



SUMMARY APPRAISAL REPORT

OF THE REAL PROPERTY LOCATED AT

Lot #5 Towamencin Avenue (L 9)
Lansdale, Pa 19446

for

North Penn Water Authority
300 Forty Foot Road
PO Box 1659, Lansdale, PA
19446

as of

September 18, 2013

by

Michael D Farnell
P.O. BOX 705
Springhouse, PA 19477

Equity Appraisal Co., Inc.

Summary Appraisal Report

LAND APPRAISAL REPORT

File No. 1310635

IDENTIFICATION

Borrower _____ Census Tract 2010.04 Map Reference SMSA 6160
 Property Address Lot #5 Towamencin Avenue (L 9)
 City Lansdale County Montgomery State Pa Zip Code 19446
 Legal Description No recording document is available.
 Sale Price \$ _____ Date of Sale _____ Loan Term _____ yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$236 (yr.) Loan charges to be paid by seller \$ _____ Other sales concessions _____
 Lender/Client North Penn Water Authority Address 300 Forty Foot Road, PO Box 1659, Lansdale, PA, 19446
 Occupant North Penn Water Authority Appraiser Michael D Farnell Instructions to Appraiser estimate market value for disposition purpose.

NEIGHBORHOOD

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Employment Stability	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg.	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.	Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Present Land Use	<u>86</u> % 1 Family	<u>2</u> % 2-4 Fam	<u>1</u> % Apts.	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>1</u> % Industrial	% Vacant	% Condo	Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in Present Land Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input type="checkbox"/> Taking Place (*)	Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(*) From _____ To _____			Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	% Vacant	General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Price Range	\$ <u>200,000</u> to \$ <u>450,000</u>		Predominant Value \$ <u>350,000</u>	Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Age	<u>25</u> yrs. to <u>60</u> yrs.		Predominant Age <u>50</u> yrs.					

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, noise) The subject is located within a residential section of Upper Gwynedd Township that borders to Lansdale Borough. The subject area is within close proximity to employment centers, shopping, schools, public transportation, and recreational facilities.

SITE

Dimensions 45' X 190.2' = 10,000 SF (gross)/ 8,560 SF (net) Corner Lot
 Zoning Classification R2 Residential Present improvements do do not conform to zoning regulations
 Highest and best use: Present use Other (specify) assemblage with adjoining property or nearby parcel as excess land.
 Elec. Public Other (Describe) _____
 Gas _____
 Water available
 San. Sewer available
 Underground Elect. & Tel.
 OFF SITE IMPROVEMENTS
 Street Access: Public Private
 Surface macadam
 Maintenance: Public Private
 Storm Sewer Curb/Gutter
 Sidewalk Street Lights
 Topo Generally level
 Size 10,000 SF (gross)/8560 SF (net of right of way).
 Shape Rectangular
 View Residential
 Drainage Adequate
 Is the property located in a HUD Identified Special Flood Hazard Area? No Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions) No adverse easements, encroachment or special assessments were observed. There were no environmental hazards known or observed on the site or within reasonable proximity. The subject site does not meet the land area requirements within the R-2 zoning district of Upper Gwynedd Township. *** See Additional Comments ***

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

MARKET DATA ANALYSIS

ITEM	Subject Property	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	Lot #5 Towamencin Avenue Lansdale	Lot 64 Girard Avenue Lansdale	Lot 62 Randolph Ave Ambler	Lot #8 Juniper Street Pottstown
Proximity to Subj.				
Sales Price	\$	\$ 5,000	\$ 1500	\$ 12,000
Price	\$	\$ 0.972195	\$ 1.294219	\$ 0.774194
Data Source	Inspection	County data/grantee	County data/grantee	MLS, County data
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
		9/28/2012	6/6/2013	5/10/2013
Location	average	equal	equal	equal
Site/View	Residential	Residential	Residential	Residential
Site Area	8,560 SF (net of ROW)	5,143 SF 2500	1,159 SF 5500	15,500 SF -5000
	Non-conforming site	Non-conforming site	Non-conforming site	Non-conforming site
Sales or Financing Concessions				
Net Adj. (Total)		<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 2500	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 5500	<input type="checkbox"/> Plus <input checked="" type="checkbox"/> Minus \$ -5000
Indicated Value of Subject		Gross 50.0% Net 50.0% \$ 7500	Gross 366.7% Net 366.7% \$ 7000	Gross 41.7% Net -41.7% \$ 7000

Comments on Market Data: The sales developed are parcels that have been purchased by adjoining property owners as excess land area and added to their dwelling-site area. The sales reflect an unadjusted price of land area ranging from .77 to 1.29. Each of the sales were adjusted for their differences in land area compared to the subject. *** See Additional Comments ***

Comments and Conditions of Appraisal: The information provided was taken from public records/property owner/ and listing broker and it is assumed to be reliable.

RECONCILIATION

Final Reconciliation: There was sufficient sales data of residential lots in which to base a value determination via the Sales Comparison Approach. The Income and Cost Approaches were not considered to be relevant methods of valuing such a parcel.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF September 18 2013 to be \$7,500

Appraiser(s) Michael Farnell Review Appraiser (if applicable) Did Did Not Physically Inspect Property
 Signature _____ Signature _____
 Name Michael D Farnell Date 09/30/2013 Name _____ Date _____
 State PA License Certification # RL 001959 L State _____ License Certification # _____

ADDITIONAL COMMENTS

Borrower or Owner

Property Address Lot #5 Towamencin Avenue (L 9)

City Lansdale

County Montgomery

State Pa

Zip Code 19446

Lender or Client North Penn Water Authority

Site

The subject land area is significantly below the required 21,780 SF of minimum lot area with 120 feet of frontage required within the R-2 zoning requirements. Therefore, the Highest and Best Use of the subject is for assemblage with adjoining or nearby properties as excess land area.

The subject site contains a pump-house building containing 520 sf of building area. Although the building needs some minor repair/maintenance, it is believe to have some utility as a storage building that could benefit a neighborhoring property owner.

The existing building is believed to have nominal contributory value and was not adjusted for in the sales comparison grid.

Comments on Market Data

After adjustments, the sales range from \$7,000 to \$8,000. Sale #1 is located closest to the subject and was given most emphasis in the final reconciliation.

DEFINITION OF 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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concessions but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. The separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

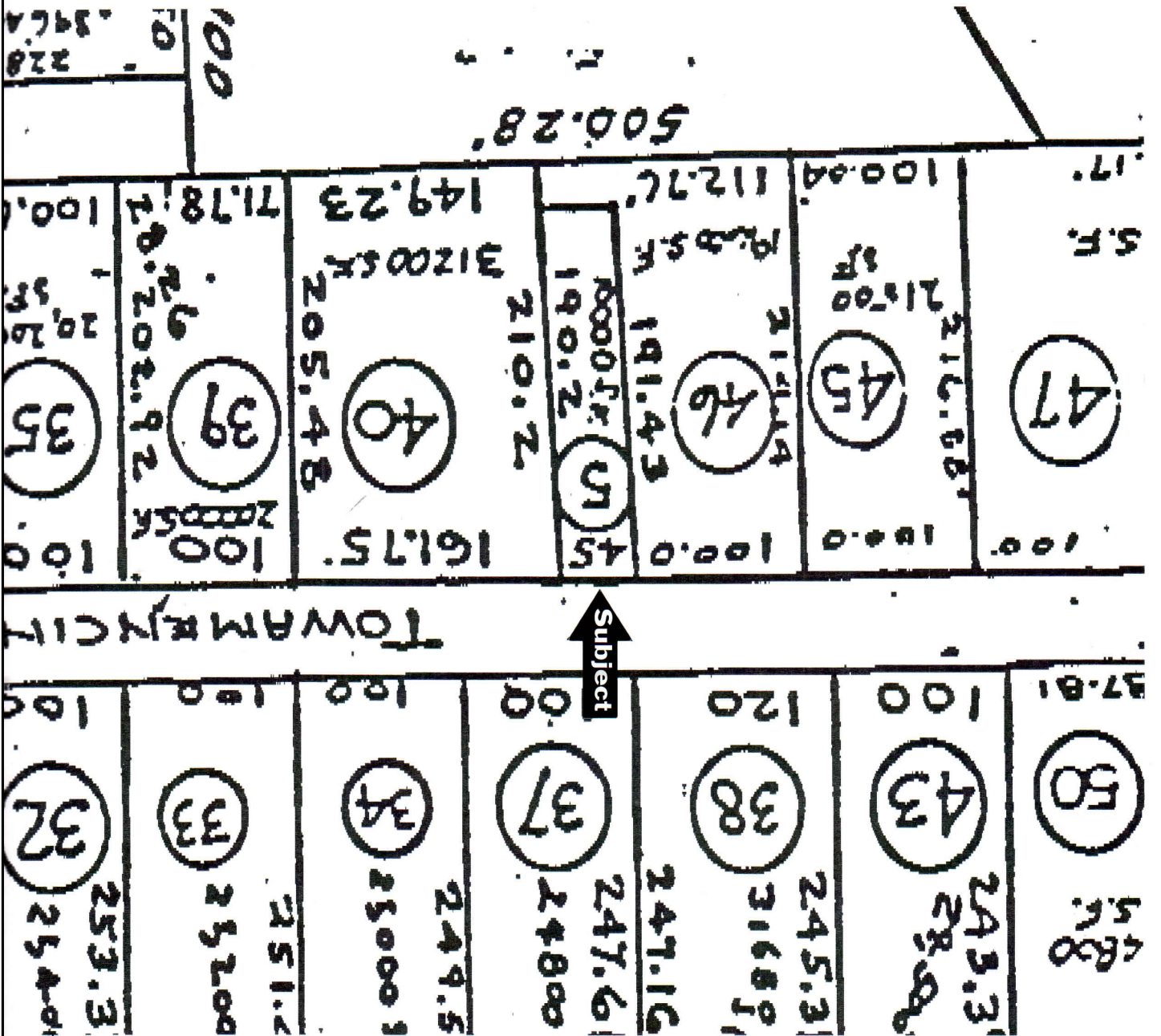
ADDRESS OF PROPERTY APPRAISED: Lot #5 Towamencin Avenue (L 9), Lansdale, Pa 19446

APPRAISER:
 Signature: Michael Farnell
 Name: Michael D Farnell
 Date Signed: September 30, 2013
 State Certification #: RL 001959 L
 or State License #: _____
 State: PA
 Expiration Date of Certification or License: 6/30/2015

SUPERVISORY APPRAISER (only if required):
 Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____
 Did Did Not Inspect Property

SITE PLAN

Borrower or Owner
 Property Address Lot #5 Towamencin Avenue (L 9)
 City Lansdale County Montgomery State Pa Zip Code 19446
 Client North Penn Water Authority



PHOTOGRAPH ADDENDUM

Borrower or Owner

Property Address Lot #5 Towamencin Avenue (L 9)

City Lansdale

County Montgomery

State Pa

Zip Code 19446

Client North Penn Water Authority



**FRONT VIEW OF
SUBJECT PROPERTY**

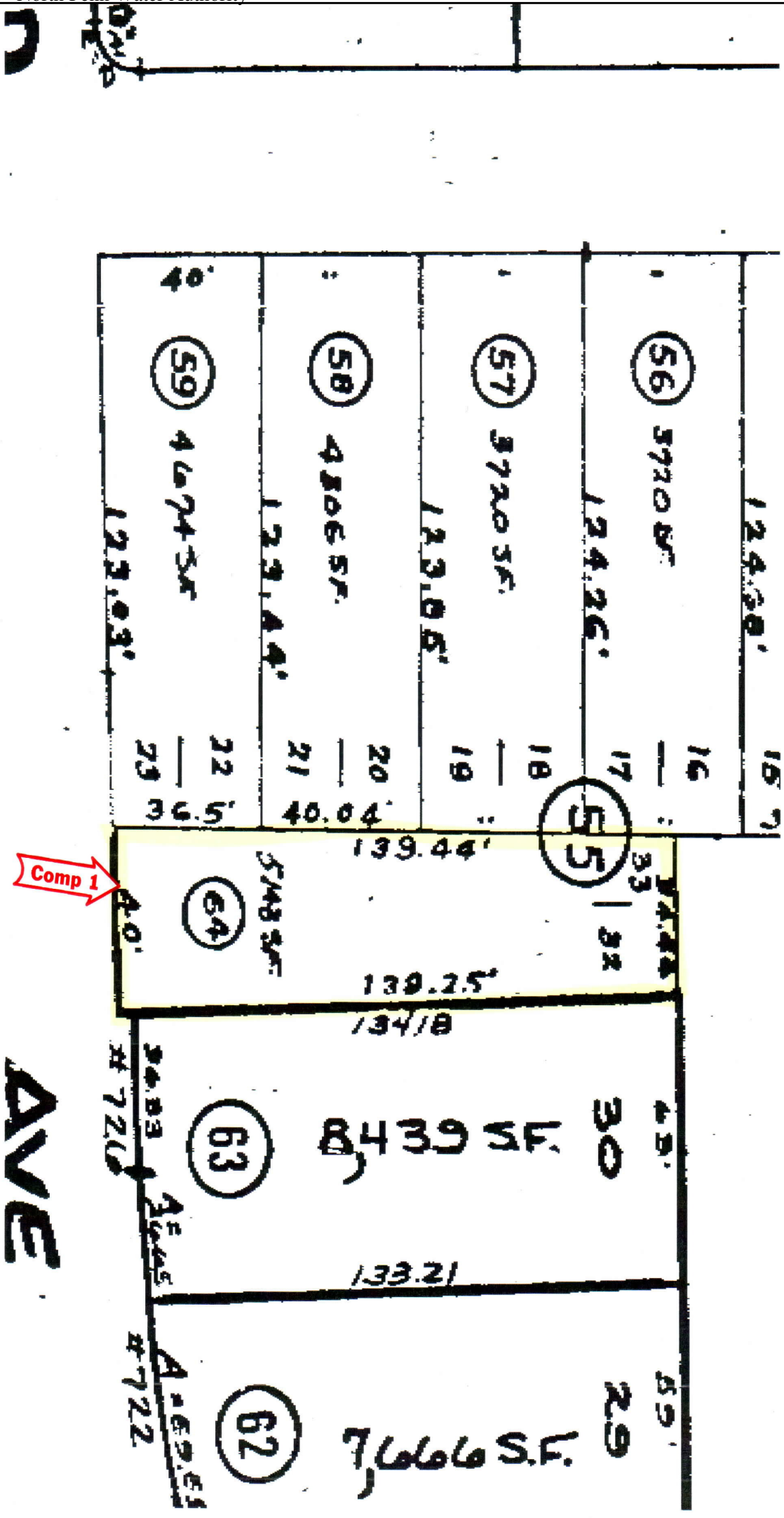


**REAR VIEW OF
SUBJECT PROPERTY**

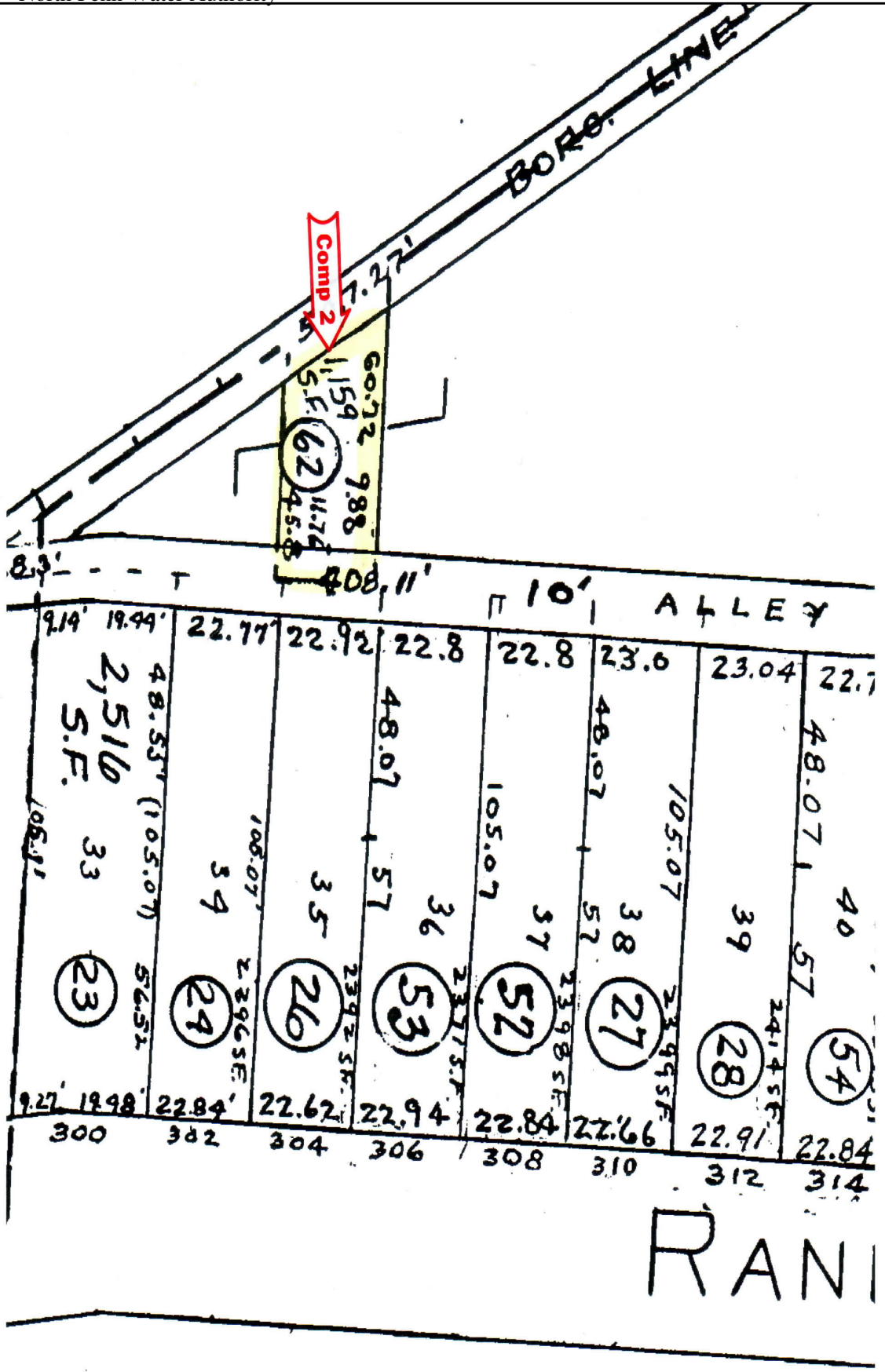


**STREET SCENE OF
SUBJECT PROPERTY**

Borrower or Owner
 Property Address Lot #5 Towamencin Avenue (L 9)
 City Lansdale County Montgomery State Pa Zip Code 19446
 Client North Penn Water Authority



Borrower or Owner
 Property Address Lot #5 Towamencin Avenue (L 9)
 City Lansdale County Montgomery State Pa Zip Code 19446
 Client North Penn Water Authority



RANI

Borrower or Owner
 Property Address Lot #5 Towamencin Avenue (L 9)
 City Lansdale County Montgomery State Pa Zip Code 19446
 Client North Penn Water Authority

