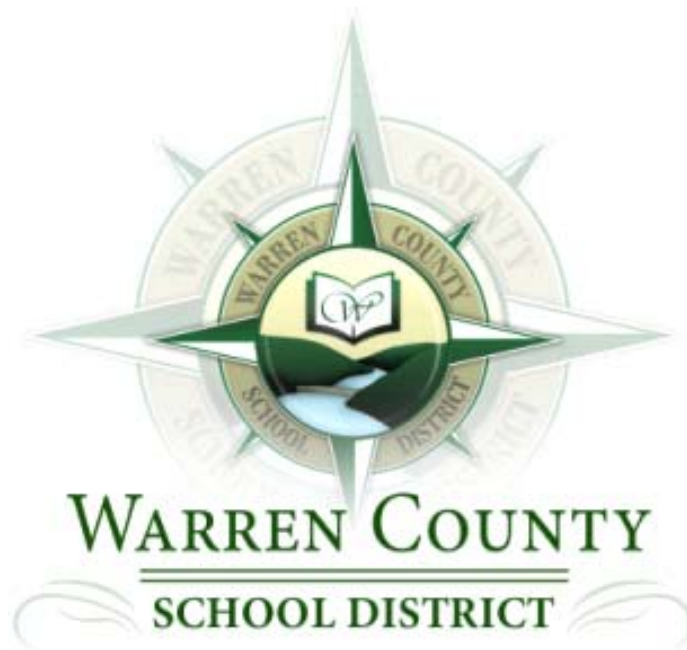


PROPOSED PROPERTY ACQUISITION



May 17, 2010

CURRENT WCSD PROPERTIES

Warren County School District
List of Current Properties

Name of Property	District	Map No.	Parcel No.	Deed No. (Book # / Page #)
Allegheny Valley Elementary School	25	WN 868	619000-000	352/279 - 0523/0003 - 0523/0083
Beaty Warren Middle School	33	WN 576	686000-000	0317/0083
Beaty Field	33	WN 576	620000-000	N/A
Eisenhower Middle / High School	9	WN 001	561110-000	0523/0083 - 0764/0178
Eisenhower - Additional 98 acres (ECO-Lab)	9	WN 001	538200-000	348/970
Eisenhower - Additional Property	9	WN 001	561610-000	348/1162
Eisenhower - Right-of-Way - Fairbanks Road past EMHS	9	WN 001	529300-000	0108/0342 - 0199/0024 - 1028/0201
Pleasant Township Elementary School	17	WN 733	820000-000	0160/0272
Russell Elementary School	15	WN 002	739700-000	N/A
Russell Elementary School - Additional Lot	15	WN 002	763000-000	
Sheffield Area Middle / High School	18	SH 003 & SH 352	525000-000	370/956 - 0523/0003
Sheffield Elementary School	18	SH 367	466000-000	0192/0001
South Street Elementary School	34	WN 587	295500-000	0543/0221
South Street Elementary School - Additional Lot	34	WN 587	289000-000	0523/0003
South Street Elementary School - Additional Lot 2	34	WN 587	296200-000	
South Street Elementary School - Additional Lot 3	34	WN 587	295300-000	
Sugar Grove Elementary School	26	YV 239	248000-000	0191/0352
War Memorial Field	36	WN 587	410000-000	0289/0261 - 0529/0248
Warren Area High School	11	WN 005	811100-000	0508/0333 - 0523/003
Youngsville Elementary / Middle School	28	YV 674	230000-000	N/A
Youngsville High School	28	YV 673	710000-000	324/831

PROPOSED PROPERTY:
SITE ANALYSIS AND
PROPERTY DESCRIPTION

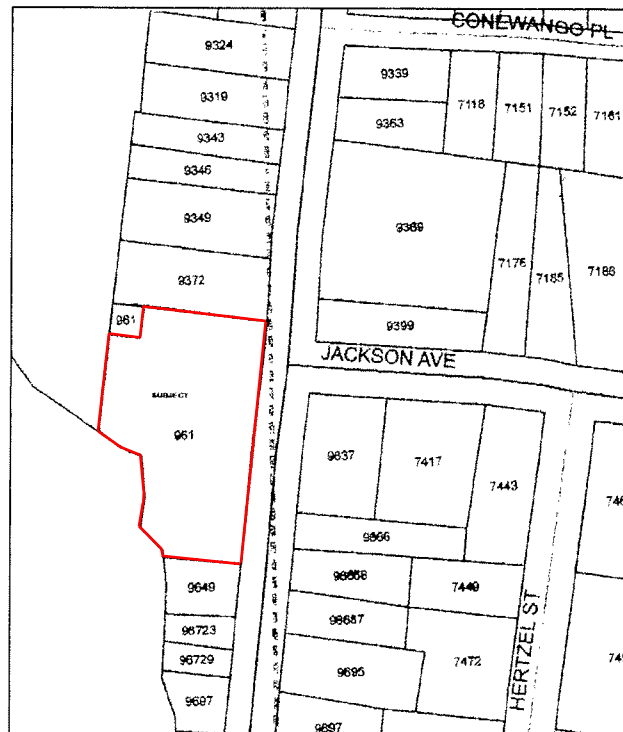
Site Analysis

Physical Characteristics/Site Information/Utilities and Services

Total Site Area (per assessment records):	32,670 square feet or 0.75 acre
Frontage:	221 feet +/- on Conewango Avenue
Topography:	Level in front – slopes downward to creek
Drainage:	Appears Adequate
Inside/Corner:	Inside
Shape:	Irregular
Access and Visibility:	Average
Parking:	Paved parking areas in rear
Street:	Paved – Public
Curb/Gutter:	Yes
Sidewalk:	Yes
Electric:	Yes
Natural Gas:	Yes
Water:	Yes – Public
Sewer:	Yes – Public
Street Lights:	Yes
Site Improvements:	Fenced/gated lot

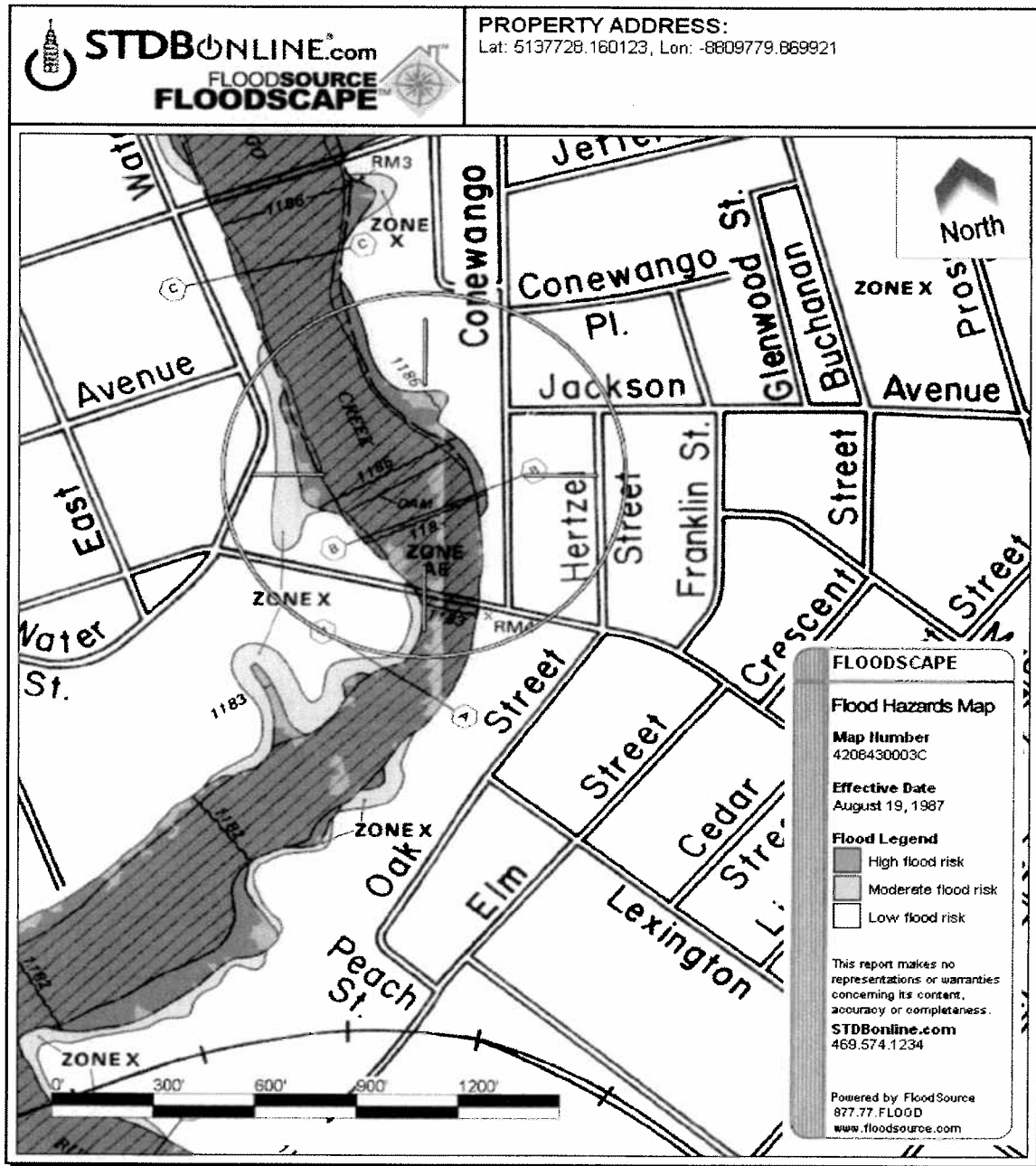
Plat Map

Subject Property
Parcel # WN-576-961



Flood Hazard Information

The subject property is located in an area labeled as both Zone “X” and Zone “AE”. The map key describes these areas as: “Areas outside 500-year flood” and “Areas of 100-year flood”. The Community Panel number for this area is 4208430003C. This map has an effective date of 08/19/1987 and was produced by the Federal Emergency Management Agency (FEMA). As such, it does appear that a portion of the subject property is located in a FEMA-identified Flood Hazard Area.



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Description of the Improvements

The subject improvements were built in stages. The two-story section appears to have been built in 1917. The one-story section was built in the 1950's. The one-story addition, accessed from the behind the subject property, was built in 1990.

The exterior walls are a combination of brick and concrete block. The roof surfaces are a combination of a rubber surface and vinyl membrane. There are a number of overhead doors with sizes ranging from 8 x 8'; 9' x 12 and 8' x 16'. Mechanical systems include gas-fired, overhead heaters and baseboard and a hot water heating system in the office area. There is a 200-amp. main electrical service with various subpanels.

The office areas (located on the first floor of the two-story section of the building) are somewhat plain, with drop ceilings and vinyl flooring. Much of the building is conducive to storage/vehicle storage areas. The subject improvements are located on three levels. Because of the topography of the site, the lower level space is functional and is at grade in the rear. There are a couple of restrooms (main restroom/cleanup area is on the main floor).

The 2nd floor space, consisting of basically a large open area used predominantly for storage, has limited functional application in today's world.

The overall quality of construction is rated as average/good and the condition of the subject property is rated as only average.



SKETCH/AREA TABLE ADDENDUM

File No 11537

Property Address 25 Conewango Avenue

City Warren

County Erie

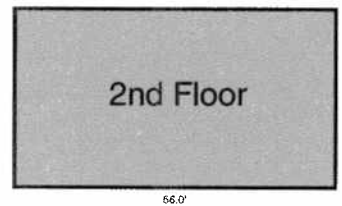
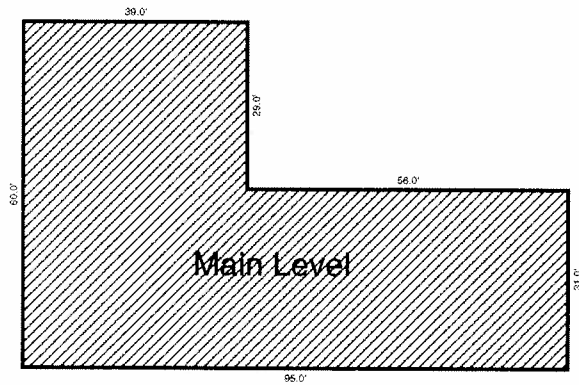
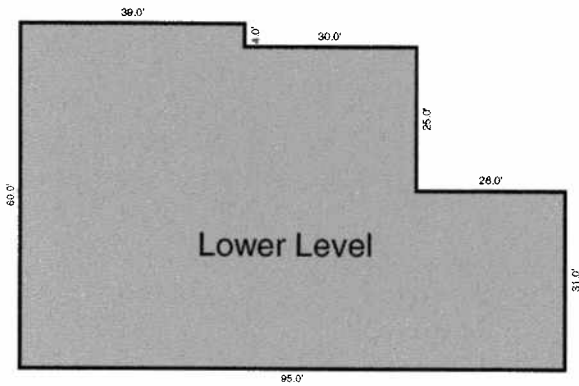
State PA

Zip 16365

Borrower

Lender/Client Warren County School District

Appraiser Name Robert B. MacIsaac



Scale: 1 = 27

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GBA1	First Floor	4076.00	
	Lower Level	4826.00	
	2nd Floor	1736.00	10638.00
TOTAL BUILDING (rounded)			10638

BUILDING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
31.0	x	95.0	2945.00
29.0	x	39.0	1131.00
Lower Level			
56.0	x	69.0	3864.00
26.0	x	31.0	806.00
4.0	x	39.0	156.00
2nd Floor			
31.0	x	56.0	1736.00
6 Areas Total (rounded)			10638

COMPARATIVE SITE EVALUATIONS

Comparable Sales

MARKET DATA SALE #1



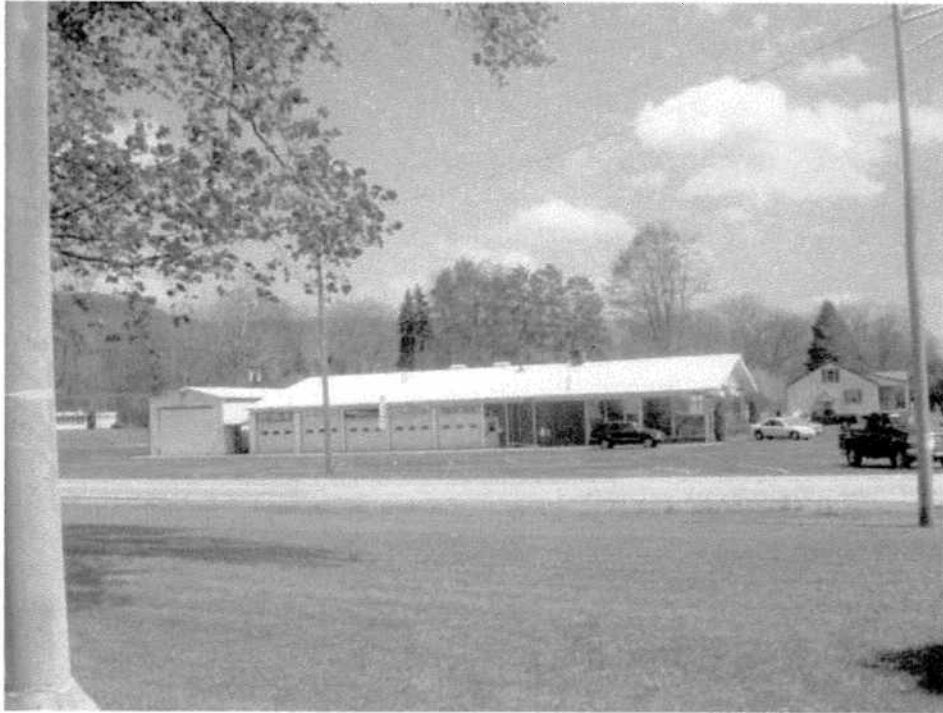
Address:	9 West Main Street
City/Twp/County:	Borough of Youngsville, PA
Index #:	YV-675-2282
Grantor:	Tingley
Grantee:	Valley Bowling, LLC
Book and Page:	Record Book 1660, Page 299
Sale Date:	01/05/2007
Sale Price:	\$195,000
Site Area:	21,780 square feet or 0.50 acre
Building Area:	7,272 square feet
Price/square foot:	\$26.82
Zoning:	C-1, Light Commercial
Description:	Concrete block building built in 1961. Subject has been remodeled over the years. Currently housing a bowling center.

MARKET DATA SALE #2



Address:	20980 Route 6
City/Twp/County:	Conewango Township / Warren County, PA
Index #:	WN-488-262
Grantor:	New Process Company
Grantee:	NGR Real Estate, LLC
Book and Page:	Record Book 1735, Page 151
Sale Date:	08/30/2007
Sale Price:	\$190,000
Site Area:	1.88 acres
Building Area:	11,088 square feet
Price/square foot:	\$17.14
Zoning:	Business Transitional
Description:	Metal building on 1.88 acres built for warehouse use. Property was in average/good condition as of the date of sale.

MARKET DATA SALE #3



Address:	21505 Route 6
City/Twp/County:	Conewango Township; Warren County, PA
Index #:	WN-484-8685
Grantor:	Mahan
Grantee:	Greenland Enterprises
Book and Page:	Record Book 1961, Page 279
Sale Date:	12/15/2009
Sale Price:	\$185,000
Site Area:	0.48 acre
Building Area:	6,720 square feet
Price/square foot:	\$27.53
Zoning:	Business Transitional
Description:	Former auto sales building in average condition as of the date of sale.

Comparable Sales Adjustment Grid

Item	Subject	Comparable #1		Comparable #2		Comparable #3	
Address	25 Conewango Avenue	9 West Main Street Youngsville Borough		20980 Route 6 Conewango Township		21505 Route 6 Conewango Township	
Sales Price		\$195,000		\$190,000		\$185,000	
	Item	Item	Adj.	Item	Adj.	Item	Adj.
Property Rights	fee simple	fee simple		fee simple		fee simple	
Terms	cash or equivalent	cash or equivalent		cash or equivalent		cash or equivalent	
Conditions of Sale	normal	normal		normal		normal	
Market Change	04/2010	01/2007	No adj.	08/2007	No adj.	12/2009	No adj.
Adjusted Sales Price		\$195,000		\$190,000		\$185,000	
Gross Building Area		7,272 sqft		11,088 sqft		6,720 sqft	
Adjusted Price Per GBA		\$26.82		\$17.14		\$27.53	
Percentage Adjustments							
Location	Urban/Avg.	Urban/Inferior	5%	Suburb/Super.	-10%	Sub/Super.	-10%
Site Area	0.75 acre	0.50 acre	No adj.	1.88 acres	-5%	0.48 acre	No adj.
Condition	Average	Good	-35%	Average		Avg/Good	-25%
Quality	Avg/Good	Avg/Good		Average	10%	Average	10%
Functional Utility	Avg/Fair	Average	-25%	Average	-25%	Average	-25%
Net Adjustment Percentage			-55%		-30%		-50%
Net Adjusted Price/GBA		\$12.07		\$12.00		\$13.77	

Sales Comparison Approach Analysis

In the sales comparison approach analysis, I have directly analyzed sales and offerings of similar properties. The sales selected for direct comparison were considered the most similar of those potential sales. A sales comparison grid was used to compare and adjust the comparables to the subject. As a result, a range of unit values from \$12.00 to \$13.77 per square foot was obtained.

Sale #1, locationally a little less desirable than the subject location, is superior to the subject property in terms of condition. Sale #2 and #3 are located along high-traffic roads and are superior to the subject in terms of locational appeal.

The adjustment on all three comparable sales for functional utility reflects the limited overall utility of the subject property, which has gross building area on three different levels. The 2nd floor, specifically, has limited overall utility.

There is no data in the market to suggest any price increases or decreases in recent years for industrial properties such as the subject. As such, no adjustment was made for date of sale/time.

With all factors considered, it is my opinion that the market-indicated unit value for the subject is \$12.50 per square foot. Therefore, 10,638 square feet of building area times \$12.50 yields \$132,975; rounded to \$130,000.

Comparable Sales Map

