



APPRAISAL & CONSULTATION

An Appraisal Report Of:

Courthouse Montessori School
1305 Windmill Point Crescent
Virginia Beach, VA 23453



Prepared For: Old Point National Bank
101 East Queen Street
Hampton, VA 23669

Date of Report: March 26, 2024
EAJoseph File No. C2403003



March 26, 2024

Old Point National Bank
101 East Queen Street
Hampton, VA 23669

RE: Courthouse Montessori School
1305 Windmill Point Crescent
Virginia Beach, VA 23453

To Whom it May Concern;

At your request and authorization, EAJoseph Appraisal & Consultation has prepared an appraisal of the market value of the above referenced property. Our analysis and conclusions are presented in the following Appraisal Report.

The subject consists of a 19,576± square foot institutional, school facility situated on 1.02± acres and is located at the terminus of Windmill Pont Crescent in Virginia Beach, VA. The subject is in average to fair condition, see noteworthy issues for more information. Based on the analysis contained within this report, the market value of the subject is concluded as follows:

Market Value Conclusion(s)					
Effective Value Date	Market Value	Premise	Qualifier	Legal Estate	Property Component
03/19/2024	\$1,470,000	Liquidation Value	As Is	Fee Simple	Land & Bldg.
03/19/2024	\$1,960,000	Market Value	As Is	Fee Simple	Land & Bldg.

Compiled by EAJoseph Appraisal & Consultation

The report, in its entirety, including all applicable assumptions and limiting condition and hypothetical conditions, is an intricate part of this letter and should not be removed from this report. If this letter is separated from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value as defined herein. The analysis, opinions and conclusions were developed based on, and this report has been prepared in compliance with, the guidelines and recommendations set forth in the Uniform Standard of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of

Professional Appraisal practice of the Appraisal Institute. This report also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user(s) of this report are specifically identified in our report as agreed upon in our contract for services and/ or reliance language found within this report. No other use or user(s) of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and EAJoseph Appraisal and Consulting will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the report, or if we can be of further assistance, please let us know how we may further serve you.

Respectfully submitted,

EAJoseph Appraisal & Consultation



Eugene A. Joseph, Jr., MAI, SRA, AI-GRS
Principal Appraiser
Certified General Real Estate Appraiser
License No. 4001 009492

Table of Contents

Summary of Salient Facts.....	1
SWOT Analysis	4
Special Assumptions & Disclosures	5
Extraordinary Assumptions & Disclosures	6
Hypothetical Conditions	6
Environmental Risk Disclosure.....	7
Scope of Work	8
Legal Description	12
Ownership and Property History	12
Exposure and Marketing Time	12
Definition of Appraised Estates.....	13
Definition of Real Property Estates.....	14
Personal Property & Intangibles.....	14
Professional Standards.....	14
Subject Photographs.....	15
Regional and Local Area Market Trends and Conditions.....	17
Demographic Profile.....	21
Vicinity Description	24
Immediate Market Environs	28
Site Description	30
GIS.....	33
Description of Existing Improvements	36
Sketch.....	38
Real Estate Taxes.....	39
Zoning Analysis.....	40
Zoning Map.....	41
Highest and Best Use	42
Value Introduction.....	45
Sales Comparison Approach	47
Reconciliation.....	59
Certification	65
Sequence of Addenda Materials	67

SUMMARY OF SALIENT FACTS

PROPERTY TYPE:	Institutional; School Building
Real Estate Appraised:	All Rights in Fee Simple Estate
Property Location:	The subject consists of a 19,576± square foot School/ Institutional building situated on 1.02± acres. The subject is located at the terminus of Windmill Pont Crescent in Virginia Beach, VA. The subject is in the immediate vicinity of residential and municipally oriented properties.
Assessor's Identification:	14854846990000
Relevant Dates:	Date of Report: March 26, 2024 Date of Value: March 19, 2024
Site:	
Size	1.02± acres; 44,431± square feet.
Developable Acreage	It appears that the majority of the site is developable.
IMPROVEMENTS:	The subject consists of a two-story, institutional, school building comprising, 19,576± SF. The school was constructed in 1980 according to public records.
Flood Plain:	See body of Report.
Land Use Controls:	Zoning: PDH1; Planned Unit Development District Other: None
Highest and Best Use:	
"As vacant"	Residential use
"As improved"	Existing Use
Regional Summary:	Overall, on a regional basis, we believe that 2024 will be a period of moderate growth with regained confidence in the economy and a general increase in prices and rents with no major outbreak in inflation. Interest rates are expected to incrementally increase as a recovering economy tries to ward off inflationary pressures.
Local Market Summary:	Virginia Beach is located in the state of Virginia, USA, and is a part of the Hampton Roads / Tidewater area. Historically, the city's economy has been diverse, with sectors such as manufacturing, retail, healthcare, education, and government services playing significant roles.

The Naval and military centers play a central role in the Hampton Roads / Virginia Beach economy.

The city has seen a steady increase in manufacturing jobs and investments, which has been beneficial for the overall economic growth. In addition to manufacturing, Virginia Beach has a robust retail sector. The county has several shopping centers, malls, and commercial districts that provide jobs and generate revenue for the local economy. Retail sales tax also contributes to the city's budget. The healthcare and education sectors are also essential components of the local economy. The county is home to various medical facilities and educational institutions that provide jobs and attract talent to the area.

Furthermore, government services play a significant role in the economy, as the city government is a major employer and provides various public services and infrastructure development. Like many regions, the economy of Virginia Beach can be influenced by broader economic trends, such as changes in consumer spending, housing markets, and national and global economic conditions.

The velocity of economic activity varies dramatically from impending upsurge in some submarkets to continued softness in others.

Risk Assessment:

The property is situated in Virginia Beach in the central portion of the city and represents a typical level of risk vis-à-vis other properties within this submarket.

Environmental Conditions:

The estimated value herein reflects the total value of the subject property as if unaffected by hazardous substances. The presence of hazardous substances, if any, may have a negative influence on value. The consideration of the effects on value is beyond the purpose and scope of this appraisal.

Present Use:

Institutional / School Use

Potential Uses:

Institutional School / Church Uses

Extraordinary Assumptions:

See Herein

Hypothetical Assumptions:

None

Value Indications

Cost Approach	Not Applicable
Sales Approach	See Body of Report
Income Approach:	Not Applicable

Final Value(s): See Body of Report

Noteworthy Issues: See Below

EXTERIOR OBSERVATION

After multiple attempts to gain access, the appraisers were not permitted to enter the facility. At the request of the client, we have completed the appraisal based on an exterior observation only.

SWOT ANALYSIS

Strengths and weaknesses are property specific whereas opportunities and threats are external to the property.

STRENGTHS INCLUDE

- Located in an enclave of complimentary use properties
- Functional and efficient design
- Dense residential development is in the immediate area

WEAKNESSES INCLUDE

- The subject is a unique property and thus there is a shallow pool of buyers.
- The subject is in average to fair condition.

OPPORTUNITIES

- Vacancy levels are stable in the market

THREATS

- Uncertainty – the current National Pandemic is creating uncertainty for private schools such as the subject.

SPECIAL ASSUMPTIONS & DISCLOSURES

The following special assumptions and disclosures are considered herein.

- Features of the subject site such as legal description, dimensions, size, etc. were obtained from publicly available sources. All information taken there from is assumed reasonably correct.
- Features of the subject structure including yet not limited to exterior design, floor plans, and construction materials were obtained from a personal observation. All information taken there from is assumed reasonably correct.
- Observation of the subject property was limited to the entire site, most of the roof (not visible from the ground), most exterior walls (as visible from the ground), most common areas like halls, porches, or stairs, and most of the interior. Unseen spaces are assumed to have physical condition similar to that in observed spaces. It is further assumed the subject has no hidden defects. The appraiser(s) did not attempt to study, dig, probe, investigate, detect, remove materials, or discover unfavorable physical features.
- Real estate tax information for the subject was obtained from a reputable online source, so it is assumed reasonably correct. All information from any credible source is assumed reasonably correct. Moreover, this information is assumed the most recent that is expeditiously available to the public.
- Water and sewer service the subject structure. This appraisal assumes these systems possess sufficient capacity to adequately serve the intended use of the subject improvements, if any. This appraisal also assumes the water is potable and non-contaminated. If these systems are inadequate to properly serve the subject's intended use, then the subject's value and marketability would be adversely affected.
- Assumptions and presumptions discussed in the Noteworthy Issues section of this report, if any, are incorporated by way of reference into these Assumptions & Disclosures.
- A recently issued title policy was not furnished to the appraiser(s). If a value-impairment is identified or suggested in a title policy, another professional report, or some other document, this appraisal does not address issues that are significantly atypical for a valuation of this type of property unless specifically identified in the Scope of Work and/or Noteworthy Issues section of this report.

The above assumptions as well as other assumptions anywhere herein are integral premises upon which the conclusions in this document are based. If any of these assumptions are later found to be materially untrue or inaccurate, then this report's assignment results may or may not be affected.

EXTRAORDINARY ASSUMPTIONS & DISCLOSURES

An extraordinary assumption is defined by USPAP to be “an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinion or conclusions”. Extraordinary assumptions presume as fact otherwise uncertain information. In other words, this type of assumption involves uncertainty about an underlying premise.

USPAP Standard Rule 1-2(f) requires the identification of all extraordinary assumptions that are necessary for credible assignment results. This appraisal employs the following extraordinary assumptions:

- The appraisers were not granted entry to the subject facility. An adequate exterior observation was performed. We are making the extraordinary assumption that the interior of the subject is commensurate with the exterior.

Should these assumptions prove to be false, our conclusions herein may not be valid.

HYPOTHETICAL CONDITIONS

USPAP defines a hypothetical condition as “that which is contrary to what exists but is supposed for the purpose of analysis”. Hypothetical conditions assume conditions that are contrary to known fact. Uncertainty is not involved with a hypothetical condition; an essential premise underlying the valuation does not exist on the effective value date.

If an appraisal employs one or more hypothetical conditions, it is important all conditions be thoroughly understood. If this is not accomplished, then this report may not be fully comprehended. USPAP Standard Rules 1-2(g), 2-2(a)(x), 2-2(b)(x), and 2-2(c)(x) all pertain to hypothetical conditions. Advisory Opinion 17 also addresses this issue. No hypothetical conditions were used.

 ENVIRONMENTAL RISK DISCLOSURE

Unless otherwise noted, during the course of this appraisal, the appraiser(s) did **not** detect or attempt to discover any environmental hazard on, under, above, or within the subject real estate. No overt evidence of any environmental hazard is apparent to the untrained eye. It should be known the appraiser(s) did not view the subject property with the intent of detecting any environmental hazard. It is beyond the expertise of the appraiser(s) to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. No effort was exerted to ascertain the presence of any environmental hazard including but not limited to the following:

Environmental	
Asbestos	Urea-Formaldehyde Insulation
Underground Storage Tanks	Soil Contamination Deficiencies
Lead-Based Paint	Toxic Mold
Radon	PBC
Chemical Spills	Fire Resistant Treated Plywood (FRTP)

Flood hazards are detailed elsewhere in this report. Except as enumerated herein, the appraiser(s) were not given the results of any environmental testing on or near the property being appraised. Neither observation of the subject property, or research conducted as part of a typical real estate appraisal suggest the presence of any hazardous substance or detrimental environmental condition affecting the subject. Nearby sites were not investigated to determine whether they are contaminated. Public information and other Internet sources were not researched to determine the presence of hazardous substances or detrimental environmental conditions in the subject's vicinity.

Federal, State, and local laws concerning any hazardous substance or gas are sometimes contradictory. Therefore, any needed clean up should comply with the most stringent laws. The appraiser(s) are **not** informed or trained in environmental legalities. It is assumed no hazardous substance or gas adversely affects the subject real estate. If the subject is adversely influenced by a hazardous condition, then the subject's market value would be impaired.

Recommendation

The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. No responsibility is assumed by the appraiser(s) or EAJoseph Appraisal & Consultation for any hazard, or for any expertise required to discover any environmentally hazardous condition. Our client is urged to retain an expert in this field, if desired.

SCOPE OF WORK

For each appraisal and appraisal review assignment, an appraiser must:

- Identify the problem to be solved
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report

The Uniform Standards of Professional Appraisal Practice (USPAP) defines scope of work as “*the type and extent of research and analysis in an assignment*”. Scope of work includes, but is not limited to:

- the extent to which the property is identified;
- the extent to which tangible property is observed;
- the type and extent of data researched; and
- the type and extent of analyses applied to arrive at opinions or conclusions

The scope of this assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied. EAJoseph Appraisal & Consultation completed the following steps for the assignment:

EXTENT TO WHICH THE PROPERTY IS IDENTIFIED

The subject is identified through the following sources:

- Property/ postal address
- Assessment records in subject's respective jurisdiction
- Legal Description (if available through the normal course of business)

EXTENT TO WHICH THE TANGIBLE PROPERTY IS OBSERVED

EAJoseph Appraisal & Consultation observed the exterior of the subject, as well as its surrounding environs on the effective date of the appraisal. Present at the observation was the owner's representative (exterior only). We observed substantial portions of the improvements and the site. The observation of the subject was considered an adequate representation of the subject and is the basis for our findings herein.

TYPE AND EXTENT OF THE DATA RESEARCHED

EAJoseph Appraisal & Consultation reviewed and considered the following information:

- Comparable Data
- Applicable Tax Data
- Zoning Requirements
- Flood Zone Status
- Demographics
- Market Area Trends
- Cost Data

TYPE AND EXTENT OF ANALYSIS APPLIED

EJoseph Appraisal & Consultation analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each approach to value. The steps required to complete each applicable approach are discussed in each of the technique's respective methodology section.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information contained herein:

Sources of Data

Item	Source
Tax Data	City of Virginia Beach
Zoning Data	City of Virginia Beach
Site Data	City of Virginia Beach, Legal Description, Personal Observation
Building Data	City of Virginia Beach, Personal Observation
Flood Map	STDB On-Line, Online GIS
Legal Description	Deed
Demographics	STDB On-Line
Cost Data	Not Applicable
Comparable Sales Data	See Comparable Datasheets for source
Comparable Rentals	Not Applicable
Rent Roll	Not Applicable
Financials	Not Applicable
Noteworthy Data Not Provided	None

CLIENT INFORMATION AND OTHER INTENDED USERS

The client is identified as Old Point National Bank. There are no other intended users. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are clearly and explicitly identified as an intended user may rely on and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use or rely on any portion of this document. Unauthorized users do so at their own risk and peril.

INTENDED USE OF REPORT

The intended use of this appraisal report is for determining loan and credit underwriting decisions that will be made by Old Point National Bank, its affiliates, successors, assigns, and any additional users including participants specified herein.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject.

REPORT OPTION

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms “describe,” “summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Summarizes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Summarizes the Scope of Work used to develop the appraisal
- Summarizes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Summarizes the rationale for the Highest and Best Use opinion

This document is prepared as an Appraisal Report in accordance with USPAP guidelines.

DEFINITION OF MARKET VALUE

Reform, Recovery, and Enforcement Act (FIRREA) of 1989. (Source: 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994.)

Federal agencies publishing this definition include the

- Office of the Comptroller of the Currency (OCC) 12 CFR 34, subpart C
- Federal Reserve Board (FRB) 12 CFR 225, Subpart G
- Federal Deposit Insurance Corporation (FDIC) 12 CFR 323
- Office of Thrift Supervision (OTS) 12 CFR 564
- National Credit Union Administration (NCUA) 12 CFR 722

This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994; and in the “*Interagency Appraisal and Evaluation Guidelines*”, dated October 27, 1994. A very similar definition is also cited in Advisory Opinion 30 of the current version of the Uniform Standards of Professional Appraisal Practice (USPAP).

“Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are both typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

This definition is used by many well-known entities. Fannie Mae, Freddie Mac, the VA, and the FHA, which are governmental agencies or governmentally sponsored agencies, require usage of this definition as well.

RELEVANT DATES

Key dates of this assignment are as follows:

- Effective Value Date March 19, 2024
- Report Date March 26, 2024
- Date of Observation(s) March 19, 2024

IDENTIFICATION OF THE PROPERTY (SUBJECT OF THE ASSIGNMENT)

The subject's common address is 1305 Windmill Point Crescent, Virginia Beach, VA 23453. The assessor identifies the subject as parcel 14854846990000.

RELEVANT CHARACTERISTICS

Relevant Characteristics	
Existing Property Use	Institutional / School
Property Use Reflected in one or more value opinions	Institutional / School
Category of Property Appraised	Real Property
Estate Appraised	Fee Simple
Legal Issues Considered	No Atypical Legal Issues
Environmental Concerns	None
Effect of Leases(s) on Value	Not Applicable
Type of Reconstruction Cost Used	None

ASSIGNMENT CONDITIONS

Assignment Conditions	
Extraordinary Assumptions	See Herein
Hypothetical Conditions	None Used
Jurisdictional Exceptions	None
Expected On/Off Site Imp. Effect Value	None
Assemblage of Estates or Component Parts Affects Value	None
Other	None

LEGAL DESCRIPTION

A professional surveyor and / or legal counsel should verify the following legal description before relying upon, or using it as part of any conveyance, or any other document. The legal description was obtained from the purchase agreement. The legal description is contained in the deed in the subject's respective jurisdiction.

OWNERSHIP AND PROPERTY HISTORY

Based upon public records, title to the property is currently vested in the name of Rolando E Timm. Online public records and / or a private data-reporting service were used to search for prior sales of the subject real estate. This research was discovered no recorded conveyance of the subject during the three years preceding this report's effective value date.

To the best of the appraiser's knowledge, the subject is not listed for sale, under contract nor subject to an option agreement.

EXPOSURE AND MARKETING TIME

Two related but different concepts that are often confused are Exposure Time and Marketing Time. USPAP specifically addresses the confusion.

Exposure/ Marketing Time		
Term	Definition	Explanation
Exposure Time (Statement 6)	"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal".	Backward looking, ends on the effective value date. Based on factual, past events
Marketing Time (AO-7)	"An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value during the period immediately after the effective date of the appraisal".	Forward looking, starts on the effective value date. A forecast based on expectancies of future occurrences.

Marketing time and exposure time are both influenced by price. That is, a prudent buyer could be enticed to acquire the property in less time if the price were less. Hence, the time span cited below coincides with the value opinion(s) formed herein.

USPAP Standard rule 1-2(c)(iv) requires an opinion of exposure time, not marketing time, when the purpose of the appraisal is to estimate market value. In the recent past, the volume of competitive properties offered for sale, sale prices, and vacancy rates have fluctuated little. Sale concessions have not been prevalent. In light thereof, an estimated exposure time for the subject is 4 to 16 months assuming competitive pricing and prudent marketing efforts.

A marketing time estimate is a forecast of a future occurrence. History should be considered as a guide, but anticipation of future events & market circumstances should be the prime determinant. Overall market conditions are expected to remain essentially stable, so a marketing interval between 4 to 16 months is predicted for the subject.

DEFINITION OF APPRAISED ESTATES

One or more of the following underlined legal estates or interests are valued in this report. Definitions of these estates are quoted from *The Dictionary of Real Estate Appraisal*, Fifth Edition; published by the Appraisal Institute, copyright 2010.

- 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."*
- Leased Fee Estate *"A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship."*
- Leasehold Estate *"The tenant's possessory interest created by a lease"*

Conceptually, market value of the leased fee estate is the worth of the property to the landlord (the lessor) as encumbered by terms set forth in a lease or leases. A leasehold estate is the tenant's (the lessee's) interest in a property.

The above definition for fee simple estate is the classic legal meaning. A lease is an encumbrance. If a property is unencumbered, this could be interpreted to mean the property is not encumbered by lease. If there are no leases for a multi-tenant facility, then the building has no income. Under this interpretation, the value of the fee simple (V_{FS}) would be less than the value of the leased fee (V_{LF}). Accordingly, the $V_{FS} < V_{LF}$ because costs must be incurred to find tenants and negotiate leases.

Another interpretation for fee simple estate is a value-oriented definition used by many real estate appraisers. For valuation purposes, market value of the fee simple estate is the worth of the property assuming it is already leased at market rent to a level of stabilized occupancy. Under this interpretation, the $V_{FS} > V_{LF}$ because costs to find tenants and negotiate leases were already paid.

An extremely important concept in the valuation of leases is the relationship between market rent or income (I_{FS}) and contract rent, the rent stated in a lease (I_{LF}). If the contract rent is below market rent ($I_{LF} < I_{FS}$), the tenant enjoys an advantageous position called a positive leasehold interest. Then, the value of the leased fee is usually less than the value of the fee simple ($V_{LF} < V_{FS}$). If contract rent exceeds market rent ($I_{LF} > I_{FS}$), then the landlord has an advantage while the tenant has an unfavorable position called a negative leasehold interest. Then, the value of the leased fee is usually greater than the value of the fee simple ($V_{LF} > V_{FS}$).

DEFINITION OF REAL PROPERTY ESTATES

For valuation purposes in this report, three estates are defined below.

- *Market value of the **fee simple estate** to an owner-user is the worth to this type buyer via the sales comparison approach. Income generation is not an important factor to this buyer. Property suitability for the buyer's own use is the primary purchasing criteria. Occupancy and lease-up costs are not relevant for this type of real property.*
- *The **fee simple estate** for a multi-tenant facility is different from the one immediately above. A different interpretation is appropriate for a building designed to generate real estate rental income like a shopping center or apartment building. This estate for this type property is defined as the worth to the most probable buyer assuming the property is already leased to a level of stabilized occupancy at normal market terms including market rent. Lease-up costs are assumed already paid.*
- *Market value of the **leased fee estate** is defined as the worth of real property to its current owner as encumbered by terms specified in one or more leases.*
- *Lastly, a **leasehold estate** is defined as one tenant's interest in real property as defined by a lease.*

These definitions are crucial concepts in the valuation for all real property.

PERSONAL PROPERTY & INTANGIBLES

Personal property is movable and **not** permanently affixed to the real estate. Examples of personal property are attached ranges, refrigerators, tables, chairs, beds, desks, silverware, linen, hand tools, and small utensils. An intangible is a nonphysical asset like franchises, trademarks, patents, goodwill, and mineral rights.

Personal or intangible property included in this appraisal's final value opinion is significant and is not included in our valuation herein.

PROFESSIONAL STANDARDS

All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised biennially to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.

SUBJECT PHOTOGRAPHS



Street Scene



Street Scene



Exterior



Exterior



Exterior



Exterior



Exterior



Exterior



Exterior



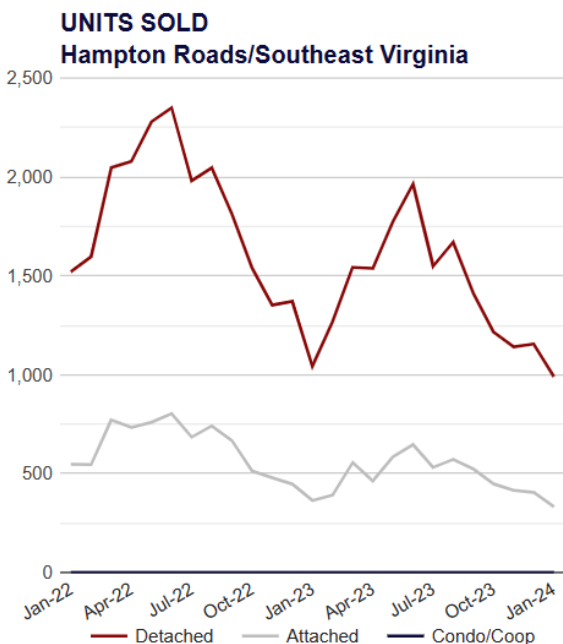
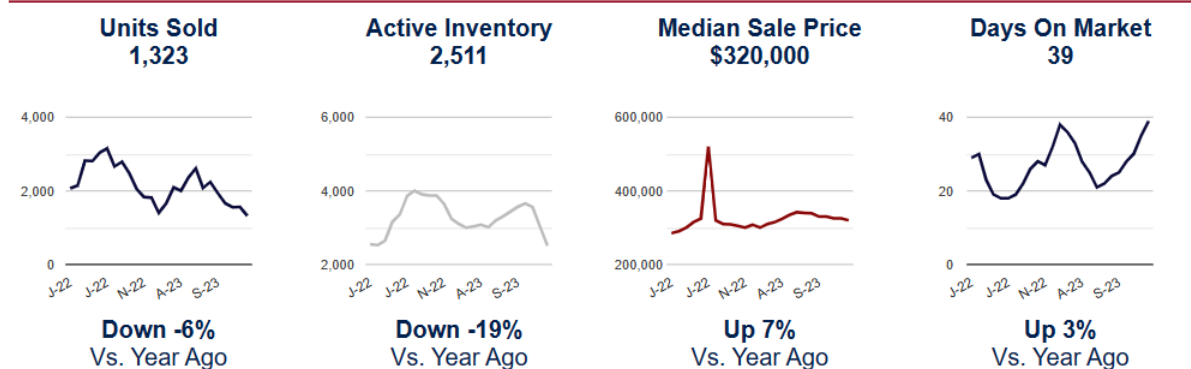
Exterior

REGIONAL AND LOCAL AREA MARKET TRENDS AND CONDITIONS

The market area is the physical area where similar properties effectively compete. It can also be envisioned as the area that contains the all the primary competition, and in certain cases, some secondary competition. Market areas may contain one or more neighborhoods, districts, cities, counties, or states. To develop a picture of the overall health of the subject’s submarket as it pertains to the subject’s specific property type, we observed some key economic trends of the Richmond region residential market as it is mostly closely associated with school performance sectors.

Focus On: Hampton Roads/Southeast Virginia Housing Market

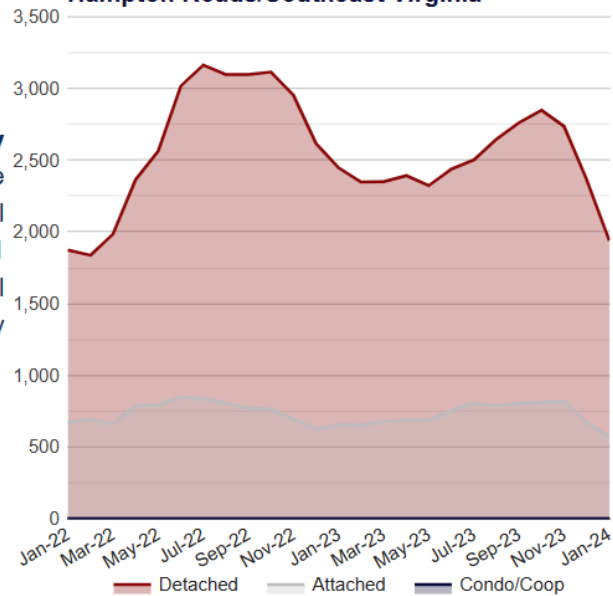
January 2024



Units Sold

There was a decrease in total units sold in January, with 1,323 sold this month in Hampton Roads/Southeast Virginia Real Estate versus 1,560 last month, a decrease of 15%. This month’s total units sold was lower than at this time last year, a decrease of 6% versus January 2023.

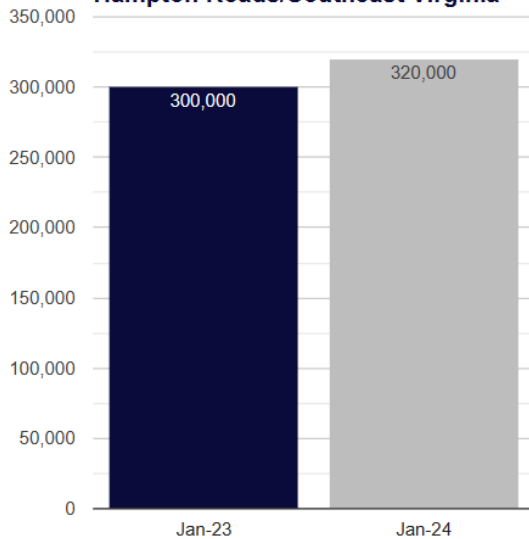
ACTIVE INVENTORY
Hampton Roads/Southeast Virginia



Active Inventory

Versus last year, the total number of homes available this month is lower by 593 units or 19%. The total number of active inventory this January was 2,511 compared to 3,104 in January 2023. This month's total of 2,511 is lower than the previous month's total supply of available inventory of 3,035, a decrease of 17%.

MEDIAN SALE PRICE
Hampton Roads/Southeast Virginia

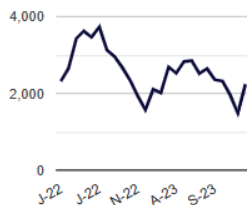


Median Sale Price

Last January, the median sale price for Hampton Roads/Southeast Virginia Homes was \$300,000. This January, the median sale price was \$320,000, an increase of 7% or \$20,000 compared to last year. The current median sold price is 2% lower than in December.

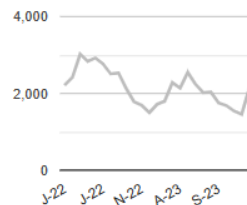
Median sale price is the middle sale price in a given month. The same number of properties are above & below the median.

New Listings
2,237



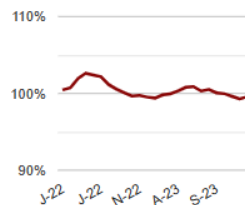
Up 6%
Vs. Year Ago

Current Contracts
2,125



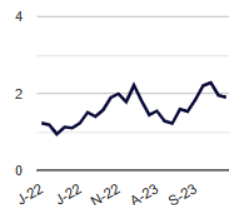
Up 24%
Vs. Year Ago

Sold Vs. List Price
99.6%



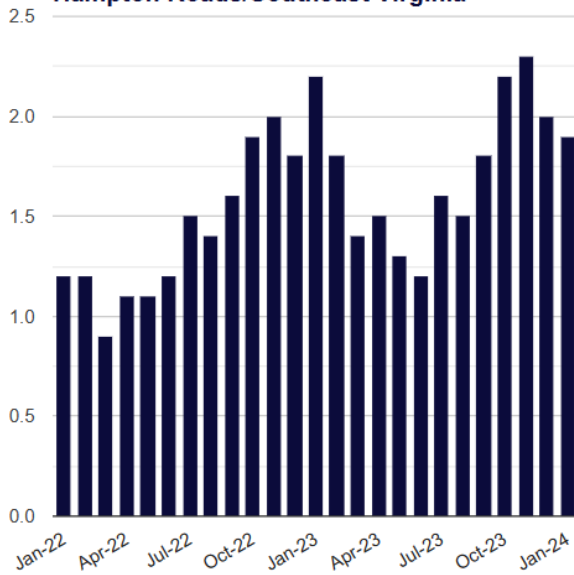
No Change
Vs. Year Ago

Months of Supply
1.9



Down -14%
Vs. Year Ago

MONTHS OF SUPPLY
Hampton Roads/Southeast Virginia



Months of Supply

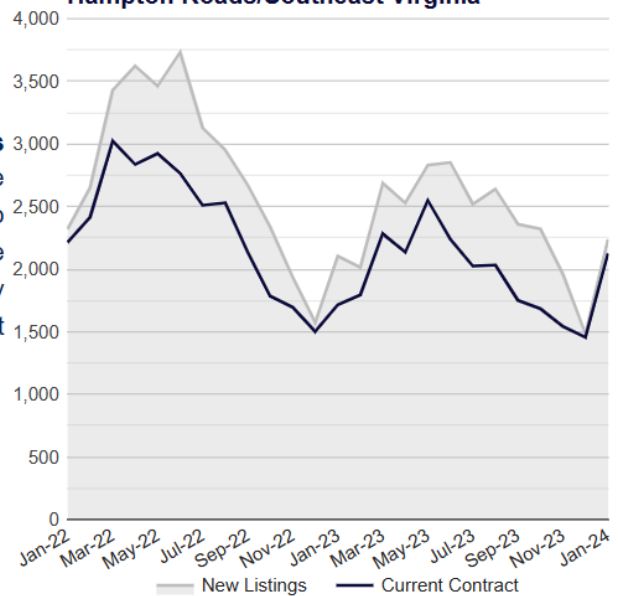
In January, there was 1.9 months of supply available in Hampton Roads/Southeast Virginia, compared to 2.2 in January 2023. That is a decrease of 14% versus a year ago.

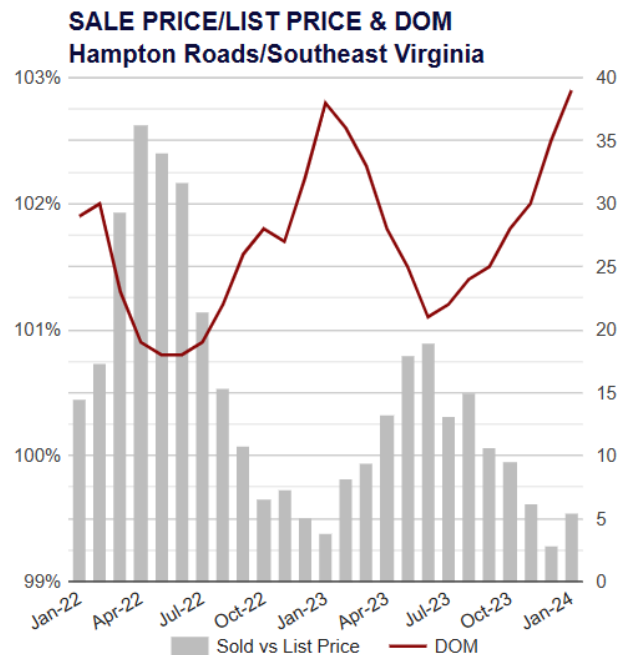
Months of supply is calculated by dividing current inventory by current sales. It indicates how many months would be needed to sell all of the inventory available at the current rate of demand.

New Listings & Current Contracts

This month there were 2,237 homes newly listed for sale in Hampton Roads/Southeast Virginia compared to 2,103 in January 2023, an increase of 6%. There were 2,125 current contracts pending sale this January compared to 1,715 a year ago. The number of current contracts is 24% higher than last January.

NEW LISTINGS AND CURRENT CONTRACTS
Hampton Roads/Southeast Virginia





Sale Price to List Price Ratio

In January, the average sale price in Hampton Roads/Southeast Virginia was 99.6% of the average list price, which is similar compared to a year ago.

Days on Market

This month, the average number of days on market was 39, higher than the average last year, which was 38, an increase of 3%.

Hampton Roads Economy

Hampton Roads's economy has fully recovered all jobs lost on a net basis between March and April 2020. It took 27 months to do so, as the area's total nonfarm employment figure finally exceeded February 2020 numbers in July 2022. Yet, not all sectors have fully recovered.

According to preliminary data, the greater metropolitan area netted a loss of 7,100 jobs in July 2023. This is a significant shift downward, especially compared with the net addition of just 4,500 jobs added between May and June. However, much of that growth proved to be temporary in nature, as the trade, transportation, and utilities sector continued to shrink throughout much of 2023. Other headwinds are likely to come during the holiday season, which typically results in layoffs in January of the following year. So, from a permanent job perspective, there is still potential for Norfolk's economy to be a bit below February 2020 levels when factoring for temporary work, but not by much.

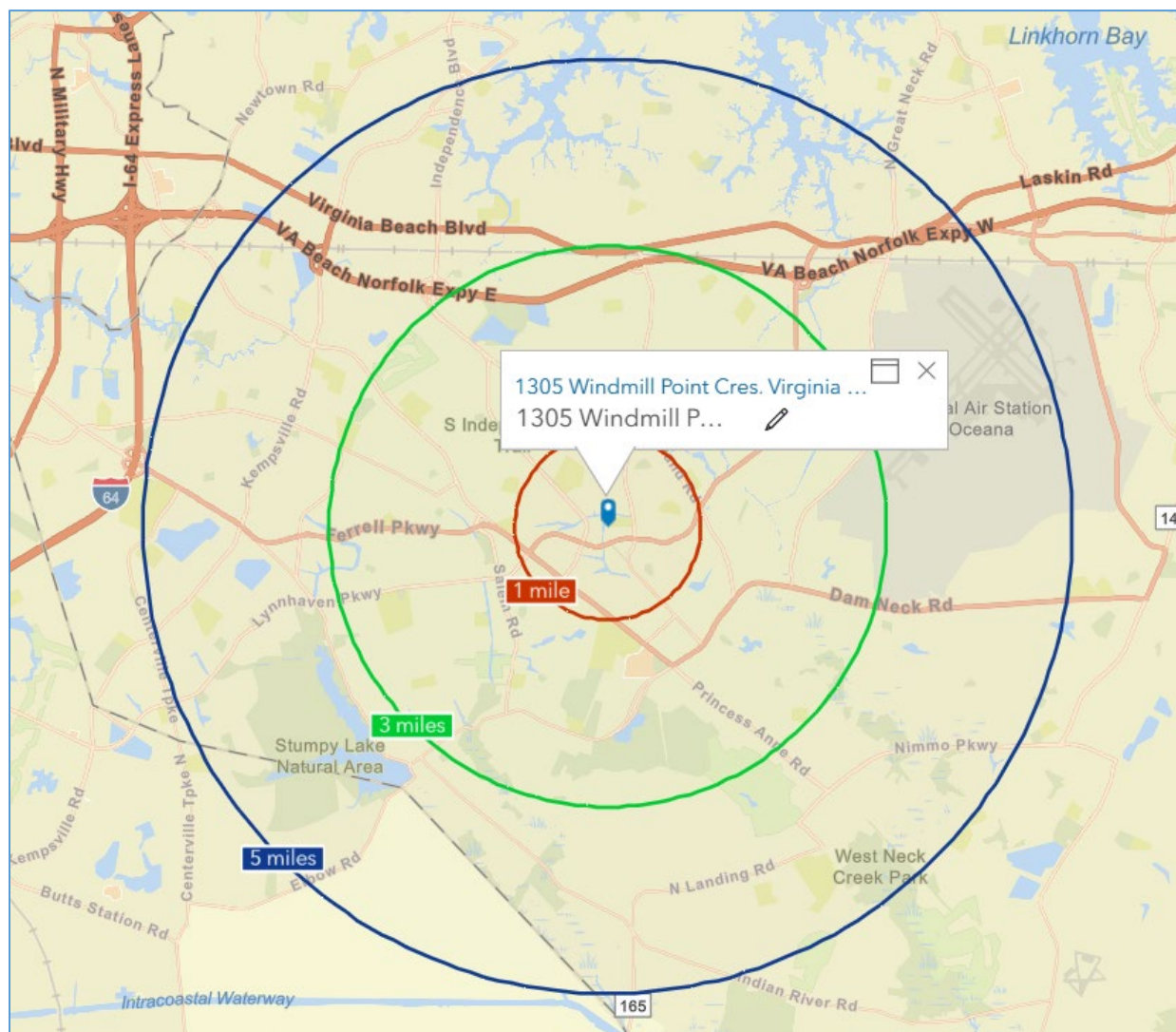
Among sectors, trade, transportation, and utilities; leisure and hospitality; and mining, logging, and construction all boasted nonfarm employment payrolls in November 2022 that were at least 5% above levels from February 2020. The only other sector that was in positive territory at that point was educational and health services, which was about 2.7% above February 2020. Altogether, those four sectors were about 16,900 jobs above that point, while the other six sectors were about 12,400 jobs below February 2020.

Throughout the initial economic volatility, as well as the subsequent recovery, the government sector has been and is still the most dominant in the area. Stemming from the presence of the largest naval base in the world, Naval Station Norfolk, the sector accounts for nearly 20% of all jobs locally. That's a percentage that has largely held steady all throughout the pandemic, even as government payrolls are more than 3% below pre-pandemic levels. In fact, that sector has been at least 2% below its February 2020 level each month throughout the pandemic.

Provided by costar

DEMOGRAPHIC PROFILE

The market area is the physical area where similar properties effectively compete. It can also be envisioned as the area that contains all the primary competition, and in certain cases, some secondary competition. Market areas may contain one or more neighborhoods, districts, cities, counties, or states. In order to develop a picture of the overall health of the subject's submarket as it pertains to the subject's specific property type, we observed some key demographic and economic trends. The market area map, generated by Site to Do Business (STDB) Online, for the subject property is provided below. The map shows the market area within a 5, 10, and 15-minute drive time from the subject property.



Community Profile

1305 Windmill Point Cres, Virginia Beach, Virginia, 23453
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 36.79735
Longitude: -76.10375

	1 mile	3 miles	5 miles
Population Summary			
2010 Total Population	21,808	121,058	237,363
2020 Total Population	21,924	123,583	247,582
2020 Group Quarters	96	427	3,248
2023 Total Population	21,595	123,502	248,534
2023 Group Quarters	96	426	3,244
2028 Total Population	21,360	122,440	248,128
2023-2028 Annual Rate	-0.22%	-0.17%	-0.03%
2023 Total Daytime Population	14,083	111,698	240,120
Workers	4,431	56,635	128,504
Residents	9,652	55,063	111,616
Household Summary			
2010 Households	7,573	43,293	85,320
2010 Average Household Size	2.88	2.79	2.74
2020 Total Households	8,069	45,929	91,877
2020 Average Household Size	2.71	2.68	2.66
2023 Households	8,155	46,387	93,075
2023 Average Household Size	2.64	2.65	2.64
2028 Households	8,173	46,583	94,070
2028 Average Household Size	2.60	2.62	2.60
2023-2028 Annual Rate	0.04%	0.08%	0.21%
2010 Families	5,553	31,569	62,047
2010 Average Family Size	3.27	3.20	3.16
2023 Families	5,834	32,898	65,576
2023 Average Family Size	3.05	3.10	3.11
2028 Families	5,825	32,882	65,866
2028 Average Family Size	3.02	3.08	3.08
2023-2028 Annual Rate	-0.03%	-0.01%	0.09%
Housing Unit Summary			
2000 Housing Units	7,309	42,075	81,795
Owner Occupied Housing Units	60.1%	64.5%	68.1%
Renter Occupied Housing Units	36.2%	32.2%	28.8%
Vacant Housing Units	3.7%	3.2%	3.1%
2010 Housing Units	8,010	45,501	89,231
Owner Occupied Housing Units	58.9%	63.4%	66.4%
Renter Occupied Housing Units	35.6%	31.7%	29.2%
Vacant Housing Units	5.5%	4.9%	4.4%
2020 Housing Units	8,379	47,714	95,239
Owner Occupied Housing Units	55.3%	61.8%	63.8%
Renter Occupied Housing Units	41.0%	34.4%	32.7%
Vacant Housing Units	3.7%	3.7%	3.6%
2023 Housing Units	8,468	48,199	96,511
Owner Occupied Housing Units	61.2%	64.6%	65.7%
Renter Occupied Housing Units	35.1%	31.7%	30.7%
Vacant Housing Units	3.7%	3.8%	3.6%
2028 Housing Units	8,554	48,469	97,567
Owner Occupied Housing Units	62.1%	65.3%	66.2%
Renter Occupied Housing Units	33.5%	30.8%	30.2%
Vacant Housing Units	4.5%	3.9%	3.6%

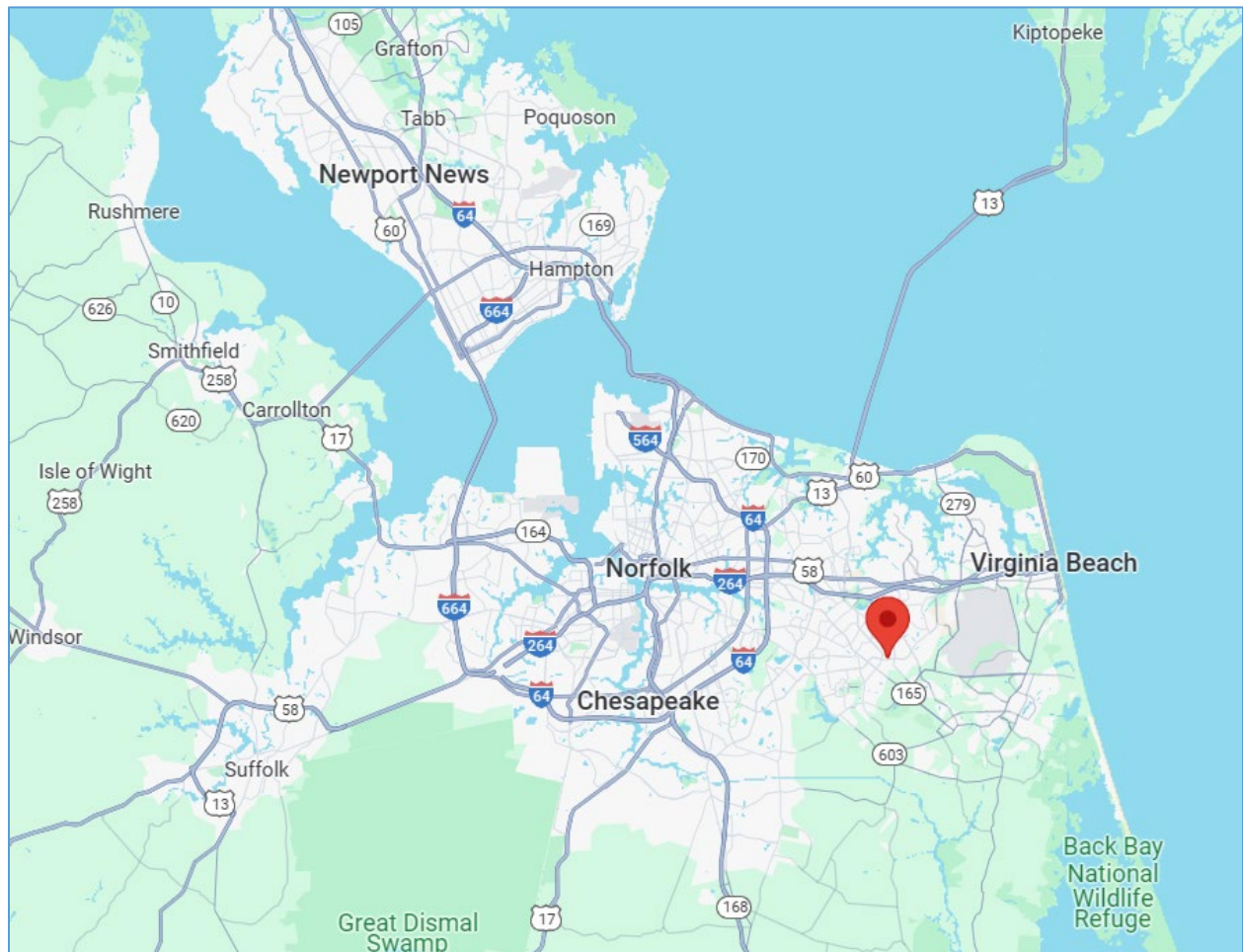
Community Profile

1305 Windmill Point Cres, Virginia Beach, Virginia, 23453
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 36.79735
Longitude: -76.10375

	1 mile	3 miles	5 miles
2023 Households by Income			
Household Income Base	8,155	46,387	93,073
<\$15,000	9.2%	6.2%	6.1%
\$15,000 - \$24,999	5.3%	4.7%	4.4%
\$25,000 - \$34,999	6.3%	5.3%	5.6%
\$35,000 - \$49,999	9.4%	9.8%	9.6%
\$50,000 - \$74,999	20.0%	19.6%	18.1%
\$75,000 - \$99,999	19.8%	16.8%	15.9%
\$100,000 - \$149,999	20.1%	21.7%	22.1%
\$150,000 - \$199,999	7.1%	9.4%	10.3%
\$200,000+	2.9%	6.4%	8.0%
Average Household Income	\$86,063	\$101,040	\$107,067
2028 Households by Income			
Household Income Base	8,173	46,583	94,068
<\$15,000	8.1%	5.5%	5.4%
\$15,000 - \$24,999	4.6%	4.0%	3.7%
\$25,000 - \$34,999	5.5%	4.5%	4.8%
\$35,000 - \$49,999	7.9%	8.3%	8.0%
\$50,000 - \$74,999	18.5%	18.0%	16.5%
\$75,000 - \$99,999	19.3%	16.1%	15.0%
\$100,000 - \$149,999	23.1%	23.8%	23.9%
\$150,000 - \$199,999	9.2%	11.8%	12.8%
\$200,000+	3.8%	7.9%	9.8%
Average Household Income	\$97,472	\$114,375	\$121,644
2023 Owner Occupied Housing Units by Value			
Total	5,185	31,108	63,403
<\$50,000	1.9%	1.8%	2.2%
\$50,000 - \$99,999	1.6%	1.1%	0.7%
\$100,000 - \$149,999	6.3%	3.0%	2.1%
\$150,000 - \$199,999	9.3%	8.1%	6.2%
\$200,000 - \$249,999	22.8%	14.1%	10.6%
\$250,000 - \$299,999	19.6%	18.0%	15.8%
\$300,000 - \$399,999	18.6%	26.7%	27.0%
\$400,000 - \$499,999	10.6%	16.8%	22.5%
\$500,000 - \$749,999	5.8%	5.6%	8.3%
\$750,000 - \$999,999	1.1%	1.9%	2.2%
\$1,000,000 - \$1,499,999	1.7%	1.0%	0.9%
\$1,500,000 - \$1,999,999	0.4%	0.2%	0.3%
\$2,000,000 +	0.4%	1.6%	1.3%
Average Home Value	\$326,905	\$374,037	\$393,266
2028 Owner Occupied Housing Units by Value			
Total	5,311	31,643	64,605
<\$50,000	1.4%	1.2%	1.5%
\$50,000 - \$99,999	1.1%	0.6%	0.4%
\$100,000 - \$149,999	3.1%	1.5%	1.0%
\$150,000 - \$199,999	5.1%	4.7%	3.5%
\$200,000 - \$249,999	17.1%	10.1%	7.5%
\$250,000 - \$299,999	18.6%	14.8%	12.8%
\$300,000 - \$399,999	22.6%	27.3%	26.3%
\$400,000 - \$499,999	16.2%	22.3%	27.0%
\$500,000 - \$749,999	8.7%	9.9%	12.6%
\$750,000 - \$999,999	2.0%	2.8%	3.6%
\$1,000,000 - \$1,499,999	2.7%	1.8%	1.5%
\$1,500,000 - \$1,999,999	0.6%	0.3%	0.4%
\$2,000,000 +	0.7%	2.7%	2.0%
Average Home Value	\$389,122	\$445,569	\$454,377

REGIONAL MAP



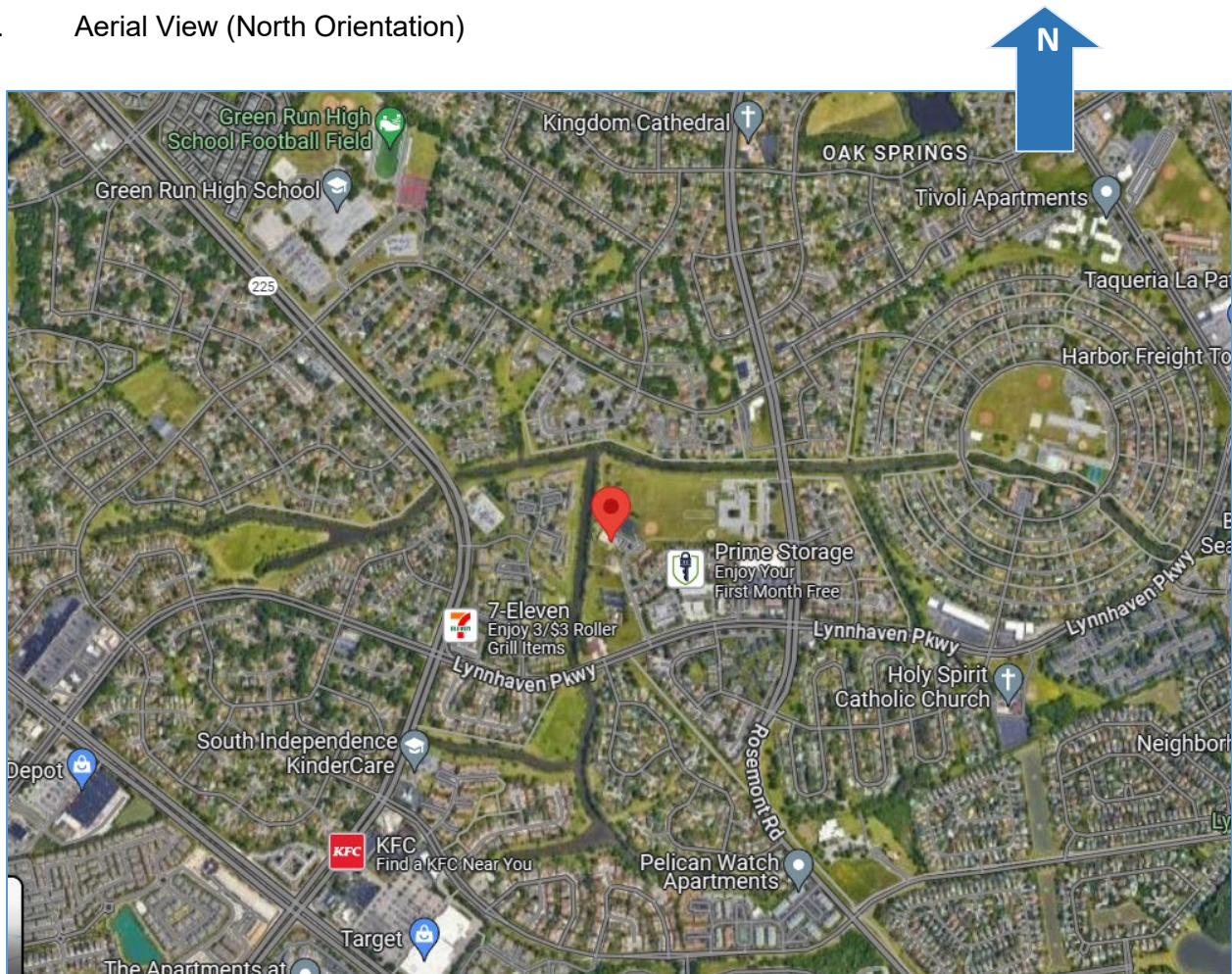
VICINITY DESCRIPTION

The Dictionary of Real Estate Appraisal defines neighborhood as “a group of complementary land uses”. The subject is located at 1305 Windmill Point Crescent in the central portion of Virginia

Beach, VA. The subject's neighborhood is considered Princess Anne Road to the south, Holland Road to the north, Rosemont Road to the east and S. Independence Boulevard to the west. The subject is in a suburban market.

Our assessment of the neighborhood includes an evaluation of the following factors with respect to the subject property: (1) Aerial Photo; (2) Neighborhood; (3) Surrounding Properties; (4) Proximity to transportation, employment, and amenities.

1. Aerial View (North Orientation)



A recent aerial photo of the subject is above.

2. Neighborhood

Neighborhoods are sometimes thought to evolve through four distinct phases;

- Growth – A period during which the area gains public favor and acceptance.
- Stability – A period of equilibrium without marked gains or losses.
- Decline – A period of diminishing demand.
- Revitalization – A period of renewal, redevelopment, modernization, and increasing demand.

Based on our evaluation of the neighborhood, the subject property is located in an area that appears to be in the stability stage of its life cycle.

3. Surrounding Properties

Surrounding properties are summarized as follows;

- North – Residential development
- South- Religious Use / Residential development
- East – Elementary School / Residential development
- West – Residential development

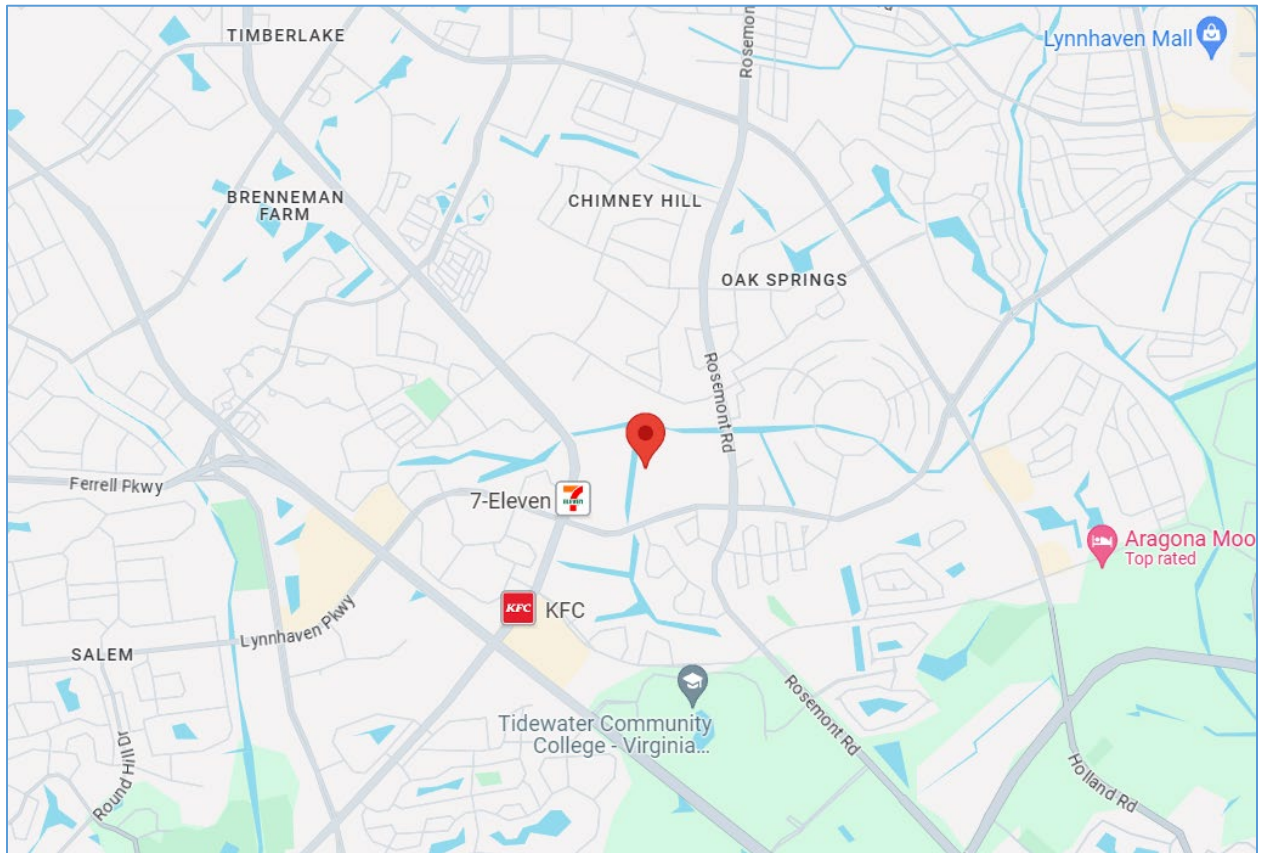
4. Proximity

- Proximity to Transportation Network - the subject is in proximity to several US and state routes which provides linkage throughout the MSA and beyond. I-264 is the closest interstate to the subject property.
- Proximity to Employment Centers – most of the significant employers in the area are spread out over the greater Hampton Roads area. Various military installations provide a plethora of employment to the surrounding areas.
- Proximity to Amenities- The area is in a suburban area and as such, entertainment and amenities are spread out over a larger geographical area.

Summary

Demand for all types of development in this area should remain steady. Local officials control development or redevelopment of this area. The comprehensive plan for the city generally follows the existing zoning classifications. There are no known significant changes to the current development of the neighborhood from governmental, private, or environmental sources. Overall, the market area consists of a blend of land uses, which is a natural tendency within any sub-community.

VICINITY MAP



IMMEDIATE MARKET ENVIRONS
(Photo page I)



Proximate Development



Proximate Development

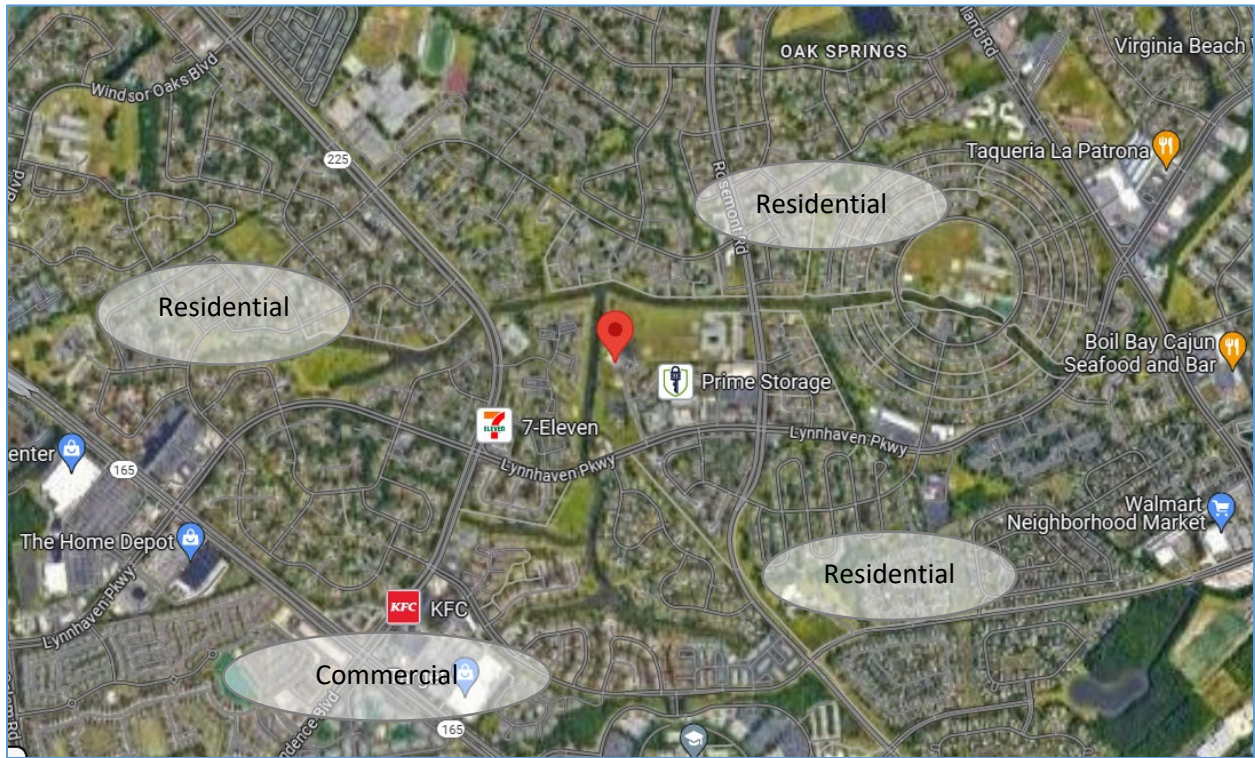


Proximate Development



Proximate Development

EXHIBIT - AERIAL VIEW AND PROXIMATE DEVELOPMENT



 SITE DESCRIPTION

A summary of the pertinent physical characteristics of the subject site is as follows:

Property Location:	The subject consists of a 19,576± square foot School / Institutional building situated on 1.02± acres. The subject is located at the terminus of Windmill Pont Crescent in Virginia Beach, VA. The subject improvements are in average overall condition. The subject is in the immediate vicinity of SFR oriented properties and other school and religious uses.
Site Size:	1.02± acres; 44,431± square feet.
Developable Land:	It appears the entirety of the site is development.
Assessor's Identification:	
Parcel No.	14854846990000
Account	-
Site Shape:	Mostly rectangular in shape. The shape does not appear to impose any extraordinary developmental issues.
Frontage/ Access/ Visibility:	The subject site has good visibility and frontage along Windmill Pont Crescent. Frontage is average for the existing use.
Boundaries:	The subject's neighborhood is considered Princess Anne Road to the south, Holland Road to the north, Rosemont Road to the east and S. Independence Boulevard to the west.
Land Use Controls:	Zoning: PDH1; Planned Unit development District Other: None
Proximity to focal point of market/ trade area:	The subject site is in the central portion of the city. The subject property is in the immediate vicinity of existing residential. The area is suburban in nature.
Flood Plain:	See herein.
Easements and Encroachments:	Based upon our observation of the subject there does not appear to be any atypical easements or encroachments on the subject site. It is assumed normal utility easements are present; no encroachments are apparent. It is the opinion of the appraiser that easements do not encumber the marketability of the site.

Topography:	Generally, level throughout and on-grade with its respective roads. Some slopes associated with the drainage, which crosses the site, were not disturbed in developing this site.
Drainage:	It appears that surface drainage on the site is adequate for the development. During our inspection, no standing water was observed; surface water runoff is controlled by topography and storm water inlets along the street.
Vegetation:	There is limited formal landscaping in place.
Market Area linkage pattern:	Good- the site benefits from easy access to major employment in the area and its proximity to primary transportation routes provides easy access to all points within the MSA.
Regional linkage pattern:	Good- semi-direct access to the interstate system and primary transportation routes and easy access to several U.S, State and County Routes.
Utilities:	<p>Connected: Electric</p> <p>Connected: -</p> <p>Storm Sewer: Existing drainage traverses the site</p> <p>Connected: Cable</p> <p>Connected: Phone</p> <p>Water: County</p> <p>Sewer: County</p>
Functionality of Site:	Average – the site provides adequate support to the improvements.
Potential Uses:	Institutional Use
Soil Conditions:	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support the use (per the Highest and Best Use). We did not observe any evidence to the contrary during our inspection. The tract's drainage appears to be adequate. Soil conditions appear to be adequate to support a variety of uses.
Wetlands:	We were not given a wetlands survey and our inspection of the property did not reveal any areas which appeared to be wetlands. Furthermore, as per conversations with the county, no wetlands were detected. However, this is no guarantee that wetlands do not exist on the property. If a subsequent engineering survey reveals the presence of regulated wetlands areas, we reserve the right to amend this valuation.
Seismic Hazard:	Seismic hazard is anything associated with an earthquake that may affect the normal activities of people. This includes

surface faulting, ground shaking, landslides, liquefaction, tectonic deformation, tsunamis, and seiches. The site is not located in an area of known frequent seismic activity.

Toxic Waste: We were not provided with an environmental assessment of the property. Based on our inspection of the property, we have no reason to believe any hazardous or toxic substances exist on the site. This, however, does not mean that there are none. We are not qualified to conduct environmental assessments and have not done so. If any question arises concerning the presence of hazardous or toxic wastes on the property, an environmental assessment by a qualified environmental firm should be made.

Site Improvements: Asphalt paved parking area, and small playground equipment.

Street Improvements: Windmill Pont Crescent is a two-way, 2 lane asphalt paved neighborhood road. The subject is near the terminus of the cul-de-sac. There are concrete curbing and gutters.

Other: None

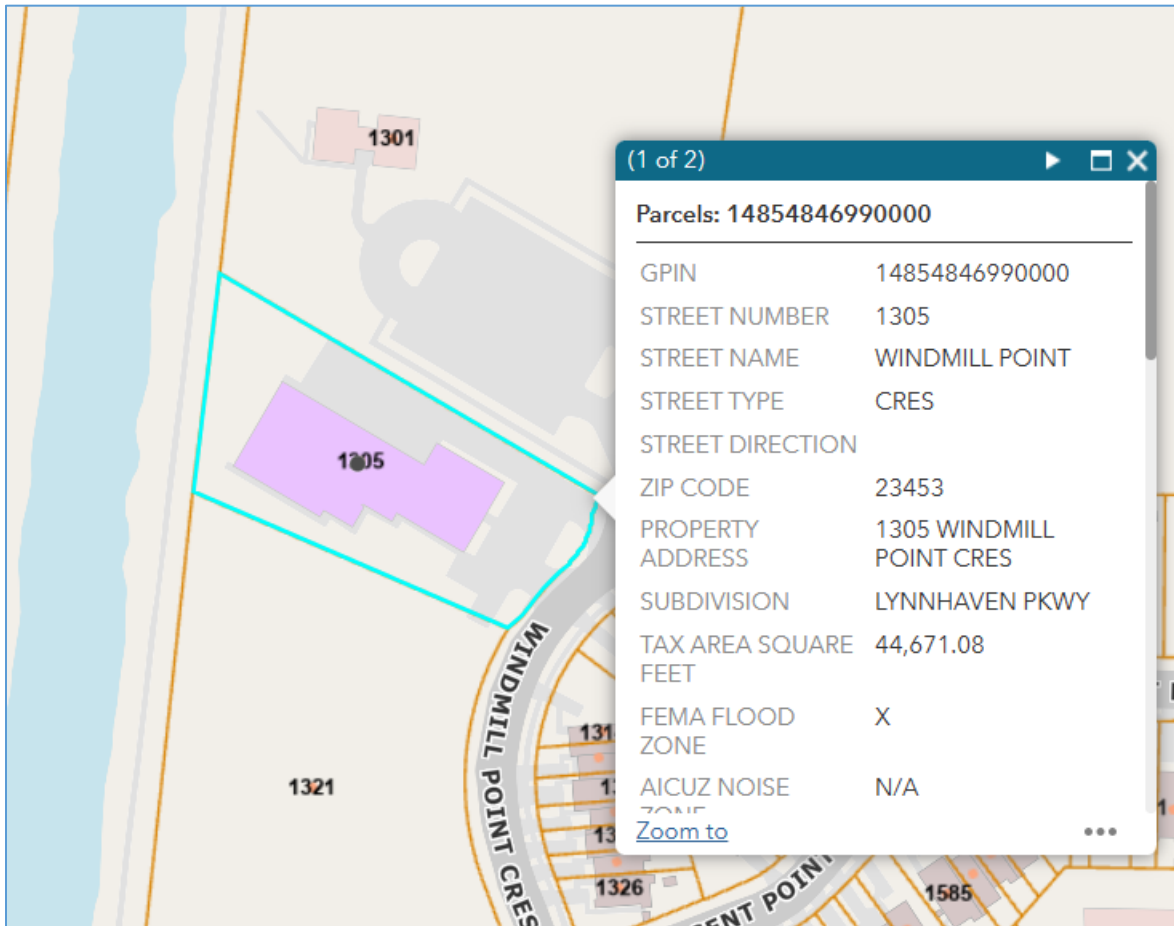
Site Rating: Average

Summary of Site Description

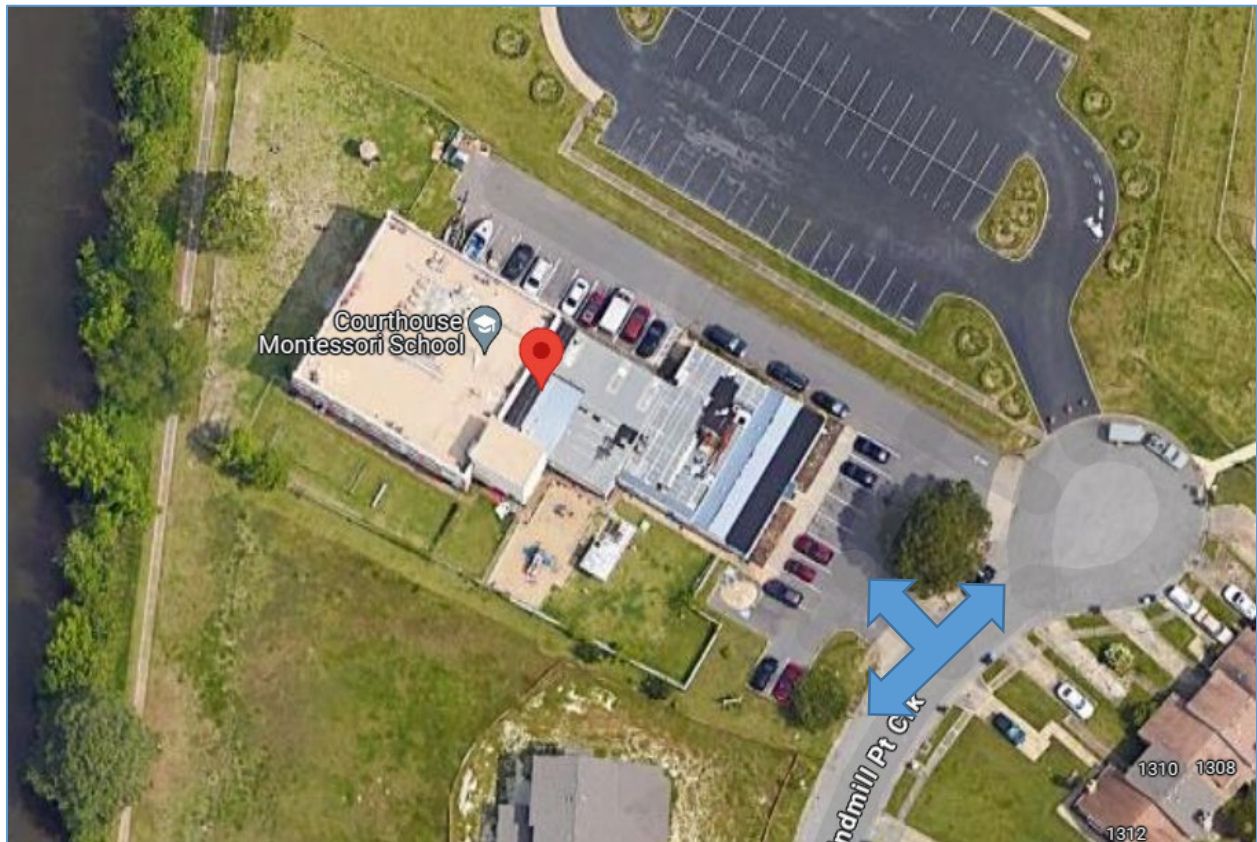
In my opinion, the shape, size, and other attributes of the subject parcel appear to be functionally adequate and similar to other sites. There are no apparent hindrances to the current or future use of the site. Unless otherwise indicated, it does not appear that any toxic or environmentally harmful substances have been put on the property in conjunction with the current or past uses. In addition, no evidence of underground storage tanks or other subterranean improvements exist which could indicate an environmental hazard. However, the appraisers are not experts in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, waste, pollutants or contaminants, including but not limited to asbestos, PCB, UFFI or other raw materials or chemicals used in construction or otherwise present on the property. The appraisers assume no responsibility for studies or analysis, which would be required to conclude the presence or absence of such substances or loss as a result of the presence of such substances. The client is urged to retain an expert in this field, if desired.

Considering the location, size and amenities available to the subject, the improvements are considered viable and appropriate. Access to the site is considered adequate. A detailed soil survey of the subject site was not available. The parcel is generally level and on road-grade. The site appears to have adequate drainage. The soils appear suitable for development. There do not appear to be any adverse easements, which would affect the marketability of the subject site. The subject site offers a good location with good proximity to the commercial and employment centers. The appraiser did not perform a title search and cannot attest to any easements of record.

GIS



INGRESS/ EGRESS



- Traffic traversing in both north and southbound directions have direct access.

The subject has adequate ingress/egress for its intended use.

FLOOD HAZARD

Flood Maps published by FEMA are not precise. If anyone desires a precise determination of the subject's flood hazard classification, a professional engineer, licensed surveyor, or local governmental authority should make an exact determination.

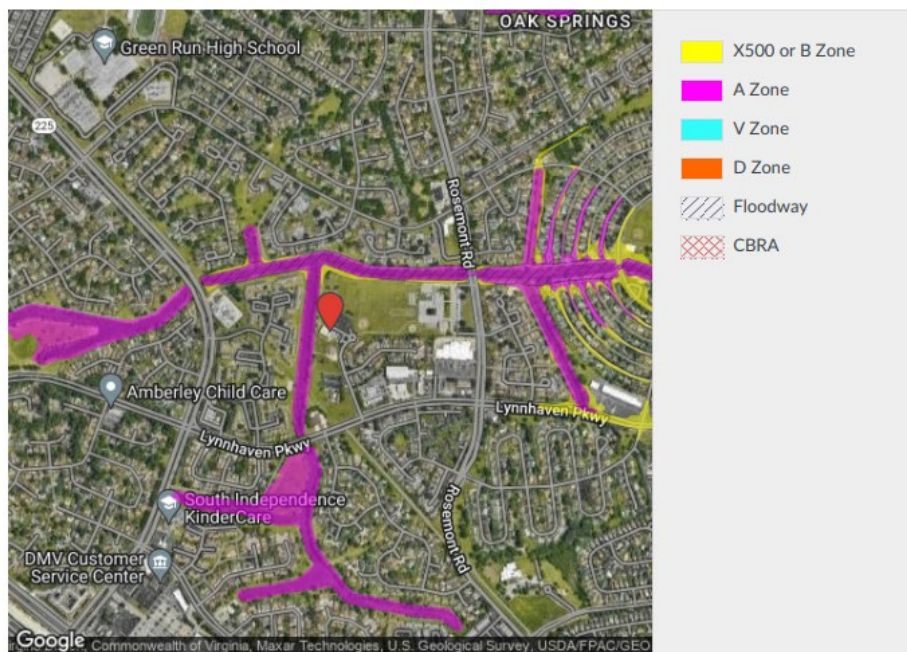
1305 WINDMILL POINT CRES VIRGINIA BEACH, VA 23453-2017

LOCATION ACCURACY: 📍 Excellent

Flood Zone Determination Report

Flood Zone Determination: **OUT**

COMMUNITY	515531	PANEL	0111G
PANEL DATE	January 16, 2015	MAP NUMBER	5155310111G



DESCRIPTION OF EXISTING IMPROVEMENTS

The following construction details have been identified in the subject. The most relevant items are included in this summary. For the purposes of this report, it is assumed that the improvements exist substantially as described herein. Details about the property have been generated from a personal observation of the property and conversations with the owner.

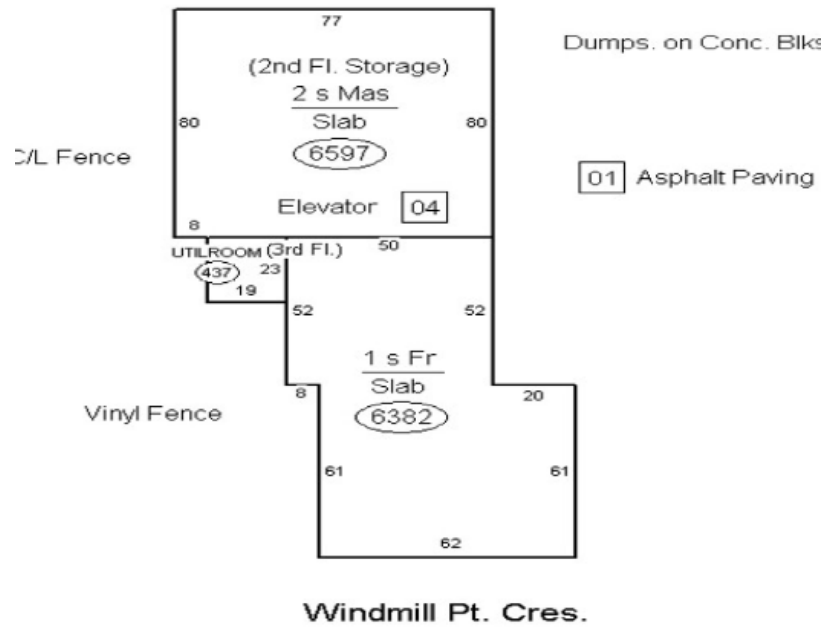
Architectural Style:	Institutional / School Building
Layout:	Freestanding school consisting of one large school building, with classrooms, offices, teacher's break room, and restrooms, gymnasium, multi-purpose room, and kitchen.
Age of Property:	The effective age is estimated at 35± years and if we consider an economic life of 50± years, the remaining economic life is 15± years. The year built is 1980.
Building Area:	The subject contains approximately 19,576± SF of primary finished space.
Foundation:	Reinforced slab on grade
Wall Structure:	The main school building has vinyl, dryvet, and brick siding.
Roof Structure:	Mostly flat built-up surface
Floor Structure:	Ground level floor slabs are constructed with granular fill, topped with a polyethylene vapor barrier and a 4", on-grade concrete slab reinforced with woven wire mesh.
Exterior Wall Enclosure:	Block
Roof Enclosure:	Rubber Membrane
Windows:	Insulated pre-finished aluminum thermal windows
Exterior Doors:	Mostly metal clad doors
Interior Wall Structure:	Interior partitions are 2" x 4" wood studs, 16" on-center, with 2" x 4" wood top and bottom plates.
Interior Wall & Ceiling	
Enclosure:	Interior walls and ceilings are drywall (assumed)
Thermal Protection:	Assumed 9" fiberglass batt insulation in attic area and 6" batt insulation along exterior walls.
Moisture Protection:	Storm water runoff from roofs is conveyed to aluminum gutters mounted to fascias. Gutters are connected to aluminum downspouts that convey runoff to concrete splash blocks at ground level. Finish grading slopes away from buildings, conveying runoff away from foundations.

Electrical System:	Assumed adequate.						
Plumbing:	Potable water is provided and is distributed by PVC pipes through separate hot and cold supply lines.						
HVAC:	Assumed adequate. Gas and electric heating, and heat pumps.						
Interior Finish:	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Walls:</td> <td>Sheetrock</td> </tr> <tr> <td>Ceilings:</td> <td>Acoustic Ceiling tiles and sheetrock</td> </tr> <tr> <td>Floors:</td> <td>Carpet, vinyl and hardwood (gym)</td> </tr> </table>	Walls:	Sheetrock	Ceilings:	Acoustic Ceiling tiles and sheetrock	Floors:	Carpet, vinyl and hardwood (gym)
Walls:	Sheetrock						
Ceilings:	Acoustic Ceiling tiles and sheetrock						
Floors:	Carpet, vinyl and hardwood (gym)						
Interior Doors:	Painted, hollow core doors.						
Paving:	The parking and road areas are asphalt-paved and lined appropriately; sidewalks are 4" thick concrete with broom finish.						
Landscaping:	Attractive; typical of suburban properties.						
Other:	None.						

Comments

A personal observation and conversations with the owner supplied the above information. The improvements on this property are of average quality and are of average design and exhibit average functional utility. These improvements are expected to have an economic life of fifty to sixty years. This estimate is based on a Marshall Valuation Service study of average industrial/school buildings. The study considers appraiser's opinions, and ages at which major reconstruction or change of occupancy has taken place. Typical landscaping surrounds the building. Overall, this is a type of improvement that should be competitive in the local real estate rental and/ or sales market.

SKETCH



REAL ESTATE TAXES

Virginia Beach has one real estate tax rate which is applicable for the subject property. The real estate tax rate is \$0.99 per \$100.00 of assessed value. The tax is based on the subject's ad valorem assessment which in turn, is based on the 100% fair market value of the property. The real estate taxes support the local government for police and fire departments, public schools, and other essential governmental services. Assessments are required by statute to be at 100% of market value. The purpose of our real estate tax analysis is to;

- Estimate the tax liability based on the assessed value;
- Determine whether the subject is equitably assessed with its competition
- Determine whether assessments approximate market

The subject's assessment and resulting tax liability is as follows;

Parcel	Land	Building	Total	\$/PSF	Liability
14854846990000	\$269,800	\$954,400	\$1,224,200	\$63	\$12,120

The subject appears to be assessed below its true market value based on the appraised value developed herein. The subject appears to be equitably assessed with other similar schools in the city. Therefore, we do not anticipate the subject's assessed value to materially change upon a transfer. The subject is tax exempt.

Real estate taxes are a primary mechanism used by local government to gather the monies needed to fund operations. Too little funds can limit governmental services. Excessive tax burden can hinder real estate values. For the subject, taxes are not unduly burdensome. Due to its school use the subject is tax exempt.

ZONING ANALYSIS

Zoning is the most significant legal technique in land-use control. Zoning districts are geographic areas within the boundaries of which type, size, height, etc. define land use. Henrico County has a comprehensive zoning ordinance. The subject is zoned PDH1; Planned Unit Development District.

(a)The land use plan approved by city council, or as modified, for each planned unit development project shall govern the development, and all land uses shall be in accordance with it.

(b)Modifications to the land use plan by city council shall be in the manner of a zoning change or by conditional use permit for uses designated in subsection (d).

(c)Within a PD-H1 District, all of the principal uses and structures permitted within an A-12 Apartment District other than hospitals and sanitariums, together with the following enumerated uses and structures, shall be permitted:

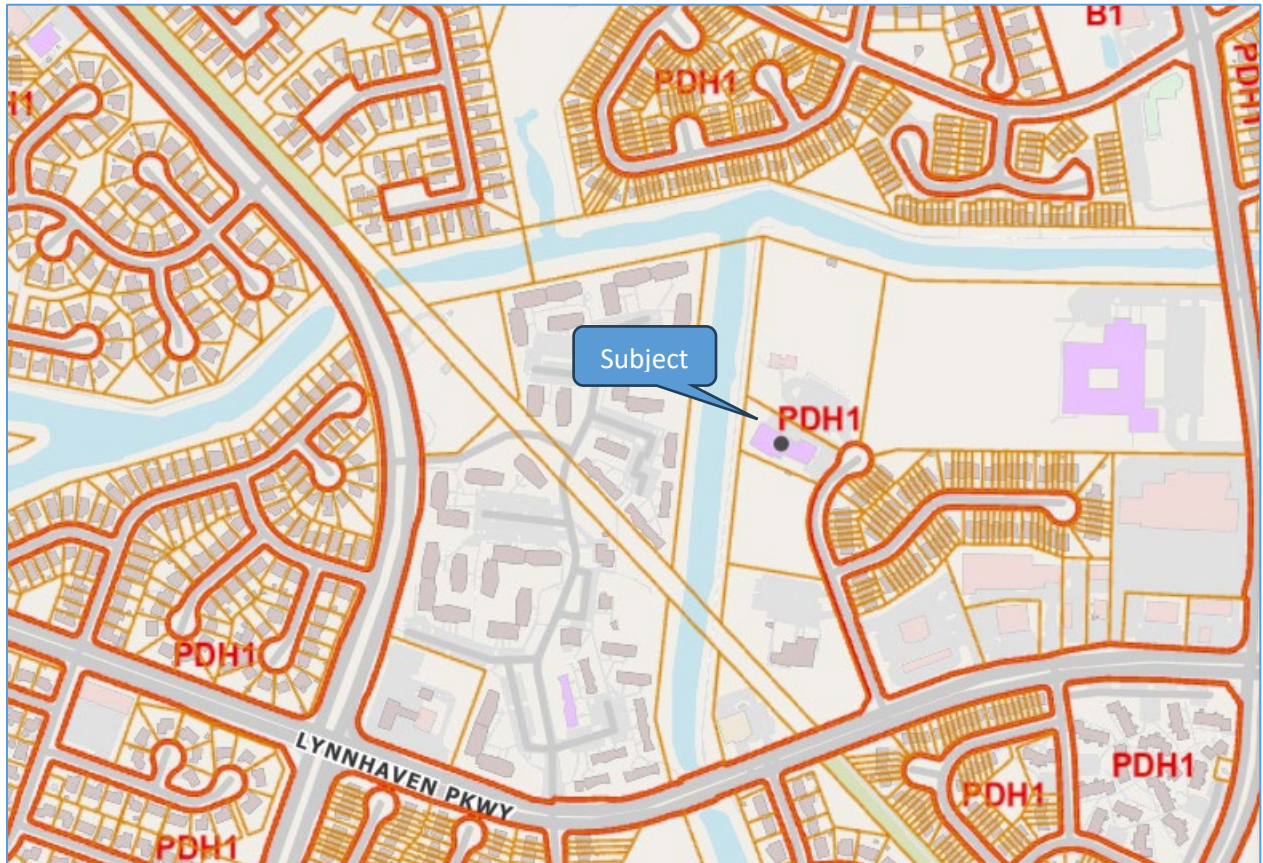
Use	A-12
Agricultural and horticultural uses except for the keeping of poultry, livestock, bees, fish ponds and fish hatcheries	P
Assembly uses	C
Bed and breakfast inns	C
Borrow pits	C
Building-mounted antennas meeting the requirements of section 207	P
Child care education centers in conjunction with public or private elementary schools or religious uses	P

Conclusions

The existing development appears to conform to the code with a special use permit. There are no known restrictions on use of the site other than the zoning ordinance. There were no specific development requirements stipulated other than to comply with the general requirements of the code. The subject property appears to conform to all the requirements of the zoning regulations. We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether such restrictions exist; however, is beyond the scope of this assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist. As now constituted and used, the subject complies with all aspects of the zoning ordinance. Therefore, the subject real estate is considered a legal, conforming usage.

Other: The subject appears to be in compliance with the zoning ordinance; however, the appraisers are not experts in this field. A zoning compliance letter should be requested from the appropriate governing jurisdiction to make a final determination.

ZONING MAP



HIGHEST AND BEST USE

A highest and best use identifies the most reasonably probable and appropriately supported use of the property appraised. Since market conditions change, a property's highest and best use may change as well. This analysis is an essential step in the determination of market value. Market dynamics determines a property's use and an appraisal values that use. Practically speaking, a highest and best use analysis forms a framework for the proper selection of comparables.

There are two types of highest and best use. The first is the highest and best use of land as though vacant. If a building already exists, the second variety is highest and best use as though now improved. The later considers whether the existing building should be retained as is, demolished, remodeled, renovated, repaired, enlarged, or converted to an alternate use. Both types require separate analyses. Current usage may or may not be different from the near future highest and best use.

There are four main tests in a highest and best use analysis, which are summarized below.

- Legal permissibility - governmental requirements and limitations like zoning are considered as well as other legal issues like deed restrictions, easements, and leases.
- Physical attributes like size, design, and physical condition are weighed
- Financial feasibility is ascertained via either an implied or calculated method
- Maximum productivity is determined

If more than one use survives the first three tests, the use that produces the highest, appropriately supported, positive value with the least risk is the highest and best use.

Highest and best use demand analyses can be categorized into two different levels of detail - Inferred and Fundamental. A fundamental analysis forecasts future demand from projections of broad demographic and economic data like population, income, and employment. Existing supply is inventoried. Then, the relationship of supply and demand is weighed to determine net demand. If net demand is positive, more of that property type is needed. Of course, the opposite is also true.

An inferred analysis is based on local trends and patterns from which inferences are made. This type analysis presumes that recent past trends will continue for the near future. Sale prices, number of competitive listings, marketing intervals, and / or price changes for other similar properties infer there is adequate demand for the subject at a price level congruous with the available data. An inferred analysis emphasizes historical data while a fundamental analysis is based on expected future occurrences.

There are two types of highest and best use - "as though now vacant" and "as though now improved". The former presumes the land is vacant and available for development. The latter considers whether the building should be retained as is, renovated, remodeled, repaired, enlarged, demolished, or converted to an alternate use.

Buyer Types

The most likely buyer type is crucial to highest and best use. Different buyer types have different motivations and different perceptions of risk. The buyer type must be identified to better understand applicable approaches and the selection of cap rates and yield rates. Different buyer types are defined below.

Buyer Type	
Passive Investor	Seeks an established income stream; usually does not change the property in any meaningful way; generally prefers long-term ownership
Developer	Acquires real estate to physically or legally change it in some significant fashion; accepts substantial risk so expects major reward; short-to-medium holding period
Pure Speculator	Buys real estate solely as an investment with most of the reward at termination; property use is usually not a major consideration; buys during conditions of rapidly appreciating prices; short-to-medium ownership period.
Speculative Investor	Buys real estate solely as an investment with most of the reward at termination; property use is not a primary consideration; medium-to-long-term holding period; usually buys during weak market conditions, so accepts huge risk. Mantra: Buy low, sell high.
Owner User	Acquires real estate mostly for its use; vacancy & investment yield are not primary criteria. Property suitability is the major objective.

Ideal Improvement

Identification of the **"ideal improvement"** is an essential element of highest and best use. If the property appraised is vacant land, the ideal describes what should be built. If the existing improvements (one or more buildings and site improvements) have the same or similar attributes as the ideal, then the existing improvements have no or minimal depreciation. Obviously, the opposite also applies. The described ideal improvement is as specific as market data will allow.

This appraisal's highest and best use was based, in part, on an inferred demand analysis. Following below are summary considerations used to form a highest and best use determination for the property appraised.

- Zoning permits the existing use.
- Nearby lands are compatibly zoned. There are no known deed restrictions, leases, or other legal issues, which preclude or delay the highest and best use. There is no substantial potential for rezoning to a significantly different use.
- Physical attributes of the property appraised are well suited to serve the use identified below. Usage of the property in this fashion produces a positive reward with acceptable risk.

Timing of Use

A crucial component of a highest and best use is timing. If the timing of a use is not now, when is it? When timing for a specific use cannot be identified, then that use is not the best. If the highest use is not within a decade, then the time-value of money usually precludes that use. When the timing of a use is within a few years, what is the interim use? Remaining dormant is a legitimate interim use.

Most Likely User

The most likely user is another key issue. Users of an urban multiunit residential structure have needs and preferences that are much different from young married couples with small children. These preferences and needs affect value, so the most likely user should be identified to judge the extent that existing or proposed improvements fulfill those needs.

Highest & Best Use "As Vacant" - Utilized Land	
Physical Use	Institutional
Timing of Physical Use	Immediate
Interim Use	Not Applicable
Market Participants	
Most Likely Buyer	Owner- User
Most Likely User	Owner- User

Highest & Best Use "As Improved" – Utilized Land	
Physical Use	Existing Use
Timing of Physical Use	Immediate
Interim Use	Not Applicable
Market Participants	
Most Likely Buyer	Owner- User
Most Likely User	Owner- User

The subject land “as though now vacant” has a market value that is less than the worth of the land and building together. This proves the improvements positively contribute to value. The existing improvements serve its present use; they are compatible with nearby uses. Therefore, the improvements should be retained “as is”.

VALUE INTRODUCTION

For real estate consisting of land and building(s), there are three primary valuation methods - the cost approach, sales comparison approach, and income approach. Unless stated otherwise, only those considered applicable and necessary to produce credible results are developed in this report.

COST APPROACH

The Cost Approach is arrived at by adding the depreciated replacement cost of the improvements to the vacant land. This value estimate typically assumes the land to be vacant. The Cost Approach is most accurate when a property is new or nearly new and has experienced little depreciation. Depreciation is difficult to accurately estimate. Typically, this approach is most valid when the improvements are new. The subject was developed in 1980 with an effective age of approximately 35 years and has accrued significant depreciation. This approach tends to lack reliability when there is a large degree of depreciation.

From a technique perspective, the Cost Approach was not deemed necessary nor applicable.

SALES COMPARISON APPROACH

The Direct Sales Comparison Approach was utilized in this report to estimate the market value of the subject property. The Direct Sales Comparison approach to value is found by comparing improved sales to the subject property. Determining the degree of comparability between market data and the subject involves considering their similarity with respect to many valuation factors including physical characteristics such as: size, location, age, condition, and quality of construction. A typical unit of comparison for industrial oriented properties is the price per square foot of GBA. There were several sales of similar properties in the immediate and extended market area of the subject. The closest and most relevant to the subject were selected and analyzed. There was adequate data to estimate the market value via the Sales Comparison technique and therefore, this approach was developed.

From a technique perspective, the Sales Comparison Approach is given exclusive consideration because these properties trade between owner/ users in fee as opposed to trading based on their income potential in leased fee.

INCOME APPROACH

The Income Approach is arrived at by estimating the subject property's net income which is equivalent to its rental income less vacancy and collection loss, operating expenses, and replacement reserves. Rental income is estimated based on comparable market rents. The net income is then capitalized into a value using an appropriate capitalization rate. This capitalization rate can be derived through the analysis of required return on capital investment, recent improved sales, or through creation of the band-of-investment method. This approach is expected to be a reliable indicator of value for the subject property.

From a technique perspective, the Income Approach was not deemed necessary nor applicable.

CONCLUSION

Each approach is weighed based on the applicability of the technique. Later, in the Reconciliation section of this report, the applicability of each approach will be tempered with the strength of the data for each approach and a final value will be concluded based on applicability and data.

Approaches to Value	*Applicable	Considered	Developed
Value Scenario	"As Is"		
Cost Approach		x	
Sales Comparison Approach	x	x	x
Income Approach		x	

*- being applicable does not necessarily mean the approach is necessary for credible results. See SOW

SALES COMPARISON APPROACH

In the sales comparison approach, the appraiser estimates the value of a property by comparing it with similar, recently sold properties in the surrounding or competing area. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arms-length transactions between willing and knowledgeable buyers and sellers, we can identify market value and price trends. The sold properties must be comparable to the subject in physical, locational, and economic characteristics. The basic steps of this approach are:

- (1) Research the market for information on sales transactions, listings, and offers to purchase or sell involving properties that are similar to the subject property in terms of characteristics such as property type, date of sale, size, physical condition, location and zoning.
- (2) Verify the information by confirming that the data obtained are factually accurate and that the transactions reflect arm's-length, market considerations. Verification may elicit additional information about the market.
- (3) Select relevant units of comparison (e.g., price per square foot, price per unit, price per room) and develop a comparative analysis for each unit.
- (4) Compare comparable sale properties with the subject property using the elements of comparison and adjust the price of each comparable to the subject property or eliminate the sale property as a comparable.
- (5) Reconcile the various value indications produced from the analysis of comparables into a single value indication or a range of values. In an imprecise market subject to varying occupancies and economies, a range of values may be better than a single value estimate.

Sales Comparison Approach and its Relationship to Highest and Best Use

The highest and best use of the property being appraised is critical in the selection of comparable sales. It is important that the comparable sales have a similar highest and best use as that of the subject. If the sales do not have a similar highest and best use, the indicated values derived from the comparable sales could be misleading and may lead the appraiser to the wrong conclusion. Since the appraiser's conclusion of the highest and best use must be based upon the economic benefits derived from the property, the comparable sales should have a similar economic use that produces similar economic benefits. As previously determined, the highest and best use of my subject is an institutional oriented use and therefore, we have selected comparables that share that same, or similar, use.

Competitive Market

In selecting comparable properties, we only considered similar properties located in the subject's competitive market and in instances where there is insufficient data in the subject's competitive market, we considered sales in markets that share very similar characteristics as that of the

subject's market.

Units of Comparison

After sales data has been collected and verified, systematic analysis begins. Like units must be compared, so each sale price should be stated in terms of appropriate units of comparison. Analysis of office sales can be done by comparing different indicators of value such as the price per square foot or price acre. The price per square foot is deemed to be the best unit of comparison for properties like the subject.

Elements of Comparison

The first step in any comparative analysis is to identify which elements of comparison affect property values in the subject market. Each of the basic elements of comparison must be analyzed to determine whether an adjustment is required. If sufficient information is available, a quantitative adjustment can be made. If there is insufficient support for a quantitative adjustment, the element is addressed using qualitative analysis.

Transactional Adjustments

Transactional adjustments were considered and made when warranted for transactional adjustments including; property rights transferred, financing terms, conditions of sale, expenditures after purchase and market conditions.

- **Property Rights** Agreements or laws create partial interests in real estate. A deed restriction or life estate usually reduces rights and value. If the subject is not affected by these limitations and a comparable is, then the comparables sale price needs an upward property rights adjustment. In another situation, unfavorable leases eliminate a landlord's right to collect market rent, so the real estate sells for a below-market price. If the property appraised has no lease adversities and a comparable does have unfavorable leases, then the comparable requires upward adjustment.
- **Financing** Sub-market financing is a common technique used to finance the acquisition of real estate during periods of high interest rates. When non-market financing is used, the financing may be favorable to the buyer so the sale price is inflated. The escalated price can be envisioned as a composite of the worth of real estate plus the value of advantageous financing. Since value created by financing is not real property, the contribution of the advantageous financing must be deducted from total sale price to derive market value for just the realty. On the opposite hand, there are instances where the buyer assumes unfavorable financing, so the sale price is diminished. In the latter case, an upward adjustment must be applied to the sale price of the comparable thusly deriving the market value of the real estate.
- **Conditions of Sale** An adjustment for conditions of sale is necessary when a criterion of market value is violated. It could compensate for unusual buyer or seller motivations. For instance, when a seller gives a buyer an atypical rebate, discount, credit, or something of value to induce a conveyance, the sale price is usually inflated. In this case, it is logical to deduct the worth of the giveback from the sale price. Residual sums represent the property's market value. In another scenario, a buyer may pay a premium to facilitate an assemblage. In this instance, the premium must be deducted from the sale price to derive market value for that conveyance.

- Expenditure Post Sale This is a situation when a buyer is compelled to invest additional money into a property immediately after acquisition for some atypical reason. Post-sale invested sums are appropriately added to a comparables sale price thereby producing an adjusted sale price. Examples are demolition costs or building-code compliance costs.
- Market Conditions Adjustments for market conditions are commonly referred to as time adjustments, but this is misleading. Value does not change due to the passage of time; sometimes it remains stable. Often real estate values fluctuate due to changes in supply and demand, interest rates, employment, or inflation. This type adjustment compensates for change in market conditions between a sale's transaction date and a later point in time. No adjustments were needed.

Property Characteristics Adjustments

- Location Each property was rated to the subject for locational aspects such as value growth potential, access, and general desirability. Those transactions with superior locations were adjusted downward and vice versa.
- Physical Attributes A myriad of physical characteristics can affect value. Some examples are lot size, building size, physical condition of the building, functionality, and visual appeal. Those sales with superior physical qualities warrant downward adjustment and vice versa.
- Economic Attributes An economic attributes adjustment is needed when the subject's ability to generate net income is different from that of a comparable. An example is a major disparity in real estate taxes for similar proximate property. Another illustration might be a superior tenant mix, which enables a shopping mall to command rent premiums.
- Use/Zoning Adjustment – Any differences in the current use or the highest and best use of a potential comparable sale and the subject property must be addressed.
- Land to Building Ratio – those comparables with higher/ lower ratios are deemed superior/ inferior to that of the subject. No adjustments were needed.
- Non-Realty Components – Non-realty components of real estate include personality, business concerns, or other items that so not constitute real property but are included in either the sale price of the comparable or the ownership interest in the subject property.

The subject is a unique property as it is a school facility and sales are scarce for similar properties. Therefore, we have expanded our search into similar markets over a wider geographic area and included similar use properties such as churches. A write-up of each of the sales considered in our analysis is contained on the following pages;

COMPARABLE 1

LOCATION INFORMATION

Name
 Address 610 Mowbray Arch
 City/State/Zip Norfolk, VA 23507
 MSA Hampton Roads
 Market Norfolk
 Tax ID 1427897126



SALE INFORMATION

Seller Six-Ten Group, Llc The
 Buyer Mowbray Arch Holdings, Llc
 Date of Sale 7/21/2021
 Sales Price \$1,500,000
 Adjustment \$0
 Adjusted Sales Price \$1,500,000
 Recording Number 210020562
 Rights Transferred Fee Simple
 Conditions of Sale Appears to be an arm's length transaction

PHYSICAL INFORMATION		ANALYSIS INFO		Adjusted	Unadjusted
Property Use	Special Use	\$ PSF		\$134.37	\$134.37
Sub-type	School Use	OAR		-	-
Size	11,163	EGIM			
Year Built	1981				
Effective Age	25	years	CONFIRMATION		
Site Size	0.78	acres	Name		
Zoned	PDMU 4		Company		
Property Class	C		Source	CoStar, Public Records	
Parking Space/Ratio	Adequate		Other	-	
Signage	Building, monument				
Access/Visibility	Good				
ADT	Good				
Type	Non-destination				

REMARKS

This property is a private school building that traded between schools.

COMPARABLE 2

LOCATION INFORMATION

Name
 Address 1781 Old Buckroe Road
 City/State/Zip Hampton, VA 23664
 MSA Hampton Roads
 Market Hampton
 Tax ID 11003032; 11003033



SALE INFORMATION

Seller Kidds LLC
 Buyer Saber of Black LLC
 Date of Sale 3/11/2021
 Sales Price \$1,100,000
 Adjustment \$0
 Adjusted Sales Price \$1,100,000
 Recording Number 210 004564
 Rights Transferred Fee Simple
 Conditions of Sale Appears to be an arm's length transaction

PHYSICAL INFORMATION		ANALYSIS INFO		Adjusted	Unadjusted
Property Use	Special Use	\$ PSF		\$119.38	\$119.38
Sub-type	Daycare Facility				
Size	9,214				
Year Built	1989				
Effective Age	25	years	CONFIRMATION		
Site Size	3.1	acres	Name		
Zoned	R-11; R-9		Company		
Property Class	C		Source	CoStar, Public Records	
Parking Space/Ratio	Adequate		Other	-	
Signage	Monument				
Access/Visibility	Average				
ADT	Average				
Type	Destination				

REMARKS

This is the sale of a daycare facility on Hampton VA. This daycare was built in 1989 and appears to be in average overall condition.

COMPARABLE 3

LOCATION INFORMATION

Name None
 Address 60 Battle Road
 City/State/Zip Hampton, VA 23666
 MSA Hampton Roads
 Market Hampton
 Tax ID 5000041



SALE INFORMATION

Seller Sarah Bonwell Hudgings Foundation
 Buyer Westview Landing LLC
 Date of Sale 10/2/2023
 Sales Price \$1,990,000
 Adjustment \$0
 Adjusted Sales Price \$1,990,000
 Recording Number 230 011867
 Rights Transferred Fee Simple
 Conditions of Sale Appears to be an arm's length transaction

PHYSICAL INFORMATION		ANALYSIS INFO		Adjusted	Unadjusted
Property Use	Special Use	\$ PSF		\$81.75	\$81.75
Sub-type	School Facility	OAR		-	-
Size	24,342	EGIM			
Year Built	2002				
Effective Age	25	years	CONFIRMATION		
Site Size	9.13	acres	Name		
Zoned	R-11		Company		
Property Class	B		Source	CoStar, Public Records	
Parking Space/Ratio	Adequate		Other	Deed	
Signage	Building, monument				
Access/Visibility	Good				
ADT	Good				
Type	Non-destination				

REMARKS

This is the sale of a school facility in Hampton, VA. The property includes several buildings on one parcel.

COMPARABLE 4

LOCATION INFORMATION

Name
 Address 745 Lesner Avenue
 City/State/Zip Norfolk, VA 23518
 MSA Hampton Roads MSA
 Market Norfolk
 Tax ID 1540035751



SALE INFORMATION

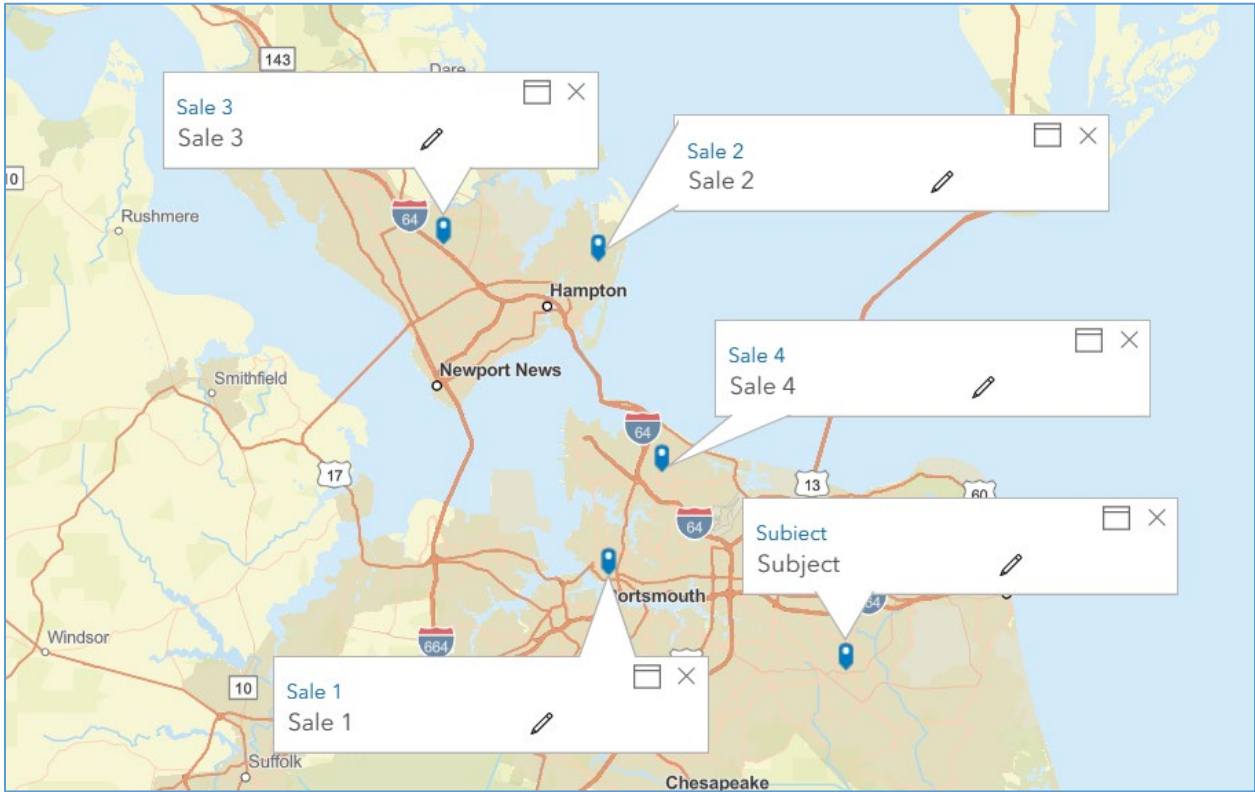
Seller St Pauls Deliverance Christian Center
 Buyer Unrecorded
 Date of Sale 3/15/2024
 Sales Price \$1,750,000
 Adjustment \$0
 Adjusted Sales Price \$1,750,000
 Recording Number -
 Rights Transferred Fee Simple
 Conditions of Sale Appears to be an arm's length transaction

PHYSICAL INFORMATION		ANALYSIS INFO		Adjusted	Unadjusted
Property Use	Special Use	\$ PSF		\$114.38	\$114.38
Sub-type	Religious Facility	OAE			
Size	15,300	EGIM			
Year Built	1997				
Effective Age	25	years	CONFIRMATION		
Site Size	0.46	acres	Name		
Zoned	R6		Company		
Property Class	Bldg	Source		Public Records, Costar	
Parking Space/Ratio	Adequate	Other			
Signage	Monument				
Access/Visibility	Good				
ADT	Average				
Type	Non-destination				

REMARKS

This is the sale of a church facility in Norfolk, VA. The sale is very recent and is unrecorded by the city.

LOCATION MAP



OTHER NOTABLE DATA:

In addition to the primary sales selected for our analysis, we have also considered current listings to see the direction of the market. This gives further context to our primary analysis. A summary of other notable data is as follows;

This property is located at 1485 Johnstons Road in Norfolk, VA. This asset sold in November of 2022 for \$500,000, which equates to \$111 PSF. (Religious Use)



Comparability:

The subject is a similar class asset located in a similar area. However, this property is a significantly smaller religious use. Therefore, the subject would sell for a slightly lower price as this asset on a PSF basis based on economies of scale.

This property is located at 23 Semple Farm Road in Hampton, VA. This asset sold for \$1,900,000 in July of 2021, which equates to \$107 PSF. (Religious Use)



Comparability:

The subject is a similar class asset located in a similar market. Therefore, the subject would sell for a similar price as this asset on a PSF basis.

This property is located at 4700 Little John Drive in Norfolk, VA. This asset is currently listed for \$1,500,000 which equates to \$95 PSF. (Religious Use)



Comparability:

The subject is a similar class asset located in a similar market. Therefore, the subject would sell for a similar price per SF on a typical list to sale ratio.

This property is located at 120 American Legion Road in Chesapeake, VA. This asset sold in November of 2023 for \$750,000 which equates to \$159 PSF. (Daycare Use)



Comparability:

The subject is a similar class asset located in a similar market. This asset is significantly smaller. Therefore, the subject would sell for a lower price per SF due to economies of sale.

Nb. of Adjustments				
+ Adj.	0	0	0	0
- Adj.	3	2	1	1
Sum of Adjustments				
+ Adj.	0.00%	0.00%	0.00%	0.00%
- Adj.	-25.00%	-15.00%	-5.00%	-5.00%
Net	-25.00%	-15.00%	-5.00%	-5.00%
Gross	25.00%	15.00%	5.00%	5.00%

Analysis	Unadjusted	Adjusted
Mean:	\$112	\$97
Maximum:	\$134	\$109
Minimum:	\$82	\$78
Std. Dev.	\$19	\$12
Co. of Det.	17%	12%
+ (1) Std. Dev.	\$109	\$2,130,017
- (1) Std. Dev.	\$85	\$1,673,401

Value =====>>>	\$100
	19,576
INDICATED VALUE:	\$1,957,600
Adjustment: Deferred Maintenance	\$0
Adjusted Value	\$1,957,600
ROUNDED:	\$1,960,000

Operative Assumptions
 Statistical standard deviations and variances are used for illustrative purposes only.
 The sample is not large enough to infer statistical conclusions
 Information has been obtained via public records and when able, we have contacted a party to the transaction for further confirmation

Summary of Adjustments

Sale #1 –In equating the comparable to the subject, no transactional adjustments were needed. Property characteristics adjustments were needed for smaller size due to economies of scale; typically, smaller properties sell for a higher price per SF. A location adjustment was also necessary as the property is located in the historical Ghent area in Norfolk. A small age/condition adjustment is necessary. After careful consideration, the indicated rate is \$101.

Sale #2 – In equating the comparable to the subject, no transactional adjustments were needed. Property characteristics adjustments were needed for smaller size due to economies of scale; typically, smaller properties sell for a higher price per SF. A small age/condition adjustment is necessary. After careful consideration, the indicated rate is \$101 PSF.

Sale #3 – In equating the comparable to the subject, no transactional adjustments were necessary. Property characteristics adjustments for age/condition adjustment is

necessary. After careful consideration, the indicated rate is \$78 PSF.

Sale #4 – In equating the comparable to the subject, no transactional adjustments were necessary. Property characteristics adjustments for age/condition adjustment is necessary. After careful consideration, the indicated rate is \$109 PSF.

RECONCILE

The comparables indicate a range of value on a per-SF basis of approximately \$78 to \$109 with a mean of \$97 and a standard deviation of \$12 per SF. All sales are deemed as being a good basis for comparison to subject. A market value of \$100 per square foot is indicated.

BOTTOM LINE ADJUSTMENT

None

CONCLUSION

It is estimated that the “As Is” fee simple market value of the subject property indicated by the Direct Sales Comparison Approach (rounded), is:

**\$1,960,000; “As Is”
Market Value**

RECONCILIATION

During reconciliation, strengths and weaknesses of each developed approach are considered. Adequacy and relevance of the data is weighed. Differences between approaches are examined, rationalized, and resolved when possible. From the various value indications, one is selected as most pertinent and reliable.

All salient aspects of the subject property have been presented and discussed. Zoning uses, requirements and limitations were considered. If part of the scope of work, the subject's Highest and Best Use was determined. Appropriate valuation techniques were processed. Applicable approaches produced the following results:

Technique	Value Indications
	As Is
Cost Approach	Not Applicable
Sales Comparison Approach	\$1,960,000
Income Approach	Not Applicable

SALES COMPARISON APPROACH

In the Sales Comparison Approach to value, sales of similar type properties are compared to the property being appraised. This approach is significant because it directly reflects the actions of buyers and sellers in the marketplace. It reflects economic conditions, acceptance, or rejection of various features, and trends of general desirability. This methodology is a true measure of supply and demand, accounting for all influential forces affecting the market.

From a technique perspective, the Sales Comparison Approach is exclusive as these properties almost exclusively trade between owner uses in fee. The applicability of the technique must also be tempered with the strength of the data presented in each approach. The strength of that data is further discussed.

The Direct Sales Comparison Approach was utilized in this report to estimate the market value of the subject. The value indicated by the Sales Approach is \$1,960,000. Although adjustments were needed in equating the sales to the subject, the adjusted sales prices provided good support for the subject's value indication. The magnitude of the adjustments did not disqualify any of the sales. This strengthened this approach to value.

CONSIDERATION OF RECENT OR PENDING TRANSACTIONS

None

ANALYSIS OF PRIOR APPRAISAL

None

CONCLUSIONS

The approaches are independent and interdependent. Each approach is independently processed, yet many of the same variables, like building size, are used throughout all methods, hence the interdependence. All approaches produced the similar results which increases the overall reliability of the report.

After careful consideration of all factors pertaining to, and influencing value, the data and analysis thereof adamantly supports the following market value conclusion for the subject real estate:

Market Value Conclusion(s)					
Effective Value Date	Market Value	Premise	Qualifier	Legal Estate	Property Component
03/19/2024	\$1,470,000	Liquidation Value	As Is	Fee Simple	Land & Bldg.
03/19/2024	\$1,960,000	Market Value	As Is	Fee Simple	Land & Bldg.

LIQUIDATION VALUE

At the request of the client, we have included a liquidation value. This is the value a seller could expect the market to pay should the asset be sold quickly at auction or otherwise without proper exposure to the open market. In order to estimate the appropriate discount for a liquidation scenario, we considered market evidence as well as conducted broker interviews. A summary of our findings is below;

MARKET EVIDENCE

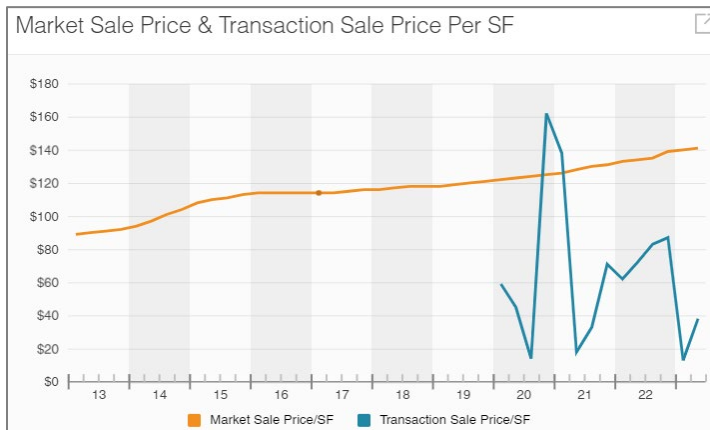
In order to estimate the appropriate discount for a quick sale (90 days or less), we considered sales of religious facilities, schools and daycare facilities that sold under the following scenarios;

- Auction
- Bankruptcy
- Court Appointed Sale
- Distressed
- Short Sales and
- REO sales

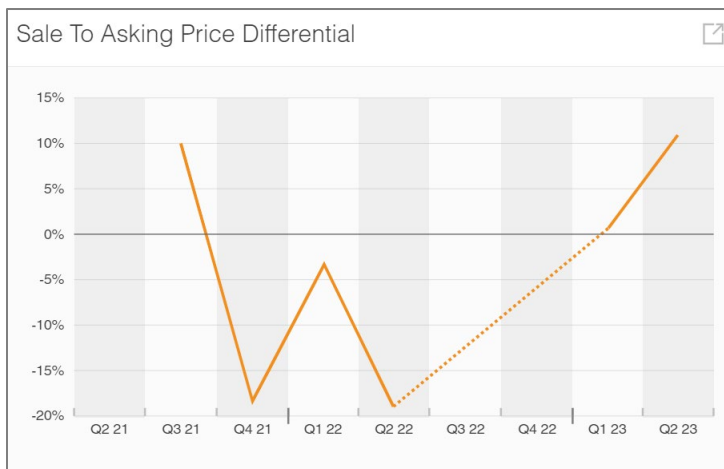
We found approximately 50 sales over the eastern half of the US as outlined below;



We analyzed the market sale price versus the transaction price under the above outlined scenarios and we found that a discount ranging from 20% to 40% with most being in the mid-20% range is appropriate.



We further found the sales to asking price differential approximates a 10% premium to a 20% discount, with most transactions being in the 10% to 20% discount range.



Below we have included some regional market-oriented evidence;

- 1) This property is located at 1201 Decatur Street in Richmond, VA. The property is a religious facility. This asset consists of 3,201 SF and sold in January of 2020 as an auction sale. The reported consideration was \$159,500 or \$49.83 PSF.



Comparability:

The comparable is a similar class asset compared to our subject and in a similar location. Therefore, our subject would likely sell for a similar rate per SF than this comparable in a liquidation scenario. (Older building)

2) This property is located at 5801 Sheridan Road Tulsa, OK. The property is a 36,590 SF school facility. This asset sold in an auction sale in October of 2022 for \$2,800,000 or \$77 PSF.



Comparability:

The comparable is a similar class asset when compared to our subject and in a similar location. Therefore, our subject would likely sell for a similar rate PSF to this comparable in a liquidation scenario.

3) This property is located at 40 Cuyler Avenue, in Trenton, NJ. The property is 9,940 SF. This asset sold in an auction in September of 2023 for \$770,000 which equates to \$77 PSF.



Comparability:

The comparable is an inferior class asset compared to our subject and in an inferior location. Therefore, our subject would likely sell for a higher rate PSF than this comparable in a liquidation scenario.

4) This property is located at 26 Hill Crest Avenue in Leola, PA. The property is a school building consisting of 47,041 SF. This asset sold in an auction sale in June of 2021 for \$3,200,000 or \$68 PSF.



Comparability:

The comparable is a similar class asset compared to our subject and in a similar location. Therefore, our subject would likely sell for a similar rate PSF than this comparable in a liquidation scenario.

Each of the above sales represent a 10% to 30% discount in pricing.

BROKER INTERVIEWS

To further support our market evidence and findings, we have interviewed commercial real estate brokers familiar with the subject's market area and property type. These brokers have indicated that each property will sell on a case-by-case basis depending on a variety of factors, but similar properties are liquidated for between a 15% and 30% discount to their market value.

CONCLUSION

Based upon the above analysis, we have concluded a discount of 25%. The indicated liquidation value of the subject is;

**\$1,470,000 "As Is"
Liquidation Value**

CERTIFICATION

The appraisers signing this report make the following certifications to the best of their knowledge and belief.

- The statements of fact contained in this report are true and correct.
- Reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions contained within this report, and are the appraisers' personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The appraisers have no present or prospective interest in the property that is the subject of this report, or personal interest with the parties involved. The appraisers have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- The appraisers have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report during the three-year period immediately preceding acceptance of this assignment.
- The appraisers have no bias with respect to the subject property or to the parties involved with this assignment.
- This engagement is not contingent upon developing or reporting predetermined results.
- Compensation paid to the appraisers 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 the appraisal.
- Reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation.
- A statement regarding observation of the subject property by the appraisers is listed below. This viewing, if any, did not attempt to probe, study, investigate, detect, or discover unfavorable physical features.

Appraiser	Observation
Eugene A. Joseph, Jr., MAI, SRA, AI-GRS	Adequate Exterior Only

- Tori Miller provided significant real property appraisal assistance to the appraiser(s) signing this certification.
- 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 &

Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice.

- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Eugene A., Joseph, Jr., MAI, SRA has completed the continuing education program for Designated Members of the Appraisal Institute.

Based upon the information contained herein, and upon judgment, education, and experience as real estate appraisers, it is our opinion that the following market value is applicable to the subject property:

Market Value Conclusion(s)					
Effective Value Date	Market Value	Premise	Qualifier	Legal Estate	Property Component
03/19/2024	\$1,470,000	Liquidation Value	As Is	Fee Simple	Land & Bldg.
03/19/2024	\$1,960,000	Market Value	As Is	Fee Simple	Land & Bldg.

EAJoseph Appraisal & Consultation

Eugene A. Joseph, Jr., MAI, SRA, AI-GRS
 Principal Appraiser
 Certified General Real Estate Appraiser
 License No. 4001 009492

SEQUENCE OF ADDENDA MATERIALS

- Contingent and Limiting Conditions
- Appraiser Qualifications
- License
- Insurance Information
- Service Agreement
- Other Misc.

Eugene A. Joseph, Jr., MAI, SRA, AI-GRS

Proprietor

Office: +1 804 353 1757

Fax: +1 888 977 3716

Mobile: +1 804 467 2517

gene@ejoseph.com

EJoseph Appraisal & Consultation

PO Box 8225

Richmond, Virginia 23226

CONTINGENT AND LIMITING CONDITIONS

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these Contingent and Limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all Contingent and Limiting conditions contained throughout this document.
2. The "Subject" or "Subject Property" refers to the real property that is the subject of this report. An Appraiser is defined as an individual person who is licensed to prepare real estate appraisal-related services in the State of Virginia and affixes his / her signature to this document.
3. Throughout this report, the singular term "Appraiser" also refers to the plural term "Appraisers". The terms "Appraiser" and "Appraisers" also refer collectively to "EAJoseph Appraisal & Consultation ", its officers, employees, subcontractors, and affiliates. The masculine terms "he" or "his" also refer to the feminine term "she" or "her".
4. In these Contingent and Limiting Conditions, the "Parties" refers to all of the following collectively: (a) the Appraiser(s), (b) EAJoseph Appraisal & Consultation, (c) the client, and (d) all intended users.
5. These Contingent and Limiting Conditions are an integral part of this report along with all certifications, definitions, descriptions, facts, statements, assumptions, disclosures, hypotheses, analyses, and opinions.
6. All contents of this report are prepared solely for the explicitly identified client and other explicitly identified intended users. The liability of the Appraiser is limited solely to the client. There is no accountability, obligation, or liability to any other third party. Other intended users may read but not rely on this report.
7. This document communicates the results of an appraisal assignment. This communication is not an inspection, engineering, construction, legal, or architectural report. It is not an examination or survey of any kind. Expertise in these areas is not implied. The Appraiser is not responsible for any costs incurred to discover, or correct any deficiency in the property.
8. As part of this appraisal, information was gathered and analyzed to form opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.
9. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.
10. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will hold EAJoseph Appraisal & Consultation , its officers, contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report by the client, or any third party is prima facie evidence that the user understands and agrees to all these conditions.
11. For appraisals of multiunit residential, only a portion of all dwellings was observed. A typical ratio of observed dwellings roughly approximates 10% of the total number of units, and this ratio declines as the number of dwellings grows. It is assumed the functionality, physical condition, construction quality, and interior finish of unseen units are similar to the functionality, physical condition, construction quality, and interior finish of observed units. If unobserved dwellings significantly differ from those that were viewed in functionality, physical condition, quality, or finish, the Appraiser reserves the right to amend theses analysis and/or value opinion(s).

12. If the appraised property consists of a physical portion of a larger parcel is subject to the following limitations. The value opinion for the property appraised pertains only to that portion defined as the subject property. This value opinion should not be construed as applying with equal validity to other complementary portions of the same parcel. The value opinion for the physical portion appraised + the value of all other complementary physical portions may or may not equal the value of the whole parcel.
13. Unless specifically stated otherwise herein, the Appraiser is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features that cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.
14. If this report involves an appraisal that values an interest, which is less than the whole fee simple estate, then the following disclosure applies. The value for any fractional interest appraised + the value of all other complementary fractional interests may or may not equal the value of the entire fee simple estate.
15. If this appraisal values the subject as though construction, repairs, alterations, remodeling, renovation, or rehabilitation will be completed in the future, then it is assumed such work will be completed in a timely fashion, using non-defective materials, and proper workmanship. All previously completed work is assumed completed in substantial conformance with plans, specifications, descriptions, or attachments made or referred to herein. It is also assumed all planned, in-progress, or recently completed construction complies with the zoning ordinance, and all applicable building codes. A prospective value opinion has an effective value date that is beyond or in the future relative to this report's preparation date. If this appraisal includes a prospective valuation, it is understood and agreed the Appraiser is not responsible for an unfavorable value effect caused by unforeseeable events that occur before completion of the project.
16. This valuation may or may not include an observation of the appraised property by an Appraiser. The extent of any observation is disclosed in the Scope of Work section of this report. Any observation by an Appraiser is not a professional property inspection. Viewing of the subject was limited to components that were not concealed, clearly observable, and readily accessible without a ladder on the property observation date. As used herein, readily accessible means within the Appraiser's normal reach without the movement of any man made or natural object. Comments or descriptions about physical condition of the improvements are based solely on a superficial visual observation. These comments are intended to familiarize the reader with the property in a very general fashion.
17. Electric, heating, cooling, plumbing, water supply, sewer or septic, mechanical equipment, and other property systems were not tested. No determination was made regarding the operability, capacity, or remaining physical life of any component in, on, or under the real estate appraised. All building components are assumed adequate and in good working order unless stated otherwise. Private water wells and private septic systems are assumed sufficient to comply with federal, state, or local health safety standards. No liability is assumed for the soundness of structural members since structural elements were not tested or studied to determine their structural integrity. The roof cover for all structures is assumed water tight unless otherwise noted. This document is not an inspection, engineering or architectural report. If the client has any concern regarding structural, mechanical, or protective components of the improvements, or the adequacy or quality of sewer, water or other utilities, the client should hire an expert in the appropriate discipline before relying upon this report. No warranties or guarantees of any kind are expressed or implied regarding the current or future physical condition or operability of any property component.
18. The allocation of value between the subject's land and improvements, if any, represents our judgment only under the existing use of the property. A re-evaluation should be made if the improvements are removed, substantially altered, or the land is utilized for another purpose.
19. The Client and all intended users agree to all the following. (A) This appraisal does not serve as a warranty on the physical condition or operability of the property appraised. (B) All users of this report should take all

necessary precautions before making any significant financial commitments to or for the subject. (C) Any estimate for repair or alternations is a non-warranted opinion of the Appraiser.

20. No liability is assumed for matters of legal nature that affect the value of the subject property. Unless a clear statement to the contrary is made in this report, value opinion(s) formed herein are predicated upon the following assumptions. (A) The real property is appraised as though, and assumed free from all value impairments including yet not limited to title defects, liens, encumbrances, title claims, boundary discrepancies, encroachments, adverse easements, environmental hazards, pest infestation, leases, and atypical physical deficiencies. (B) All real estate taxes and assessments, of any type, are assumed fully paid. (C) It is assumed ownership of the property appraised is lawful. (D) It is also assumed the subject property is operated under competent and prudent management. (E) The subject property was appraised as though, and assumed free of indebtedness. (F) The subject real estate is assumed fully compliant with all applicable federal, state, and local environmental regulations and laws. (G) The subject is assumed fully compliant with all applicable zoning ordinances, building codes, use regulations, and restrictions of all types. (H) All licenses, consents, permits, or other documentation required by any relevant legislative or governmental authority, private entity, or organization have been obtained, or can be easily be obtained or renewed for a nominal fee.
21. Any exhibits in the report are intended to assist the reader in visualizing the subject property and its surroundings. The drawings are not surveys unless specifically identified as such. No responsibility is assumed for cartographic accuracy. Drawings are not intended to be exact in size, scale, or detail.
22. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, unaffixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.
23. Conversion of the subject's income into a market value opinion is based upon typical financing terms that were readily available from a disinterested, third party lender on this report's effective date. Atypical financing terms and conditions do not influence market value, but may affect investment value.
24. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.
25. This appraisal was prepared by EAJoseph Appraisal & Consultation and consists of trade secrets and commercial or financial information, which is privileged, confidential, and exempt from disclosure under 5 U.S.C. 522 (b) (4).
26. The Appraiser is not required to give testimony or produce documents because of having prepared this report unless arrangements are agreed to in advance. If the Appraiser is subpoenaed pursuant to court order or required to produce documents by judicial command, the client agrees to compensate the Appraiser for his appearance time, preparation time, travel time, and document preparation time at the regular hourly rate then in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraiser will be given reasonable advanced notice, and reasonable additional time for court preparation.
27. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all non-residential real estate or the portion of any property, which is non-residential. The Appraiser has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Appraiser has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value.
28. EAJoseph Appraisal & Consultation and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value

opinions in this communication assume there is no infestation of any type affecting the subject real estate or the Appraiser is not responsible for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired.

29. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may differ from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence
30. No warranties are made by the Appraiser concerning the property's conformance with any applicable government code or property covenant including but not limited to all laws, ordinances, regulations, agreements, declarations, easements, condominium regulations, restrictions, either recorded or unrecorded. The client is urged to engage the services of a licensed attorney to confirm any legal issue affecting the property appraised. No liability or responsibility is assumed by the Appraiser to determine the cost of replacing or curing any supposedly defective physical component.
31. In the event of an alleged claim due to some defective physical component, the client must notify EAJoseph Appraisal & Consultation and allow its representatives and experts to examine and test the alleged defective component before any repairs or modifications are made. If any type of repair or modification is made without the knowledge of the Appraisers, the Appraiser is released from all liability, real or alleged.
32. The client and all explicitly identified intended users agree to notify in writing EAJoseph Appraisal & Consultation , within one year of this report's preparation date, of any claim relating to or arising from this report regardless of any statute of limitations. If EAJoseph Appraisal & Consultation does not receive this written notification within the year period defined in the paragraph, then the claimant releases the Appraiser from all claims arising from or related to this report.
33. The client and all explicitly identified intended users acknowledge that any claim relating to this report shall be settled in accordance with the commercial arbitration rules of the American Arbitration Association with the Parties each paying an equal share of all associated costs.
34. Any alleged claim must be filed in the Circuit Court for the County that encompasses most of or all of Richmond, Virginia 23226 where the Appraiser's business office is located. If a court of law voids any portion of these Contingent and Limiting Conditions, then the remainder remains in full force and effect. The claimants(s) agree not to contest the venue set forth herein and to submit to, and not contest, the exercise of personal jurisdiction over them by the foregoing court. The claimant(s) waive all rights concerning the exercise of personal jurisdiction of them by the foregoing courts and all claims of or concerning forum non-conveniences in the foregoing forum.
35. Superseding all comments to the contrary regardless of date, this report may not be transferred or assigned without the prior written consent of EAJoseph Appraisal & Consultation.
36. No part of this report shall be published or disseminated to the public by the use of advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of EAJoseph Appraisal & Consultation. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Appraiser; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without written permission from EAJoseph Appraisal & Consultation, the copyright holder.



Eugene A. Joseph, Jr. MAI, SRA, AI-GRS

PROPRIETOR & CEO
Appraisal & Consultation Services



Gene@eajoseph.com

EDUCATION AND QUALIFICATIONS

Virginia Commonwealth University, Richmond, VA

Bachelor of Science degree in Business, Real Estate and Urban Land Development

Graduate Certificate of Real Estate and Urban Land Development

STATE CERTIFICATION

Virginia

CONTACT DETAILS

MOB +1 804 467 2517
DIR +1 804 353 1757
FAX +1 888 977 3716

EAJoseph Appraisal & Consultation
Richmond Office
PO Box 8225
Richmond, VA 23226

Eugene A. Joseph, Jr. MAI, SRA opened Joseph Appraisal & Consultation in January of 2015 in which Eugene is the owner and operator and is responsible for all phases of real property appraisal and consulting services. In October of 2014, MGMiller Valuations was acquired by Colliers International Valuation & Advisory Services in Richmond, VA. Eugene worked for MGMiller Valuations/ Colliers International since April of 1998 in which he was responsible for all phases of commercial and residential valuation in accordance with USPAP and FIRREA regulations. In 2012, Eugene was promoted to upper management of the commercial division in which his additional responsibilities included performing reviews, scoping and bidding assignments and mentoring members of his commercial team.

EXPERIENCE

Owner and CEO of EAJoseph Appraisal & Consultation, Richmond, VA, January 2015- present

Senior Valuation Services Director, Colliers International Valuation & Advisory Services, Richmond, VA, October 2014-January 2015

Senior Valuation Appraiser and Director, MGMiller Valuations, Richmond, VA., 1998-2014

PROFESSIONAL AFFILIATIONS AND ACCREDITATIONS

MAI, SRA, AI-GRS; Appraisal Institute

Member of National Council of Housing Marketing Analyst (NCHMA)

HUD Certified

APPRAISAL INSTITUTE COURSES

IA1, Real Estate Principals

IA2, Basic Valuation Procedures

Course 510, Advanced Income Analysis

Course 520, Highest and Best Use and Market Analysis

Course 530, Advanced Sales Comparison and Cost Approaches

Course 540, Advanced Report Writing

Course 550, Advanced Applications

CE as needed

OTHER RELATED COURSES

Real Estate Principals

Real Estate Law

Real Estate Finance

Real Property Management

Real Estate Appraisal

Real Estate Negotiation

Advanced Real Estate Appraisal

Advanced Valuation Analysis (Graduate Level)

Real Estate Investment Analysis (Graduate Level)

Commercial Mortgage Lending (Graduate Level)

Real Property Investment Law (Graduate Level)

Real Estate Development (Graduate Level)

TORI MILLER, CAM

253 Washington Drive • Ruther Glen, Virginia
Tori.m@ejoseph.com • 540.683.0740

EDUCATION

Virginia Polytechnic Institute and State University

Blacksburg, Virginia

Bachelor of Science in Apparel, Housing, and Resource Management

Option: Residential Property Management, May 2013

Minor: Real Estate

EXPERIENCE

Commercial Real Estate Analyst

EA Joseph Appraisals

Richmond, Virginia

December 2015 – Present

- Thoroughly inspected subject properties
- Analyzed market areas and demographics
- Performed general property research on subject and comparables

Commercial Analyst I

Colliers International

Richmond, Virginia

October 2014 – November 2015

- Thoroughly inspected subject properties
- Analyzed market areas and demographics
- Performed general property research on subject and comparables
- Analyzed comparables, considered income revenues, and performed cost methodology
- Wrote appraisals and market studies under supervisory

Commercial Real Estate Analyst

MG Miller Valuations

Richmond, Virginia

May 2013 – October 2014

- Thoroughly inspected subject properties
- Analyzed market areas and demographics
- Performed general property research on subject and comparables
- Analyzed comparables, considered income revenues, and performed cost methodology
- Wrote appraisals and market studies under supervisory

Leasing Professional / Intern

Harbor Group International

Buford, Georgia

May 2011 – July 2011

- Worked by leasing and assisting management on a conventional market property
- Prepared renewal leases and addendums
- Responsible for helping choose and assist in interviewing new leasing associates
- Answered prospective residents' phone calls
- Shadowed corporate acquisitions/dispositions meetings
- Shadowed maintenance team and assisted in apartment turns

CERTIFICATIONS & HONORS

Certified Apartment Manager (CAM)

National Apartment Association (NAA)

2013 - Present

Presidential Scholarship Initiative Recipient

Blacksburg, Virginia

Eight full semesters of tuition, room and board coverage

For first generation college students who possessed leadership and academic qualities – Virginia Tech 2009 - 2013

PROPERTY TYPE EXPERIENCE


- Multifamily, Mixed Use, Agricultural, Retail, Office, Industrial, Land, Class A Assets, Historic Properties, LIHTC Appraisals and Market Studies


COMMONWEALTH of VIRGINIA
Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400, Richmond, VA 23233
Telephone: (804) 367-8500

EXPIRES ON
04-30-2025

NUMBER
4001009492

REAL ESTATE APPRAISER BOARD
CERTIFIED GENERAL REAL ESTATE APPRAISER

 EUGENE ALBER JOSEPH JR
4612 W FRANKLIN STREET
RICHMOND, VA 23226


Dimitrios J. Mella
Dimitrios J. Mella, Director

Status can be verified at <http://www.dpor.virginia.gov>

COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation

9960 Mayland Drive, Suite 400, Richmond, VA 23233

Telephone: (804) 367-8500

EXPIRES ON
07-31-2024

NUMBER
4001004451

REAL ESTATE APPRAISER BOARD

CERTIFIED GENERAL REAL ESTATE APPRAISER

JAMES L LASHER I
3007 SUNSET AVENUE
RICHMOND, VA 23221



Demetrina J. Mullis
Demetrina J. Mullis, Director

Status can be verified at <http://www.dpor.virginia.gov>

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)

1/2/2024

R-T Specialty, LLC
9020 Stony Point Parkway
Richmond, VA 23235

**INSURANCE BINDER FOR: EA Joseph Appraisal & Consultation Services, LLC
POLICY NUMBER: MEO-HS-0006008-00**

Thank you for binding coverage with Houston Specialty Insurance Company. HSIC is a property and casualty insurer rated A- IX by the A.M. Best Company. We are pleased to provide you with the attached binder for insurance.

The collection and filing of all surplus lines taxes and fees as well as any other applicable surcharges are your responsibility and are not included in the premium set forth in the attached binder. Please note that commissions will not be paid on taxes and/or surcharge amounts.

Sincerely,



Jung Lee-Stouffer

INSURANCE BINDER

Insurance Company: Houston Specialty Insurance Company
Policy Number: MEO-HS-0006008-00
Named Insured: EA Joseph Appraisal & Consultation Services, LLC

CERTIFICATES OF INSURANCE

The Company will not review, accept or retain copies of any certificates of insurance or additional insured endorsements prepared by anyone. Moreover, the Company will not be responsible for any liability resulting from the issuance of any unauthorized endorsement or the issuance of an endorsement which has been authorized by the Company but where the authorized wording is amended or revised in any way, without the prior written approval of the Company. The Company will not be responsible for any liability resulting from the issuance of any certificate of insurance. In no event does anyone have the authority to issue certificates of insurance which include any addition and/or modification of the policy terms and conditions, additional named insureds, waivers of subrogation or any special additional coverages unless expressly approved in writing by the Company.

Copies of all certificates of insurance and any endorsement sent with those certificates must be retained by the issuer for the time period required by state law or regulation in the state in which the certificate of insurance is issued, but in no event less than five years from the date indicated on the certificate.

Unless this policy is physically endorsed, the issuance of a certificate of insurance does not amend, extend, or alter the coverage provided by this policy or change the person(s) or entities to whom such coverage is afforded under this policy. No one without the express written authority of the Company has the authority to issue certificates of insurance or endorsements of any kind including without limitation additional insured endorsements, which include any addition and/or modification of this policy's terms and conditions, or purport to add any additional insured(s) and/or change any term, condition, or provision of this policy unless such policy changes or modifications are first approved by the Company and a policy endorsement is issued by the Company and signed by an officer of the Company.

INSURANCE BINDER
Policy Number: MEO-HS-0006008-00

NAMED INSURED: EA Joseph Appraisal & Consultation Services, LLC
4612 W. Franklin St
Richmond, VA 23226

Policy Period: From 1/12/2024 to 1/12/2025 at 12:01 A.M. Standard Time at your mailing address shown above.

COVERAGES

Professional Services: Real Estate Appraisal Services
Retroactive Date: 1/12/2015

LIMITS OF INSURANCE

Per Claim \$1,000,000
Aggregate Limit \$1,000,000

DEFENSE COSTS ARE INCLUDED WITHIN THE LIMITS OF LIABILITY

RETENTION

Retention \$2,500 Each & Every Claim

PREMIUM

Policy Premium \$2,500.00
Audit Period Not Subject To Audit

All premiums applicable to additional coverage(s) as required during the policy period will be invoiced separately and will not apply toward the estimated policy premiums. **The collection and filing of all surplus lines taxes and fees as well as any other applicable surcharges shall be the sole responsibility of the Excess and Surplus Lines Broker and not included as part of the premiums set forth above.**

Policy Number: MEO-HS-0006008-00

Named Insured: EA Joseph Appraisal & Consultation Services, LLC

SUBJECTIVITIES/REQUIREMENTS

Please be advised that coverage has been bound conditional upon receipt, review, verification and approval of the following items within 30 days of binding coverage:

N/A

In order to complete the underwriting process, we require that you send us the subjectivities requested above. We are not required to bind coverage prior to our receipt, review and underwriting approval of the above information. However, if we do bind coverage prior to such approval, it shall be for a temporary period of not more than 30 days. Such temporary binding of coverage shall be void ab initio ("from the beginning") if we have not received, reviewed and approved in writing such material within 30 days from the effective date of the temporary binder.

FORMS	
FORM/ENDORSEMENT NUMBER	NAME
HSIC JACKET-POLICY A (07-2021)	HSIC JACKET-POLICY A (07-2021)
SOS HSIC CW 09 13	CW SERVICE OF SUIT CLAUSE
DS PN Annual (02-22)	SKYWARD PRIVACY NOTICE
HSIC MEO DS 01 10 10 16	HSIC POLICY DECLARATIONS - MISCELLANEOUS ERRORS AND OMISSIONS LIABILITY INSURANCE
MP FORM SCHED 00	FORMS SCHEDULE
MP 01 08 11 13	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL - OFAC - ADVISORY NOTICE TO POLICYHOLDERS
MP 01 26 1113	IMPORTANT NOTICE
MP 02 52 11 13	PENDING OR PRIOR LITIGATION EXCLUSION
MP 00 01 03 22	MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE POLICY
MP 02 24 11 13	NUCLEAR LIABILITY EXCLUSION
MP 03 10 08 21	APPRAISER ENDORSEMENT
MP 03 20 08 21	EXTENDED REPORTING PERIOD ENDORSEMENT
MP 03 31 03 22	RETENTION REDUCTION FOR MEDIATION ENDORSEMENT

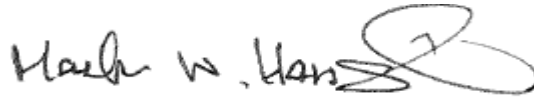
PENDING OR PRIOR-1/12/2024

Failure to provide Skyward Specialty Insurance with any of the above-listed items, within the specified time frame, can result in the automatic issuance of a Notice of Cancellation.

In witness whereof, this company has caused this policy to be signed by its President and Secretary but if required by state law, the policy shall not be valid unless countersigned by an authorized representative of the Company.



SECRETARY SIGNATURE



PRESIDENT SIGNATURE



HOUSTON SPECIALTY INSURANCE COMPANY
POLICY DECLARATIONS
MISCELLANEOUS ERRORS AND OMISSIONS
LIABILITY INSURANCE

POLICY NUMBER: MEO-HS-0006008-00
RENEWAL OF POLICY: New

Named Insured & Mailing Address:
EA Joseph Appraisal & Consultation Services, LLC
4612 W. Franklin St
Richmond, VA 23226

Broker Name & Mailing Address:
R-T Specialty, LLC
9020 Stony Point Parkway
Richmond, VA 23235

Policy Period: From 1/12/2024 to 1/12/2025 at 12:01 A.M. Eastern Time

This policy is issued by the insurance company listed above (herein "Company").

THIS POLICY IS A CLAIMS MADE AND REPORTED POLICY WHICH COVERS ONLY CLAIMS FIRST MADE
AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD.
PLEASE READ THIS POLICY CAREFULLY.

RETROACTIVE DATE

1/12/2015

PRIOR AND PENDING LITIGATION DATE

1/12/2024

LIMITS OF INSURANCE

Each Claim \$1,000,000
Aggregate Limit \$1,000,000

RETENTION

Each & Every Claim \$2,500.00

PROFESSIONAL SERVICES

Real Estate Appraisal Services

PREMIUM

Premium \$2,500.00

**HOUSTON SPECIALTY INSURANCE COMPANY
POLICY DECLARATIONS
MISCELLANEOUS ERRORS AND OMISSIONS
LIABILITY INSURANCE**

NOTICES

Notices to Insurance
Company:

Notice of Claim or Potential Claim:
Claims Department
Claims@skywardinsurance.com
888-321-0714

All other notices:
VP Legal - HIIG
800 Gessner, Suite 600
Houston, TX 77024

IN CONSIDERATION OF THE PAYMENT OF THE PREMIUMS, AND SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY, WE AGREE TO PROVIDE THE INSURED WITH THE INSURANCE AS STATED IN THIS POLICY.

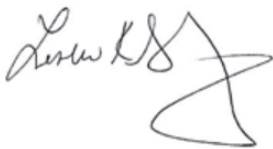
THESE DECLARATIONS, TOGETHER WITH THE COMPLETED AND SIGNED APPLICATION FOR THIS POLICY INCLUDING INFORMATION FURNISHED IN CONNECTION THEREWITH, AND THE COVERAGE FORM AND ANY ENDORSEMENTS ATTACHED HERETO, CONSTITUTE THE ABOVE NUMBERED INSURANCE POLICY.

NOTICE TO THE INSURED

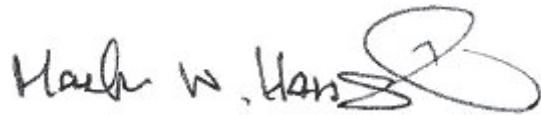
The insurance policy that you have applied for has been placed with or is being obtained from an insurer approved by the State Corporation Commission for issuance of surplus lines insurance in the Commonwealth, but not licensed or regulated by the State Corporation Commission of the Commonwealth of Virginia. Therefore, you, the policyholder, and persons filing a claim against you are not protected under the Virginia Property and Casualty Insurance Guaranty Association Act (Va. Code Ann. §38.2-1600 et seq.) of the Code of Virginia against default of the company due to insolvency. In the event of insurance company insolvency, you may be unable to collect any amount owed to you by the company regardless of the terms of this insurance policy, and you may have to pay for

In witness whereof, this company has caused this policy to be signed by its President and Secretary but if any claims made against you, (Virginia Form SLB-9 (Rev. 9/98)), (Va. Code Ann. §38.2-4916) required by state law, the policy shall not be valid unless countersigned by an authorized representative of the Company.

Surplus Line Broker: _____ License# _____



SECRETARY SIGNATURE



PRESIDENT SIGNATURE



Matthew Benjamin, Appraisal and Credit Administrator
Old Point National Bank
101 East Queen Street
Hampton, VA 23669
757.728.1327
mbenjamin@oldpoint.com

ATTN: Eugene A. Joseph, Jr., MAI, SRA, AI-GRS - EAJoseph Appraisal & Consultation

Re: Appraisal on Property Known As 1305 Windmill Point Crescent, Virginia Beach, VA 23453

Appraiser, Please List as User of this Report: Old Point National Bank

All appraisals ordered by Old Point National Bank must include:

- an **as-is value** for the subject property
- an **insurable value**, if the subject property is improved
- analysis using **all applicable approaches** to valuation, with explanation if any are not applicable

I. Property and Analysis Information

Type of property: Residential Commercial Land

Type of Report: Appraisal Report (full/standard report) Restricted Appraisal Report

Additional Analysis/Value Required: Market Value w/ all applicable approaches to value and Liquidation Value.

Property IS occupied IS NOT occupied

Owner: Rolando E. Timm **Borrower (if different than owner):**

Contact person: Morris H. Fine, Attorney - Fine, Fine, Legum & McCracken, LLP
Daytime: (757) 422-1678

Contact number:

Legal description: GREEN RUN PUD PARCEL C-2D 1.024 ACS

Sales price: \$

Additional information:

II. General Appraisal Requirements

The completed appraisal shall adhere to the following minimum standards:

1. Conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP);
2. Be written and contain sufficient information and analysis to support the institution's decision to engage in the transaction;

3. Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units;
4. Be based upon the market value defined as the most probable price a property would bring in a competitive and open market under all conditions requisite to a fair sale when both buyer and seller act prudently and knowledgeable, assuming that price is not affected by other than customary market factors. Implicit in this definition is the consummation of sale as of a specified date and the passing of title when:
 - a. Buyer and seller are typically motivated.
 - b. Both parties are well informed and are acting in what they consider their best interests.
 - c. A reasonable time is allowed to offer the property on the open market.
 - d. Payment is made in cash in U. S. Dollars, or by comparable arrangements.
 - e. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Unavailability of information: If information required or deemed pertinent to the completion of an appraisal is unavailable, that fact shall be disclosed and explained in the appraisal.

Additional standards: Nothing contained herein shall prevent a regulated institution from requiring additional appraisal standards if deemed appropriate.

III. Specific Requirements for This Appraisal

This appraisal will be completed and returned to Matthew Benjamin (or designee) by 5:00 PM on Monday, March 18, 2024. The fee will be \$2,500.00. Old Point National Bank reserves the right to impose a monetary penalty of **5% of the appraisal fee for every day the delivery of the report is delayed** beyond the deadline. Penalty may be waived (at the Bank’s discretion) for delays resulting from circumstances beyond the appraiser's control. If the appraisal cannot be completed within this time frame please contact Matthew Benjamin immediately upon receipt of this request, or as soon as the delay becomes evident.

Invoices should be submitted directly to AP@oldpoint.com, rather than being attached to the appraisal report.

By signing this document, you acknowledge your understanding and acceptance of all conditions, terms, and requirements described above. This includes your agreement to abide by the minimum standards for the appraisal you have been authorized to perform, as listed above.

Appraiser Signature: Eugene A. Joseph, Jr. MAI, SRA, AI-GRS Date: _____

Print Name: _____

Until this document has been signed and returned, the engagement is still pending. Once signed, return this document promptly to Matthew Benjamin at mbenjamin@oldpoint.com (or his designee, if applicable).

Engagement terms presented on behalf of Old Point National Bank by Matthew Benjamin

Signature: Matthew Benjamin Date: 3/1/2024

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Richmond, Virginia 23226
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All opinions, analyses, and conclusions stated herein are intended for the exclusive use of our client, and other specifically identified intended users. Only the client and other specifically identified intended users may use this report for the sole purpose and intended use stated herein.

END OF REPORT