Appraisal Report

The School Facility
Located at 158 Academy Drive
in Pence Springs, West Virginia 24962

As of April 17, 2017

Prepared For:
Ms. Sandy Tedford
Cooperative Business Services
8150 Corporate Park Drive
Cincinnati, Ohio 45242

Prepared By:
Mr. Russell Roberts, MAI
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April 27, 2017

Ms. Sandy Tedford
Cooperative Business Services
8150 Corporate Park Drive
Cincinnati, OH 45242

Reference: Appraisal Report of the School Facility located at 158 Academy Drive in Pence Springs, West Virginia 24962

Dear Ms. Tedford:

At your request, we have prepared this appraisal report of the property referenced above. This letter is accompanied by the report which sets forth our opinion of the market value along with supporting data and reasoning which form the basis of our opinion. The value opinion reported is qualified by certain definitions, limiting conditions, and certifications which are set forth in the body and addendum of this report. This appraisal was written in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) and with the requirements of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA).

As a result of our analysis, our opinion of the market value of the "Fee Simple Estate" of the previously referenced property in its "As-Is" condition on the appraisal date, April 17, 2017, is:

$4,000,000

Four Million Dollars

Respectfully Submitted by:

Mr. Russell Roberts, MAI
Signed on April 27, 2017
WV Certified General Real Estate Appraiser #CG560
License Expires on September 30, 2017

Dr. Robert Lancaster, PhD
Signed on April 27, 2017
WV Certified General Real Estate Appraiser #CG564
License Expires on September 30, 2017

TABLE OF CONTENTS

Property Identification

The subject of this appraisal is the school facility located at 158 Academy Drive in Pence Springs, West Virginia.

Site Details

Size	16.69 ± Acres and 122.03 ± Acres (per Survey)
Shape	Irregular
Latitude/Longitude	37.677741/-80.724914
Tax Parcel ID	111978 78.2 78.3
Zoning	None
Flood Risk	Low Flood Risk
Utilities	All Available
Frontage	Lowell Road
Topography	Generally Level
Highest and Best Use (As If Vacant)	Timberland/Future Use

Building Details

Building Height	Three Story Main Structure
Number of Buildings	Three Contributory
Gross Building Area	43,023 ± Square Feet
Year Constructed	1919
Exterior	Brick/Wood
Current Use	School Facility
Highest and Best Use	Special Purpose

Valuation Summary

Rights Appraised	Fee Simple Estate
Appraisal Effective Date	April 17, 2017
Report Date	April 27, 2017
Cost Approach	Not Developed
Sales Comparison Approach	$4,000 ,000
Income Capitalization Approach	Not Developed
Emphasis	Sales Comparison
Reconciled Opinion of Value	**$4,000,000**

Aerial View of Subject Property

Zoomed Out Aerial View

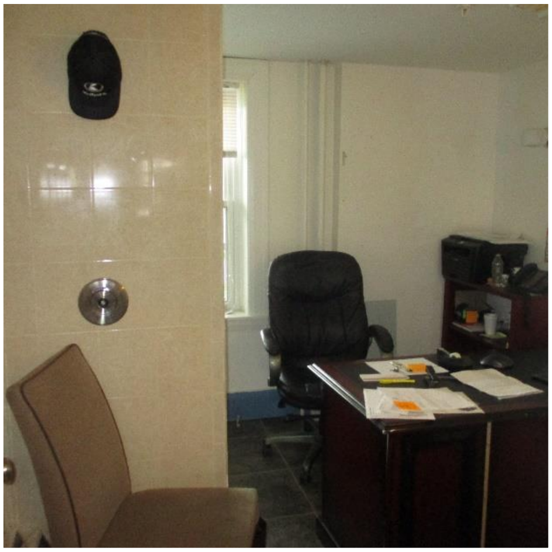
Front of Primary Looking North

Rear of Primary Looking Southeast

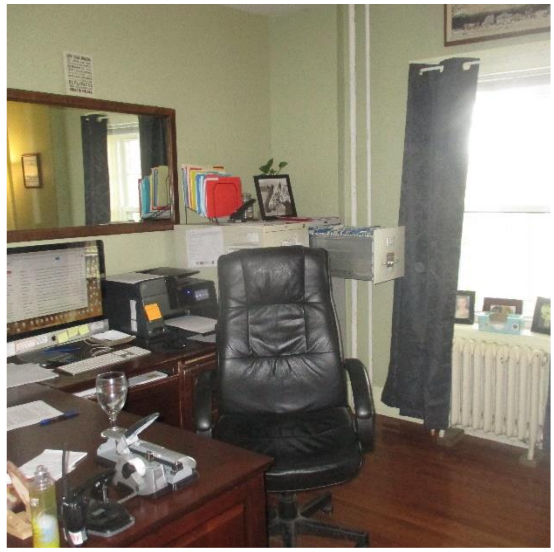
Rear of Primary Looking Southwest

Rear of Primary Looking Southeast

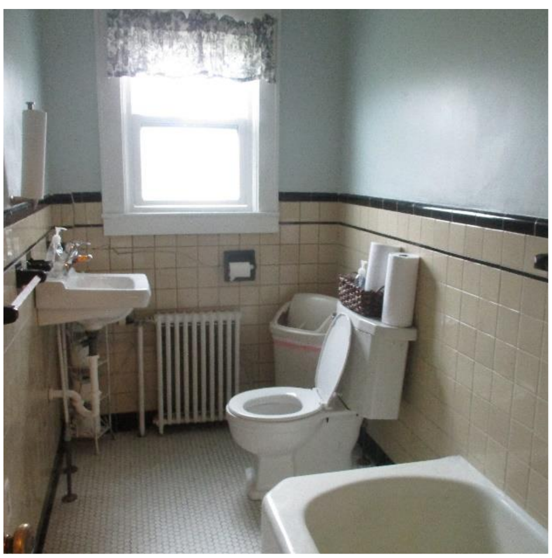
1st Level Office



Office



Lavatory



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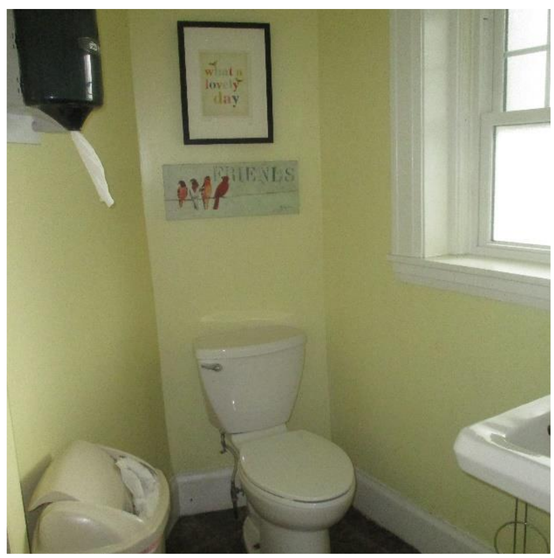
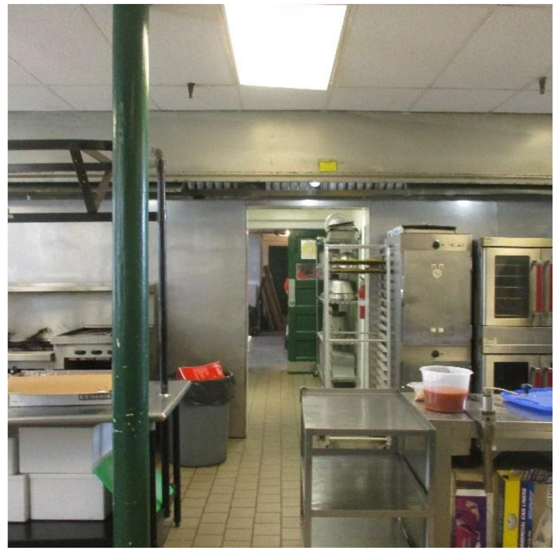
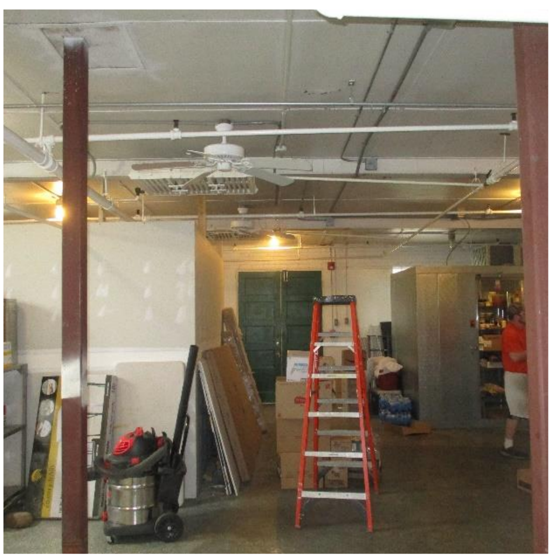


Cafeteria

Kitchen



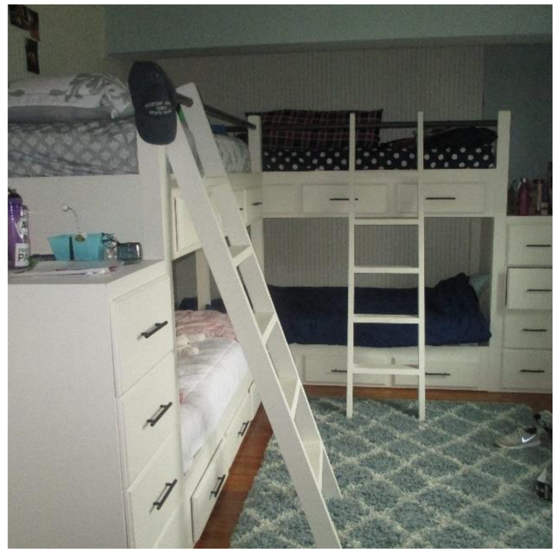
Storage



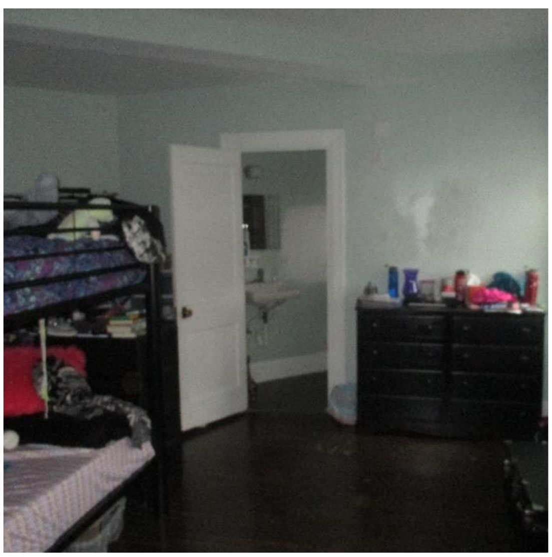
Electrical

2nd Level Lounge

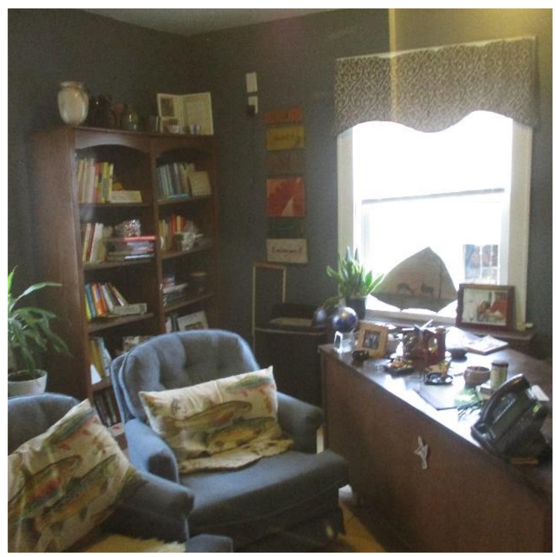
Bedroom



Bedroom



Office

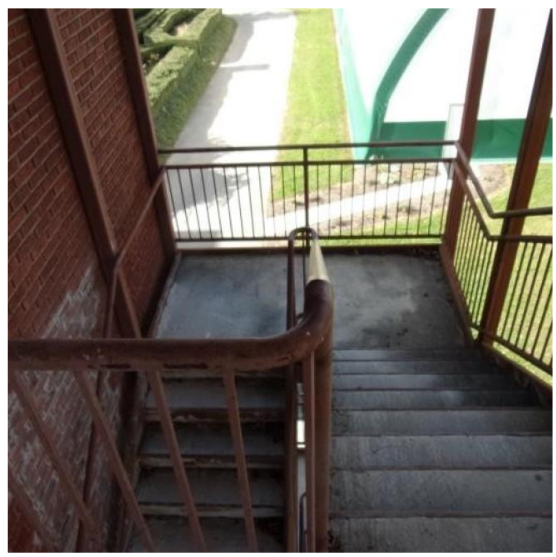


3rd Floor Under Renovation

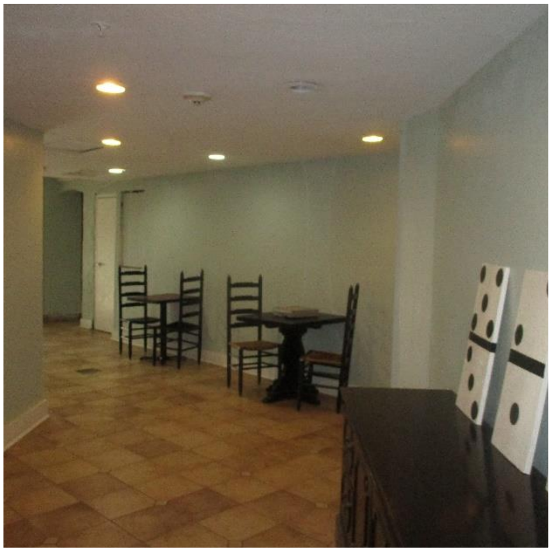
Under Renovation

Under Renovation

Fire Escape

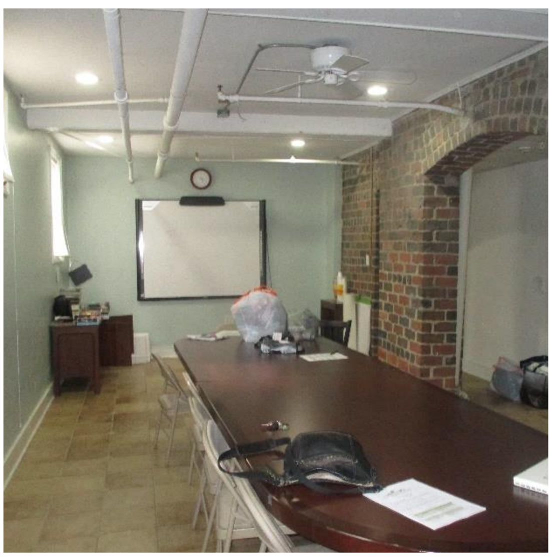


Basement Foyer



Basement Lounge and Fireplace

Conference Room



Office

Basement Laundry

Water

Electrical

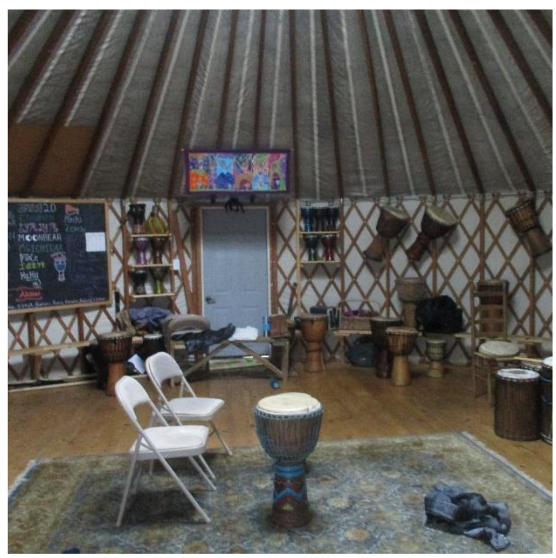
Boiler

E

Gym

Interior of Gym

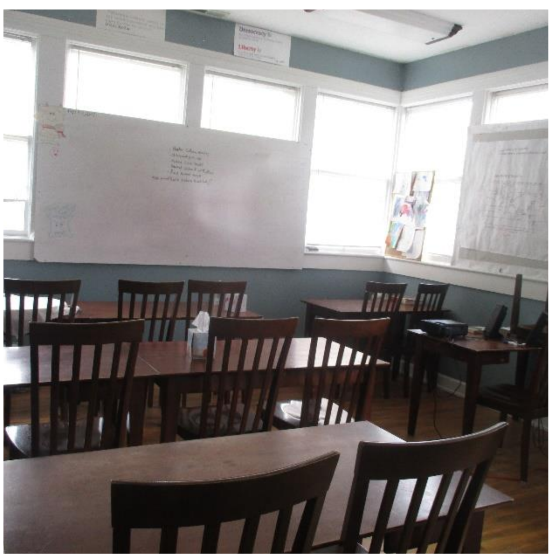
URT on Main Campus



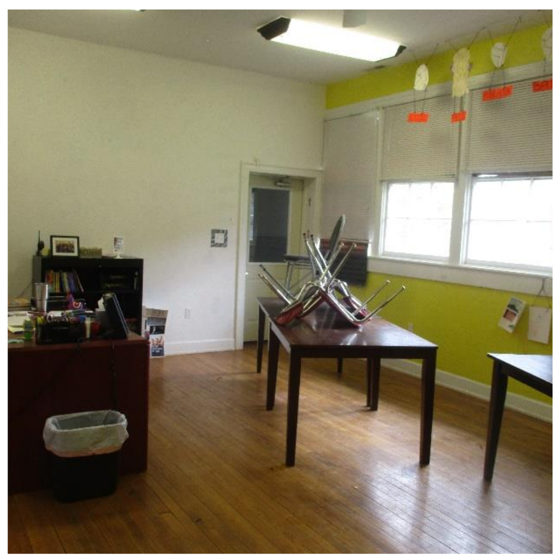
Front of Second Building Looking East

Rear of Second Building Looking West

Classroom



Classroom

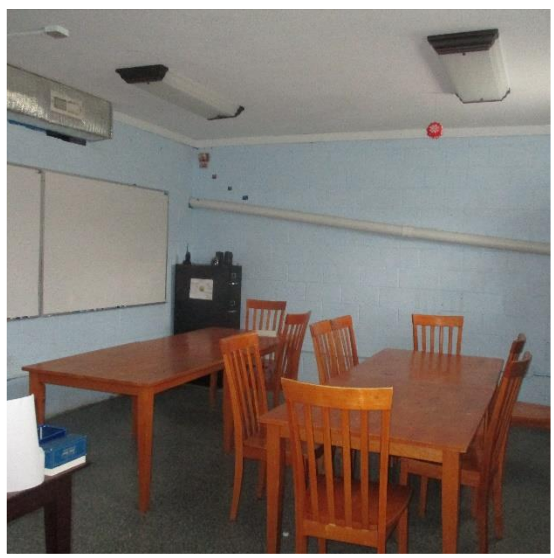


Lavatory

Locker Area

Classroom

Classroom



URT Sleeping

URT Sleeping

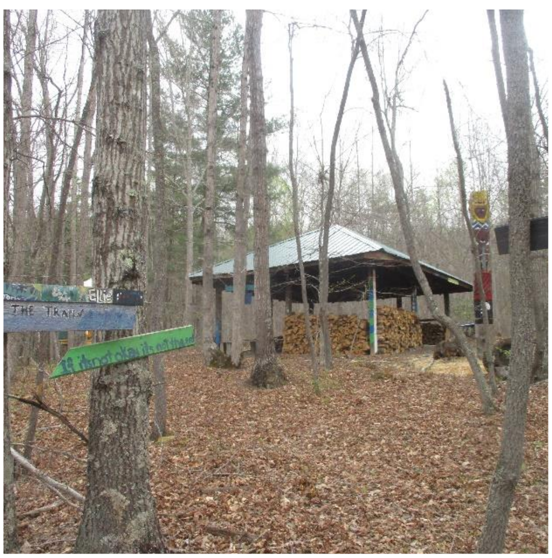
Interior of URT

URT with Kitchen

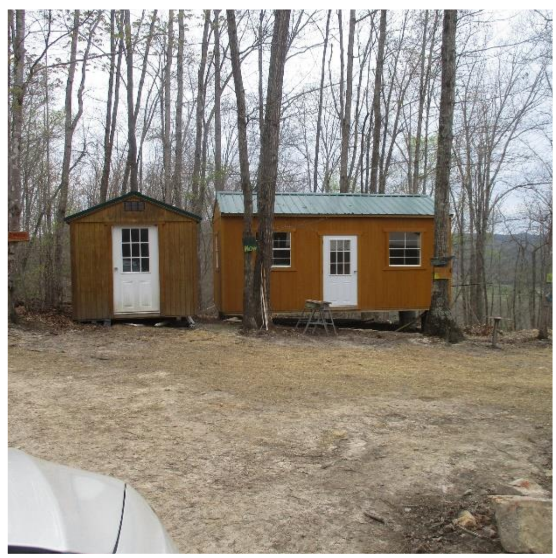
Smaller URTs

URT for Counseling

Picnic Area

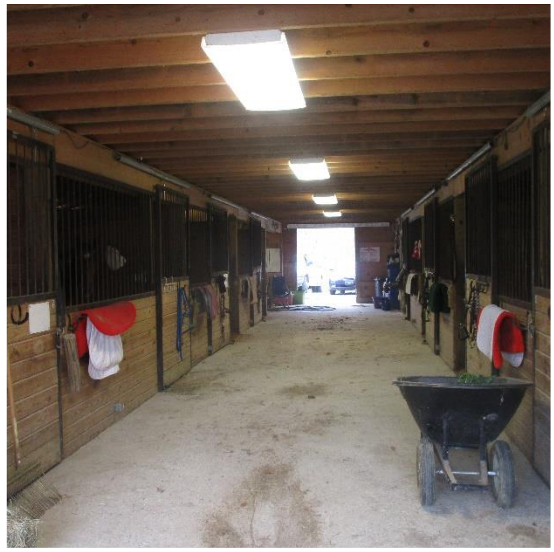


Lavatory



Stable

10-Stall Pattern



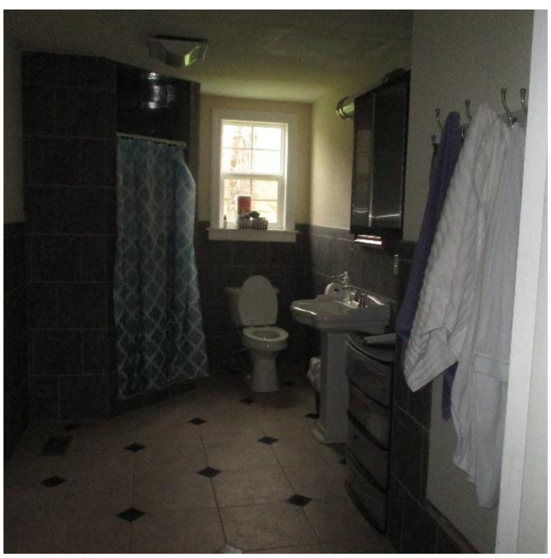
Riding Arena

Road to URTs

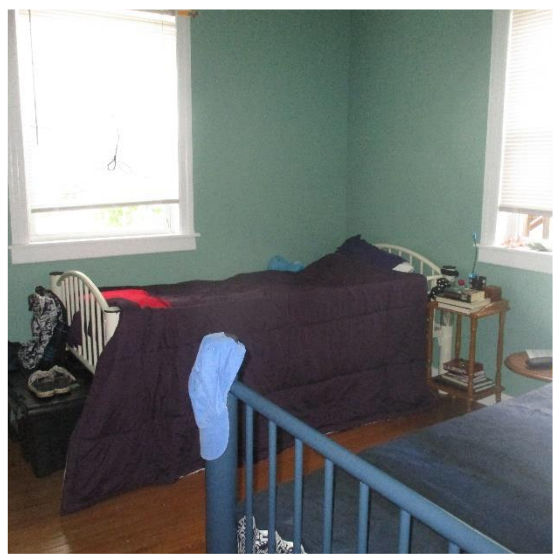
3rd Structure Looking West

3rd Structure Looking West (Attached)

Lavatory



Bedroom



Run-in Shed

Utility Building

Garage

Propane Tanks

Street Scene Looking West

Street Scene Looking East

Street Scene Looking East Back to Subject

Street Scene West Looking Back to Subject

To clearly convey the facts relating to this appraisal assignment and the conclusions regarding the value of the subject property, this appraisal has been presented in the following sections:

- **Scope of Work**
  The Scope of Work section of this report defines terms used within the appraisal, presents facts concerning the history of the subject property and information related to the purpose and use of this appraisal report, and sets forth basic assumptions and limiting conditions of the appraisal and any extraordinary assumptions or hypothetical conditions.

- **Relevant Data**

  The Relevant Data section includes an analysis of the macroeconomic and microeconomic factors affecting the subject property including employment, population, and income trends. This section also presents a brief description of the subject site and improvements (if any) to determine the desirability of the property relative to competitive properties. The current zoning and level of real estate taxes are also evaluated for conformity and appropriateness.

- **Analysis and Conclusions**

  This section of the appraisal begins with an evaluation of the “Highest and Best Use” of the subject site “as vacant” and, if applicable, “as improved” (please refer to the introduction of the Highest and Best Use subsection for a detailed explanation of this process). This section also presents the application of the various methods used to form an opinion of the value of the subject property. There are three recognized methods, or approaches, available to form an opinion of the value of real property. When applicable, each approach is considered and employed to conclude a separate opinion of value. The three approaches are briefly summarized below:

  - **The Cost Approach** – The fundamental principle supporting the cost approach is the principle of substitution. This principle acknowledges that no prudent investor will pay more for a property than the amount for which they can obtain a similar site and construct a building of equal desirability and utility without an undue time delay. First, the value of the land, as vacant and available to be developed to its highest and best use is evaluated and the cost to construct similar improvements to the land is estimated. The estimated loss in value from all causes is subtracted from this amount resulting in an opinion of value for the subject property. Because of the difficulty associated with accurately estimating accrued depreciation, the opinion of value resulting from the Cost Approach is, generally, more credible for recently constructed improvements or improvements for which a limited market exists (special use properties e.g. churches or museums).

- **The Sales Comparison Approach** – The underlying concept supporting the sales comparison approach are the principles and substitution and contribution. The principle of contribution maintains that the value of a particular component is measured in terms of its contribution to the value of the whole property or, as the amount that its absence would detract from the value of the whole. Under this presumption, an opinion of the value of the subject property is derived by comparing the subject property with recent sales of similar properties using a similar unit of comparison, e.g. per square foot, per rental unit, etc. Their actual sales prices are adjusted to reflect the price a buyer might pay, under current market conditions, for a property like the subject property. The reliability of the opinion of value using the sales comparison approach is directly related to the similarity of the comparable sales selected and the degree to which they reflect current market conditions.

- **The Income Approach** – The final valuation method, the income approach, is supported by the principle of anticipation. The principle of anticipation is the perception that the expectation of benefits creates value. In the case of an income producing property, these benefits consist of periodic income to the property and the net proceeds from the sale of the property at the end of the holding period (often referred to as the reversion). A stabilized level of income and expenses is estimated for the subject property and the resultant net operation income is capitalized into value. Another option is to use a multiplier applied to the gross or net revenues. The opinion of value resulting from the Income Approach is normally the most reliable opinion of value for income-producing properties.

Final Reconciliation

The final step in the appraisal process is the reconciliation and final opinion of value. In the reconciliation, the appraiser considers the quantity and quality of the data used and the merits of each approach used to formulate an opinion of value for the subject property. Considering these factors and all other relevant factors, a single or “final” value opinion of value is concluded.

Purpose of the Appraisal

The purpose of this appraisal report is to submit a supported opinion of the market value of the Fee Simple Estate of the school facility located at 158 Academy Drive in Pence Springs, West Virginia, in its "As-Is" condition as of the effective date of this appraisal, April 17, 2017.

Definition of Market Value

Market Value – 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 knowledgably 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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.[1]

Client, Intended User, and Intended Use of the Appraisal

Cooperative Business Services intends to use this appraisal report for loan collateral valuation purposes.

Property Rights Appraised

This appraisal report provides our opinion of the market value of the Fee Simple Estate, which is defined as follows: Fee Simple Estate -Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of government taxation, eminent domain, police power, and escheat.[2]

[1] Office of the Controller of the Currency Under 12CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].
[2] Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010)

Recent History of Ownership

TAS Greenbrier, LLC & TAS Greenbrier Properties, LLC currently own the property. They received title in a deed dated December 1, 2007, and recorded in Book 227 Page 686 of the Summers County deed records. The indicated consideration was $720,000. To our knowledge, beyond extensive renovation, there are no current listings, contracts or sales agreements for the subject property nor has a sale occurred within the previous three years.

Prior Services

Under USPAP guidelines, appraisers must disclose to the client any prior services provided in connection to the subject property for the prior three years including valuation, property management, consulting, brokerage, or any other services. In this case, the appraisers have not rendered any service related to the subject property over the last three years.

Property Inspection and Data Collection

To evaluate the subject property, Dr. Robert Lancaster conducted a physical inspection, noting the utility, quality, and condition of any building improvements. Macroeconomic and microeconomic data was collected to analyze trends in the region that tend to generate demand for real estate. Specifically, historical population, employment, and income trends were evaluated. The neighborhood was also inspected to evaluate the general supply and demand for various property types and the potential impact on the subject property.

Following the inspection, the physical and legal attributes of the subject were assessed to determine its appeal relative to competitive properties. Relevant market information was gathered to assess the supply and demand for similar property types and the risk profile going forward. When applicable, construction costs, sales, listings, and income and expense data for similar property were identified and used to form an opinion of value.

Among other resources, data sources typically include:

- National CoStar Sales & Lease Database
- Site to Do Business (STDB)
- The Local Tax Assessor, MLS Data, & Broker Interviews
- The U.S. Census Bureau and Bureau of Labor Statistics
- The U.S. Community Survey

Analysis and Appraisal Methodology

In summary, the subject property consists of three contributory improvements, three auxiliary improvements, and multiple accessory improvements. Because of the age of the contributory improvements, the Cost Approach will not be developed. Moreover, because the purpose of this appraisal report is to estimate market value in fee simple estate, the Income Approach will not be developed as it reflects the value of a going concern (tuition, living expenses for students, payroll for personnel, etc.), The Income Approach will not be developed. Therefore, only the Sales Comparison Approach will be developed. The search for sales will be based on the current use in place, primarily from border states, though the search may be expanded.

Marketing Period

Similar property normally requires a marketing period of six months to one year. Thus, a marketing period of six to twelve months is reasonable.

Exposure Time

Exposure time is an estimate the period that would have been necessary to market the subject property, prior to the date of appraisal, for a sale to occur. Given recent market conditions, an exposure time of six to twelve months is also considered to be reasonable.

Extraordinary Assumptions

An extraordinary assumption is "An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions."[3] The reader should be aware than any extraordinary assumptions could significantly impact the value. In the case of the subject property, there are no extraordinary assumptions.

Hypothetical Conditions

A hypothetical condition is a condition which is "…contrary to what exists but is supposed for the purpose of analysis."[4] In the case of the subject property, there are no hypothetical conditions.

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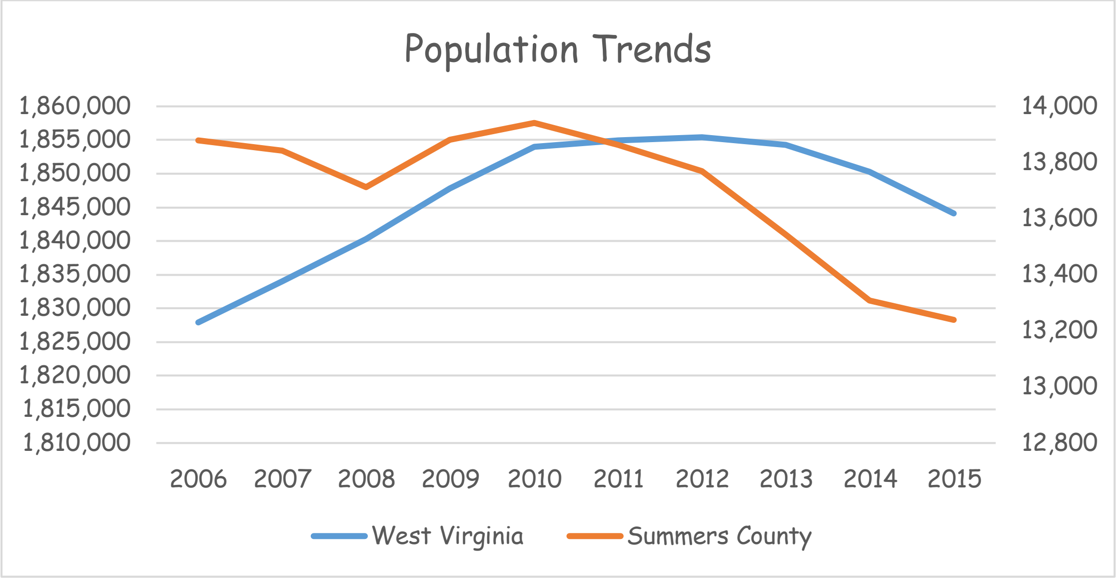
[3] The Dictionary of Real Estate Appraisal, 5th Edition. Chicago: Appraisal Institute, 2010.
[4] The Dictionary of Real Estate Appraisal, 5th Edition. Chicago: Appraisal Institute, 2010.

Demographic trends for the State of West Virginia and Summers County for factors that tend to generate demand for commercial real estate, 1) Population Growth, 2) Employment Growth, and 3) Income Growth, are compared and contrasted below:

Population

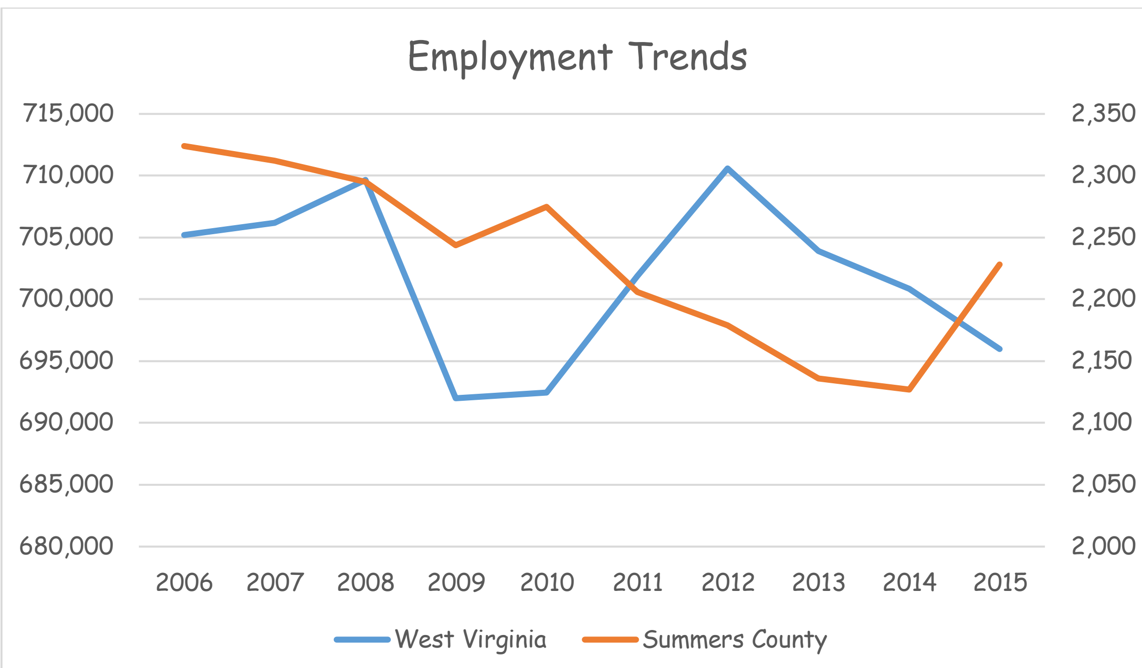
Year	West Virginia	Summers County
2006	1,827,912	13,879
2007	1,834,052	13,842
2008	1,840,310	13,712
2009	1,847,775	13,882
2010	1,854,019	13,941
2011	1,854,908	13,862
2012	1,855,413	13,769
2013	1,854,304	13,543
2014	1,850,326	13,309
2015	1,844,128	13,239



As shown, the compound annual rate of change for the population in the State of West Virginia from 2006 through 2015 was 0.09%. During the same period, Summers County experienced a compound annual rate of change of -0.47%.

Employment

Year	West Virginia	Summers County
2006	705,189	2,324
2007	706,172	2,312
2008	709,657	2,295
2009	691,998	2,244
2010	692,448	2,275
2011	701,905	2,206
2012	710,590	2,179
2013	703,916	2,136
2014	700,846	2,127
2015	695,987	2,228

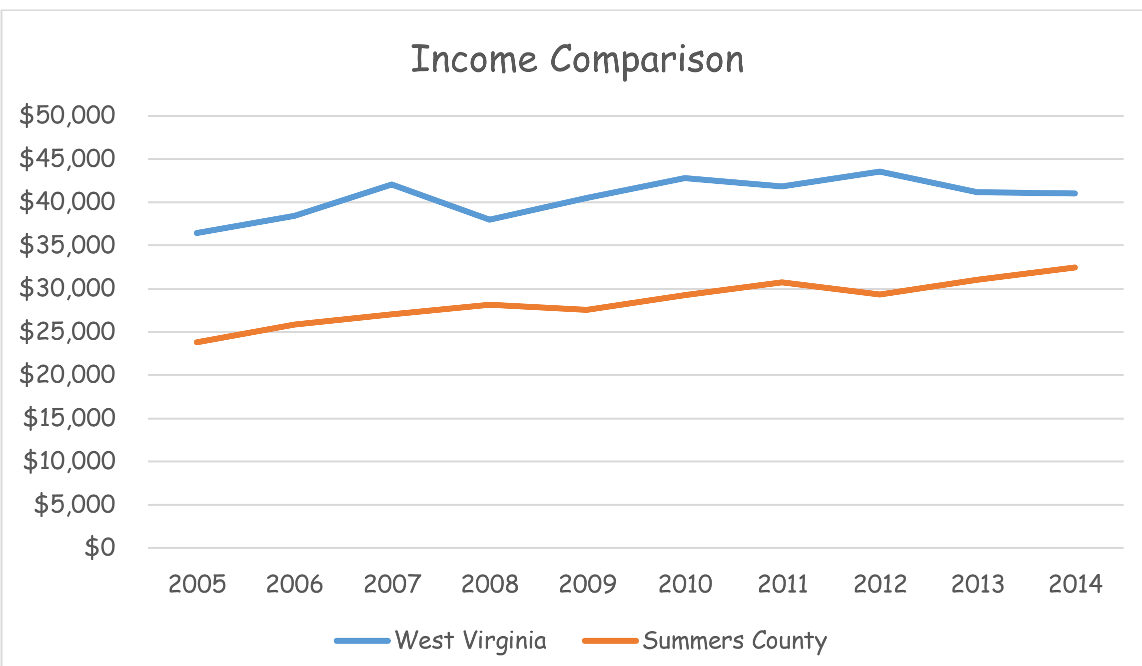


As shown, the annual compound rate of change in employment for the State of West Virginia from 2006 through 2015 was -0.13%. Over the same period, the compound annual rate of change for Summers County was -0.42%.

Income

Income figures for the State of West Virginia from 2005 through 2014 and for Summers County for the same period are provided in the charts below.

Year	West Virginia	Summers County
2005	$36,445	$23,801
2006	$38,419	$25,884
2007	$42,091	$27,021
2008	$37,994	$28,145
2009	$40,490	$27,572
2010	$42,777	$29,261
2011	$41,821	$30,751
2012	$43,553	$29,352
2013	$41,195	$31,051
2014	$41,030	$32,456



The median household in the State of West Virginia experienced a compound annual rate of change of 1.19%. Over the same period, the compound annual rate of change for Summers County was 3.15%.

Residential Supply and Demand Trends

From 2006 through 2015, permits were issued for 203 housing units in Summers County during which time the change in the number of households was -315. Thus, supply has been increasing relative to demand and, all other things being equal, should result in downward pressure on home prices in the county.

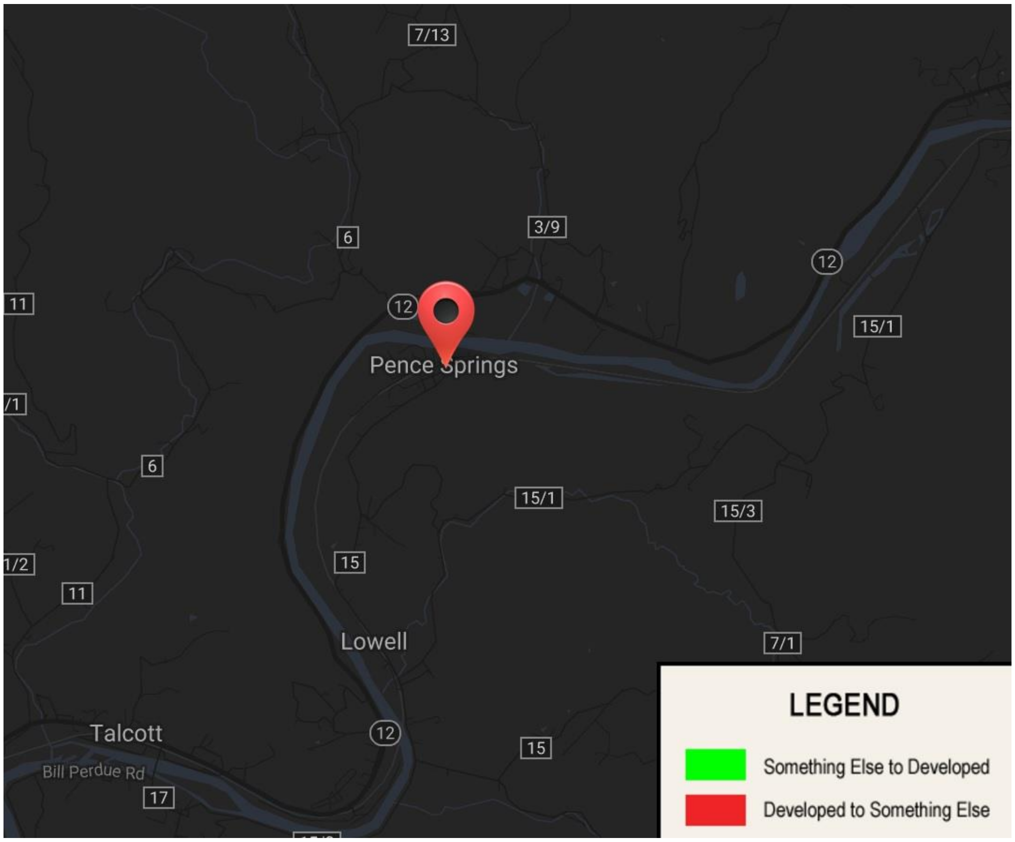
Macroeconomic Demographic Summary

The chart below provides a summary of the economic trends in Summers County that typically influence the demand for real estate, contrasted with trends for the State of West Virginia.

Area	Emp. Growth %	Pop. Growth %	HH Income Growth %	SFR Supply
West Virginia	-0.13	0.09	1.19	N/A
Summers County	-0.42	-0.47	3.15	
Difference	-0.29	-0.56	1.96	N/A
Relative to the State	Superior	Inferior	Superior	N/A

As depicted in the chart above, the factors in Summers County that tend to generate demand for real estate, including employment growth, population growth, and household income growth are generally neutral. The number of residential housing permits is increasing relative to the number of households which should cause downward pressure on home prices in the county.

Overall, these macroeconomic factors provide a basis for our analysis of the highest and best use of the subject property and selection of comparable sales. The future impact of these characteristics of these factors on the value of the subject site are generally considered to be neutral.



Land Developed Between 2001 and 2011

Location

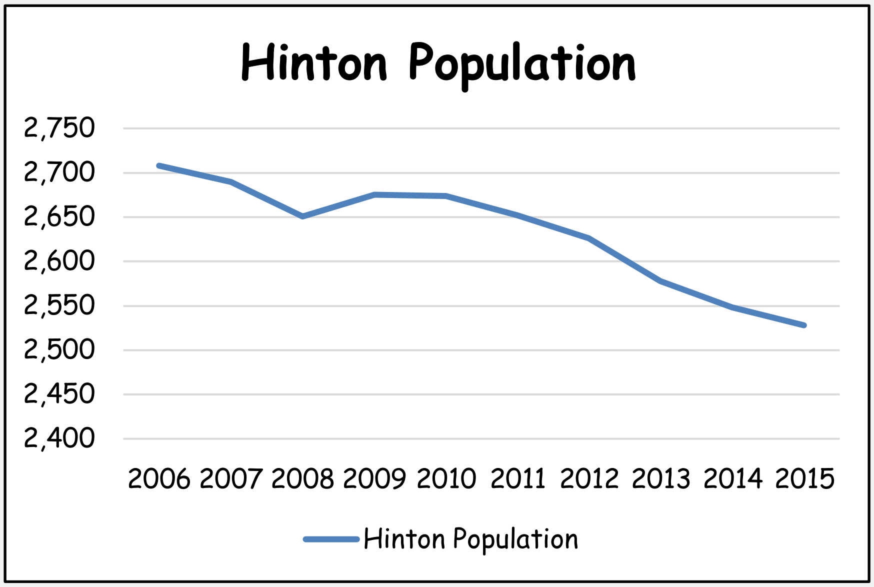
The subject property is in the City of Pence Springs, West Virginia. The physical address of the property is 158 Academy Drive.

Access and Linkages

Immediate access to the subject property is via Academy Drive. The neighborhood is accessible from Lowell Road (SR 12). The primary mode of transportation is the automobile.

Population figures for Hinton are presented in the chart and graph below:

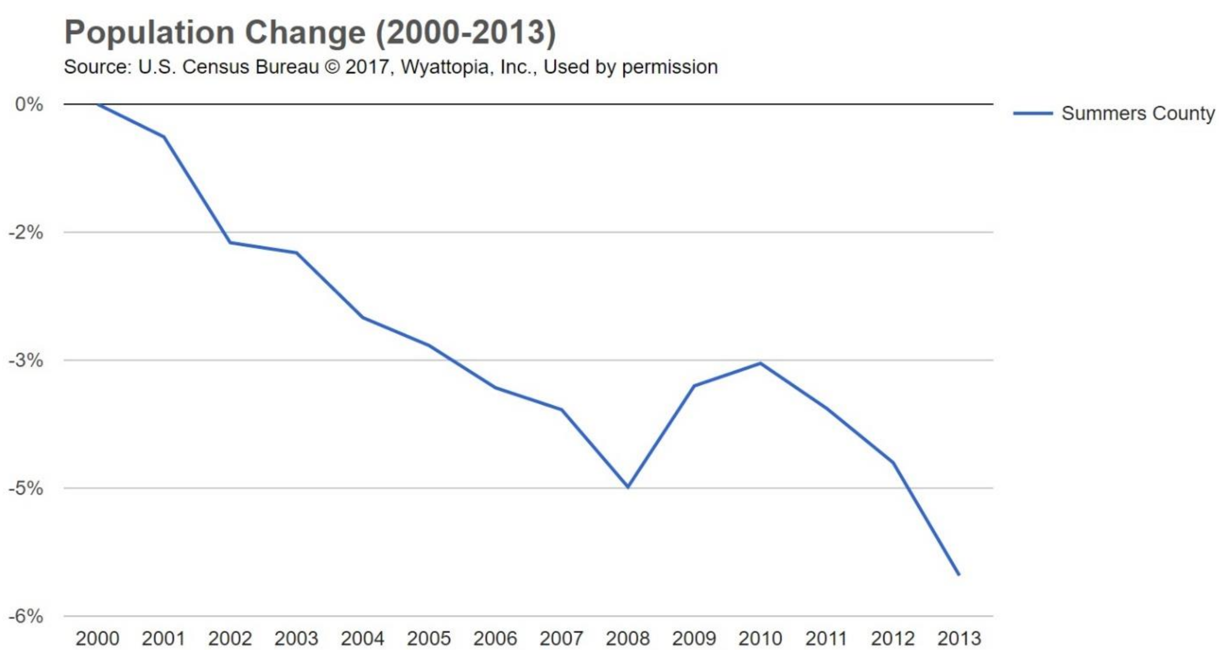
Year	Hinton Population
2006	2,708
2007	2,690
2008	2,651
2009	2,675
2010	2,674
2011	2,652
2012	2,626
2013	2,578
2014	2,548
2015	2,528

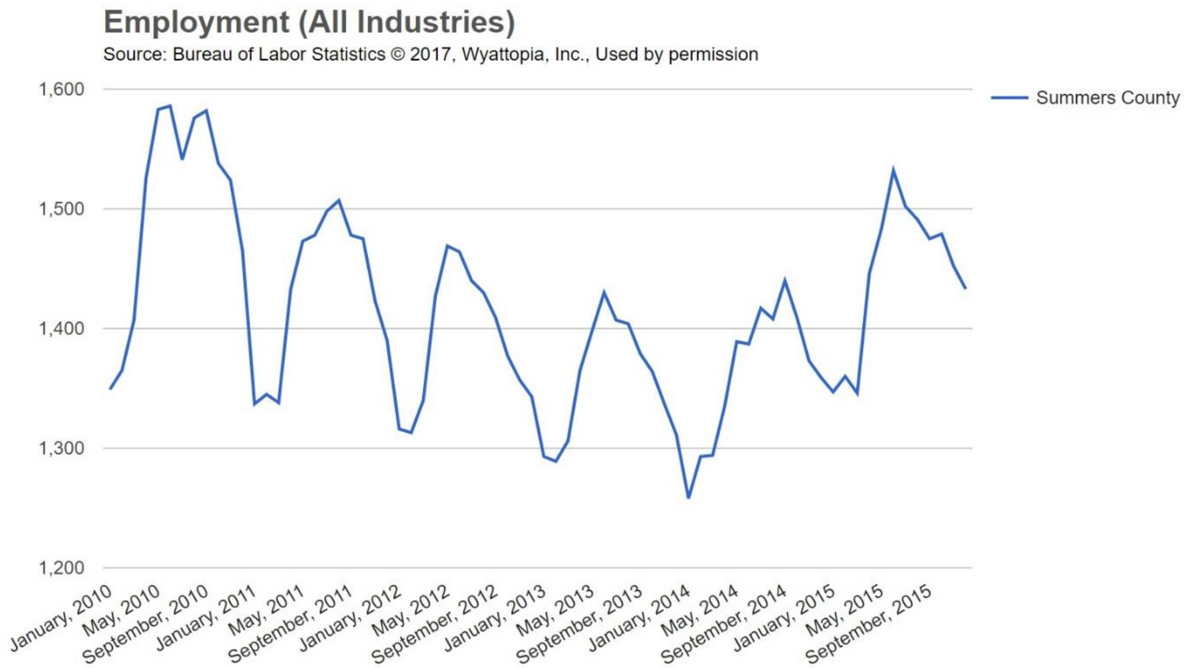


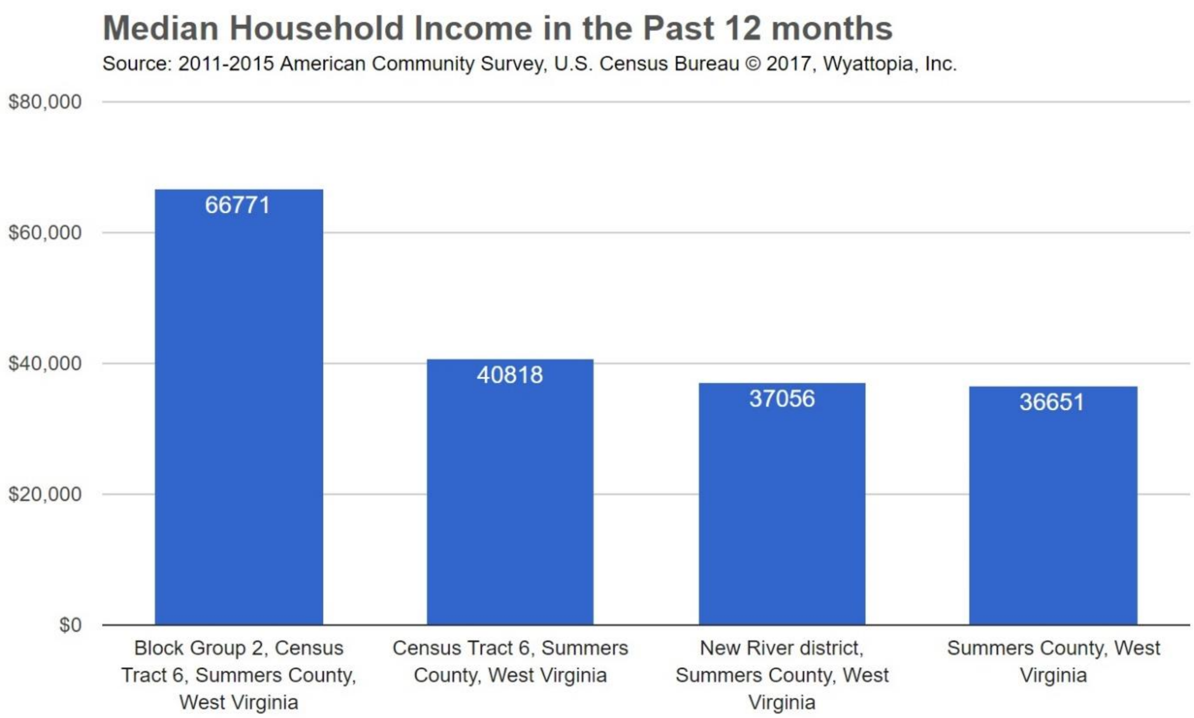
The compound annual rate of change for the City of Hinton over the ten-year period from 2006 through 2015 amounted to -0.69%.

Relevant demographics in the immediate neighborhood are summarized in the charts below:

Census Tract Map




Employment (All Industries)
Source: Bureau of Labor Statistics © 2017, Wyattopia, Inc., Used by permission
1,600
1,500
1,400
1,300
1,200
Summers County
January, 2010
May, 2010
September, 2010
January, 2011
May, 2011
September, 2011
January, 2012
May, 2012
September, 2012
January, 2013
May, 2013
September, 2013
January, 2014
May, 2014
September, 2014
January, 2015
May, 2015
September, 2015


Median Household Income in the Past 12 months
Source: 2011-2015 American Community Survey, U.S. Census Bureau © 2017, Wyattopia, Inc.
$80,000
$60,000
$40,000
$20,000
$0
66771
40818
37056
36651
Block Group 2, Census Tract 6, Summers County, West Virginia
Census Tract 6, Summers County, West Virginia
New River district, Summers County, West Virginia
Summers County, West Virginia

Land Uses

Land uses within this neighborhood are estimated as follows:

Land Use	% of Neighborhood
Industrial	0%
Residential	15%
Multifamily	0%
Office/Retail	10%
Vacant/Agricultural/Recreational	75%

Discussion of Area Land Uses

Primary land uses in the area are unimproved, recreational, and rural residential. The subject property is approximately 15 miles east of Hinton business district, the county seat of Summers County. The subject has road frontage on Lowell Road (SR 12). Most residential development is sparse in Summers County, as well as most business development. Given the topography, low population density, and the overall remoteness, any future development in this area is not anticipated.

Macroeconomic and Microeconomic Demographics Summary

We utilize three indicators to assist in determining the demand for real estate; employment, population, and household income. These indicators are extracted from the subject's county and compared with the subject's state demographics. All three indicators for Summers County were below statewide statistics. These indicators suggest that the real estate in Summers County is flat in value and this trend will likely continue into the foreseeable future.

LOCATION MAP

SITE CHARACTERISTICS

Latitude	37.677741
Longitude	-80.724914
Parcel Number	111978 78.2 78.3
Zoning	None
Size	19.84 ± Acres and 120.03 ± Acres
Street Frontage	Lowell Road
Exposure Quality	Good
Access	Lowell Road
Access Quality	Good
Shape	Irregular
Topography	Generally Level
Vegetation	Natural Vegetation
Elevation	At-Street-Grade
Drainage	Adequate
Flood Status	Low Flood Risk
Flood Panel	54089C0165C
Flood Panel Date	February 3, 2010
Adjacent Land Uses	
North	Residential
South	Agriculture
East	Residental
West	Office
Available Utilities	
Utility	Availability/Source
Water	Yes; Public
Sewer	Yes; Public
Gas	Propane; Private
Electric	Yes; Public

Site Improvements

The subject has an asphalt driway and parking area, a gravel and dirt road to the acreage, and lots of timber and other foilage attributive to the location and topography

Proximity to Hazards, Nuisances, or Detrimental Conditions

No review of National Priority List sites on the Environmental Protection Agency website. However, there were no nuisances (unpleasant odors, noises, unsightly views etc.) noted on the date of inspection.

Easements, Encroachments, and Restrictions

No survey or title certificate was provided. Unless otherwise noted, the site is assumed to have ordinary utility easements but free of adverse easements, encroachments, or restrictions that would adversely affect value.

Soil and Subsoil Conditions

No engineer's report of soil or subsoil conditions was provided. However, there were no apparent conditions that would suggest that soil or subsoil conditions are unstable on the subject site.

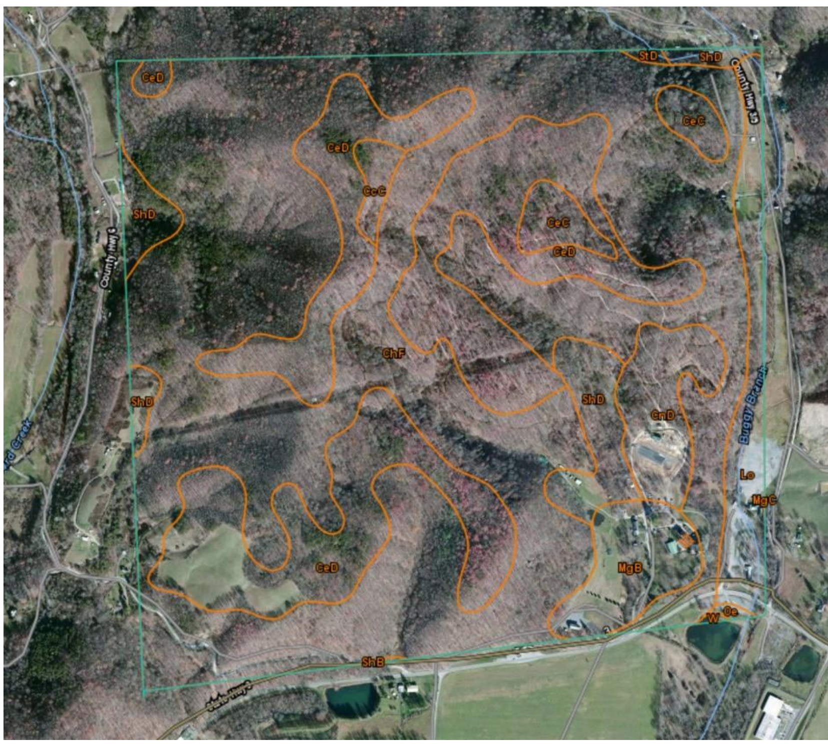
Site Analysis

Given the economic and physical characteristics, the overall marketability is average when compared with other sites with a similar highest and best use. (See attached Soil Map)

TAX MAP

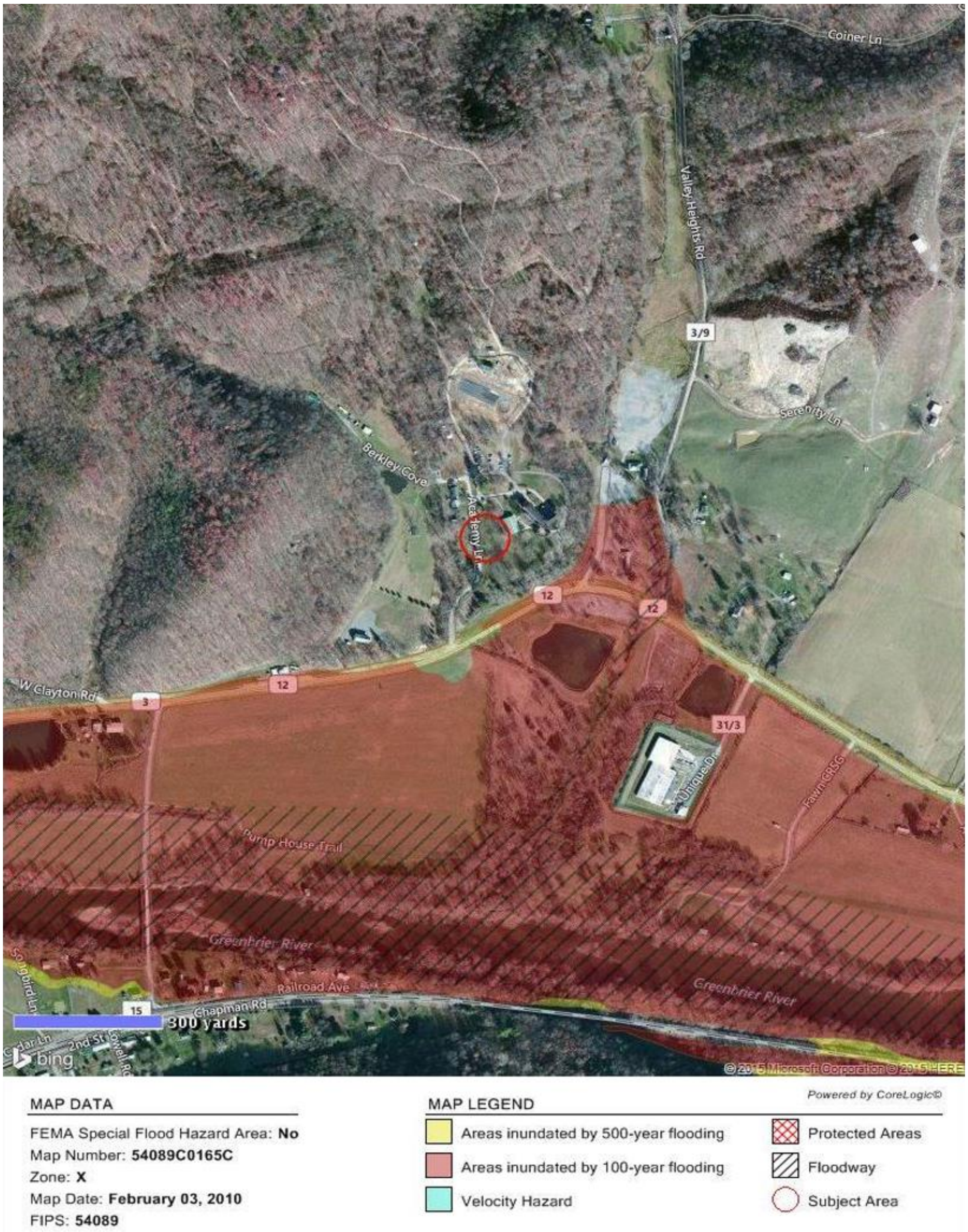
TAX MAP

SOIL MAP

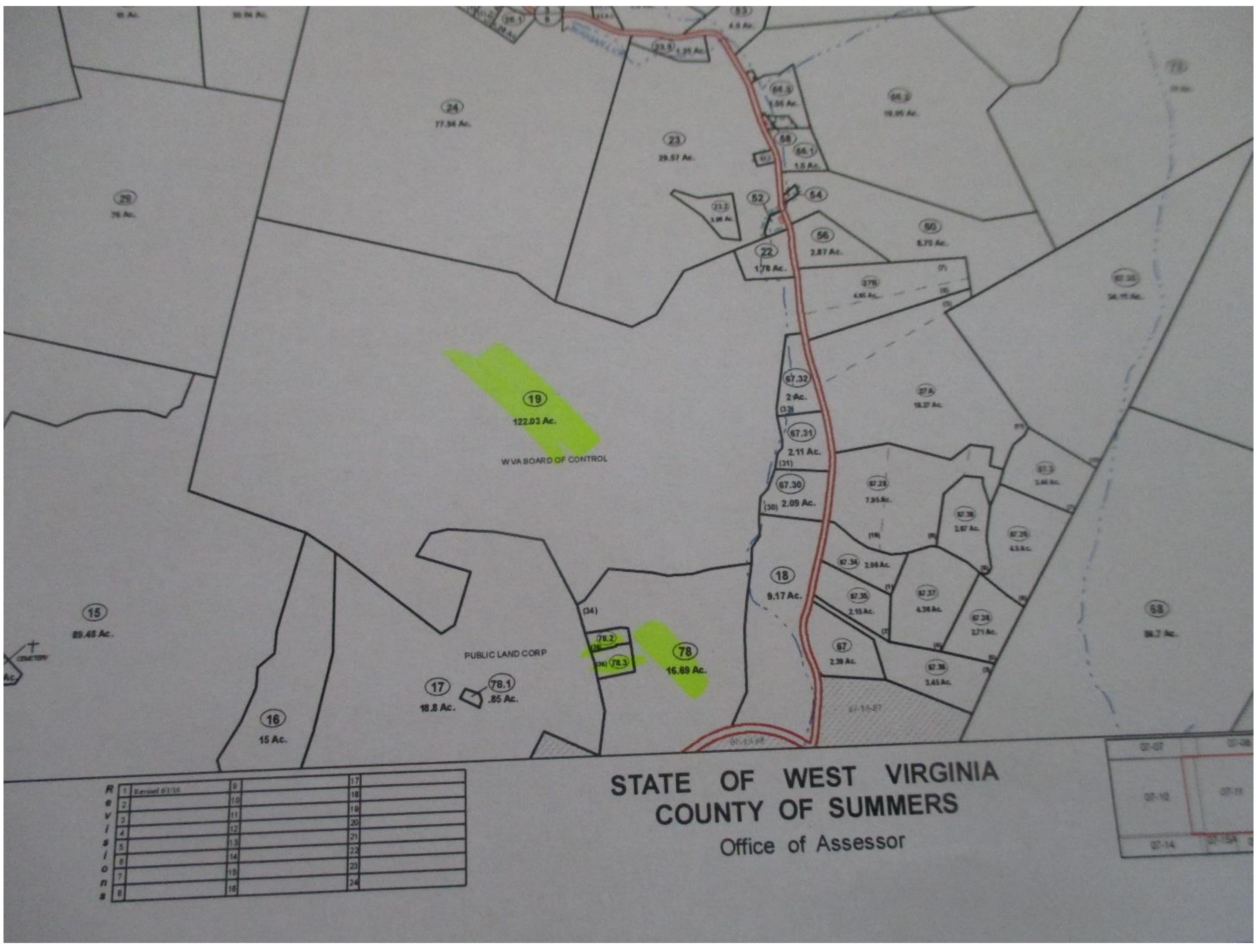


Mercer and Summers Counties Area, West Virginia (WV713)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
CcC	Cateache silt loam, 3 to 15 percent slopes	3.5	0.7%
CeC	Cateache-Berks channery silt loams, 3 to 15 percent slopes	9.5	2.0%
CeD	Cateache-Berks channery silt loams, 15 to 30 percent slopes	112.0	23.7%
ChF	Cateache-Berks channery silt loams, 30 to 70 percent slopes, very stony	275.0	58.1%
CnD	Clymer-Gilpin complex, 15 to 30 percent slopes	15.7	3.3%
Lo	Lobdell loam	19.5	4.1%
MgB	Monongahela silt loam, warm, 3 to 8 percent slopes	15.9	3.4%
MgC	Monongahela silt loam, warm, 8 to 15 percent slopes	0.0	0.0%
Oe	Orrville silt loam	0.6	0.1%
ShB	Shouns silt loam, 3 to 8 percent slopes	0.2	0.0%
ShD	Shouns silt loam, 15 to 30 percent slopes	20.6	4.3%
StD	Shouns silt loam, 15 to 30 percent slopes, very stony	0.6	0.1%
W	Water	0.2	0.1%
Totals for Area of Interest		473.3	100.0%

FLOODMAP

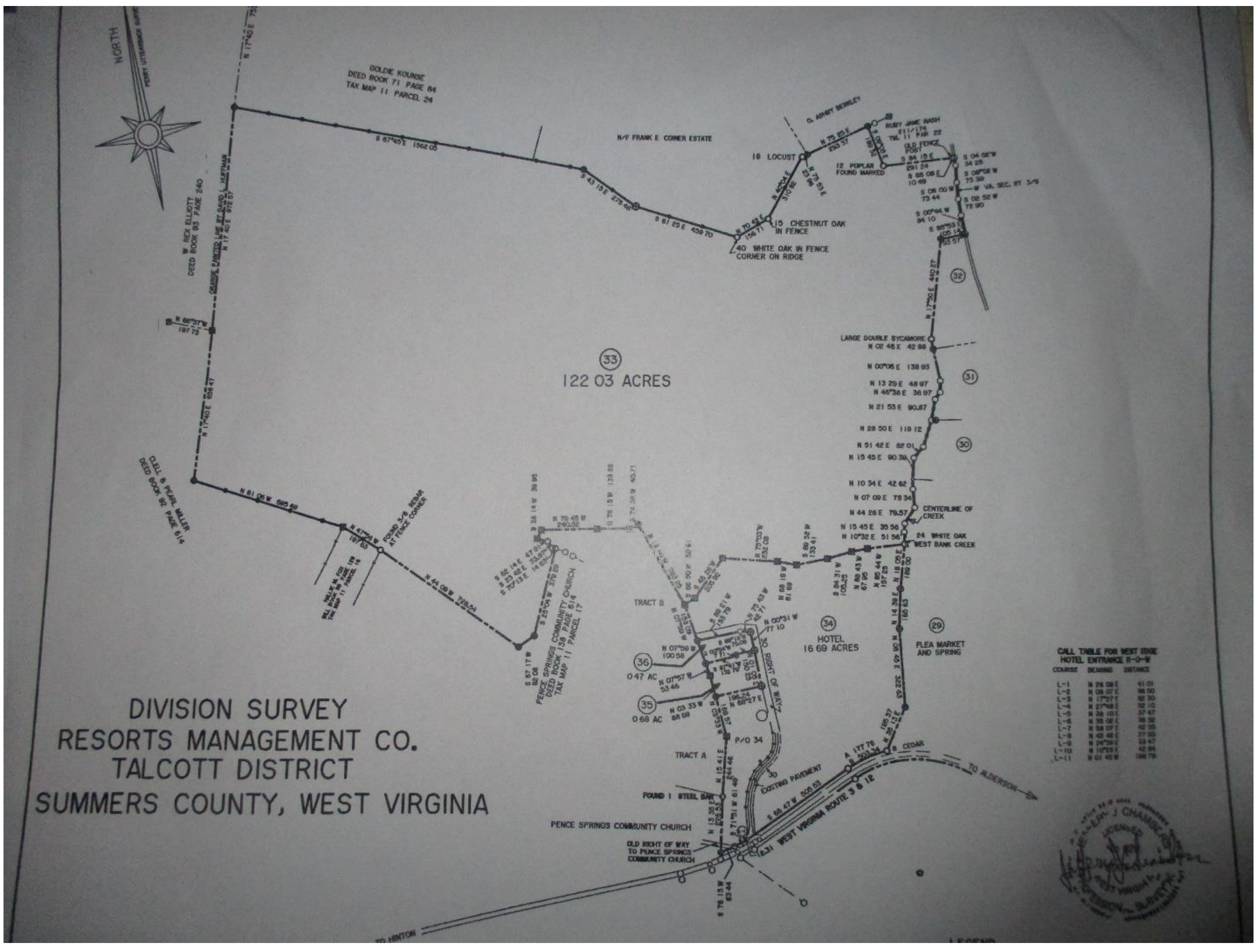

Coiner Ln
Valley Heights Rd
3/9
Serenity Ln
Berkley Cove
Academy Ln
12
W Clayton Rd
3
31/3
Unique Dr
Pump House Trail
Greenbrier River
Railroad Ave
Chapman Rd
15
300 yards
bing
MAP DATA
FEMA Special Flood Hazard Area: **No**
Map Number: **54089C0165C**
Zone: **X**
Map Date: **February 03, 2010**
FIPS: **54089**
MAP LEGEND
Powered by CoreLogic©
Areas inundated by 500-year flooding
Areas inundated by 100-year flooding
Velocity Hazard
Protected Areas
Floodway
Subject Area

TAX MAP



STATE OF WEST VIRGINIA
COUNTY OF SUMMERS
Office of Assessor
W VA BOARD OF CONTROL
PUBLIC LAND CORP
19
122.03 Ac.
78
16.69 Ac.
17
18.8 Ac.
18
9.17 Ac.
15
89.48 Ac.
16
15 Ac.
24
77.94 Ac.
23
29.57 Ac.

SURVEY



DIVISION SURVEY
RESORTS MANAGEMENT CO.
TALCOTT DISTRICT
SUMMERS COUNTY, WEST VIRGINIA
122 03 ACRES
HOTEL
16 69 ACRES
WEST VIRGINIA ROUTE 3 & 12
TO ALDERSON
PENCE SPRINGS COMMUNITY CHURCH
FLEA MARKET AND SPRING

There are three building improvements to the subject site considered contributory. The first is a three story brick exterior building built on a finished basement foundation and constructed originally built in the 1870s, the rebuilt around 1919 after a fire.

The exterior walls are brick on all floors with the patio dining section being painted wood. The front contains a long wrap-around covered wooden porch. The roof is pitched un-insulated wooden rafters with composition shingles. The roof is sound and functional. Most windows are new thermal pane double-hung, with a few windows original single-pane glass with wood frames. In front of the entry porch is painted wood flooring, with a large brick patio area. Most areas appear to be maintained in average condition.

Most basement areas appear to be sound and in average condition. Access to this area is interior and walk-out stairs. Rooms in this area are a main common room at the end of the interior stairway. The left section has the incoming power supplies, x2 commercial grade hot water gas boiler systems (1 new unit, 1 original), Laundry room and storage. To the right is restrooms and storage. Flooring is Porcelain tile in the common and wet areas; exposed concrete in the mechanical rooms. Wall covering is a mix of painted drywall and plaster in the finished areas. In the mechanical and laundry room Interior. All components appear to be original. Access through the building is via the front lobby/greeting area; a rear employee door and emergency doors in strategic locations. To the left of the entrance area is the dining room, patio dining area; kitchen and dock area. To the right are the business offices and men/woman restrooms.

All components on the first level appear to be original. Access through the building is via the front lobby/greeting area; a rear employee door and emergency doors in strategic locations. To the left of the entrance area is the dining room, patio dining area; kitchen and dock area. To the right are the business offices and men/woman restrooms. The hotel rooms serves as office and classroom areas. The entry porch is painted wood flooring. The 1st floor is stained wood flooring and trim work throughout with Porcelain tile in the kitchen and wet areas. Wall covering is a mix of drywall and plaster being painted. Ceilings are a mix of painted concrete, painted drywall and metal-frame with lay-in panels. Lighting is a mix of canned and surface mounted incandescent and fluorescent lamps.

All components on the second level appear to be original, though some rooms have undergone renovation. Access to this floor is via interior stairway only. Both directions of the floor contain multiple rooms for guest sleeping. These rooms are sleeping quarters or common rooms for the student's use. Each room contains a full bath. Flooring and trim work throughout appear original with wooden floors being worn in some areas needing re-staining. Some floor wet areas have Porcelain tile in average condition. Wall and ceilings throughout are painted drywall or plaster. The bathrooms have original tile floors, painted walls and ceilings. The room components (lights and radiators) appear functional, however, original. The bathrooms have received updated shower units and stools. Lighting is surface mounted incandescent lamps.

All components on the third level appear to be original. Access to this floor is via interior stairway only. Both directions of the floor contain multiple rooms in poor, unsafe conditions. This floor has (2) steel incarceration cells from the prior converted use as a prison. Renovation has just begun on this floor. This area while considered part of the overall contributory square footage requires an adjustment for its lack of finish. All areas are heated via the boiler heat systems in the basement. Boiler heat is supplied to all areas via cast iron radiators. The building has an original elevator that is non-functional and not assumed to be repairable owing to its age. All visible areas contained active sprinkler system heads. The building has a life expectancy of 50 years and an estimated effective age of 20 years. It is 'overall' considered to be in (a blending of average) fair condition. it is painted and exposed brick

The next improvement is a one-story frame building with a finished basement. Originally designed and built for use as a Casino for the hotel is now used as a classroom building with separate heat/air systems and utilities. Most rooms serves as classrooms and office areas, with a full length wooden covered front porch leads into the main floor areas used as classrooms. The main floor also contains separate Men/Woman bathrooms with each having multiple stalls. The basement contains similarly used rooms, finished in a like manner, with a lower entryway having lockers. The exterior walls are painted clapboard in average condition. The roof is pitched with metal panels and partial metal guttering. The roof is sound and functional. Windows are a mix of updated vinyl single-hung insulated units and original single-pane painted wood windows. The foundation has some painted clapboard siding as well with some exposed concrete block. All areas appear to be maintained in average condition. The basement appears to be in a similar level of finish as the subject and in average condition. Access to this area is via interior or walk-out stairs. Rooms are all classrooms (no bathrooms) with a basement walk-out area having lockers. Flooring is sealed poured concrete throughout. Walls are painted concrete block throughout. Ceiling is painted drywall. Lighting is a mix of surface mounted incandescent and fluorescent lamps.

The interior of this improvement appears to be original. Access through the building is via the front covered porch. The 1st floor is stained wood flooring and trim work throughout with Porcelain tile in the bathrooms. Wall covering is a mix of drywall and plaster being painted. Ceilings are painted drywall. Lighting is surface mounted incandescent and fluorescent lamps. The building is heated and cooled via residential grade Heat Pumps. The building has a life expectancy of 50 years and an estimated effective age of 20 years. It is 'overall' considered to be in fair to average condition.

The final contributory improvement is two-two story frame built houses joined by a covered porch. Originally designed and built for use as the Kitchen Manager's & Staff’s 'dormitory', the buildings are similar framed built homes, utilized as sleeping quarters, with a kitchen, a couple common areas and an arts/pottery area each having separate heat/air system and utilities. The exterior walls are painted clapboard in average condition. The roof is pitched with composition shingles and metal guttering. The roof is sound and functional. Windows are updated vinyl single-hung insulated units and painted residential entry doors. The foundation has painted concrete block. All areas appear to be maintained in average condition. The interiors appear to have been updated. The two story house has Laminate wood flooring and trim work throughout with Porcelain tile in the bathroom and kitchen. The one story house has carpeting and vinyl in the wet areas. Wall covering and Ceilings are painted drywall throughout. The buildings are heated & cooled via separate residential grade Heat Pumps. The buildings have a life expectancy of 50 years and an estimated effective age of 20 years. It is 'overall' considered to be in fair to average condition.

Finally, there are a number of auxiliary improvements (those that are not considered permanent, or are depreciated, or are not living space). First is the gym. It is an enclosed structure having LP gas fired tube heaters with canvas over steel framing. It has no seating or facilities. The structure is no insulated though it appears heated and cooled. Flooring is poured concrete throughout with Indoor/Outdoor carpeting surrounding the basketball court. Each end of the structure has a rolled metal garage door and (2) access doors. It has minimal suspended fluorescent lamps for lighting. The gym has 7,417sf, and appears built in 2013.The riding arena is open with a canvas cover stretched over steel framing. The arena has 19,512sf of open area and also appears built in 2013. Both are in good condition with a life expectancy of 25 years and an effective age of 5years. There are also multiple URTs of varying sizes. These structures are of similar construction (framed with canvas coverings and are not insulated). Some URTs have a frame mounted AC unit, others have a wood stove; some have raised wood flooring. Finally, there is a ten-stall pattern horse barn, 10x12 stalls, with wood box exterior, on a dirt center. The age of this improvement is approximately 5 years, with 25 years of economic life remaining

Not included in the contributory or auxiliary improvement are a maintenance shed in overall poor condition providing no contributory value. There are a couple of framed sheds, a chainlink fencing/metal carport area used for grounds cleaning, another small horse shed, miscellaneous wooden stockade and rolled wire fencing, asphalt paved roadway and graveled parking areas

General Summary of Building Improvements

- Current Use: Special Purpose
- Contributory Buildings: Three
- Gross Building Area: 43,023 ± SF
- Year Built: 1919
- Foundation: Stone/Block
- Exterior: Brick/Wood
- Roof Covering: Shingle/Metal
- Roof Style: Pitched

Improvement Quality and Condition

Poor ☐	Fair ☐	Average ☒	Good ☐	Excellent ☐

Functional Utility

Poor ☐	Fair ☐	Average ☒	Good ☐	Excellent ☐

Deferred Maintenance

No deferred maintenance items were noted and none is identified based on property conditions on the date of inspection, April 17, 2017.

ADA Compliance

No report was provided assessing ADA compliance. Unless otherwise noted, the subject improvements are assumed to comply with the ADA. Further study by an appropriately qualified professional is recommended to assess ADA compliance.

Hazardous Substances

I am not aware of the presence of any hazardous substances at the property; however, we are not qualified to detect such substances.

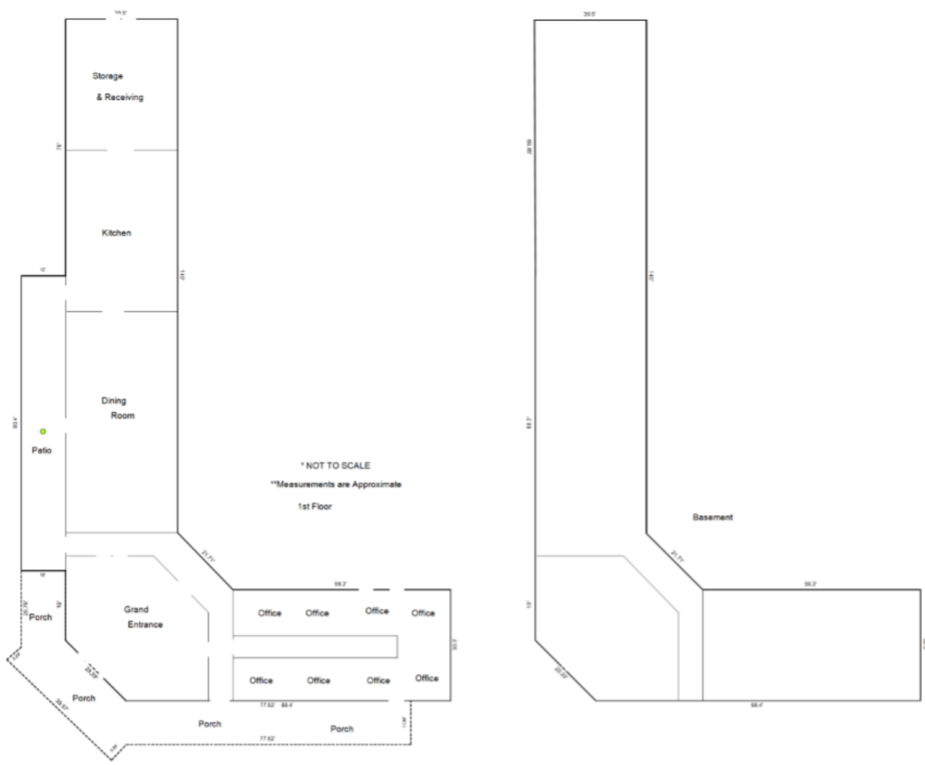
Personal Property

There are no items of personal property that are significant to this valuation.

Summary of Improvement Analysis

Given the design and overall functional utility, the appeal of the subject property is average for its use in place.

IMPROVEMENT SKETCH

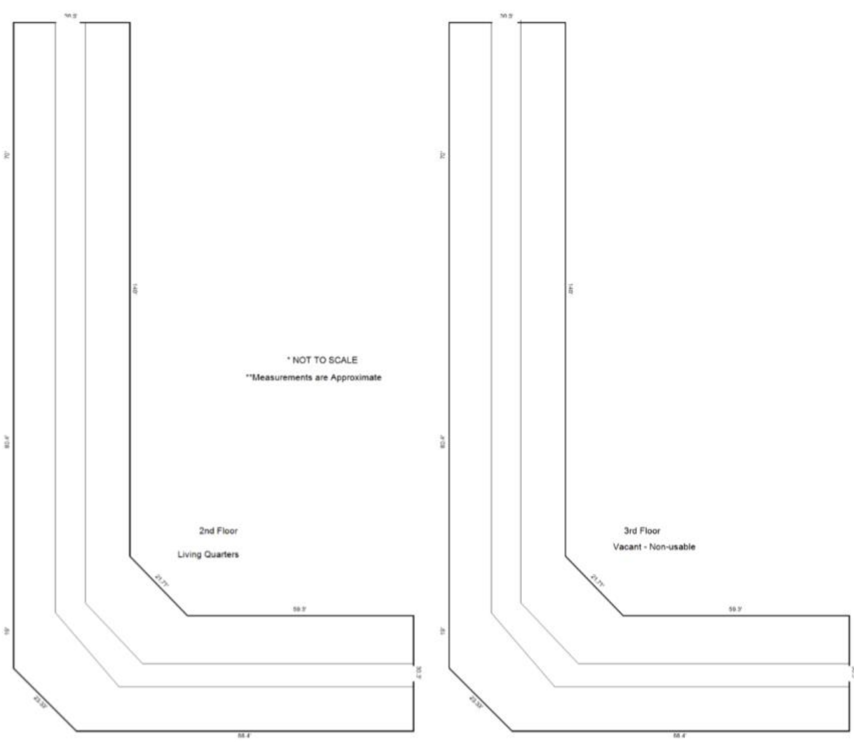


TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area	
Main Floor	8870.73 Sq ft
Total Living Area (Rounded):	**8871 Sq ft**
Non-living Area	
Front Porch	1667.74 Sq ft
Hotel Basement	7868.07 Sq ft

IMPROVEMENT SKETCH

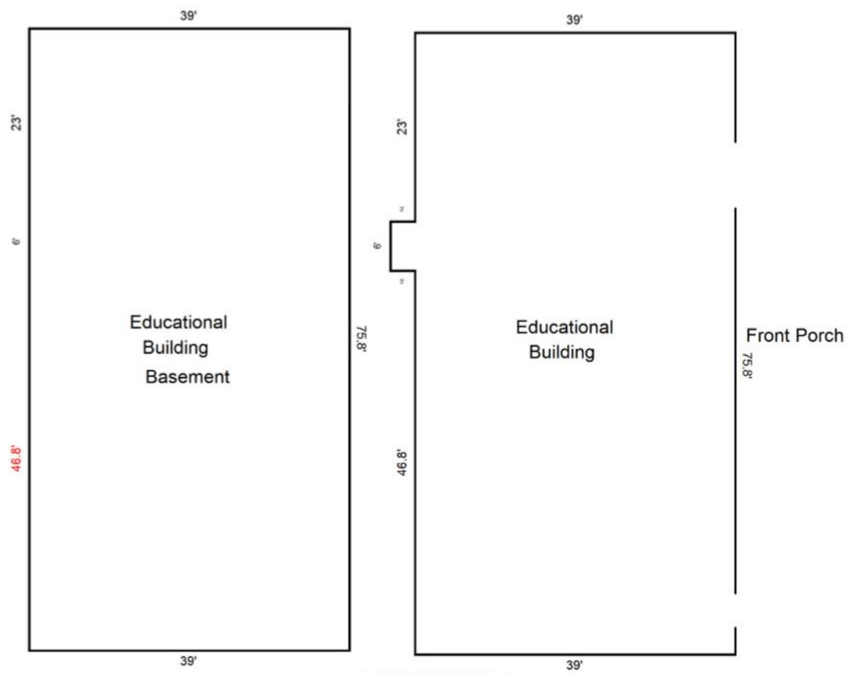


TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area	
Second Floor	7905.92 Sq ft
Third Floor	7905.92 Sq ft
Total Living Area (Rounded):	**15812 Sq ft**

IMPROVEMENT SKETCH



* NOT TO SCALE

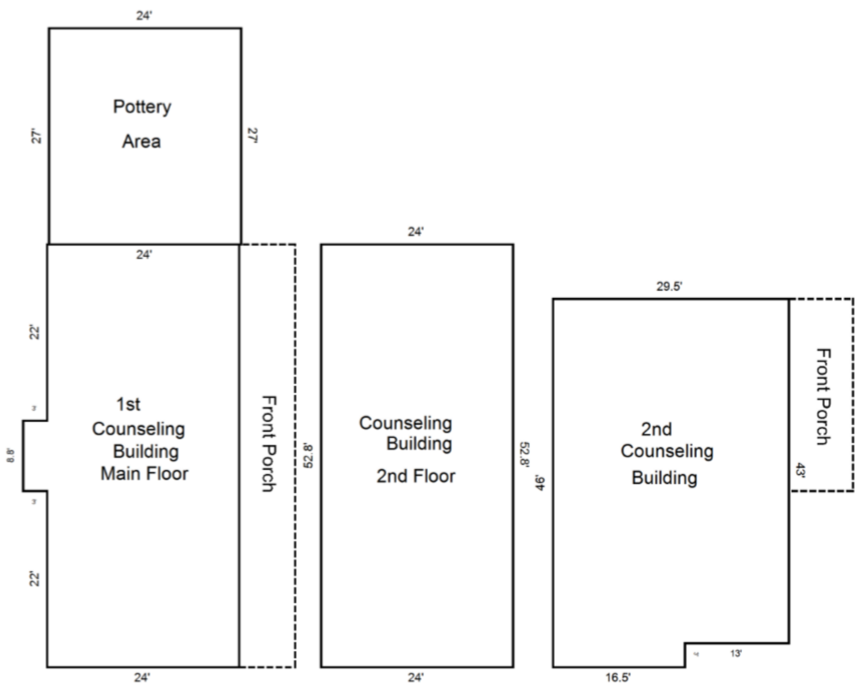
**Measurements are Approximate

TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area	
Main Floor-Education	2974.2 Sq ft
Total Living Area (Rounded):	**2974 Sq ft**
Non-living Area	
Covered Front Porch	1061.2 Sq ft
Undefined Area	2956.2 Sq ft

IMPROVEMENT SKETCH



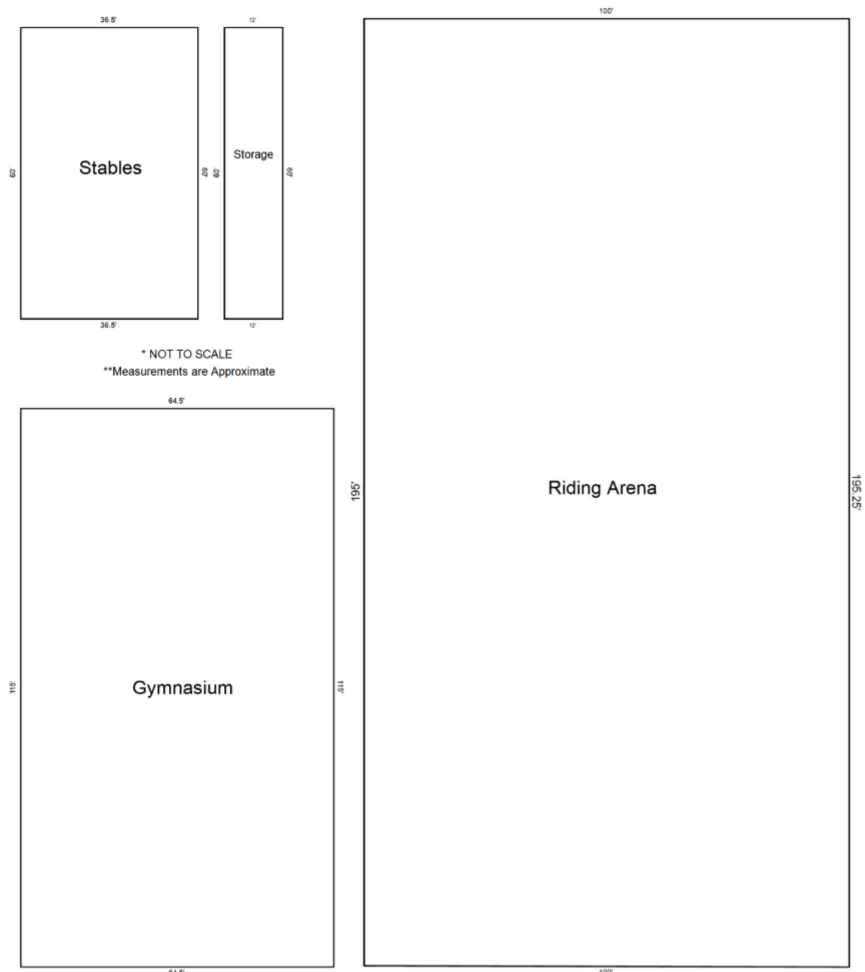
* NOT TO SCALE
**Measurements are Approximate

TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area	
Main Floor-Counseling Bldg	1293.6 Sq ft
Counseling Bldg-Pottery	648 Sq ft
2nd Counseling House	1318 Sq ft
Second Floor-Counseling Bldg	1267.2 Sq ft
Total Living Area (Rounded):	**4527 Sq ft**
Non-living Area	
Covered Front Porch	192 Sq ft
Covered Front Porch	369.6 Sq ft

IMPROVEMENT SKETCH



TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Non-living Area	
Stables	2190 Sq ft
Arena	19512.5 Sq ft
Gym	7417.5 Sq ft
Stable Storage	720 Sq ft

ZONING AND TAX INFORMATION

Subject Property Zoning

Zoning laws are designed to ensure that the improvements to land and the permitted uses for those improvements conform to surrounding land use patterns. Ultimately, these laws sustain the value of real estate. They also enable governmental entities to develop and implement comprehensive plans, to coordinate new development, and to provide services such as transportation systems and municipal utilities.

The subject site is not zoned by the City of Hinton or Summers County. The lack zoning ordinance provides an exhaustive list of uses predicated only by the physical constraints of potential improvements and uses. However, despite the current lack zoning designation and the current design and use of the subject improvements appear to be complementary with surrounding land uses

Tax Information

Taxes in Summers County are paid in arrears and are based on the taxable value on file with the Summers County Property Valuation Administration (PVA) office at the beginning of each taxable year. Properties are re-assessed every four years or upon their sale or upon construction of new improvements. A summary of the current real estate taxes for the subject property are provided in the chart below:

Parcel #111978 78.2 78.3	Calculation
Total Taxable Value	$
Times: Tax Rate	
Equals: Total Tax Burden (Rounded)	$

The current tax liability of the subject property is $*. Based on our analysis, this level of stabilized taxes for the subject property appears to be Choose an item..

Highest and Best Use Analysis

The purpose of this section of the appraisal is to explore the possible uses for the subject property and to conclude a use which maximizes the overall property value. The conclusion of the highest and best use for a property allows the appraiser to identify sales of properties which have similar potential uses known as “comparable sales”. The prices of these sales measure the effective demand for real estate with characteristics like the subject property. Thus, after adjusting the comparable sales for dissimilarities with the subject property, their adjusted sales prices may be used to provide an opinion of the value of the subject property using a common unit of comparison, e.g. acres, square feet, units, bays, etc. results in the highest value.” Thus, the highest and best use must meet the following constraints:

- The use must be legally permissible.
- The use must be physically possible.
- The use must be financially feasible, and
- The use must optimize the value.

A simple definition for “Highest and Best Use” provided in The Appraisal of Real Estate, 14th Edition, published by the Appraisal Institute is “the reasonably probable use of property that results in the highest value”.

For vacant tracts of land, the highest and best use analysis serves to identify comparable sales as explained above. In addition to evaluating the highest and best use “as vacant”, improved properties typically require an additional highest and best use analysis which considers the highest and best use of the property with the current improvements.

Given the highest and best use of the property as vacant, the analysis of the highest and best use “as Improved” enables the appraiser to determine if the current improvements make a positive or negative contribution to the overall property value. If the continued existence of the current improvements maximizes the overall property value, the highest and best use ‘as improved’ is the continued maintenance of the existing structures. If the value of the land ‘as vacant’ exceeds the value of the land with the improvements, consideration should be given to the demolition of the existing structures or the replacement of the existing structure with a different type of improvement. Below, the highest and best use of the subject property has been evaluated.

Highest and Best Use (As Though Vacant)

- Legally Permissible Uses – As explained in the Zoning section of this appraisal, the subject site is n0t zoned. This lack of zoning designation permits the site to be used for any purposes that meet the other tests.

- Physically Possible Uses – Of the legally permissible uses, there are numerous physically possible uses for the subject site. The design of potential improvements is limited by the size, configuration, accessibility, and topography of the subject site. The subject site is considered to reflect two tracts: the structural improvements and school grounds contains approximately 16.69 ± acres, while the remaining acreage totals 122.03 ± acres. Each is irregular in shape and is accessible from Lowell Road. The school grounds site has adequate utilities available and is located in an area with a low risk of flooding, while the remaining acreage is in an area of low flooding. The most restrictive physical characteristic is the topography which would limit potential improvements access to buildings on the larger tract.

- Economically Feasible Uses – As vacant, there are various uses for the smaller subject tract that are economically feasible. Given the lack of zoning and physically possible uses, the most likely use would be for a school facility, resort, or other similar specialty that does not require high traffic. Beyond complementing the smaller tract, the larger tract has few uses due to its topography.

- Maximally Productive – Finally, the highest and best use of the site “as though vacant” is that use which would maximize the overall value. Given the uses which have met the foregoing criteria, immediate development of the smaller site with improvements like the existing buildings nearby and found onsite appears to be the use which would be maximally productive, while the larger tract may have depletable uses such as timber cutting, while holding the tract for future development is also viable.

Highest and Best Use (As Improved)

- Legally Permissible – The current zoning restrictions dictate the permissible uses. As noted above, the subject property is not zoned, which allows the subject improvements to be utilized for a wide variety of uses including the current use as a school with living quarters on site.

- Physically Possible – A variety of uses are physically possible for the smaller tract. The existing improvements could be maintained in their current state, demolished, altered, renovated, or expanded. There remain few uses for the larger tract beyond the complementary role it currently plays to the smaller tract.

- Economically Feasible – As improved, there are few uses for the smaller subject tract that are economically feasible beyond the current use in place. Given the lack of zoning, and the fact the subject has previously been a resort, the most likely use again to remain a school facility as it does not not require high traffic. Here, the larger tract is not only complementing the smaller tract, but the larger tract has uses that add value to the smaller tract due to its topography.

- Maximally Productive – Only one use meets the foregoing criteria and maximizes the overall property value – use of the property as a school. Because the improvements were designed to function as such, because no other alternative use would maximize the overall property value, and because the current use maximizes the overall property value, the current use is the highest and best use. The most likely purchaser would be an owner occupant for immediate use as school property for both the small and large tracts.

The six steps necessary to form an opinion of market value using the Cost Approach are:

1. Form an opinion the value of the land as though vacant and available to be developed to its highest and best use.
2. Estimate the replacement or reproduction cost of the structure on the effective appraisal date.
3. Add a provision for entrepreneurial incentive. Entrepreneurial incentive is the developer's incentive for undertaking the risk of development.
4. Estimate the amount of accrued depreciation affecting the property.
5. Deduct the estimated depreciation from the replacement cost of the structure to derive an opinion of the structure's contribution to total value.
6. Add the indicated current land value.

On the pages that follow, only Step 1 will be developed. Here, the analysis begins with an opinion of land value based on sales of similar sites in the area. To form an opinion of the current market value of the subject site as though vacant, the Sales Comparison Approach has been utilized. What follows is a discussion of the factors that affect the value of vacant land.

Financing Terms

This category considers if the financing appropriated by the buyer, if any, is typical of the market. Atypical terms may be reflected in an inflated or deflated sales price. When atypical financing is obtained, the price should be adjusted to reflect current market attitudes towards such terms.

Conditions of Sale

A sale may be consummated at above or below market prices due to the conditions relating to a transaction. The effect of non-market conditions such as eminent domain proceedings or unusual tax considerations on the price of a sale should be considered when estimating the value of the subject site.

Market Conditions

The price of land varies under differing market conditions. The prevailing market conditions at the time each sale occurred should be considered when estimating the value of the subject site.

Location

Location is normally the most important physical characteristic of vacant land. Economies or diseconomies resulting from a properties geographic location are reflected in the sale price.

Size

Generally, larger tracts tend to sell for a lower per unit price. This occurs because of the increased holding costs associated with larger parcels in the form of taxes, interest, insurance, etc.

Utilities

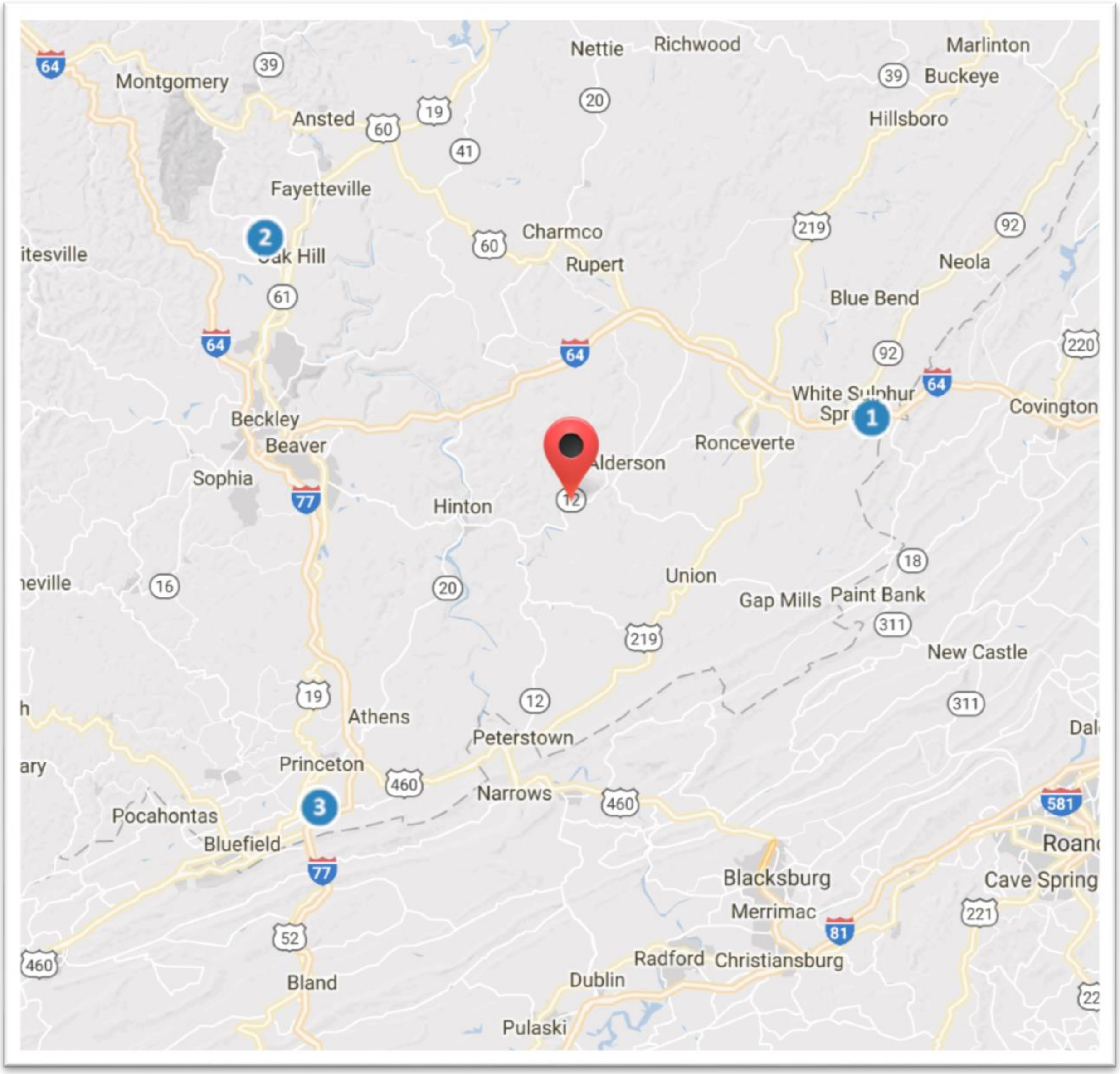
Land having access to various utilities such as water, sewer, gas, and electric service generally commands a higher price than sites that don’t have these services available.

Topography

Land with unusual topography such as heavily rolling hills, excessive grade, or in need of excessive fill dirt normally incur significantly higher site preparation costs for developers. As such, these sites tend to sell for a lower per unit price.

The comparable land sales used to form an opinion of the value of the land included with the subject property are provided on the pages that follow. A map, grid of land sales and a summary of adjustments applied to the comparable sales is provided below.

Land Sales Map Addendum



Land Sales Summary

Sale	**One**	**Two**	**Three**
Location	3229 Tuckahoe	Toney Fork Rd	John Nash Blvd
City	White Sulpher Springs	Scarbro	Bluefield
State	WV	WV	WV
County	Greenbrier	Fayette	Mercer
Latitude	37.754146	37.965573	37.288745
Longitude	-80.271859	-81.190758	-81.106207
Distance	25.32 Miles	32.29 Miles	34.06 Miles
Rights Conveyed	Fee Simple	Fee Simple	Fee Simple
Terms	Cash to Seller	Cash to Seller	Cash to Seller
Sale Date	January 5, 2017	June 5, 2015	January 9, 2017
Use on Sale Date	Vacant	Vacant	Vacant
Price	$65,000	$61,000	$95,000
Size: Acres	50.00	83.99	119.00
Price Per Acre	$1,300	$726	$798

Discussion of Comparable Sales

To form an opinion of the contributory value of the vacant land included with the subject property, numerous sales of vacant land with a highest and best use like the subject site were considered. The most similar have been presented, compared with the subject property, and adjusted for differences. A discussion of the various elements of comparison is provided below.

Transactional Elements

Each of the sales presented were like the subject property in terms of transactional elements of comparison. Therefore, no adjustment has been applied for this category of adjustments.

Property Adjustments

Location

The location of Sale 1 was considered inferior to the subject in overall marketability, with an upward adjustment reflected, while all other Sales were considered similar to the subject in overall marketability.

Size

Sale 1 were considered measurably larger than the subject, with an upward adjustment reflected, while all other Sales were considered similar to the subject tracts in marketable size.

Topography

The topography of each Sale was generally similar to the subject site on their respective topography. Thus, no adjustment has been applied for topography.

Land Sales Adjustment Grid			
Sale Number	Sale #1	Sale #2	Sale #3
Sales Price Per Acre	$1,300	$726	$798
Transactional Elements			
Property Adjustments			
Location	**Similar**	**Similar**	**Similar**
% Adjustment	0.00%	0.00%	0.00%
Size	**Superior**	**Similar**	**Similar**
% Adjustment	-20.00%	0.00%	0.00%
Utilities	**Similar**	**Inferior**	**Inferior**
% Adjustment	0.00%	30.00%	30.00%
Topography	**Similar**	**Similar**	**Similar**
% Adjustment	0.00%	0.00%	0.00%
Absolute Property Adjustments ($)	$260	$218	$239
Absolute Property Adjustments (%)	20%	30%	30%
Net Property Adjustments ($)	-$260	$218	$239
Net Property Adjustments (%)	-20%	30%	30%
Final Adjusted Price	$1,040	$944	$1,038
Range of Adjusted Prices	$500	TO	$1,040
Average Adjusted Price	$880		

Summary

After adjustments, the comparable land sales ranged from a low of $800 per acre to a high of $1,040 with an average adjusted price of $880. Sale 3 was given greatest weight as it was the most similar to the subject in overall tract size, while all Sales are very supportive of the subject's marketable location. After considering each comparable sale for differences in financing terms, conditions of the sale, market conditions, and physical characteristics, our opinion of the value of the subject property using the land sales comparison approach is $1,000 (rd) per acre as follows.

122.03 ±Acres x $1,000 =	$122 ,030
Rounded to	$120,000

It is this Estimated Value of Excess Land $120,000 that shall be added to the Sales Comparison Approach that follows.

THE SALES COMPARISON APPROACH

As noted in the Appraisal Process section of this appraisal, the underlying principles supporting the sales comparison approach are the principles of substitution and of contribution. The principle of substitution considers the cost to acquire other available properties of similar utility, presuming no undue time delay. The principle of contribution maintains that the value of a particular component is measured in terms of its contribution to the value of the whole property or as the amount that its absence would detract from the value of the whole.

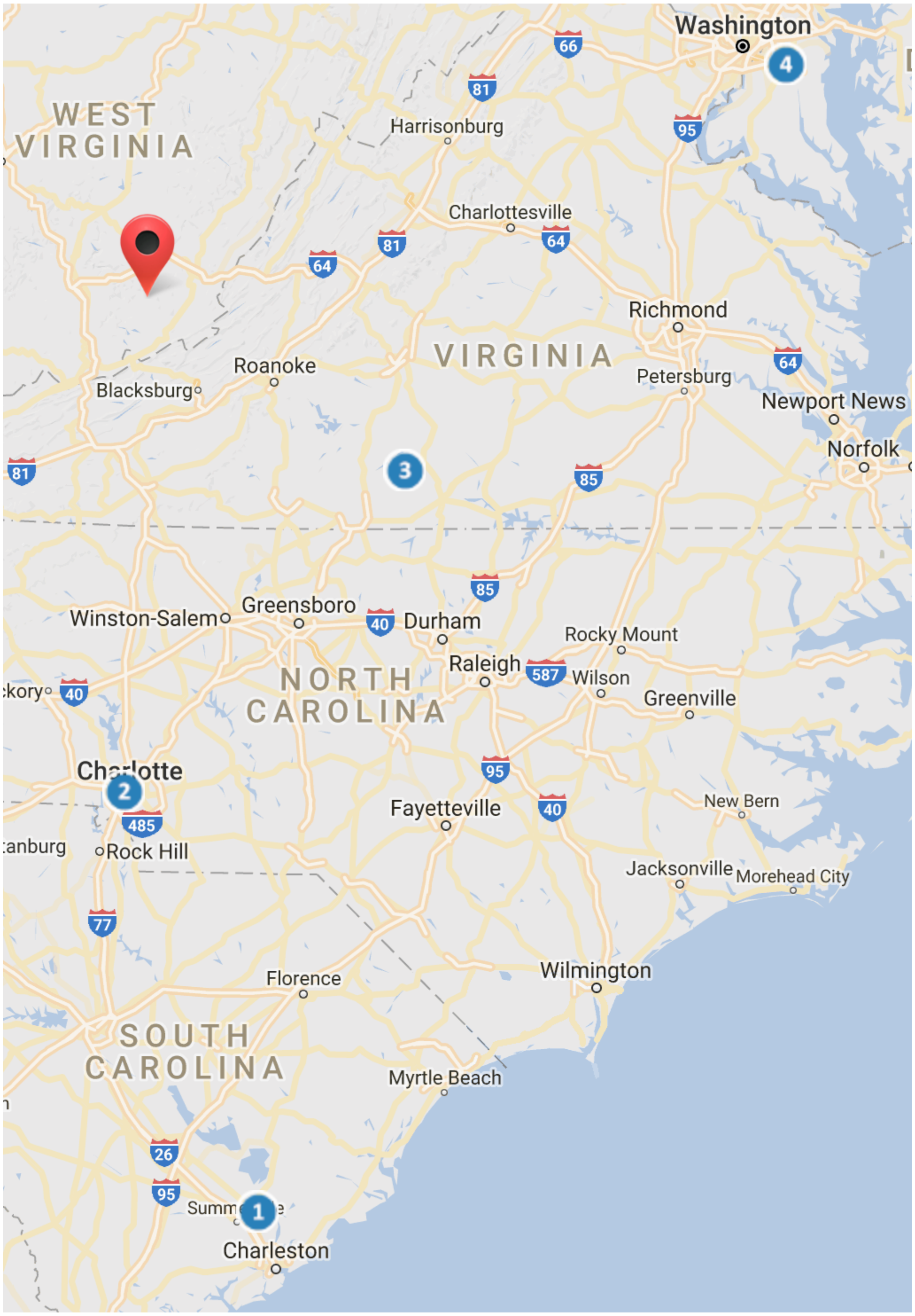
Under this presumption, an opinion of the value of the subject property is derived by comparing it with recent sales of similar properties using a similar unit of comparison, e.g. per square foot, per rental unit, etc. Their actual sales price is adjusted for differences to reflect the price a buyer might pay under current market conditions for a property with characteristics like the subject property. The reliability of the value estimate using the sales comparison approach is directly related to the similarity of the comparable sales available.

Mathematically, regression analysis is the most accurate and efficient method to measure the contribution of various property characteristics, or variables, to the overall value. When sufficient data is available, regression analysis from a larger body of sales has been utilized to measure this contribution.

Sales of unique or heterogeneous properties rarely occur, limiting the data available for analysis and precluding the possibility of well supported quantitative adjustments. In such cases, the direction and magnitude of adjustments applied to the comparable sales are subjective but are intended to reflect a typical market response to various property characteristics based on broadly accepted real estate principles.

After considering the available data, the following pages provide a summary of the sales selected for comparison with the subject property and have been used to form an opinion of value.

SUBJECT AND IMPROVED SALES LOCATION MAP



Improved Sale One

This comparable sale is a public school (administration, campus, dorms, instruction) that is composed of three parcels which totals of 24.94 Acres and 42,834 square feet between the six 6 buildings on campus. This sale, though newer, is considered very comparable to the subject in its total number of improvements and the use in place.

Property Details

Tax Parcel #(s):	485-00-00-229/30/36
Location:	2263 Otranto Rd, North Charleston, SC 29406
County:	Charleston
Grantor:	Northwood Assembly, Inc
Grantee:	Charleston County Schools
Recordation:	465-597
Sale Date:	March 27, 2015
Sales Price:	$5,780,100
Property Rights Conveyed:	Fee Simple
Terms:	Cash to Seller
Year of Construction:	1970s
Site Size (Acres):	24.94
Gross Building Area:	42,834
Price per SF (GBA):	$134.94

Improved Sale Two

This comparable is found on 12.6 acres, with various specialty buildings totaling 66,475 square feet. The property was formerly a school and has been vacant since Fall 2014 but acquired by Hopeway Foundation in March 2015, and opened as a mental health/wellness campus. On site is a 52,675 SF educational building with full-service kitchen/dining hall, classrooms, administrative offices, library, and many other ancillary type rooms, as well as a 13,800 SF Gymnasium built in 2007. Not reflected in the total GBA are two single-family houses designated for transitional housing purposes. This sale, though newer, also compares well to the subject in its total number of improvements, as well as the former, and now current, use in place.

Property Details

Tax Parcel #(s):	173-241-24/25/26
Location:	1717 Sharon Rd W, Charlotte, NC 28210
County:	Mecklenburg
Grantor:	Elon for Children
Grantee:	HopeWay Foundation
Recordation:	29807-933
Sale Date:	March 12, 2015
Sales Price:	$5,500,000
Property Rights Conveyed:	Fee Simple
Terms:	Cash to Seller
Year of Construction:	1988
Site Size (Acres):	12.6
Gross Building Area:	66,475
Price per SF (GBA):	$ 82.74

Improved Sale Three

The comparable is found on 191.26 acre property that has both girl's and boy's dormitories, a 7,188 square foot dining hall, a 14,232 square foot common area building, and a 7,078 square foot manor house. The school closed in 2014 and the seller filed for bankruptcy. Bankruptcy court approved the sale to Acadia Healthcare, who is believed to be planning to utilize the existing improvements to open a treatment center at the property. This sale, despite selling out of bankrupsy, best compares to the subject in its overall tract size and age improvements, as well as the former, and now proposed, use in place. This sale also speaks on the subject property when considering it as one 138.72 ± Acre tract.

Property Details

Tax Parcel #(s):	21526/14784/21522
Location:	3046 Carlbrook Rd, South Boston, VA 24592
County:	Halifax
Grantor:	Carlbrook Prop, LLC
Grantee:	NB Treatment, LLC
Recordation:	787/589
Sale Date:	May 2, 2016
Sales Price:	$3,400,000
Property Rights Conveyed:	Fee Simple
Terms:	Cash to Seller
Year of Construction:	1928
Site Size (Acres):	191.26
Gross Building Area:	47,515
Price per SF (GBA):	$71.56

Improved Sale Four

This comparable has three administrative offices, five classrooms with private ADA restrooms, two large classrooms on lower level with private ADA restrooms, and has had a new roof and HVAC recently installed. There is a second building with four classrooms (also with a new roof and HVAC). There is also a cafeteria; and four classroom cottages, some with washer/dryer hook ups. This sale, though newer, also compares well to the subject in its total number of improvements, as well as the former, and now current, use in place.

Property Details

Tax Parcel #(s):	04-0267104
Location:	13400 Edgemeade Rd, Upper Marlboro, MD 20772
County:	Prince George's
Grantor:	NVA Properties, LLC
Grantee:	Edgemeade RE, LLC
Recordation:	38071-0536
Sale Date:	March 25, 2016
Sales Price:	$4,200,000
Property Rights Conveyed:	Fee Simple
Terms:	Cash to Seller
Year of Construction:	1980s
Site Size (Acres):	15.16
Gross Building Area:	36,000
Price per SF (GBA):	$116.67

Improved Sales Summary				
Sale	One	Two	Three	Four
Tax Parcel ID(s)	485-00-00-229/30/36	173-241-24/25/26	21526/14784/21522	04-0267104
Address	2263 Otranto Rd	1717 Sharon Rd W	3046 Carlbrook Rd	13400 Edgemeade Rd
City	North Charleston	Charlotte	South Boston	Upper Marlboro
State	SC	NC	VA	MD
Zip	29406	28210	24592	20772
County	Charleston	Mecklenburg	Halifax	Prince George's
Latitude	32.963443	35.117977	36.728373	38.719474
Longitude	-80.048674	-80.873206	-79.135257	-76.774826
Distance	328.02 Miles	177.09 Miles	109.36 Miles	226.26 Miles
Grantor	Northwood Assembly, Inc	Elon for Children	Carlbrook Prop, LLC	NVA Properties, LLC
Grantee	Charleston County Schools	HopeWay Foundati	NB Treatment, LLC	Edgemeade RE, LLC
Recordation	465-597	29807-933	787/589	38071-0536
Sale Date	March 27, 2015	March 12, 2015	May 2, 2016	March 25, 2016
Sale Price	$5,780,100	$5,500,000	$3,400,000	$4,200,000
Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Terms	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Year of Construction	1970s	1988	1928	1980s
Site Size (Acres)	24.94	12.60	191.26	15.16
Gross Building Area (SF)	42,834	66,475	47,515	36,000
Price Per SF (GBA)	$134.94	$82.74	$71.56	$116.67

Discussion of Comparable Improved Sales

To form an opinion of value using the sales comparison approach, numerous sales were identified. Three of these sales, summarized above, have been compared with the subject property and adjusted for differences. A discussion of the various elements of comparison is provided below:

Transactional Elements

The transactional elements of each sale were like the subject property. However, Sale 3 was purchased out of bankruptcy. Here, the adjustment reflects the consideration made v. the assessment of the property prior to bankruptcy obtained from the Halifax County Tax Assessor’s office. Therefore, only the adjustment for condition of sale of Sale 3 was required under this category.

Property Adjustments

Location

The marketable location of Sales 1, 2, and 4 were considered superior to the subject only because of their proximity to more urbanized areas, where a nominal downward adjustment was reflected based on the uses requiring low traffic, while Sale 3 was considered similar to the subject in overall marketability, with no adjustment deemed measurable.

Size

When considered using a common unit of comparison, smaller structural sizes tend to sell for a higher price; conversely larger structures often sell for a lower price. Here, because of the academic or comparable medical use in place (or proposed), only Sale 2 was found inferior in overall structural size, where an upward adjustment was reflected, though all other Sales were considered similar to the subject, while no adjustment applicable.

Quality

When considering quality, we view both construction and finish. Here, Sales 1 and 4 were found superior in overall level of finish of the improvements, where a downward adjustment was required, while all other Sales were considered similar in overall level of construction and finish, with no adjustment necessary.

Age

Here, Sales 1, 2 and 4 were considered superior in overall age, due to being newer construction, with a downward adjustment reflected, while Sale 3 was considered similar to the subject, with no adjustment considered.

Condition

The subject has experienced extensive renovation since its 2007 purchase, as well as the recent installation of windows in the main building, the renovation of the second level, and other items of renovation. However, while renovation on the third floor has only started. Therefore, because this appraisal report is to reflect the as is condition, the third floor, while included in the square footage, by convention demonstrated with these sales, all Sales were thus considered measurably superior in overall condition, with a downward adjustment reflected.

Auxiliary Improvements

The subject has auxiliary improvements that are contributory (as previously noted), but that are not found on the comparable sales, nor are reflected in the total square footage of the three primary improvements. Therefore, to reflect these improvements, all Sales were thus considered measurably inferior to the subject, with a nominal upward adjustment reflected.

Land

As noted, only the 16.69 ±acre tract is reflected here. Therefore, land size for Sales 1 and 3 were considered superior (based on overall contributory tract size of 1 and overall tract size of 3), with a downward adjustment reflected, with Sales 2 and 4 considered similar to the subject where no adjustment deemed necessary.

Each of the adjustments discussed above has been applied to the comparable sale on the page that follows:

Improved Sales Adjustment Grid

Sale Number	Sale #1	Sale #2	Sale #3	Sale #4
Sales Price Per SF (GBA)	$134.94	$82.74	$71.56	$116.67
Transactional Elements				
Property Adjustments				
Location	**Superior**	**Superior**	**Similar**	**Superior**
% Adjustment	-10.00%	-10.00%	0.00%	-10.00%
Size	**Similar**	**Inferior**	**Similar**	**Similar**
% Adjustment	0.00%	30.00%	0.00%	0.00%
Quality	**Superior**	**Similar**	**Similar**	**Superior**
% Adjustment	-5.00%	0.00%	0.00%	-5.00%
Age	**Superior**	**Superior**	**Similar**	**Superior**
% Adjustment	-5.00%	-5.00%	0.00%	-5.00%
Condition	**Superior**	**Superior**	**Superior**	**Superior**
% Adjustment	-10.00%	-10.00%	-10.00%	-10.00%
Auxilliary Improvements	**Inferior**	**Inferior**	**Inferior**	**Inferior**
% Adjustment	5.00%	5.00%	5.00%	5.00%
Land	25.36	8.26	175.34	18.34
% Adjustment	-10.00%	0.00%	-10.00%	0.00%
Absolute Property Adjustments ($)	$60.72	$49.64	$26.83	$40.83
Absolute Property Adjustments (%)	45%	60%	25%	35%
Net Property Adjustments ($)	-$47.23	$8.27	-$16.10	-$29.17
Net Property Adjustments (%)	-35%	10%	-15%	-25%
Final Adjusted Price	$87.71	$91.01	$91.23	$87.50
Range of Adjusted Prices	$87.50 TO		$91.23	
Average Adjusted Price Per SF (GBA)	$89.36			

Summary

After adjustments, the comparable sales ranged from a low of $87.50 per square foot to a high of $91.23 per square foot with an average adjusted price of $89.36 per square foot.

After considering each comparable sale for differences in financing terms, conditions of the sale, market conditions, and physical characteristics, our opinion of the value of the subject property using the sales comparison approach is $90.00 per square foot as follows.

43,023GBA Square Feet x $90.00 =	$3,872,070
Estimated Value of Excess Land =	$120,000
43,023GBA Square Feet x $90.00 =	$3,992,070
Rounded to	$4,000,000

FINAL RECONCILIATION

The purpose of this section of the appraisal report is to consider the reliability of each approach used to form an opinion of the value of the subject property and to conclude a final opinion of value. The opinion of value resulting from each of the approaches used are as follows:

The Sales Comparison Approach:	$4,000,000

The cost approach is most meaningful in the case of newer improvements or special purpose properties. The contributory improvements found on the subject are approximately 100 years old. Therefore, this approach was not developed. However, the Land Sales Comparison was used to value the larger tract (excess land), that was added to the Sales Comparison Approach.

The sales comparison approach is often the strongest indication of value when recent and reliable comparable sales data is available in the near vicinity of the subject property. Here, though the sales were from various states, only one was more than 300 miles from the subject, with two barely over 100 miles. Of the sales, each reflected either a similar use in place (previous or proposed), had similar campus size or number of buildings, with similar square footage of contributory buildings. Therefore, this approach was given all weight in estimating market value.

The income approach is often the most reliable method when considering properties specifically designed to generate income. The improvements were designed for use as a school and medical facility. Because of its use in place, overall lack of alternative uses, rent comparables were nil, where the only income would reflect the value of a going concern and/or value of a business equity, either of which is considered beyond the scope of this assignment. Therefore, this approach was not developed.

Considering the quantity and quality of available data, the sales comparison approach is the most reliable indicator of value for the subject property. Therefore, the final opinion of the market value of the Fee Simple Estate of the property located at 158 Academy Drive in Pence Springs, West Virginia, in its “As-Is” condition on the effective date of appraisal, April 17, 2017, is:

$4,000,000

Four Million Dollars

Addendum

cbs Cooperative Business Services

APPRAISAL ENGAGEMENT LETTER

Date: April 13, 2017 **Loan Name: Relational Management Services, LLC**

Re: Appraisal of an Existing Structure Located at:

Address of Property:	158 Academy Drive Pence Springs, WV 24962
Parcel:	11/19, 78, 78.2, 78.3
County:	Summers

Order Information

Appraisal Firm Name:	Russell Roberts Appraisals
Scope of Appraisal:	Sales and Income Approaches
Appraisal Fee Amount:	$3450.00
Report Due Date:	May 4, 2017

Dear Appraiser,

This letter will confirm that Cooperative Business Services, LLC has requested an appraisal on the above referenced real estate and you have been engaged to provide the written appraisal with an MAI reviewable signature on such property listed above. By signing below, you acknowledge the completed appraisal report should be forwarded to my attention no later than May 4, 2017.

Upon acceptance of this letter of engagement, you certify to the best of your knowledge and belief that:

1. You have complied with the Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted from time to time by the Appraisal Standards Board of the Appraisal Foundation.

2. The acceptance of this appraisal assignment was not based on and the appraisal report will not be prepared or based on a requested minimum valuation, a specific valuation, a value within a given range, or the approval of a loan.

3. You have no direct or indirect interest, financial or otherwise, in the property or transaction, and you have no personal interest or bias with respect to the parties involved in the transaction.

4. You have complied with Rules 1-5 of USPAP.

In order for each appraisal report to be accepted by Cooperative Business Services LLC, the appraisal report must meet at the minimum the following appraisal standards:

1. Conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted from time to time by the Appraisal Standards Board of the Appraisal Foundation, except that the Departure Provision of the USPAP shall not apply.

2. Disclose any necessary or appropriate steps taken by appraiser to comply with the Competency Provision of USPAP.

3. Contain a legal description of the property being appraised, in addition to the description required by USPAP.

4. Be based on the definition of "market value". Market value is defined as "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 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 markets; (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 sale concessions granted by anyone associated with the sale".

5. Be presented in a narrative format or on forms that satisfy all of the minimum appraisal standards outlined herein (Uniform Residential Appraisal Report, FHLMC Form 70 10/86; FNMA Form 1004 10/86 or any authorized successor form; or upon a form which is substantially similar in content).

6. Be sufficiently descriptive of the estimated market value and the rationale for the estimate; provide detail and depth of analysis reflective of the complexity of the property; be readily understandable by a third party.

7. Date of the appraisal report and the effective date of the estimated market value conclusion.

8. Analysis in reasonable detail of any prior sales of the <u>appraised property</u> that occurred: (1) within (1) year preceding the preparation date of the appraisal report for a one-to-four family residential property, or (2) within three (3) years preceding the preparation date of the appraisal report for all other property.

9. FOR INCOME-PRODUCING PROPERTIES: Analysis of <u>current</u> revenues, expenses and vacancies. The appraisal report should be based on income that realistically can be earned under current market and economic conditions (in light of rents being earned on comparable properties), rather than upon estimated or projected income that cannot be supported by current market conditions.

10. Analysis of a reasonable marketing period for the property.

11. Analysis of current market conditions and trends that impact projected income or the absorption period, to the extent of affecting the market value (raising or declining values).

12. Analysis of appropriate deductions and discounts for any proposed construction, or any completed properties partially leased or leased at other than market rents, or any tract development with unsold units. A tract development is defined as "a project of five (5) units or more that is constructed or is to be constructed as a single development".

13. Contain sufficient supporting documentation with all pertinent information reported, including appraiser's logic, reasoning, judgment, and analysis in arriving at the estimated market value.

14. Identification and separate valuation of any personal property, fixtures, or intangibles not considered real property if to be included in the appraisal report; discussion of the impact of inclusion or exclusion on the estimated market value.

15. Address each of the recognized approaches to market value and explain how each approach was used. The approaches are (a) cost approach, (b) direct sales comparison analysis, and (c) income approach. If more than one approach is used, reconcile the results of the approaches; and if one or more approaches are eliminated, satisfactorily explain why eliminated.

16. Disclose and explain the unavailability of information if pertinent to the completion of the appraisal report.

17. Studies prepared by a third party other than appraiser and to be used in the appraisal report must be verified by appraiser to extent assumptions are used and appraisal report must contain the explanation of appraiser's acceptance or rejection of the third party study and the effect, if any, on the estimated market value of the property.

18. You will inform CBS immediately if you feel the requested scope of the ordered appraisal (residential, summary, self-contained, requested approaches, etc.) is incorrect or will not fully capture the value of the property being appraised.

Upon completion of your appraisal, please submit to me either one unbound copy or an electronic copy of the final appraisal report. By this reference this engagement letter shall become a part of and incorporated into the final appraisal report on the subject property.

If you find this letter acceptable with respect to the described appraisal assignment, the certifications made herein, and the outlined appraisal standards, please acknowledge below and return an original to me. I have enclosed a duplicate original of this letter for your file. Please do not hesitate to contact me at **the phone number or email address listed below** if you have any questions, require clarification, or need further information with regard to any aspect of this letter or the appraisal assignment. I look forward to hearing from you and working with you on this assignment.

THE TOTAL FEE PAYABLE TO THE ABOVE REFERENCED APPRAISER OR FIRM ON THIS AGREEMMENT FOR THIS ASSIGNMENT SHALL BE $3450.00. ANY INCREASE IN AMOUNT MUST BE APPROVED, VIA ELECTRONIC CORRESPONDENCE, BY COOPERATIVE BUSINESS SERVICES, LLC.

To ensure timely payment of all invoices, please submit all invoices to Accounts Payable (contact information below) within thirty (30) days of completion of appraisal report. Failure to do so will result in a delay of payment.

Remit invoices to:
Cooperative Business Services, LLC
Attn: Accounts Payable Department
8150 Corporate Park Drive, Suite 300
Cincinnati OH 45242

Or

Finance@cbscuso.com

Please contact the individual listed below to set up a time to view the property.

Property Contact Name:	Barry Tackett
Phone Number:	304-308-8649
Email Address *(if available)*:	btackett@greenbrieracademy.com

Sincerely,

Cooperative Business Services, LLC

CBS, LLC Representative:	Sandy Tedford
Title:	Corporate Administration
Email Address:	stedford@cbscuso.com
Phone Number:	513-677-3100, ext 132

Acknowledged and Agreed By:

Name: Russell Roberts
(Please Print)

Signature: ____________________

Title: President

Date: 04/13/2017

****Please sign and return this engagement letter within forty-eight (48) business hours of receipt.****

This appraisal report and all the appraiser's work related to the appraisal assignment are subject to the general assumptions, limiting conditions, and all other terms stated in the report. Any use of the appraisal by any party, regardless of whether such use is authorized or intended by the appraiser, constitutes acceptance of all such limiting conditions and terms.

• No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

• The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

• Responsible ownership and competent property management are assumed.

• Information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

• All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.

• It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

• It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated in the appraisal report.

• It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been described in the appraisal report.

• It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.

• It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

• Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraisers have no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

• The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

This appraisal has been made with the following general limiting conditions:

• Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if they are.

The intended user of this appraisal report is Cooperative Business Services. The client is the sole intended user. This appraisal may not be appropriate for other uses or users.

Qualifications - Russell A. Roberts, MAI

Contact Information

Russell A. Roberts, MAI
2600 Ring Road
Elizabethtown, KY 42701
(270) 872-5510: Phone
www.commercialappraiserky.com
russellaroberts@comcast.net

Professional Credentials

- MAI Designated Member of the Appraisal Institute
- Over 25 Years of Experience in Commercial Valuations

Advanced Appraisal Institute Education

- Business Practices and Ethics
- General Report Writing and Case Studies
- Advanced Income Capitalization
- Advanced Market Analysis and Highest and Best Use
- Advanced Concepts and Case Studies
- Quantitative Analysis
- Uniform Appraisal Standards for Federal Land Acquisitions
- Review Theory - General

College Education

- Bachelor's Degree/Real Estate and Insurance (University of Southern Mississippi)
- Principles of Real Estate
- Real Estate Law
- Real Estate Finance
- Residential Property Valuation
- Income Property Valuation

Employment History

- 1992 – Current: Self-Employed Commercial Real Estate Appraiser
- 1990 – 1992: The Jack Poe Company, Commercial Appraiser
- 1988 – 1990: University of Southern Mississippi, Student
- 1984 – 1988: United States Army, Sgt., Infantry Squad Leader

Appraisal Experience Includes:

- Apartments
- Auto Dealerships
- Car Wash Facilities
- Churches
- Convenience Stores
- Daycare/Nursery Facilities
- Distribution Centers
- Event Facilities
- Expert Court Testimony
- Farms
- Flex R&D Properties
- Health & Fitness Centers
- Industrial Buildings
- Kennel Facilities
- Leased Fee and Leasehold Properties
- Manufacturing Facilities
- Medical Office Buildings
- Mini-Storage Warehouses
- Motels
- Multi-Tenant Office Buildings
- Restaurants
- Right-of-Way Acquisitions
- Shopping Centers
- Single- and Multi-Family Residences
- Subdivisions
- Truck Terminals
- Vacant Land
- Various Retail Properties
- Warehouse Buildings

Employment History

- 2016 – Current: Senior Managing Director, Veritas Valuations - Lexington
- 2005 – 2015: Kentucky State University, Associate Professor
- 1994 – 2015: The Appraisal Co-Operative, Owner
- 1985 – 1994: Perry Real Estate and Appraising, Managing Partner

Appraisal Experience Includes:

- Apartments
- Auto Dealerships
- Car Wash Facilities
- Churches
- Convenience Stores
- Daycare/Nursery Facilities
- Distribution Centers
- Event Facilities
- Farms, Agricultural
- Farms, Equine
- Flex R&D Properties
- Health & Fitness Centers
- Industrial Buildings
- Kennel Facilities
- Leased Fee and Leasehold Properties
- Manufacturing Facilities
- Medical Office Buildings
- Mini-Storage Warehouses
- Multi-Tenant Office Buildings
- Restaurants
- Shopping Centers
- Single- and Multi-Family Residences
- Subdivisions
- Truck Terminals
- Vacant Land
- Various Retail Properties
- Warehouse Buildings

Advanced Appraisal Institute Education

- Business Practices and Ethics
- General Report Writing and Case Studies
- Advanced Income Capitalization
- Quantitative Analysis
- Uniform Appraisal Standards for Federal Land Acquisitions
- Review Theory - General

College Education

- Doctor of Philosophy, Political Policy and Theory
- Master of Arts, Policy Analysis
- Bachelor of Arts, English and Political Science
- Professional Writing
- Policy Analysis
- Qualitative and Quantitative Methods

Certification

I (we) certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my (our) personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I (we) have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I (we) have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I (we) have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My (our) engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My (our) compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My (our) analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- Dr. Robert Lancaster made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The 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 I (we) have completed the continuing education program for Designated Members of the Appraisal Institute.

Mr. Russell Roberts, MAI
Signed on April 27, 2017
WV Certified General Real Estate Appraiser #Fake Number
License Expires on October 12, 2016

Dr. Robert Lancaster, PhD
Signed on April 27, 2017
WV Certified General Real Estate Appraiser #CG564
License Expires on September 30, 2017