

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

ADDRESS: 2604 West 2nd Street
City of Chester
Delaware County, Pennsylvania
Tax I.D. Nos. 49-11-00042-00
and 49-11-02214-00.

CLIENT/INTENDED USER: **Penn Business Credit, LLC.** The appraisal is not intended for any other user.

INTENDED USE: To assist the client in making a decision regarding the disposition of the property. This report is not intended for any other use. The appraisers are not responsible for unauthorized use of this report.

INTERESTS APPRAISED: Leased Fee.

APPRAISAL DATES: Effective Date of Appraisal – **January 30, 2012**, the date of inspection.
Date of Report – Same as on the transmittal letter.

EXTRAORDINARY ASSUMPTIONS: None.

HYPOTHETICAL CONDITIONS: None.

PROPERTY TYPE/USE: Multi-tenant industrial building. Based on plans provided previously by ownership, the gross building area is approximately 10,000 SF.

OWNER/SALES HISTORY: Riverside Management Group LLC as of October 15, 2010 for a nominal consideration as recorded in deed book 4827 page 27. Prior sale to Chester Riverside Industrial Park LLC in October 2003 for \$52,500.

AGREEMENT OF SALE: At time of inspection, the subject was not listed or under agreement of sale.

OCCUPANCY:

1st floor vacant, 2nd floor tenant-occupied.

ASSESSMENT/TAXES:

\$71,110/\$633.

ZONING:

"M-1, Industrial". This appraisal is made assuming the subject conforms to all local zoning and building requirements.

FLOOD DATA:

The subject is not in a special flood hazard per FEMA map no. 42045C0184F, dated 11/18/2009.



STREET SCENE ALONG W. 2ND STREET

PROPERTY DESCRIPTION: *The subject consists of a freestanding multi-tenanted light industrial building that is two-stories, of brick and concrete block construction with a flat roof, metal plate glass windows and doors, one tailgate loading dock. Gross building area is approximately 10,000 square feet*

Information contained herein is based on our physical inspection of the subject property, plans provided previously by ownership, and various municipal and county offices.

Details pertaining to the land and building are set forth below.

LAND

Shape: *Basically rectangular.*

Topography: *Basically level at street grade.*

Frontage: *Approximately 220' along West 2nd Street and 110' along Wilson Avenue.*

Gross Land Area: *0.55± Acres (24,200± SF).*

Site Improvements: *The site improvements include concrete curbs along West 2nd Street. The subject has a fenced in macadam-paved parking area along the side of the building.*

Building Coverage: 41%

Land-to-Building Ratio: 2.42 to 1.

Easements/Encroachments: Normal utility easements assumed. No adverse easements or encroachments noted.

Building Description: As noted, the subject is improved with a freestanding light industrial building. There are two separate units; the upper level of the property has an open office area at the front of the building, two private offices and rear storage area. The lower level has a small office area with rear storage area.

General Description

Foundation: Masonry footings and foundation walls.

Framing: Steel columns, beams and joists.

Loading Doors: Concrete loading dock with one truck doors.

Floor: Concrete 1st floor; wood 2nd floor.

Exterior Walls: Brick and Stucco

Roof: Per the owner the roof was replaced prior to our previous appraisal with a rubber roof on the front section and asphalt shingle on the rear.

The roof now leaks causing damage to the interior ceiling of the 2nd floor.

Heat & Air-Conditioning: Oil-fired heated units with window air conditioning units.

Electricity: Industrial power with circuit breaker panel boards.

General Layout and Finish: The building comprises typical warehouse space that is open at the rear of the building with open space for storage. The office area is along the front of the building, it has tile floors, paneled and painted walls and suspended acoustical tile ceilings. There is one common restroom facilities along the hallway. The warehouse is unfinished and has concrete floors, exposed walls and ceiling.

The layouts/floor plan is functional, with no built-in obsolescence observed.

Age and Condition³: The subject property was constructed in 1953 and is 58 years old. Renovations and improvements over the years have reduced the effective age of the building and extended its remaining economic life.

Condition is fair. Following our previous appraisal, the 1st floor floods reportedly due to poor exterior drainage and the roof leaks.

Estimated Building Calculations: The estimated gross building area is 10,000 square feet. Office area comprises approximately 1,500 SF or 15% of gross building area.

OWNERSHIP AND OCCUPANCY: Riverside Management Group LLC as of October 15th, 2010 for a nominal consideration as recorded in deed book 4827 page 27. Prior sale to Chester Riverside Industrial Park LLC in October 2003 for \$52,500.

³ It is assumed that there are no structural conditions or defects of the property that were not detected. The appraisers are not acting as a professional building inspector and/or engineer and do not have the skill or expertise needed to make such inspections. The appraisers assume no responsibility for these matters. If the intended user has any questions regarding these items, it is the client's/intended user's responsibility to order the appropriate inspections.

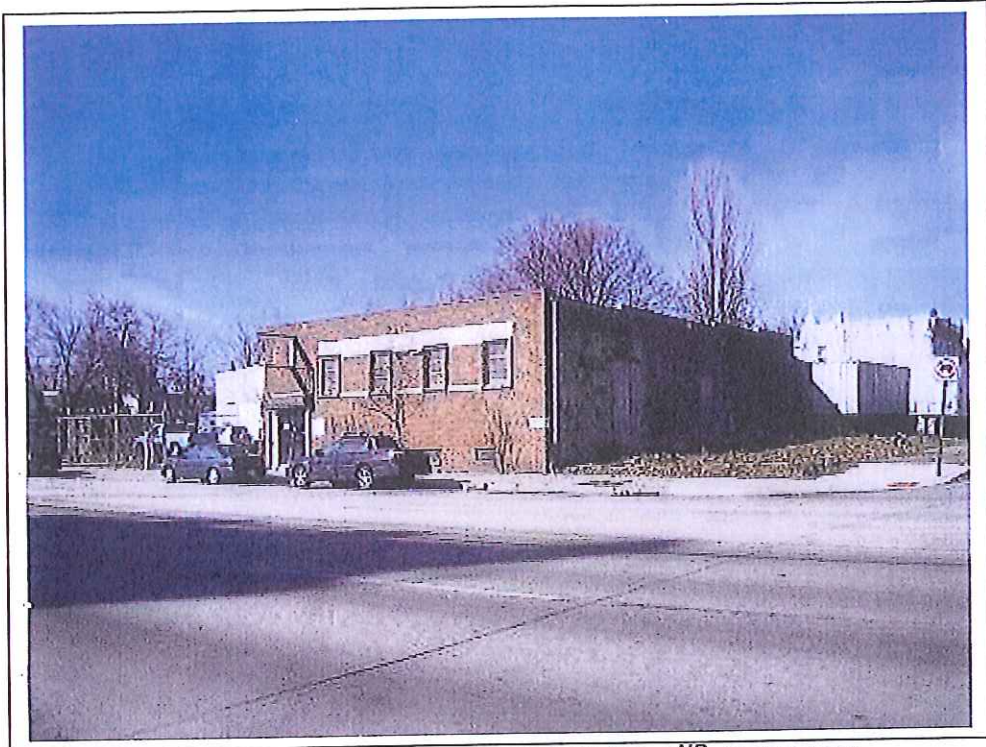
At time of inspection, the 1st floor was vacant and the 2nd floor was tenant occupied at \$1,500/month plus electric and oil for heat. The appraiser was not provided current copy of the lease.

ASSESSMENT AND TAXES: Property has a total assessment of \$71,110. The above would indicate a total annual tax liability of \$633.

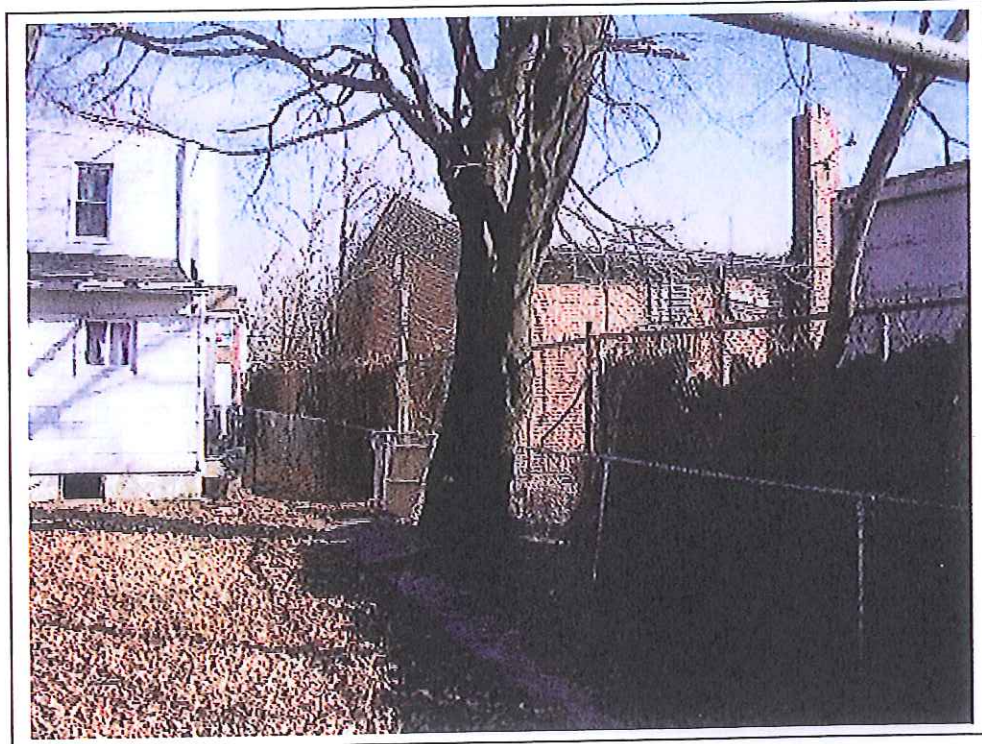
ZONING: As set forth on the zoning map exhibited in the "Addendum" of the previous appraisal, the subject is situated within "M-1, Manufacturing" zoning district. This designation permits a variety of light industrial uses. This appraisal is made assuming the subject conforms to all current zoning and buildings requirements.

FLOOD DATA: The subject is not in a special flood hazard per FEMA map no. 42045C0184F, dated 11/18/2009.

SUBJECT PHOTOGRAPHS

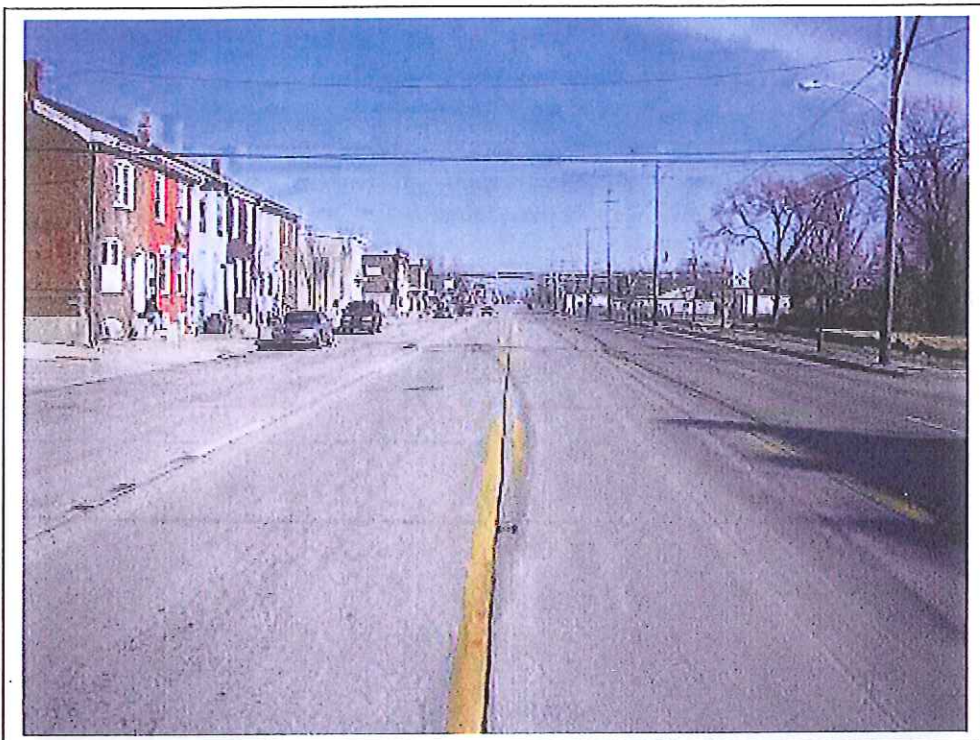


FRONT ELEVATION FROM W. 2ND STREET



PARTIAL REAR VIEW OF BUILDING (RIGHT SIDE OF PHOTO)

SUBJECT PHOTOGRAPHS



W. 2ND STREET LOOKING EAST AT SUBJECT LOCATION



W. 2ND STREET LOOKING WEST AT SUBJECT LOCATION

SUBJECT PHOTOS

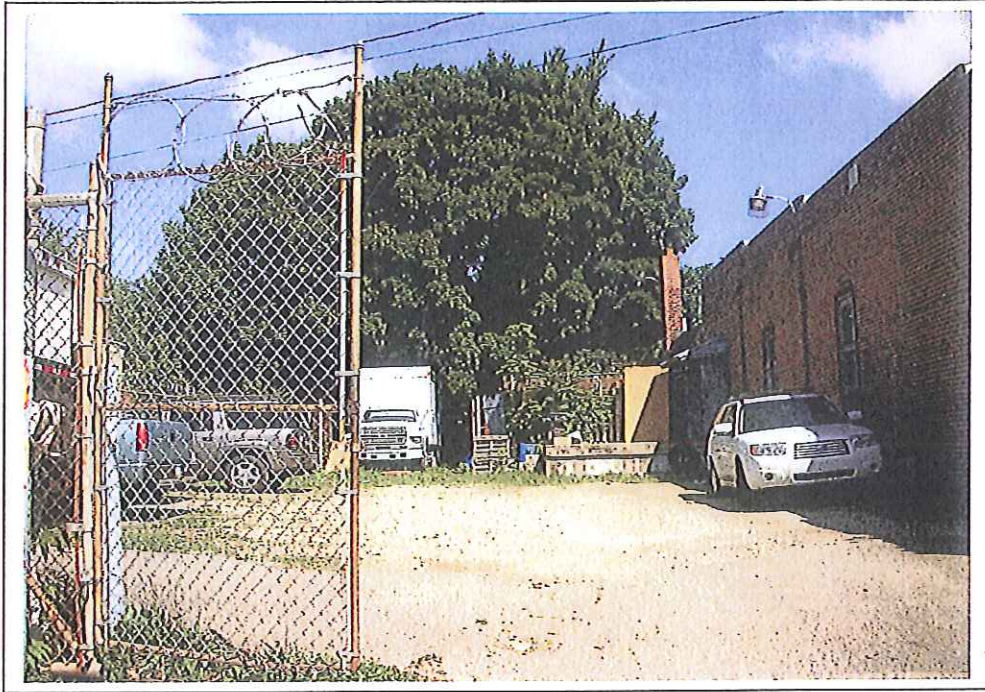


FRONT OF SUBJECT PROPERTY



REAR OF SUBJECT PROPERTY

SUBJECT PHOTOS



SUBJECT'S PARKING AREA