

**Integra Realty Resources**  
**Pittsburgh**

**Appraisal of Real Property**

**4259 Andover**

Sub-Surface Easement

4259 Andover Terrace

Pittsburgh, Allegheny County, Pennsylvania 15213

Client Reference: 4259 Andover

**Prepared For:**

City of Pittsburgh

**Date of the Report:**

October 13, 2022

**Report Format:**

Appraisal Report

**IRR - Pittsburgh**

File Number: 210-2022-0607

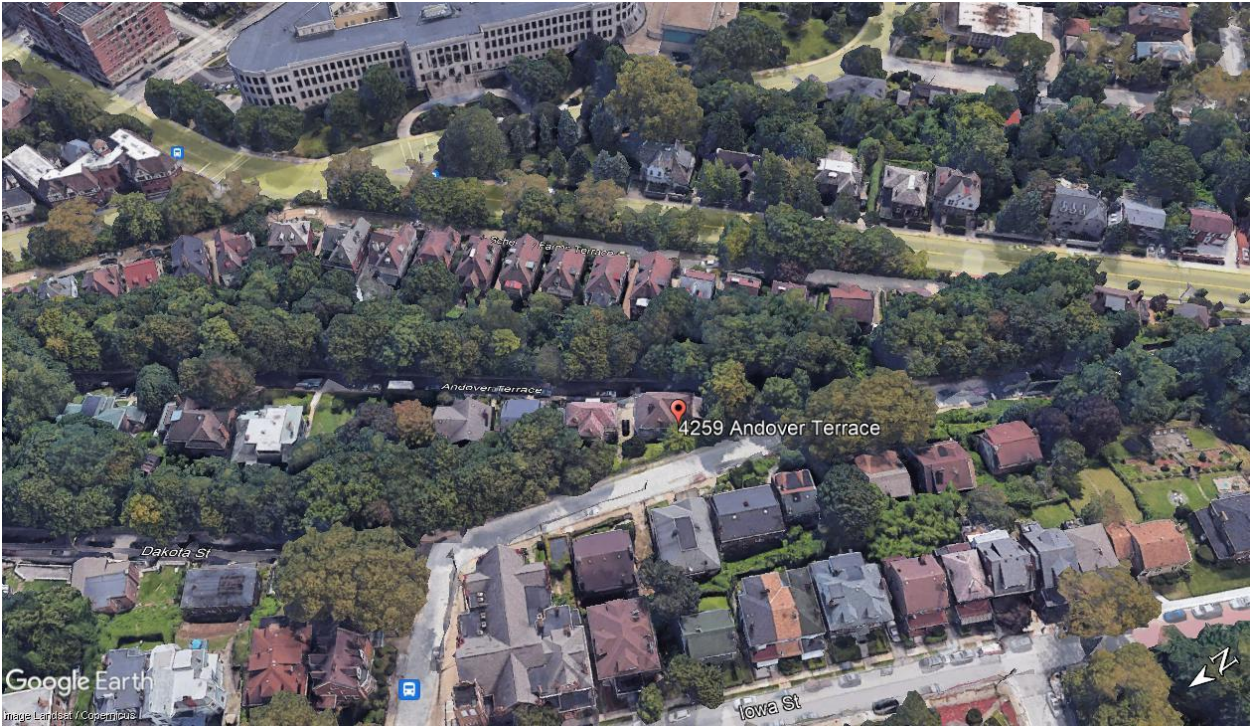


# Subject Photographs



**4259 Andover**  
4259 Andover Terrace  
Pittsburgh, Pennsylvania

# Aerial Photograph





October 13, 2022

Aaron Pickett  
Collection Manger - Real Estate Division  
City of Pittsburgh  
414 Grant Street  
Pittsburgh, PA 15219

SUBJECT:       Market Value Appraisal  
                  4259 Andover Sub-surface easement  
                  4259 Andover Terrace  
                  Pittsburgh, Allegheny County, Pennsylvania 15213  
                  Client Reference: 4259 Andover  
                  IRR - Pittsburgh File No. 210-2022-0607

Dear Mr. Pickett:

Integra Realty Resources – Pittsburgh is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the fair market value, pertaining to the easement interest in the property.

The client for the assignment is City of Pittsburgh. The intended user of this report is the client. The intended use of the report is for eminent domain purposes. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

The property under consideration is a single family lot containing an area of 6,028 square feet, which is improved with a two story single family residence. The property is zoned R2-L, Two-unit residential low density. This appraisal considers the value of a proposed sub-surface easement for soil nails/anchors, which will comprise 63% of the site.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, **the concluded opinion of value for the proposed sub-surface easement is as follows:**

<b>Value Conclusion</b>			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value
Fair Market Value	Easement	October 5, 2022	\$25,200

#### **Extraordinary Assumptions and Hypothetical Conditions**

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

**1. Sub-surface easement has no adverse impact on the building improvements.**

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

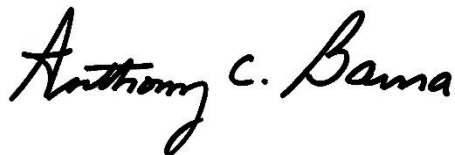
**1. No hypothetical conditions.**

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

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

Respectfully submitted,

**Integra Realty Resources - Pittsburgh**



Anthony Barna, MAI, SRA, CRE  
Pennsylvania Certified General Appraiser  
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# Table of Contents

<b>Quality Assurance</b>	<b>2</b>	Reconciliation and Conclusion of Value	35
<b>Executive Summary</b>	<b>3</b>	Exposure Time	35
		Marketing Time	35
<b>Identification of the Appraisal Problem</b>	<b>4</b>	<b>Addenda</b>	
Subject Description	4	A. Appraiser Qualifications	
Sale History	4	B. Comparable Data	
Pending Transactions	4		
Appraisal Purpose	4		
Value Type Definitions	<b>Error! Bookmark not defined.</b>		
Appraisal Premise Definitions	5		
Property Rights Definitions	5		
Client and Intended User(s)	5		
Intended Use	5		
Applicable Requirements	6		
Report Format	6		
Prior Services	6		
Appraiser Competency	6		
<b>Scope of Work</b>	<b>7</b>		
<b>Economic Analysis</b>	<b>9</b>		
Allegheny County Area Analysis	9		
Surrounding Area Analysis	14		
<b>Property Analysis</b>	<b>16</b>		
Land Description and Analysis	16		
Highest and Best Use	26		
<b>Valuation</b>	<b>28</b>		
Valuation Methodology	28		
Sales Comparison Approach	29		
Analysis and Adjustment of Sales	32		
Land Value Conclusion	34		
Sub-Surface Easement	34		

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# Quality Assurance

## IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

## Executive Summary

Property Name	4259 Andover
Address	4259 Andover Terrace Pittsburgh, Allegheny County, Pennsylvania 15213
Property Type	Land - Single Family Residence
Owner of Record	Brian & Donna Albert
Tax ID	27-C-122
Land Area	0.14 acres; 6,028 SF
Zoning Designation	R2-L, Two-unit residential low density
Highest and Best Use	Residential use
Exposure Time; Marketing Period	12 months; 12 months
Effective Date of the Appraisal	October 5, 2022
Date of the Report	October 13, 2022
Property Interest Appraised	Easement
Sales Comparison Approach	
Number of Sales	3
Range of Sale Dates	Dec 20 to May 22
Range of Prices per Property (Unadjusted)	\$60,000 - \$77,000
Indicated Value Before Final Adjustment	\$80,000
Final Adjustment (\$ Amount)	-\$54,800
Description of Final Adjustment	Non-Impact Area
Market Value Conclusion	\$25,200

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than City of Pittsburgh may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

**1. Sub-surface easement has no adverse impact on the building improvements.**

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

**1. No hypothetical conditions.**

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.



# Identification of the Appraisal Problem

## Subject Description

The property under consideration is a single family lot containing an area of 6,028 square feet, which is improved with a two story single family residence. The property is zoned R2-L, Two-unit residential low density. This appraisal considers the value of a proposed sub-surface easement for soil nails/anchors, which will comprise 63% of the site. A legal description of the property is provided below.

### Property Identification

Property Name	4259 Andover
Address	4259 Andover Terrace Pittsburgh, Pennsylvania 15213
Tax ID	27-C-122
Owner of Record	Brian & Donna Albert

## Sale History

The most recent closed sale of the subject, as an improved property with a single family residence, is summarized as follows:

Sale Date	June 6, 2018
Seller	Donald Jansen
Buyer	Brian & Donna Albert
Sale Price	\$410,000
Recording Instrument Number	17237/323
Expenditures Since Purchase	NA

No known sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date.

## Pending Transactions

Based on discussions with the appropriate contacts, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

## Appraisal Purpose

The purpose of the appraisal is to develop the following opinion(s) of value:

- The fair market value of the easement interest in the subject property as of the effective date of the appraisal, October 5, 2022

The date of the report is October 13, 2022. The appraisal is valid only as of the stated effective date or dates.

## Definition of Fair Market Value

### Fair Market Value

“Fair market value shall be the price which would be agreed to by a willing and informed seller and buyer, taking into consideration but not limited to the following factors:

- (1) The present use of the property and its value for that use.
- (2) The highest and best reasonably available use of the property and its value for that use.
- (3) The machinery, equipment and fixtures forming part of the real estate taken.
- (4) Other factors as to which evidence may be offered as provided by Chapter 11 (relating to evidence).”

Pennsylvania Eminent Domain Code, 26 Pa. C.S. \_ 703

## Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

### As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.<sup>1</sup>

## Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

### Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>2</sup>

## Client and Intended User(s)

The client and intended user is City of Pittsburgh. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

## Intended Use

The intended use of the appraisal is for eminent domain purposes. The appraisal is not intended for any other use.

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<sup>1</sup>Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

<sup>2</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

## Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

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

## Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

## Prior Services

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

## Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

# Scope of Work

## Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

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

## Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

## Subject Property Data Sources

The legal and physical features of the subject property, including size of the site, flood plain data, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

## Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

<b>Property Inspection</b>		
Party	Inspection Type	Inspection Date
Anthony Barna, MAI, SRA, CRE	On-site	October 5, 2022

## Valuation Methodology

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

<b>Approaches to Value</b>		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

In developing an opinion of value for the subject, only the sales comparison approach is used. This approach is applicable to the subject because there is an active market for similar properties, and sufficient sales data is available for analysis.

The cost approach is not applicable because this appraisal does not consider the building and site improvements, and the income approach is not applicable because the subject is not likely to generate rental income in its current state.

## Economic Analysis

### Allegheny County Area Analysis

Allegheny County is located in southwestern Pennsylvania and is 730 square miles in size and has a population density of 1,684 persons per square mile.

#### Population

Allegheny County has an estimated 2022 population of 1,229,092, which represents little to no change from the 2010 census of 1,223,348. The population trend in Allegheny County contrasts with that of the State of Pennsylvania which had a 0.2% average annual increase in population over this time.

Looking forward, Allegheny County's population is projected to increase at a 0.3% annual rate from 2022-2027, equivalent to the addition of an average of 3,997 residents per year. Allegheny County's growth rate is expected to lag that of Pennsylvania, which is projected to be 0.4%.

	Population Trends				
	Population			Compound Ann. % Chng	
	2010 Census	2022 Estimate	2027 Projection	2010 - 2022	2022 - 2027
Allegheny County	1,223,348	1,229,092	1,249,076	0.0%	0.3%
Pennsylvania	12,702,379	13,015,961	13,306,197	0.2%	0.4%
United States	308,745,538	334,279,739	344,999,336	0.7%	0.6%

Source: Claritas

#### Employment

Total employment in Allegheny County was estimated at 652,792 jobs as of June 2021. Between year-end 2011 and 2021, employment declined by 32,872 jobs, equivalent to a 4.8% loss over the entire period. There were declines in employment in three out of the past ten years, influenced most recently by the onset of the COVID-19 pandemic in 2020. Allegheny County underperformed Pennsylvania, which experienced an increase in employment of 1.3% or 74,842 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Allegheny County unemployment rate has been consistently lower than that of Pennsylvania, with an average unemployment rate of 5.8% in comparison to a 6.2% rate for Pennsylvania. A lower unemployment rate is a positive indicator.

Recent data shows that the Allegheny County unemployment rate is 4.2% in comparison to a 4.9% rate for Pennsylvania, a positive sign for the Allegheny County economy but one that must be tempered by the fact that Allegheny County has underperformed Pennsylvania in the rate of job growth over the past two years.

<b>Employment Trends</b>						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Allegheny County	% Change	Pennsylvania	% Change	Allegheny County	Pennsylvania
2011	685,664		5,599,808		6.9%	7.8%
2012	689,858	0.6%	5,627,180	0.5%	6.8%	7.7%
2013	690,108	0.0%	5,647,263	0.4%	6.3%	7.1%
2014	689,089	-0.1%	5,721,188	1.3%	5.4%	5.9%
2015	692,115	0.4%	5,761,811	0.7%	5.1%	5.4%
2016	694,196	0.3%	5,800,878	0.7%	5.1%	5.3%
2017	702,657	1.2%	5,872,180	1.2%	4.8%	5.0%
2018	708,994	0.9%	5,935,443	1.1%	4.2%	4.5%
2019	708,286	-0.1%	5,989,815	0.9%	4.2%	4.5%
2020	647,278	-8.6%	5,555,386	-7.3%	9.0%	9.1%
2021*	652,792	0.9%	5,674,650	2.1%	5.9%	6.1%
Overall Change 2011-2021	-32,872	-4.8%	74,842	1.3%		
Avg Unemp. Rate 2011-2021					5.8%	6.2%
Unemployment Rate - March 2022					4.2%	4.9%

\*Total employment data is as of June 2021; unemployment rate data reflects the average of 12 months of 2021.

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Major employers in Allegheny County are shown in the following table.

<b>Major Employers - Allegheny County</b>	
Name	
1	UPMC Presbyterian Shadyside
2	University of Pittsburgh
3	Federal Government
4	PNC Bank NA
5	Western Penn Allegheny Health
6	Giant Eagle Inc
7	Allegheny County
8	Carnegie Mellon University
9	Allegheny Clinic
10	Bank of New York Mellon

Source: Department of Labor and Industry

### Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in Allegheny County than Pennsylvania overall during the past ten years. Allegheny County has grown at a 1.3% average annual rate while Pennsylvania has grown at a 0.8% rate. Allegheny County appears to be harder hit in the recent downturn, as the area's GDP declined by 4.7% in 2020 while Pennsylvania's GDP declined by 4.5%. GDP figures for 2021 are not yet available at the local level, but GDP on a national level increased 5.7% in 2021, in contrast to the pandemic-related decrease of 3.4% in 2020.

Allegheny County has a per capita GDP of \$72,941, which is 39% greater than Pennsylvania's GDP of \$52,640. This means that Allegheny County industries and employers are adding relatively more value to the economy than their counterparts in Pennsylvania.

### Gross Domestic Product

Year	(\$,000s)		(\$,000s)	
	Allegheny County	% Change	Pennsylvania	% Change
2011	78,714,531		637,114,000	
2012	79,820,383	1.4%	647,925,900	1.7%
2013	81,024,107	1.5%	655,929,200	1.2%
2014	81,995,649	1.2%	669,643,100	2.1%
2015	84,986,251	3.6%	682,466,100	1.9%
2016	84,788,471	-0.2%	688,359,400	0.9%
2017	87,626,665	3.3%	694,236,500	0.9%
2018	91,053,999	3.9%	703,946,000	1.4%
2019	92,679,155	1.8%	716,173,400	1.7%
2020	88,357,285	-4.7%	683,773,900	-4.5%
Compound % Chg (2011-2020)		1.3%		0.8%
GDP Per Capita 2020	\$72,941		\$52,640	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2021. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2012 dollars.

### Income, Education and Age

Allegheny County has a higher level of household income than Pennsylvania. Median household income for Allegheny County is \$72,209, which is 3.2% greater than the corresponding figure for Pennsylvania.

### Median Household Income - 2022

	Median
Allegheny County	\$72,209
Pennsylvania	\$69,980
Comparison of Allegheny County to Pennsylvania	+ 3.2%

Source: Claritas

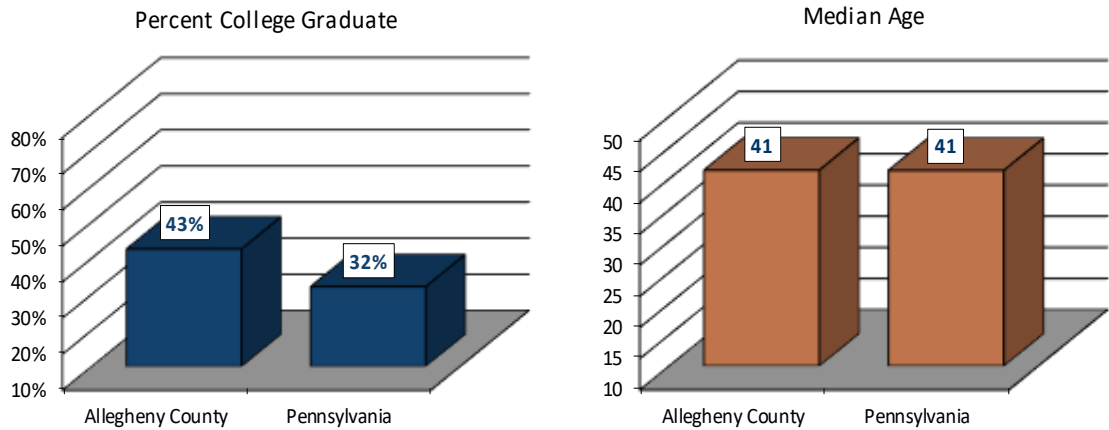


Residents of Allegheny County have a higher level of educational attainment than those of Pennsylvania. An estimated 43% of Allegheny County residents are college graduates with four-year degrees, versus 32% of Pennsylvania residents. People in Allegheny County are similar in age to their Pennsylvania counterparts. The median age of both Allegheny County and Pennsylvania is 41 years.

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### Education & Age - 2022

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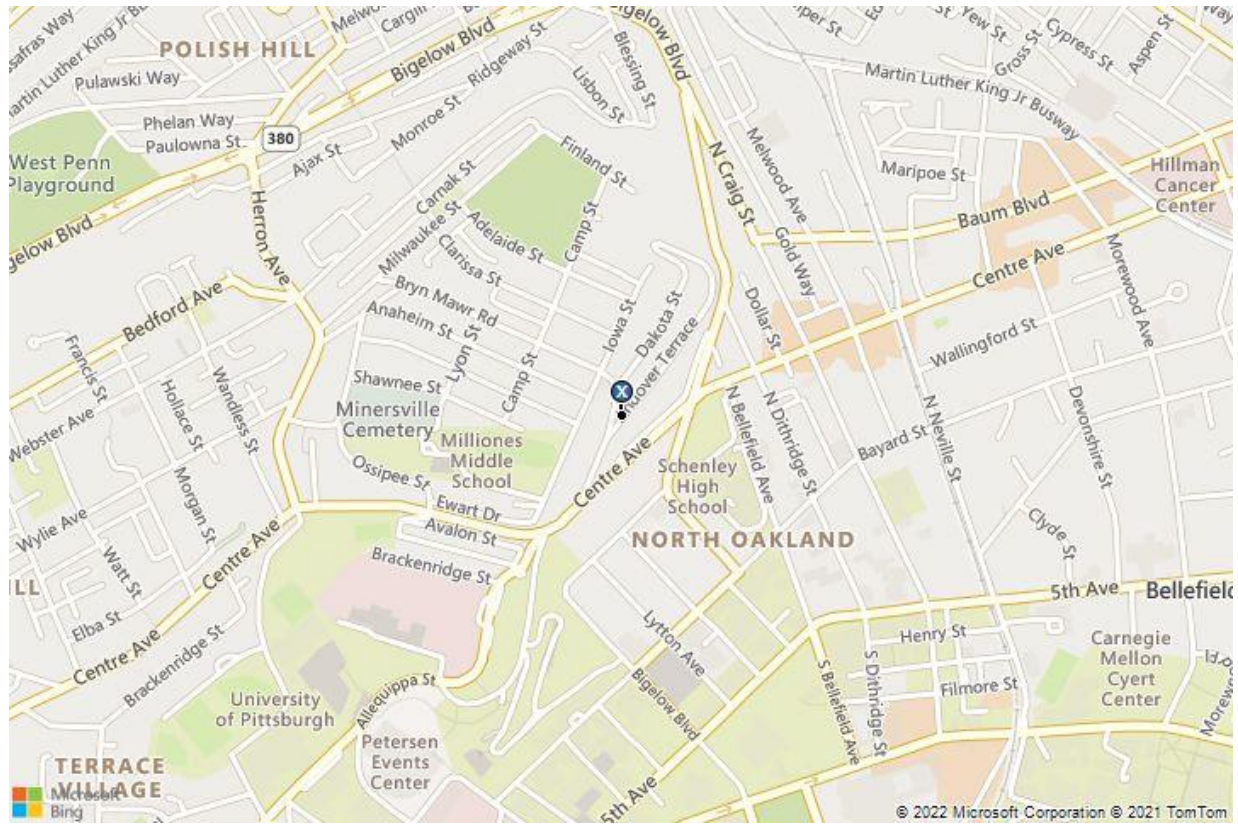
Source: Claritas

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### Conclusion

The Allegheny County economy will benefit from a stable to slightly growing population base and higher income and education levels. Although Allegheny County experienced a decline in the number of jobs over the past decade, it has maintained a consistently lower unemployment rate than Pennsylvania during this time, which is a positive indicator. It is anticipated that the Allegheny County economy will improve and employment will grow, strengthening the demand for real estate.

### Area Map



## Surrounding Area Analysis

### Location

The subject is situated in the Schenley Farms Terrace neighborhood in Pittsburgh's 5<sup>th</sup> Ward and borders North Oakland and the University of Pittsburgh.

### Access and Linkages

Primary highway access to the area is via the Parkway East, Forbes and Fifth Avenues. Public transportation is provided by the Port Authority and provides access to Oakland and the central business district.

### Demographics

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

Surrounding Area Demographics					
2020 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Allegheny County	Pennsylvania
Population 2010	35,015	186,566	379,185	1,223,348	12,702,379
Population 2020	35,571	186,680	372,427	1,214,327	12,817,939
Population 2025	35,772	186,633	369,949	1,210,580	12,885,553
Compound % Change 2010-2020	0.2%	0.0%	-0.2%	-0.1%	0.1%
Compound % Change 2020-2025	0.1%	0.0%	-0.1%	-0.1%	0.1%
Households 2010	12,620	83,708	170,972	533,960	5,018,904
Households 2020	12,918	85,637	172,115	542,090	5,110,212
Households 2025	13,027	86,171	172,255	544,157	5,151,178
Compound % Change 2010-2020	0.2%	0.2%	0.1%	0.2%	0.2%
Compound % Change 2020-2025	0.2%	0.1%	0.0%	0.1%	0.2%
Median Household Income 2020	\$25,552	\$48,986	\$50,293	\$63,705	\$63,913
Average Household Size	1.9	1.9	2.0	2.2	2.4
College Graduate %	56%	52%	42%	41%	31%
Median Age	23	34	37	41	41
Owner Occupied %	26%	39%	49%	65%	69%
Renter Occupied %	74%	61%	51%	35%	31%
Median Owner Occupied Housing Value	\$170,339	\$193,134	\$138,599	\$171,010	\$196,228
Median Year Structure Built	1957	1939	1941	1956	1964
Average Travel Time to Work in Minutes	23	26	28	30	29

Source: Environics Analytics

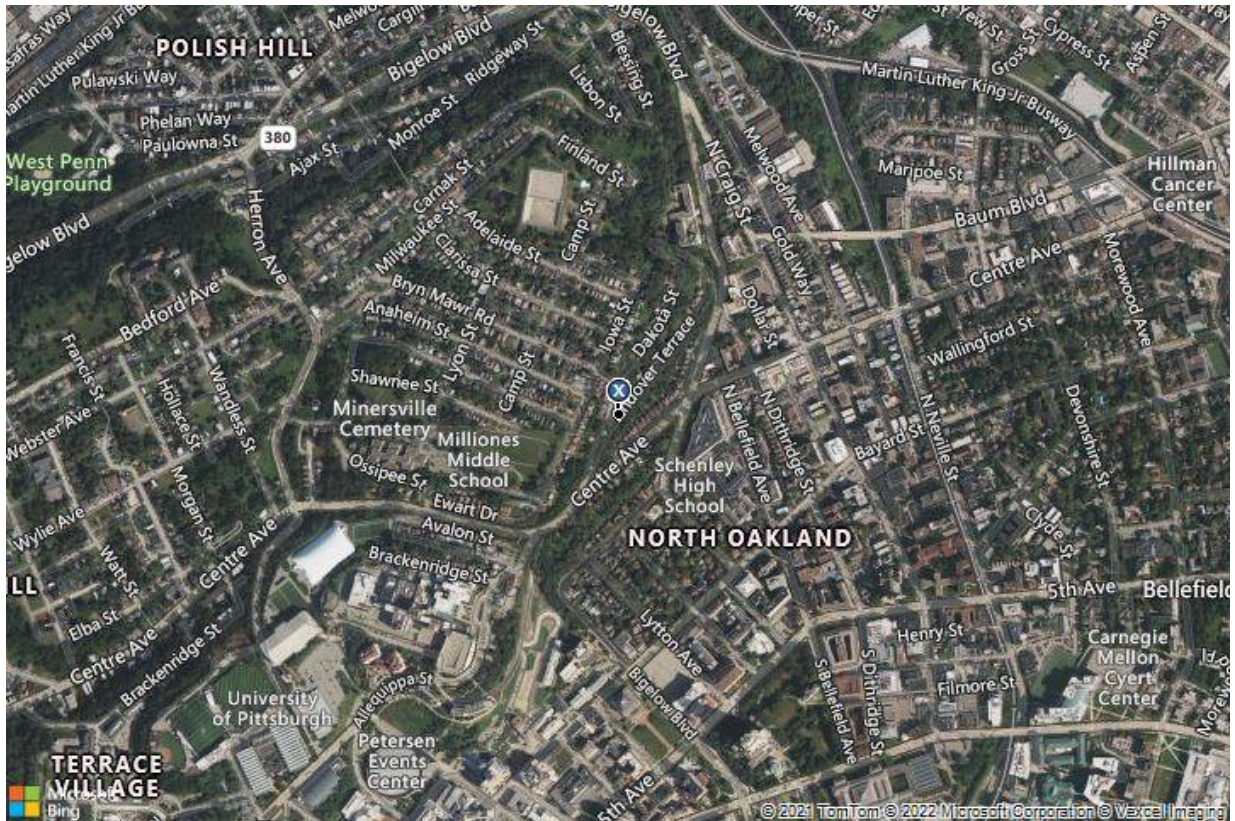
As shown above, the current population within a 3-mile radius of the subject is 186,680, and the average household size is 1.9. Population in the area has been flat since the 2010 census, and this trend is projected to continue over the next five years. This differs from the population of Allegheny County, which is projected to decline, as discussed previously.

Median household income is \$48,986, which is lower than the household income for Allegheny County. Residents within a 3-mile radius have a considerably higher level of educational attainment than those of Allegheny County, while median owner-occupied home values are considerably higher.

### Outlook and Conclusions

The area is in the mature stage of its life cycle. We anticipate that property values will increase at a steady rate in the near future.

### Surrounding Area Map



## Property Analysis

### Land Description and Analysis

#### Land Description

Land Area	0.14 acres; 6,028 SF
Source of Land Area	Engineering Report
Primary Street Frontage	Andover Terrace - 151 feet
Secondary Street Frontage	Bryn Mawr Road - 164 feet
Shape	Other
Corner	Yes
Rail Access	No
Water/Port Access	No
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed.
Ground Stability	Compromised
Flood Area Panel Number	42003C0354H
Date	September 26, 2014
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

#### Zoning; Other Regulations

Zoning Jurisdiction	City of Pittsburgh
Zoning Designation	R2-L
Description	Two-unit residential low density
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Residential
Rent Control	No
Other Land Use Regulations	None known

#### Utilities

Service	Provider	Adequacy
Water	Public	Adequate
Sewer	Public	Adequate
Electricity	Public	Adequate
Natural Gas	Public	Adequate
Local Phone	Multiple	Adequate

The property under consideration is a triangular-shaped lot at Andover Terrace and Bryn Mawr Road.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

**Site Analysis**

A landslide along the eastern side of Andover Terrace has resulted in a collapse of the roadway, as illustrated by the photographs that follow in this report.

**Description of the Easement**

A sub-surface easement is required for soil nails/anchors and will comprise 3,795 square feet or 63% of the site area.

An easement is a non-possessory right to use and/or enter onto the real property of another without possessing it.

The sub-surface easement is described on the following pages.

DOMI PROJECT NO.	220022
PROJECT NAME/ROUTE	Andover Terrace Temporary Support
COUNTY	Allegheny
MUNICIPALITY	City of Pittsburgh
PARCEL NO.	27-C-122
ADDRESS	4259 Andover Terrace
CLAIMANT	Brian and Donna Albert

## SUB-SURFACE EASEMENT

THIS Grant of Sub-Surface Easement ("Agreement") is made this \_\_\_\_\_, by Brian and Donna Albert, owner(s) of property affected by the construction or improvement of the above mentioned property designated as parcel 27-C-122 their heirs, executors, administrators, successors and/or assigns ("SELLER"), and City of Pittsburgh ("PURCHASER").

### WITNESSETH:

WHEREAS, the PURCHASER is empowered to exercise condemnation of real property for public transportation construction or improvements and

WHEREAS, the parties have agreed that, in lieu of condemnation, the SELLER will convey to the PURCHASER a permanent underground structure easement from the portion of the property designated herein, required by the PURCHASER.

NOW, THEREFORE, the parties, intending to be legally bound, agree as follows:

1. **Sale and Conveyance.** The SELLER sells and conveys to the PURCHASER, in consideration of the sum of one (\$1) Dollar, a permanent underground structure easement over Parcel 27-C-122 as designated on the plan attached hereto as Exhibit "A" for purposes of continued placement and presence of soil nails. The area of the sub-surface easement is 3,795 square feet as designated on Exhibit "A". SELLER understands that work necessary for installation of such soil nails shall be conducted within the public right-of-way. This easement grants the initial and continued placement of the soil nails.
2. **Warranty and Reservation.** The SELLER warrants generally the easement conveyed. The SELLER hereby excepts and reserves from this conveyance all right, title and interest in and to all minerals, including oil, gas, subsurface gas storage and subsurface gas storage protection together with the right to produce, inject, store subsurface, withdraw and protect natural gas and oil; said mining, removal, storage and storage protection activities to be accomplished from a minimum depth so as to not disrupt the underground structures authorized hereunder, from mine shafts, wells or other facilities located off the right-of-way. It is the intent of this Agreement that no activities of the SELLER may take place on the surface or under the area acquired by the PURCHASER that would interfere with the underground structures authorized hereunder.
3. **Right of Entry.** Upon execution of this Agreement, the PURCHASER, its agents and contractors, shall have the right to enter Parcel 27-C-122 generally, including within any building situated thereupon, for the limited purpose of making necessary safety inspections. Any activities conducted under this Right-of-Entry shall be superficial examinations that will not include any alteration or change to Parcel 27-C-122 or any buildings or structures thereupon. PURCHASER shall provide at least ten-days notice prior to conducting any such inspections. The right-of-entry afforded to PURCHASER hereunder shall expire one hundred and eighty days after execution of this Agreement.

4. **Settlement and Release.** The SELLER does further remise, release, quitclaim and forever discharge the PURCHASER or any agency or political subdivision thereof or its or their employees or representatives of and from all suits, damages, claims and demands which the SELLER might otherwise have been entitled to assert under the provisions of the Eminent Domain Code, 26 Pa. C.S. § 101 et seq., for or on account of this conveyance and any injury to or destruction of the aforesaid property of the SELLER through or by reason of the initial and continued presence of the soil nails granted hereunder.

5. **Binding Effect.** This Agreement shall accrue to the benefit of and be binding upon the parties to this Agreement and their respective heirs, executors, administrators, representatives, successors and assigns.

6. **Applicable Law.** This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions).

7. **Severability.** The provisions of this Agreement shall be severable. If any phrase, clause, sentence or provision of this Agreement is declared to be contrary to the Constitution of Pennsylvania or of the United States or of the laws of the Commonwealth the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Agreement and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby.

8. **No Waiver.** Either party may elect not to enforce its rights and remedies under this Agreement in the event of a breach by the other party of any term or condition of this Agreement. In any event, the failure by a party to enforce its rights and remedies under this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other term or condition of this Agreement.

9. **Assignment.** This Agreement may not be assigned by the SELLER, either in whole or in part, without the written consent of the PURCHASER.

10. **Third Party Beneficiary Rights.** The parties to this Agreement understand that this Agreement does not create or intend to confer any rights in or on persons or entities not a party to this Agreement.

11. **Authorization.** The City of Pittsburgh is authorized to enter into this Agreement pursuant to \_\_\_\_\_.

12. **Right-To-Know Law.** The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, applies to this Agreement.

13. **Integration and Merger.** This Agreement, when executed, approved and delivered, shall constitute the final, complete and exclusive Agreement between the parties containing all the terms and conditions agreed on by the parties. All representations, understandings, promises and agreements pertaining to the subject matter of this Agreement made prior to or at the time this Agreement is executed are superseded by this Agreement unless specifically accepted by any other term or provision of this Agreement. There are no conditions precedent to the performance of this Agreement except as expressly set forth herein.



# Survey Showing Sub-Surface Easement





Front View



View of the property



View along Andover Terrace



Front View



Edge of Andover Terrace



View of the property



View of the property

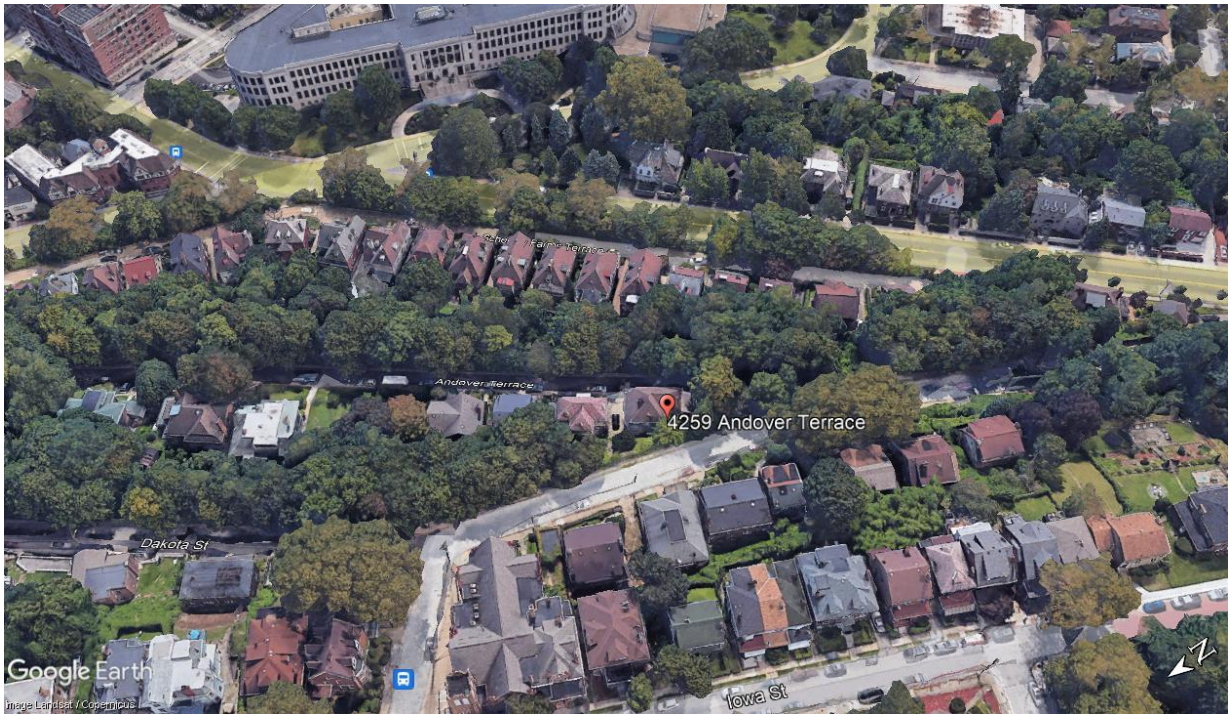


View along Bryn Mawr

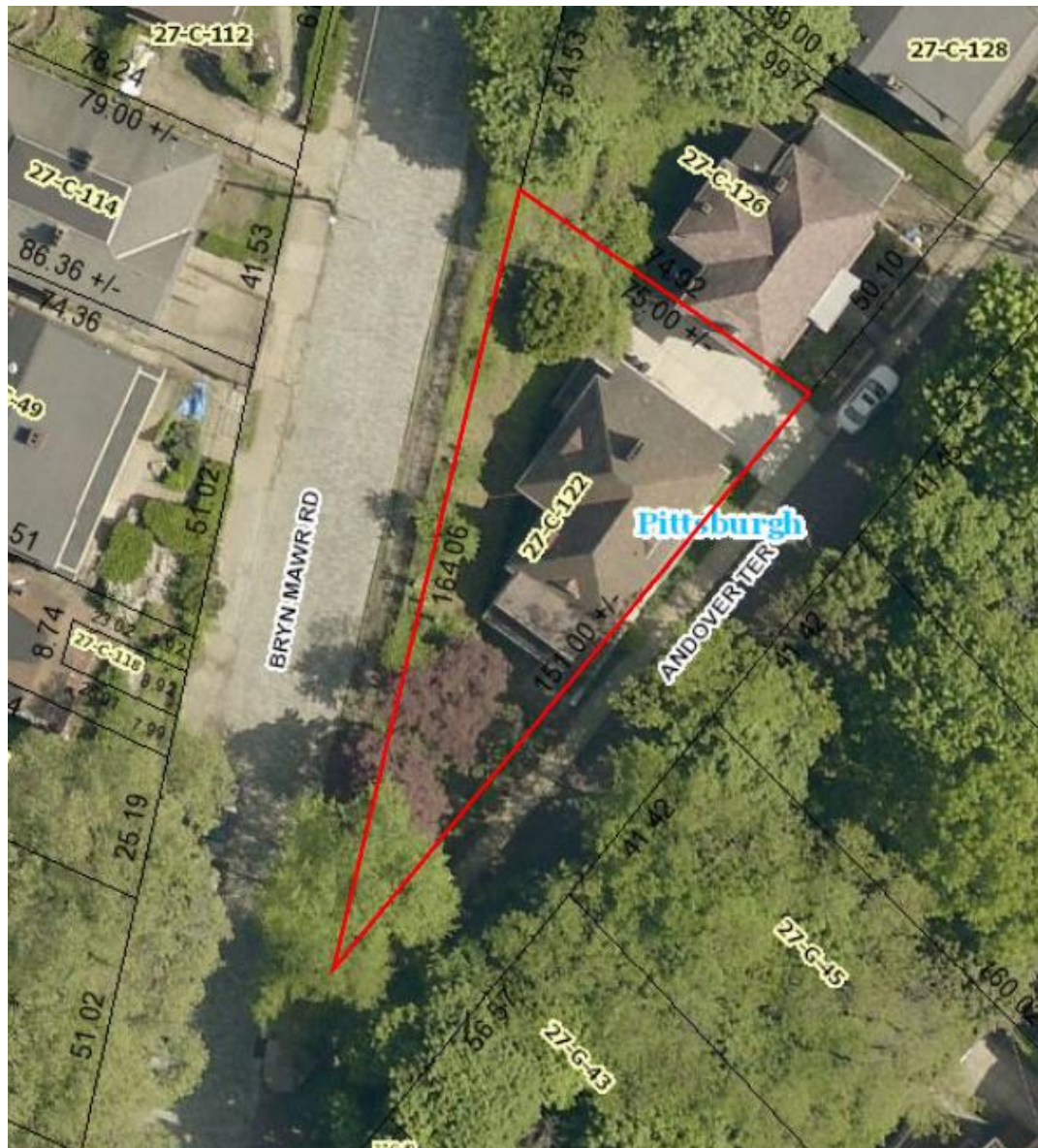


View along Bryn Mawr

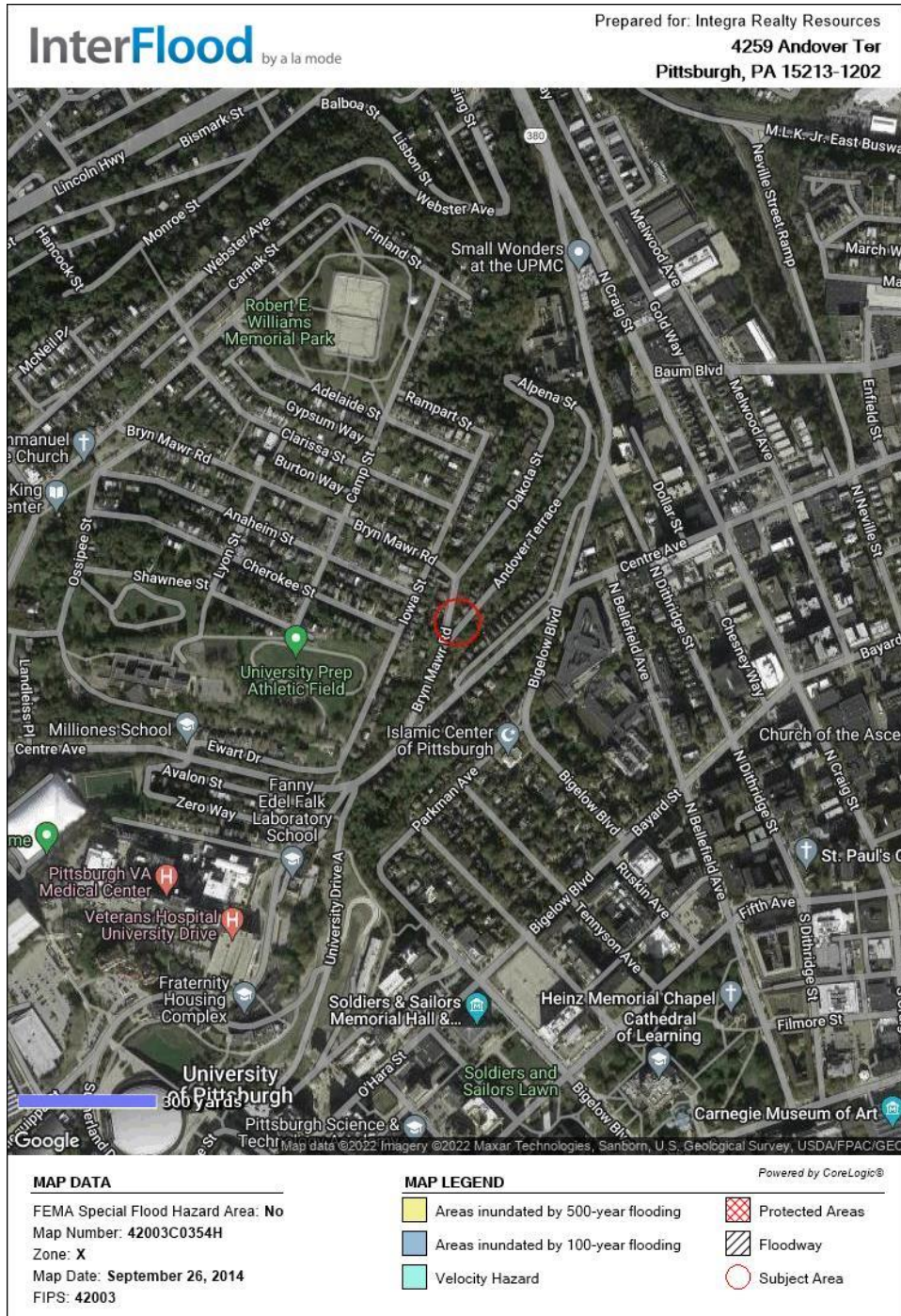
## Aerial Photograph



### Plat Map



### Flood Hazard Map



## Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value and represents the use of an asset that maximizes its productivity.

### Process

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

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

### As Though Vacant

First, the property is evaluated as though vacant, with no improvements and no impact from the landslide.

#### Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

#### Legally Permissible

The site is zoned R2-L, Two-unit residential low density. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only residential use is given further consideration in determining highest and best use of the site, as though vacant.

#### Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for residential use in the subject's area. It appears a newly developed residential use on the site would have a value commensurate with its cost. Therefore, residential use is considered to be financially feasible.

#### Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than residential use. Accordingly, residential use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

**Conclusion**

Development of the site for residential use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as though vacant.

**As Improved**

The subject site is improved with a two story, single family residence that appears to have been constructed in the early part of the 20<sup>th</sup> Century. The existing improvements are consistent with the highest and best use as vacant.

**Most Probable Buyer**

Taking into account the characteristics of the site, as well as area development trends, the probable buyer is an owner-occupant.



# Valuation

## Valuation Methodology

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

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

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

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

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

The methodology employed in this assignment is summarized as follows:

<b>Approaches to Value</b>		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

## Sales Comparison Approach

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

Our sales research focused on transactions within the following parameters:

- Location: City of Pittsburgh
- Size: 3,000-10,000 SF
- Use: Residential lot
- Transaction Date: As recent as is available

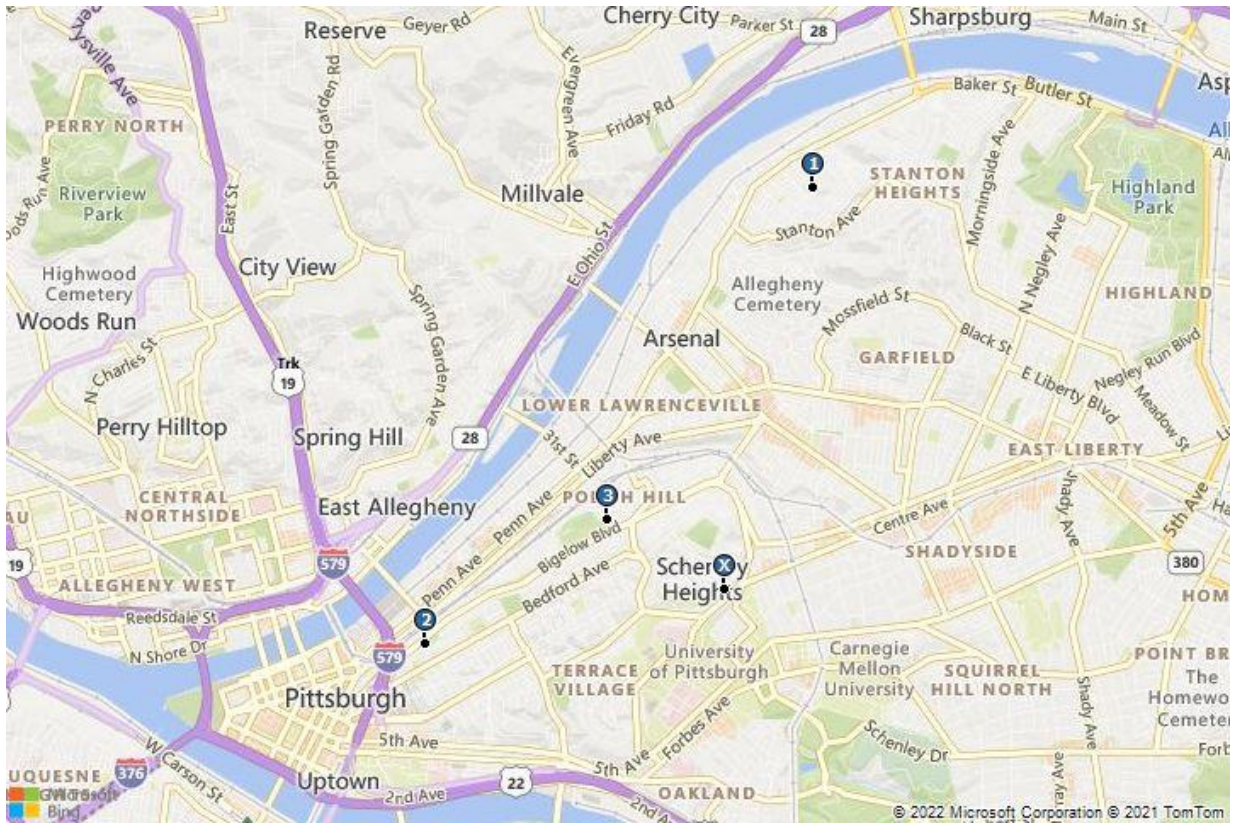
For this analysis, we use overall sale price as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis.

Three relevant sales are summarized in the following table.

### Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning
1	Kendall St. Lot 614 Kendall St. Pittsburgh Allegheny County	May-22 Closed	\$60,000	6,485 0.15	H
2	Cliff St. Lot 1709 Cliff St. Pittsburgh Allegheny County	Aug-21 Closed	\$77,000	7,496 0.17	RMM & P
3	3011 Paulowna Pittsburgh Allegheny County	Dec-20 Closed	\$75,000	4,792 0.11	R2-H
	<b>Subject</b> 4259 Andover Pittsburgh, PA			6,028 0.14	R2-L

### Comparable Land Sales Map





Sale 1  
Kendall St. Lot



Sale 2  
Cliff St. Lot



Sale 3  
3011 Paulowna

4259 Andover



## Analysis and Adjustment of Sales

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

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

The following table summarizes the adjustments we make to each sale.

### Land Sales Adjustment Grid

	Subject	Comparable 1	Comparable 2	Comparable 3
Name	4259 Andover	Kendall St. Lot	Cliff St. Lot	3011 Paulowna
Address	4259 Andover Terrace	614 Kendall St.	1709 Cliff St.	3011 Paulowna
City	Pittsburgh	Pittsburgh	Pittsburgh	Pittsburgh
County	Allegheny	Allegheny	Allegheny	Allegheny
Sale Date		May-22	Aug-21	Dec-20
Sale Status		Closed	Closed	Closed
Sale Price		\$60,000	\$77,000	\$75,000
Price Adjustment		—	—	—
Effective Sale Price		\$60,000	\$77,000	\$75,000
Square Feet	6,028	6,485	7,496	4,792
<b>Sale Price</b>		<b>\$60,000</b>	<b>\$77,000</b>	<b>\$75,000</b>
Property Rights		Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—
Conditions of Sale		—	—	—
% Adjustment		—	—	—
Market Conditions	10/5/2022	May-22	Aug-21	Dec-20
Annual % Adjustment	3%	1%	4%	5%
<b>Cumulative Adjusted Price</b>		<b>\$60,600</b>	<b>\$80,080</b>	<b>\$78,750</b>
Location		30%	—	—
Access/Exposure		—	—	—
Size		—	—	—
Shape and Topography		—	—	—
Zoning		—	—	—
Entitlements		—	—	—
Net \$ Adjustment		\$18,180	\$0	\$0
Net % Adjustment		30%	0%	0%
<b>Final Adjusted Price</b>		<b>\$78,780</b>	<b>\$80,080</b>	<b>\$78,750</b>
Overall Adjustment		31%	4%	5%
<b>Range of Adjusted Prices</b>		<b>\$78,750 - \$80,080</b>		
<b>Average</b>		<b>\$79,203</b>		
<b>Indicated Value</b>		<b>\$80,000</b>		

### Land Value Conclusion

Prior to adjustment, the sales reflect a range of \$60,000 - \$77,000 per overall sale price. After adjustment, the range is narrowed to \$78,750 - \$80,080 per overall sale price, with an average of \$79,203 per overall sale price.

We arrive at a fee simple land value conclusion of \$80,000.

### Sub-Surface Easement

An easement is a non-possessory right to use and/or enter onto the real property of another without possessing it. Data extracted from paired sales in the Pittsburgh market provides support for the conclusion that the impact of a permanent sub-surface easement, with balanced use by both the property owner and the easement holder, is 50% of the fee simple value.

An underground easement is required for soil nails/anchors comprising 3,795 square feet or 63% of the site and is valued as follows:

$\$80,000 \text{ fee simple site value} \times 63\% \text{ site area encumbered} \times 50\% \text{ easement impact} = \$25,200.$

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#### Land Value Conclusion

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Indicated Value per Site	\$80,000
Lump Sum	<u>1</u>
Indicated Value	\$80,000
Adjustments	
Non-Impact Area	<u>-\$54,800</u>
Total Adjustments	-\$54,800
Indicated Value	\$25,200
Rounded	\$25,200

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## Reconciliation and Conclusion of Value

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion of the sub-surface easement follows:

### Value Conclusion

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value
Fair Market Value	Easement	October 5, 2022	\$25,200

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

**1. Sub-surface easement has no adverse impact on the building improvements.**

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

**1. No hypothetical conditions.**

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

### Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local market, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 12 months.

### Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 12 months.



## Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. Anthony Barna, MAI, SRA, CRE, made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Anthony Barna, MAI, SRA, CRE has completed the continuing education program for Designated Members of the Appraisal Institute.

*Anthony C. Barna*

Anthony Barna, MAI, SRA, CRE  
Pennsylvania Certified General Appraiser #GA-  
001069-L

## Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

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

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.

6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environmental hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Pittsburgh, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. **IRR - Pittsburgh is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Pittsburgh. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**
25. IRR - Pittsburgh is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

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### **Extraordinary Assumptions and Hypothetical Conditions**

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The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

**1. Sub-surface easement has no adverse impact on the building improvements.**

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

**1. No hypothetical conditions.**

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

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**Addendum A**  
**Appraiser Qualifications**



# Anthony Barna, MAI, SRA, CRE

## Experience

Managing Director and consulting appraiser for Integra Realty Resources – Pittsburgh.

Anthony Barna has been actively engaged in valuation and consulting since 1991 and his practice specializes in complex assignments for litigation support, eminent domain, tax assessment, and financing. He regularly provides testimony as an expert witness. Mr. Barna holds the internationally recognized MAI and SRA professional designations from the Appraisal Institute. He earned the SRA designation in 1995 in recognition of his expertise in the analysis and valuation of residential property. The MAI professional designation was awarded in 1999 for his experience and proficiency in the valuation of commercial, industrial, residential and specialty properties and for advising clients on real estate investment decisions. He holds the CRE designation from the Counselors of Real Estate, which certifies individual professional achievement in the real estate counseling profession and acknowledges a member's status as one of the most trusted professionals in the field of real estate and real estate related counseling and advisory services.

Experience as an adviser and investor provides his clients with an understanding of real estate market opportunities and risks. Drawing upon the experience, technology and professional expertise of the Integra Realty Resources system, he applies rigorous analysis, along with a unique problem solving creativity.

While practicing as an appraiser, Mr. Barna was appointed to teach as an adjunct professor of real estate topics at the Duquesne University Donahue Graduate School of Business. He also served as President of the Appraisal Institute Pittsburgh Chapter and currently serves on the Appraisal Journal Review Panel.

Integra Realty Resources-Pittsburgh represents the cutting edge of real property valuation. Our culture is founded on continuous research, always exceeding client expectations and providing a superior service. Every member of our staff recognizes this challenge as a daily reality that is fueled by passion, commitment and integrity.

## Licenses

Pennsylvania, Certified General Appraiser, GA-001069-L, Expires June 2023

## Education

Anthony Barna was trained as a biomedical engineer at Boston University (B.S. 1984) and has a graduate degree in finance from Duquesne University (MBA 1988).

## Qualified Before Courts & Administrative Bodies

Mr. Barna has been qualified to provide expert witness testimony before courts throughout the Commonwealth of Pennsylvania, as well as in Virginia, West Virginia and Connecticut.

Integra Realty  
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irr.com



## About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

*Local Expertise...Nationally!*

# irr.com



**Addendum B**  
**Comparable Data**



## Location & Property Identification

Property Name:	Kendall St. Lot
Sub-Property Type:	Residential, Single Family Lot
Address:	614 Kendall St.
City/State/Zip:	Pittsburgh, PA 15201
County:	Allegheny
Market Orientation:	Urban
Property Location:	10th Ward, Pittsburgh
IRR Event ID:	2931835



## Sale Information

Sale Price:	\$60,000
Effective Sale Price:	\$60,000
Sale Date:	05/12/2022
Listing Price:	\$78,900
Listing Date:	02/07/2022
Sale Status:	Closed
\$/Acre(Gross):	\$402,955
\$/Land SF(Gross):	\$9.25
\$/Acre(Usable):	\$402,955
\$/Land SF(Usable):	\$9.25
Grantor/Seller:	Arthur Kleitz Jr.
Grantee/Buyer:	Oxbridge Development Corporation
Property Rights:	Fee Simple
Exposure Time:	2 (months)
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	18907/419
Verified By:	Anthony Barna, MAI, SRA, CRE
Verification Date:	10/13/2022
Confirmation Source:	Broker
Verification Type:	Confirmed-Seller Broker

Occupancy at Time of Sale: 0.00%

## Improvement and Site Data

MSA:	Pittsburgh, PA
Legal/Tax/Parcel ID:	81-A-206
Acres(Usable/Gross):	0.15/0.15
Land-SF(Usable/Gross):	6,485/6,485
Usable/Gross Ratio:	1.00
Shape:	Rectangular
Topography:	Gently Sloping
Vegetation:	Trees and grasses
Corner Lot:	No
Frontage Feet:	55
Frontage Desc.:	Kendall Street
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Low
AccessibilityRating:	Average
Visibility Rating:	Average
Zoning Code:	H
Zoning Desc.:	Hillside
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV

## Occupancy

## Improvement and Site Data (Cont'd)

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Source of Land Info.:                      Engineering Report

## Comments

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Unimproved single family lot in Lawrenceville.  
Unimproved, rectangular shaped site at Kendall Street and the unopened Duncan Avenue.

## Location & Property Identification

Property Name:	Cliff St. Lot
Sub-Property Type:	Residential, Single Family Lot
Address:	1709 Cliff St.
City/State/Zip:	Pittsburgh, PA 15219
County:	Allegheny
Market Orientation:	Urban
Property Location:	3rd Ward, Pittsburgh
IRR Event ID:	2931830



## Sale Information

Sale Price:	\$77,000
Effective Sale Price:	\$77,000
Sale Date:	08/03/2021
Listing Price:	\$87,500
Listing Date:	02/24/2021
Sale Status:	Closed
\$/Acre(Gross):	\$447,414
\$/Land SF(Gross):	\$10.27
\$/Acre(Usable):	\$447,414
\$/Land SF(Usable):	\$10.27
Grantor/Seller:	Terra Building Group LLC
Grantee/Buyer:	Crews Dev.
Property Rights:	Fee Simple
Exposure Time:	3 (months)
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Verified By:	Anthony Barna, MAI, SRA, CRE
Verification Date:	10/13/2022
Confirmation Source:	Broker
Verification Type:	Confirmed-Seller Broker

## Improvement and Site Data

MSA:	Pittsburgh, PA
Legal/Tax/Parcel ID:	9-M-87
Acres(Usable/Gross):	0.17/0.17
Land-SF(Usable/Gross):	7,496/7,496
Usable/Gross Ratio:	1.00
Shape:	Rectangular
Topography:	Gently Sloping
Vegetation:	Grass and shrubs
Corner Lot:	No
Frontage Feet:	48
Frontage Desc.:	Cliff Street
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Low
AccessibilityRating:	Average
Visibility Rating:	Average
Zoning Code:	RMM & P
Zoning Desc.:	Residential
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Source of Land Info.:	Engineering Report

## Occupancy

Occupancy at Time of Sale:	0.00%
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## Comments

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Unimproved single family lot along Cliff Street at the terminus of Manila Street.

## Location & Property Identification

Property Name:	3011 Paulowna
Sub-Property Type:	Residential, Single Family Lot
Address:	3011 Paulowna
City/State/Zip:	Pittsburgh, PA 15219
County:	Allegheny
Market Orientation:	Urban
Property Location:	6th Ward, Pittsburgh
IRR Event ID:	2686938



## Sale Information

Sale Price:	\$75,000
Effective Sale Price:	\$75,000
Sale Date:	12/16/2020
Listing Price:	\$109,000
Listing Date:	01/24/2020
Sale Status:	Closed
\$/Acre(Gross):	\$681,818
\$/Land SF(Gross):	\$15.65
\$/Acre(Usable):	\$681,818
\$/Land SF(Usable):	\$15.65
Grantor/Seller:	JPM SR Enterprises
Grantee/Buyer:	Incline Homes LLC
Property Rights:	Fee Simple
Exposure Time:	12 (months)
Financing:	Cash to seller
Document Type:	Deed
Verified By:	Anthony Barna, MAI, SRA, CRE
Verification Date:	03/22/2022
Confirmation Source:	Broker
Verification Type:	Confirmed-Seller Broker

Legal/Tax/Parcel ID:	25-M-251
Acres(Usable/Gross):	0.11/0.11
Land-SF(Usable/Gross):	4,791/4,791
Usable/Gross Ratio:	1.00
Shape:	Rectangular
Topography:	Gently Sloping
Vegetation:	Minimal
Corner Lot:	No
Frontage Feet:	40
Frontage Desc.:	Paulowna Street
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Low
AccessibilityRating:	Average
Visibility Rating:	Average
Zoning Code:	R2-H
Zoning Desc.:	Two unit residential high density
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV
Source of Land Info.:	Public Records

## Occupancy

Occupancy at Time of Sale:	0.00%
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## Improvement and Site Data

**3011 Paulowna**

## Comments





## Comments (Cont'd)

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Unimproved double lot in the Polish Hill neighborhood that stretches from Paulowna Street and Phelan Way.

