feet have taken place over the last five years. However, sales of vacant land, for building construction had been very limited. Just west of the subject on Ohio Street is Stateline Industrial Park. This 85 acre site was initially developed in 2006. Since then only two of the 10 proposed shovel ready lots have been improved with buildings. This is indicative of the local demand for industrial land.

INDUSTRIAL MARKET OUTLOOK AND CONCLUSIONS

In comparison to the region overall, the Shenango Valley submarket is rated as follows:

SUBMARKET ATTRIBUTE RATINGS	
Market Size/Stature	Below Average
Market Demand/Rental Trends	Below Average
Vacancy Trends	Average
Barriers to Entry	Below Average
Threat of New Supply	Below Average

PROPERTY ANALYSIS

LAND DESCRIPTION AND ANALYSIS



LOCATION

The property is located on the north side of Ohio Street (State Route 3015) approximately 2,800 feet east of its intersection with State Line Road, the boundary between the states of Ohio and Pennsylvania.

LAND AREA

The following table summarizes the subject's land area.

LAND AREA SUMMARY		
Tax ID	SF	Acres
12-170-017-001	1,088,913	24.998
Total	1,088,913	24.998

SHAPE AND DIMENSIONS

The site is irregular in shape. The site has approximately 757 feet of frontage on Ohio Street. Site utility based on shape and dimensions is average.

TOPOGRAPHY

The site is level to gently rolling. The topography does not result in any particular development limitations.

DRAINAGE

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

FLOOD HAZARD STATUS

The following table provides flood hazard information.

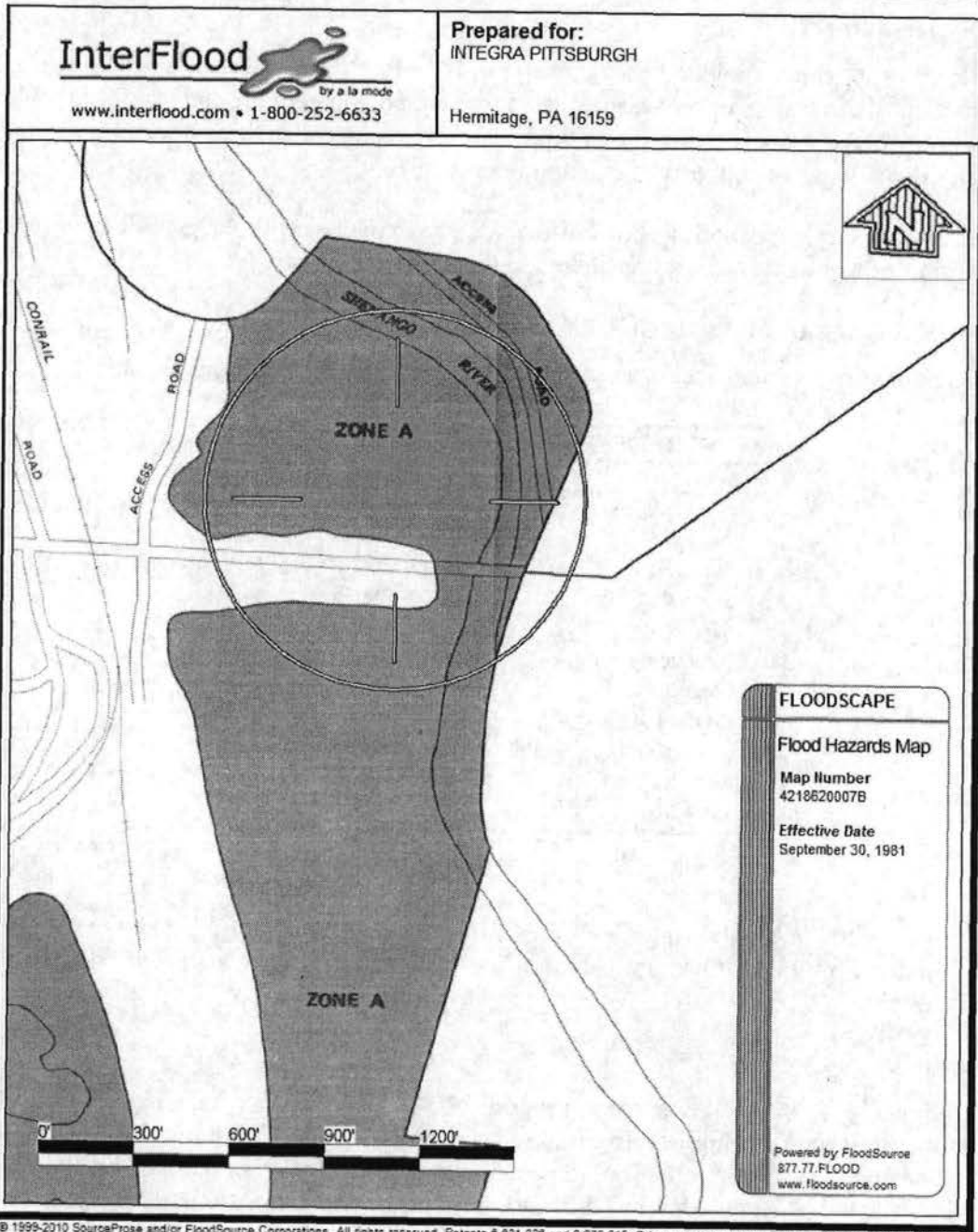
FLOOD HAZARD STATUS	
Community Panel Number	4218620007B
Date	September 30, 1981
Zone	A
Description	Within 100-year floodplain
Insurance Required?	Yes

It appears that only a small portion of the northern portion of the site, estimated to be 10% of the site, is NOT located in Zone A of the 100 year flood plain of the Shenango River. Although the owner reported the building improvement has not been flooded since he has occupied the structure, any new construction or expansion of the existing improvements must meet the requirements of the municipal zoning ordinance for development of properties in the floodplain.

“In the flood plain district, the development and/or use of land shall be permitted in accordance with the regulations of the underlying district; provided, that all such uses, activities, and/or development shall be undertaken in strict compliance with the flood proofing and related provisions contained herein and in all other applicable codes and ordinances.” *City of Hermitage Ordinance 803.2*

Furthermore, “All structures shall be designed and constructed so as to have the capacity of resisting the hydrostatic and hydrodynamic loads and pressures and the effects of buoyancy of the 100 year flood.” *City of Hermitage Ordinance 804.2 (h)*.

A copy of Chapter 8 of the Ordinance outlining the Flood Plain regulations can be found in the Addendum.



© 1999-2010 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,676,615. Other patents pending. For Info: info@floodsource.com.

ENVIRONMENTAL HAZARDS

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards. The subject property has been appraised as if clean and not subject to environmental contamination.

GROUND STABILITY

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

At the time of our inspection portions of the site were covered with large piles of aggregate. These piles of aggregate are not considered in the appraisal.

STREETS, ACCESS AND FRONTAGE

Details pertaining to street access and frontage are provided in the following table.

STREETS, ACCESS AND FRONTAGE	
Street	Ohio Street
Frontage Feet	757
Paving	Yes
Curbs	No
Sidewalks	No
Lanes	Two
Direction of Traffic	East/west
Condition	Average
Traffic Levels	Low
Signals/Traffic Control	None
Access/Curb Cuts	Three
Visibility	Good

UTILITIES

Gas lines, electric lines, and water lines are available at the site. Although sewage is available along the road frontage, it has not been hooked up to the subject, which relies on an on-site septic system.

ZONING

Approximately 75% of the subject property is located within the City of Hermitage, including all of the building improvements. A portion of the northeast quadrant of the site is located in the City of Farrell. The subject is zoned HI, Heavy Industrial, by the City of Hermitage and I-2, Industrial by the City of Farrell. Specific zoning requirements are summarized in the following tables.

ZONING SUMMARY

Zoning Jurisdiction	City of Hermitage
Zoning Designation	HI
Description	Heavy Industrial
Legally Conforming?	Yes
Zoning Change Likely?	No
Permitted Uses	Asphalt paving plant, truck terminals, wholesaling, auto service repair, cold storage plants, dairies, commercial bakery, bottling plants, pipe storage yards, light manufacturing, and heavy manufacturing
Category	Zoning Requirement
Minimum Lot Area	40,000 square feet
Maximum Lot Coverage	50%
Minimum Lot Width	160 feet
Minimum Front Yard	50 feet
Minimum Side Yard	50 feet
Minimum Rear Yard	35 feet
Maximum Height	60 feet

Source: City of Hermitage Zoning Ordinance

ZONING SUMMARY

Zoning Jurisdiction	City of Farrell
Zoning Designation	I-2
Description	Industrial District
Legally Conforming?	Legally non-conforming
Zoning Change Likely?	Yes
Permitted Uses	Light manufacturing, commercial bakeries, commercial laundries, laboratory/research, essential services, corporate offices, truck terminals, warehousing and distribution, building supply/material yard, and other permitted uses
Category	Zoning Requirement
Minimum Lot Area	1 acre
Maximum Lot Coverage	50%
Minimum Front Yard	30 feet
Minimum Side Yard	25 feet
Minimum Rear Yard	40 feet
Maximum Height	4 stories

Source: City of Farrell Zoning Ordinance

Within the City of Hermitage, use of the site as an asphalt paving plant is a permitted use. Based on our conversations with the zoning officer of Farrell, the subject is a legally permitted use which pre-dates the current zoning ordinance. Reportedly, Farrell is currently working on an update to their zoning ordinance and additional permitted uses may be added to the I-2 district. While no changes have been finalized, use of the site as an asphalt paving plant may be added as a permitted use because this would conform to other uses in the I-2 district.

Based on the foregoing, we conclude that the subject's use as an asphalt paving plant is a legally permitted use in Hermitage and a legally non-conforming use which pre-dates the current zoning ordinance in Farrell.

OTHER LAND USE REGULATIONS

We are not aware of any other land use regulations that would affect the property.

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

We are aware of a handshake agreement with the adjoining William Bros. property owner that allows the subject's ownership to run an underground water line across the rear of the adjacent property to the subject. Because this agreement has not been recorded, we assume that it could be extinguished.

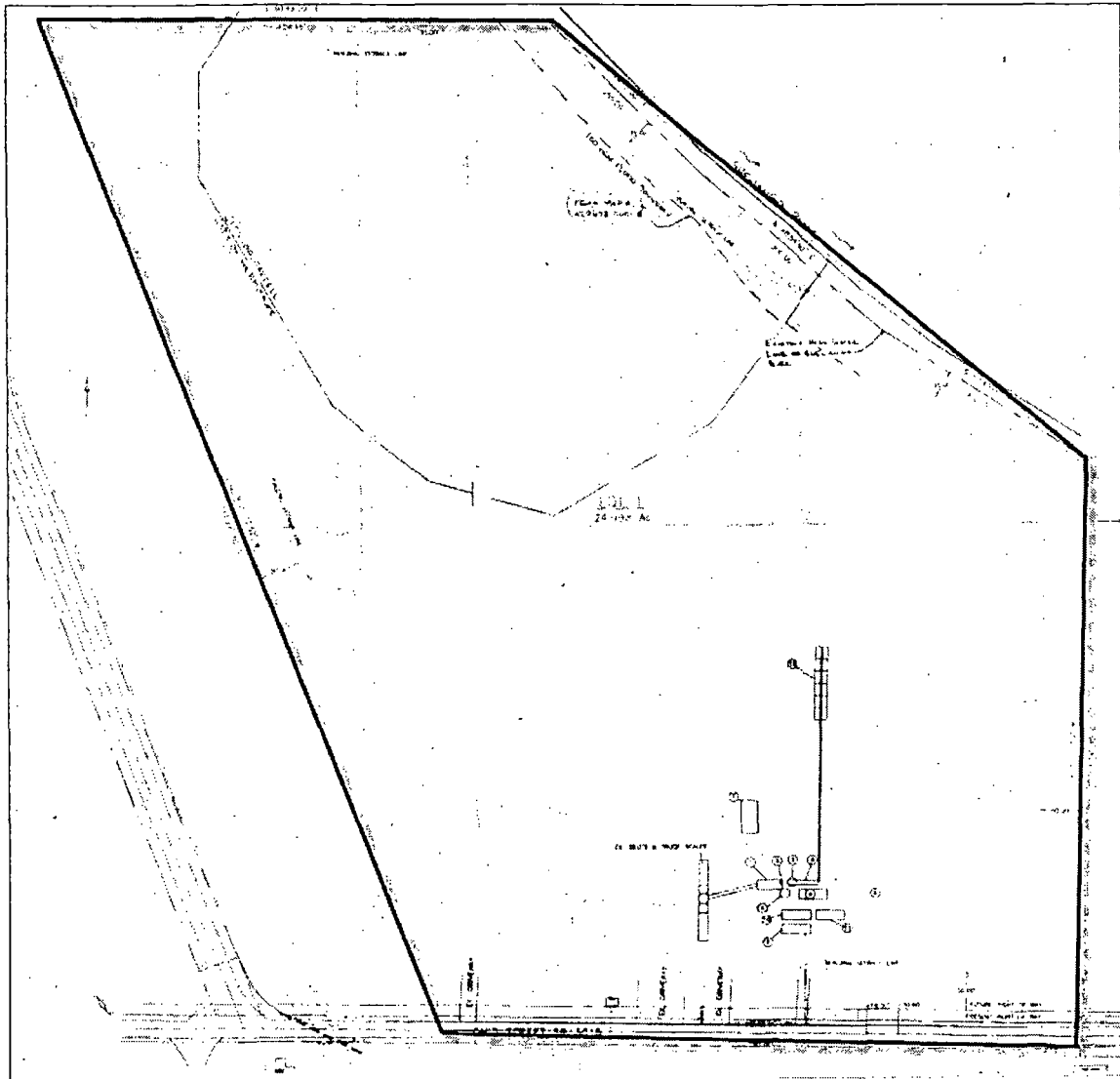
SITE IMPROVEMENTS

The existing asphalt plant improvements are primarily equipment which is not part of this appraisal. However, we note that most of the equipment components of the asphalt plant are bolted to concrete piers. These concrete piers are part of the real estate. We were provided one site plan which indicates what we believe to be the number and size of the piers installed in 1997. These plans are not specific to the subject plant location, but are from a Maryland location where the plant was removed and reinstalled at the Ohio Street location. It was indicated to us that these plans were the basis for the pier installation in 1997. Relative to the existing plant located on the west side of the site, no foundation plans are available; however, it appears the west plant is similar in size to the plant installed in 1997. The plans dated March 31, 1977, prepared by The McCarter Corporation identify 49 piers. The piers vary in size but most are approximately 16 inches x 16 inches with a depth of 20 inches including the area above ground. On average it is estimated the 49 piers are slightly larger at 30 inches by 30 inches by 20 inches or approximately 12 cubic feet per pier. In total the number of piers is estimated to be 100.

CONCLUSION OF SITE ANALYSIS

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include asphalt paving plant, truck terminals, wholesaling, auto service repair, cold storage plants, dairies, commercial bakery, bottling plants, pipe storage yards, light manufacturing, and heavy manufacturing. There are no other particular restrictions on development noted in the analysis except for the site's location within the 100-year flood plain and the lack of a public sewage connection to the existing buildings. Also, we note that an agreement with an adjoining property owner allows for an underground water line to be extended from the Shenango River, across the adjacent property, to the east to the subject property. Because this agreement has not been recorded, we assume that it could be extinguished.

SITE PLAN



IMPROVEMENTS DESCRIPTION AND ANALYSIS

OVERVIEW

The subject is an existing asphalt plant situated on approximately 25 acres of land. The site is 90% usable. Building improvements are limited to five small buildings housing two control units, a lab, electrical equipment and a compressor. Most of the improvements on the site are equipment and are not part of this appraisal. The original plant is believed to have been constructed in the 1960's and expanded in the late 1990's. The property is 100% owner occupied as of the effective date of the appraisal. The site area is 24.998 acres or 1,088,913 square feet. The following description is based on our inspection of the property.

IMPROVEMENTS DESCRIPTION						
	Overall Property	Lab Building	Control House	Compressor	Control House II	Power
Name of Property	Dunbar Asphalt	Lab Building	Control House	Compressor	Control House II	Power
General Property Type	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial
Property Sub Type	Asphalt Plant	-	-	-	-	-
Occupancy Type	Owner Occupied	Owner Occupied	Owner Occupied	Owner Occupied	Owner Occupied	Owner Occupied
Number of Buildings	5	1	1	1	1	1
Stories	1	1	2	1	2	1
Building Shape		L-shaped	Rectangular	Rectangular	Rectangular	Rectangular
Construction Class		S	D	C	D	S
Construction Type		Metal	Wood frame	Masonry	Wood frame	Metal
Construction Quality		Low Cost	Low Cost	Good	Low Cost	Low Cost
Condition		Fair	Fair	Good	Fair	Fair
Gross Building Area (SF)		575	480	160	340	100
Land Area (SF)	1,088,913	-	-	-	-	-
Building Area Source	-	Site plan, measurement	Site plan measurement	Measurement	Measurement	Measurement
Year Built		1997	1997	2005 estimate	1966	Unknown
Actual Age (Yrs.)		14	14	6	45	-
Estimated Effective Age (Yrs.)		25	25	6	25	25
Estimated Economic Life (Yrs.)		30	30	20	30	30
Remaining Economic Life (Yrs.)		5	5	14	5	5

CONSTRUCTION DETAILS

	Lab Building	Control House	Compressor building	Control House II	Power
Foundation	Concrete	Concrete	Concrete	Concrete	Steel
Basement	None	None	None	None	None
Structural Frame	Steel	Wood	Masonry	Wood	Metal
Exterior Walls	Metal	Vinyl	Concrete block	Vinyl	Metal
Windows	Single pane	single pane	None	Single pane	None
Roof	Flat	Gable	Gable	Gable	Gable
Interior Finishes	Minimal	Minimal	None	Minimal	None
HVAC	Window/baseboard	Window/baseboard	None	Window	None

OCCUPANCY STATUS

The property is owner-occupied.

IMPROVEMENTS ANALYSIS**Quality and Condition**

The improvements are of average quality and are in average condition.

The quality of the subject is considered to be consistent with that of other asphalt paving plants in the region. Overall, the market appeal of the subject is consistent with that of most competing properties, considering its age and location.

Functional Utility

The improvements appear to be adequately suited to their current use.

Deferred Maintenance

No deferred maintenance is apparent from our inspection.

ADA Compliance

Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the improvements; however, we are not qualified to detect such substances. Unless otherwise stated, we assume no hazardous conditions exist on or near the subject.

Personal Property

There are no personal property items that would be significant to the overall valuation.

CONCLUSION OF IMPROVEMENTS ANALYSIS

In comparison to other competitive properties in the region, the subject improvements are rated as follows:

IMPROVEMENTS RATINGS	
Visibility	Average
Design and Appearance	Average
Age/Condition	Average

Overall, the quality, condition, and functional utility of the improvements are average for their age and location.



Asphalt Plant Equipment, Looking West
(Photo taken by Paul Griffith on August 8, 2011)



Control House, Looking Northwest
(Photo taken by Paul Griffith on August 8, 2011)



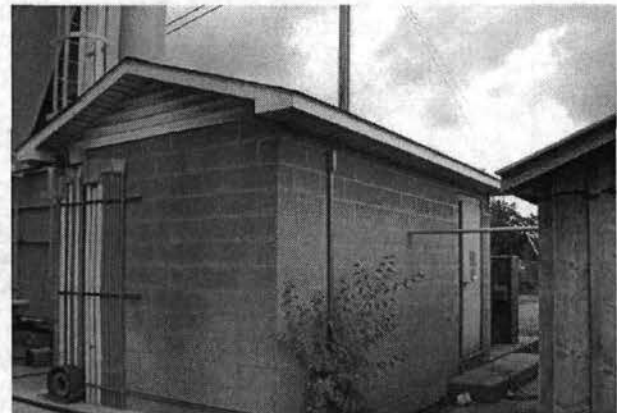
Control House II, Looking Southwest
(Photo taken by Paul Griffith on August 8, 2011)



Power Building, Looking Northwest
(Photo taken by Paul Griffith on August 8, 2011)



Laboratory Building, Looking East
(Photo taken by Paul Griffith on August 8, 2011)



Compressor Building, Looking Northeast
(Photo taken by Paul Griffith on August 8, 2011)



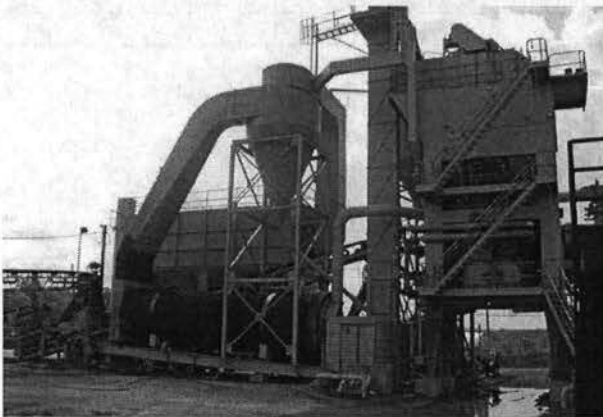
Wooden Storage Shed

(Photo taken by Paul Griffith on August 8, 2011)



Dilapidated Shed

(Photo taken by Paul Griffith on August 8, 2011)



Asphalt Plant Equipment, Looking South

(Photo taken by Paul Griffith on August 8, 2011)



Asphalt Plant, Looking South

(Photo taken by Paul Griffith on August 8, 2011)



Material Area, Looking North

(Photo taken by Paul Griffith on August 8, 2011)



Road Frontage, Dunbar Asphalt Plant Looking West

(Photo taken by Paul Griffith on August 8, 2011)

REAL ESTATE TAX ANALYSIS

Real estate tax assessments are a function of the Mercer Department of Assessments. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate. The composite rate is based on a consistent county tax rate throughout this county, in addition to one or more local taxing district rates.

The assessed values are based upon the current conversion assessment rate of 0.326797 of assessor's market value.

Real estate taxes and assessments for the current tax year are shown in the following table.

TAXES AND ASSESSMENTS - 2011							
Tax ID	Assessed Value			Taxes and Assessments			
	Land	Improvements	Total	Ad Valorem Tax Rate	Taxes	Early Payment Discount	Total
12-170-017-001	\$75,000	\$242,700	\$317,700	8.6500%	\$27,481	2.0%	\$26,931

ASSESSOR'S MARKET VALUE			
Tax ID	Land	Improvements	Total
12-170-017-001	\$229,500	\$742,663	\$972,163

Based on the concluded market value of the subject, the assessed value appears high.

HIGHEST AND BEST USE ANALYSIS

PROCESS

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

HIGHEST AND BEST USE AS IF VACANT

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses. The only physical limitation related to the property is its location within the 100 year flood plain of the Shenango River.

Legally Permissible

Approximately 75% of the site is located within the City of Hermitage and is zoned HI, Heavy Industrial. Permitted uses include asphalt paving plants, truck terminals, wholesaling, auto service repair, cold storage plants, dairies, commercial bakery, bottling plants, pipe storage yards, light manufacturing, and heavy manufacturing uses. The northeast portion of the site is located within the City of Farrell and is zoned I-2, Industrial. Permitted uses include light manufacturing, commercial bakeries, commercial laundries, laboratory/research facilities, corporate offices, truck terminals, and other permitted uses. Furthermore, due to its location in a flood plain, the development of the site is restricted by other regulations as it pertains to protection of the property within the flood plain. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only industrial use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, there is limited demand for additional industrial development at the current time. It appears that a newly developed industrial use on the site would not have a value commensurate with its cost; therefore, industrial use is not considered to be financially feasible. Nevertheless, some demand exists, primarily from owner users, who may purchase land and construct a building regardless of the feasibility of the development. While this type of transaction is business related, not real estate related, it is likely to be the most active demand generator in the market in the foreseeable future. This type of buyer is likely to pay a market oriented price for the land.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than purchase of the property by an owner user for development of an industrial use. Accordingly, it is our opinion that development of the site by an owner user, based productive use of the property.

Conclusion

Development of the site by an owner user with an industrial use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

AS IMPROVED

The subject site is developed with an asphalt paving plant, which is generally consistent with the highest and best use of the site as if it were vacant. The asphalt plant is well located with nearby access to major north/south and east-west routes. The asphalt market appears to be in balance with overall demand steady.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued industrial use is concluded to be maximally productive and the highest and best use of the property as improved.

MOST PROBABLE BUYER

Taking into account the size and characteristics of the property and its owner occupancy, the likely buyer is a local or regional owner-user.

VALUATION ANALYSIS

VALUATION METHODOLOGY

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties. In this instance, the sales comparison approach was only used for land sales.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

APPROACHES TO VALUE		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Applicable	Utilized
Sales Comparison Approach	Not Applicable	Not Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

LAND VALUATION

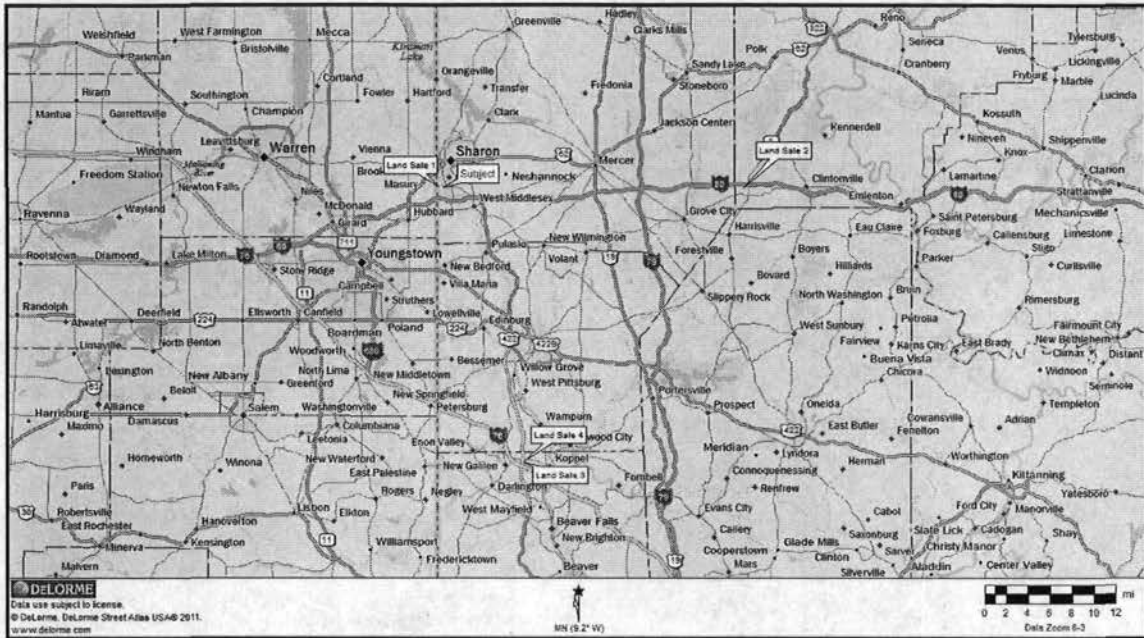
To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. Our sales research focused on transactions within the following parameters:

- Location: I-80, I-79 or I-376 corridors in Western Pennsylvania
- Size: 10 to 40 acres
- Use: Industrial
- Transaction Date: 2006 to 2011

For this analysis, we use price per usable acre as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

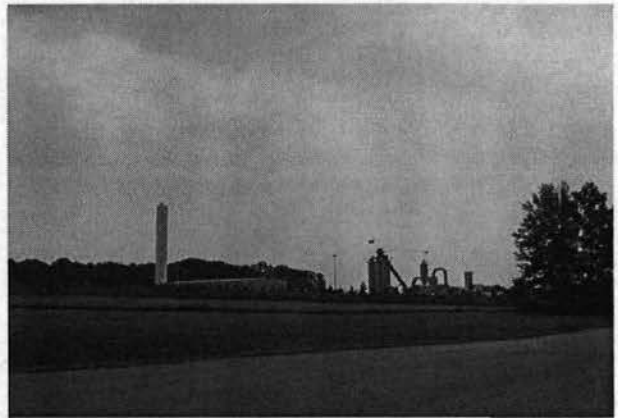
SUMMARY OF COMPARABLE LAND SALES						
No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	\$/SF Land	\$/Acre
1	Quality Lane Industrial Quality Ln. Hermitage Mercer County PA Comments:	Nov-06 Closed	\$369,050	643,033 14.76	\$0.57	\$25,000
			This is a site in the Stateline Industrial Park which was improved with a warehouse building.			
2	Glenn O. Hawbaker 157 Hawbaker Industrial B Barkeyville Venango County PA Comments:	May-07 Closed	\$225,000	1,304,622 29.95	\$0.17	\$7,513
			Located within the Barkeyville Industrial Park, this site was improved with a 450-ton hot mix asphalt plant on a 29.95 acre site. At the time of sale, the site was reportedly shovel ready. The site was improved with the asphalt plant, a high bay steel garage building, a small office building, and a shed. Hawbaker later bought a 2.56 acre site within the park for construction of an office building. This property was purchased in October 2007 for \$23,004.			
3	Kelosky Lot Shenango Rd. Big Beaver Beaver County PA Comments:	Jan-08 Recorded	\$300,000	673,002 15.45	\$0.45	\$19,417
			Lot 4 of the Svihra Plan. Buyer plans to build a showroom/warehouse on part of the site and then subdivide for the sale of smaller sites. Part of a larger distribution warehouse site.			
4	Lindy Paving Site 4405 Shenango Rd. Big Beaver Beaver County PA Comments:	Dec-10 Closed	\$650,000	901,256 20.69	\$0.72	\$31,416
			This is a lot located on Shenango Road approximately 500 yards from the on ramp to I-376 which was improved with an asphalt paving plant.			
	Subject Dunbar Asphalt Products City of Hermitage and City of Farrell, PA			1,088,913 25.00		

COMPARABLE LAND SALES MAP





Land Sale 1
Quality Lane Industrial



Land Sale 2
Glenn O. Hawbaker Asphalt Plant



Land Sale 3
Kelosky Lot



Land Sale 4
Lindy Paving Site

ADJUSTMENT FACTORS

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown as follows.

ADJUSTMENT FACTORS	
Effective Sale Price	Accounts for atypical economics of a transaction, such as demolition cost, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale, related parties transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Flood Plain	Physical factor that can impact the cost and type of development of a site.
Size	Inverse relationship that often exists between parcel size and unit value.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.

We also considered the availability of public utilities to each of the sites. All sales had all public utilities available at the site. This is similar to the subject and no adjustments are required.

When considering market conditions, we note that the sales took place from November 2006 to December 2010, and that market conditions generally have been stable over this period through the effective date of value. Accordingly, we apply no adjustments for market conditions.

ANALYSIS AND ADJUSTMENT OF SALES

Our analysis of the comparable sales is described in the following paragraphs.

Land Sale 1 is a 14.76 acre, or 643,033 square foot, parcel located at Quality Lane, Hermitage, Mercer County, PA. The property sold in November 2006 for \$369,050, or \$25,000 per acre. This property is located in the Stateline Industrial Park approximately 50 yards west of the subject property. Although nearby, the location of this property within an industrial park is considered superior to the location of the subject. The park location provides more consistent uses and is likely to result in more stable long-term values. A downward adjustment is also made for size. Typically smaller parcels sell for more per acre than larger parcels. A downward adjustment is made to reflect the fact that the land area related to this comparable is approximately 50% as large as the subject. This property is located in a KOZ area which reduces the tax burden on the property owner. This is a superior characteristic which resulted in a downward adjustment. Land Sale 1 is not located in a flood zone. This is a superior characteristic compared to the subject and results in a downward adjustment.

Land Sale 2 is a 29.95 acre (usable), or 1,304,622 square foot (usable), parcel located at 157 Hawbakër Industrial Blvd., Barkeyville, Venango County, PA. The property sold in May 2007 for \$225,000, or \$7,513 per usable acre. Although this location is along Interstate 80, it is in a less developed area with more limited industrial demand. Because of the more limited demand this location is considered inferior and the sale is adjusted upward. Similar to Sale 1, the subject is not located in a flood plain and is located in a KOZ area, both superior characteristics. The other elements of adjustment are considered similar to the subject property and no adjustments are required.

Land Sale 3 is a 15.45 acre, or 673,002 square foot, parcel located at Shenango Rd., Big Beaver, Beaver County, PA. The property sold in January 2008 for \$300,000, or \$19,417 per acre. This property is located near an I-376 interchange, a factor similar to the subject. However, it is closer to and more directly impacted by the Pittsburgh MSA, a characteristic considered superior to the subject property. A downward adjustment is also made for size. Typically smaller parcels sell for more per acre than larger parcels. A downward adjustment is made to reflect the fact that the land area related to this comparable is approximately 50% as large as the subject. A portion of the buildable area of this site consists of uneven topography. An upward adjustment is required to reflect this inferior characteristic. This property is not located in a flood plain; a downward adjustment is also made for this element of adjustment.

Land Sale 4 is a 20.69 acre (usable), or 901,256 square foot (usable), parcel located at 4405 Shenango Rd., Big Beaver, Beaver County, PA. The property sold in December 2010 for \$650,000, or \$31,416 per usable acre. This property is also located near an I-376 interchange, a factor similar to the subject. However, it is closer to and more directly impacted by the Pittsburgh MSA, a characteristic considered superior to the subject property. A downward adjustment is made for size, for reasons similar to those described previously, as this comparable has a land area that is approximately 83% as large as the subject. This property is not located in a flood plain, requiring a downward adjustment.

The following table summarizes the adjustments we make to the comparable sales.

LAND SALES ADJUSTMENT GRID					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Dunbar Asphalt Products	Quality Lane Industrial	Glenn O. Hawbaker Asphalt Plant	Kelosky Lot	Lindy Paving Site
Address	255 Ohio Street	Quality Ln.	157 Hawbaker Industrial Blvd.	Shenango Rd.	4405 Shenango Rd.
City	City of Hermitage and City of Farrell	Hermitage	Barkeyville	Big Beaver	Big Beaver
County	Mercer	Mercer	Venango	Beaver	Beaver
State	Pennsylvania	PA	PA	PA	PA
Sale Date		Nov-06	May-07	Jan-08	Dec-10
Sale Status		Closed	Closed	Recorded	Closed
Sale Price		\$369,050	\$225,000	\$300,000	\$650,000
Price Adjustment					
Description of Adjustment					
Effective Sale Price		\$369,050	\$225,000	\$300,000	\$650,000
Square Feet	1,088,913	643,033	1,304,622	673,002	901,256
Acres	24.998	14.762	29.950	15.450	20.690
Usable Acres	24.998	14.762	29.950	12.360	20.690
Price per Usable Acre		\$25,000	\$7,513	\$24,272	\$31,416
PROPERTY RIGHTS			Fee Simple	Fee Simple	Fee Simple
% ADJUSTMENT		0%	0%	0%	0%
FINANCING TERMS					
% ADJUSTMENT		0%	0%	0%	0%
CONDITIONS OF SALE					
% ADJUSTMENT		0%	0%	0%	0%
MARKET CONDITIONS	8/8/2011	Nov-06	May-07	Jan-08	Dec-10
		0%	0%	0%	0%
CUMULATIVE ADJUSTED PRICE		\$25,000	\$7,513	\$24,272	\$31,416
LOCATION		Superior	Inferior	Superior	Superior
% ADJUSTMENT		-10%	20%	-15%	-15%
SIZE		Superior	Similar	Superior	Superior
% ADJUSTMENT		-10%	0%	-10%	-5%
SHAPE AND TOPOGRAPHY		Similar	Similar	Inferior	Similar
% ADJUSTMENT		0%	0%	5%	0%
ZONING		Similar	Similar	Similar	Similar
% ADJUSTMENT		0%	0%	0%	0%
ENTITLEMENTS		Superior	Superior	Similar	Similar
% ADJUSTMENT		-5%	-5%	0%	0%
FLOOD PLAIN		Superior	Superior	Superior	Superior
% ADJUSTMENT		-5%	-5%	-5%	-5%
Net \$ Adjustment		-\$7,500	\$751	-\$6,068	-\$7,854
Net % Adjustment		-30%	10%	-25%	-25%
Final Adjusted Price		\$17,500	\$8,264	\$18,204	\$23,562
Overall Adjustment		-30%	10%	-25%	-25%
Range of Adjusted Prices			\$8,264 - \$23,562		
Average			\$16,882		
Indicated Value			\$20,000		

LAND VALUE CONCLUSION

Prior to adjustments, the sales reflect a range of \$7,513 - \$31,416 per usable acre. After adjustment, the range is narrowed to \$8,264 - \$23,562 per usable acre, with an average of \$16,882 per usable acre. Sale 2, the property developed with the Hawbaker asphalt plant is considered an outlier because of potential motivations that impacted the sale. We are aware that the asking price for land in this park is \$25,000 per acre, but because the local development authority's desire to spur development in the area, a substantially lower price was negotiated. This sale was given limited consideration in the final analysis. To arrive at an indication of value, we place primary emphasis on sales one, three, and four and conclude a value of \$20,000 per acre.

Based on the preceding analysis, we reach a land value conclusion as follows:

LAND VALUE CONCLUSION	
Indicated Value per Usable Acre	\$20,000
Subject Usable Acres	24.998
Indicated Value	\$499,960
Rounded	\$500,000

COST APPROACH

The steps taken to apply the cost approach are:

- Develop an opinion of the value of the land as though vacant and available to be developed to its highest and best use, as of the effective date of the appraisal;
- Estimate the replacement cost new of the existing improvements under current market conditions;
- Estimate depreciation from all causes and deduct this estimate from replacement cost new to arrive at depreciated replacement cost of the improvements; and
- Add land value to the depreciated replacement cost of the improvements to arrive at a market value indication for the property overall.

ESTIMATE OF REPLACEMENT COST

Replacement cost is the current cost to construct improvements with equivalent utility to the subject, using modern materials and current standards, design, and layout. Estimates of replacement cost for the purpose of developing a market value opinion include three components: direct costs, indirect costs (also known as soft costs) and entrepreneurial profit.

Direct Costs

Direct costs are expenditures for labor, materials, equipment and contractor's overhead and profit. We use Marshall Valuation Service (MVS) as the basis of our direct cost estimate. In addition to direct costs, MVS includes certain indirect costs such as architectural and engineering fees, and interest on building loan funds during construction.

Indirect Costs

MVS does not include all of the indirect costs that are appropriate in a replacement cost estimate. Therefore, we add an allowance for the following indirect costs that are not contained within MVS: taxes and carrying costs on land during construction; legal and accounting fees; and marketing and finance costs prior to stabilization. We estimate that a 5% allowance for additional indirect costs is appropriate.

Entrepreneurial Profit

The final component of the replacement cost estimate is entrepreneurial profit, the financial reward that a developer would expect to receive in addition to recovering all direct and indirect costs. This is the expected compensation that would be necessary to motivate a developer to undertake the project. For this type of owner occupied property we do not feel the inclusion of an entrepreneurial profit is appropriate. No profit is included in this cost.

Replacement Cost New

The following tables show our replacement cost estimates for the subject building improvements and site improvements.

REPLACEMENT COST ESTIMATE

Building Improvements							
Bldg Name	MVS Building Type	MVS Class	Quality	Quantity	Unit	Unit Cost	Cost New
Lab Building	Light Industrial	S	Low Cost	575	SF	\$153.62	\$88,332
Subtotal - Replacement Cost New							\$88,332
Plus: Indirect Cost						5%	\$4,417
Subtotal							\$92,748
Plus: Entrepreneurial Profit						0%	\$0
Total Replacement Cost New							\$92,748

Site Improvements							
Item	Quality	Quantity	Unit	Unit Cost	Cost New		
Concrete Foundation Piers	Average	100	Concrete Col. Footing	\$200.00	\$20,000		
Subtotal - Replacement Cost New					\$20,000		
Plus: Indirect Cost						5%	\$1,000
Subtotal							\$21,000
Plus: Entrepreneurial Profit						0%	\$0
Total Replacement Cost New							\$21,000

Overall Property							
Building Improvements							\$88,332
Site Improvements							\$20,000
Subtotal - Replacement Cost New					\$108,332		
Plus: Indirect Cost						5%	\$5,417
Subtotal							\$113,748
Plus: Entrepreneurial Profit						0%	\$0
Total Replacement Cost New							\$113,748

Source: Marshall Valuation Service except for Indirect Costs and Entrepreneurial Profit, which are appraiser's estimates

BUILDING IMPROVEMENTS - UNIT COSTS

Building 1 Name:	Lab Building				
MVS Building Type:	Light Industrial	Unit	SF	Current Multiplier	1.080
Const Class:	S	Unit Cost	\$94.92	Local Multiplier	1.110
Quality:	Low Cost	Sprinklers:	\$0.00	Story Ht Multiplier	1.000
Quality Rating:	Low	HVAC Adjust		Perimeter Multiplier	1.350
Section/Page	14/17	Other:			
Economic Life	30	Subtotal:	\$94.92	Final Unit Cost	\$153.62

Source: Marshall Valuation Service

SITE IMPROVEMENTS - UNIT COSTS

Site Improvement 1 Name:	Concrete Foundation Piers				
Quality:	Average	Unit Cost	\$200.00	Current Multiplier	1.000
Section:	51	Other:	Concrete Piers	Local Multiplier	1.000
Page:	3	Other:			
Unit:	Concrete Col. Footing	Subtotal:	\$200.00	Final Unit Cost	\$200.00

Source: Marshall Valuation Service

For comparison purposes, the following table shows replacement cost plus land value in relation to the concluded market value.

REPLACEMENT COST VS. MARKET VALUE		
	Including Entrepreneurial Profit	Excluding Entrepreneurial Profit
Replacement Cost New	\$113,748	\$113,748
Land Value	\$500,000	\$500,000
Replacement Cost New Including Land Value Rounded	\$613,748	\$613,748
Market Value Conclusion	\$540,000	\$540,000
Market Value as % of RCN Including Land Value	89%	89%

ESTIMATE OF DEPRECIATION

Depreciation is the difference between the replacement cost new of the improvements and their contribution to overall property value on the effective date of the appraisal.

Deferred Maintenance

No items of deferred maintenance are identified; thus, no deductions for this form of depreciation are necessary.

Age-Life Depreciation

After deducting deferred maintenance, if any, we use the age-life method to estimate depreciation applicable to the remaining replacement costs. This method indicates the loss in value due to physical deterioration and some functional obsolescence based on the age and condition of the improvements. The age-life method is applied on a straight-line basis, by dividing the subject's effective age by its economic life. Age-life depreciation for the site improvements is estimated separately from the building improvements, based on their shorter economic lives.

Functional Obsolescence

Functional obsolescence is a loss in value due to changes in market tastes and standards. In the case of the subject, it is not necessary to make a deduction for additional functional obsolescence over and above that accounted for in the age-life method.

External Obsolescence

External obsolescence is a loss in value due to external causes, such as imbalances in supply and demand or negative location influences. A deduction for external obsolescence is not considered necessary for the subject.

Final Estimate of Depreciation

Our estimate of depreciation and calculation of depreciated replacement cost are shown in the following tables.

ESTIMATE OF DEPRECIATION

Building Improvements		
Replacement Cost New		\$92,748
Remaining Cost		\$92,748
Age-Life Depreciation	83%	-\$76,981
Total Depreciation		-\$76,981
<i>Depreciated Replacement Cost</i>		\$15,767
Site Improvements		
Replacement Cost New		\$21,000
Remaining Cost		\$21,000
Age-Life Depreciation	50%	-\$10,500
Total Depreciation		-\$10,500
<i>Depreciated Replacement Cost</i>		\$10,500
Overall Property		
Replacement Cost New		\$113,748
Remaining Cost		\$113,748
Age-Life Depreciation		-\$87,481
Total Depreciation		-\$87,481
Depreciated Replacement Cost		\$26,267
Rounded:		\$26,300

DEPRECIATION WORKSHEET - BUILDING IMPROVEMENTS

Bldg #	Bldg Name	Effective Age (Yrs)	Economic Life (Yrs)	S/L Deprec. %	Replacement Cost New	% of Overall RCN	Wtd. Avg. S/L Deprec.
1	Lab Building	25	30	83%	\$92,748	100.0%	83.3%
					\$92,748	100.0%	83.3%
Weighted Average Depreciation %							
Rounded							83%

DEPRECIATION WORKSHEET - SITE IMPROVEMENTS

Site Imp #	Item	S/L Deprec. %	Replacement Cost New	% of Overall RCN	Wtd. Avg. S/L Deprec.
1	Concrete Foundation Piers	50%	\$21,000	100.0%	50.0%
			\$21,000	100.0%	50.0%
Weighted Average Depreciation %					
Rounded					50%

VALUE INDICATION BY COST APPROACH

By combining our land value conclusion with the depreciated replacement cost of the improvements, we arrive at a value indication by the cost approach as shown in the table below. Not specifically included in the improvement replacement cost are the four other buildings listed as building improvements. These are primarily shed type structures with limited utility. We have calculated the total area of these buildings to be 1,080 square feet. Based on a review of the estimated contributory value of functional buildings in the area, the estimated contributory value of these structures is \$15 per square foot of \$15,000.

VALUE INDICATION BY COST APPROACH

	<u>As-Is</u>	
Depreciated Replacement Cost		\$26,300
Land Value		\$500,000
Other Structures		\$15,000
Indicated Property Value		\$541,300
Rounded		\$540,000

RECONCILIATION AND CONCLUSION OF VALUE

Reconciliation involves the weighting of alternative value indications, based on the judged reliability and applicability of each approach to value, to arrive at a final value conclusion. Reconciliation is required because different value indications result from the use of multiple approaches and within the application of a single approach. The values indicated by our analyses are as follows:

SUMMARY OF VALUE INDICATIONS	
	Market Value
Cost Approach	\$540,000
Sales Comparison Approach	Not Used
Income Capitalization Approach	Not Used
Reconciled	\$540,000

COST APPROACH

The cost approach is most reliable for newer properties that have no significant amount of accrued depreciation. However, in this instance because the preponderance of the value is in the land and the improvements have minimal contributory value, the Cost Approach is considered the best indicator of value.

Sales Comparison Approach

The sales comparison approach is used only to estimate the market value of the land.

INCOME CAPITALIZATION APPROACH

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return.

An owner-user is the most likely purchaser of the appraised property, and the income capitalization approach does not represent the primary analysis undertaken by the typical owner-user. Accordingly, this approach is not developed in this appraisal.

FINAL OPINION OF VALUE

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	August 8, 2011	\$540,000

EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. It is an extraordinary assumption that the estimated number of piers and the size of the piers is a reasonably accurate estimate of the number and average size of the piers.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

EXPOSURE AND MARKETING TIMES

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Marketing time is an estimate of the amount of time it might take to sell a property at the estimated market value immediately following the effective date of value.

Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local industrial market, presented earlier in this report, it is our opinion that the probable exposure time for the property is 12 months.

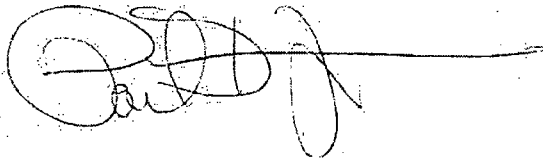
We foresee no significant changes in market conditions in the near term; therefore, it is our opinion that a reasonable marketing period is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 12 months.

CERTIFICATION

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. 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.
4. We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal practice as well as applicable state appraisal regulations.
9. The appraisal was made and the appraisal report prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.
10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1¹⁴ of the Uniform Appraisal Standards for Federal Land Acquisitions.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. Paul D. Griffith, MAI, CRE, FRICS and Thomas M. Korpiel, MAI made a personal inspection of the property that is the subject of this report.
13. Significant real property appraisal assistance was provided by Jonathan G. Kuzma who has not signed this certification.
14. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

15. As of the date of this report, Paul D. Griffith, MAI, CRE, FRICS and Thomas M. Korpiel, MAI have completed the continuing education program of the Appraisal Institute.
16. As of the date of this report, Paul D. Griffith, MAI, CRE, FRICS and Thomas M. Korpiel, MAI have completed the Standards and Ethics Education Requirement of the Appraisal Institute for associate members.
17. As of August 8, 2011, effective date of this report, the opinion of value of the subject property is \$540,000.



Paul D. Griffith, MAI, CRE, FRICS
Certified General Real Estate Appraiser
Pennsylvania Certificate # GA 000261L



Thomas M. Korpiel, MAI
Certified General Real Estate Appraiser
Pennsylvania Certificate # GA 001023L

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize; and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. Integra Realty Resources – Pittsburgh is not a building or environmental inspector. Integra Pittsburgh does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. It is expressly acknowledged that in any action which may be brought against Integra Realty Resources – Pittsburgh, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – Pittsburgh, an independently owned and operated company, has prepared the appraisal for the specific purpose stated elsewhere in the report. The intended use of the appraisal is stated in the General Information section of the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

- I. It is an extraordinary assumption that the estimated number of piers and the size of the piers is a reasonably accurate estimate of the number and average size of the piers.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

- I. None
-

ADDENDUM A
APPRAISER QUALIFICATIONS

Professional Qualifications

Paul D. Griffith, MAI, CRE, FRICS

Experience

Managing Director for Integra Realty Resources, based in the Pittsburgh, Pennsylvania office. Since 1977, Mr. Griffith has completed thousands of appraisals on all types of properties throughout the Eastern and Mid-Atlantic regions of the country. From 1979 to 1983, he was associated with Berman and Company. From 1986 to 1991 he was President of Barone, Griffith, Motta and Murtha, Inc. Specialty areas include complex valuations of development properties, special purpose properties, complex litigation assignments, and all types of income producing properties. Mr. Griffith also provides consulting services in the form of market studies, feasibility studies, and economic impact studies. Mr. Griffith also has prepared market studies and appraisals in compliance with the HUD MAP program.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI), November 1984
Royal Institute of Chartered Surveyors, Fellow (FRICS)
Counselor of Real Estate (CRE)
Member: NAIOP
Member: Institute for Professionals in Taxation
Member: Metropolitan Pittsburgh Board of Realtors
Member: Urban Land Institute

Licenses

Pennsylvania, Certified General Real Estate, GA000261L
West Virginia, Certified General Real Estate, CG372
Ohio, Certified General Real Estate, 2007001203
Maryland, Certified General Real Estate, 10225

Education

Graduate of Pennsylvania State University (BS), Business Administration

Successfully completed numerous real estate and valuation courses and seminars sponsored by the Appraisal Institute, accredited universities and others.

Other Relevant Course Work:

Department of HUD - Philadelphia Multifamily Appraiser Training
HUD MAP Third Party Technical Training, Washington, DC, October, 2009
Society of Real Estate Appraisers Course - Introduction to Appraising Real Property
University of Pittsburgh Course - Appraisal of Real Estate

Qualified Before Courts & Administrative Bodies

Mr. Griffith has qualified as an expert witness in quasi-judicial proceedings in Allegheny, Butler, Westmoreland, Blair, Lawrence, Erie and Beaver Counties, the Court of Common Pleas in Allegheny, Beaver, Lancaster, York Washington, and Potter County, Pennsylvania and Hamilton County, Ohio. He has also qualified as an expert witness in the United States Federal Court, Western Pennsylvania District, United States Bankruptcy Court, Western Pennsylvania and Southern New York.

Professional Qualifications

Miscellaneous

Teaching

- Duquesne University, Pittsburgh, PA - Adjunct Professor, (1989-1992)
- Real Estate Appraisal, Undergraduate School of Business
- Appraisal Institute
 - Income Capitalization Course Series, (1989-2001)
 - Highest & Best Use and Market Analysis, (1996-2001)
- Institute for Professionals in Taxation
 - Intermediate Property Tax School, (1995-Present)

DISPLAY THIS CERTIFICATE PROMINENTLY • NOTIFY AGENCY WITHIN 10 DAYS OF ANY CHANGE

10 0636661

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
08/15/1991

Expiration Date
06/30/2013

PAUL DAVID GRIFFITH
195 SUMMERLAWN DRIVE
SEWICKLEY PA 15143

Certificate Number
GA000261L

Kate T...
Acting Commissioner of Professional and Occupational Affairs

Paul D...
Signature

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Professional Qualifications

Thomas M Korpiel, MAI

Experience

Director for Integra Realty Resources, based in the Pittsburgh, Pennsylvania office. Mr. Korpiel has completed hundreds of appraisals on various properties in the northeastern region of the country.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute
Appraisal Institute - Approved Instructor
Past President - Appraisal Institute (Pittsburgh Metro Chapter)
Past Regional Representative - Appraisal Institute (Pittsburgh Metro Chapter)

Licenses

Pennsylvania, Certified General Real Estate, GA001023L
Maryland, Certified General Real Estate, 3724

Education

Springfield College, Springfield, Massachusetts - Bachelor of Science
Ohio University - Athens, Ohio - Master of Education
George Washington University - Washington D.C. - Master of Business Administration

Recently received credit for the following courses and seminars sponsored by the Appraisal Institute:

- Appraisal Consulting
- Separating Real and Personal Property from Intangible Business Assets
- Basic Appraisal Principles & Appraisal Procedures
- Real Estate Financial Statistics & Valuation Modeling
- Residential Market Analysis Highest & Best Use
- Alternative Uses & Cost Valuation of Small, Mixed-Use Properties
- Sales Comparison Valuation of Small Mixed-Use Properties
- Tenant Credit Analysis
- Rates & Ratios: Making Sense of GIM's, OAR's, and DCF's
- Supporting Capitalization Rates
- Real Estate Finance Statistics and Valuation Modeling
- Sales Comparison Valuation of Small, Mixed-Use Properties
- Alternative Uses & Cost Valuation of Small, Mixed-Use Properties
- Analyzing Commercial Lease Clauses
- Appraisal Consulting: A Solutions Approach for Professionals
- Condemnation Appraising: Advanced Topics and Applications
- Appraisal Office Management
- The Appraiser as an Expert Witness: Preparation & Testimony
- New Industrial Valuation
- Litigation Skills for the Appraiser

Miscellaneous

Appraisal Institute Instructor: Real Estate Finance Statistics and Valuation Modeling, Residential Market Analysis and Highest & Best Use, Basic Appraisal Principals, General Appraiser Site Valuation & Cost Approach, General Appraiser Income Approach (Part I), Alternative Uses & Cost Valuation of Small, Mixed-Use Props., Sales Comparison Valuation of Small, Mixed-Use Properties.

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10 0626523

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
05/12/1993

Expiration Date
06/30/2013

THOMAS MICHAEL KORPIEL
151 KIMBER DRIVE
MCMURRAY PA 15317

Certificate Number
GA001023L

Kate True
Commissioner of Professional and Occupational Affairs

Thomas M. Korpiel
Signature

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

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

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

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

SUBJECT PROPERTY ADDRESS: 255 Ohio Street Hermitage, PA

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

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

SIGNATURE OF THE APPRAISAL TRAINEE *Jonathan G. Kuzma*

PRINT/TYPE NAME: Jonathan G. Kuzma

<p>The supervising certified real estate appraiser certifies that the named individual did assist with the items checked above, and also certifies that he/she reviewed all work done by the trainee. The supervising appraiser further certifies that the person signing this report as trainee understands the concepts and processes associated with the appraisal process.</p> <p>SIGNATURE OF SUPERVISING CERTIFIED REAL ESTATE APPRAISER: _____</p>

DISPLAY THIS CERTIFICATE PROMINENTLY • NOTIFY AGENCY WITHIN 10 DAYS OF ANY CHANGE

10 0984569

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

License Type
Licensed Appraiser Trainee

License Status
Active

Initial License Date
10/13/2010

Expiration Date
06/30/2013

JONATHAN G KUZMA
112 VICTORY LANE
LEETSDALE PA 15056

License Number
LAT000166

Basil L. Mowda
Commissioner of Professional and Occupational Affairs

[Signature]
Bureau of Professional and Occupational Affairs

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INTEGRA REALTY RESOURCES, INC. CORPORATE PROFILE

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with 59 independently owned and operated offices in 33 states. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and each is headed by a Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins, MAI, MRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, MAI, MRICS
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Gary K. DeClark, MAI, CRE, FRICS
CHICAGO, IL - Eric L. Entloe, MAI, MRICS
CINCINNATI, OH - Gary S. Wright, MAI, SRA, FRICS
CLEVELAND, OH - Douglas P. Sloan, MAI
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM, MRICS
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, MRICS
DAYTON, OH - Gary S. Wright, MAI, SRA, FRICS
DENVER, CO - Brad A. Weiman, MAI, MRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Donald J. Sherwood, MAI, SR/WA, FRICS
GREENVILLE, SC - Michael B. Dodds, MAI, CCIM, MRICS
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, MRICS
KANSAS CITY, MO/KS - Kenneth Jagers, MAI, FRICS
LAS VEGAS, NV - Shelli L. Lowe, MAI, SRA, MRICS
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - George M. Chapman, MAI, SRA, CRE, FRICS
MEMPHIS, TN - J. Walter Allen, MAI, MRICS
MIAMI/PALM BEACH, FL - Scott M. Powell, MAI
MILWAUKEE, WI - Gary K. DeClark, MAI, CRE, FRICS
MINNEAPOLIS, MN - Michael Amundson, MAI, CCIM, MRICS
NAPLES, FL - Carlton J. Lloyd, MAI
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, MRICS
NEW JERSEY COASTAL - Anthony Graziano, MAI, CRE, FRICS
NEW JERSEY NORTHERN - Barry J. Krauser, MAI, CRE, FRICS
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
ORANGE COUNTY, CA - Larry D. Webb, MAI, FRICS
ORLANDO, FL - Charles J. Lentz, MAI, MRICS
PHILADELPHIA, PA - Joseph Pasquarella, MAI, CRE, FRICS
PHOENIX, AZ - Walter Winius, Jr., MAI, CRE, FRICS
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS
PROVIDENCE, RI - Gerard H. McDonough, MAI
RALEIGH, NC - Chris R. Morris, MAI, MRICS
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, MRICS
SACRAMENTO, CA - Scott Beebe, MAI, FRICS
ST. LOUIS, MO - Kenneth Jagers, MAI, FRICS
SALT LAKE CITY, UT - Darrin Liddell, MAI, CCIM, MRICS
SAN ANTONIO, TX - Martyn C. Glen, MAI, CRE, FRICS
SAN DIEGO, CA - Jeff Greenwald, MAI, SRA, FRICS
SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
SARASOTA, FL - Carlton J. Lloyd, MAI
SARASOTA, FL - Craig L. Smith, MAI, MRICS
SAVANNAH, GA - J. Carl Schultz, Jr., MAI, SRA, CRE, FRICS
SEATTLE, WA - Allen N. Safer, MAI, MRICS
SYRACUSE, NY - William J. Kimball, MAI, FRICS
TAMPA, FL - Bradford L. Johnson, MAI, MRICS
TULSA, OK - Robert E. Gray, MAI, FRICS
WASHINGTON, DC - Patrick C. Kerr, MAI, SRA, FRICS
WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS
IRR de MEXICO - Oscar J. Franck Terrazas, MRICS

Corporate Office

1133 Avenue of the Americas, 27th Floor, New York, New York 10036
Telephone: (212) 255-7858; Fax: (646) 424-1869; E-mail info@irr.com
Website: www.irr.com

ADDENDUM B
DEFINITIONS

DEFINITIONS

The source of the following definitions is *The Dictionary of Real Estate Appraisal, Fifth Edition*, Appraisal Institute, Chicago, Illinois, 2010, unless otherwise noted.

As Is Market Value

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

Deferred Maintenance

Needed repairs or replacement of items that should have taken place during the course of normal maintenance.

Depreciation

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

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Disposition Value

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

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time specified by the client.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date of Appraisal

The date on which the analyses, opinions, and advice in an appraisal, review, or consulting service apply.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Excess Land; Surplus Land

Excess Land: Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued independently.

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

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Fee Simple Estate

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

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Gross Building Area (GBA)

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

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Industrial Property Classifications

Distribution Warehouse: High cube single-story structures with clear ceiling heights of at least 22 feet but more commonly 24 feet to allow three stacking heights of seven feet each. Some distribution buildings now have clear ceiling heights as high as 40 feet or more due to the introduction of robotic computer systems, which allow very narrow aisles and high stacking. In general, column spacing is wider than that in office warehouse buildings and office build-out is minimal, generally 10% or less. *(Source: Integra Realty Resources)*

Flex: Buildings designed with warehouse capabilities such as dock-high or drive-in loading doors and clear ceiling heights of 14 to 16 feet. However, they are termed flex based on their broad range of office finish and their single-story exterior office appearance. The level of office finish typically ranges from 30% to 70% and suites can be divided into relatively small units. Research & Development (R&D) buildings are similar to flex warehouse construction but with higher percentages of office finish, often up to 90%. *(Source: Integra Realty Resources)*

Manufacturing: Buildings intended to provide space in which to transform, fabricate, or assemble physical resources into physical products/goods for sale. These buildings can vary greatly in design, with low clear ceiling heights of 12 feet, to very high clear ceiling heights of 30 feet or more, according to specific industry needs. *(Source: Integra Realty Resources)*

Office Warehouse: Generally single-story buildings with clear ceiling heights ranging from about 16 feet to 21 feet. The level of office finish is shaped by the needs of individual tenants, the general uses within the market area, and the availability of parking. The level of office finish typically ranges from 10% to 20%. Suites are typically larger than flex warehouse space. These buildings usually have drive-in bays, dock height bays, or a combination thereof and are used for light manufacturing, services, and small-scale distribution businesses. *(Source: Integra Realty Resources)*

Insurable Value

Value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and noninsurable items. Sometimes cash value or market value, but often entirely a cost concept. *(Source: Marshall Valuation Service)*

Lease

A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent:

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e, a lease).

Leasehold Interest

The tenant's possessory interest created by a lease.

Lease Type

Full Service Lease or Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses.

Full Service + Tenant Electric Lease or Gross + Tenant Electric Lease: A lease in which the tenant pays electric charges for its space but in other respects is a full service or gross lease as defined above. Tenant electric is often abbreviated as "TE". (Source: *Integra Realty Resources*)

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

Net Lease: A general term for a lease in which the tenant pays all or most of the operating and fixed expenses of a property. Whenever the term net lease is used, an analyst should identify the specific expense responsibilities of the tenant and owner. (Source: *Integra Realty Resources*)

Triple Net Lease: A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, net net net, or fully net lease.

Absolute Net Lease: A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant.

Liquidation Value

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

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.

6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars, or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

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

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.

Market Value

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:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Code of Federal Regulations, Title 12, Chapter 1, Part 34.42[g])

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Rentable Area (RA)

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design and layout.

Reproduction Cost

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

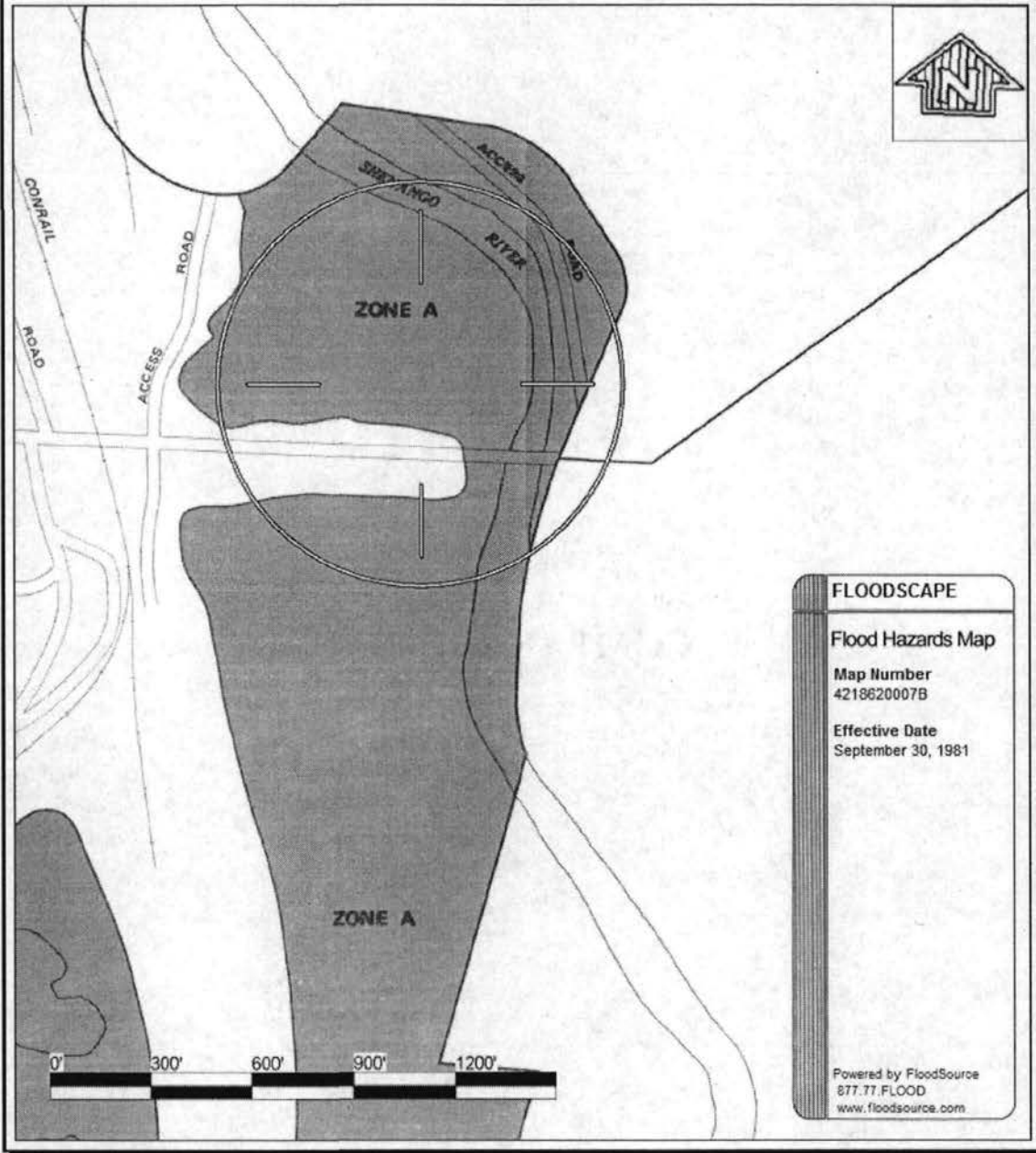
Stabilized Income

Income at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; projected income that is subject to change, but has been adjusted to reflect an equivalent, stable annual income.

ADDENDUM C
PROPERTY INFORMATION

InterFlood
by a la mode
www.interflood.com • 1-800-252-6633

Prepared for:
INTEGRA PITTSBURGH
Hermitage, PA 16159



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ADDENDUM D
COMPARABLE DATA

LAND SALE PROFILE

Location & Property Identification

Property Name: Quality Lane Industrial
Sub-Property Type: Industrial
Address: Quality Ln.
City/State/Zip: Hermitage, PA 16148
County: Mercer

Market Orientation: Industrial Park



Lat./Long.: 41.232817/-80.420956 IRR Event ID (487153)

Sale Information

Sale Price: \$369,050
Eff. R.E. Sale Price: \$369,050
Sale Date: 11/17/2006
Contract Date: 11/17/2006
Sale Status: Closed
\$/Acre(Gross): \$25,000
\$/Land SF(Gross): \$0.57
\$/Acre(Usable): \$25,000
\$/Land SF(Usable): \$0.57

Usable/Gross Ratio: 1.00
Topography: Level
Zoning Code: I
Zoning Desc.: Industrial
Utilities: Electricity, Water Public,
Sewer, Gas, Telephone
Source of Land Info.: Other

Comments

This is a site in the Stateline Industrial Park which was improved with a warehouse building.

Grantor/Seller: Penn Northwest
Development
Grantee/Buyer: Genesis II Development
LLC
% of Interest Conveyed: 100.00
Document Type: Deed
Verified By: Thomas M. Korpiel, MAI
Verification Date: 8/16/11
Verification Source: Richard English, SRA

Improvement and Site Data

MSA: Youngstown-Warren-Board
man, OH-PA Metropolitan
Statistical Area

Legal/Tax/Parcel ID: 13-170-015-001
Acres(Usable/Gross): 14.76/14.76
Land-SF(Usable/Gross): 643,032/643,032

Quality Lane Industrial

LAND SALE PROFILE

Location & Property Identification

Property Name: Glenn O. Hawbaker
Asphalt Plant

Sub-Property Type: Industrial:
Industrial-Business Park

Address: 157 Hawbaker Industrial
Blvd.

City/State/Zip: Barkeyville, PA 16038

County: Venango

Market Orientation: Rural



Lat./Long.: 41.135648/-79.974883 IRR Event ID (487929)

Sale Information

Sale Price: \$225,000

Eff. R.E. Sale Price: \$225,000

Sale Date: 05/30/2007

Sale Status: Closed

\$/Acre(Gross): \$7,513

\$/Land SF(Gross): \$0.17

\$/Acre(Usable): \$7,513

\$/Land SF(Usable): \$0.17

Grantor/Seller: Oil Region Alliance of
Business Industry and
Tourism

Grantee/Buyer: Glenn O. Hawbaker, Inc.

Property Rights: Fee Simple

% of Interest Conveyed: 100.00

Document Type: Deed

Recording No.: Venango County Deed
Book 450, Page 12

Verified By: Jonathan G. Kuzma

Verification Date: 8/19/11

Verification Source: John Phillips (814)
677-3152

Verification Type: Confirmed-Seller Broker

Acres(Usable/Gross): 29.95/29.95

Land-SF(Usable/Gross): 1,304,622/1,304,622

Usable/Gross Ratio: 1.00

Shape: Irregular

Topography: Level

Utilities: Electricity, Water Public,
Sewer

Source of Land Info.: Broker

Comments

Located within the Barkeyville Industrial Park, this site was improved with a 450-ton hot mix asphalt plant on a 29.95 acre site. At the time of sale, the site was reportedly shovel ready. The site was improved with the asphalt plant, a high bay steel garage building, a small office building, and a shed. Hawbaker later bought a 2.56 acre site within the park for construction of an office building. This property was purchased in October 2007 for \$23,004.

Improvement and Site Data

Legal/Tax/Parcel ID: 31-001-016E-000

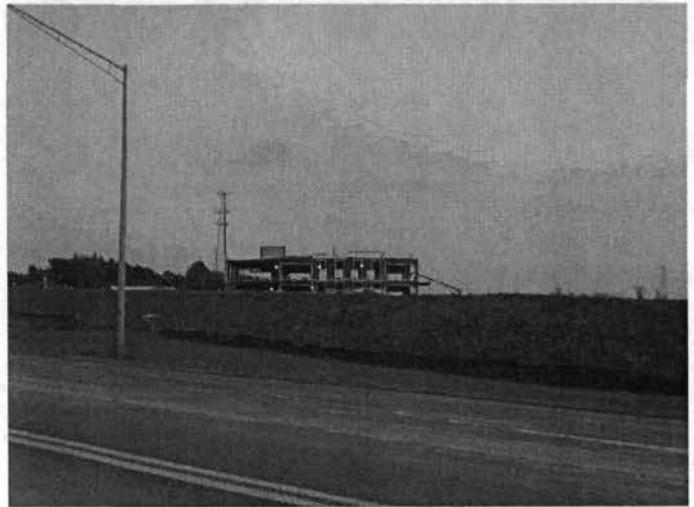
Glenn O. Hawbaker Asphalt Plant

LAND SALE PROFILE

Location & Property Identification

Property Name: Kelosky Lot
Sub-Property Type: Industrial: Distribution Warehouse
Address: Shenango Rd.
City/State/Zip: Big Beaver, PA 16141
County: Beaver

Market Orientation: Rural



Lat./Long.: 40.826397/-80.368705 IRR Event ID (297605)

Sale Information

Sale Price: \$300,000
Eff. R.E. Sale Price: \$300,000
Sale Date: 01/25/2008
Contract Date: 01/25/2008
Sale Status: Recorded
\$/Acre(Gross): \$19,417
\$/Land SF(Gross): \$0.45
\$/Acre(Usable): \$24,272
\$/Land SF(Usable): \$0.56

Grantor/Seller: Robert Svihra
Grantee/Buyer: Rudy and Brent Kelosky
Property Rights: Fee Simple
% of Interest Conveyed: 100.00
Document Type: Deed
Recording No.: Beaver County Instrument No. 20083316339

Verified By: Thomas M. Korpiel, MAI
Verification Source: Dan Deceder, SRA

Sale Analysis

Entitlement @ T.O.S.: Yes

Improvement and Site Data

MSA: PITTSBURGH, PA METROPOLITAN STATISTICAL AREA
Legal/Tax/Parcel ID: 53-102-0239.005
Acres(Usable/Gross): 12.36/15.45
Land-SF(Usable/Gross): 538,401/673,002
Usable/Gross Ratio: 0.80
Shape: Irregular
Topography: Gently Sloping
Corner Lot: Yes
Frontage Feet: 700
Frontage Desc.: Shenago Road
Zoning Code: C-3
Zoning Desc.: Commercial
Easements: Yes
Easements Desc.: Interior road easements within the industrial park.
Environmental Issues: Yes
Environmental Desc.: Portions located in wetlands
Source of Land Info.: Other

Comments

Lot 4 of the Svihra Plan. Buyer plans to build a showroom/warehouse on part of the site and then subdivide for the sale of smaller sites. Part of a larger distribution warehouse site.

Kelosky Lot

LAND SALE PROFILE

Location & Property Identification

Property Name: Lindy Paving Site
Sub-Property Type: Industrial
Address: 4405 Shenango Rd.
City/State/Zip: Big Beaver, PA 16157
County: Beaver

Market Orientation: Suburban



Lat./Long.: 40.845983/-80.364696 IRR Event ID (488801)

Source of Land Info.: Other

Sale Information

Sale Price: \$650,000
Eff. R.E. Sale Price: \$650,000
Sale Date: 12/15/2010
Sale Status: Closed
\$/Acre(Gross): \$31,416
\$/Land SF(Gross): \$0.72
\$/Acre(Usable): \$31,416
\$/Land SF(Usable): \$0.72

Grantor/Seller: Robert J. Svihra
Grantee/Buyer: Lindy Paving, Inc.
Property Rights: Fee Simple
% of Interest Conveyed: 100.00
Document Type: Deed
Recording No.: Beaver County Deed Book
29, Page 195

Comments

This is a lot located on Shenango Road approximately 500 yards from the on ramp to I-376 which was improved with an asphalt paving plant.

Improvement and Site Data

MSA: Pittsburgh, PA
Metropolitan Statistical
Area
Legal/Tax/Parcel ID: 53-102-0239-006
Acres(Usable/Gross): 20.69/20.69
Land-SF(Usable/Gross): 901,256/901,256
Usable/Gross Ratio: 1.00
Topography: Level
Corner Lot: No

Lindy Paving Site

ADDENDUM E
LETTER OF AUTHORIZATION

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, AND 30				1. REQUISITION NUMBER W81W3G11959524		PAGE 1 OF 33	
2. CONTRACT NO W912DR-11-P-0168		3. AWARD/EFFECTIVE DATE 15-Jul-2011	4. ORDER NUMBER		5. SOLICITATION NUMBER		6. SOLICITATION ISSUE DATE
7. FOR SOLICITATION INFORMATION CALL:			a. NAME		b. TELEPHONE NUMBER (No Collect Calls)		8. OFFER DUE DATE/LOCAL TIME
9. ISSUED BY US ARMY CORPS OF ENGINEERS BALTIMORE DIS 10 SOUTH HOWARD STREET BALTIMORE MD 21201-2536 TEL: FAX:			CODE W912DR	10. THIS ACQUISITION IS <input type="checkbox"/> UNRESTRICTED <input checked="" type="checkbox"/> SET ASIDE: 100% FOR <input checked="" type="checkbox"/> SB <input type="checkbox"/> HUBZONE SB <input type="checkbox"/> 8(A) <input type="checkbox"/> SVC-DISABLED VET-OWNED SB <input type="checkbox"/> EMERGING SB SIZE STD: 16.6M NAICS: 531320		11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE	12. DISCOUNT TERMS
15. DELIVER TO REAL ESTATE DIVISION FRED ENGESSER 10 SOUTH HOWARD ST. BALTIMORE MD 21201			CODE E1N0000	16. ADMINISTERED BY SEE ITEM 9			CODE
17a. CONTRACTOR/OFFEROR INTEGRA REALTY RESOURCES - PITTSBURGH, I PAUL GRIFFITH 2591 WEXFORD BAYNE RD STE 102 SEWICKLEY PA 15143-8676 TEL. 724-742-3324			CODE 1TZM3	18a. PAYMENT WILL BE MADE BY USACE FINANCE CENTER ATTN: EFT/DISBURSING 5722 INTEGRITY DRIVE MILLINGTON TN 38054-5005		CODE T0B0200	FACILITY CODE
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER				18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a. UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM			
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/ SERVICES			21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
SEE SCHEDULE							
25. ACCOUNTING AND APPROPRIATION DATA See Schedule					26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$8,000.00		
<input type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3, 52.212-5 ARE ATTACHED.				ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED			
<input type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED.				ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED			
28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES <input type="checkbox"/> TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.				29. AWARD OF CONTRACT: REFERENCE <input type="checkbox"/> OFFER DATED YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:			
30a. SIGNATURE OF OFFEROR/CONTRACTOR			31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)		31c. DATE SIGNED		
			<i>Linda M. Evans</i>		19-Jul-2011		
30b. NAME AND TITLE OF SIGNER (TYPE OR PRINT)		30c. DATE SIGNED	31b. NAME OF CONTRACTING OFFICER (TYPE OR PRINT)				
			LINDA M. EVANS / ADDED BY SUMI TEL: 410-962-2708 EMAIL: Linda.Evans@usace.army.mil				

**SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
(CONTINUED)**

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/ SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
SEE SCHEDULE					

32a. QUANTITY IN COLUMN 21 HAS BEEN <input type="checkbox"/> RECEIVED <input type="checkbox"/> INSPECTED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: _____					
32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE		32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE		
32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE			32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE		
			32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE		
33. SHIP NUMBER	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	37. CHECK NUMBER	
38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY			
41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT		42a. RECEIVED BY (<i>Print</i>)			
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER		41c. DATE	42b. RECEIVED AT (<i>Location</i>)		
		42c. DATE REC'D (<i>YY/MM/DD</i>)	42d. TOTAL CONTAINERS		

Section SF 1449 - CONTINUATION SHEET

SOW**SCOPE OF WORK****SHARON STEEL SUPERFUND/EPA****REAL ESTATE APPRAISAL SERVICES**

SUBJECT PROPERTIES	LOT #1	LOT #2
Assessor Parcel Number (APN)	Tax Parcel # 12-170-017-001	Tax Parcel # 12-170-017-002
Owner	Dunbar Asphalt Products, Inc.	Williams Bros Trucking
Address of Subject Properties	255 Ohio Street(State Route 3015) Wheatland, Pennsylvania 16161	255 Ohio Street (State Route 3015) Wheatland, Pennsylvania 16161
Acreage	Approximately 25 Acres	Approximately 5.8 Acres

DATE: 29April 2011**PURPOSE OF APPRAISAL:**

An appraisal is required that provides an estimate of market value "as is" of the Subject Properties known as Tax Parcel 12-170-017-001 and Tax Parcel 12-170-017-002. The Subject Properties are adjacent and contiguous with each other and share the same address. The appraised value will be used for establishing an acquisition of the property for an eminent domain taking by a U.S. Government Agency.

SCOPE:

- A. The appraisal report is to be prepared in compliance with the *Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA)*, as amended, and the *Uniform Standards of Professional Appraisal Practice (USPAP)*, as amended. The UASFLA may be obtained directly on-line through the website <http://www.usdoj.gov/enrd/land-ack/yb2001.pdf>.
- B. The value to be estimated by the appraiser is the *market value* as set forth in the UASFLA which is defined as "*the amount of cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.*"
- C. The report shall provide a value "as is" and "as clean" of the fee simple estate for the subject site.

Comparables used to analyze value should be representative of the subject in terms of estimated highest and best use.

- D. Description of the subject properties shall include a discussion of existing and proposed infrastructure improvements and legal and/or physical elements that affect the property. These may include, but are not limited to, environmental wetlands regulations, flood plain, restrictive easements, any public infrastructure existing and/or proposed, active railroad lines and any barriers or impediments to access that affect the use of a property.
- E. Environmental Contamination: The appraisal is to be appraised as if "clean" and not subject to environmental contamination. The following link describes the general project located near the subject properties: <http://www.epa.gov/reg3hscd/npl/PAD001933175.htm>

PROPERTIES DESCRIPTION:

The subject properties consist of: Lot #1- approximately 25 acres of land and improvements; and Lot #2 – approximately 5.8 acres of land and improvements. The subject properties are located at the address cited above for the subject properties.

FORMAT/REQUIRED MATERIALS:

The appraisal reporting will be by Self Contained Appraisal Reports. A separate appraisal report will be required for each of the properties due to the differing ownerships i.e. an appraisal report for Lot 1 and an appraisal report for Lot 2. The appraisal reports must follow the report content specified in the 2010 - 2011 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP).

Minimum required addenda in the report is all of the following but should not be limited to just these items in the event there are significant other exhibits relevant to the valuation of the property:

- Copy of the Scope of Work
- Copy of subject site plan exhibit
- Area and Neighborhood Map
- FEMA Floodplain Maps that include the Subject Property
- Subject Properties and Comparable Photographs
- Comparable Location Maps with Subject Referenced
- Copy of the Contract for Services

SUPPLIED MATERIALS:

Upon issuance of a Notice to Proceed, the following materials will be provided:

- Inspection host name and contact information
- Boundary Survey Plat of Property Exhibit

APPRAISER REQUIREMENT:

Only Certified General Real Estate Appraisers licensed and domiciled in the Western

Pennsylvania real estate market will be engaged for this assignment. Competency in the appraisal of industrial M-2 zoned land and improvements must be demonstrated.

INSPECTIONS:

The subject property inspection must be accomplished by a Certified General Appraiser in the State of Pennsylvania. An inspection by a trainee or associate appraiser is not acceptable.

The appraiser is required to invite the property owner (or their agents or representatives) to accompany him/her in an inspection of the site. Such inspection shall be for the purpose of obtaining pertinent information regarding subject site characteristics and features.

APPRAISAL COMPLETION SCHEDULE:

The appraisals are required to be completed within 30 days of notice to proceed.

COPIES OF APPRAISAL REPORT/PLACE OF DELIVERY:

Three copies with original signatures and photographs as well as an electronically signed pdf file version of the report, shall be provided that comply with the Reporting Standards of the Uniform Appraisal Standards for Federal Land Acquisitions and Uniform Standards of Professional Appraisal Practice. The below named addressee is to receive all copies of the report and pdf electronic file version of the report.

M. Carla Wall
Acting Chief, Technical Services Branch
Real Estate Division
U. S. Army Corps of Engineers – Baltimore District
P. O. Box 1715
Baltimore, MD 21203-1715
Voice: 410-962-3205
E-mail: maria.c.wall@usace.army.mil

For Overnight Delivery Use:
City Crescent Building
10 South Howard Street
Baltimore, MD 21201
Attn: Room 7710-M

POINTS OF CONTACT:

Should the appraiser have any questions or comments during the course of the appraisal or wish to discuss the appraisal assignment prior to completion of the report, he/she should communicate with either of the following:

M. Carla Wall
Acting Chief, Technical Services Branch
Real Estate Division
U. S. Army Corps of Engineers – Baltimore District
P. O. Box 1715
Baltimore, MD 21203-1715
Phone: 410-962-3205
E-mail: maria.c.wall@usace.army.mil

David R. Harrison
Staff Appraiser, Technical Services Branch
Real Estate Division
U. S. Army Corps of Engineers – Baltimore District
P. O. Box 1715
Baltimore, MD 21203-1715
Phone: 410-962-5166
E-mail: david.r.harrison@usace.army.mil

For Overnight Delivery Use:
City Crescent Building
10 South Howard Street
Baltimore, MD 21201
Attn: Room 7710-M

APPRAISER LICENSING AND COMPETENCY:

The responsible appraiser must be licensed as a Certified General Appraiser in the State of Pennsylvania. The responsible appraiser shall be identified and a copy of his/her current Pennsylvania license must be submitted with the bid proposal. Only candidates holding a permanent Certified General Appraiser license in the State of Pennsylvania will be considered. A temporary/provisional license is not acceptable. Competency in the appraisal of industrial M-2 zoned land and improvements must be demonstrated.

REVIEW PROCESS (Quality Assurance Surveillance Plan -QUASP):

A review of the appraisal report will be prepared by a member of the U.S. Army Corps of Engineers (USACE) using the QUASP FORM. The USACE review will verify that the appropriate appraisal methodology has been used, that the data used to estimate value is relevant and similar in highest and best use to the subject property, that the value conclusion is reasonable and supported by accurate analysis and that the Scope of Work has been followed. In the event something is not clear in the appraisal report or needs further amplification, requests for supplemental qualification, if required, will be provided in writing and are to be followed up by the appraiser in a timely manner usually no more than five business days from date of request. Primary objective of the review process is to check for compliance with the Scope of Work, USPAP/UASFLA, and to evaluate the reasonableness and credibility of the estimated market value.

MODIFICATIONS OF DELIVERED APPRAISAL REPORT:

The appraiser shall modify or supplement the appraisal report where discovery of error or other corrective action is required to provide an acceptable report. This service shall be rendered without additional cost to the contract.

PAYMENT:

The sum set out in the contract for the appraisal report shall constitute full payment to the contractor and shall include costs of all supplies, material, and equipment and transportation incidental to preparing and delivering the report. The contract price shall be due and payable for an acceptable appraisal report upon delivery and acceptance of such report accompanied by a properly certified invoice.

PERFORMANCE REQUIREMENTS SUMMARY:

The Performance Standard for all appraisal work will comply with **UASFLA**, as amended, and **USPAP**, as amended – see “Scope” Section A above. These documents specify the responsibilities of the appraiser in the development and reporting of real property appraisals. **UASFLA** is the standard for uniformity in the appraisal of real property among the various agencies acquiring property on behalf of the United States, and **USPAP** is controlled by the Appraisal Standards Board of the Appraisal Foundation (Authorized by Congress as the source of Appraisal Standards and Appraisal Qualifications), and recognized in state licensing law. The final appraisal reports are to be delivered within 30 days of the notice to proceed -see Page 3 -“Completion Schedule”. USACE Staff Appraisers are on standby to discuss with the appraisers any questions/comments/issues that may arise in the course of the appraisal development - see Page 4 - “Points of Contact”. Upon delivery of the appraisal reports USACE Staff will undertake a Review Process and Quality Assurance Surveillance Plan (QUASP) as identified on page 4 – Review Process.

MANPOWER REPORTING:

Scope. The following sets forth contractual requirements for reporting of contractor labor work year equivalents (also called Contractor Man-year Equivalents (CMEs)) in support of the Army, pursuant to 10 U.S.C.129a, 10 U.S.C.2461(g), Section 343 of P.L.106-65, and 32 CFR 668. Reporting shall be accomplished electronically by direct contractor submission to the secure Army Web Site: <https://contractormanpower.us.army.mil> Information on the background, purposes, and significance of this reporting requirement, and the 32 CFR 668 Final Rule as published in the Federal Register, can be found at this Web Site. In addition, a Help Desk function, detailed instructions on what and how to report, FAQs, and a site demonstration are available. The Army’s objective is to collect as much significant CME data as possible to allow accurate reporting to Congress and for effective Army planning. The reporting data elements should not be viewed as an “all or nothing” requirement. Even partial reporting, e.g., direct labor hours, appropriation data, place of performance, Army customer, etc., will be helpful.

APPRAISAL REPORTS TO BE CONFIDENTIAL:

All information contained in the appraisal report to be made hereunder and all parts thereof are to be treated as strictly confidential. The contractor shall take all necessary steps to ensure that no member of staff or organization divulge any information concerning such appraisal report to any person other than representatives of the United States Army Corps of Engineers, Baltimore District, Real Estate Division, Technical Services Branch.

***** END *****

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001		1	Lump Sum	\$8,000.00	\$8,000.00

REAL ESTATE APPRAISAL SERVICES

FFP

CONTRACTOR SHALL FURNISH ALL LABOR, MATERIAL AND EQUIPMENT NECESSARY TO PROVIDE THE FOLLOWING SERVICES IN ACCORDANCE WITH THE ENCLOSED SPECIFICATIONS:

REAL ESTATE APPRAISAL SERVICES FOR THE SHARON STEEL SUPERFUND/EPA PROJECT

SHARON STEEL-REAL ESTATE APPRAISALS THAT PROVIDE AN ESTIMATE OF MARKET VALUE "AS IS" AND SEPARATELY FOR EACH OF THE FOLLOWING PROPERTIES: DUNBAR ASPHALT PRODUCTS, INC, 25 ACRES AND IMPROVEMENTS TAX PARCEL ID #12-170-017-001 WHEATLAND, PA; WILLIAMS BROTHERS TRUCKING 5.8 ACRES AND IMPROVEMENTS TAX PARCEL ID #12-170-017-002 WHEATLAND, PA

P.O.C.: DAVID HARRISON (410)962-5166

CONTRACTING P.O.C.: JACKIE HENDERSON (410)962-2841

VENDOR REP. PAUL GRIFFITH (724)742-3390.

FOB: Destination

PURCHASE REQUEST NUMBER: W81W3G11959524

NET AMT	\$8,000.00
---------	------------

ACRN AA	\$8,000.00
CIN: W81W3G119595240001	

INSPECTION AND ACCEPTANCE TERMS

Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
0001	N/A	N/A	N/A	Government

DELIVERY INFORMATION

CLIN	DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	UIC
0001	19-AUG-2011	1	REAL ESTATE DIVISION FRED ENGESSER 10 SOUTH HOWARD ST. BALTIMORE MD 21201 410-962-5164 FOB: Destination	E1N0000

ACCOUNTING AND APPROPRIATION DATA

AA: 96 NA X 3122.0000 E1 X 08 2420 013946 96181 2500 107F2J
 AMOUNT: \$8,000.00
 CIN W81W3G119595240001: \$8,000.00

CLAUSES INCORPORATED BY FULL TEXT

52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS--COMMERCIAL ITEMS (MAY 2011)

An offeror shall complete only paragraph (b) of this provision if the offeror has completed the annual representations and certifications electronically at <http://orca.bpn.gov>. If an offeror has not completed the annual representations and certifications electronically at the ORCA website, the offeror shall complete only paragraphs (c) through (o) of this provision.

(a) Definitions. As used in this provision --

“Economically disadvantaged women-owned small business (EDWOSB) Concern” means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business eligible under the WOSB Program.

"Forced or indentured child labor" means all work or service-

- (1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or
- (2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

Inverted domestic corporation, as used in this section, means a foreign incorporated entity which is treated as an inverted domestic corporation under 6 U.S.C. 395(b), i.e., a corporation that used to be incorporated in the United States, or used to be a partnership in the United States, but now is incorporated in a foreign country, or is a subsidiary whose parent corporation is incorporated in a foreign country, that meets the criteria specified in 6 U.S.C. 395(b), applied in accordance with the rules and definitions of 6 U.S.C. 395(c). An inverted domestic corporation as herein defined does not meet the definition of an inverted domestic corporation as defined by the Internal Revenue Code at 26 U.S.C. 7874.

Manufactured end product means any end product in Federal Supply Classes (FSC) 1000-9999, except--

- (1) FSC 5510, Lumber and Related Basic Wood Materials;
- (2) Federal Supply Group (FSG) 87, Agricultural Supplies;
- (3) FSG 88, Live Animals;
- (4) FSG 89, Food and Related Consumables;
- (5) FSC 9410, Crude Grades of Plant Materials;
- (6) FSC 9430, Miscellaneous Crude Animal Products, Inedible;
- (7) FSC 9440, Miscellaneous Crude Agricultural and Forestry Products;
- (8) FSC 9610, Ores;
- (9) FSC 9620, Minerals, Natural and Synthetic; and
- (10) FSC 9630, Additive Metal Materials.

Place of manufacture means the place where an end product is assembled out of components, or otherwise made or processed from raw materials into the finished product that is to be provided to the Government. If a product is disassembled and reassembled, the place of reassembly is not the place of manufacture.

Restricted business operations means business operations in Sudan that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as those terms are defined in the Sudan Accountability and Divestment Act of 2007 (Pub.L. 110-174). Restricted business operations do not include business operations that the person (as that term is defined in Section 2 of the Sudan Accountability and Divestment Act of 2007) conducting the business can demonstrate--

- (1) Are conducted under contract directly and exclusively with the regional government of southern Sudan;
- (2) Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be conducted under such authorization;

- (3) Consist of providing goods or services to marginalized populations of Sudan;
- (4) Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;
- (5) Consist of providing goods or services that are used only to promote health or education; or
- (6) Have been voluntarily suspended.

Service-disabled veteran-owned small business concern--

(1) Means a small business concern--

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and size standards in this solicitation.

Subsidiary means an entity in which more than 50 percent of the entity is owned--

- (1) Directly by a parent corporation; or
- (2) Through another subsidiary of a parent corporation.

Veteran-owned small business concern means a small business concern--

(1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned business concern" means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

"Women-owned small business concern" means a small business concern--

- (1) That is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; or
- (2) Whose management and daily business operations are controlled by one or more women.

Women-owned small business (WOSB) concern eligible under the WOSB Program (in accordance with 13 CFR part 127)", means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States.

(b) (1) Annual Representations and Certifications. Any changes provided by the offeror in paragraph (b)(2) of this provision do not automatically change the representations and certifications posted on the Online Representations and Certifications Application (ORCA) website.

(2) The offeror has completed the annual representations and certifications electronically via the ORCA website at <http://orca.bpn.gov>. After reviewing the ORCA database information, the offeror verifies by submission of this offer that the representations and certifications currently posted electronically at FAR 52.212-3, Offeror Representations and Certifications--Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201), except for paragraphs -----.

(Offeror to identify the applicable paragraphs at (c) through (o) of this provision that the offeror has completed for the purposes of this solicitation only, if any.)

These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.]

(c) Offerors must complete the following representations when the resulting contract will be performed in the United States or its outlying areas. Check all that apply.

(1) Small business concern. The offeror represents as part of its offer that it () is, () is not a small business concern.

(2) Veteran-owned small business concern. (Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.) The offeror represents as part of its offer that it () is, () is not a veteran-owned small business concern.

(3) Service-disabled veteran-owned small business concern. (Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (c)(2) of this provision.) The offeror represents as part of its offer that it () is, () is not a service-disabled veteran-owned small business concern.

(4) Small disadvantaged business concern. (Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.) The offeror represents, for general statistical purposes, that it () is, () is not a small disadvantaged business concern as defined in 13 CFR 124.1002.

(5) Women-owned small business concern. (Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.) The offeror represents that it () is, () is not a women-owned small business concern.

Note to paragraphs (c)(8) and (9): Complete paragraphs (c)(8) and (c)(9) only if this solicitation is expected to exceed the simplified acquisition threshold.

(6) WOSB concern eligible under the WOSB Program. [Complete only if the offeror represented itself as a women-owned small business concern in paragraph (c)(5) of this provision.] The offeror represents that--

(i) It is, is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It is, is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(6)(i) of this provision is accurate in reference to the WOSB concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the WOSB concern or concerns that are participating in the joint venture: .] Each WOSB concern participating in the joint venture shall submit a separate signed copy of the WOSB representation.

(7) Economically disadvantaged women-owned small business (EDWOSB) concern. [Complete only if the offeror represented itself as a WOSB concern eligible under the WOSB Program in (c)(6) of this provision.] The offeror represents that--

(i) It is, is not an EDWOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It is, is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(7)(i) of this provision is accurate in reference to the EDWOSB concern or concerns that are participating in the joint venture. The offeror shall enter the name or names of the EDWOSB concern or concerns that are participating in the joint venture: -----. Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

(8) Women-owned business concern (other than small business concern). (Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.) The offeror represents that it () is, a women-owned business concern.

(9) Tie bid priority for labor surplus area concerns. If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract price:

(10) (Complete only if the solicitation contains the clause at FAR 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns or FAR 52.219-25, Small Disadvantaged Business Participation Program-Disadvantaged Status and Reporting, and the offeror desires a benefit based on its disadvantaged status.)

(i) General. The offeror represents that either--

(A) It () is, () is not certified by the Small Business Administration as a small disadvantaged business concern and identified, on the date of this representation, as a certified small disadvantaged business concern in the CCR Dynamic Small Business Search database maintained by the Small Business Administration, and that no material change in disadvantaged ownership and control has occurred since its certification, and, where the concern is owned by one or more individuals claiming disadvantaged status, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); or

(B) It () has, () has not submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(ii) Joint Ventures under the Price Evaluation Adjustment for Small Disadvantaged Business Concerns. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements in 13 CFR 124.1002(f) and that the representation in paragraph (c)(10)(i) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. (The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture: _____.)

(11) HUBZone small business concern. (Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.) The offeror represents, as part of its offer, that--

(i) It [s] is, [s] is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material changes in ownership and control, principal office, or HUBZone employee percentage have occurred since it was certified in accordance with 13 CFR Part 126; and

(ii) It [s] is, [s] is not a HUBZone joint venture that complies with the requirements of 13 CFR Part 126, and the representation in paragraph (c)(11)(i) of this provision is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [The offeror shall enter the names of each of the HUBZone small business concerns participating in the HUBZone joint venture: -----.] Each HUBZone small business concern participating in the HUBZone joint venture shall submit a separate signed copy of the HUBZone representation.

(d) Certifications and representations required to implement provisions of Executive Order 11246--

(1) Previous Contracts and Compliance. The offeror represents that--

(i) It () has, () has not, participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation, the and

(ii) It () has, () has not, filed all required compliance reports.

(2) Affirmative Action Compliance. The offeror represents that--

(i) It () has developed and has on file, () has not developed and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 CFR Subparts 60-1 and 60-2), or

(ii) It () has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(e) Certification Regarding Payments to Influence Federal Transactions (31 U.S.C. 1352). (Applies only if the contract is expected to exceed \$150,000.) By submission of its offer, the offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(f) Buy American Act Certificate. (Applies only if the clause at Federal Acquisition Regulation (FAR) 52.225-1, Buy American Act --Supplies, is included in this solicitation.)

(1) The offeror certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of "domestic end product." The terms "commercially available off-the-shelf (COTS) item," "component," "domestic end product," "end product," "foreign end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act--Supplies."

(2) Foreign End Products:

Line Item No.:-----
Country of Origin:-----

(List as necessary)

(3) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(g)(1) *Buy American Act-Free Trade Agreements-Israeli Trade Act Certificate.* (Applies only if the clause at FAR 52.225-3, Buy American Act-Free Trade Agreements-Israeli Trade Act, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(1)(ii) or (g)(1)(iii) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms "Bahrainian, Moroccan, Omani, or Peruvian end product," "commercially available off-the-shelf (COTS) item," "component," "domestic end product," "end product," "foreign end product," "Free Trade Agreement country," "Free Trade Agreement country end product," "Israeli end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act."

(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Moroccan, Omani, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act":

Free Trade Agreement Country End Products (Other than Bahrainian, Moroccan, Omani, or Peruvian End Products) or Israeli End Products:

Line Item No.

[List as necessary]

(iii) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (g)(1)(ii) of this provision) as defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act." The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of "domestic end product."

Other Foreign End Products:

Line Item No.	Country of Origin
_____	_____

—	—
—	—
—	—
—	—

[List as necessary]

(iv) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.
 (2) *Buy American Act-Free Trade Agreements-Israeli Trade Act Certificate, Alternate I (Jan 2004)*. If Alternate I to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act":

Canadian End Products:

Line Item No.
—
—
—

[List as necessary]

(3) *Buy American Act-Free Trade Agreements-Israeli Trade Act Certificate, Alternate II (Jan 2004)*. If Alternate II to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act":

Canadian or Israeli End Products:

Line Item No.	Country of Origin
—	—
—	—
—	—

[List as necessary]

(4) Trade Agreements Certificate. (Applies only if the clause at FAR 52.225-5, Trade Agreements, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(4)(ii) of this provision, is a U.S.-made or designated country end product, as defined in the clause of this solicitation entitled "Trade Agreements."

(ii) The offeror shall list as other end products those end products that are not U.S.-made or designated country end products.

Other End Products:

Line Item No.	Country of Origin
_____	_____
—	—
_____	_____
—	—
_____	_____
—	—

(List as necessary)

(iii) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25. For line items covered by the WTO GPA, the Government will evaluate offers of U.S.-made or designated country end products without regard to the restrictions of the Buy American Act. The Government will consider for award only offers of U.S.-made or designated country end products unless the Contracting Officer determines that there are no offers for such products or that the offers for such products are insufficient to fulfill the requirements of the solicitation.

(h) Certification Regarding Responsibility Matters (Executive Order 12689). The offeror certifies, to the best of its knowledge and belief, that --

(1) The offeror and/or any of its principals () are, () are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency,

(2) () Have, () have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property; and

(3) () are, () are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses enumerated in paragraph (h)(2) of this clause; and

(4) () Have, () have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied.

(i) Taxes are considered delinquent if both of the following criteria apply:

(A) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(B) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(ii) Examples.

(A) The taxpayer has received a statutory notice of deficiency, under I.R.C. Sec. 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(B) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. Sec. 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(C) The taxpayer has entered into an installment agreement pursuant to I.R.C. Sec. 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(D) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. 362 (the Bankruptcy Code).

(i) Certification Regarding Knowledge of Child Labor for *Listed End Products* (Executive Order 13126). [*The Contracting Officer must list in paragraph (i)(1) any end products being acquired under this solicitation that are included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, unless excluded at 22.1503(b).*]

(1) *Listed end products.*

Listed End Product	Listed Countries of Origin

(2) *Certification.* [*If the Contracting Officer has identified end products and countries of origin in paragraph (i)(1) of this provision, then the offeror must certify to either (i)(2)(i) or (i)(2)(ii) by checking the appropriate block.*]

(i) The offeror will not supply any end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product.

(ii) The offeror may supply an end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any such end product furnished under this contract. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

(j) *Place of manufacture.* (Does not apply unless the solicitation is predominantly for the acquisition of manufactured end products.) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly—

(1) In the United States (Check this box if the total anticipated price of offered end products manufactured in the United States exceeds the total anticipated price of offered end products manufactured outside the United States); or

(2) Outside the United States.

(j) *Place of manufacture.* (Does not apply unless the solicitation is predominantly for the acquisition of manufactured end products.) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly--

(1) In the United States (Check this box if the total anticipated price of offered end products manufactured in the United States exceeds the total anticipated price of offered end products manufactured outside the United States); or

(2) Outside the United States.

(k) Certificates regarding exemptions from the application of the Service Contract Act. (Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services.)

[The contracting officer is to check a box to indicate if paragraph (k)(1) or (k)(2) applies.]

(1) Maintenance, calibration, or repair of certain equipment as described in FAR 22.1003-4(c)(1). The offeror does does not certify that—

(i) The items of equipment to be serviced under this contract are used regularly for other than Governmental purposes and are sold or traded by the offeror (or subcontractor in the case of an exempt subcontract) in substantial quantities to the general public in the course of normal business operations;

(ii) The services will be furnished at prices which are, or are based on, established catalog or market prices (see FAR 22.1003-4(c)(2)(ii)) for the maintenance, calibration, or repair of such equipment; and

(iii) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract will be the same as that used for these employees and equivalent employees servicing the same equipment of commercial customers.

(2) Certain services as described in FAR 22.1003-4(d)(1). The offeror does or does not certify that—

(i) The services under the contract are offered and sold regularly to non-Governmental customers, and are provided by the offeror (or subcontractor in the case of an exempt subcontract) to the general public in substantial quantities in the course of normal business operations;

(ii) The contract services will be furnished at prices that are, or are based on, established catalog or market prices (see FAR 22.1003-4(d)(2)(iii));

(iii) Each service employee who will perform the services under the contract will spend only a small portion of his or her time (a monthly average of less than 20 percent of the available hours on an annualized basis, or less than 20 percent of available hours during the contract period if the contract period is less than a month) servicing the Government contract; and

(iv) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract is the same as that used for these employees and equivalent employees servicing commercial customers.

(3) If paragraph (k)(1) or (k)(2) of this clause applies—

(i) If the offeror does not certify to the conditions in paragraph (k)(1) or (k)(2) and the Contracting Officer did not attach a Service Contract Act wage determination to the solicitation, the offeror shall notify the Contracting Officer as soon as possible; and

(ii) The Contracting Officer may not make an award to the offeror if the offeror fails to execute the certification in paragraph (k)(1) or (k)(2) of this clause or to contact the Contracting Officer as required in paragraph (k)(3)(i) of this clause.

(l) Taxpayer Identification Number (TIN) (26 U.S.C. 6109, 31 U.S.C. 7701). (Not applicable if the offeror is required to provide this information to a central contractor registration database to be eligible for award.)

(1) All offerors must submit the information required in paragraphs (l)(3) through (l)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).

(2) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(3) Taxpayer Identification Number (TIN).

TIN: 25-1871599

TIN has been applied for.

TIN is not required because:

() Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

() Offeror is an agency or instrumentality of a foreign government;

() Offeror is an agency or instrumentality of the Federal Government.

(4) Type of organization.

() Sole proprietorship;

() Partnership;

() Corporate entity (not tax-exempt);

() Corporate entity (tax-exempt);

() Government entity (Federal, State, or local);

() Foreign government;

() International organization per 26 CFR 1.6049-4;

() Other -----.

(5) Common parent.

() Offeror is not owned or controlled by a common parent;

() Name and TIN of common parent:

Name -----.

TIN -----.

(m) Restricted business operations in Sudan. By submission of its offer, the offeror certifies that the offeror does not conduct any restricted business operations in Sudan.

(n) Prohibition on Contracting with Inverted Domestic Corporations—

(1) Relation to Internal Revenue Code. An inverted domestic corporation as herein defined does not meet the definition of an inverted domestic corporation as defined by the Internal Revenue Code 25 U.S.C. 7874.

(2) Representation. By submission of its offer, the offeror represents that--

(i) It is not an inverted domestic corporation; and

(ii) It is not a subsidiary of an inverted domestic corporation.

(o) Sanctioned activities relating to Iran.

(1) Unless a waiver is granted or an exception applies as provided in paragraph (o)(2) of this provision, by submission of its offer, the offeror certifies that the offeror, or any person owned or controlled by the offeror, does not engage in any activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act of 1996.

(2) The certification requirement of paragraph (o)(1) of this provision does not apply if—

(i) This solicitation includes a trade agreements certification (e.g., 52.212-3(g) or a comparable agency provision); and

(ii) The offeror has certified that all the offered products to be supplied are designated country end products.

(End of provision)

52.212-4 CONTRACT TERMS AND CONDITIONS-- COMMERCIAL ITEMS (JUN 2010)

(a) Inspection/Acceptance. The Contractor shall only tender for acceptance those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. If repair/replacement or reperformance will not correct the defects or is not possible, the Government may seek an equitable price reduction or adequate consideration for acceptance of nonconforming supplies or services. The Government must exercise its post-acceptance rights (1) within a reasonable time after the defect was discovered or should have been discovered; and (2) before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(b) Assignment. The Contractor or its assignee may assign its rights to receive payment due as a result of performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency in accordance with the Assignment of Claims Act (31 U.S.C. 3727). However, when a third party makes payment (e.g., use of the Governmentwide commercial purchase card), the Contractor may not assign its rights to receive payment under this contract.

(c) Changes. Changes in the terms and conditions of this contract may be made only by written agreement of the parties.

(d) Disputes. This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). Failure of the parties to this contract to reach agreement on any request for equitable adjustment, claim, appeal or action arising under or relating to this contract shall be a dispute to be resolved in accordance with the clause at FAR 52.233-1, Disputes, which is incorporated herein by reference. The Contractor shall proceed diligently with performance of this contract, pending final resolution of any dispute arising under the contract.

(e) Definitions. The clause at FAR 52.202-1, Definitions, is incorporated herein by reference.

(f) Excusable delays. The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence such as, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement or any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(g) Invoice.

(1) The Contractor shall submit an original invoice and three copies (or electronic invoice, if authorized) to the address designated in the contract to receive invoices. An invoice must include--

(i) Name and address of the Contractor;

(ii) Invoice date and number;

(iii) Contract number, contract line item number and, if applicable, the order number;

(iv) Description, quantity, unit of measure, unit price and extended price of the items delivered;

(v) Shipping number and date of shipment, including the bill of lading number and weight of shipment if shipped on Government bill of lading;

(vi) Terms of any discount for prompt payment offered;

(vii) Name and address of official to whom payment is to be sent;

(viii) Name, title, and phone number of person to notify in event of defective invoice; and

(ix) Taxpayer Identification Number (TIN). The Contractor shall include its TIN on the invoice only if required elsewhere in this contract.

(x) Electronic funds transfer (EFT) banking information.

(A) The Contractor shall include EFT banking information on the invoice only if required elsewhere in this contract.

(B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the Contractor shall have submitted correct EFT banking information in accordance with the applicable solicitation provision, contract clause (e.g., 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration, or 52.232-34, Payment by Electronic Funds Transfer--Other Than Central Contractor Registration), or applicable agency procedures.

(C) EFT banking information is not required if the Government waived the requirement to pay by EFT.

(2) Invoices will be handled in accordance with the Prompt Payment Act (31 U.S.C. 3903) and Office of Management and Budget (OMB) prompt payment regulations at 5 CFR part 1315.

(h) Patent indemnity. The Contractor shall indemnify the Government and its officers, employees and agents against liability, including costs, for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark or copyright, arising out of the performance of this contract, provided the Contractor is reasonably notified of such claims and proceedings.

(i) Payment.--

(1) Items accepted. Payment shall be made for items accepted by the Government that have been delivered to the delivery destinations set forth in this contract.

(2) Prompt payment. The Government will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and prompt payment regulations at 5 CFR part 1315.

(3) Electronic Funds Transfer (EFT). If the Government makes payment by EFT, see 52.212-5(b) for the appropriate EFT clause.

(4) Discount. In connection with any discount offered for early payment, time shall be computed from the date of the invoice. For the purpose of computing the discount earned, payment shall be considered to have been made on the date which appears on the payment check or the specified payment date if an electronic funds transfer payment is made.

(5) Overpayments. If the Contractor becomes aware of a duplicate contract financing or invoice payment or that the Government has otherwise overpaid on a contract financing or invoice payment, the Contractor shall--

(i) Remit the overpayment amount to the payment office cited in the contract along with a description of the overpayment including the--

(A) Circumstances of the overpayment (e.g., duplicate payment, erroneous payment, liquidation errors, date(s) of overpayment);

(B) Affected contract number and delivery order number, if applicable;

(C) Affected contract line item or subline item, if applicable; and

(D) Contractor point of contact.

(ii) Provide a copy of the remittance and supporting documentation to the Contracting Officer.

(6) Interest.

(i) All amounts that become payable by the Contractor to the Government under this contract shall bear simple interest from the date due until paid unless paid within 30 days of becoming due. The interest rate shall be the interest rate established by the Secretary of the Treasury as provided in Section 611 of the Contract Disputes Act of 1978 (Public Law 95-563), which is applicable to the period in which the amount becomes due, as provided in (i)(6)(v) of this clause, and then at the rate applicable for each six-month period as fixed by the Secretary until the amount is paid.

(ii) The Government may issue a demand for payment to the Contractor upon finding a debt is due under the contract.

(iii) Final decisions. The Contracting Officer will issue a final decision as required by 33.211 if--

(A) The Contracting Officer and the Contractor are unable to reach agreement on the existence or amount of a debt within 30 days;

(B) The Contractor fails to liquidate a debt previously demanded by the Contracting Officer within the timeline specified in the demand for payment unless the amounts were not repaid because the Contractor has requested an installment payment agreement; or

(C) The Contractor requests a deferment of collection on a debt previously demanded by the Contracting Officer (see 32.607-2).

(iv) If a demand for payment was previously issued for the debt, the demand for payment included in the final decision shall identify the same due date as the original demand for payment.

(v) Amounts shall be due at the earliest of the following dates:

(A) The date fixed under this contract.

(B) The date of the first written demand for payment, including any demand for payment resulting from a default termination.

(vi) The interest charge shall be computed for the actual number of calendar days involved beginning on the due date and ending on--

(A) The date on which the designated office receives payment from the Contractor;

(B) The date of issuance of a Government check to the Contractor from which an amount otherwise payable has been withheld as a credit against the contract debt; or

(C) The date on which an amount withheld and applied to the contract debt would otherwise have become payable to the Contractor.

(vii) The interest charge made under this clause may be reduced under the procedures prescribed in 32.608-2 of the Federal Acquisition Regulation in effect on the date of this contract.

(j) Risk of loss. Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract shall remain with the Contractor until, and shall pass to the Government upon:

(1) Delivery of the supplies to a carrier, if transportation is f.o.b. origin; or

(2) Delivery of the supplies to the Government at the destination specified in the contract, if transportation is f.o.b. destination.

(k) Taxes. The contract price includes all applicable Federal, State, and local taxes and duties.

(l) Termination for the Government's convenience. The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the Contractor can demonstrate to the satisfaction of the Government using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor shall not be paid for any work performed or costs incurred which reasonably could have been avoided.

(m) Termination for cause. The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(n) Title. Unless specified elsewhere in this contract, title to items furnished under this contract shall pass to the Government upon acceptance, regardless of when or where the Government takes physical possession.

(o) Warranty. The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(p) Limitation of liability. Except as otherwise provided by an express warranty, the Contractor will not be liable to the Government for consequential damages resulting from any defect or deficiencies in accepted items.

(q) Other compliances. The Contractor shall comply with all applicable Federal, State and local laws, executive orders, rules and regulations applicable to its performance under this contract.

(r) Compliance with laws unique to Government contracts. The Contractor agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C. 3701, et seq., Contract Work Hours and Safety Standards Act; 41 U.S.C. 51-58, Anti-Kickback Act of 1986; 41 U.S.C. 265 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C. 40118, Fly American; and 41 U.S.C. 423 relating to procurement integrity.

(s) Order of precedence. Any inconsistencies in this solicitation or contract shall be resolved by giving precedence in the following order: (1) the schedule of supplies/services; (2) the Assignments, Disputes, Payments, Invoice, Other Compliances, and Compliance with Laws Unique to Government Contracts paragraphs of this clause; (3) the clause at 52.212-5; (4) addenda to this solicitation or contract, including any license agreements for computer software; (5) solicitation provisions if this is a solicitation; (6) other paragraphs of this clause; (7) the Standard Form 1449; (8) other documents, exhibits, and attachments; and (9) the specification.

(t) Central Contractor Registration (CCR). (1) Unless exempted by an addendum to this contract, the Contractor is responsible during performance and through final payment of any contract for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(2)(i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in FAR subpart 42.12, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to (A) change the name in the CCR database; (B) comply with the requirements of subpart 42.12; and (C) agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor must provide with the notification sufficient documentation to support the legally changed name.

(ii) If the Contractor fails to comply with the requirements of paragraph (t)(2)(i) of this clause, or fails to perform the agreement at paragraph (t)(2)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the CCR information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(3) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the CCR record to reflect an assignee for the purpose of assignment of claims (see Subpart 32.8, Assignment of Claims). Assignees shall be separately registered in the CCR database. Information provided to the Contractor's CCR record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the EFT clause of this contract.

(4) Offerors and Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.ccr.gov> or by calling 1-888-227-2423 or 269-961-5757.

(End of clause)

52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS--COMMERCIAL ITEMS (MAY 2011)

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

(1) 52.222-50, Combating Trafficking in Persons (FEB 2009) (22 U.S.C. 7104(g)).

Alternate I (Aug 2007) of 52.222-50 (22 U.S.C. 7104(g)).

(2) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(3) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78).

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items: (Contracting Officer check as appropriate.)

(1) 52.203-6, Restrictions on Subcontractor Sales to the Government (SEP 2006), with Alternate I (OCT 1995) (41 U.S.C. 253g and 10 U.S.C. 2402).

(2) 52.203-13, Contractor Code of Business Ethics and Conduct (APR 2010)(Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note)).

(3) 52.203-15, Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (JUN 2010) (Section 1553 of Pub. L. 111-5). (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009.)

(4) 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (JUL 2010) (Pub. L. 109-282) (31 U.S.C. 6101 note).

(5) 52.204-11, American Recovery and Reinvestment Act—Reporting Requirements (JUL 2010) (Pub. L. 111-5).

(6) 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (DEC 2010) (31 U.S.C. 6101 note). (Applies to contracts over \$30,000). (Not applicable to subcontracts for the acquisition of commercially available off-the-shelf items).

(7) 52.209-10, Prohibition on Contracting with Inverted Domestic Corporations (section 740 of Division C of Public Law 111-117, section 743 of Division D of Public Law 111-8, and section 745 of Division D of Public Law 110-161).

(8) 52.219-3, Notice of Total HUBZone Set-Aside or Sole-Source Award (JAN 2011) (15 U.S.C. 657a).

(9) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JAN 2011) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C. 657a).

- (10) [Reserved].
- (11)(i) 52.219-6, Notice of Total Small Business Set-Aside (JUNE 2003) (15 U.S.C. 644).
- (ii) Alternate I (OCT 1995) of 52.219-6.
- (iii) Alternate II (MAR 2004) of 52.219-6.
- (12)(i) 52.219-7, Notice of Partial Small Business Set-Aside (JUNE 2003) (15 U.S.C. 644).
- (ii) Alternate I (OCT 1995) of 52.219-7.
- (iii) Alternate II (MAR 2004) of 52.219-7.
- (13) 52.219-8, Utilization of Small Business Concerns (JAN 2011) (15 U.S.C. 637 (d)(2) and (3)).
- (14)(i) 52.219-9, Small Business Subcontracting Plan (JAN 2011) (15 U.S.C. 637(d)(4)).
- (ii) Alternate I (OCT 2001) of 52.219-9
- (iii) Alternate II (OCT 2001) of 52.219-9.
- (iv) Alternate III (JUL 2010) of 52.219-9.
- (15) 52.219-14, Limitations on Subcontracting (DEC 1996) (15 U.S.C. 637(a)(14)).
- (16) 52.219-16, Liquidated Damages--Subcontracting Plan (JAN 1999) (15 U.S.C. 637(d)(4)(F)(i)).
- (17)(i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (OCT 2008) (10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).
- (ii) Alternate I (JUNE 2003) of 52.219-23.
- (18) 52.219-25, Small Disadvantaged Business Participation Program--Disadvantaged Status and Reporting (DEC 2010) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- (19) 52.219-26, Small Disadvantaged Business Participation Program--Incentive Subcontracting (OCT 2000) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).

___ (20) 52.219-27, Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside (MAY 2004) (U.S.C. 657 f).

___ (21) 52.219-28, Post Award Small Business Program Rerepresentation (APR 2009) (15 U.S.C. 632(a)(2)).

___ (22) 52.219-29 Notice of Total Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (APR 2011).

___ (23) 52.219-30 Notice of Total Set-Aside for Women-Owned Small Business (WOSB) Concerns Eligible Under the WOSB Program (APR 2011).

(24) 52.222-3, Convict Labor (JUNE 2003) (E.O. 11755).

(25) 52.222-19, Child Labor--Cooperation with Authorities and Remedies (JUL 2010) (E.O. 13126).

(26) 52.222-21, Prohibition of Segregated Facilities (FEB 1999).

(27) 52.222-26, Equal Opportunity (MAR 2007) (E.O. 11246).

(28) 52.222-35, Equal Opportunity for Veterans (SEP 2010) (38 U.S.C. 4212).

(29) 52.222-36, Affirmative Action for Workers with Disabilities (OCT 2010) (29 U.S.C. 793).

(30) 52.222-37, Employment Reports on Veterans (Sep 2010) (38 U.S.C. 4212).

(31) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (DEC 2010) (E.O. 13496).

___ (32) 52.222-54, Employment Eligibility Verification (JAN 2009). (Executive Order 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial items as prescribed in 22.1803.)

___ (33) (i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA-Designated Items (MAY 2008) (42 U.S.C. 6962(c)(3)(A)(ii)). (Not applicable to the acquisition of commercially available off-the-shelf items.)

___ (ii) Alternate I (MAY 2008) of 52.223-9 (42 U.S.C. 6962(i)(2)(c)). (Not applicable to the acquisition of commercially available off-the-shelf items.)

- (34) 52.223-15, Energy Efficiency in Energy-Consuming Products (DEC 2007) (42 U.S.C. 8259b)
- (35)(i) 52.223-16, IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products (DEC 2007) (E.O. 13423)
- (ii) Alternate I (DEC 2007) of 52.223-16.
- (36) 52.223-18, Contractor Policy to Ban Text Messaging while Driving (SEP 2010) (E.O. 13513).
- (37) 52.225-1, Buy American Act--Supplies (JUNE 2003) (41 U.S.C. 10a-10d).
- (38)(i) 52.225-3, Buy American Act--Free Trade Agreements--Israeli Trade Act (JUN 2009) (41 U.S.C. 10a-10d, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note, 19 U.S.C. 3805 note, Pub. L. 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, and 110-138).
- (ii) Alternate I (JAN 2004) of 52.225-3.
- (iii) Alternate II (JAN 2004) of 52.225-3.
- (39) 52.225-5, Trade Agreements (AUG 2009) (19 U.S.C. 2501, et seq., 19 U.S.C. 3301 note).
- (40) 52.225-13, Restrictions on Certain Foreign Purchases (JUN 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).
- (41) 52.226-4, Notice of Disaster or Emergency Area Set-Aside (Nov 2007) (42 U.S.C. 5150).
- (42) 52.226-5, Restrictions on Subcontracting Outside Disaster or Emergency Area (Nov 2007) (42 U.S.C. 5150).
- (43) 52.232-29, Terms for Financing of Purchases of Commercial Items (FEB 2002) (41 U.S.C. 255(f), 10 U.S.C. 2307(f))
- (44) 52.232-30, Installment Payments for Commercial Items (OCT 1995) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).
- (45) 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration (OCT 2003) (31 U.S.C. 3332).
- (46) 52.232-34, Payment by Electronic Funds Transfer--Other than Central Contractor Registration (MAY 1999) (31 U.S.C. 3332)

- (47) 52.232-36, Payment by Third Party (FEB 2010) (31 U.S.C. 3332).
- (48) 52.239-1, Privacy or Security Safeguards (AUG 1996) (5 U.S.C. 552a).
- (49)(i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) (46 U.S.C. Appx 1241(b) and 10 U.S.C. 2631).
- (ii) Alternate I (APR 2003) of 52.247-64.
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- (c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items: (Contracting Officer check as appropriate.)
- (1) 52.222-41, Service Contract Act of 1965 (Nov 2007) (41 U.S.C. 351, et seq.).
- (2) 52.222-42, Statement of Equivalent Rates for Federal Hires (MAY 1989) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).
- (3) 52.222-43, Fair Labor Standards Act and Service Contract Act--Price Adjustment (Multiple Year and Option Contracts) (SEP 2009) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).
- (4) 52.222-44, Fair Labor Standards Act and Service Contract Act--Price Adjustment (SEP 2009) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).
- (5) 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements (Nov 2007) (41 U.S.C. 351, et seq.).
- (6) 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services--Requirements (FEB 2009) (41 U.S.C. 351, et seq.).
- (7) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (Mar 2009) (Pub. L. 110-247).
- (8) 52.237-11, Accepting and Dispensing of \$1 Coin (SEP 2008)(31 U.S.C. 5112(p)(1)).
- (d) Comptroller General Examination of Record. The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records--Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e) (1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in this paragraph (e)(1) in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause—

(i) 52.203-13, Contractor Code of Business Ethics and Conduct (APR 2010) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note).

(ii) 52.219-8, Utilization of Small Business Concerns (DEC 2010) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$650,000 (\$1.5 million for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(iii) Reserved.

(iv) 52.222-26, Equal Opportunity (MAR 2007) (E.O. 11246).

(v) 52.222-35, Equal Opportunity for Veterans (SEP 2010) (38 U.S.C. 4212).

(vi) 52.222-36, Affirmative Action for Workers with Disabilities (OCT 1998) (29 U.S.C. 793).

(vii) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (DEC 2010) (E.O. 13496). Flow down required in accordance with paragraph (f) of FAR clause 52.222-40.

(viii) 52.222-41, Service Contract Act of 1965 (Nov 2007) (41 U.S.C. 351, et seq.).

(ix) 52.222-50, Combating Trafficking in Persons (FEB 2009) (22 U.S.C. 7104(g)).

Alternate I (AUG 2007) of 52.222-50 (22 U.S.C. 7104(g)).

(x) 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements (Nov. 2007) (41 U.S.C. 351, et seq.).

(xi) 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services--Requirements (FEB 2009) (41 U.S.C. 351, et seq.).

(xii) 52.222-54, Employment Eligibility Verification (JAN 2009).

(xiii) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations. (MAR 2009) (Pub. L. 110-247). Flow down required in accordance with paragraph (e) of FAR clause 52.226-6.

(xiv) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) (46 U.S.C. Appx 1241(b) and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.

(2) While not required, the contractor May include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(End of clause)