

**LOCALITY**

The subject property is located in the 41<sup>st</sup> Ward of Northeast Philadelphia in an area known as Tacony. Torresdale Avenue is the commercial strip of Tacony which is located four (4) blocks west of the subject. Tacony is an older but stable, established community with land uses defined. Surrounding neighborhoods include Mayfair to the west, the Delaware River to the east, Holmesburg to the north and Wissinoming, Frankford and Bridesburg to the south. The Tacony section is a relatively compact area with unofficial boundaries generally accepted to be the Delaware River on the east, Robbins Avenue on the south, Frankford Avenue on the west and Cottman Avenue (State Route 73) on the north.

In 1872, Henry Disston, a hand saw manufacturer, purchased some 390 acres along the waterfront in Tacony and, in 1878, Disston's Steel Plant was moved from former cramped quarters in the Northern Liberties Section of Philadelphia to 40 acres of Disston's Tacony land holdings reserved for strictly manufacturing purposes.

Manufacturing flourished in this area through the 1950's, however the shift of Philadelphia's economy from a manufacturing base to service industries signaled the end of an era. As a result, the large manufacturing facilities fell victim to decay caused by obsolescence and exorbitant costs of maintenance. The bulk of the remaining Disston complex has been adapted to alternative shop type industrial uses with the Disston Precision Company still making large saws in one of the original shop buildings.

The subject site lies in close proximity to the Delaware River Greenway Trail an eleven (11) mile long trail which extends from Pulaski Park at Allegheny Avenue on the southern end to Glen Foerd on the Delaware at Grant Avenue and the Poquessing Creek on the northern end. A Master Plan commissioned by the Pennsylvania

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Environmental Council in 2005 with funding from the William Penn Foundation defined four sections of Greenway, two of which are in final design including Tacony's segment along the former Kensington-to-Tacony Rail Line. The project has strong financial support from Federal, State and City Services. In November, 2011 a groundbreaking for the new Lardner's Point Park, the City's latest addition to its parks and recreation inventory, took place to mark \$1.5 million in improvements that was completed last Spring. This 4.5 acre parcel at Levick Street and the Delaware River features a segment of the walking/biking trail, rehabilitated river outlook with fishing pier, furniture, solar lighting, picnic area and interpretive signage. Funding for the project was secured by the non-profit Delaware River City Corporation from various sources including the Pennsylvania Department of Conservation & Natural Resources, the City of Philadelphia and National Fish & Wildlife Foundation.

The bike path and jogging trail to be developed on the former rail line will link Philadelphia to the "East Coast Greeway," a continuous bike route extending from Maine to Florida. Once complete, this trail is expected to increase recreational opportunities significantly while also spurring residential and commercial development along the riverfront in this portion of the City.

Excellent highway facilities make the subject immediately accessible to the surrounding and more distant communities, local arteries such as State Road, Levick Street, Magee Avenue, Cottman Avenue and Robbins Avenue facilitate vehicular movement. Interstate 95, which passes directly to the east of Disston Park and the railroad, has a southbound entrance ramp at Longshore Avenue and an exit ramp for north bound travelers at Cottman Avenue proximate to the subject. The Tacony-Palmyra Bridge is a four (4) lane toll bridge to New Jersey which is located three (3) blocks southeast of the subject property with access from State Road and Levick Street. The long planned reconstruction of the Cottman/Princeton Interchange of

Interstate 95 is currently underway. This project is expected to reduce or minimize the impact of highway-bound traffic patterns on Torresdale Avenue and the residential area of Tacony as a result of access to the highway. New southbound access is planned at the intersection of Cottman Avenue and State Road as part of Phase Two while another southbound on-ramp was built at Old State Road and Longshore Avenue as part of Phase Two. Cottman Avenue (State Route 73) and Princeton Avenue were returned to two-way local thoroughfares as part of the initial phase. Phase Two is expected to be completed in 2014.

Of considerable benefit to the subject property is the fact that it lies directly opposite a stretch of parkland owned by the City of Philadelphia known as Disston Park, that occupies the city block bounded by Keystone Street, Unruh Street, Magee Avenue and the Penn Central Railroad. The ballfields and open space found here provide a valuable resource for the future utility of the subject real estate in an alternative configuration. A ground breaking ceremony was held last year for a new firehouse and community center that was constructed within the park fronting Magee Avenue.

The neighborhoods which surround and include the subject tend to support a populace with greater disposable income than newer neighborhoods where mortgages are higher and expenses greater. The existing housing stock provide affordable shelter with generally low real estate taxes requiring a modest amount of upkeep and maintenance. Surrounding land uses are primarily single-family residences in attached, semi-detached and attached structures. The previously mentioned parcel of land is known as Disston Park, a primarily passive city-owned park stretching from Levick Street on the south to Princeton Avenue on the north. SEPTA's Tacony Rail Station is situated three (3) blocks north of the subject at Disston Street.

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At the present time the Historical Society of Tacony, is in process to complete by year's end formal nominations to the National Register and Philadelphia Historical Commission for Historic District status. The goal of Historic District status for the Disston Estate is one which harks back to the founding of the Society in 1991.

The professional team at Preservation Design Partnership was hired to undertake this year-long project which involved the preparation of nomination forms, as well as voluminous photography, surveying of properties and development of design guidelines that are critical to the nomination process.

It is the belief of the Historical Society that Historic District status will afford protection against unsympathetic alterations and indiscriminate demolition which will serve to retain the physical integrity of the community. This, in turn, is expected to enhance property values and instill a sense of pride to the business community upon which the neighborhood depends for employment and services.

In summation, it is my opinion that the subject location is well situated with respect to established growth trends and existing traffic patterns. The neighborhood has supported itself for many years as a stable and desirable area and the subject property's stable location enhances its appeal for institutional use amidst a dense residential population.

### **THE SUBJECT PROPERTY**

The real estate which is the subject of this appraisal was observed to consist of two (2) separate two and three story brick and stone constructed buildings formerly utilized as the rectory and convent of St. Leo the Great Roman Catholic Parish. Based primarily on measurements taken from a survey by Herman P. Ledger, PLS, the combined gross floor area of both buildings was estimated to be 17,120 square feet plus unfinished basement area.

### **SITE DESCRIPTION**

The subject site is an irregular shaped lot known as Parcel "A" subdivided from a larger lot of 62,000 square feet which formerly included the adjacent school building of St. Leo The Great Roman Catholic Church which was subdivided and sold off May 28, 2008. According to a Site Plan prepared by Herman Ledger, PLS dated September 20, 2007, Parcel "A", known as the Parish Parcel, contains 210' of frontage along the westerly side of Keystone Street and extends in depth 200' along the south side of Unruh Avenue with additional frontage of 114.844' along the easterly side of Tulip Street. Total area was approximately 32,671 square feet or .75003 acres as shown on the survey, exhibited as a facing page, with site boundaries shown in red.

The lot lines were drawn to include the northern half of the parking lot fronting Keystone Street and walkway to Tulip Street where the second and third floors of the convent were built over. Some boundaries of the site were determined by the footprint of the adjacent school building suggesting that the fire escape attached to the school building encroaches upon the Parish Parcel. The Cross Easement Agreement is silent with respect to the fire escape and there is no mention of access to Tulip Street over the Parish Parcel. The lot fronting Keystone Street features the original stone retaining wall in front of the rectory and the church. Two (2) curb cuts from Keystone Street serve the lot which is macadam paved with ample driveway area and striped parking area for 38± vehicles.

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There is a recorded Cross Easement Agreement, which is included in the Addendum, that provides for reciprocal rights of use to the entire parking lot in perpetuity for the benefit of Parcel "A" and Parcel "B" and rights to ingress/egress from/to Keystone Street.

In that this appraisal is only of the convent building and rectory building and specifically excludes the church building, the existing Parcel "A" would need to be further subdivided to effect a legally binding transfer of title of something less than the entirety.

To further subdivide Parcel "A" would appear to be a cumbersome exercise for the reason that the Cross Easement Agreement would have to be amended; there would be overlapping site boundaries and the further subdivided component parts would appear to violate the minimum yard requirements of the RSA-5 zoning code.

It would appear to me that all of this could be avoided by converting the existing title to the underlying land to a condominium form of ownership. With this arrangement, the Cross Easement Agreement would survive and the only common element would be the land component where all parties would own an undivided fractional interest and contribute proportionally to the upkeep and maintenance of the parking lot and grounds.

Thus, the Extraordinary Assumption has been made that the valuations reported herein were predicated upon a legal subdivision of Parcel "A" to allow the rectory and convent to be sold separately and retaining rights to utilize the parking lot in common.

The site is served by public water and sewer and public utility gas, electric and telephone services.

**IMPROVEMENTS DESCRIPTION**

**RECTORY BUILDING**

Improvements on the site consisted of two (2) separate, two and three story brick and stone constructed institutional buildings that appear to date to circa 1890 for the rectory and 1925 for the convent except for the portion fronting Unruh Avenue that was apparently constructed with the church in 1884. Following is an outline description of each building.

**GENERAL CONSTRUCTION**

**Exterior Walls** - Cut stone at front elevation with shingled mansard, roof turret and aluminum siding at second floor bay and open front porch. Remaining elevations were common red brick.

**Foundation/Framing** - Masonry bearing wall construction with parged stone foundation walls in basement.

**Floors** - Primarily wood sub-floor nailed to wood joists throughout with mostly wall-to-wall carpeting, hardwood, vinyl composition tile in kitchen, ceramic tile in lavatories. Poured concrete in basement.

**FENESTRATION**

Windows consisted of replacement vinyl double hung type throughout. Glass block windows at basement.

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SANITARY FACILITIES

First floor included a single 2 fixture powder room. The second floor included two hall baths finished in ceramic tile, one with toilet, sink and stall shower and the other with tub with overhead shower, toilet and sink. There is also one 2 fixture powder room. Third floor contains two additional baths finished in ceramic tile, a hall bath with tub with overhead shower, toilet and sink and a private bath with stall shower, toilet and sink.

LIGHTING

Typically recessed fluorescent fixtures throughout, ceiling mounted chandelier in the dining room.

ROOF

Built-up material over wood deck was assumed.

ELECTRICAL

The energy source for the subject property enters at the basement and consists of 100 amp, 120/240 volt service.

INTERIOR FINISH

Primarily painted plaster wall and ceiling finishes. The dining room has a pressed metal ceiling, some rooms have suspended ceiling tiles. Most interior walls are painted plaster some areas are finished with paneling.



HOT WATER/HEAT/  
AIR CONDITIONING/  
VENTILATION

Hot water was supplied by two (2) 30 gallon gas fired domestic hot water boilers. Heat was supplied by two "Weil-McLain" oil fired hot water heating boilers in good operating condition. Oil is stored in four above grade 250 gallon tanks. There was no air conditioning except by random window mounted package units. Some rooms featured ceiling mounted paddle fans.

MISCELLANEOUS

The building is equipped with one obsolete passenger elevator operating between the basement and third floor. Shaft is intact, cab was not observed. There is a fully equipped kitchen on the first floor with a four burner range/oven, stainless steel double compartment sink, center island and wall and base cabinetry.

GENERAL COMMENTS/LAYOUT

The subject property is a well constructed building that was originally constructed circa 1890 specifically for use as a rectory. The building includes a full basement with fenestration with exposed concrete floor, parged walls and part exposed, part finished ceiling. There is a separate boiler and mechanical room and storage area.

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The first floor of the building includes main front entrance exposed to Keystone Street into a vestibule and center hall flanked by various rooms including reception room, office and community room at the front, kitchen, dining room and laundry room toward the rear. There is rear stairway off of the hall which communicates between the basement and the upper floors and another stairway between the first floor and third floor.

The second floor is demised into three sleeping rooms south of the elevator with two intercommunicating baths. On the other side was a suite of rooms including bedroom, sitting room, office, full bath plus a front room which adjoins a solarium-like sitting area with multiple windows exposed to Keystone Street. The area north of the elevator shaft has three (3) sleeping rooms and one hall bath and three (3) additional bedrooms and hall bath.

The third floor is demised into three (3), three-room suites, two of which share a full three-piece bath and one equipped with a private bath.

There is also a bridge that connects the second floor of the rectory with the choir loft of the adjoining church.

The building is a substantial structure constructed circa 1884 but that has been well maintained with replacement windows throughout and good heating system. The building does, however, lend itself to reuse in a variety of alternative applications including those requiring a congregate living arrangement such as a dormitory arrangement affiliated with a local university, child or adult day care, Charter School or other similar type use that would be permissible under zoning.

**BUILDING AREA CALCULATIONS**

32.9' x 49' x 3 Stories	=	4,836 SF
32.9' x 22' x 2 Stories	=	1,448 SF
Second Floor Front Bay	=	189 SF
		6,473 SF
Less Open Area 1 <sup>st</sup> Floor Rear		<u>(362 SF)</u>
Total Building Area Above Grade		6,111 SF
Full Basement		2,361 SF



FRONT AND SOUTH SIDE ELEVATION  
OF RECTORY



REAR AND SOUTH SIDE ELEVATION  
OF RECTORY

LOUIS A. IATAROLA

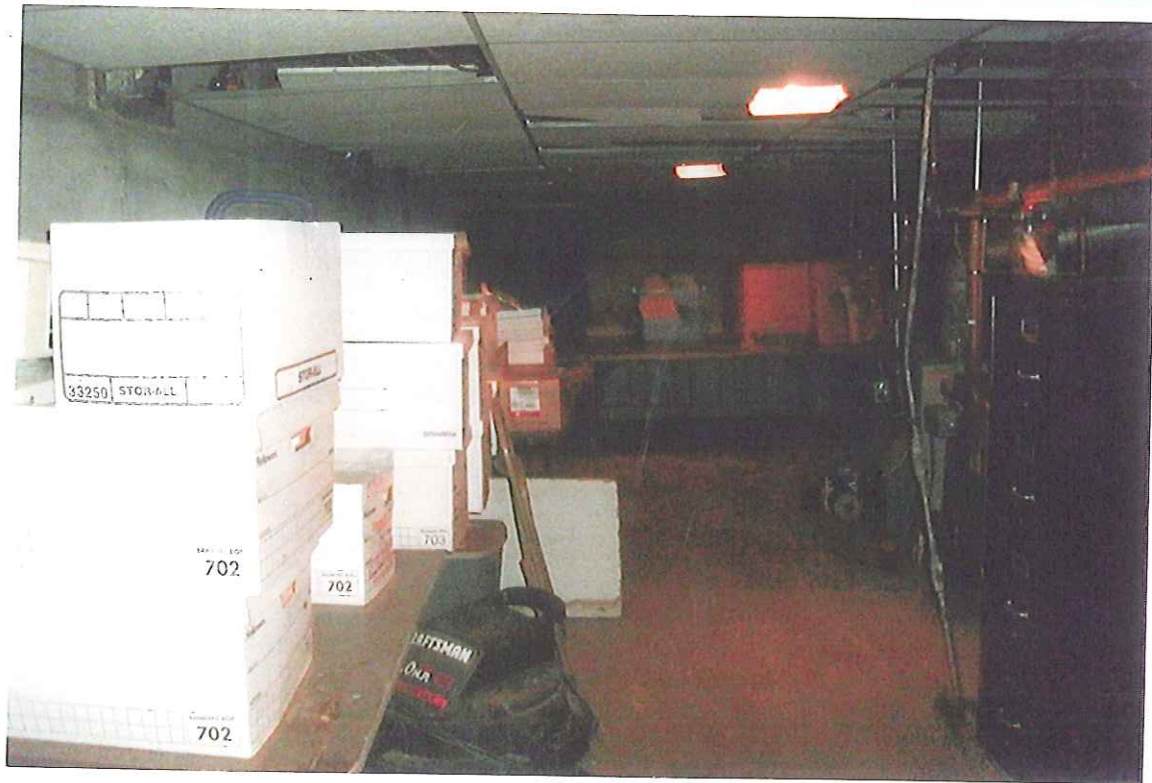
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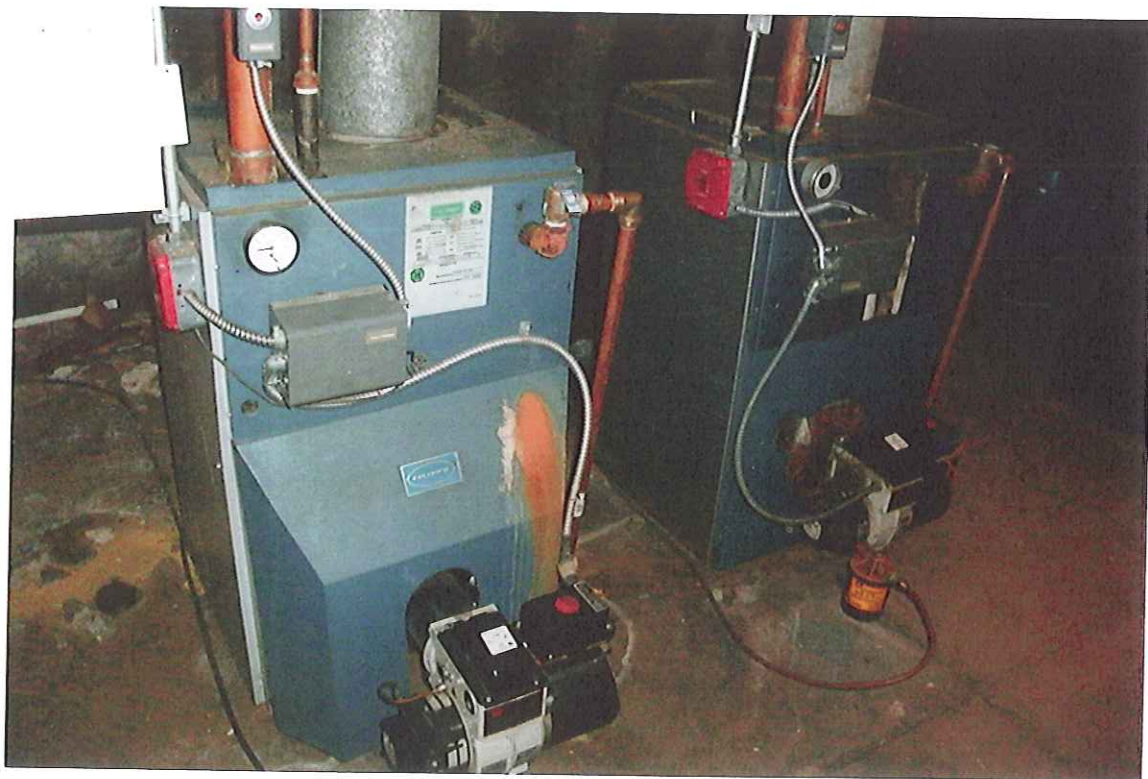
VIEW EAST ALONG  
NORTH SIDE OF RECTORY BUILDING

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RECTORY BASEMENT



OIL FIRED HEATING BOILERS  
IN BASEMENT OF RECTORY

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KEYSTONE STREET  
LOOKING SOUTH FROM UNRUH AVENUE

LOUIS A. IATAROLA  
Realty Appraisal Group, Ltd.





**CONVENT BUILDING**

**GENERAL CONSTRUCTION**

**Exterior Walls** - Cut stone at front elevation to match the church with shingled facade at third floor. Remaining elevations were common red brick on a stone foundation. Metal clad projecting bay at second floor Tulip Street elevation.

**Foundation/Framing** - Masonry bearing wall construction with parged stone foundation walls in basement. Steel "I" beams on piers in basement.

**Floors** - Primarily wood sub-floor nailed to wood joists throughout with wall-to-wall carpeting, hardwood, vinyl composition tile in kitchen, ceramic tile in lavatories, poured concrete in basement.

**FENESTRATION**

Windows consisted mostly of original single pane, chain operated wood frame double hung units with aluminum storm sash and screens. Some windows were replaced with aluminum double hung sash.

**SANITARY FACILITIES**

First floor included a single 2 fixture powder room. The second floor included 7 sleeping rooms all of which were equipped with a wall

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hung sink. There was also a large community bathroom off of the hallway equipped with one stall shower, two recessed tubs with overhead shower, three enclosed toilets and one wall hung sink. There was also a janitorial closet with deep well sink.

The third floor included 14 sleeping rooms each with wall hung sink. Off of the hallway was a community style bathroom with one stall shower, two recessed tubs with overhead shower, three enclosed toilets and one wall hung sink. There was an additional private bath with recessed tub and shower, toilet and sink.

LIGHTING

Typically ceiling mounted incandescent fixtures throughout except where ceilings were suspended with recessed fluorescent lighting.

ROOF

Original built-up material over wood deck was assumed except for the roof over the original section fronting Unruh Avenue which was a peaked roof with asphalt shingles.

ELECTRICAL

The energy source for the subject property enters at the basement and consists of 200 amp, 120/240 volt service.

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INTERIOR FINISH

Primarily painted plaster wall and ceiling finishes. Some areas featured suspended ceiling tiles.

HOT WATER/HEAT/  
AIR CONDITIONING/  
VENTILATION

Hot water was supplied by two, 30 gallon gas fired domestic hot water boilers. Heat was supplied by a "Weil McLain" gas fired low pressure steam heating boiler that appeared to be in good working condition. There was no air conditioning except for random wall mounted units. Some rooms featured ceiling mounted paddle fans.

MISCELLANEOUS

The basement level which was partially above grade was in process of a plumbing problem where the floor had been excavated. This was unfinished space divided into various rooms including mechanical room, with heating boilers and domestic water boilers. There was a laundry area and laundry chute.

**GENERAL COMMENTS/LAYOUT**

The subject property is a well constructed building that appeared to have been constructed in two stages. That portion fronting Unruh Avenue adjacent to the Church appeared to be constructed shortly after the church was built in 1884. A rear addition constructed circa 1925 allowed the convent to intercommunicate with the school building by adding a room at the second and third levels above the walkway leading out to Tulip Street.

The first floor of the building includes main entrance from Unruh Avenue into a vestibule and internal stairway with lighted newell post and chair lift. There is a large kitchen equipped with a double compartment stainless steel sink, formica counter top, four-burner gas fired range/oven with griddle and wood laminate cabinetry.

There is a dining room and living room separated by a pocket door, powder room and community room.

The second floor is demised into seven (7) sleeping rooms, each with wall hung sink, large hall bath with multiple fixtures previously described, chapel with stained glass windows and adjoining sacristy, social room and reading room in the area above the walkway.

The third floor is demised into fourteen (14) sleeping rooms each with wall hung sink, two common lavatory facilities and a reading room on the third level above the walkway.

The building is a substantial structure constructed initially circa 1884 and later expanded but that has been recently under-utilized and, as a result, expensive to maintain and keep operational. The building does, however, lend itself to imaginative rehabilitation reused in an alternative configuration similar to the uses cited for the rectory building.

**BUILDING AREA CALCULATIONS**

2.5' x 23.2' x 3 Stories	=	174 SF
15.1' x 36.9' x 3 Stories	=	1,672 SF
38.5' x 69.4' x 3 Stories	=	8,016 SF
1.2' x 31' x 3 Stories	=	112 SF
6.6' x 18.9' x 3 Stories	=	374 SF
2 <sup>nd</sup> & 3 <sup>rd</sup> Floors Above Walkway		<u>931 SF</u>
		11,279 SF
Less Lightwell 6' x 15' x 3		<u>(270 SF)</u>
Gross Building Area Above Grade		11,009 SF
Basement Approximately		3,359 SF



CONVENT BUILDING  
FRONT AND WESTERLY ELEVATION

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CONVENT BUILDING  
FRONT ELEVATION

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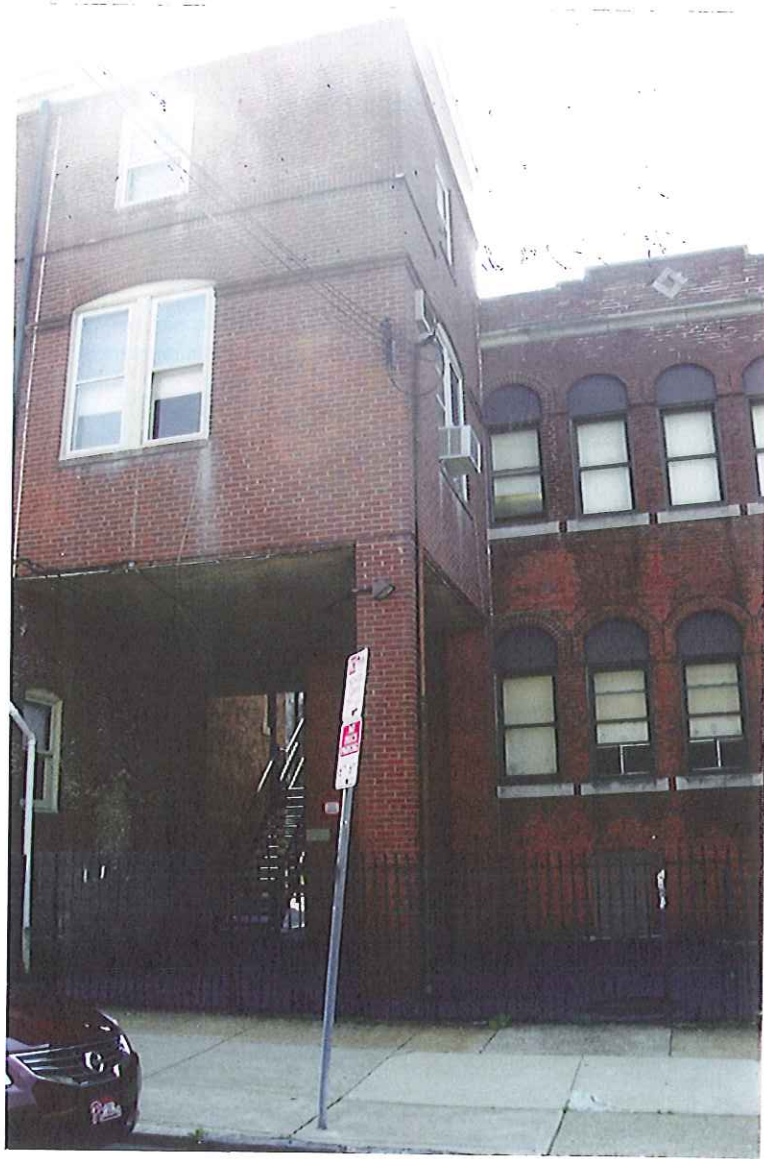


THREE LEVEL APPENDAGE TO CHURCH BUILDING  
AND ADJOINING SOUTHERLY WALL OF CHURCH  
AND EASTERLY WALL OF CONVENT

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REAR OF CONVENT  
BUILT OVER WALKWAY AT FIRST FLOOR

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Realty Appraisal Group, Ltd.



ORIGINAL ENTRANCE  
WITH DOOR INTACT TO  
ENTER CONVENT FROM UNRUH STREET

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Realty Appraisal Group, Ltd.



STAIRWAY WITH CHAIR LIFT  
IN CONVENT

LOUIS A. IATAROLA

Realty Appraisal Group, Ltd.



THIRD FLOOR HALLWAY  
FLANKED BY SLEEPING ROOMS  
IN CONVENT

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GAS FIRED HEATING BOILER FOR CONVENT

LOUIS A. IATAROLA

Realty Appraisal Group, Ltd.



UNRUH AVENUE  
LOOKING EAST FROM TULIP STREET



TULIP STREET  
LOOKING SOUTH FROM UNRUH AVENUE



**ANALYSIS OF AGREEMENT OF SALE**

To the best of my knowledge, the subject property is not currently under agreement of sale nor offered for sale in the open market.

**FLOODPLAIN**

The subject property is located entirely within Zone X, area determined to be outside 500 year floodplain determined to be outside the 1% and 0.2% annual chance floodplains according to the Flood Insurance Map for the City of Philadelphia, Pennsylvania, Community Panel No. 420757-0118G revised January 17, 2007.

**ASSESSMENT AND TAXES**

According to the website of the City of Philadelphia's Board of Revision of Taxes, the 2013 property assessment for 6660 Keystone Street as follows:

<b>Land</b>	\$ 7,984
<b>Improvements</b>	<u>\$212,560</u>
<b>Total</b>	\$220,544

The 2013 tax rate in Philadelphia is \$97.71 per \$1,000 of assessed valuation. Applying this rate to the total assessment of \$220,544 provides an annual tax levy of \$21,549.35. The property is shown as partially tax exempt in the amount of \$195,100. The taxable portion is therefore \$25,440 with a current annual tax liability of \$2,486.13.

The convent and its supporting land at 4800 Unruh Avenue which is also the subject of this appraisal is not separately assessed as of the date of this report or is included under the address of 6660 Keystone Street along with the church building.

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**HISTORY OF TITLE**

According to TReND, the on-line real estate Directory, the subject property is titled to John J. Farry, St. Leo Roman Catholic Church Parish by instrument dated May 28, 2008. Consideration was nominal as recorded at Document No. 51976198. This was an internal transfer of title. The site of which the subject is part was originally acquired October 2, 1884 by the Most Reverend Patrick John Ryan from Mary Disston.

**ZONING**

According to the Official Zoning Map of the City of Philadelphia, the pertinent portion of which has been reproduced and presented on the facing page, the subject property is situated within the boundaries of the RSA-5 Residential Zoning District. This is a lower density district which allows, by right, detached, semi-detached and attached buildings for Single Family; Passive Recreation; Family Daycare, Religious Assembly; Safety Services; Transit Station; Community Garden; Market or Community Supported Farm, and with Special Exception, Group Living; Personal Care Home; Active Recreation; Group Day Care; Educational Facilities, Fraternal Organizations; Hospital; Libraries and Cultural Exhibits; Utilities and Services; Basic Wireless Service Facility.

The Dimensional Standards of this district are as follows:

- |                          |   |
|--------------------------|---|
| Lot Width and Area:      | The minimum lot width shall be 16 feet, and the minimum lot area shall be 1,440 square feet.                            |
| Open Area:               | The open area shall be not less than 30% of the lot area for intermediate lots and 20% of the lot area for corner lots. |
| Front Yard Set-back:     | Based on setback of abutting lots.  |
| Minimum Side Yard Width: | 5 feet per yard.  |
| Maximum Height:          | 38 Feet   |

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## HIGHEST AND BEST USE

In the most recent edition of The Appraisal of Real Estate, the Appraisal Institute defines highest and best use as:

*"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."*

To estimate highest and best use, four elements are considered:

1. **Legally Permissible** - What uses of the site are permitted under current zoning or deed restrictions?
2. **Physically Possible** - What legally permissible uses are physically possible given the size and shape of the subject site and the utilities available?
3. **Financially Feasible** - Of the legally permissible and physically possible uses of the site, which uses will produce a positive return to the investor?
4. **Maximally Productive** - Of the financially feasible uses of the site, which use will produce the highest net return or the highest present value to the investor?

The following tests must be met in estimating highest and best use. The use must be legal and probable, not speculative or conjectural. A demand for the use must exist and it must yield the highest net return to the land for the longest period. These

tests are applied to the property as if it was vacant and available for development at the time of the appraisal, and as it is presently improved.

**HIGHEST AND BEST USE ASSUMING THE SITE AS VACANT AND AVAILABLE**

Legally Permissible

As mentioned in the Zoning section of this report, the subject is situated within the boundaries of the RSA5 Residential Zoning District, which is a lower density classification of the site for residential purposes including detached, semi-detached and attached single family dwellings. Also permitted are family day care and religious assembly. With special exception other permitted uses include group living, personal care home, group day care and educational facilities.

Physically Possible

Parcel "A" contains approximately 32,671± square feet or .75003 acres and is irregular in shape with 210' of frontage along Keystone Street, 200' along Unruh Avenue and 114.844' along Tulip Street. There is also a reciprocal Easement Agreement to utilize the entire school yard/parking lot.

The topography of the site is level and at grade with abutting streets and all municipal utilities including sewer, water, gas, electric services, telephone and cable are available. Therefore, given the subject's physical characteristics (size, shape, road frontage and topography) and availability of municipal utilities, the site is conducive to residential development.

Financially Feasible

After determining which uses of the subject are both legally permissible and physically possible, further analysis must be made to determine whether these uses are financially feasible. If the revenue generated from the legally permissible and physically

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possible uses is sufficient to satisfy the required rate of return on the investment, the use is considered to be a financially feasible use.

The market for residential real estate in this area has modestly improved in the recent past. Considering the historically stable location of the subject, it is my opinion that residential development would be financially feasible when economic conditions improve.

#### Maximally Productive

Of the uses of the subject property which meet the first three criteria; namely, legally permissible, physical possible, and financially feasible, it is that use which produces the highest rate of return or highest net present value which is considered to be the Highest and Best Use of the site. Regarding alternative development options for the subject site, it is our opinion, based on market evidence, that the most productive use of the site, or its highest and best use assuming it was vacant and available for development as of the date of the appraisal would be for construction with semi-detached residences. Based upon the RSA-5 zoning regulations, it appears that the site could be developed with building lots which could front along both Keystone Street and Tulip Street.

### **HIGHEST AND BEST USE AS IMPROVED**

#### Legally Permissible

As mentioned, previously, the subject is situated within the boundaries of the RSA-5 Residential Zoning District, which allows development with lower density residential type uses. The subject's most recent use as a convent and rectory was grandfathered. No known private restrictions affect property title.

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Physically Possible

Parcel "A" contains 32,671± square feet or .75003 acres with ample frontage along three (3) streets. The topography of the site is generally level and at grade with adjacent streets and all municipal utilities including sewer, water, gas, electric, telephone and cable are available. Given the subject's physical characteristics (size, shape, road frontage and topography) and availability of municipal utilities, development of a two (2) separate three story buildings, containing a combined gross building area of approximately 17,120± square feet is physically possible.

Financially Feasible

After determining which uses of the subject are both legally permissible and physically possible, further analysis must be made to determine whether these uses are financially feasible. If the revenue generated from the legally permissible and physically possible uses is sufficient to satisfy the required rate of return on the investment, the use is considered to be a financially feasible use.

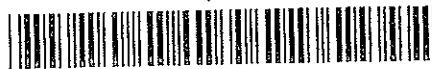
Historically, the subject property has been utilized exclusively as a rectory and convent affiliated with St. Leo's Church. The parish had merged and the church building marginally utilized. As a result, the continued use of the buildings in their existing configuration is no longer economically feasible.

The real estate market in this area is currently stable with no apparent negative forces observed that would deter the marketability of the property for other uses to which it is capable of being put. Giving consideration to the property's substantial construction, reuse of the existing rectory and convent to an alternative use such as a congregate living facility, day care or similar type use would be found financially feasible at this time.

Maximally Productive

The subject's ultimate highest and best use must anticipate converting the existing buildings into an alternative use as permitted under zoning with the availability of shared on-site parking expected to promote the appeal of the property in the open market.





Prepared by and after Recording Return to:

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CROSS-EASEMENT AGREEMENT  
(for Parking and Driveway Access)

THIS CROSS-EASEMENT AGREEMENT ("Easement Agreement"), is made as of this <sup>31<sup>st</sup></sup> day of May, 2008, by and between MAIN LINE ACADEMY, a Pennsylvania non-profit corporation ("Academy"), and REVEREND JOHN J. FARRY, in his capacity as pastor of ST. LEO ROMAN CATHOLIC PARISH ("Parish"), and not in his individual capacity and with the permission of CARDINAL JUSTIN RIGALI, in his capacity as Archbishop of Philadelphia, and not in his personal or individual capacity, by his attorney-in-fact Most Reverend Joseph R. Cistone, D.D., V.G., by Power of Attorney, dated 10/22/2003, and recorded in the Department of Records for the City and County of Philadelphia, on 11/08/2003 as instrument # 5080118.

**BASIS OF AGREEMENT**

A. Parish is the fee simple owner of certain land, buildings and improvements, known and identified as 6660 Keystone Street (also known as 6658 Keystone Street, 6649 Tulip Street and 4900 Unruh Avenue), in the City of Philadelphia, Pennsylvania, as grantee and grantee under a Deed of Consolidation to be recorded prior to the date hereof, and being further identified by the City of Philadelphia, Board of Revision of Taxes as Account Number 77-8198000 (the "Larger Property").

B. In accordance with a Site Plan made for the Archdiocese of Philadelphia by the Fifth Survey District, order number 2007S023, and dated September 20, 2007 (the "Subdivision Plan"), a copy of which is attached hereto as Exhibit "A", and zoning permit number 112514 issued by the City of Philadelphia, Department of Licenses and Inspections on February 21, 2008, Parish subdivided the Larger Property into two separate parcels, which are identified on the Subdivision Plan as (i) Parcel "A" containing approximately 32,671 square feet of land and the buildings and improvements thereon ("Parish Property"), and (ii) Parcel "B" containing approximately 29,329 square feet of land and the buildings and improvements thereon ("Academy Property").



C. On the date hereof and immediately prior to the execution and delivery by the parties of this Easement Agreement, and in furtherance of a certain agreement of sale between Parish as seller, and Academy as buyer, dated June 28, 2007 (the "Agreement"), Parish has conveyed fee simple title to the Academy Property to Academy.

D. In accordance with the Agreement, the parties desire to create reciprocal easements for parking and ingress and egress over a portion of the Parish Property and a portion of the Academy Property, respectively, as depicted on the plan attached hereto as Exhibit "A" (the "Cross Easement Area"), upon and subject to the terms and conditions set forth in this Easement Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Cross Easements.

a. Grant by Parish to Academy. Parish hereby grants, bargains, conveys, and by these presents does grant, bargain, and convey, unto the Academy, its invitees, licensees, successors and assigns, for the benefit of, and appurtenant to, the Academy Property, the non-exclusive, perpetual right, liberty, privilege and easement (the "Academy Easement") over, through, and across that portion of Cross Easement Area that is located within the Parish Property, as more particularly depicted or described on Exhibit "A" attached hereto (the "Academy Easement Area"), subject to, and in accordance with, the terms and conditions hereof and solely for the temporary parking of motor vehicles (and expressly excluding storage, long term parking, truck and bus parking, and commercial parking) together with the perpetual, uninterrupted and non-exclusive right of ingress and egress to, from, and between the Parish Property and Keystone Street.

b. Grant by Academy to Parish. Academy hereby grants, bargains, conveys, and by these presents does grant, bargain, and convey, unto Parish, its invitees, licensees, successors and assigns, for the benefit of, and appurtenant to, the Parish Property, the non-exclusive, perpetual right, liberty, privilege and easement (the "Parish Easement") over, through, and across that portion of Cross Easement Area that is located on the Academy Property, as more particularly depicted or described on Exhibit "A" attached hereto (the "Parish Easement Area"), subject to, and in accordance with, the terms and conditions hereof and solely for the temporary parking of motor vehicles (and expressly excluding storage, long term parking, truck and bus parking, and commercial parking) for and during religious services and other functions sponsored or authorized by the Parish, together with the perpetual, uninterrupted and non-exclusive right of ingress and egress to, from, and between the Parish Property and Keystone Street.

2. Covenants Running with the Land; Easements to be Private. The covenants, easements and agreements contained herein are covenants running with the land and are perpetual and shall continue in full force and effect forever, and shall be affirmatively enforceable against and shall be for the benefit of and binding upon Academy and Parish, their respective grantees, successors and assigns, the Academy Property and the Parish Property, and

each grantee, successor and assign thereof. Neither the granting of any easement hereunder nor the use and enjoyment thereof pursuant to the provisions of this Easement Agreement shall be deemed in any way to create or confer in or on any member of the public any right to use and enjoy the same or any estate or interest therein.

3. Obligations and Covenants. The easements and rights described and created herein are specifically subject to the following conditions, as well as all other terms and conditions of this Easement Agreement:

a. Maintenance. Parish shall keep the Academy Easement Area free of debris, snow and ice at its own cost and expense, and Academy shall keep the Parish Easement Area free of debris, snow and ice at its own cost and expense. Should either party reasonably determine that any maintenance or repair is necessary to the Cross Easement Area, such party shall notify the other party (unless in the case of an emergency) of the existence of the need for such maintenance or repair. Unless the parties otherwise agree, the party desiring to have the maintenance or repair performed shall be responsible for the cost and expense associated therewith.

b. Insurance. At all times during the term of this Easement Agreement, each party shall maintain in full force and effect with respect to its operations on its property and the Cross Easement Area, commercial general liability insurance (with such affirmative coverages and endorsements as shall be commercially reasonable); with an appropriate endorsement naming the other party as an additional insured party, covering injury to persons in amounts at least equal to \$1,000,000.00 per occurrence and \$2,000,000.00 annual aggregate, and with a limit for property damage of at least \$100,000.00. Each such policy shall provide that it shall not be cancelable without at least thirty (30) days prior written notice to the other party and to any mortgagee named in an endorsement thereto and shall be issued by an insurer and in a form reasonably satisfactory to the other party. Each party shall provide the other party with certificates of such insurance and an additional insured endorsement at or prior to the date of this Easement Agreement, together with evidence of paid-up premiums, and shall provide the other party with renewals thereof at least thirty (30) days prior to expiration.

c. Indemnification. Provided that the same arises from the use, operation or maintenance of the Parking Area (or any part thereof), each party (for purposes of this Paragraph 3.c, the "Indemnifying Party") will indemnify, defend and hold harmless the other party (for purposes of this Paragraph 3.c, the "Indemnified Party") from and against all losses, liabilities, obligations, damages, penalties, claims, costs, charges and expenses (including, without limitation, reasonable attorney's fees), relating to or resulting from any of the following: (a) the violation of any governmental laws or regulations or other legal requirements by the Indemnifying Party; (b) damage to the Indemnified Party's property (real or personal) caused by the Indemnifying Party, its licensees, invitees, successors and assigns; (c) personal injury or loss of life caused by the Indemnifying Party, its licensees, invitees, successors and assigns; or (d) breach of this Easement Agreement by the Indemnifying Party. The indemnity set forth in this Paragraph 3.c shall not be available to the extent such loss, liability, obligation, damage, penalty, claim, cost, charge or expense results from the negligence or misconduct of the Indemnified Party or its agents, contractors or employees.

d. Vehicles and other Obstructions. Without the prior express consent of the other party, neither party shall permanently or temporarily park or store in the Cross Easement Area, any automobile, tractor trailer, delivery vehicle, boat, house trailer, camper, recreational vehicle or similar vehicles or obstructions. Notwithstanding the foregoing, commercial, construction, and moving vehicles and equipment may be temporarily parked in the Cross Easement Area during periods of construction or on and off loading, provided that such vehicles do not prevent ingress and egress over the Cross Easement Area during such period.

4. Miscellaneous.

a. The parties shall execute, acknowledge and deliver such further instruments, documents, or agreements as may be necessary or appropriate, from time to time, to effectuate the intent hereof.

b. If legal action is commenced in order to enforce any of the covenants or obligations under this Easement Agreement, the party adjudged to have breached its obligations hereunder shall also be responsible to pay all costs and expenses, including attorney's fees and court costs sustained by the party substantially prevailing in such action.

c. This Easement Agreement may not be modified except by written agreement signed by both of the parties hereto.

d. This Easement Agreement shall be construed in accordance with the Laws of the Commonwealth of Pennsylvania, without regard to such laws pertaining to the conflicts of laws.

e. This Easement Agreement constitutes the entire agreement between the parties and there are no other understandings written or oral.

f. This Easement Agreement shall be recorded in the City of Philadelphia, Department of Records.

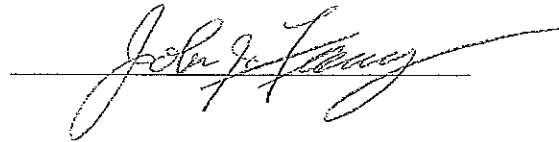
g. If any term or provision of this Easement Agreement, or any part of such term or provision, or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Easement Agreement or the application of such term or provision or remainder thereof though invalid and unenforceable shall not be affected thereby, and each term and provision of this Easement Agreement shall be valid and enforceable to the fullest extent permitted by law.

h. This Easement Agreement may be signed by the parties in two or more counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute one and the same document.

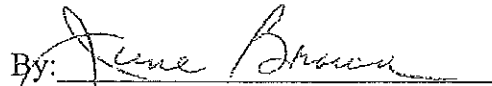
i. All Exhibits which are mentioned in or annexed to this Easement Agreement are specifically made a part of this Easement Agreement and are incorporated herein by reference.

IN WITNESS WHEREOF, intending to be legally bound, the parties have duly executed this Easement Agreement as of the date first above written.

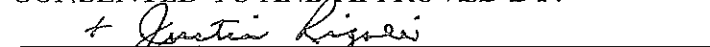
REVEREND JOHN J. FARRY, in his capacity as pastor of St. Leo Roman Catholic Parish, not in his personal or individual capacity




MAIN LINE ACADEMY

By:   
Name: June Brown  
Title: CAO

CONSENTED TO AND APPROVED BY:

  
CARDINAL JUSTIN RIGGS, in his capacity as Archbishop of Philadelphia, not in his personal or individual capacity

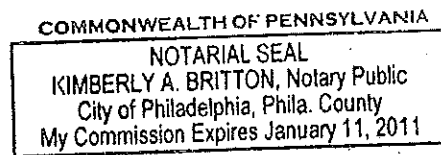
By:  {SEAL}  
Most Reverend Joseph R. Cistone, D.D., V.G.,  
his attorney-in-fact

COMMONWEALTH OF PENNSYLVANIA :  
:  
COUNTY OF PHILADELPHIA :

On this 28 day of May, 2008, before me, a Notary Public in and for the Commonwealth of Pennsylvania, the undersigned officer, personally appeared **Reverend John J. Farry**, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same on behalf of St. Leo Roman Catholic Parish in his capacity as the Pastor of St. Leo Roman Catholic Parish for the purposes therein contained.

IN WITNESS WHEREOF, I have set my hand and official seal the day and year aforesaid.

Kimberly A Britton  
Notary Public  
My Commission Expires:

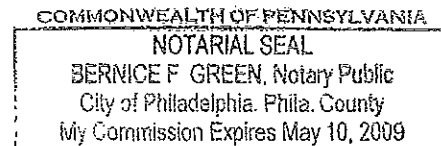


COMMONWEALTH OF PENNSYLVANIA :  
:  
COUNTY OF PHILADELPHIA :

On this, the 30<sup>th</sup> day of May, 2008, before me, the undersigned Notary Public, personally appeared **Most Reverend Joseph R. Cistone, D.D., V.G.**, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in his capacity as attorney-in-fact for Cardinal Justin Rigali.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Bernice F Green  
Notary Public  
My commission expires \_\_\_\_\_

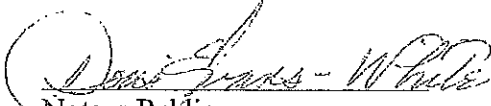


COMMONWEALTH OF PENNSYLVANIA :

COUNTY OF PHILADELPHIA :

Be it remembered that on this 25 day of June, 2008, before me, the subscriber, a Notary Public, personally appeared Doris Evans-White, of the Main Line Academy, who I am satisfied is the person who signed the within instrument, and she did acknowledge that she signed, and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation.

Witnesseth my hand and seal.

  
Notary Public  
My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Doris Evans-White, Notary Public  
City Of Philadelphia, Philadelphia County  
My Commission Expires May 5, 2009  
Member, Pennsylvania Association of Notaries

DESCRIPTION OF PARCEL "A"

ALL THAT CERTAIN lot or piece of ground with the buildings and improvements erected thereon. SITUATE in the 41st Ward of the City of Philadelphia and described according to a Site Plan (FF-789-B) made by Herman P. Ledger, P.L.S., Surveyor and Regulator of the Fifth Survey District, dated September 20, 2007:

BEGINNING at the intersection of the northwesterly side of Keystone Street (On City Plan, 60' wide, legally open 50' Wide) and the southwesterly side Unruh Avenue (On City Plan, 50' wide, legally open);

THENCE extending S.57°48'25"W. along the said northwesterly side of Keystone Street the distance of 210.000' to a point;

THENCE extending N.32°11'35"W. the distance of 113.373' to a point;

THENCE extending N.57°48'25"E. the distance of 113.716' to a point;

THENCE extending N.32°11'35"W. the distance of 52.544' to a point;

THENCE extending S.57°48'25"W. the distance of 4.924' to a point on the northeasterly face of a certain column;

THENCE extending N.32°11'35"W. along said northeasterly face of column the distance of 2.003' to a point on the northwesterly face of column;

THENCE extending S.57°48'25"W. along the said northwesterly face of column the distance of 2.051' to a point on the northeasterly face of a certain wall;

THENCE extending N.32°11'35"W. along said northeasterly face of wall the distance of 11.851' to a point on the northwesterly face of a second wall;

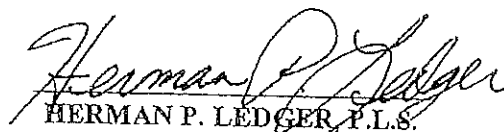
THENCE extending S.57°48'25"W. along the said northwesterly face of second wall the distance of 11.585 to a point on the said second wall;

THENCE extending N.32°11'35"W the distance of 20.228' to a point on the southeasterly side of Tulip Street (On City Plan, 50' wide, legally open);

THENCE extending N.57°48'25"E. along the said southeasterly side of Tulip Street the distance of 114.844' to a point on the said southwesterly side of Unruh Avenue;

THENCE extending S.32°11'35"E. along the said southwesterly side of Unruh Avenue the distance of 200.000' to a point on the said northwesterly side of Keystone Street; being the first mentioned point and place of beginning.

AREA OF PARCEL 32,671 square feet 0.75003 acres.

  
HERMAN P. LEDGER, P.L.S.  
PA. LICENSE #SU-044556-E  
SURVEYOR AND REGULATOR  
FIFTH SURVEY DISTRICT

2007S023-B1