

APPRAISAL REPORT

**TWO CONTIGUOUS PARCELS OF LAND TOTALING 16,650 SQUARE FEET
IMPROVED WITH TWO WAREHOUSE BUILDINGS
TOTALING 15,200 SQUARE FEET**

LOCATED AT:

**3815 BUNKER HILL ROAD
4101 41ST STREET
BRENTWOOD, MD 20722**


VALUED AS OF:


JUNE 7, 2025 (DATE OF DEATH)

PREPARED FOR:

**MS. MOJGAN FARAZAD, P.R.
THE ESTATE OF MEHRAN MOHAMMAD
8624 CHATEAU DRIVE
POTOMAC, MARYLAND 20854**

PREPARED BY:

**ALFRED B. RILEY, JR., SRA
RILEY  ASSOCIATES, LLC
8607 AUGUSTA FARM LANE
LAYTONSVILLE, MARYLAND 20882
(240) 888-6810 ALRILEY13@GMAIL.COM**

RILEY  ASSOCIATES, LLC
Real Estate Appraisers and Consultants
8607 Augusta Farm Lane
Laytonsville, Maryland 20882
Office (240) 888-6810 alriley13@gmail.com

Alfred B. Riley, Jr., SRA
Member Appraisal Institute
Certified General Appraiser

State of Maryland
District of Columbia
Commonwealth of Virginia

June 14, 2026

Ms. Mojgan Farazad, P.R.
The Estate of Mehran Mohammad
8624 Chateau Drive
Potomac, Maryland 20854

Re: As-Is Market Value Estimate
3815-3817 Bunker Hill Road and
4101 41st Street
Brentwood, Maryland 20722

Dear Ms. Farazad,

Pursuant to your request, Alfred B. Riley, Jr. SRA made an-inspection of the above captioned properties, legally described for purposes of assessment and taxation as Lot 4, Block 16 in the subdivision known as Holladay Company's Addition to Highland with a street address of 3815 Bunker Hill Road and Lot 5 in Block 16 in the subdivision known as Holladay Company's Addition to Highland with a street address of 4101 41st Street. Both properties are in the Brentwood Area of Prince George's County, Maryland 20722. The purpose of this appraisal report is to estimate the fee simple market value in accordance with the Uniform Standards of Professional Appraisal as of June 7, 2025, the date of Mehran Mohammad's death.

The subject property consists of two warehouse buildings of which 3815 Bunker Hill Road is 6,950 square feet of building situated on 8,250 square feet of land and 4101 41st Street is 8,250 square feet of building situated on 8,400 square feet of land. As of the date of inspection and to the best of the appraiser's knowledge, as of June 7, 2025, the two buildings were vacant, but formerly occupied by the deceased owner.

In my opinion, as of June 7, 2025, the market value "as is" as stated below, that is, the highest price estimated in terms of money which the property will bring if exposed to the open market, allowing a reasonable time to find a purchaser who buys with a knowledge of all the uses to which the property may be put and for which it is capable of being used is, (rounded):

ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS
(\$1,350,000)

The accompanying Appraisal Report, of which this letter is considered part, sets forth the identification of the subject properties, pertinent facts about the area in relation to the appraised, the comparable data used, the results of the investigations and analyses undertaken, the reasoning leading to the conclusions set forth and the underlying assumptions and limiting conditions upon which the value provided in this report is premised. In addition, the concluded market value is contingent on the Extraordinary Assumption that the field measurements of the building are accurate as there are no building plans available. It is also an Extraordinary Assumption that the condition of the existing improvements as of the date of inspection are similar to the conditions as of the effective date of the appraisal. Should a more accurate measure be available, or if it is discovered the conditions were different, this could affect the market value conclusion, and a revised or new appraisal report should be conducted.

This appraisal is intended for the sole and exclusive use of the party to whom it is addressed. Duplication, use of the comparables, or any use other than defined in this report, is prohibited without the written permission of the appraisers. The appraiser will not be liable for use of this report by third parties.

If I can be of further assistance to you in this or any other matter, please do not hesitate to call. You may be assured that the best efforts of this office will be extended to you.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Alfred B. Riley, Jr.", written in a cursive style.

Alfred B. Riley, Jr. SRA
Certified General Appraiser, District of Columbia 04-10112
Certified General Appraiser, State of Maryland 04-10296
Certified General Appraiser, Commonwealth of Virginia, 4001002904

EXECUTIVE SUMMARY

Address: 3815 Bunker Hill Road (Lot 4) and
4101 41st Street (Lot 5)
Brentwood, MD 20722

Legal Description: Lots 4 and 5, Block 16 in the subdivision known as Holladay
Company's Addition to Highland, Prince George's County,
Maryland

Tax Identification: 3815 Bunker Hill Road: 17-1886951
4101 41st Street: 17-1848027

Site Area:

3815 Bunker Hill Road:	8,250 square feet
4101 41 st Street:	8,400 square feet
Total Site Size:	16,650 square feet

Improvement Sizes:

3815 Bunker Hill Road:	6,950 square feet
4101 41 st Street:	8,250 square feet
Total Building Size:	15,200 square feet

Zoning: NAC (Neighborhood Activity Center)

Highest & Best Use: ***As Vacant:*** To either assemble with surrounding parcels or
as a small commercial or industrial use.
As Improved: It's current use as a warehouse.

Individual Value By:

Cost Approach:	N/A
Sales Comparison Approach:	\$1,400,000
Income Approach:	\$1,300,000

Concluded Market Value: \$1,350,000

Date of Inspection: May 18, 2026

Effective Date of Value: June 7, 2025

Marketing Time: Within 12 Months

SUBJECT PHOTOGRAPHS



4101 41ST STREET



3815-17 BUNKER HILL ROAD



STREET SCENE FACING NORTH ON 41ST STREET



STREET SCENE FACING EAST ON 41ST STREET



STREET SCENE FACING SOUTH ON 41ST STREET

QUALIFICATIONS, CERTIFICATION AND LIMITING CONDITIONS
OF THE APPRAISER

QUALIFICATIONS OF ALFRED B. RILEY, JR., SRA

Riley & Associates, LLC
8607 Augusta Farm Lane
Laytonsville, Maryland 20882
(240) 888-6810 alriley13@gmail.com

Employment History

Riley & Associates, LLC, Gaithersburg, Maryland
Managing Director, October 2000 to Present

Kidwell, Riley & Associates, Inc., Gaithersburg, Maryland
Vice President, January 1994 to October 2000

Robert C. Kidwell & Associates, Inc., Gaithersburg, Maryland
Commercial Appraiser, September 1992-December 1993

J. Lee Donnelly & Son, Inc., Chevy Chase, Maryland
Associate Commercial Appraiser, Jan. 1987-Sept. 1992

Alexandria Appraisal Service, Alexandria, Virginia
Vice President & Senior Appraiser, April 1986-Jan. 1987

Real Estate Appraisal Service, Gaithersburg, Maryland
Staff Appraiser, 1981-1983, Assistant Vice President, 1983-1985, Vice President, 1985-1986

Memberships & Certifications

Senior Residential Appraiser, Appraisal Institute (SRA)
Litigation Professional Development Program, Appraisal Institute National Registry
Certified General Real Property Appraiser, District of Columbia #04-10112
Certified General Real Property Appraiser, State of Maryland, #04-10296
Certified General Real Property Appraiser, Commonwealth of Virginia, #4001-2904

Professional Activities

The Appraisal Institute

Regional Ethics & Counseling Panel
Chairman-Admissions Committee
Senior Residential Appraiser/SRA - 1/1/1991 to present
Board of Directors
Chairman-Candidate Guidance Committee

American Institute of Real Estate Appraisers/AIREA

Residential Member/RM #2128, 6/87 - 12/31/90
Admissions Committee
Regional Standards Panel

Successfully Completed Courses - Appraisal Institute/AI

Understanding Limited Appraisals and Reporting Options (1994)
Course 410 - Standards of Professional Practice, Part A (1995); Part C (1998); Part B (2002);
Virginia Law (1995 & 2000)
Data Confirmation and Certification Methods (1995)
Course 600 - Residential Income Capitalization (Mixed Use Properties-1996)
Course 530 - Advanced Sales Comparison and Cost Approach (1998)
Analyzing Operating Expenses (2001)
Overview of Real Estate Appraisal Principles (2002)
Analyzing Distressed Properties (2004)
Valuation of Detrimental Conditions (2004)
General Demonstration Report Writing (2004)
Residential Design and Functional Utility (2004)
Appraising Manufactured Housing (2004)
Internet Search Strategies of Real Estate Appraisers (2004)
Understanding & Testing Discounted Cash Flow Valuation Models (2005)
Mathematically Modeling Real Estate Data (2005)
Income Valuation of Small Mixed-Use Buildings - Course 600 (2005)
Uniform Standards of Professional Appraisal Practice (2006)
Case Studies in Commercial Highest & Best Use (2008)
Eminent Domain and Condemnation (2009)
Business Practices and Ethics (2009)
Uniform Standards of Professional Appraisal Practice - 7 Hour National Update (2010)
Appraisal Review - General (2010)
Ad Valorem Tax Consultation (2010)
Appraising the Appraisal: Appraisal Review General (2012)
The Role of the Appraiser in Eminent Domain (2012)
Residential and Commercial Valuation of Solar (2013)
Marketability Studies: Advanced Applications and Considerations (2013)
Business Practices and Ethics (2013)
Uniform Standards of Professional Appraisal Practice - 7 Hour National Update (2014)
Advanced Income Capitalization/A (2015)
Business Practices and Ethics (2016)
On-Line Data Verification (2016)
Litigation Appraising: Specialized Topics & Applications (2016)
Business Practices and Ethics (2017)
Uniform Standards of Professional Appraisal Practice - 7 Hour National Update (2017)
Metro DC Appraisal Conference (2018)
Metro DC Appraisal Conference (2019)
Metro DC IRS Summit (2019)
Uniform Standards of Professional Appraisal Practice - 7 Hour National Update (2019)
Uniform Standards of Professional Appraisal Practice - 7 Hour National Update (2022)
Business Practices and Ethics (2022)
Community Land Trust (CLT) Appraisal Training (2022)
Real Estate Market Update, Economic Outlook for DC Metro Area (2023)
Appraisal Bias (2023)
Uniform Standards of Professional Appraisal Practice - 7 Hour National Update (2023)
The Appraiser as an Expert Witness: Preparation and Testimony (2024)
Condemnation Appraising: Principles and Applications (2025)
Uniform Standards of Professional Appraisal Practice - 7 Hour National Update (2025)

Successfully Completed Courses - American Institute of Real Estate Appraisers/AIREA

Course 8.1 - Real Estate Appraisal Principles
Course 8.2 - Residential Valuation
Course 8.3 - Standards of Professional Practice 1986-Update 1990, Part B (1993), and Part A (1995)
Course 1BA - Capitalization Theory & Technique Part A
Course 1A2 - Basic Valuation Procedures
Course 2-1 - Case Studies in Real Estate Valuation

Successfully Completed Courses - Society of Real Estate Appraisers/SREA

Course 101 - Principles of Real Property Appraising
Course 102 - Applied Residential Property Valuation
Course 201 - Principles of Income Property Appraising

Successfully Completed Courses – McKissock Education

National Valuation Bias and Fair Housing Laws and Regulations - 2026
Supervisor-Trainee Course for Maryland - 2026
Appraisals of Industrial & Flex Buildings – 2024
The Basics of Expert Witness for Commercial Appraisers – 2022
The Sales Comparison Approach – 2022
The Income Approach – 2022
Evaluations, Desktops, and Other Limited Scope Appraisals - 2020
Introduction to Expert Witness Testimony for Appraisers - 2019
Appraising Apartments – 2012
Ad Valorem Tax Consultation – 2010

National Association of Independent Fee Appraisers

Independent Fee Appraiser/IFA #3637, 4/85 - 12/88
Fairfax County Chapter-Vice President, 1987 - 1988
Secretary, 1986-1987, Treasurer, 1985-1986
Admissions Committee
Public Relations Committee

Qualified

Qualified as expert witness in the various courts to include Fairfax County, City of Alexandria, and Prince William County in the Commonwealth of Virginia, the District of Columbia, Montgomery, Prince George's, Frederick and Anne Arundel Counties, in Maryland, and Palm Beach County in Florida.

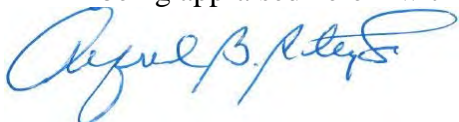
Continuing Education

Currently certified under the Continuing Education Program of the Appraisal Institute

CERTIFICATION OF THE APPRAISER

The undersigned appraiser hereby certifies that, to the best of his knowledge and belief:

- The statements of fact contained in this appraisal report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions. This appraisal report sets forth all of the contingent conditions affecting the analyses, opinions and conclusions contained in this report.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this reporter to the parties involved with this assignment.
- The compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- 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, Alfred B. Riley, Jr. SRA has completed the continuing education program for Designated Members of the Appraisal Institute.
- Alfred B. Riley, Jr. SRA made a personal inspection of the property that is the subject of this report.
- No one has provided significant professional assistance to the persons signing this report.
- Alfred B. Riley, Jr. SRA currently holds the Certified General Appraisal License in the State of Maryland, District of Columbia and Commonwealth of Virginia.
- Riley & Associates, LLC has not previously performed appraisal services for the property being appraised herein within the previous three years.



Alfred B. Riley, Jr. SRA
Certified General Appraiser, DC, MD, VA

ASSUMPTIONS AND LIMITING CONDITIONS

In conducting this appraisal, I have assumed that:

1. Title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions, except those specifically discussed in this report. The property is under responsible ownership and competent management and is available for its highest and best use, unless otherwise noted in the appraisal. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
2. Unless otherwise noted in the appraisal, existing judgments, pending or threatened litigation are assumed to have no effect on the value of the property.
3. There are no hidden, unapparent or undisclosed conditions of the land or of the improvements which would render the property more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
4. The revenue stamps placed on any deed to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes, unless otherwise stated, described and considered in the appraisal. 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.
6. Unless otherwise noted in the appraisal, the property is not located in an area in which the purchase of flood insurance is required as a condition for Federal or Federally related financial assistance.
7. If the appraisal is for a property with improvements to be constructed and/or renovated, such construction and/or renovation will be completed as outlined in the report.
8. The appraisal does not give effect to any proposed federal income tax legislation now under consideration. Uncertainties in the marketplace could eventually have a material effect on a property's market value.

The appraisal report is subject to the following limiting conditions:

1. An appraisal is inherently subjective and represents only one estimate of a property's Market Value. The forecasts and projections 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, as is the value conclusion.
2. The conclusions stated in the appraisal apply only as of the date of valuation and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless otherwise noted in the appraisal.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and I reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. Required revisions, beyond the scope of the original appraisal assignment, would be subject to a new appraisal engagement letter. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. By reason of this assignment I am not required to give testimony or to be in attendance in court or any government or other hearing with reference to the property without written contractual arrangements relative to such additional employment being made beforehand.
6. No survey of the property has been made and no responsibility is assumed in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only. No such sketch or survey is scaled for size, unless otherwise noted in the appraisal. The appraisal covers the property as described in this report, and the areas and dimensions set forth herein are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, and it is assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in the appraisal.
8. No responsibility is accepted for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters, geologic considerations, such as soils and seismic stability, civil, mechanical, electrical, structural, and other engineering, environmental and toxic contaminants. All illustrative material in this report is included only to help the reader visualize the property and is assumed to be correct.

9. If the property is improved, the distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate(s), unless such proration or division of interests has been set forth in the report. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This appraisal shall be considered in its entirety. No part thereof shall be utilized separately or out of context.
10. Neither all nor any part of the content of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the appraisers. Possession of this report does not carry with it the right of publication; such right can only be granted by the appraiser, in writing. The parties authorized to use this report are to whom it is addressed.
11. Information, estimates and opinions contained in this report, obtained from sources outside of this office, are assumed to be reliable and may not have been verified.
12. I have not reviewed any audited financial statements pertaining to the property, unless otherwise noted in the appraisal.
13. If the value of the property is relevant for federal income tax purposes, the methodology and/or results of the appraisal may be challenged by the Internal Revenue Service. In the event of such a challenge, there can be no assurance that the methodology and/or results of the appraisal will be accepted. In particular, the methodology for appraising certain types of properties, including without limitation government subsidized housing, has been the subject of debate among professional appraisers and may be especially susceptible to challenge.
14. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal cannot take into account the condition of the economy, of the real estate industry, or of the appraised property at the time the leases expire or otherwise terminate.
15. Unless otherwise noted in the appraisal, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
16. The current purchasing power of the dollar is the basis for the value stated in the appraisal; I have assumed that no extreme fluctuations in economic cycles will occur.
17. The soils in the area are assumed to be adequate for existing structures or construction of improvements as proposed if any are proposed.

18. The existence of hazardous materials or conditions, which may or may not be present at the subject property, was not observed by the appraiser. The appraisers have no knowledge of the existence of any hazardous materials in or on the property, in any supplied public utility, or in or on a neighboring property affecting the subject property. The appraisers are not, however, qualified in the arts and sciences of environmental hazard detection and assume no responsibility for any such conditions. If any user of this appraisal report is concerned with the possibility of environmental hazard, I recommend retention of appropriate experts for counsel and advice.

19. Effective immediately, the Americans with Disabilities Act (ADA) Accessibility Guidelines for Buildings and Facilities require that newly constructed and altered buildings and facilities be readily accessible to and useable by individuals with disabilities in terms of architecture, design and communications. I have not made a specific compliance survey and analysis of the property to determine whether existing or proposed improvements are in conformance with the numerous technical requirements of the ADA. It is possible that a compliance survey of the subject property could reveal that it is not in compliance with one or more requirements of the ADA. If so, it is likely this fact could have a negative impact on the subject's value. Since I have no such survey at my disposal, I made a specific assumption that the subject is in compliance with the ADA and have rendered my value estimate accordingly.

A handwritten signature in blue ink, appearing to read "Alfred B. Riley, Jr.", written in a cursive style.

Alfred B. Riley, Jr. SRA
Certified General Appraiser, DC, MD, VA

DESCRIPTION, ANALYSIS AND CONCLUSIONS

IDENTIFICATION OF THE PROPERTY



AERIAL PHOTOGRAPH

The subject property consists of two warehouse buildings of which 3815 Bunker Hill Road is 6,950 square feet of building situated on 8,250 square feet of land and 4101 41st Street is 8,250 square feet of building situated on 8,400 square feet of land. As of the date of inspection and to the best of the appraiser's knowledge, as of June 7, 2025, the two buildings were vacant, but formerly occupied by the deceased owner. The legal description is described as Lots 4 and 5 Block 16, Holladay Company's Addition to Highland (Brentwood), Prince George's County, Maryland.

DATE, PURPOSE, INTENDED USER AND INTENDED USE OF THE APPRAISAL

The purpose of this appraisal is to estimate the fee simple market value of the identified real estate, as of June 7, 2025, the effective date of this appraisal. The valuation herein is predicated on a cash equivalent basis. It is the appraiser's understanding that this report will be used to assist the client and intended user, The Estate of Mehran Mohammad in care of Ms. Mojgan Farazad, P.R., in making decisions for estate and tax purposes; however, it may be used for any purpose having market value, as defined herein, as its objective.

PROPERTY RIGHTS APPRAISED

According to the *Appraisal Institute's Dictionary of Real Estate Appraisal, 7th Edition*, published by the Appraisal Institute, highest and best use is defined as:

The reasonably use of a property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

EXTRAORDINARY ASSUMPTIONS

The Dictionary of Real Estate Appraisal defines Extraordinary Assumption as “An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.” It is an Extraordinary Assumption in this appraisal report that the field measurements of the building are accurate as there are no building plans available. Should a more accurate measurement be available, this could affect the market value conclusion, and a revised or new appraisal report should be conducted. It is also an Extraordinary Assumption that the condition of the existing improvements as of the date of inspection are similar to the conditions as of the effective date of the appraisal. Should it be discovered that this statement is incorrect, a revised value may be required.

SCOPE OF THE APPRAISAL

The valuation process is a systematic procedure utilized to establish a value estimate of real property. The appraiser's role encompasses essentially two functions: first, to furnish an accurate description of the property, surrounding vicinity and prevailing market conditions; and second, to provide a well-supported value estimate conclusion based on the accompanying compilation and analysis of pertinent data which influences the property. Three approaches to value (Sales Comparison, Cost, and Income Capitalization) may be applied depending upon their applicability to a particular assignment. As part of the appraisal process, the subject property and comparable sales were personally inspected to the extent possible. All sales and rentals were verified by one or more participants in the transaction and/or other sources deemed reliable by the appraiser. Additional components include regional and neighborhood data, a review of pertinent zoning ordinance and maps, site plan, tax map, and other material relevant to the subject property valuation. Data was gathered from government sources and private research sources to include CoStar/COMPS, Bright, MLS, Maryland State Office of Assessment & Taxation, etc. along with interviews of market participants. The span of dates for material examined within the report is at least 1 - 2 years.

STATEMENT OF OWNERSHIP

Legal title of both properties is vested in the name of Mohammad Mehran. The subject property has not sold or been listed for sale three years prior to the effective date of the appraisal.

DEFINITION OF MARKET VALUE/FAIR MARKET VALUE

According to the Internal Revenue Service, Fair Market Value (FMV) is defined as:

The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

According to the *Dictionary of Real Estate Appraisal, 7th Edition*, published Appraisal Institute, the following definition of market value is used by agencies that regulate federally insured financial institutions in the United States 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, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are 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 interest.***
- 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.***

**** Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs that are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparison to financing terms offered by a third-party institutional lender that is not already involved in the property transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession, but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.***

The value estimate assumes an all cash transaction.

Prince George's County, Maryland is one of the suburbs of Washington, DC. It borders the District of Columbia on the northeast and southeast, runs halfway up the Baltimore-Washington corridor, and extends to the Patuxent River, toward Annapolis, the State Capital. The northern border of the county lies just 16 miles south of the City of Baltimore. The county contains approximately 489 square miles.

Population

The estimated 2025 population for Prince George's County was 970,374. The 2010 Census revealed a population of 863,420, which is twelve percent increase over the fifteen years. The population density in the County is 2,0105 people per square mile.

Housing

According to Long and Foster Realtors, a national residential real estate company, there were over 9,000 fee simple single-family home sales during from 3rd Quarter, 2024 through 2nd Quarter, 2025 within Prince George's County. The same data source revealed approximately 2,735 condominium sales within Prince George's County.

Political Factors

The Executive and Legislative Branches of the Charter Government of Prince George's County are in Upper Marlboro, the County Seat. The Executive Branch is headed by an elected County Executive and is responsible for administering the daily business and activities of the government in enforcing the laws. A Chief Administrative Officer, under the supervision of the Executive, is responsible for the day-to-day administration of the government. An eleven-member county government, the County Councilman, and the County Executive offices are executed conterminously for four-year terms.

The Maryland National Capital Park and Planning Commission (MNCPPC) regulates the planning and zoning in Prince George's County regarding land use and development. This Commission is a bi-county agency that plans and guides the physical growth of Prince George's and Montgomery Counties. The zoning and subdivision plans are approved by a 5-member board from each county. The Commission is made up of members from both counties and considers all regional applications including park acquisitions, master plans, and oversees the orderly development of residential communities, commercial areas, industrial centers, recreational land, highways, and schools. Also, the MNCPPC is responsible for the development, operation, and maintenance of a network of parks and recreation centers. Funding for the Commission is provided by property taxes levied for the Commission by Prince George's and Montgomery Counties.

Recreational facilities in the County include 15 public swimming pools, 150 tennis courts, 140 ball fields, and 39 museums and other historical sites. Other recreational activities are offered at 104 regional parks and 8 local parks. FedEx Stadium is in Landover and is the home of the Washington Commanders National Football Team.

Other services available within the County include fire protection, rescue services, police, public libraries, subdivision controls, and public works, which maintain the roads, buildings, and recreational facilities. Most of the County is served by public water and sewer. The Washington Suburban Sanitary Commission (WSSC) is responsible for the operation and maintenance of water and sewer systems. The Potomac Electric Power Company (PEPCO) provides electricity to major portions of the county and is supported by additional services provided by Baltimore Gas & Electric Company (BG&E) and Southern Maryland Electric Cooperative, Inc. Natural gas is provided to the county by Washington Gas Light Company and Baltimore Gas & Electric Company.

Economic Factors

Historically, the MSA of Washington has enjoyed a sound economic base and has offered excellent economic stability, as it is the headquarters of the Federal Government, the nation’s largest employer and purchaser of goods and services. The area is also stimulated by the recent influx of trade associates and corporate headquarters which have relocated their facilities to the area to influence federal policy. The 15,600 businesses in Prince George’s County employ more than 232,000 workers, and over 480 of these businesses have 100 or more employees. Prince George’s County has one of the largest technologies and aerospace sectors in the state. Major employers include Computer Sciences Corporation, Safeway, Greenhorn & O’Mara, SGT, and Verizon. Prince George’s County has significant federal labs and agencies, such as the NASA Goddard Space Flight Center, FDA, NOAA, and the Beltsville Agricultural Research Center. Academic facilities include the University of Maryland, College Park, the flagship public university in Maryland, as well as Bowie State University, the University of Maryland University College, and Prince George’s Community College. The county’s commitment to business growth and investment is reflected by new facilities such as the Steeplechase 95 International Business Park (a Foreign-Trade Zone), and numerous high-quality developments such as Woodmere Towne Centre, National Harbor, and the University Town Center.

Major Employers

Estimated Employees

University System of Maryland	15,768
Andrews Air Force Base*	15,000
U.S. Internal Revenue Service*	5,539
United Parcel Service (UPS)	4,220
U.S. Census Bureau*	4,158
Giant Food	3,609
NASA – Goddard Space Flight Center*	3,083
Verizon	2,738

* Employee counts for federal & military facilities exclude contractors.

Public Safety System

Prince George's County Police Department is responsible for law enforcement in the county. Approximately 1,300 county police officers patrol the streets of Prince George's County. Police centers are now located in approximately 50 apartment complexes. They are staffed during the day and are easily accessible after hours by giving pager numbers out to the community. The Police Department operates several facilities (police substations) throughout the county to deliver its services and maintain operations. The primary facilities include six district police stations: Hyattsville, Bowie, Palmer Park, Oxon Hill, Clinton, and Beltsville.

Educational System

The government of Prince George's County provides the facilities for elementary, middle, and high school education. Prince George's County is also home to several colleges and universities. Included among these institutions are the University of Maryland in College Park (one of the ten largest campuses in the nation), Prince George's Community College, Bowie State University and Capitol College.



Health Care Services

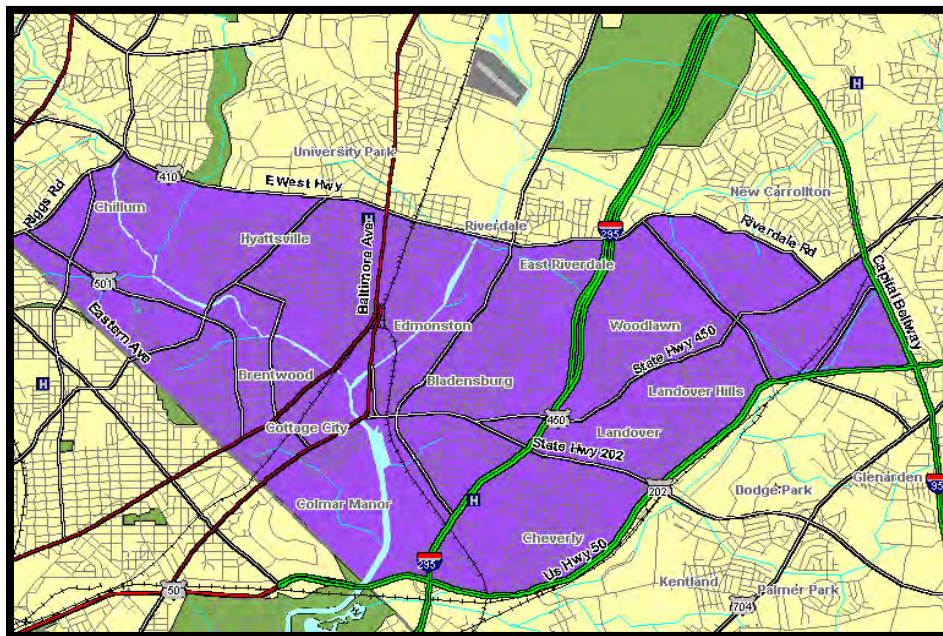
Prince George's County is home to five (5) fully accredited hospitals. Doctor's Community Hospital, Laurel Regional Hospital, Fort Washington Hospital, Prince George's Hospital and The Southern Maryland Hospital Center. All provide emergency, inpatient, and outpatient services. In addition, two facilities provide ambulatory care when an overnight stay is not necessary.

Transportation Facilities

The principal modes of public transportation in Prince George’s County are retail transit, bus transit and commuter rail. The area’s Metrorail system extends into Washington and the Northern Virginia suburbs. Nine of the current 74 Metrorail stations are in Prince George’s County: New Carrollton, Landover, and Cheverly on the Orange Line; Addison Road and Capitol Heights on the Blue Line; and Greenbelt, College Park, Prince George’s Plaza and West Hyattsville on the Green Line. Regional bus transit service is provided by the Washington Metropolitan Area Transit Authority’s system. Commuter rail services are run by Amtrak and MARC trains. Maryland Rail Commuter (MARC) trains operate between Camden Station in Baltimore and Union Station in Washington, D.C. on the CSX Camden line. The anticipated Purple Line is under construction, which is a 16-mile light rail that will run from New Carrollton in Prince George’s County to Bethesda in Montgomery County. This will be a new and convenient way to connect the two counties and provide further connections to MARC and Amtrak Rails as well as local bus services. Although there have been many construction delays, the anticipated completion date is near the end of 2027.

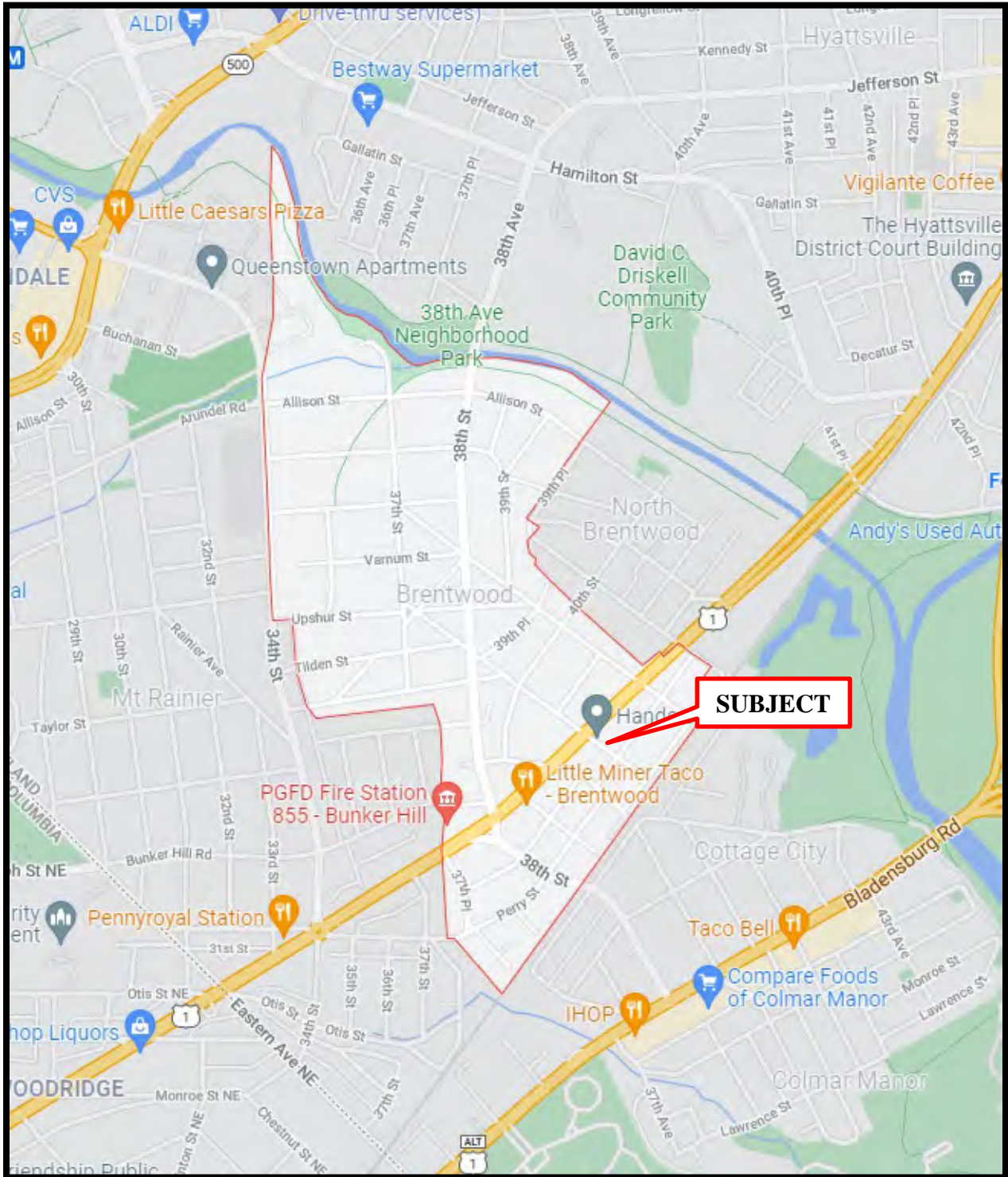
Conclusion

Prince George’s County is a predominately suburban market located to the north and east of the District of Columbia. As the availability of developable land in other suburban markets surrounding the District of Columbia has decreased, Prince George’s County is experiencing a much higher level of interest in both residential and commercial development. We expect continued growth throughout the county into the future.



COSTAR SUB-MARKET MAP

DESCRIPTION OF THE NEIGHBORHOOD



TOWN OF BRENTWOOD MAP

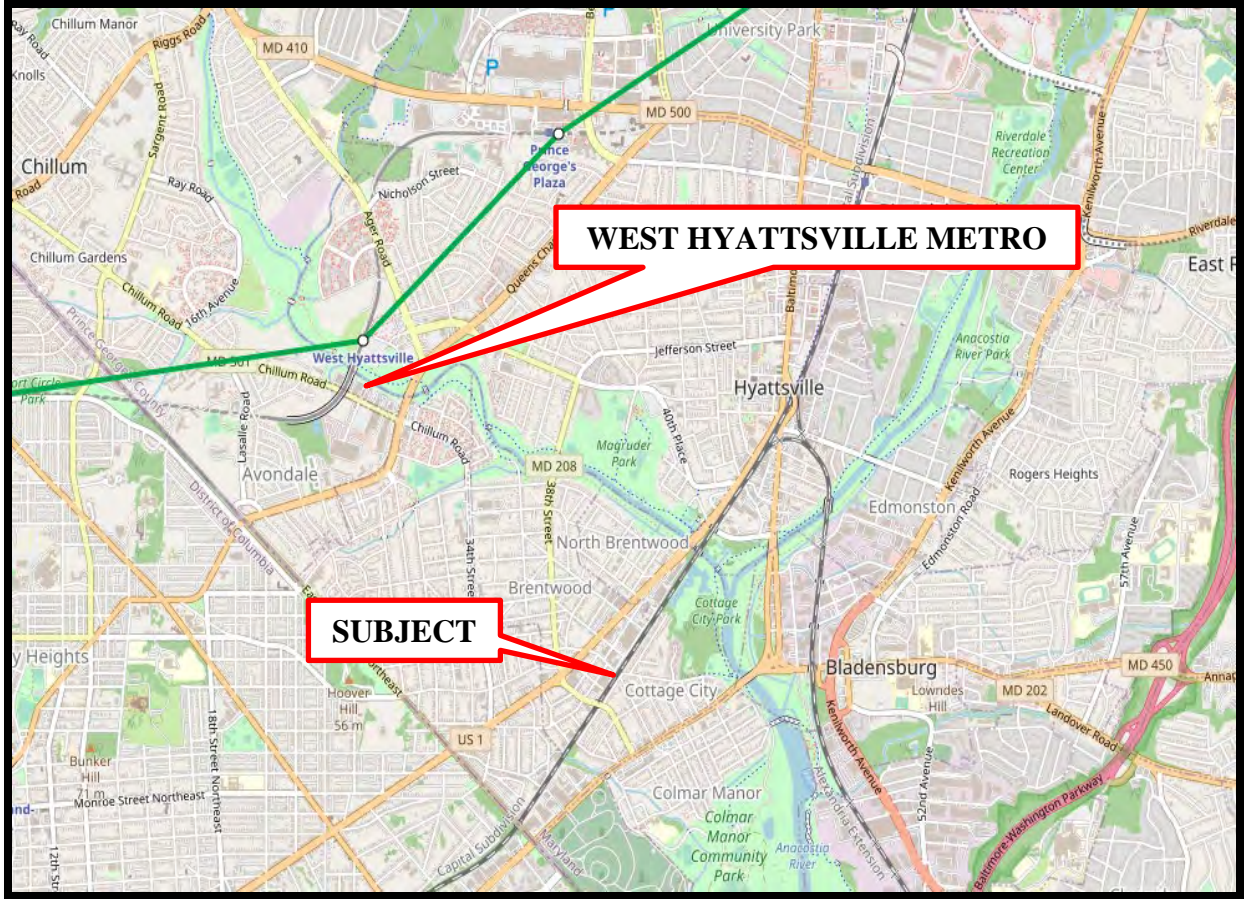
The subject neighborhood is bounded by the District of Columbia line to the south and west, Route 1 and Kenilworth Avenue to the east, and the Hyattsville area. As a "close-in" location, the subject neighborhood is much more urban in nature than most of Prince George's County. The area is commonly referred to as Brentwood.

Land uses within the subject neighborhood include a variety of commercial, industrial and residential uses. The subject neighborhood was mostly developed during the 1940-50's with single family detached houses on small lots. Although there are garden apartments scattered throughout the neighborhood, the main streets and thoroughfares have been improved with commercial and industrial buildings. The commercial development along the main roadways includes restaurants, drive-in restaurants, convenience stores, small freestanding retail stores, small office buildings, automobile repair facilities and other retail/service uses. Commercial development consists mostly of one or two story small freestanding buildings. Commercial uses are concentrated along major roadways such as Bladensburg Road, Rhode Island Avenue (US Route 1) and Kenilworth Avenue. Each of these streets is nearly fully developed, with scattered redevelopment taking place. Most of the developments in the immediate area are small-to-medium size free standing buildings with a strip commercial shopping center within the neighborhood. Newer construction and redevelopment have taken place on sites once occupied by older buildings, but this is rare.

There is an extensive network of major roadways in the subject neighborhood. Major commuting highways in the subject neighborhood include nearby John Hanson Highway (U.S. Route 50), Bladensburg Road (Alternate US Route 1), Rhode Island Avenue (US Route 1) and Kenilworth Avenue (MD Route 201). Interstate 495 (Capital Beltway) is located approximately 5 miles east and the interchange of Interstate 95 and 495 is approximately 5 miles north of the subject.

The neighborhood is also served by public transportation. In addition to METRO Bus Service, the subject neighborhood is serviced by three METRO Rail Subway stations (Cheverly, West Hyattsville and Prince George's Plaza). All are located within 1-2 miles of the subject property with the West Hyattsville Station the closest in proximity. The West Hyattsville METRO Station is located at the intersection of Ager Road and Queens Chapel Road and is on the Green Line of the METRO Rail System.

The extension of the Green Line westward further into the District of Columbia is under construction from the Red Line Station at Fort Totten to the completed portion at 14th & U Streets, NW, Washington, DC. The Prince George's Plaza METRO Rail Subway station is located at the intersection of Queens Chapel Road and East West Highway and is also on the Green Line of the system. The Cheverly Metro Station is located at the intersection of U.S. Route 50 and Cheverly Avenue and is part of the Orange Line that provides service from Vienna, Virginia to New Carrollton, Maryland with connecting service to AMTRAK and MARC (Maryland Railroad Commuter Line) at that point. These three METRO stations provide subway access to the District of Columbia, Prince George's and Montgomery Counties in Maryland and Arlington, Alexandria and Fairfax Counties in Virginia. Any station within the METRO System can be arrived at directly, or with one transfer at the Metro Center, Union Station, or L'Enfant Plaza METRO stations.



RO MAP

The subject neighborhood is convenient to employment centers in both Prince George's County and in the District of Columbia. In Prince George's County, major employment centers within an easy commuting distance from the subject neighborhood include the University of Maryland at College Park, the National Agricultural Research Center and Library in Beltsville, the Naval Surface Weapons Center in White Oak and various major corporate firms in both Prince George's and Montgomery counties. Various industrial and commercial areas of the District of Columbia are also located conveniently to the subject neighborhood. As with other parts of Prince George's County within the Capital Beltway, the subject neighborhood is heavily populated and has a relatively low income compared with most of Prince George's County outside of the Capital Beltway. Even though of relatively modest means, the large number of residents in the subject neighborhood present an attractive market for retail and service business that focuses on the market at hand. Grocery stores, drug stores, liquor stores, automobile repair facilities, restaurants, and other consumer-oriented business appear to be among the most successful.

The area is linked to the entire metropolitan area and interstate highway system by way of Kenilworth Avenue, the Baltimore-Washington Parkway/Southeast Freeway and the John Hanson Highway (Route 50), giving the neighborhood good access to the major motor freight carriers. In fact, several have terminals in the immediate area. As previously mentioned, the area is serviced by the railroad; many of the industrial sites in the community benefit from having private sidings for the pick-up and delivery of materials. Police and fire protection appear to be adequate with the closest fire department being the Brentwood #3, which is only a few blocks away; the Prince George's County General Hospital is also within the defined neighborhood boundaries. Police protection is provided by the Brentwood Police Department which is within a few blocks.

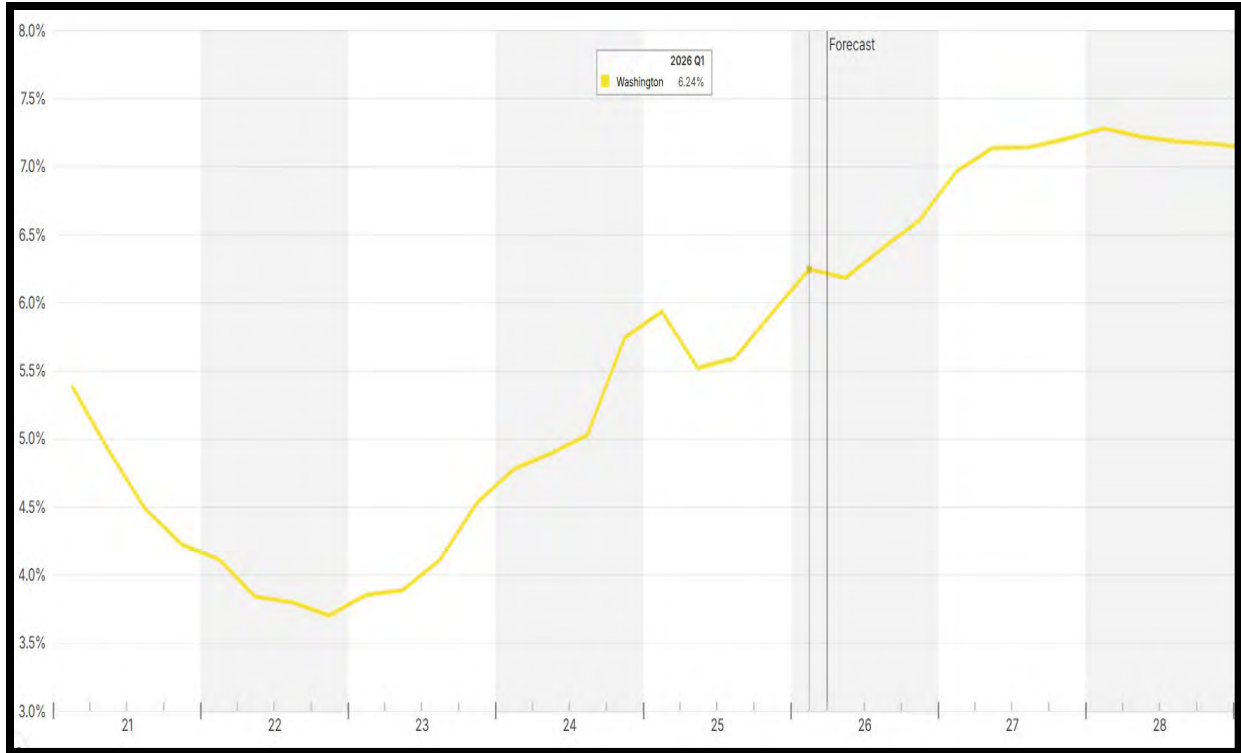
In general, the neighborhood which surrounds the subject property could be classified as a well-developed area of properties which are used primarily for commercial and industrial purposes, and which are compatible with one another and their zoning.

MARKET ANALYSIS

The following are brief summaries of the market conditions for the various product types and within the subject's submarket.

Washington, D.C. Metropolitan Area-Industrial Market-With the smaller overall size of the industrial market, high land costs, and the impact of the data center industry, this market has remained stable. While the market has not been immune to the broader national slowdown in logistics demand, Northern Virginia's nation-leading data center cluster has bolstered demand for more specialized space, keeping overall metrics sound.

The overall availability rate of industrial space in the Washington, D.C. Metro has increased to around 6.24 percent, which is an increase from the four year low of 3.7 percent. This is largely due to an imbalance between new supply and net absorption, as supply outpaced demand over the last few years. In the last four quarters as of 2026Q1, annual net absorption was 6.8 million square feet. Most of this absorption has been from data centers.



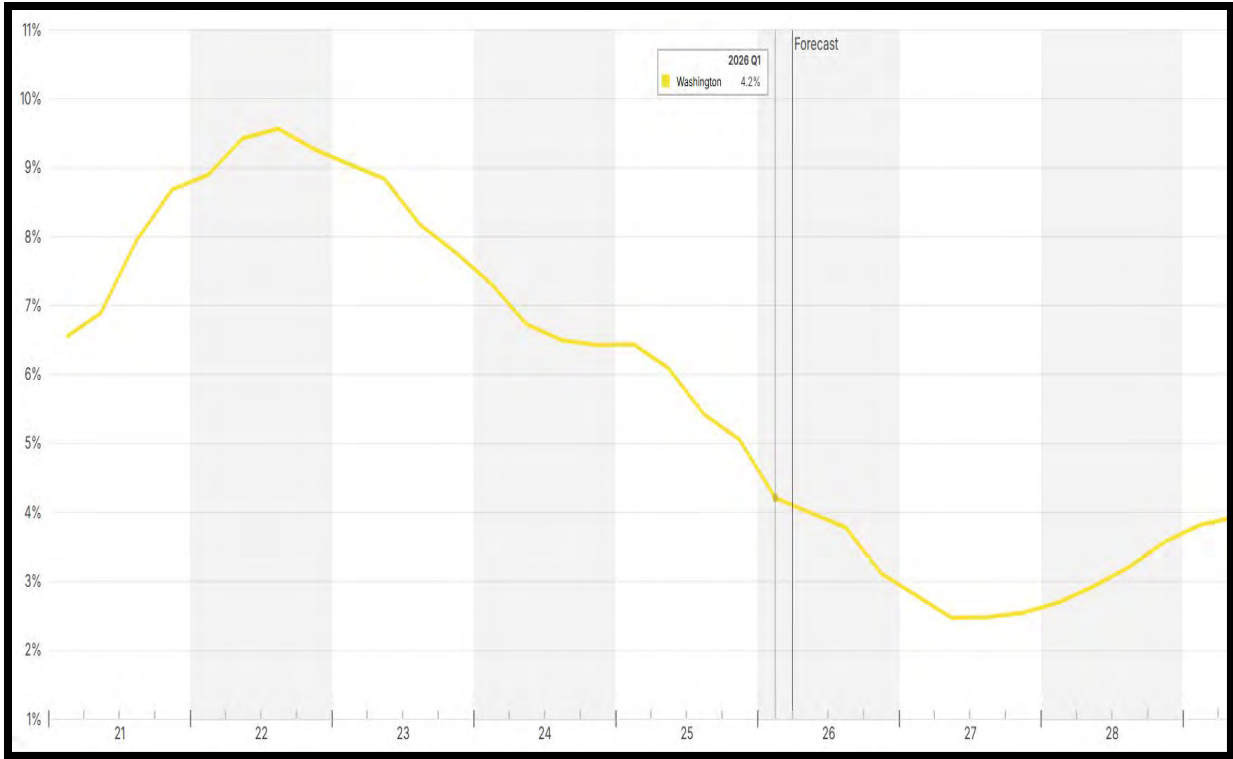
MARKET VACANCY-WASHINGTON, D.C. INDUSTRIAL

Source: CoStar

Logistics demand, which is mainly storage and distribution properties, has slowed nationally. This trend was mirrored in the region in 2024; however, in 2025, logistics absorption was stronger. Logistics annual absorption as of 2026Q1 is 1.2 million square feet compared to the three-year average of 1.5 million square feet, and the five-year average of 2.3 million square feet. The vacancy rate for logistics space is 9.7% compared to 11.0% nationally. In the last three years, 23.9 MM square feet were delivered in the market, 8.1 MM square feet of which was delivered in the last four quarters. In the previous 10 years, 6.2 MM square feet were delivered annually on average. Of the space delivered in the last year, 3.9 MM square feet was for logistics space, 2.0 MM square feet was for flex-mainly data centers, and 2.2 MM square feet was in specialized space, which includes many of the data centers. With the continued slowdown in net absorption, the overall vacancies should climb and remain near 7 percent for the next few years.

Higher land costs have limited the development of bulk distribution space. Most new logistics space in the area has been smaller than 500,000 square feet. Nearly 40 percent of the supply delivered since 2020 has come from data centers, virtually all built to suit.

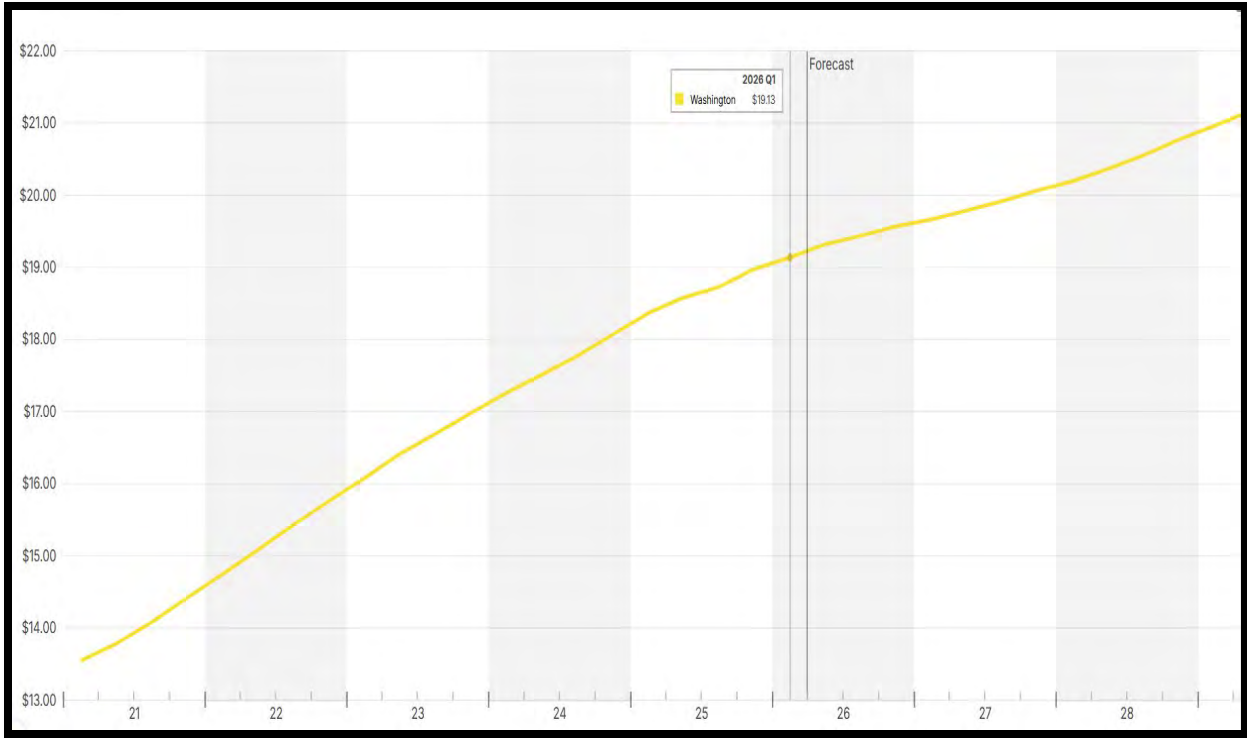
Industrial rent growth in the Washington, D.C. Metro Area has cooled from double digit increases during 2022 and 2023. The Washington, D.C. Metro area's industrial rent growth is outpacing the national trend, rising by 5.0 percent annually compared to 1.3 percent nationally.



ANNUAL INDUSTRIAL RENT CHANGES-WASHINGTON, D.C.

Source: CoStar

As of Q1 2026, the market rent for the overall industrial space was \$19.13 per square foot. It has been a steady climb since 2021 when the pandemic set the stage for record breaking construction, net absorption and rent increases.



MARKET RENT-WASHINGTON, D.C. INDUSTRIAL

Source: CoStar

Market Rent is projected to continue to climb to near \$20.00 per square foot which is near the rent level of some office submarkets.

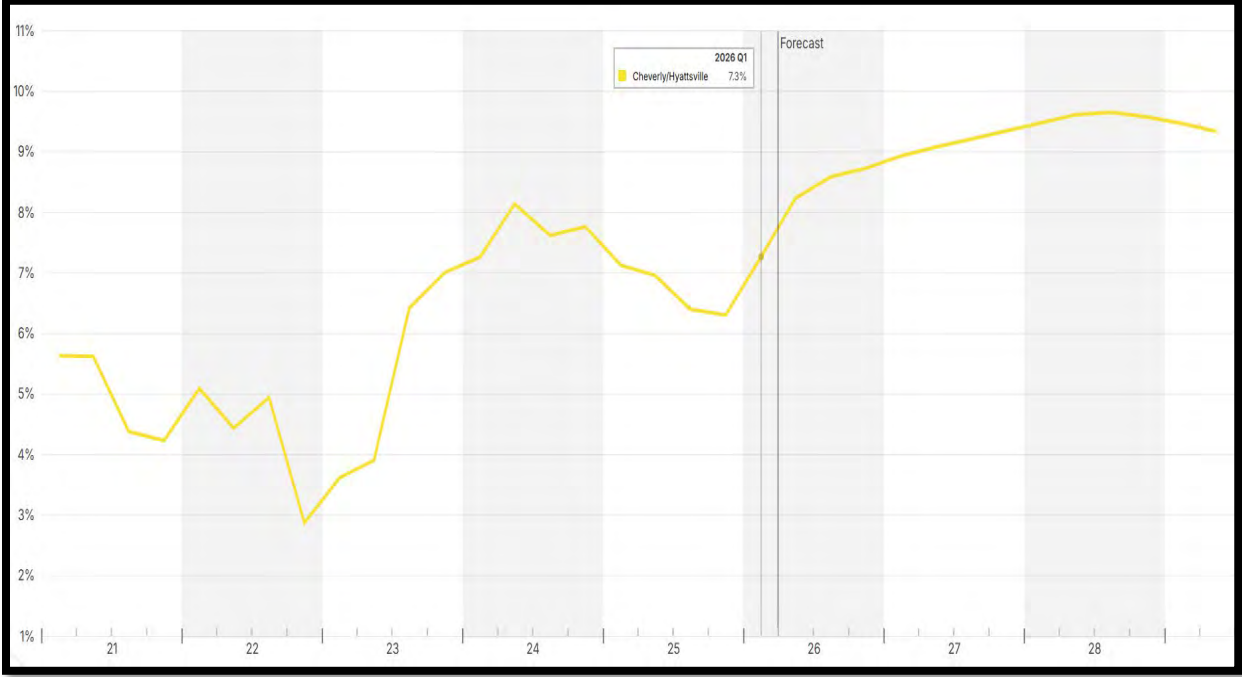
The outlook for the industrial market in the area is favorable despite the potential national challenges related to tariffs, consumer spending, and home sales. The risk to the outlook is to the downside, given the uncertainty in the logistics demand drivers and concerns related to the federal government employment uncertainty.

Cheverly/Hyattsville Industrial Submarket - This study area encompasses the close in suburban market bounded by Queens Chapel Road to the west, Route 410 to the north, Route 50 to the east and the District of Columbia to the south. The following is a summary of the industrial submarket’s conditions for the past few years:

<i>Year</i>	<i>Total SF</i>	<i>Vacancy</i>	<i>Net Absorp. (SF)</i>	<i>Rent/SF</i>	<i>Rent Growth</i>	<i>Under Const.SF</i>
2026 Q1	6,764,339	7.3%	(9,460)	\$14.35	+5.7%	0
2025	6,764,339	6.3%	98,551	\$14.27	+7.0%	0
2024	6,764,339	7.8%	(51,173)	\$13.34	+5.7%	0
2023	6,764,339	7.0%	(104,424)	\$12.62	+7.3%	0
2022	6,584,339	2.9%	(89,377)	\$11.76	+8.3%	180,000

SOURCE: CoStar

The Cheverly/Hyattsville industrial submarket has a vacancy rate of 7.3 percent as of the first quarter of 2026. Over the past year, the submarket's vacancy rate has changed by 100 basis points, a result of negative 54,000 square feet of net absorption. Cheverly/Hyattsville's vacancy rate of 7.3% compares to the submarket's five-year average of 6.0 percent and the 10-year average of 5.2 percent. Overall submarket vacancy is forecast to end in 2026 at 8.7%.

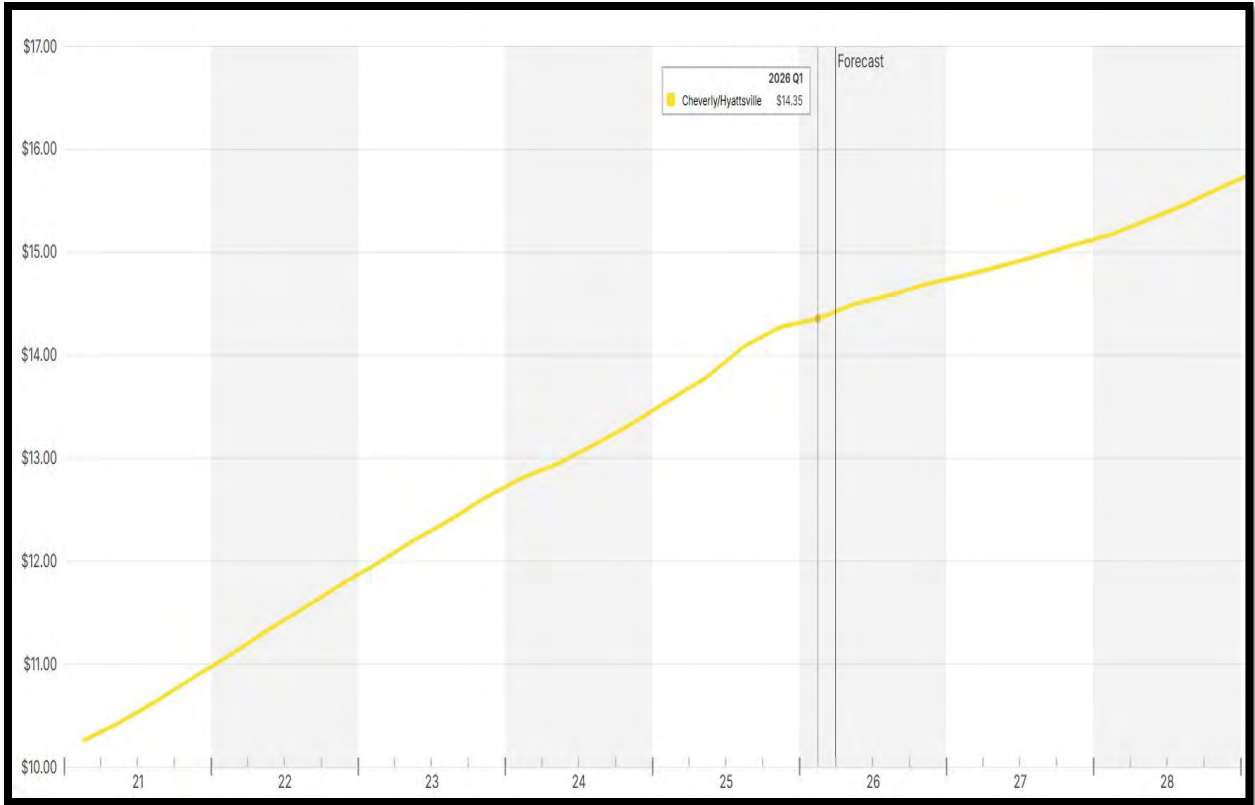


VACANCY-FIVE YEAR HISTORY AND THREE-YEAR PROJECTION

Source: CoStar

The Cheverly/Hyattsville industrial submarket contains roughly 6.8 million square feet of inventory. The submarket has approximately 5.9 million square feet of logistics inventory, 150,000 square feet of flex inventory, and 700,000 square feet of specialized inventory. As of the first quarter of 2026, there is no industrial space under construction in Cheverly/Hyattsville. In comparison, the submarket averaged 51,000 square feet of under construction inventory over the past 10 years.

Market rents in Cheverly/Hyattsville are \$14.35 per square foot. Rents average around \$13.80 per square foot for logistics buildings, \$18.50 per square foot for flex properties, and \$19.00 per square foot for specialized assets. Rents have changed by 5.2 percent year over year in Cheverly/Hyattsville, compared to a change of 4.3 percent market wide. Market rents have changed by 5.7 percent in logistics buildings year over year, 4.3 percent in flex buildings, and 2.3 percent in specialized buildings; all very healthy increases. In Cheverly/Hyattsville, the five-year average annual rent growth is 7.0 percent and 10-year average annual rent growth is 6.0 percent. Overall annual rent growth in the Cheverly/Hyattsville industrial submarket is forecast to end 2026 at 2.9 percent compared to the Washington average of 3.1 percent.



MARKET RENT-FIVE YEAR HISTORY AND THREE-YEAR PROJECTION

SOURCE: CoStar

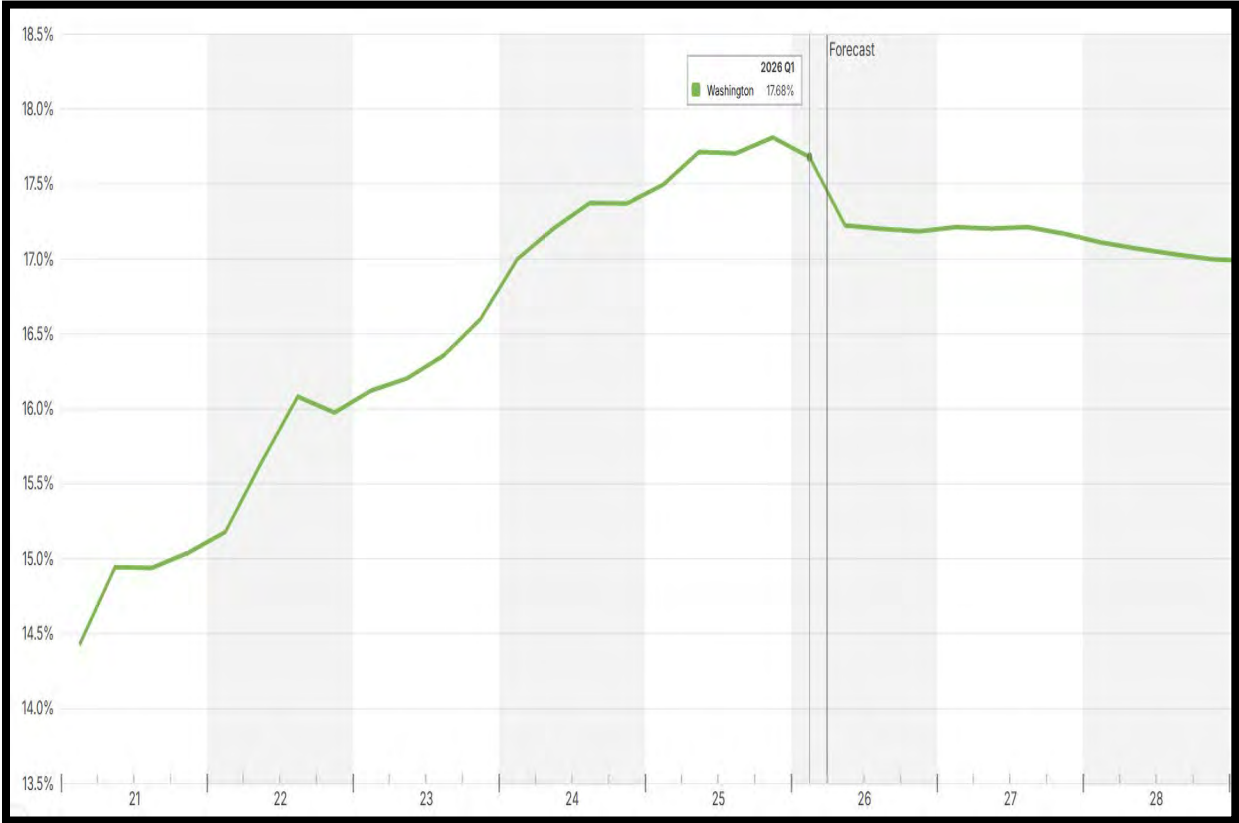
The effective date of this appraisal report is June 7, 2025. The following summarizes the industrial market conditions in the Hyattsville/Cheverly submarket as of mid-2025.

<i>Year</i>	<i>Total SF</i>	<i>Vacancy</i>	<i>Net Absorp. (SF)</i>	<i>Rent/SF</i>	<i>Rent Growth</i>	<i>Under Const.SF</i>
Mid 2025	4,764,339	7.0%	79,893	\$13.78	+6.4%	0

As of mid-2025, the industrial market in the Hyattsville/Cheverly submarket continued strong with aggressive rent growth, positive absorption and no new construction. The vacancy is slightly above a balanced market rate of 5 percent, but demand remains solid and the market should continue its positive path.

Washington, D.C. Metropolitan Area-Office Market- The Washington, D.C. office market continues to face headwinds. Over the past four quarters ending first quarter 2026, the region recorded negative absorption of 2.1 million square feet. The vacancy rate remains elevated at 17.7 percent, and further deterioration is likely as consolidations, muted office-using job growth, and uncertainty around federal agency space needs weigh on demand.

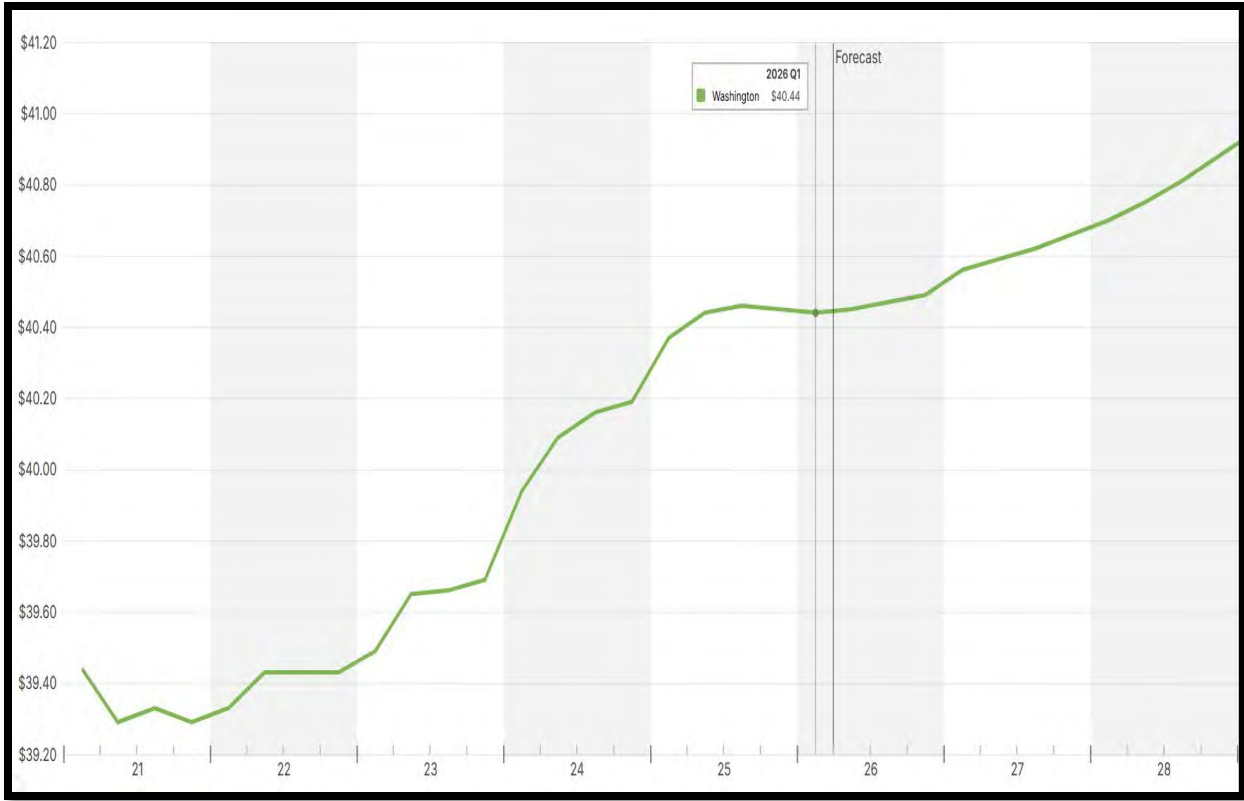
Despite elevated vacancy and ongoing negative absorption, recent trends suggest the pace of losses is slowing. Leasing activity is improving in select segments, and the availability rate has eased from its Q3 2024 peak of 20.2 percent to a Q1 2026 level of 17.7 percent. Absorption turned positive in the first quarter of 2026 for the first time since late 2024. Landlords and tenants are adapting their strategies to evolving workplace dynamics, and most companies have already right sized their operations to account for a hybrid workforce.



MARKET VACANCY-WASHINGTON, D.C. METRO

Source: CoStar

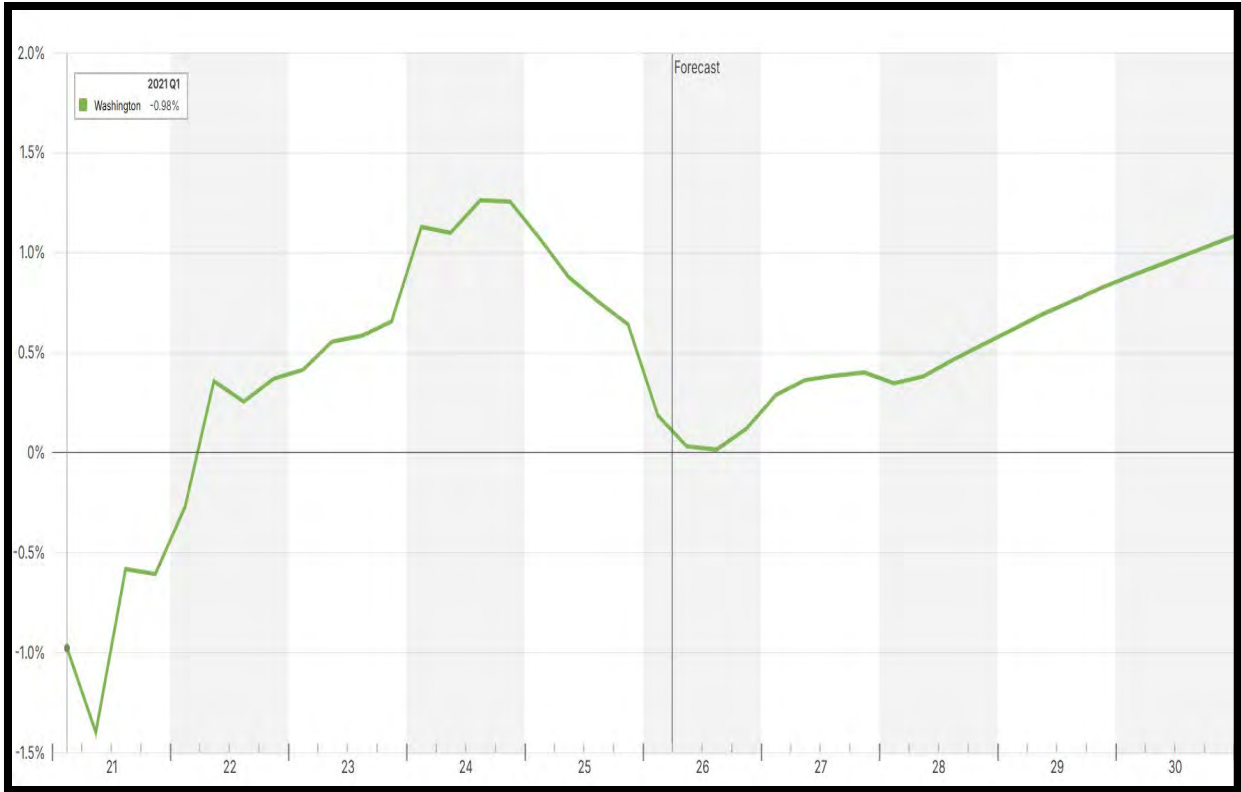
Federal agencies account for roughly 15% of local employment and lease about 40 million square feet. Policy changes announced in 2025, such as increased in-office requirements, consolidations, and reductions in government-owned and leased space, are reshaping demand. While some see opportunities for the redevelopment of surplus federal properties, others worry about the added pressure on vacancy rates and rents. Market Rent as of Q1 2026 was \$40.44 per square foot.



MARKET RENT

Source: CoStar

Asking rents changed 0.1 percent year-over-year, compared to 1.5 percent nationally. Trophy assets continue to command premiums, with these buildings averaging \$48.00 per square foot. Effective rents remain under pressure due to elevated concessions and tenant improvement costs, as owners prioritize occupancy over rate growth. Rents are not projected to surpass 1 percent annually until 2030.



ANNUAL OFFICE RENT CHANGES

Source: CoStar

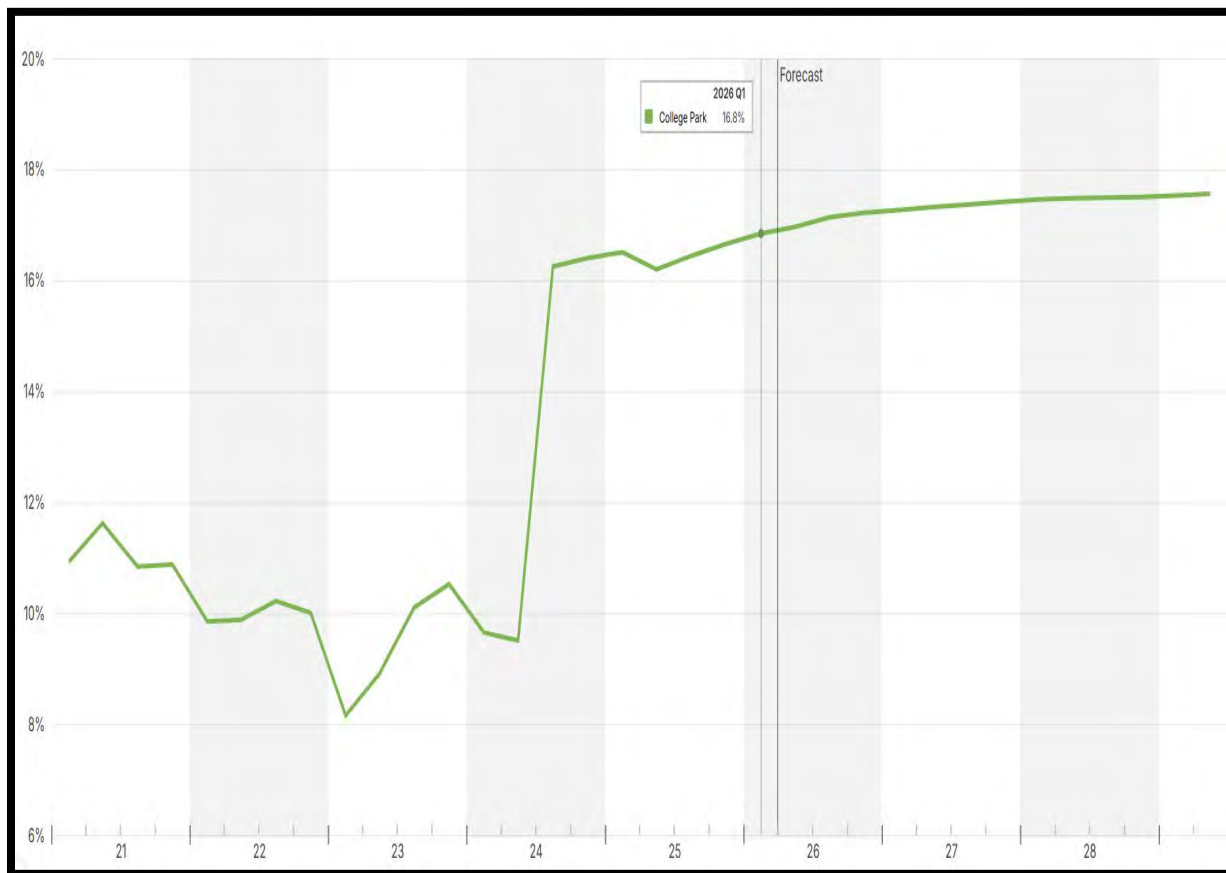
New construction has slowed to a 30-year low, which could help rebalance supply over time as tenants backfill existing vacancies in prime locations. In addition, demolitions have risen to historical highs with 11.4 million square feet demolished in the last three years. The near-term outlook remains cautious. While absorption may flatten, risks lean to the downside given slower economic growth, shrinking space per worker, excess inventory, and persistent uncertainty around federal leasing. The vacancy rate could rise further and rent gains may erode under competitive market conditions.

College Park Office Submarket - This study area encompasses the close in suburban market bounded by New Hampshire Avenue to the west, I-495 (Capital Beltway) to the north, Baltimore Washington Parkway to the east and the District of Columbia to the south. The following is a summary of the office submarket's conditions for the past few years:

<i>Year</i>	<i>Total SF</i>	<i>Vacancy</i>	<i>Net Absorp. (SF)</i>	<i>Rent/SF</i>	<i>Rent Growth</i>	<i>Under Const.SF</i>
2026 Q1	4,962,554	16.8%	(16,950)	\$27.22	+0.6%	0
2025	4,962,554	16.7%	(12,638)	\$27.21	+1.6%	0
2024	4,962,554	16.4%	(302,948)	\$26.77	+2.1%	0
2023	4,962,554	10.5%	(25,712)	\$26.22	+1.9%	0
2022	4,962,554	10.0%	56,832	\$25.73	-0.7%	0

SOURCE: CoStar

The College Park office submarket has a vacancy rate of 16.8% as of the first quarter of 2026. Over the past year, the submarket's vacancies have changed ten basis points, a result of no net delivered space and nominal negative net absorption (-36,000 SF). College Park's vacancy rate of 16.8 percent compares to the submarket's five-year average of 12.5 percent and the 10-year average of 10.4 percent. Overall submarket vacancy is forecast to end 2026 at 17.2 percent.

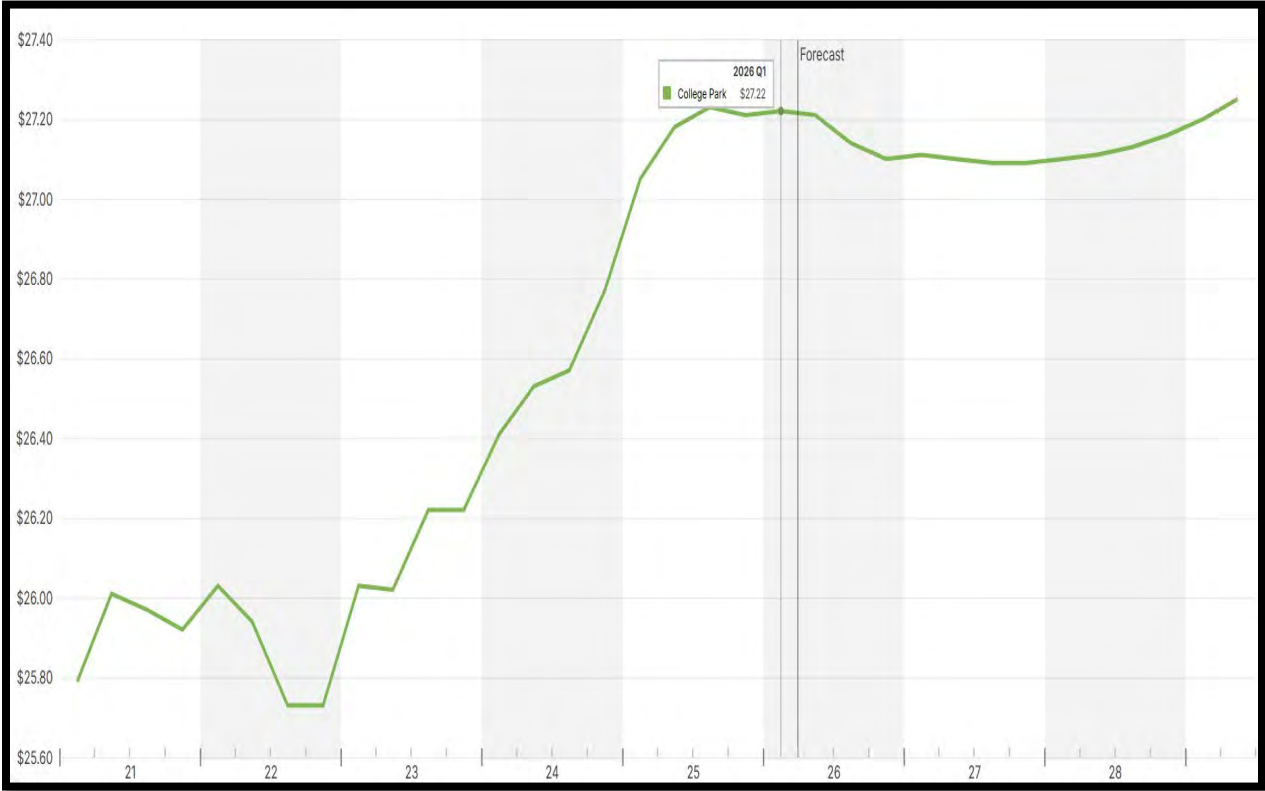


VACANCY-FIVE YEAR HISTORY AND THREE-YEAR PROJECTION

Source: CoStar

The College Park office submarket has roughly 540,000 square feet of space listed as available. As of the first quarter of 2026, there is no office space under construction in College Park. In comparison, the submarket averaged 19,000 square feet of under construction inventory over the past 10 years.

Market rent in College Park is \$27.22 per square foot compared to the wider Washington market average of \$40.00 per square foot. Rents have changed by 0.3 percent year over year in College Park, compared to a change of 0.1 percent metro wide. Annual rent growth of 0.3 percent in College Park compares to the submarket's five-year average of 1.1 percent and its 10-year average of 1.6 percent. Overall annual rent growth in the College Park office submarket is forecast to end 2026 at -0.4 percent compared to the Washington average of 0.1%.



MARKET RENT-FIVE YEAR HISTORY AND THREE-YEAR PROJECTION

SOURCE: CoStar

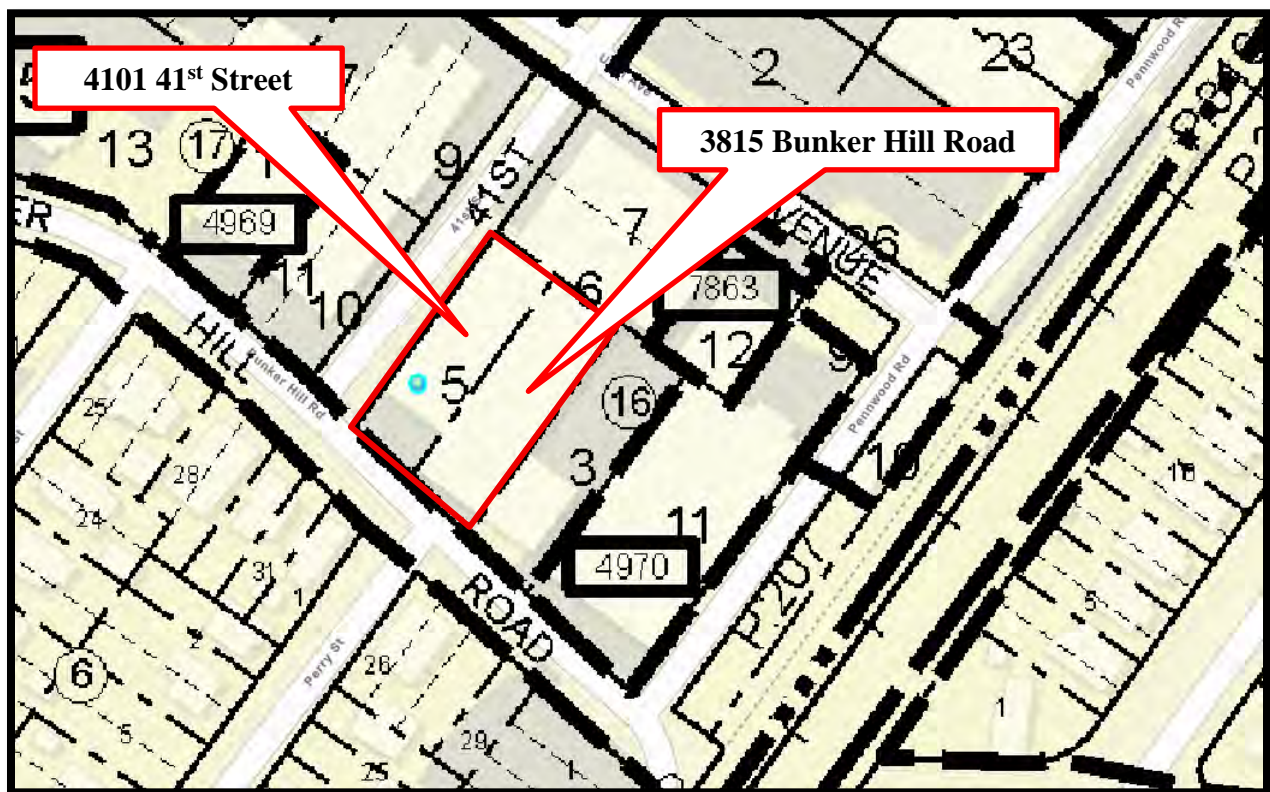
Much like the other office submarkets in the Washington, D.C. Metro Area, the outlook is not favorable. A possible turnaround with positive trends in occupancy, rent growth and net absorption aren't projected until 2030.

The effective date of this appraisal report is June 7, 2025. The following is a summary of the office market conditions in the College Park office submarket as of mid-2025.

<i>Year</i>	<i>Total SF</i>	<i>Vacancy</i>	<i>Net Absorp. (SF)</i>	<i>Rent/SF</i>	<i>Rent Growth</i>	<i>Under Const.SF</i>
Mid 2025	4,962,554	16.2%	(332,222)	\$27.18	+2.5%	0

As of mid-2025, the office market in College Park remained soft with a 16.2 percent vacancy caused by 332,222 square feet of negative net absorption. Rent growth was higher than typical for the prior 12 months but it is anticipated to slow again. The market rent for mid-year 2025 was \$27.18 per square foot. With the absence of new construction and the hope that absorption will turn positive, it may take at least five years for a recovery to balanced market conditions in the College Park Submarket.

ASSESSMENT AND TAXATION



The Maryland Triennial Assessment System is based on a three-year cycle in which one-third of all taxable assessments are phased in equally over the three-year cycle to reduce the impact caused by inflation, etc. The taxable assessment is only a fraction of the full cash value, based on the assessment rate as set by the local government and therefore varies among the counties in both Maryland and Virginia. The following is a summary of the current full cash value, assessed value and real estate taxes.

Assessments – Account #17-1886951 - 3815 Bunker Hill Road		
Tax Year:	2025	2026
Land:	\$123,700	\$123,700
Improvements:	\$541,800	\$556,300
Total Value:	\$665,500	\$680,400

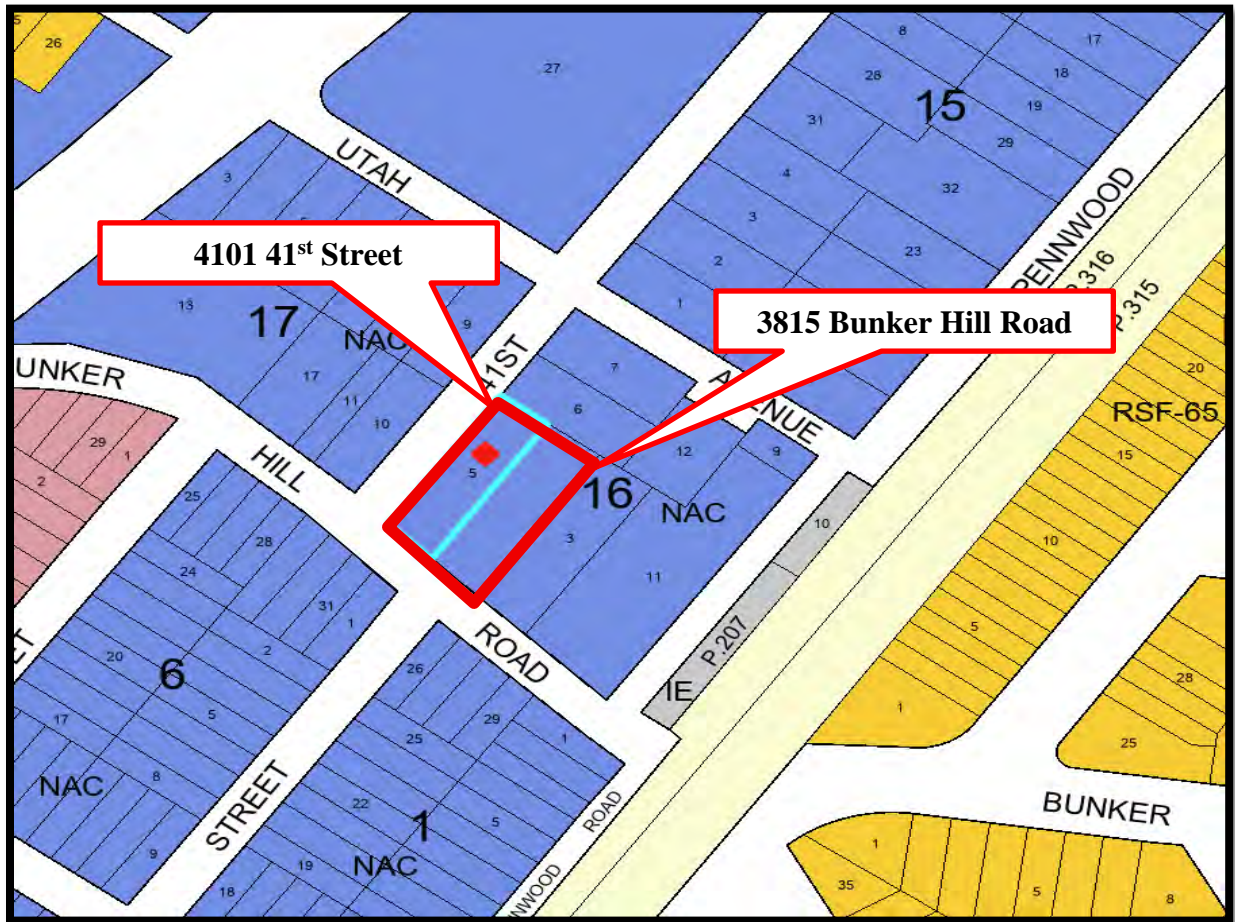
CONDO PLAT		PHASE	BLDG	UNIT	
SUBNAME:	HOLLADAY CO ADDN			LIBER/FOLIO:	33614/039
SECTION:				LATEST DEED:	05/16/2012
LOT:	4			LAND:	123,700.00
BLOCK:	16			IMPS:	541,800.00
ACREAGE:	8250.000 F			ASSESSMENT:	665,500.00
OCCUPANCY:	NOT PRINCIPAL RESIDENCE				
TAX DESCRIPTION:					TAX/CHARGE:
COUNTY PROPERTY TAX					5,896.33
COUNTY PROPERTY TAX - SUPPLEMENTAL EDUCATION					266.20
STATE OF MARYLAND					745.36
PARK & PLANNING					1,956.57
STORMWATER/CHESAPEAKE BAY WATER QUALITY					359.37
WASHINGTON SUBURBAN TRANSIT COMMISSION					173.03
TOWN LEVY					2,375.84
OTHER MUNICIPAL CHARGES					0.00
FRONT FOOT					0.00
SOLID WASTE SERVICE CHARGE (Storage Warehouse)					360.71
CLEAN WATER ACT FEE					91.64
SPECIAL AREA					0.00
LIENS					0.00
OTHER TAXES/FEES					0.00
LESS HOMEOWNERS TAX CREDIT					0.00
LESS HOMESTEAD TAX CREDIT					0.00
LESS DISCOUNT CREDIT					0.00
TOTAL					12,225.05
PAYMENT RECEIVED					09/29/2025 INT/PEN 0.00
REFUND DATE					REFUND AMOUNT 12,225.05
					0.00

Assessments – Account #17-1848027 - 4101 41 st Street		
Tax Year:	2025	2026
Land:	\$126,000	\$126,000
Improvements:	\$481,567	\$495,133
Total Value:	\$607,567	\$621,133

PROPERTY DESCRIPTION:					LOT 5 & STRIP ALONG WEST SIDE
CONDO PLAT		PHASE	BLDG	UNIT	
SUBNAME:	HOLLADAY CO ADDN			LIBER/FOLIO:	15732/216
SECTION:				LATEST DEED:	04/24/2002
LOT:				LAND:	126,000.00
BLOCK:	16			IMPS:	481,567.00
ACREAGE:	8400.000 F			ASSESSMENT:	607,567.00
OCCUPANCY:	NOT PRINCIPAL RESIDENCE				
TAX DESCRIPTION:					TAX/CHARGE:
COUNTY PROPERTY TAX					5,383.04
COUNTY PROPERTY TAX - SUPPLEMENTAL EDUCATION					243.03
STATE OF MARYLAND					680.48
PARK & PLANNING					1,786.25
STORMWATER/CHESAPEAKE BAY WATER QUALITY					328.09
WASHINGTON SUBURBAN TRANSIT COMMISSION					157.97
TOWN LEVY					2,169.01
OTHER MUNICIPAL CHARGES					0.00
FRONT FOOT					0.00
SOLID WASTE SERVICE CHARGE (Storage Warehouse)					299.10
CLEAN WATER ACT FEE					83.28
SPECIAL AREA					0.00
LIENS					0.00
OTHER TAXES/FEES					0.00
LESS HOMEOWNERS TAX CREDIT					0.00
LESS HOMESTEAD TAX CREDIT					0.00
LESS DISCOUNT CREDIT					0.00
TOTAL					11,130.25
PAYMENT RECEIVED					09/29/2025 INT/PEN 0.00
REFUND DATE					REFUND AMOUNT 11,130.25
					0.00
Account No: 1848027					FY26

The tax rates for 2026-2027 have not been set. The total assessment and real estate taxes combined for 2025-2026 are \$1,273,067 and \$23,355.30 respectively. The property's taxes are current as of the date of this appraisal report.

ZONING



The subject property is zoned Neighborhood Activity Center (NAC) zoning district which is part of the broader Transit-Oriented/Activity Center Base Zone as designated by Prince George's County. The purposes of the Transit-Oriented/Activity Center Base Zone are to:

- Serve as focal points for a neighborhood or series of neighborhoods.
- Provide development that is more urban than the areas they serve, are walkable, and contain mixed-use development.
- Concentrate intense urban development around major transit stations and the principal targets for the County's future planned growth and mixed-use development.

The purposes of the Neighborhood Activity Center (NAC) Zone are:

- To provide land for lower-density, small-scale, mixed-use centers that are attractive to employers and employees, are well connected to transit, and serve the surrounding neighborhood;

- To incorporate walkable and bikeable areas that are well-connected to a regional transportation network through a range of transit options; and
- To provide a mix of uses that serve local neighborhood needs.

General development standards for properties in the NAC zone are as follows:

Lot Area Minimum	5,000 SF
Lot Width Minimum	50 feet
FAR	0.25 to 2.0
Density	10 units/acre
Lot Coverage Minimum	40%
Maximum Height	40'

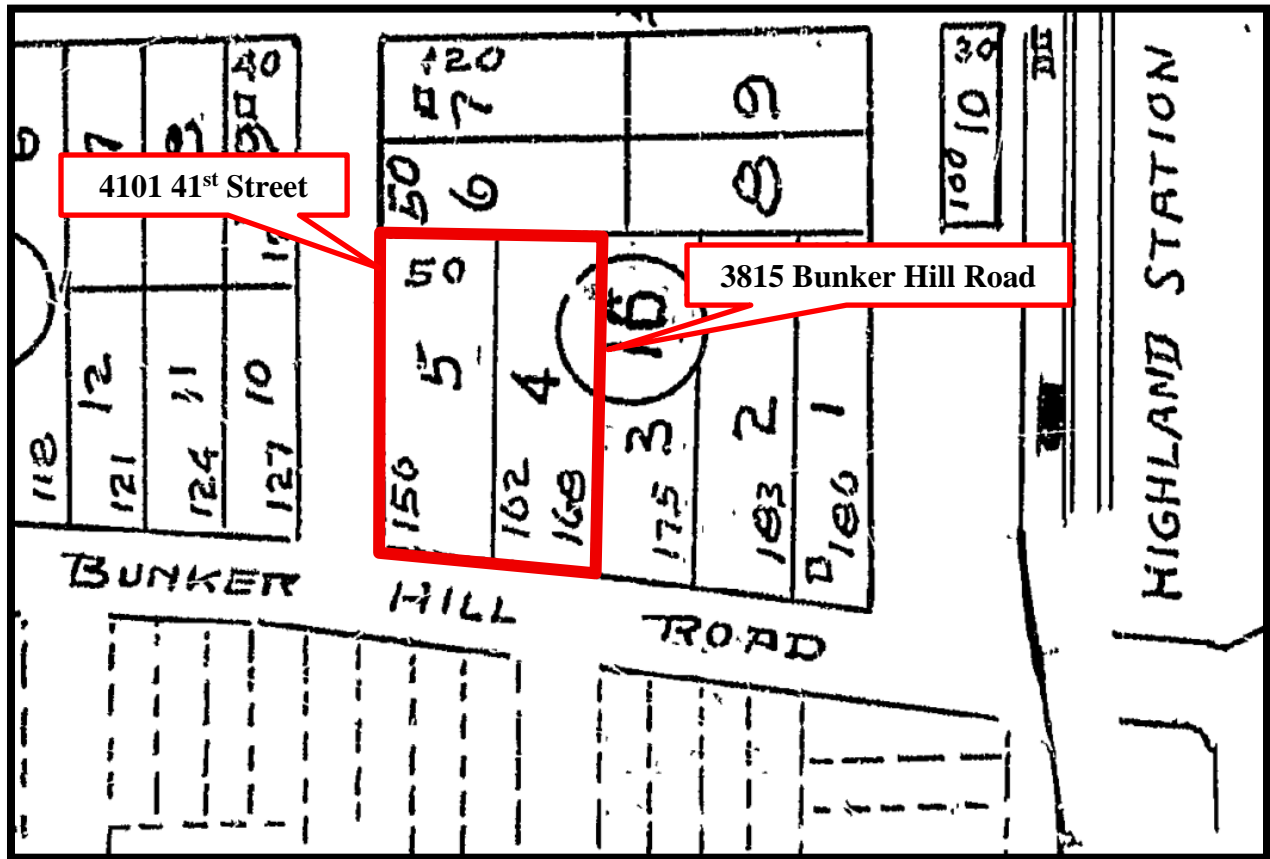
As its current use, the subject improvements do not conform with the development standards in the NAC zone due to setbacks, parking, etc.; however, the improvements existed prior to the implementation of the NAC zone and are therefore previous existing, legally permissible, non-conforming uses.

The following are the general, allowable uses, by right in the NAC zone:

- Multifamily
- Assisted Living
- Day Care for Children
- Places of Worship
- School
- Dental/Medical Office
- Art and Artisanal Production
- Office
- Retail
- Hotel/Motel
- Research & Development
- Light Manufacturing & Development
- Recreation or entertainment.

The subject property's use conforms to the NAC zoning regulations as a storage warehouse or business, but again, the development standards do not. Because the improvements were constructed prior to the NAC zoning district implementation, the subject's use is a preexisting, legally permissible, non-conforming use.

SITE ANALYSIS



The subject property consists of two parcels of land located on the east corner of Bunker Hill Road and 41st Street, approximately one block from Rhode Island Avenue in the Brentwood neighborhood of Prince George’s County, Maryland. The combined parcels have 150 feet of frontage on 41st Street and 100 feet of frontage on Bunker Hill Road. Both streets are two lanes, asphalt paved right of way with concrete curb and gutter. The size of the parcels is summarized below:

3815-17 Bunker Hill Road	8,250 square feet
4101 41 st Street	8,400 square feet
Total Site Size:	16,650 square feet

The parcels are each rectangular in shape, are at grade and have a gradual decline in topography from southwest to northeast. Access to the site is via three (3) separate concrete curb cuts, one (1) of which is along 41st Street and two (2) curb cuts along Bunker Hill Road. Typical utilities are available to the site which include water, sewer, gas, electricity, telephone, and trash removal. The subject parcels are bound by residential use to the west, commercial/industrial buildings to the east and north, and industrial/auto repair to the north.

The subject property is currently improved with two warehouse buildings surrounded with paved areas for sidewalks, access, parking and loading. It appears that the previous tenants used the loading areas for parking.



FEMA FLOOD PLAIN MAP

The site is not in the 100-year flood plain as stated on the Federal Emergency Management Agency's Flood Map Panel Number #24033C0129E dated September 16, 2016, and shown above.

A survey of the land was not available; therefore, it is the assumption of this appraisal report that there are no easements or encroachments that would impact the full development of the property.

No environmental assessment of the subject site was provided to this appraiser for review. Notwithstanding the foregoing, the appraiser assumes, and it is a limiting condition of this report (see Statement of Assumptions and Limiting Conditions earlier in this report), that soil conditions are adequate for the subject property. Additionally, it is assumed there are no hazardous conditions or contamination of air, water, or soil exists on the subject site, or on an adjacent site or parcel in the immediate vicinity of the subject which would adversely affect the value of the subject.

The subject is located within an established residential neighborhood proximate to the Washington, D.C. downtown central business district and surrounding suburbs of Maryland and Northern Virginia. The site is basically level and has adequate access and visibility.

DESCRIPTION OF THE IMPROVEMENTS

The following description is based on information provided by Bright MLS, CoStar and the State of Maryland Assessor's Office. There were no floor plans, drawings or any rent roll that would provide guidance on the size of the subject's improvements. The following is based on the sources mentioned above and the appraiser will use the calculations for the valuation conclusion in this appraisal report. As stated in the Extraordinary Assumptions of this appraisal report, architectural drawings or other reliable sources should be obtained after the date of this appraisal report, the appraiser will need to revise the report and the valuation conclusion. The subject's improvements consist of two concrete block and brick warehouse buildings that were constructed in 1963. The most recent owner of the property used both buildings for his business with the occupancy of offices and storage areas. The following narrative shall describe the components of the building.

3815-3817 Bunker Hill Road is a one-story warehouse with one drive-in door which leads to an interior loading area with dock. The estimated size of this building is 6,950 square feet as provided by the appraiser's field measurement and the State of Maryland Assessor's Office. The front third of the building contains this loading area and an office that is occupied by a month-to-month tenant. The front open area is used for interior loading with a metal overhead door, interior loading space and a dock high deck and door. The remaining two thirds of the building consist of open storage space, four individual offices, a kitchen and bathrooms. The office has an interior finish of floor tile or carpet, painted drywall and acoustic ceiling tiles with fluorescent lighting. The warehouse has concrete floors, exposed steel grid ceiling, fluorescent lights and hanging gas heaters. The exterior overhead door is 12 feet high and is made of metal/aluminum. The appraiser was not able to access the roof, but from aerial photographs, it appears to be tar and gravel over a polyurethane base supported by steel girders. It is the assumption of this appraisal report that the roof is in good condition as no water leaks were detected. It is my opinion that the condition of this building is in fair condition. It should also be noted that there is access to the adjoining building (4101 41st Street).

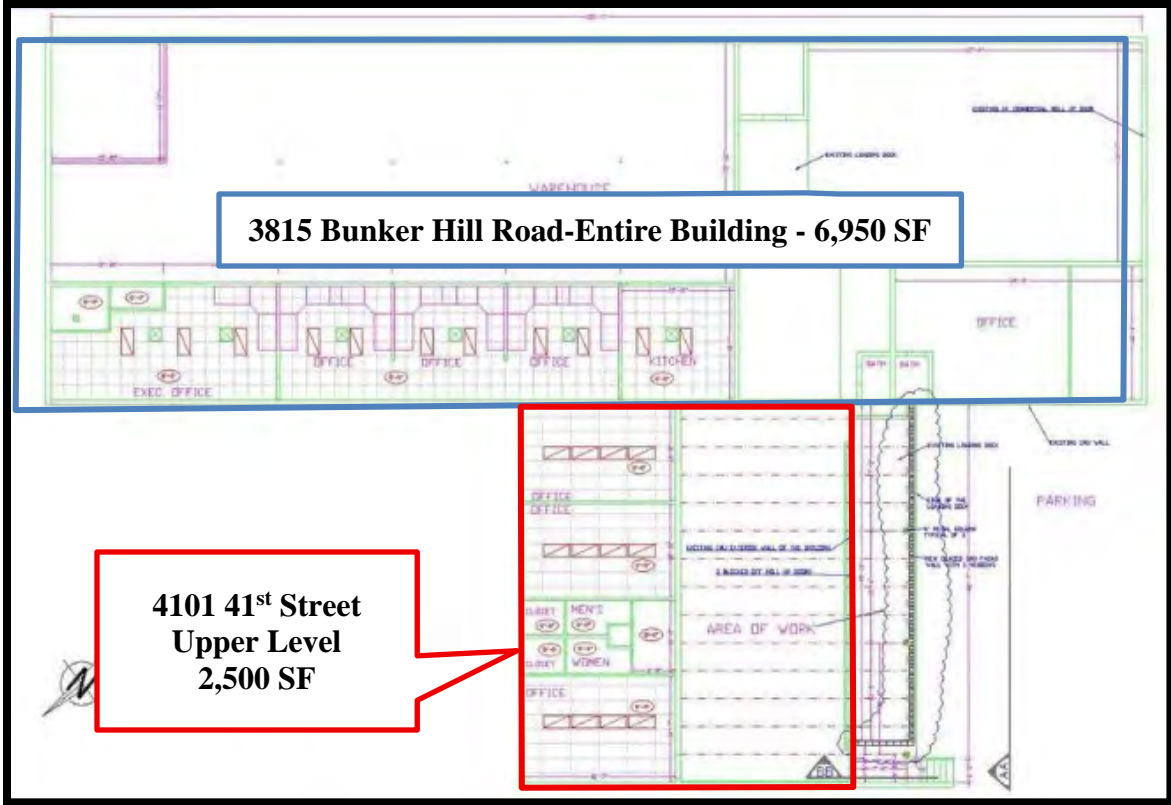
4101 41st Street is a two-story concrete block and brick building. The estimated size of the building is 8,250 square feet as provided by the appraiser's field measurement. The State of Maryland Assessor's Office has a different measurement (5,763 SF) which is considered incorrect. Because of the grade and gradual slope of the land, access to the Lower Level of the building is via exterior entrances on 41st Street. The Lower Level is approximately 5,750 square feet. There are pedestrian and an 8' x 12' overhead, aluminum loading door. There is no interior access to the Upper Level of the building from the Lower Level. Inspection of the Lower Level was difficult as the electrical system was turned off. According to the owner representative, the deceased owner renovated this level to be an assembly or event space; however, Prince George's County Permitting put a "Stop Order" to the construction as it does not comply to zoning, building and parking standards. The space has tile floors, finished ceilings and common restrooms. There are open areas with exposed ceilings and incandescent lights that are used for storage. It is the appraiser's opinion that for this space to be legally occupied, the interior space needs to be demolished and cleaned. In its current state, it is in poor condition.

The Upper Level of 4101 41st Street contains approximately 2,500 square feet. The access to this portion of the building is via Bunker Hill Road. It has interior access to the adjacent subject building at 3815 Bunker Hill Road. The interior of this Upper Level consists of three offices and two bathrooms. There is an open area in which there are three overhead-loaded doors. The exterior access to this portion of the building is via a metal pedestrian door and three overhead, metal loading doors. The exterior of this portion of the building consists of a covered, dock high platform. The front of the building has an asphalt paved area in which trucks can load/unload or can be used for parking. The roof appears to be of similar construction to the adjacent building. It is my opinion that this portion of the building is in fair condition. The summary of the subject size of the two buildings is summarized below:

Building	Size (Sf)
3815-17 Bunker Hill Road	6,950 SF
4101 41 st Street-Lower Level	5,750 SF
4101 41 st Street-Upper Level	2,500 SF
	8,250 SF
Total Size of All Buildings	15,200 SF

As of the effective date of the appraisal, the chronological age of the buildings is 63 years old. *Marshall Valuation Service*, a building cost resource, indicates that these buildings should have an economic life of 55 years. Without any updating the buildings have passed their economic life. It is evident that portions of the building have been updated over time. It is my opinion that the improvements are in poor to fair condition and the effective age of these buildings is 50 years old with a remaining economic life of 5 years.

The floor plans below are of the entire footprint for 3815-17 Bunker Hill Road and the Upper Level only of 4101 41st Street. No floor plan was available for the Lower Level of 4101 41st Street.



FLOOR PLANS
 (LOWER LEVEL OF 4101 41ST STREET NOT INCLUDED)



3815 BUNKER HILL ROAD - INTERIOR LOADING AREA



3815 BUNKER HILL ROAD - WAREHOUSE AREA



3815 BUNKER HILL ROAD - WAREHOUSE AREA



3815 BUNKER HILL ROAD - WAREHOUSE AREA



3815 BUNKER HILL ROAD - OFFICE AREA



3815 BUNKER HILL ROAD - OFFICE AREA



3815 BUNKER HILL ROAD - BATHROOM



3815 BUNKER HILL ROAD - FRONT OFFICE AREA



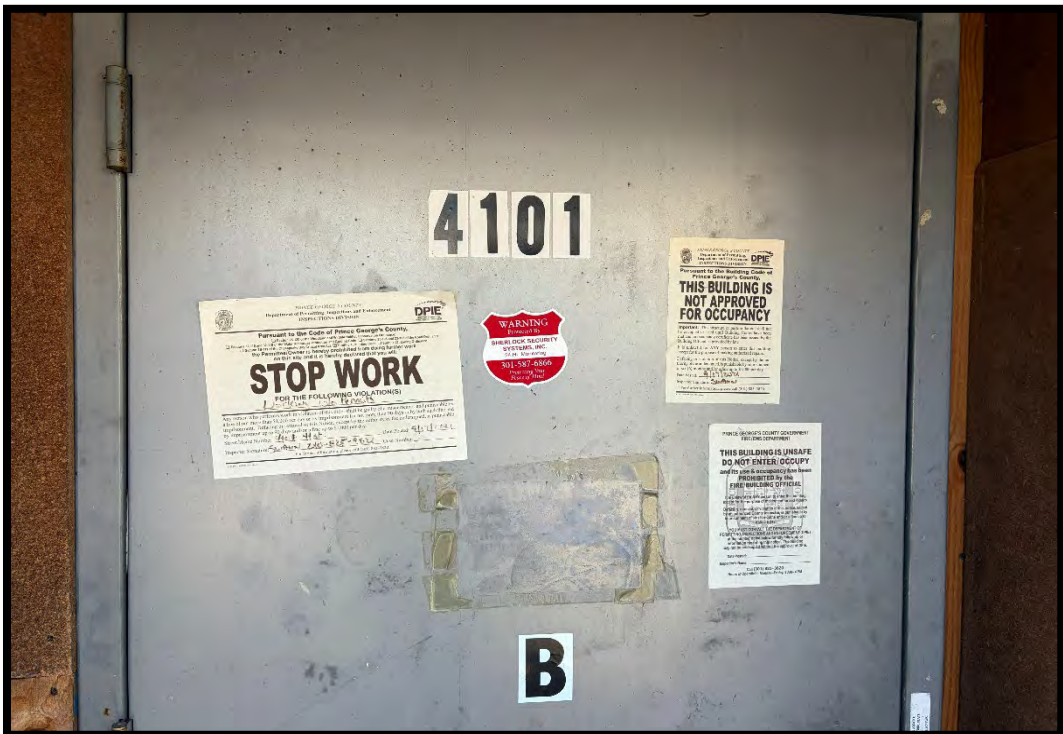
3815 BUNKER HILL ROAD - FRONT OFFICE AREA



3815 BUNKER HILL ROAD - KITCHEN AREA



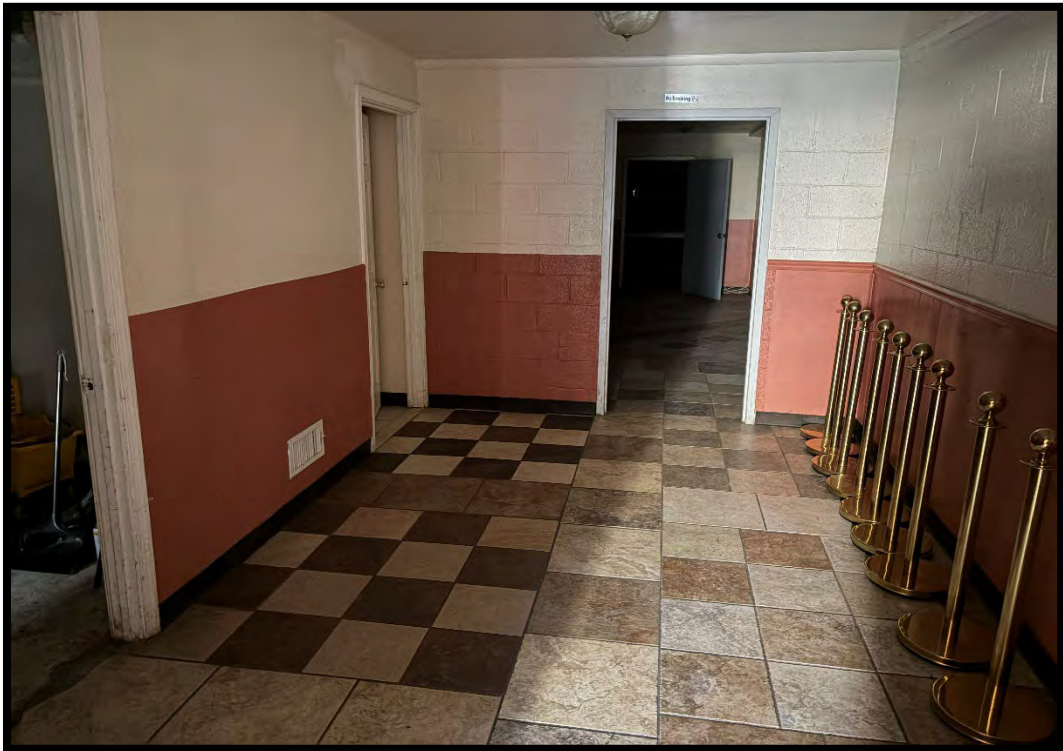
3815 BUNKER HILL ROAD - BATHROOM



4101 41ST STREET - OUTSIDE PEDESTRIAN ENTRANCE-LOWER LEVEL



4101 41ST STREET - LOWER LEVEL INTERIOR



4101 41ST STREET - LOWER LEVEL INTERIOR



4101 41ST STREET - LOWER LEVEL INTERIOR



4101 41ST STREET - LOWER LEVEL INTERIOR



4101 41ST STREET - UPPER LEVEL EXTERIOR LOADING AREA



4101 41ST STREET - UPPER LEVEL INTERIOR LOADING AREA



4101 41ST STREET - UPPER LEVEL OFFICE



4101 41ST STREET - UPPER LEVEL OFFICE



4101 41ST STREET - UPPER LEVEL BATHROOM



4101 41ST STREET - UPPER LEVEL BATHROOM

HIGHEST AND BEST USE ANALYSIS

According to the *Appraisal Institute's Dictionary of Real Estate Appraisal, 7th Edition*, published by the Appraisal Institute, highest and best use is defined as:

The reasonably use of a property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and Best Use - As Vacant: The first criteria (physically possible) must be considered because size, shape, area, soil quality and terrain affect the uses to which land may be developed. Also, the utility of a parcel may depend on its frontage, shape, area, or depth. The subject land consists of two parcels located on the east corner of Bunker Hill Road and 41st Street, approximately one block from Rhode Island Avenue in the Brentwood neighborhood of Prince George's County, Maryland. The combined parcels have 150 feet of frontage on 41st Street and 100 feet of frontage on Bunker Hill Road. The two parcels combined total 16,650 square feet. The subject parcel is physically suitable for most any use typical of the neighborhood. The subject property is zoned NAC or Neighborhood Activity Center by Prince George's County. It is a mixed-use zoning which allows an array of uses. The main uses that are allowed by right and would be considered by investors are multifamily, retail, day care, medical office, professional office, and light industrial uses such as storage and assembly. Of those uses listed, the most logical use would be a small commercial or light industrial use. Office, multifamily and retail require much parking and with the setbacks, there would not be much usable land to construct a building. A light industrial use would be legally permissible and would physically be able to fit on the property as warehouse uses do not require much parking. Therefore, it is my opinion that the main use that is physically possible and legally permissible is light industrial. After narrowing the list of potential uses to light industrial as physically possible and legally permissible, an analysis of the potential use and whether it is financially feasible is analyzed. As discussed in the Market Analysis section of this appraisal report, the Cheverly/Hyattsville Industrial Sub-market fundamentals have historically been strong with increasing rents and positive absorption. Although the vacancy is nearly 7 percent within this submarket, small light industrial use would be feasible. Because of the small size of the subject land, the primary highest and best use, as vacant, would be to assemble with adjacent parcels to develop into a substantial commercial or light industrial use; however, if not possible, the highest and best use, as vacant of the subject property, is a light industrial use.

Highest and Best Use - As Improved: The highest and best use of any structure is generally the intended use for which it was designed or built. A prime consideration in selecting any other use is the economic feasibility of another type of occupancy. In other words, is the prime cost of acquiring, plus the expenses to convert, less than the cost of erecting a new structure designed and built to a specific need? It should also be remembered that any structure designed and built to a specific need would not be subject to the same factors of functional obsolescence as would a converted structure. The subject improvements consist of two adjacent warehouse buildings in which parts of the interior require demolition, clean up and updating. It is obvious by its existence that the subject site can physically support such a use.

To demolish and construct an alternative use is not financially feasible as of the effective date of the appraisal. Therefore, its current use as a warehouse property is the highest and best use of the subject property, as improved.

APPRAISAL PROCESS

In earlier sections of this report, the valuation problem and property characteristics were defined. Information regarding the social, economic, governmental and environmental influences as they affect the appraised was analyzed, and the highest and best use of the subject was established. The value sought was the market value of the fee simple interest in the subject property

In the sections of this report that follow, general and specific data will be analyzed using the three traditional approaches to value. The three approaches are the Cost, Sales Comparison, and Income Approaches. Value indications from these approaches will then be reconciled into an indication of the final prospective and as-is market value estimates of the subject property.

The Cost Approach is founded on two basic principles, substitution and contribution. The Cost Approach is generally considered applicable to relatively new or special purpose properties. The principle of substitution uses the premise that an informed and rational purchaser (investor) will pay no more for an existing improved commercial property than the cost of producing a substitute property with the same utility. Contribution holds that the present worth of the improvements, as of the valuation date, is a measure of their contribution to total property value, in addition to the independently estimated value of the site. The Cost Approach treats the property as a physical entity, separable for valuation purposes into a site and improvements, and adds both site value and the present worth (contribution) of the improvements to derive an indication of value for the property. The site is valued as vacant and available to be put to highest and best use as of the valuation date. ***It is my opinion that this approach is an unreliable indication of value due to the advanced age of the improvements requiring the estimate of physical depreciation that can be subject.***

The Sales Comparison approach is based primarily on the principle of substitution and is premised on the idea that an informed, prudent and rational purchaser (investor) would pay no more than the cost of acquiring a similar, competitive property with the same utility as the valuation date. This approach assumes there is an active market for properties similar to the subject and that the prices paid for similar competitive properties, which represent bone-fide arm's-length transactions, are indicative of the most probable sale price for the subject, as of the valuation date.

In the Income Capitalization Approach to value, income and expenses for a property are estimated by analyzing market data and the subject operating history (if any). Vacancy and credit loss is estimated along with anticipated income and expenses. The income stream is then converted to present value through capitalization.

SALES COMPARISON APPROACH

The Sales Comparison Approach involves direct comparisons of the property being appraised to similar properties that have sold in the same or a similar market in order to derive a market value indication for the property being appraised. Carefully verified and analyzed, market data is good evidence of value when it represents typical actions and reactions of buyers, sellers, users and investors. The Sales Comparison Approach, like the Cost Approach, is based on the principle of substitution. The Sales Comparison Approach implies that a prudent person will not pay more to buy a property than it will cost to buy a comparable substitute property. The price a typical purchaser pays is usually the result of an extensive shopping process in which available alternates are compared. The property purchased typically represents the best available balance between the buyer's specifications and the purchase price. Asking prices may be more than a seller expects to realize because there is the possibility that an atypical purchaser may be found willing to pay more than market value. After testing the market for a reasonable time without success, the seller may reduce the price or accept an offer that is less than the asking price. Although individual sales may deviate from a market norm, a sufficient number tend to produce a pattern indicating the action of typical buyers and sellers in the market. When information about a sufficient number of similar property sales made in the current market value is available, the resulting pattern provides a good indication of market value.

The Sales Comparison Approach may be applied in five steps.

- Research the market to identify similar properties for which pertinent sales, listings, offering and/or rental data is available.
- Qualify the prices as to terms, motivating forces and bona fide nature.
- Compare each of the comparable properties' important attributes to the correspondence ones of the property being appraised, under the general elements of comparison of property rights, financing, market conditions (time), motivation (condition of sale) location and physical characteristics.
- Consider all dissimilarities and their probable effect on the price of each sale property to derive individual market value indications for the property being appraised.
- From the pattern developed, formulate an opinion of market value for the property being appraised.

The following is an analysis of improved sales.



Improved Sale #1

Address: 4908 Lawrence Street
Hyattsville, MD 20781

Verification: CoStar, Public Record, Offering Memorandum, SDAT

Legal Description: Lots 5, 6 and 7, Block E, Tax Map Page 50, Grid D4,
Edmonds Subdivision, Prince George’s County

Consideration: \$2,200,000

Sale Date: November 2024 (Sd)

Financing: All Cash

Grantor: Divine Unity Food, LLC

Grantee: WT Partners LLC – Hazrat Waziry

Gross Building Area: 18,370 Square Feet (Includes Mezzanine Office)

Price Per Square Foot: \$119.76

Year Built/Condition: 1956/Average

Clear Height: 20-24 feet

Drive-In/Dock High Doors: One drive in one dock-high

Zoning: I-E

Land Area: 17,538 Square Feet

Time of the Market: 1,100 days

Remarks: This comparable sale is located on the north side of Lawrence Street, just east of Kenilworth Avenue (Route 201), south of Annapolis Road (Route 45), and west of the Baltimore-Washington Parkway in the Hyattsville area of Prince George’s County. The original list price was \$3,200,000 and was exposed on the open market for 1,100 days. There are 16 on-site parking spaces. The location is similar and the condition is superior.



Improved Sale #2

Address: 4703-4705 Webster Street
Bladensburg, MD 20710

Verification: CoStar, Public Record, Offering Memorandum, SDAT

Legal Description: Lots 1, 2, 3, 4 and 5, Tax Map Page 50, Grid C-3, Linwood,
Prince George's County, Maryland

Consideration: \$890,000

Sale Date: February 2022 (Sd)

Financing: All Cash

Grantor: Norvel Wood

Grantee: Webster, LLC – Saeid Mokhtari

Gross Building Area: 8,186 Square Feet

Price Per Square Foot: \$108.72

Year Built/Condition: 1967/fair

Clear Height: 18 feet

Drive-In/Dock High Doors: Two loading docks

Zoning: I-E (Industrial)

Time of the Market: N/A

Remarks: This comparable sale is located on the south side of Webster Street, just east of Baltimore Avenue (Route 1), north of Bladensburg Road (Route 45), and west of Kenilworth Avenue in the Bladensburg area of Prince George's County, Maryland. There are 7 on-site parking spaces. The location is superior and the condition is similar.



Improved Sale #3

Address: 3610 and 3620 East Street
Landover, MD 20785

Verification: CoStar, Public Record, Purchase and Sale Agreement,
Offering Memorandum, SDAT

Legal Description: Lot 23, Block 2, Dixie Dale, Tax Map Page 52,
Grid C-3, Prince George’s County, Maryland

Consideration: \$1,545,000

Sale Date: February 2022 (Sd)

Financing: All Cash

Grantor: Arcwell Group – Eagle Transgroup

Grantee: Leith Wain – 3610 East Street, LLC

Gross Building Area: 12,600 Square Feet

Price Per Square Foot: \$122.62

Year Built/Condition: 1970/Average

Clear Height: 14 feet

Drive-In Doors: Four and 2 Dock-High Doors

Zoning: I-E (Industrial)

Land Area: 19,000 Square Feet

Time of the Market: 163 Days

Remarks: This comparable sale is located on the north side of Martin Luther King Jr. Highway (Route 704), west of the Capital Beltway (I-495), Ardmore- Ardmore Road, and south of Route 50, in the Landover area of Prince George’s County. 3610-20 East Street consists of a single brick and concrete block warehouse built in the 1970’s with six 2,100 square foot bays. The overall location is superior as is the condition. The average rental rate at the time of the sale was \$11.94 per square foot, Industrial Gross. The NOI was reportedly \$135,476; therefore, the overall rate equates to 8.8%.



Improved Sale #4

Address: 5115 – 5117 Lawrence Place
Hyattsville, MD 20781

Verification: CoStar, Public Record, SDAT

Legal Description: Parcel D & K, Tax Map Page 50, Grid E-3, Industrial City,
Prince George’s County, Maryland

Consideration: \$3,500,000

Sale Date: February 2024 (Sd)

Financing: \$2,500,000 first deed of trust, seller financing

Grantor: Dorchester Associates, LLC – Marc Duber

Grantee: 5115-5117 Lawrence Place, LLC – Valore Ventures

Gross Building Area: 29,720 Square Feet

Price Per Square Foot: \$117.77

Year Built/Condition: 1955 & 1958/Average

Clear Height: 16 feet

Drive-In Doors: Four Dock-High Doors

Zoning: I-E (Industrial)

Land Area: 59,667 Square Feet

Time of the Market: N/A

Remarks: This comparable sale is located on the north side of Lawrence Street, just east of Kenilworth Avenue (Route 201), south of Annapolis Road (Route 45), and west of the Baltimore-Washington Parkway in the Hyattsville area of Prince George’s County. The overall location is similar and the condition is superior. There is one loading dock. There is adequate on-site parking.



Improved Sale #5

Address: 8120-8136 Cryden Way
Forestville, MD 20747

Verification: CoStar, Public Record, SDAT, Personally Appraised

Legal Description: Parcel D & K, Tax Map Page 50, Grid E-3, Industrial City,
Prince George's County, Maryland

Consideration: \$1,750,000

Sale Date: April 2022 (Sd)

Financing: \$1,500,000 first deed of trust, at market rate and terms,
FVC Bank

Grantor: Samuel J. Berman, Trust

Grantee: Paradise Twin LLC – Zuckerman Partners

Gross Building Area: 18,630 Square Feet

Price Per Square Foot: \$93.93

Year Built/Condition: 1970/fair

Clear Height: 14 feet

Drive-In Doors: Four Dock-High Doors

Zoning: I-E (Industrial)

Land Area: 20,001 Square Feet

Time of the Market: N/A

Remarks: This comparable sale consists of a detached 18,630 square foot warehouse structure constructed in 1974. The building is located on the north side of Cryden Way, west of I-495 (Capital Beltway) and north Pennsylvania Avenue (Route 4) in the Forestville Commercial Center. The subject improvements consist of a two-story warehouse building. There are four metal roll-up garage drive-in doors (10' x 10'). The overall condition at the time of the sale was similar to the subject. Repairs planned at the time of the sale but not included in the sale price totaled \$265,780. The location is similar.

Sales Comparison Approach: The Sales Comparison Approach is primarily based on the principle of substitution which assumes the buyer will pay no more for the subject than the price for which similar properties are being bought and sold. In the real market, there is rarely, if ever, the perfect comparable; therefore, an appraiser must use judgment in adjusting for the different features and amenities of the subject versus the selected comparable sales. If the comparable is inferior in a particular attribute, an upward adjustment is warranted; and, if the comparable is superior in a particular feature, a negative adjustment is warranted. Adjustments are based on a paired data set analysis--a procedure in which sales are compared in pairs to identify the effect of specific differences (elements of comparison) on sale price. In every appraisal, the industry recognized elements of comparison are analyzed. They include:

ELEMENTS OF COMPARISON
Property Rights
Financing
Conditions of Sale (Motivation)
Market Conditions (Date of Sale)
Locational Characteristics
Physical Characteristics

Recognizing the imperfect nature of real estate markets, I will apply the qualitative (rather than quantitative) analysis techniques of relative comparison and ranking, which study the relationships indicated by market data without recourse to quantification. These techniques involve qualitatively rating the sales (shown by positive and negative directional adjustment) for relevant elements of comparison to the subject, and then ranking them, with the subject placed appropriately in the array. In this manner, arrayed comparable sales rated as superior or inferior, overall, to the subject, will indicate the most probable value range within which the subject would be expected to fall. The sales are qualitatively compared to the subject in the following table. The most relevant units of comparison are the location, building size, condition and access/visibility. The unadjusted price per square foot ranges from \$93.93 to \$122.62.

Although the adjustment process is expressed quantitatively and then qualitatively, it is recognized that the magnitude of adjustments for a given item will likely vary among the comparable sales, resulting in some instances where a single factor may outweigh several other adjustments combined.

SALES COMPARISON APPROACH ADJUSTMENT GRID					
Item	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Sale Price	\$2,200,000	\$890,000	\$1,545,000	\$3,500,000	\$1,750,000
Sale \$/Sf.	\$119.76	\$108.72	\$122.62	\$117.77	\$93.93
Rights Conveyed	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple
	-0-	-0-	-0-	-0-	-0-
Financing	Cash	Cash	Cash	Seller	Market
	-0-	-0-	-0-	-0-	-0-
Conditions of Sale	Arms-Length	Arms-Length	Arms-Length	Arms-Length	Arms-Length
	-0-	-0-	-0-	-0-	-0-
Market Conditions	11/2024	2/2022	2/2022	2/2024	4/2022
	-0-	-0-	-0-	-0-	-0-
Adjusted Price/Sf	\$119.76	\$108.72	\$122.62	\$117.77	\$93.93
Location	Hyattsville	Bladensburg	Landover	Hyattsville	Forestville
Brentwood	-0-	(-)	(-)	-0-	-0-
Access & Visibility	Similar	Similar	Similar	Similar	Similar
Average	-0-	-0-	-0-	-0-	-0-
Gross Building Area	18,370 Sf	8,186 Sf	12,600 Sf	29,720 Sf	18,630 Sf
15,200 Square Feet	-0-	-0-	-0-	-0-	-0-
Build-Out	Similar	Similar	Similar	Similar	Similar
Office/Warehouse	-0-	-0-	-0-	-0-	-0-
Condition	Superior	Similar	Superior	Superior	Similar
Fair	(-)	-0-	(-)	(-)	-0-
Zoning	I-E	I-E	I-H	I-E	I-E
NAC	-0-	-0-	-0-	-0-	-0-
Net Adjustment	(-)	(-)	(-)	(-)	-0-

Conclusions: Five sales of warehouse/garage structures from Prince George's County market areas are presented to estimate the market value of the subject property by the Sales Comparison Approach. The sales range from 8,186 square feet to 29,720 square feet in size and transferred from \$97.22 to \$122.62 per square foot of gross building area. The subject of this appraisal consists of a light industrial building containing 15,200 square feet and is in poor to fair condition. Comparable Sales 1 and 4 transferred in 2024 while Sales 2, 3 and 5 sold in 2022. A comparison of the sales and an analysis of CoStar as well as the utilized sales suggest no adjustments for market conditions are warranted.

An analysis of CoStar Properties for each of the comparable locations revealed the following average rental and sale price per square foot rates for similar buildings:

Sale	Sale \$/Sf	Average Rental Rate ^	Average/Sf ^
1	\$119.76	\$12.38	\$161.00
2	\$108.72	\$13.75	\$161.00
3	\$122.62	\$13.40	\$166.00
4	\$117.77	\$12.38	\$161.00
5	\$ 97.22	\$12.91	\$182.00
Subject		\$12.56	\$157.00

Source: CoStar Properties ½ Mile Radius of Each Comparable Sale

Comparable Sales 1 and 4 are located east of Kenilworth Avenue, west of Baltimore Washington Parkway and south of Annapolis Road (Route 450). Comparable Sale 2 is located north of Annapolis Road at Route 1 (Baltimore Avenue), approximately one mile east of Baltimore Washington Parkway. Comparable Sale 3 is located north of Ardwick Ardmore Road and south of Route 50 (John Hanson Highway) and Capital Beltway (I-495) interchange. This location has superior access to major roads with the most proximate freeway being Route 50 and the Capital Beltway. Comparable Sale 5 is located at the northwest quadrant of Pennsylvania Avenue (Route 4) and the Capital Beltway interchange. Based on the previous table, downward adjustments are warranted for Sales 2 and 3. The subject property is in poor to fair condition as is Sale 5; therefore, no adjustment is warranted. Sales 1 through 4 are considered superior and adjusted downward.

After an overall (net) adjustment for each sale is established, the comparable sales are reconciled, and an indication of probable market value is derived by positioning (ranking) them into an array relative to the subject as shown in the following table:

SALE	GBA	UNADJUSTED \$/SF	NET ADJUSTMENT
1	18,370 Sf	\$119.76	Negative
2	8,186 Sf	\$108.72	Negative
3	12,600 Sf	\$122.62	Large Negative
4	29,720 Sf	\$117.77	Negative
5	18,630 Sf	\$ 97.22	No Adjustment
Subject	15,200 Sf		

Based on the preceding analysis, the subject property is estimated to have a market value ranging from \$95.00 to \$105.00 per square foot. Because the subject has limited onsite parking, the lower end of the range is weighted, and the appraiser concludes \$95.00 per square foot.

Accordingly;

GROSS BUILDING AREA	X	\$/SF	=	VALUE INDICATION
15,200 Sf	x	\$ 95.00	=	\$1,444,000
Rounded to			=	\$1,400,000

INCOME APPROACH

An income-producing property is typically purchased for investment purposes, and the projected net income stream is the critical factor affecting its market value. An investor purchasing income-producing real estate is in effect trading a sum of present dollars for the right to a stream of future dollars. There is a relationship between the two, and the connecting link is the process of capitalization. Because future dollars are worth less than present dollars, the anticipated future dollars are discounted to a present worth on some basis that reflects the risk and the waiting involved. The Income Approach, which is related to investor thinking and motivation, is a basic tool for the valuation of income-producing real estate. It is based on the principle of anticipation reflected in the definition of value as the present worth of all the rights to future benefits accruing to ownership. These future benefits consist of some pattern of annual net income for a projected period of years plus a capital sum at the end of this period. This capital sum consists of land value or of land value plus some remaining improvement value. The projection period may represent an economic life estimate for the improvements, the term of a lease, or a projected investment holding period to resale of the property. The Income Approach is practical only when an income stream attributable to the real estate can be estimated. This income estimate may be developed and supported by comparisons in the local market or, alternately, by an allocation to the real estate of some portion of the total income derived from the operation of a going business in which the real estate is a contributing component. The steps involved in translating the net income projection into a value indication are summarized as follows:

- Estimate potential gross annual income.
- Estimate and deduct a vacancy and collection loss allowance to derive effective gross income.
- Estimate and deduct annual expenses of operation to derive net operating income (net income before recapture).
- Estimate remaining economic life or the duration and pattern of the projected income stream.
- Select an applicable capitalization method and technique.
- Develop the appropriate rate or rates.
- Complete the necessary computations to derive an economic value indication by the Income Approach.

Estimate of Market Rent

In this analysis, it was necessary to estimate the market rent the subject would likely command were available for rent. Rental information was gathered on commercial space in the market area which is considered comparable to the appraised property. Sufficient data was found from which to derive an estimate of market rent.

MARKET RENT ESTIMATE

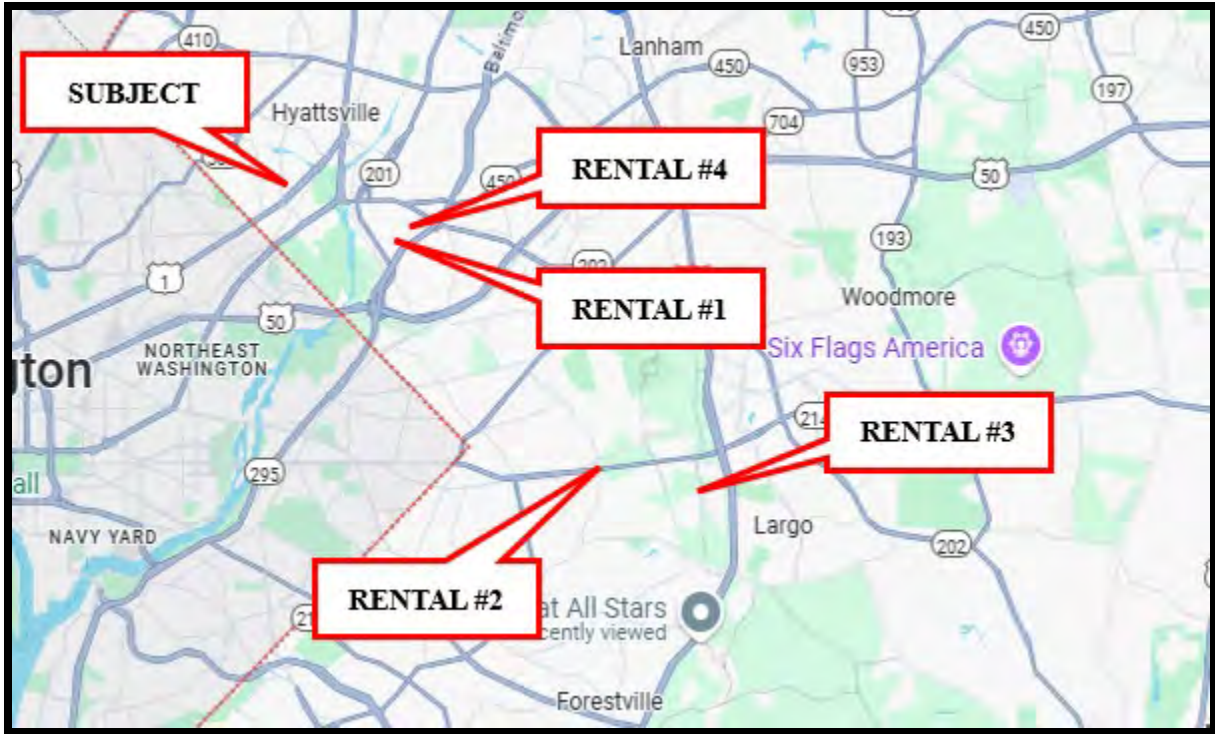
Market Rent is defined by the *Appraisal Institute's Dictionary of Real Estate Appraisal, 7th Edition*, as:

The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

- *Lessee and lessor are typically motivated,*
- *Both parties are well informed or well advised and acting in what they consider their best interests,*
- *Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and*

The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TI's)."

The appraiser searched the Prince George's County market area for rent comparable. The following lists the rent comparables found in the market.



RENTAL COMPARABLE LOCATION MAP



Rent Comparable 1

Address: 5225 Kilmer Place
Hyattsville, MD 20781

Tenant: UniLogistics

Commenced/Term: December 2024, 3 years

Suite Size: 22,000 square feet

Rental Rate: \$12.00 per square foot, escalates at 3% per year

Lease Type: Industrial gross, tenant pays a pro-rata share of real estate taxes over the base year, utilities, and interior repairs and maintenance are on tenant.

Concessions: None

Remarks: Partial Build-Out (1,500 Sf)
Constructed in 1969
2 Dock-High Doors, 1 Drive-In Door
20' Ceiling Height
Similar Location
Similar Condition



Rent Comparable 2

Address: 7850 Central Avenue
Hyattsville, MD 20781

Tenant: Fitness Motivators

Commenced/Term: November 2024, 3 years

Suite Size: 8,427 square feet

Rental Rate: \$10.00 per square foot, escalates at 3% per year

Lease Type: Triple net, tenant pays all operating expenses to include real estate taxes, utilities, and interior repairs and maintenance are on tenant.

Concessions: None

Remarks: Partial Build-Out
Constructed in 1969
2 Dock-High Doors
24' Ceiling Height
Similar Location
Similar Condition



Rent Comparable 3

Address: 615 – 619 Hampton Park Boulevard, Unit A
Capitol Heights, MD 20743

Tenant: Banco Di Comida

Commenced/Term: June 2024, 2 years

Suite Size: 4,620 square feet

Rental Rate: \$9.00 per square foot, triple net

Lease Type: Triple net, tenant pays all operating expenses to include real estate taxes, utilities, and interior repairs and maintenance are on tenant.

Concessions: None

Remarks: Partial Build-Out
Constructed in 1985
1 Drive-In Door
18' Ceiling Height
Similar Location
Similar Condition



Rent Comparable 4

Address: 5215-5216 Monroe
Hyattsville, MD 20781

Tenant: NuTech Laundry

Commenced/Term: August 2023, 5 years

Suite Size: 14,398 square feet

Rental Rate: \$11.00 per square foot, escalates at 3% per year

Lease Type: Triple net, tenant pays all operating expenses to include real estate taxes, utilities, and interior repairs and maintenance are on tenant.

Concessions: No tenant improvements, no free rent

Remarks: Partial Build-Out
Constructed in 1958
1 Drive-in Door
20' Ceiling Height
Similar Location
Similar Condition

#	Size (Sf)	\$/Sf	Expenses	Date	Concessions
1	22,000	\$12.00	I.G.	12/2024	None
2	8,427	\$10.00	Triple Net	11/2024	None
3	4,620	\$ 9.00	Triple Net	6/2024	None
4	14,398	\$11.00	Triple Net	8/2023	None

The rent comparable, prior to adjustments, indicates a range of \$9.00 per square foot to \$12.00 per square foot. The rent comparable are analyzed, compared to the subject property, and adjusted for various factors.

Expense Handling: In the overall market, most industrial leases are structured as triple net leases where the tenant pays real estate taxes, common area maintenance and property insurance or Industrial Gross which requires the landlord to pay base year real estate taxes. The subject is assumed to be leased on a triple net basis where the tenant pays most of all expenses. Rent Comparable 2, 3 and 4 do not require adjustment as they are structured as triple net as well.

Concessions - When concessions are given to a tenant, the effective rent is reduced. None of the rentals were given tenant improvements or free rent. No adjustments are made.

The following is a summary of the adjustments made to the rent comparable:

Adjustment	Rent 1	Rent 2	Rent 3	Rent 4
Rent/Sf	\$12.00	\$10.00	\$9.00	\$11.00
Date	12/2024	11/2024	6/2024	8/2023
Adjustment	-0-	-0-	-0-	-0-
Expenses	IG	NNN	NNN	NNN
Adjustment	(-)	-0-	-0-	-0-
Concessions	No	No	No	No
Adjustment	-0-	-0-	-0-	-0-
Unit Size	22,000	8,427 Sf	4,620 Sf	14,398 Sf
Adjustments	-0-	-0-	-0-	-0-
Condition	Similar	Similar	Similar	Similar
Adjustment	-0-	-0-	-0-	-0-
Adjustment	(-)	-0-	-0-	-0-
Adj/Rent/Sf	\$10.00	\$10.00	\$9.00	\$11.00

After analyzing the rent comparable, comparing them to the subject property and adjusting for expenses, and concessions, the adjusted rents range from \$9.00 per square foot to \$11.00 per square foot on a triple net basis. Based on the subject's poor to fair condition and the limited-on site parking, the estimated market rent for the subject property at the low end of the range or \$9.00 per square foot on a triple net basis where the tenant pays or reimburses the landlord for real estate taxes.

The rental income for this space is summarized as follows:

<i>Potential Gross Rent</i>	
Total Potential Rent @ \$9.00/SF x 15,200 SF	\$136,800

As the subject is vacant, the market rent is applied to 15,200 square feet on a triple net basis where the tenant is responsible for real estate taxes, property insurance, property management, utilities and maintenance. As part of the Gross Potential Income of the subject, the Gross Potential Rent is added with the Reimbursable Operating Expenses. The Reimbursable Operating Expenses are those mentioned and discuss as follows.

Reimbursable Operating Expenses - A market lease for industrial properties will require the tenant to pay real estate taxes, property insurance, property management, utilities and maintenance. The real estate taxes, property insurance and property management are reimbursed by the tenant to the landlord, and maintenance and utilities are paid directly by the tenant to the providers. These expenses are discussed later in this approach under Operating Expenses. The total real estate taxes, property insurance and property management for the subject property is summarized as follows:

<i>Reimbursable Operating Expenses</i>	<i>Annually</i>
Real Estate Taxes	\$23,355
Property Insurance	\$ 7,600
Property Management	\$ 3,837
Total Reimbursable Operating Expenses	\$34,792

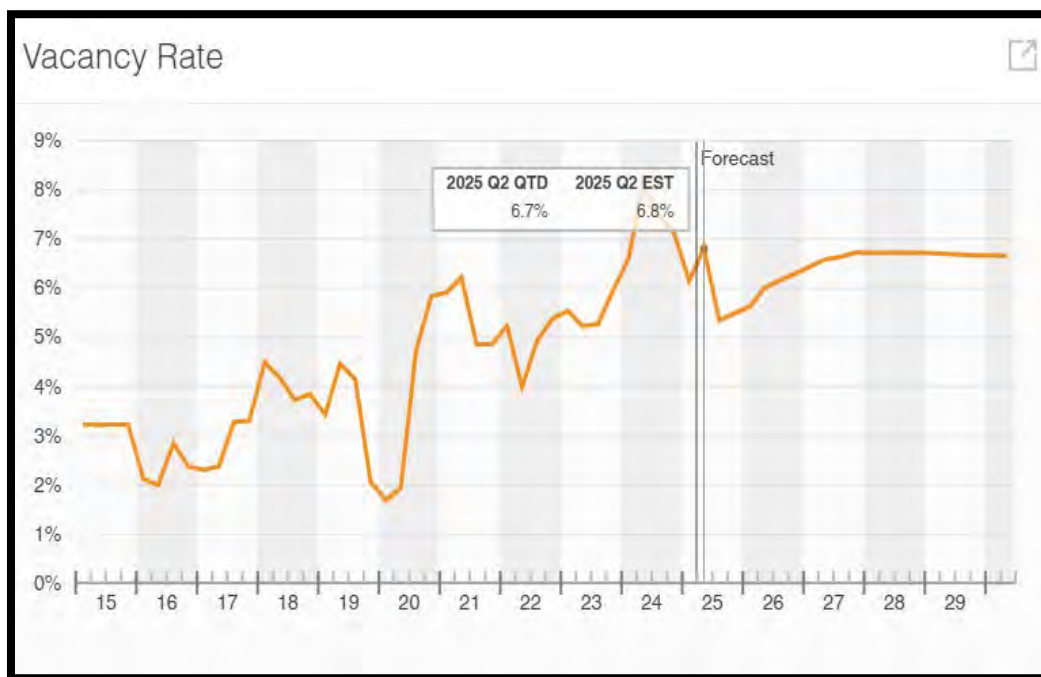
Potential Gross Rent – Summary - The Potential Gross Income of the subject property is the sum of the estimated Market Rent and Reimbursable Operating Expenses. A summary of the Potential Gross Income is shown below:

<i>Potential Gross Income</i>	
Contract Rent-9,415 @ \$39.00/SF	\$136,800
Reimbursable Taxes, Insurance & Management	\$34,792
Potential Gross Income	\$171,592

EFFECTIVE GROSS INCOME

Effective gross income is the subtraction of vacancy and collection loss from potential gross income. The vacancy and collection loss allowance accounts for income lost due to periods when the property is not fully leased or when a tenant is unable to pay its rent in a timely manner. It should be noted that the vacancy loss noted here is not the same as rent loss due to absorption as this will be calculated later in this approach. Rather, vacancy loss refers to loss sustained by the landlord during normal, stabilized occupancy. These are the loss sustained at tenant turnover. Projected vacancy is a factor in local market conditions and the marketability of a property within its trade area.

According to CoStar's 2nd Quarter 2025 Property Analytics, the immediate area within a half mile radius currently contains approximately 1,990,022 square feet of industrial space within 131 buildings. The survey revealed there are currently 132,922 square feet of vacant space or 6.7%.



Source: CoStar

Vacancy and credit loss is forecasted at 6.5%. Effective Gross Rent is estimated at \$160,439 (\$171,592 PGI x .935 Occupancy).

OPERATING EXPENSES

Now that the EGI is estimated, the next step in constructing the Stabilized Income Statement is to estimate the operating expenses for the subject property. The operating expenses that follow outline the major categories of expenses for which the ownership of the property should incur for this property type in the Prince George's County Industrial market. Operating expenses are defined by the *Dictionary of Real Estate Appraisal, 7th Edition*, as:

"the periodic expenditures necessary to maintain the real property and continue the production of the effective gross income."

No information on the operating expenses of the subject property was available. The operating expenses for the subject property are divided into two categories: Reimbursable and Non-Reimbursable Expenses. The Reimbursable Operating Expenses are those that the tenant pays back to the landlord. The Non-Reimbursable Expenses are those incurred by the landlord and not reimbursed by the tenant. The following discussions of operating expenses will be based on the rentable square footage of 15,200 square feet.

Reimbursable Operating Expenses

Real Estate Taxes – As discussed in the Real Estate Assessment and Taxes section of this report, the real estate assessment for the subject property for 2024 - 2025 are \$23,355 or \$1.54 per square foot. This expense is reimbursed by the tenant to the landlord.

Property Insurance: This is an expense that is reimbursed by the tenant to the landlord. It is for insurance coverage of the subject's buildings. Property insurance expenses for industrial properties in Prince George's County range from \$0.30 per square foot to \$0.60 per square foot. It is my opinion that \$0.50 per square foot or \$7,600 is an appropriate estimate for the subject property.

Property Management: Most investors, even small property owners, will hire property managers to collect rents, oversee the property and account for expenditures of the property. Typical property management fees are 3 percent of the rents collected, not including the reimbursed expenses. Based on the \$136,800 of effective gross rent less the 6.5 percent vacancy and collection loss, the estimated property management fee is applied for an amount of \$3,837 or \$0.25 per square foot. This is summarized below:

<i>Potential Gross Rent</i>	<i>EGI (6.5% vacancy)</i>	<i>Mgmt. Fee %</i>	<i>Mgmt. Fee</i>
\$136,800 (\$9.00 x \$15,200 SF)	\$127,908	3%	\$3,837

Utilities and Maintenance: The tenants are responsible for the utility and maintenance costs for the building and are paid directly to the providers. Therefore, there is no reimbursement to the landlord.

Summary of Reimbursable Operating Expenses: The following summarizes the narrative above that estimated the operating expenses that are to be reimbursed by the tenant to the landlord.

<i>Reimbursable Operating Expenses</i>	<i>Annual Amount</i>	<i>\$/SF</i>
Real Estate Taxes	\$23,366	\$1.54
Property Insurance	\$ 7,600	\$0.50
Property Management	\$ 3,837	\$0.25
Utilities/Maintenance	\$ 0	\$0.00
Total Reimbursable Operating Expenses	\$34,729	\$2.29

Non-Reimbursable Expenses

Structural Maintenance, Reserves for Replacement: The landlord is responsible for the structural maintenance of the improvements and HVAC system. The structural components are typically parking lot, roof and HVAC. These expenses typically do not occur on an annual basis, rather every few years; however, the landlord will put aside funds for the anticipated expenses.

Typical Structural Maintenance expenses on an annual basis and for industrial properties are \$0.25 per square foot. Therefore, it is my opinion that the Structural Maintenance/Reserves for Replacement Expense is \$0.25 per square foot or \$3,800.

The following is a summary of the Non-Reimbursable Operating Expenses:

<i>Non-Reimbursable Expenses</i>	<i>Annual Amount</i>	<i>Expense/Sf</i>
Structural Maintenance	\$3,800	\$0.25
Total Non-Reimbursable OPEX	\$3,800	\$0.25

The total operating expenses (Reimbursable and Non-Reimbursable) for the subject property are summarized as follows:

<i>Total Expenses</i>	<i>Annual Amount</i>	<i>Expense/Sf</i>
Reimbursable Expenses	\$34,792	\$2.29
Non-Reimbursable Expenses	\$3,800	\$0.25
Total Operating Expenses	\$38,592	\$2.54

The total operating expenses for the subject property are estimated to be \$38,592 or \$2.54 per square foot.

Summary of Stabilized Income Statement

As discussed in the Income Approach, the Gross Potential Rent was estimated by analyzing the market rent and using the concluded rent as the basis for Gross Potential Rent. Reimbursable Operating Expenses were added to the Gross Potential Rent, and the sum is the Gross Potential Income. Appropriate vacancy and collection loss and expenses were deducted, and the Net Operating Income was concluded. The following summarizes the Stabilized Income Statement:

Stabilized Income Statement		
PGI (\$136,800 plus reimbursed exp. of \$34,792)		\$171,592
Less: Vacancy and Collection Loss @ 6.5%		(\$11,153)
Effective Gross Income		\$160,439
Less: Reimbursable Operating Expenses	\$34,792	
Less: Reserves for Replacement/Structural Maint.	\$3,800	\$38,592
Net Operating Income		\$121,847

Direct Capitalization - As previously discussed, direct capitalization is most appropriate for the subject because the subject is at stabilized occupancy and because this method represents typical local investor purchase in this market. This technique is simply a direct capitalization of the subject's net income by use of an overall capitalization rate as derived from the market. This rate is usually derived from an analysis of actual market sales of similar properties. The overall capitalization rate is a ratio calculated by dividing the net operating income of the sale by the sales price. From these rates, the appraiser selects the most appropriate rate and applies it to the estimated net operating income of the subject property to obtain a market value estimate. The Band of Investment and PwC Real Estate Investor Survey are utilized to conclude a capitalization rate appropriate for the subject property.

Mortgage-Equity Analysis - Mortgage-Equity Analysis is based on the premise that financing is typically involved in real estate transactions, and that equity investors seek to obtain the best available financing package to maximize the potential benefits of leverage. The capitalization rate developed is a weighted average that will satisfy both the mortgage requirement of the lender and the equity dividend requirement of the equity investor. The formula for mortgage equity analysis is shown in following table.

MORTGAGE-EQUITY FORMULA
$\text{Loan/Value Ratio} \times R_m + 1 - \text{Loan/Value Ratio} \times R_e = R_o$
$R_m = \text{Mortgage Capitalization Rate}$
$R_e = \text{Equity Capitalization Rate}$
$R_o = \text{Overall Capitalization Rate}$

Local lending institutions deemed possible lenders for a property such as the subject were surveyed. Also considered were the terms used by investors as surveyed by the Appraisal Institute. The terms and conditions included in the following table are indicative of the market.

MORTGAGE PARAMETERS	
Loan-to-Value Ratio	75%
Equity Dividend Rate	6%
Current Interest Rate.....	6.75%
Interest Constant.....	0.08244
Amortization Term	25 years

Using these components, a capitalization rate for the subject using the Mortgage-Equity Analysis is developed as shown in the following table.

Mortgage Component	x	Equity Component	=	Result
Mortgage	.75	x	.08244	= 0.6183
Equity	.25	x	.06000	= <u>0.0150</u>
Total				= 7.7%

The PwC Real Estate Investor Survey publishes capitalization rates for real estate investments. The following is a summary of the survey for national warehouse market.

CAPITALIZATION RATE SURVEY		
<i>Property Type</i>	<i>Quarter/Year</i>	<i>Range</i>
National Warehouse Market	2 nd Qtr. 2025	6.25% to 8.0%
Non-Institutional Grade	Average	7.13%

Market Extracted Overall Rates: The following overall rates were derived from sales of small industrial warehouse properties in Prince George’s, Montgomery, Anne Arundel, and Charles Counties that occurred and summarized as follows:

<i>Address</i>	<i>Date</i>	<i>YOC</i>	<i>Size (Sf)</i>	<i>Rate</i>
6200 Fallard Court	1/2025	2010	5,940	7.4%
5681 Main Street	10/2023	1959	15,225	7.5%
10410 Theodore Green Blvd	6/2023	1985	16,134	7.4%
304 & 308 N. Stonestreet Avenue	2/2022	1943 - 1964	8,570	7.2%
668 – 670 Lofstrand Lane	1/2022	1980	25,175	7.0%
5115-5117 Lawrence Place	2/2024	1955 & 1958	29,720	8.8%
304 & 308 N. Stonestreet Avenue	2/2022	1943 - 1964	8,570	7.2%
15912 Derwood Road	3/2022	1998	8,868	6.6%
431 E. Diamond Avenue	5/2024	1983	10,500	7.1%

Summary of Capitalization Rate - The appraiser has extracted potential overall rates from various sources, Published Data, Band of Investment Technique and Market Derived Data. They are summarized as below:

Capitalization Rate Summary	
Published Data	6.25% to 8.0; Average – 7.13%
Band-of Investment/Mortgage-Equity Analysis	7.7%
Market Derived Rates	6.6% to 8.8%

The selection of a particular rate within this range depends on the relative risk of the subject property, the strength of the local market and upon the size and timing of future changes in the net operating income. The subject property has the following attributes that provide reason for the appropriate overall rate.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS

Strengths

- Strong industrial submarket with moderate vacancy
- High demand for small owner-occupied space

Weaknesses

- Interest rates
- Proximity to major highways and interstates
- Overall condition
- Currently Vacant

The capitalization rate is forecasted at 8.0 percent.

The net operating income of \$121,847 is capitalized at 8 percent for a stabilized value of \$1,523,081. The purpose of this appraisal report is to estimate the Market Value “As Is” of the subject property. The \$1,523,081 is the stabilized market value; therefore, deductions for lease up costs, tenant improvement costs and lost income are estimated. The result is the estimate of Market Value, “As Is”. The following are the discussions of the deductions from the Prospective Value “As Stabilized”.

Tenant Improvement Costs: The subject’s lower level is in poor condition and needs to be cleaned up and requires demolition of upgrades i.e. lighting, paint, etc. It is the appraiser’s estimate that it will require \$10.00 per square foot which is applied to the 5,750 square feet of lower-level space for a total of \$57,500.

Leasing Commissions: For industrial properties, brokers are usually involved in the leasing of space. A commission is to be paid to the brokers. Typical leasing commissions in the Washington, D.C. industrial market are 6 percent of the total rent payments of a new lease. The following are the rent and commission calculations for the subject building, assuming the market rent of \$9.00 per square foot, a five-year lease and 3 percent annual escalation.

<i>Year</i>	<i>15,200 SF of Building</i>		<i>Annual Rent</i>
	<i>Size (SF)</i>	<i>Rent/Sf</i>	
1	15,200	\$9.00	\$136,800
2	15,200	\$9.27	\$140,904
3	15,200	\$9.55	\$145,131
4	15,200	\$9.83	\$149,485
5	15,200	\$10.13	\$153,970
Total rent for a five-year lease			\$726,290

The total commissions are 6 percent of the \$726,290 calculated above. Therefore, the commissions are \$43,577.

Rent Loss is the lost opportunity of the property by holding vacant space. As this appraisal is retrospective and as of the date of this appraisal report, it is fact that the building remains vacant which is nearly twelve months. However, it is understood that the space has not been on the market for lease during this period as well. It is my opinion that it will require 12 months to clean up the interior of the building, make required repairs/demolition, market the property with a broker and find a tenant.

	<i>Space Size</i>	<i>Market Rent</i>	<i>12 months</i>
Rental Income	15,200 Sf	\$9.00	\$136,800

The total costs associated with the income lost and leasing costs are summarized as follows:

Tenant Improvement Cost	\$ 57,500
Leasing Commissions	\$ 43,577
Lost Income (12 months)	\$136,800
Total Leasing Costs	\$237,877

The estimated leasing costs and lost income to be deducted from the stabilized value is \$237,877. This amount is deducted from the Stabilized Value of \$1,523,081 for an estimated market value “As Is” via the Income Approach of \$1,285,204 rounded to

**ONE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$1,300,000)**

FINAL RECONCILIATION

The purpose of this appraisal was to estimate the as-is opinion of market value of the fee simple interest in the subject property. The indications of value by the approaches applied are recapped as follows:

FINAL RECONCILIATION AND VALUE CONCLUSION	
Cost Approach:	N/A
Sales Comparison Approach:	\$1,400,000
Income Approach:	\$1,300,000

Due to the age and condition of the property, substantial accrued depreciation would be required and may be subjective; therefore, the Cost Approach is considered unreliable and is not applied.

The Sales Comparison Approach is based on information derived from detailed analysis and physical inspection of actual sales in the marketplace. Sales of warehouse properties from Prince George’s County market areas are presented to estimate the market value of the subject property by the Sales Comparison Approach. The sales range from 8,186 square feet to 29,720 square feet in size and transferred from \$93.93 to \$122.62 per square foot of gross building area. This approach is considered reliable and due to the minimal required adjustments, the Sales Comparison is given equal consideration to the Income Approach in estimating the market value. The appropriate unit of comparison has been extracted from each sale and that is the price per square foot of gross building area. The concluded value by the Sales Comparison Approach is estimated at \$90.00 per square foot or \$1,400,000.

The Income Approach estimate of value was derived by measuring the present worth of future benefits from the subject property. The quantity, quality and durability of the income stream which could be generated by the property were examined. The estimate of value was a result of capitalizing a stabilized net operating income which the subject property should be able to generate upon stabilized occupancy at the market rent of \$9.00 per square foot, triple net. This approach is believed to most closely reflect the actions of buyers in the market for properties acquired for investment purposes. After analysis, the net operating income is estimated at \$121,847 which is capitalized at 8.0 percent. Lease up, marketing costs and lost rent were deducted, and the Market Value "As Is" was concluded at \$1,300,000. This approach is given equal weight to the Sales Comparison Approach.

As of June 7, 2025, the As-Is Opinion of Market Value, as stated below, that is, the most probable price estimated in terms of money which the property will bring if exposed on the open market, allowing a reasonable period of time to find a purchaser who buys with a knowledge of all the uses to which the property may be put and for which it is capable of being used, is (rounded):

**ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS
(\$1,350,000)**

MARKETING/EXPOSURE TIME

Exposure Time is defined as:

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; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

There are two basic ways to ascertain the Exposure Time of a property:

- Inference from statistical data regarding how long similar, recently sold properties were on the market before selling.
- Information gathered through sales verification and interviews with market participants.

Marketing Time is defined as:

"Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal."

The *2nd Quarter, 2025 PwC Real Estate Investor Survey* for warehouse investments are listed below:

<i>Investment Type</i>	<i>Marketing Period</i>	<i>Average</i>
Warehouse – National & East Coast	1 - 12 months	4.3 months

Exposure Time obtained for recent comparable sales is probably the best indicator of Exposure Time for the appraised property. A good source of data for estimating Exposure Time is the comparable sales used in the Sales Comparison Approach. Many sales used and not used in the Sales Comparison Approach experienced marketing times ranging from 28 days to 295 days and averaging 126 days.

Based on the investor survey, the comparable sales, and the subject property's own history, it is my opinion that the estimated Exposure Time is to be within 12 months.

Marketing Time is best projected by using the information employed to estimate Exposure Time. However, since Marketing Time is dependent upon future events and circumstances, general and specific market trends must be projected. As suggested above, sales price and Exposure Time are not independent of each other. Marketing Time is also dependent upon the price at which a property is marketed. The implication for the subject is that if the property were placed on the market as of the date of this appraisal it would have to be marketed at a price close to the value estimate derived in this report, if it were to be successfully marketed within a reasonable time. It is our opinion that if the subject were marketed at the value estimated in this appraisal, with marketing efforts typical of this property type, it would sell within 12 months.

The forecasted marketing and exposure times are usually considered synonymous.