

September 12, 2017

Christopher S. Brown, Esquire  
Law Offices of Thomas F. Dirvonas  
Attorneys for East Stroudsburg Area School District Board of Education  
11 North Eighth Street  
Stroudsburg, Pennsylvania 18360  
Phone: 570-421-0816  
Email: chris@dirvonas.com

RE: **Valuation Services**  
9090 Franklin Hill Road  
East Stroudsburg, Pennsylvania

Dear Mr. Brown:

CBRE, Inc. (CBRE) is pleased to submit this proposal and our Terms and Conditions for the preparation of an appraisal of the above referenced real property.

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**PROPOSAL SPECIFICATIONS**

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<b>Purpose:</b>	To estimate the market value of the above referenced real property for <i>ad valorem</i> taxation purposes.
<b>Premise:</b>	As Is – as of August 1, 2016 (for Tax Year 2017) and as of August 1, 2017 (for Tax Year 2018)
<b>Rights Appraised:</b>	Fee Simple/Leased Fee Estate – as appropriate
<b>Intended Use:</b>	Contemplated assessment appeal
<b>Intended User:</b>	The intended user is the East Stroudsburg Area School District Board of Education, their attorneys and advisors. CBRE, Inc. will not recognize any others as Intended Users of our market report.
<b>Reliance:</b>	Reliance on any report produced by CBRE under this Agreement is extended solely to the client signing below and to other parties and entities qualified by CBRE as Intended Users and identified in this Agreement. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof, whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents, or have any liability in connection therewith.
<b>Inspection:</b>	CBRE will inspect the subject and tour its immediate environs for an understanding of the property's physical traits and locational attributes.
<b>Approaches to Value:</b>	CBRE will develop all of the appropriate valuation techniques for the subject property. After doing so, the strengths and weaknesses of each methodology will be reviewed. Outstanding differences among them will be reconciled toward a point estimate of a reasonable and defensible value for the subject property.

<b>Report Type:</b>	Standard Appraisal Report
<b>Appraisal Standards:</b>	Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation; Code of Professional Ethics and Supplemental Standards of the Appraisal Institute.
<b>Appraisal Fee:</b>	\$4,500. Note that as expert testimony is anticipated as a result of our analysis, any additional professional services provided by CBRE in preparation and appearances on the client's behalf are billed at the rate of \$200 per hour, payable monthly.
<b>Expenses:</b>	Fee includes all expenses.
<b>Retainer:</b>	A retainer of one-half of the total fee or \$2,250 is required.
<b>Payment Terms:</b>	Final payment is due and payable upon delivery of the electronic copy of the final report or within thirty (30) days of your receipt of our draft report, whichever is sooner. The fee is considered earned upon delivery of our draft report.
<b>Delivery Instructions:</b>	CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic edition of our appraisal report. An Adobe PDF file via e-mail will be delivered to <a href="mailto:chris@dirvonas.com">chris@dirvonas.com</a> . The client has requested two (2) bound final copies. Current charges apply for additional copies (see Terms and Conditions.)
<b>Delivery Date:</b>	Delivery of the appraisal reports will be completed according to the following Delivery Schedule.
<b>Delivery Schedule:</b>	
<b>Draft Report:</b>	October 6, 2017
<b>Final Report:</b>	3 days after receipt of all review comments.
<b>Start Date:</b>	The appraisal process will commence upon receipt of your signed agreement and the requested property specific data which is attached to this Agreement.
<b>Acceptance Date:</b>	These specifications are subject to modification if this proposal is not accepted in five business days.

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When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client. Each person signing below represents to have authorization to enter into this Agreement and to bind the respective parties hereto.

Note that federal banking regulations require insured institutions to employ appraisers when the appraisal is to be used in connection with mortgage loans. Due to that requirement, the appraisal report called for herein will not be acceptable to a federally regulated financial institution. Additionally, CBRE has not appraised the subject property during the previous three years from the date of this agreement.

Christopher S. Brown, Esquire  
Appraisal Agreement  
Page 3 of 7  
September 12, 2017

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

**CBRE, Inc.**  
**Valuation & Advisory Services**



Matthew L. Juraska, MAI  
Vice President  
As Agent for CBRE, Inc.  
Pennsylvania Certified General  
Real Estate Appraiser #GA-003992  
215-921-7448  
[matthew.juraska@cbre.com](mailto:matthew.juraska@cbre.com)

**AGREED AND ACCEPTED**

**FOR EAST STROUDSBURG AREA SCHOOL DISTRICT BOARD OF EDUCATION:**

_____ Signature	_____ Date
_____ Name	_____ Title
_____ Phone Number	_____ E-Mail Address

4

**CBRE**

## TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement" ) between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Appraisal Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Appraiser is subpoenaed to give testimony or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Appraiser executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal Report discussed herein.

5

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to the best of the Appraiser's knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.
15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF USED, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY'S TOTAL LIABILITY TO THE OTHER FOR DAMAGES UNDER THE AGREEMENT EXCEED, IN THE AGGREGATE, THE GREATER OF EITHER THE AMOUNT OF THE TOTAL FEES PAID TO APPRAISER UNDER THIS AGREEMENT, OR TEN THOUSAND DOLLARS (\$10,000). BY SIGNING THIS AGREEMENT, CLIENT INDICATES ITS UNDERSTANDING OF THE LIABILITY LIMITATION HEREIN AND AGREES TO ABIDE BY SUCH LIMITATION. THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party approved in writing by Appraiser and identified herein as an "Intended User" of the Appraisal Report, (ii) any third party service provider (including rating agencies and Client's auditors) using the Appraisal Report in the course of providing services for the sole benefit of Client, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed, sustained or incurred by any party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.
17. In the event Client incorporates or references the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the appraisal or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iii) an actual or alleged violation of applicable law by Client (including, without limitation, securities laws) or the negligent or intentional acts or omissions of Client (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising there from, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Appraiser (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

## **SPECIFIC PROPERTY DATA REQUEST**

In order to complete this assignment in the timely manner requested, CBRE, Inc., Valuation & Advisory Services, requests the following specific information for the property where applicable and available:

1. Current title report or title holder name
2. Legal description
3. Survey and/or plat map
4. Site plan for the existing development
5. Building plans and specifications, including square footage for all buildings and suites
6. Current county property tax assessment or tax bill
7. Details on any sale, contract, or listing of the property within the past three years
8. Engineering studies, soil tests or environmental assessments
9. Ground lease, if applicable
10. Details regarding the development costs, including land cost, if developed within the past three years
11. Three-year and YTD property income and expenses
12. Current year property income and expense budget
13. Detailed occupancy report for the past three years and current YTD
14. Expense reimbursement schedule on a tenant-by-tenant basis, including base-year amounts
15. Complete copies or abstracts of all lease agreements and a current rent roll
16. Details regarding the lease rates/terms and marketing activity for any vacant suites
17. Details regarding any pending changes to the rent roll or pertinent information regarding the current/future status of the tenants
18. Details regarding any tenant improvement allowances and free rent provided for all leases pending or signed over the prior 12 months
19. Details regarding capital expenditures made within the last 12 months, or scheduled for the next 12 months
20. Any previous market/demand studies or appraisals
21. Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
22. Any other information that might be helpful in valuing this property

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Matthew L. Juraska  
Vice President  
CBRE, Inc.  
Valuation & Advisory Services  
Cira Center – Suite 1500  
2929 Arch Street  
Philadelphia, Pennsylvania 19104  
matthew.juraska@cbre.com

8