

RESTRICTED REPORT OF AN APPRAISAL OF

3418 Dogwood Drive & 3408 Estelle Street
Hapeville, Georgia 30354



Prepared for:

The Village Church, Inc.
Attention: Ray Waters
3418 Dogwood Drive
Hapeville, Georgia 30354



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DS Murphy Commercial, LLC

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November 16, 2023

The Village Church, Inc.
Attention: Ray Waters
3418 Dogwood Drive
Hapeville, Georgia 30354
ray@raywaters.com

RE: 3418 Dogwood Drive & 3409 Estelle Street, Hapeville, Georgia 30354

The Village Church, Inc.:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to present our findings with respect to our restricted appraisal report of the above-referenced property, the "Subject". The purpose of this report is to estimate market value of the fee simple interest in the property. The Subject property is a 1.787-acre ± site comprised of two contiguous tax parcels improved with two flex buildings.

The report is specifically restricted for the use of The Village Church, Inc., the "Client", and it is intended only for the specified use of the Client. It is our understanding that the report is to be used for internal decision-making purposes. Neither this appraisal report nor any portion thereof may be relied upon by third parties without the express written consent of DS Murphy Commercial, LLC. We have performed no prior services involving the Subject property in the three years preceding this engagement.

As a result of our investigation and analysis, it is our opinion that, Subject to the limiting conditions and assumptions contained herein, the estimated "as is" market value of the fee simple interest in the Subject property, as of November 7, 2023, is:

THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS

(\$3,800,000)


Our conclusions are based on general economic conditions as they existed at the time of our analysis and cannot account for the potential impact of any sudden or sharp rise or decline in economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of the report have not been considered. We are not responsible for updating or revising this report based on such subsequent events.

The appraisal process and this Restricted Appraisal Report are intended to comply with Rule 2-2 of The Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 2020.

This letter is not an appraisal report but accompanies the attached report. If this letter is separated from the report, the conclusion(s) reported herein should not be relied upon, as it may be misleading. In addition, this appraisal is subject to the specified Assumptions and Limiting Conditions defined herein. Acceptance of this report constitutes an agreement with these Assumptions and Limiting Conditions. In particular, we note that no member of our firm is an expert regarding environmental condition or structural engineering. Unless otherwise noted in the report, the assumption has been made that any improvements are in the condition described and no structural defects exist. In addition, the property is assumed to be free and clear of any environmental conditions that would impact the value of the property. If either of these assumptions are determined to be untrue, we reserve the right to amend this report.

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,



Sandee Pennington
Georgia Certified General Appraiser #285157

Use of this report is limited to the client(s). The rationale for how the appraiser arrived at the opinions and conclusions set forth in this report may not be understood properly without additional information that is in the appraiser's work file.

Address(s): 3418 Dogwood Drive & 3409 Estelle Street, Hapeville, Georgia 30354

Property Type: Flex buildings

Current Use: Multi-tenant flex

Tax Parcel Number(s): 14 009800180269 & 14 009800180061, respectively

Condition: 3418 Dogwood Drive: Good
3409 Estelle Street: Good

Gross Leaseable Area: 3418 Dogwood Drive: 21,708 Square Feet ±
3409 Estelle Street: 6,750 Square Feet ±
Total: 28,458 Square Feet ±

Site Area: 1.787 Acre (77,841.72 Square Feet) ±, per Client-provided survey

Floor Area Ratio: 36.56% ±

Year Constructed: 3418 Dogwood Drive: 1940 & 1964
3409 Estelle Street: 1968

Flood Zone: A and X

Flood Panels: 13131C0366F

Access: Good via Dogwood Drive and King Arnold Street, a minor arterials, & Estelle Street, a local roadway

State: Georgia

County: Fulton

City: Hapeville

Owner: The Village Church, Inc.

Zoning: U-V, Urban Village District by the City of Hapeville

Client: The Village Church, Inc.

Intended Use: Internal decision-making purposes. No other uses of this appraisal are intended by the appraiser.

Intended User: The Client is the only intended user. Neither this appraisal report nor any portion thereof may be relied upon by third parties without the express written consent of DS Murphy Commercial, LLC.

Property Rights: Fee Simple

Type of Value: Market Value

Definition of Market Value: Although the appraisal communicated in this report is not prepared for a financial institution, the commonly used definition of market value found in the federal regulations of the agencies that regulate financial institutions has been used in this assignment.

Conditions of Appraisal: An extraordinary assumption is made in this appraisal that all the Subject's mechanical and structural systems are functional such that they require no repairs and/or replacements. An extraordinary assumption is made in this appraisal that all third-party and/or Client-provided data utilized in this appraisal is accurate. An extraordinary assumption is made in this appraisal that the Subject property's improvements are situated on the site such that they do not encroach upon another property and that they conform to all applicable governmental regulations and ordinances. An extraordinary assumption is made in this appraisal that the interior photos provided by the Client of the portion of 3409 Estelle Street occupied by the tenant, Outback Bikes, is the same on the effective date of the report as indicated within the provided photos. The reader is advised that the value concluded in this appraisal is subject to change if any extraordinary assumption made in this appraisal is proven false.

Foreclosure Activity: As of the effective date of this appraisal, there is little to no impact on the market value of the Subject property because of recent foreclosure activity.

Sale History: We have no evidence of a transfer of the Subject property within the prior three years of the effective date of this appraisal.

Listing History: We have no evidence of an offering of the Subject property in either CoStar, FMLS, and/or GMLS within the prior year of the effective date of this appraisal. Further, we have not been provided a listing agreement by the Client.

Purchase & Sale Agreement: We have no evidence of a purchase and sale agreement involving the Subject property as of the effective date of this appraisal. Further, we have not been provided a purchase and sale agreement by the Client.

Lease Agreement: We are provided with, by the Client, three Sublease Agreements. We are not provided with the master lease as the Client indicates this is a non-arm's length lease back arrangement. The Client-provided subleases indicate that the tenants collectively lease approximately 36% of the Subject property; however, the Client reports the subleases are considered by the Client to be in default and therefore unenforceable by the tenants. For this reason, at the Client's request, the purpose of this report is to estimate market value of the fee simple interest in the property.

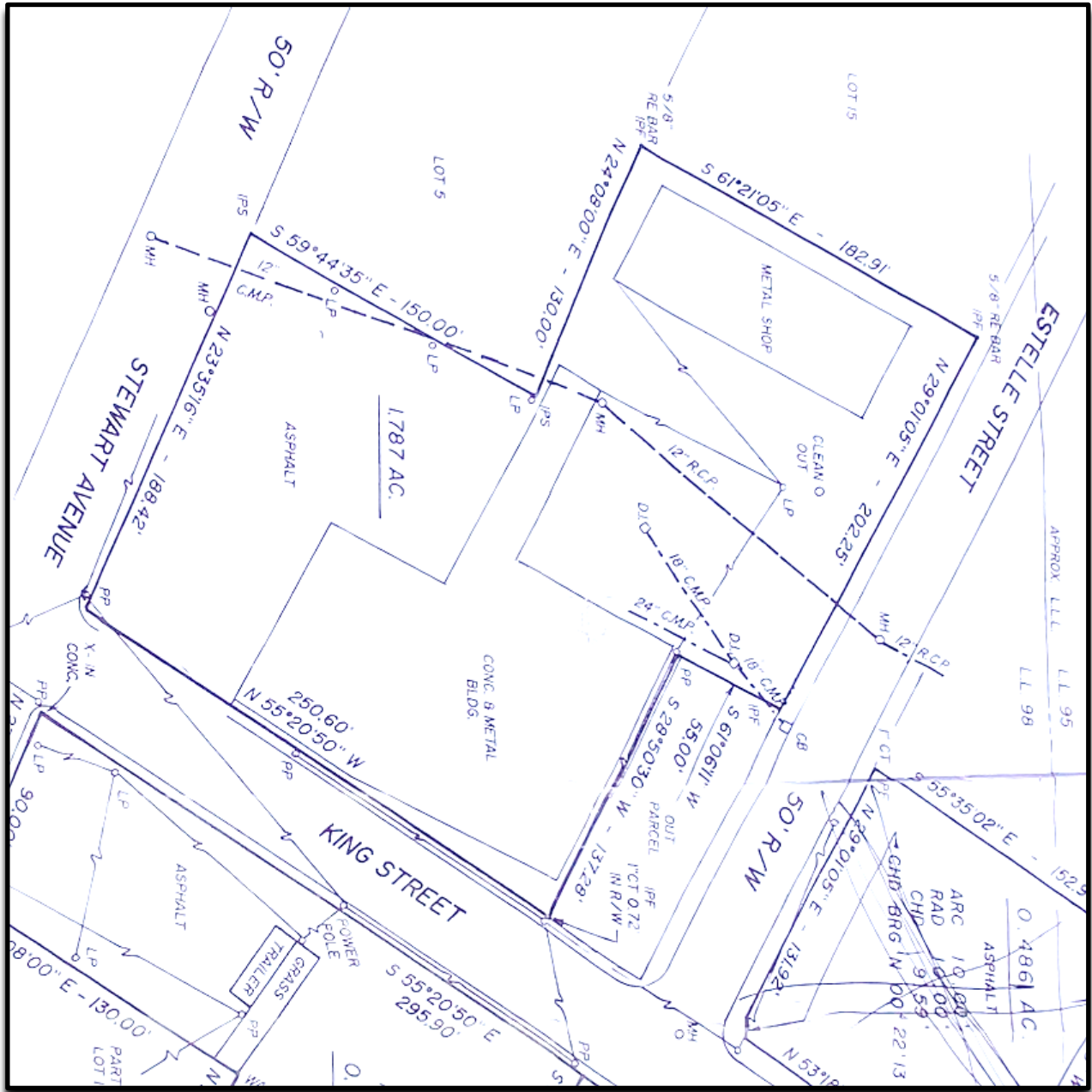
Scope of Work: The description of the property being appraised is obtained from an interior and exterior inspection, public records, and discussions with the Client. All three approaches to value are considered: Cost; Sales Comparison; and Income Capitalization. The sales comparison and income approaches are developed. The cost approach is given little to no emphasis by market participants and is not considered relevant or necessary for credible assignment results. Comparable sales are found in CoStar, FMLS, GAMLs, and public and company records. To the extent possible, the data is confirmed via public records and discussions with parties to the transactions.

Aerial Map



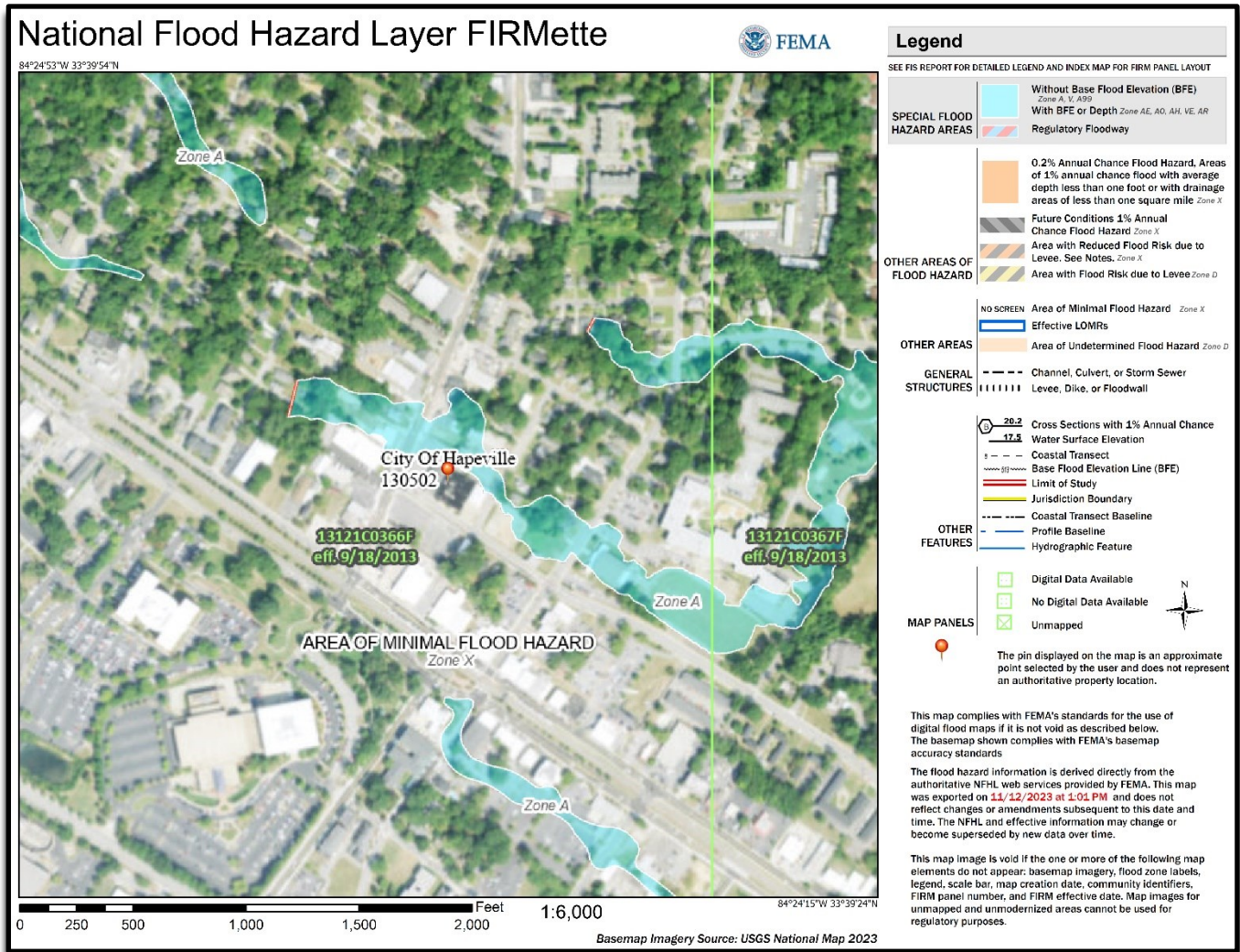
Source: Qpublic - Fulton County Pictometry

Client-Provided Survey



Source: Client

Flood Map



Source: FEMA

Legal Description ¹

All that tract or parcel of land lying and being in Land Lot 98 of the 14th District of Fulton County, Georgia, being Lot 16, Block 1, of the S. T. Cronheim Subdivision of Simmons property as per plat of same recorded in Plat Book 10, Page 22, of Fulton County Records, and being more particularly described as follows:

Beginning at a point on the Southwesterly side of Estelle Street 227.2 feet Southwesterly from the corner formed by the intersection of the Northwesterly side of Estelle Street with the Southwesterly side of Marina Street, said point of beginning being at the line dividing Lots 15 and 16 of said Block and Subdivision; running thence Southwesterly, along the Northwesterly side of Estelle Street, 50 feet to the line which divides Lots 16 and 17 of said Block and Subdivision; running thence in a Northwesterly direction along the Northeasterly line of said Lot 17, 179 feet to a point; running thence Northeasterly 50 feet to the Southwesterly line of above mentioned Lot 15 of said Block and Subdivision; running thence in a Southerly direction along the Southwesterly line of said Lot 15, 183.5 feet to the Northwesterly side of Estelle Street and the point of beginning, known as 3409 Estelle Street according to the present system of numbering lots in the City of Hapeville, Georgia.

And

All that tract or parcel of land lying and being in Land Lots 95 and 98 of the 14th District, Fulton County, Georgia, being Lots 1, 2, 3, 4, 17, 18 and 19 and portions of Lots 20, 21 and 22, S. P. Cronheim Subdivision of the Simmons Property, as shown on plat recorded in Plat 10, Page 22, Fulton County Records, being more particularly described as follow:

Beginning at a mark in the concrete at the intersection of the Northeast side of King Street (King Arnold Street) with the Southeast side of Stewart Avenue; running thence Northeasterly along the Southeast side of Stewart Avenue 192 feet to the Southwest corner of Lot 5, said subdivision; running thence Southeasterly along the Southwest side of Lot 5, said subdivision, 150 feet; thence Northeasterly along the Northwest line of Lots 18 and 17, 80 feet to an iron pin; thence Southeasterly along the Northeast side of Lot 19, said subdivision, 179 feet to the Northwest side of Estelle Street; thence Southwesterly along the Northwest side of Estelle Street 150 feet to an iron pin at the Northeast corner of Lot 20, said subdivision; thence Northwesterly along the Northeast side of Lot 20, said subdivision, 55 feet to an iron pin; thence Southwesterly 138 feet to an iron pin on the Northeast side of King Street; thence Northwesterly along the Northeast side of King Street 251.3 feet to the point of beginning.

14 009800180269

¹ Fulton County Deed 58395, Page 556

Real Estate Taxes

The Subject property is located in the Fulton County and the City of Hapeville tax jurisdictions. Properties within these jurisdictions are assessed at 40 percent of the tax appraised value, as estimated by tax officials. The most recent published tax bills are as follows:

3418 Dogwood Drive

Fulton County

Owner Name THE VILLAGE CHURCH INC	Parcel Identification 14 -0098-0018-026-9	Account Number 1169232
Property Location 3418 DOGWOOD DRIVE	Tax District 30 - HAPEVILLE	
Fair Market Value 2,163,800	Assessed Value 865,520	Temporary Assessment Not Found
City Exemption:		
County Exemption:		

Levies	Assessment	Exemptions	Net Assessment	X	Net Rate	State Credit	TAX
Fulton Cycle							
FULTON BONDS	865,520	0	865,520	X	.000180	\$0.00	\$155.79
FULTON OPER	865,520	0	865,520	X	.008870	\$0.00	\$7,677.16
FULTON SCHOOL GEN	865,520	0	865,520	X	.017140	\$0.00	\$14,835.01
INTEREST							\$0.00
PENALTIES/FEES							\$0.00
Last Payment: Not Found			Total Amount Billed				\$22,667.96
			Less Amount Paid				\$0.00
			Total Due				\$22,667.96

City of Hapeville

2023 Property Tax Statement						Tax Payer: THE VILLAGE CHURCH INC Map Code: 14 - 0098 - 0018 - 026 - 9 REAL Description: Location: 3418 DOGWOOD DR Bill No: 2023 - 1885.0 District: 01
City of Hapeville P.O. Box 82311 Hapeville, GA 30354						
Phone: (404) 669-2100 Fax: (404) 669-2113						
*** TEMPORARY TAX STATEMENT						

Fair Market Value (FMV)	Assessed Value 40% FMV	Exemptions	Taxable Value	Millage Rate	Net Tax Due
2,163,800	865,520	- 0	865,520	15.20	13,163.69

Entity	Exemptions	Millage Rate	Gross Tax	Exemptions Tax Credit	Net Tax
		15.20	13,163.69		
Local Option Sales Tax Rollback			- 0.00		
Library Rollback			- 0.00		
TAX		15.20			13,163.69
NET TAX DUE					13,163.69

3408 Estelle Street

Fulton County

Owner Name THE VILLAGE CHURCH INC	Parcel Identification 14 -0098-0018-006-1	Account Number 1169135
Property Location 3409 ESTELLE STREET	Tax District 30 - HAPEVILLE	
Fair Market Value 157,400	Assessed Value 62,960	Temporary Assessment Not Found
City Exemption:		
County Exemption:		

Levies	Assessment	Exemptions	Net Assessment	X	Net Rate	State Credit	TAX
Fulton Cycle							
FULTON BONDS	62,960	0	62,960	X	.000180	\$0.00	\$11.33
FULTON OPER	62,960	0	62,960	X	.008870	\$0.00	\$558.46
FULTON SCHOOL GEN	62,960	0	62,960	X	.017140	\$0.00	\$1,079.13
INTEREST							\$0.00
PENALTIES/FEES							\$0.00
Last Payment: Not Found			Total Amount Billed				\$1,648.92
			Less Amount Paid				\$0.00
			Total Due				\$1,648.92

City of Hapeville

2023 Property Tax Statement		Tax Payer: THE VILLAGE CHURCH INC	
City of Hapeville		Map Code: 14 -0098-0018-006-1 REAL	
P.O. Box 82311		Description:	
Hapeville, GA 30354		Location: 3409 ESTELLE ST	
Phone: (404) 669-2100 Fax: (404) 669-2113		Bill No: 2023- 1875.0	
		District: 01	

Fair Market Value (FMV)	Assessed Value 40% FMV	Exemptions	Taxable Value	Millage Rate	Net Tax Due
157,400	62,960	- 0	62,960	15.20	957.56

Entity	Exemptions	Millage Rate	Gross Tax	Exemptions Tax Credit	Net Tax
		15.20	957.56		
Local Option Sales Tax Rollback			- 0.00		
Library Rollback			- 0.00		
TAX		15.20			957.56
NET TAX DUE					957.56

The most recent tax appraised value for 3418 Dogwood Drive is \$2,163,800 and \$157,400 for 3409 Estelle Street. The combined 2023 tax liability for the Subject property is \$38,438.13.

Photographs – 3418 Dogwood Drive



Typical Exterior View



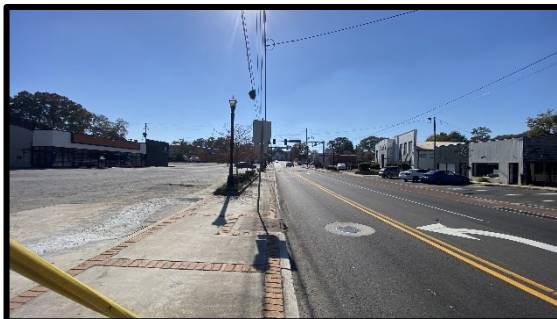
Typical Exterior View



Typical Exterior View



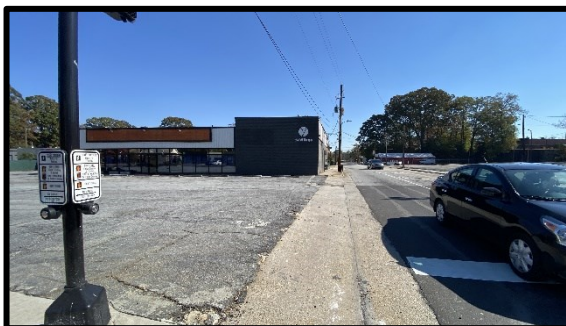
Typical Exterior View



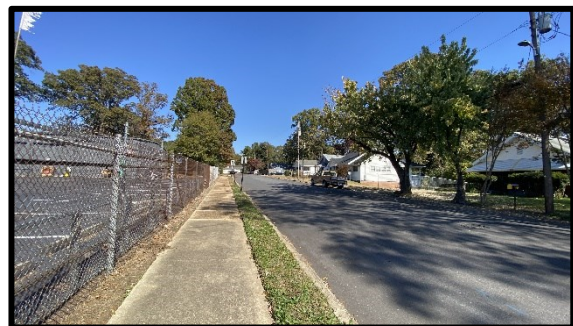
Typical Roadway View



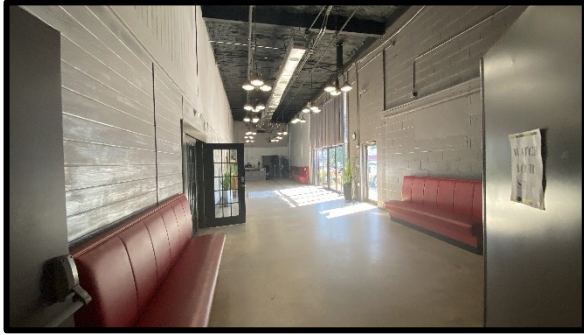
Typical Roadway View



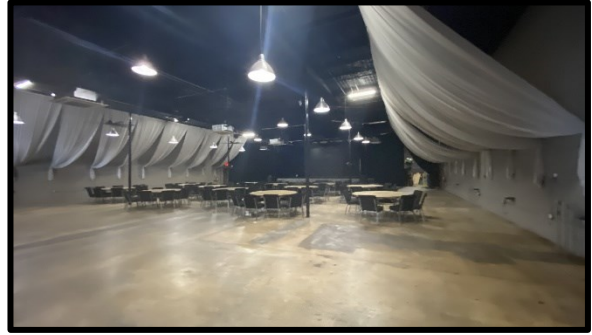
Typical Roadway View



Typical Roadway View



Typical Interior View



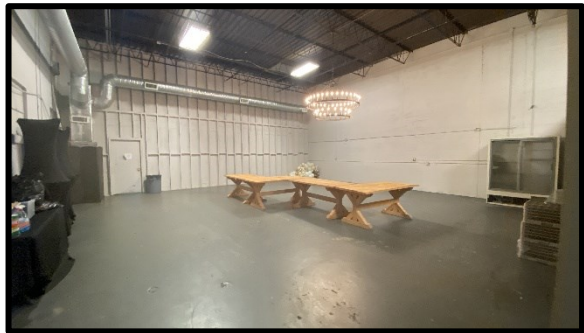
Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



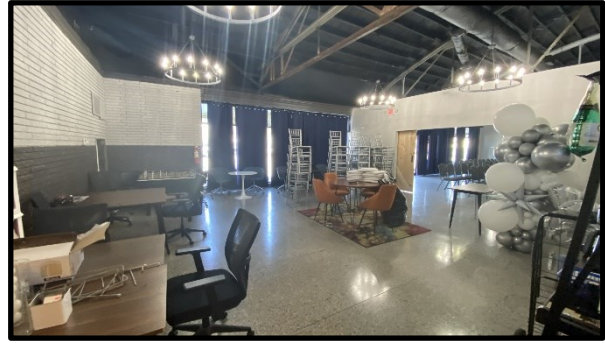
Typical Interior View



Typical Interior View



Typical Interior View



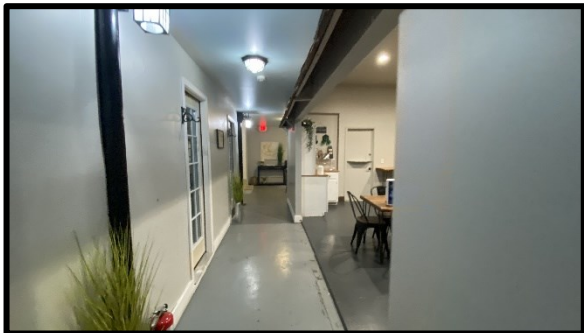
Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View

Photographs – 3409 Estelle Street



Typical Exterior View



Typical Exterior View



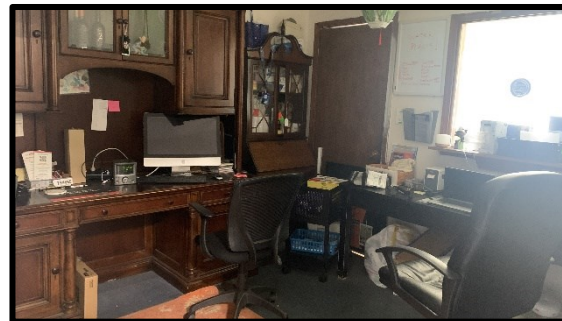
Typical Exterior View



Typical Interior View



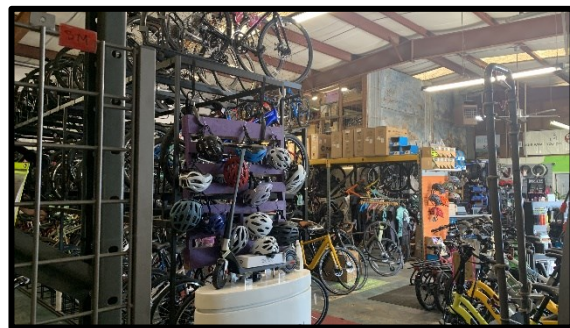
Typical Interior View



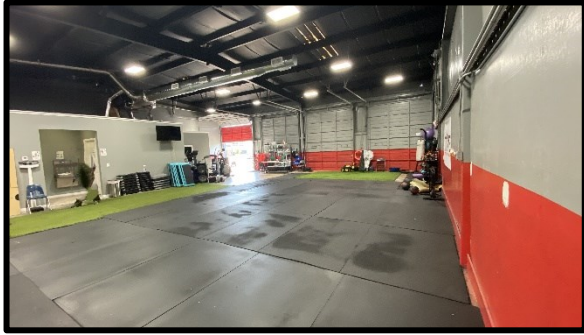
Typical Interior View



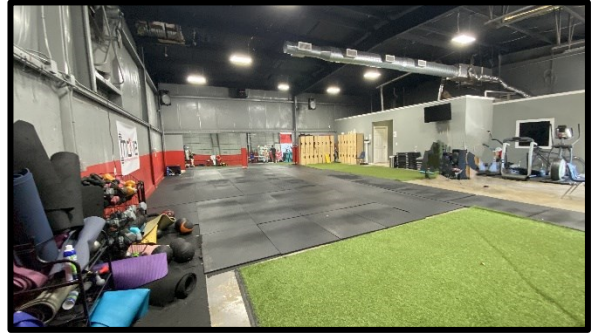
Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View

OPINIONS AND CONCLUSIONS

Highest and Best Use: The highest and best use of the Subject property is continued use of the improvements with regular upkeep and maintenance as warranted.

Exposure Time: The appraiser's opinion of reasonable exposure time is less than twelve months.

Effective Date of Value: November 7, 2023

Date of the Property Visit: November 7, 2023

Result of Approaches to Value:

Cost Approach	Not developed.
Sales Comparison	\$3,800,000
Income Approach	\$3,800,000

Final Value Indication: \$3,800,000

Summary of Sales Comparison Approach

Comparable Sales Data Adjustment Grid				
Subject	Sale 1	Sale 2	Sale 3	Sale 4
3418 Dogwood Dr & 3409 Estelle St Hapeville Georgia 30354	2160 Hills Ave NW Atlanta Georgia 30318	1397 Blasfield St SE Atlanta Georgia 30315	4810 Old National Hwy Atlanta Georgia 30337	280 Mount Zion Rd Hapeville Georgia 30354
Property Data				
Type	Flex	Flex	Flex	Flex
Year Built	1970	1958-1981	1981	1964
Site Area (Square Feet)	2.68	1.27	3.28	1.23
Floor Area Ratio	32.22%	17.92%	31.81%	26.76%
Sales Data				
Date	Jun-22	May-21	Aug-22	Aug-22
Interest	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Sale/Contract Price	\$6,075,630	\$1,340,000	\$5,900,000	\$1,750,000
GLA (Square Feet)	37,610	9,880	45,452	14,317
Price Per Square Foot	\$161.54	\$135.63	\$129.81	\$122.23
Adjustments				
Property Rights Conveyed	\$0.00	\$0.00	\$0.00	\$0.00
	\$161.54	\$135.63	\$129.81	\$122.23
Financing Terms	\$0.00	\$0.00	\$0.00	\$0.00
	\$161.54	\$135.63	\$129.81	\$122.23
Conditions of Sale	\$0.00	\$0.00	\$0.00	\$0.00
	\$161.54	\$135.63	\$129.81	\$122.23
Expenditures After Purchase	\$0.00	\$0.00	\$0.00	\$0.00
	\$161.54	\$135.63	\$129.81	\$122.23
Market Conditions	\$9.03	\$20.13	\$6.16	\$6.01
Adjusted Sale Price	\$170.57	\$155.76	\$135.97	\$128.24
Location	-15.0%	-10.0%	0.0%	0.0%
Quality/Configuration	-10.0%	0.0%	-5.0%	5.0%
Age/Condition	0.0%	0.0%	0.0%	2.5%
Building Size	2.5%	-2.5%	5.0%	-2.5%
Site Characteristics	0.0%	-2.5%	0.0%	0.0%
Overall Adjustment	-22.5%	-15.0%	0.0%	5.0%
Adjusted Price Per Unit	\$132.19	\$132.40	\$135.97	\$134.65

Indicators	
Minimum Price/GLA	\$132.19
Maximum Price/GLA	\$135.97
Mean Price/GLA	\$133.80
Median Price/GLA	\$133.53
Conclusion	
Concluded Value/GLA	\$134.00
Subject GLA	<u>28,458</u>
Value Indication	<u>\$3,813,372</u>
Rounded To	\$3,800,000

As shown, the resulting value indication by the sales comparison approach is **\$3,800,000, after rounding.**

Summary of Income Approach

To determine an appropriate rental rate for the Subject property, we surveyed comparable rentals. This research revealed that most similar properties rent in the range of \$12.00 to \$15.00 per square foot under a triple net expense convention where the tenant reimburses the landlord for real estate taxes, insurance, and repairs & maintenance, with the remaining operating expenses paid by the tenant. Considering most market participants would anticipate the Subject to continue to function as a multi-tenant occupied property in conjunction with the configuration of the Subject property, we convert the surveyed triple net rental rates to a full-service rental rate where the landlord is responsible for all operating expenses. Based on this, and considering specific characteristics of the Subject property, we have concluded a market rent of \$17.00 per square foot under a full-service expense convention. The summary of the income approach is shown as follows:

Direct Capitalization Technique				
Operating Revenues				
				Total Revenue
Potential Gross Rental Income	28,458	x	\$17.00	= \$483,786
Operating Expense Reimbursements				\$0
Total Potential Gross Income				<u>\$483,786</u>
Vacancy & Collection Loss			4%	<u>(\$19,351)</u>
Effective Gross Income				\$464,435
Operating Expenses				
Real Estate Taxes				(\$38,438)
Insurance	28,458	x	\$0.50	= (\$14,229)
Utilities	28,458	x	\$2.00	= (\$56,916)
Repairs & Maintenance	28,458	x	\$1.50	= (\$42,687)
Management		@	5%	= (\$23,222)
Replacement Allowance	28,458	x	\$0.80	= (\$22,766)
Total Operating Expenses				<u>(\$198,258)</u>
Direct Capitalization				
Net Operating Income				\$266,177
Capitalization Rate				7.00%
Indicated Value				<u>\$3,802,529</u>
Indicated Value (Rounded)				\$3,800,000

As shown, the resulting value indication by the income approach is **\$3,800,000, after rounding.**

Reconciliation and Final Value Conclusion

There is sufficient data to support both the sales comparison and the income approaches. In the final analysis, both approaches to value are given equal emphasis in the final value reconciliation. As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated “as is” market value of the fee simple interest in the Subject property, as of November 7, 2023, is:

THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS
(\$3,800,000)

ASSUMPTIONS AND LIMITING CONDITIONS

1. The property is being appraised free and clear of any and all liens or encumbrances unless otherwise stated.
2. Responsible ownership and competent property management are assumed.
3. No responsibility is assumed for matters involving legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
4. Some information identified in this report is being furnished to us by others and is believed to be reliable. This is especially pertinent to financial projections and other assumptions furnished by the developer(s), owner(s), or their agents. Some of these projections and assumptions inevitably will not materialize or unanticipated events may occur subsequent to the date of the appraisal. Therefore, the actual results may differ from the projections and these variations could materially affect value. Information gathered on comparable sales and rentals, while verified with at least one principal to the transaction cannot be assumed to be 100% accurate.
5. An attempt has been made to obtain the financing terms of the comparable sales by contacting the buyer, mortgagee or third parties familiar with the sale. However, when such persons refuse to disclose this information, some assumptions must be made based upon any available information.
6. The dimensions and sizes of both the land and buildings as reported herein are assumed to be correct. All engineering data were assumed to be correct. Plot plans and exhibits have been included only to assist the reader in visualizing the property.
7. It was assumed that the utilization of the land and/or improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.
8. We are not architects, engineers, or surveyors and do not warrant this report against mathematical errors or miscalculations of building or site areas. Should such an error occur, we reserve the right to modify the value to reflect any substantial difference.
9. Financing is one of the prime considerations in the purchase of real estate and while the subject property may be financed with special terms, the estimation of "Market Value" requires that current market terms be used, and our value assumes market financing.
10. We have taken into consideration the building and use restrictions, zoning, and other regulations applicable to the property.
11. Furnishings and equipment or business operations, except as specifically indicated and typically considered as part of the real estate, are excluded from this appraisal.
12. If the Cost Approach has been used, Reproduction and/or Replacement costs have been estimated utilizing accepted building cost services. However, it must be noted that even actual contractor's cost estimates are subject to wide variation, and we assume no responsibility for their accuracy.
13. If the Income Approach to value has been used, our Discounted Cash Flow Analysis and/or other mathematical techniques represent a conscientious effort to analyze the performance of the property over a reasonable projection period. However, these are models based upon specific forecasts that may or may not occur.
14. The income and expense projections were based upon our interpretation of the leases (if any), data provided by the owner and/or his representatives, and information obtained by third parties. Where we found possible conflicting paragraphs in the lease documents that could affect income, we

requested additional data from the owner. We relied upon this additional data to resolve any apparent lease conflicts and have assumed that the data provided accurately reflect the actual income and expenses reported by the owner. Any significant variations could result in a significantly different value and the appraiser reserves the right to adjust the appraised value accordingly.

15. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil or structures that would render it more or less desirable. No responsibility is assumed for such conditions or for engineering that may be required to discover them.
16. It is assumed that the property is in full compliance with all-applicable federal, state, and local environmental regulations and laws unless a non-compliance is stated, defined, and considered in the appraisal report.
17. We are not aware of any restrictions such as moratoriums on commercial development, ground leases, master plans, historic district controls, deed covenants, environmental regulations, building costs, fire regulations, title restrictions or private agreements that would prevent the building's legal use. However, should such restrictions become evident, we reserve the right to consider their effect on the appraised value.
18. It was assumed that all licenses, certificates of occupancy, consents or other legislative or administrative authority required by any local, state, or national government or private utility or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. Typical property utility border easements were noted during the site inspection. No study of deed restrictions has been conducted by the appraiser. A title search would be required to provide positive assurance of the existence or absence of deed restrictions. For the purpose of this appraisal, it is assumed that there are no deed restrictions or liens that would adversely affect the subject site.
20. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. It is invalidated if used separately or in conjunction with any other appraisal.
21. This appraisal has been prepared as closely as possible to comply with the guidelines set forth by the Uniform Standards of Professional Practice (USPAP) of the Appraisal Foundation as mandated under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). We have also made every attempt to adhere to the specific instructions of the engagement letter issued by the lender and included in the addenda of this report.
22. The party for whom this restricted appraisal report is intended is the only intended user. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this appraisal report.
23. This Restricted Appraisal Report is intended to comply with the requirements set forth under Standard 2-2(b) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it does not present detailed discussions of the data, reasoning, and analysis used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and the intended use stated in the report. The appraiser is not responsible for unauthorized use of this report.
24. Unless otherwise stated in this report, the existence of hazardous material, that may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation,

or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

25. The required occupancy permits that are necessary for compliance with all local, state, and federal regulations are assumed to be in place and valid.
26. The appraised value assumes that the boundaries, as described on the public record, are accurate, unless otherwise noted in this report.
27. The appraised value assumes that the improvements described in this report are the only improvements that exist on the described land and the no adverse easements or encroachments negatively affect the value of the property.
28. The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) regular per diem rate plus expenses.
29. Americans with Disabilities Act (ADA) of 1990 - A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. We have not made a determination regarding the subject's ADA compliance or non-compliance. Non-compliance could have a negative impact on value; however, this has not been considered or analyzed in this appraisal.

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this appraisal report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.
- The global outbreak of a "novel coronavirus" (known as COVID-19) was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. As of the effective date of this appraisal it is unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the Subject property is located. The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the Subject property of this event, or any event, subsequent to the effective date of the appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements Code of Professional Ethics & 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 specified in the Assumptions and Limiting Conditions.
- I have made a visual exterior and interior inspection of the property that is the subject of this report with the exception of the portion of 3409 Estelle Street occupied by Outback Bikes for which the Client provided interior photos.



Sandee Pennington
GA Certified General Appraiser #285157

November 16, 2023
Date

Marshall & Swift Condition Rating Indicators²

- **Excellent Condition** – All items that can normally be repaired or refinished have recently been corrected, such as new roofing, paint, furnace overhaul, state-of-the-art components, etc. With no functional inadequacies of any consequence and all major short-lived components in like-new condition, the overall effective age has been substantially reduced upon complete revitalization of the structure regardless of the actual chronological age.
- **Very Good Condition** – All items well maintained, many having been overhauled and repaired as they've shown signs of wear, increasing the life expectancy and lowering the effective age, with little deterioration or obsolescence evident and a high degree of utility.
- **Good Condition** – No obvious maintenance required, but neither is everything new. Appearance and utility are above the standard, and the overall effective age will be lower than the typical property.
- **Average Condition** – Some evidence of deferred maintenance and normal obsolescence with age in that a few minor repairs are needed, along with some refinishing. But with all major components still functional and contributing toward an extended life expectancy, effective age and utility are standard for like properties of its class and usage.
- **Fair Condition** – Much repair needed. Many items need refinishing or overhauling, deferred maintenance obvious, inadequate building utility and services all shortening the life expectancy and increasing the effective age.
- **Poor Condition** – Repair and overhaul needed on painted surfaces, roofing, plumbing, heating, numerous functional inadequacies, substandard utilities, etc. (found only in extraordinary circumstances). Excessive deferred maintenance and abuse, limited value-in-use, approaching abandonment or major reconstruction; reuse or change in occupancy is imminent. Effective age is near the end of the scale regardless of the actual chronological age.

² Marshall Valuation Service, Irvine CA

FEMA Special Flood Hazard Area Classifications

- **X** – Not located in a FEMA designated special flood hazard area
- **A** – Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones.
- **AE** – Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. The base floodplain where base flood elevations are provided.
- **AO** – River or stream flood hazard areas, and areas with a 1% or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Average flood depths derived from detailed analyses are shown within these zones.
- **AH** – Areas with a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
- **VE** – Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
- **X500** – Areas of 500-year flood; areas of 500-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 500-year flood. An area inundated by 0.2% annual chance flooding.
- **Regulatory Floodway** – The channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. Communities must regulate development in these floodways to ensure that there are no increases in upstream flood elevations. For streams and other watercourses where FEMA has provided Base Flood Elevations (BFEs), but no floodway has been designated, the community must review floodplain development on a case-by-case basis to ensure that increases in water surface elevations do not occur or identify the need to adopt a floodway if adequate information is available.

Appraiser Qualifications

Sandee S. Pennington

Education

Bachelor of Science – Fine Art
Auburn University, Auburn, Alabama

Work History

Staff Commercial Appraiser, D.S. Murphy Commercial, LLC
Staff Residential Appraiser, D.S. Murphy & Associates, Inc.
Owner/Appraiser; Appraisal Resource of Georgia, Inc.

Professional Real Estate Education Completed Since 2005 (hours)

2020-2022 7-Hour National USPAP Update Course (7)	Appraising FHA Today (7)
Appraisal Regulation and Review (4)	2-4 Family Finesse (7)
Advanced Data Collection, Quality, and Reporting (3)	Residential Appraisal Review (7)
Valuation Approaches and Inspections for Appraisers (3)	2012-2013 7-Hour National USPAP Update Course (7)
How to Become a Top Performing Appraiser (4)	Avoid Residential Appraisal Mistakes (7)
Georgia Real Estate License Law (3)	Residential Report Writing and Case Studies (15)
NAR: May the Code be with You (3)	Residential Report Writing: More Than Forms (7)
Introduction to Commercial Appraisal Review (7)	Essential Elements of Disclosures and Disclaimers (5)
Appraisal of Industrial and Flex Buildings (7)	Environmental Pollution: Mold/Air (2)
Appraisal of Self-Storage Facilities (7)	REO and Foreclosure (5)
2020-2021 7-Hour National USPAP Update Course (7)	Introduction to the Uniform Appraisal Dataset (2)
The Basics of Expert Witness for Commercial Appraiser (7)	Appraising FHA Today (7)
Residential Construction and the Appraiser (7)	2010-2011 7-Hour National USPAP Update Course (7)
Appraisal of Fast-Food Facilities (7)	Appraisal Liability (7)
2018-2019 7-Hour National USPAP Update Course (7)	Appraising FHA Today (7)
Appraisal of Land Subject to Ground Leases (7)	What Commercial Clients Would Like Appraisers to Know (7)
Appraisal of Owner-Occupied Commercial Properties	2008-2009 7-Hour National USPAP Update Course (7)
2016-2017 7-Hour National USPAP Update Course (7)	Appraising Income Property 2 (15)
A Day in the Life of an Appraiser (3)	Appraising Income Property 1 (15)
Appraiser's Guide to CMA's (3)	Real Estate Finance, Statistics, and Valuation Modeling (29)
Understanding Values in This Crazy Market (3)	Advance Residential Applications and Case Studies (15)
Total Mobile for iPad (4)	Residential Market Analysis and Highest and Best Use (15)
Mastering Appraisals (4)	Residential Appraisers Site Valuation and Cost Approach (15)
Fundamental Concepts of Analysis (7)	2006-2007 7-Hour National USPAP Update Course (7)
Mortgage Fraud: Protect Yourself (7)	Appraisal Methods (14)
2014-2015 7-Hour National USPAP Update Course (7)	Pre-Licensing for Appraisers (90)

Certifications & Licenses

Georgia State Certified General Real Property Appraiser #285157
Georgia Licensed Real Estate Salesperson #333206

Appraiser License

**STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD**

SANDEE S PENNINGTON
285157

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A
CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

JEFF A. LAWSON
Vice Chairperson

JEANMARIE HOLMES
KEITH STONE
WILLIAM A. MURRAY

1355057051763230

SANDEE S PENNINGTON

285157
Status ACTIVE

END OF RENEWAL
07/31/2024

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY
REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605



LYNN DEMPSEY
Real Estate Commissioner

1355057051763230

SANDEE S PENNINGTON

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State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605



LYNN DEMPSEY
Real Estate Commissioner

1355057051763230

Appraisal Engagement Agreement



DS Murphy Commercial, LLC

5400 Laurel Springs Parkway
Suite 108
Suwanee, Georgia 30024
(678) 584-5900
www.dsmurphy.com

APPRAISAL ASSIGNMENT ENGAGEMENT AGREEMENT

DATE OF AGREEMENT: October 31, 2023

PARTIES TO AGREEMENT:

Client

The Village Church, Inc.
Attn: Ray Waters
3418 Dogwood Drive
Hapeville, GA 30354
(404) 312-0933
ray@raywaters.com

Appraiser

D. S. Murphy Commercial, LLC
5400 Laurel Springs Parkway, Suite 108
Suwanee, Georgia 30024
(770) 887-7370
commercial@dsmurphy.com

Client hereby engages Appraiser to complete an appraisal assignment as follows:

PROPERTY IDENTIFICATION

3409 Estelle Street & 3418 Dogwood Drive
Hapeville, Georgia 30354
Fulton County Tax Parcels: 14 009800180061 & 14 009800180269, respectively
(REAL PROPERTY ONLY, no business value, no going concern, no FF&E)

INTEREST VALUED

To be determined after review of leases

INTENDED USER(S)

The Client is the only intended user of this appraisal.

INTENDED USE

To assist Client in determining market value for internal use only

TYPE OF VALUE

Market Value

DATE OF VALUE

Current

HYPOTHETICAL CONDITION(S)

None

EXTRAORDINARY ASSUMPTION(S)

*An extraordinary assumption is made in this appraisal that all Client and or third-party information utilized in this appraisal is accurate.

*An extraordinary assumption is made in this appraisal that, as of the effective date, all the Subject property's mechanical and structural systems are functional such that they require no repairs and/or replacements.

*An extraordinary assumption is made in this appraisal that the Subject property has no servient easements and/or underground utilities that would negatively impact value.

*An extraordinary assumption is made in this appraisal that the Subject property's improvements are situated on the site such that they do not encroach upon another property and that they conform to all applicable governmental regulations and ordinances.

*The reader is advised that the value concluded in this appraisal could change if any extraordinary assumption made in this appraisal is proven false.

*Additional extraordinary assumptions may be deemed necessary by the appraiser as the assignment progresses and shall be applied.

APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)

The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

ANTICIPATED SCOPE OF WORK

Property Visit

Exterior and interior observation, on-site

Valuation Approaches

All applicable approaches as determined by the Appraiser.

APPRAISAL REPORT

Report option

Restricted Report of an Appraisal

Form or format:

Narrative

CONTACT FOR PROPERTY ACCESS, IF APPLICABLE

Carol Cahill (404) 918-8438

DELIVERY DATE

Within 15 business days from the date of payment

DELIVERY METHOD

PDF Report by Email

PAYMENT TO APPRAISER

The fee for this assignment is \$2,800 payment, payable before on-site visit.

PROPOSED IMPROVEMENTS

Not Applicable

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to or disclose the results of the appraisal prepared in accordance with this Agreement with any party other than the Client and Carol Cahill, unless Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

STATEMENT OF PRIOR WORK

We have not performed prior work involving the Subject property in the three-year period preceding this engagement.

EXPIRATION OF AGREEMENT

This Agreement is valid only if signed by both Appraiser and Client within three days of the Date of Agreement specified.

By Appraisal Firm:



Sandee Pennington
for DS Murphy Commercial, LLC
GA Certified General Real Estate Appraiser #285157

By Client:



Raymond D. Waters (Oct 31, 2023 17:37 EDT)

For DS Murphy Commercial, LLC Office Use ONLY:

REQUESTED DOCUMENTATION

Client agrees to provide accurate documentation and information as requested by DS Murphy Commercial, LLC to complete the appraisal. Delays in receipt of the documentation or in property access may result in DS Murphy Commercial, LLC being unable to deliver the report on the agreed-upon delivery date. The applicable requested information is marked with a check:

Information Request List (if applicable)

Basic Information:

- Property Contact:
- Current Listing Information
- Current Agreement to Purchase
- Boundary Survey or Site Plan
- Prior Appraisal Reports

Income Producing Properties:

- Leasing Broker Contact
- Property Management Contact
- Asking Rent for Vacant Space
- Prior Years Operating Statements
- Current Rent Roll
- Copy of All Leases
- Other Income Sources

Improved Property:

- Building Plans & Specs
- Building Sketch or Drawing

Proposed Construction:

- Construction Cost Breakdown
- Cost to Complete Construction
- Proposed Building Plans Specs
- Builder/Developer Contact
- Anticipated Date of Completion

STANDARD TERMS & CONDITIONS FOR SERVICES AGREEMENT

1. **"Personnel."** When capitalized, the term "Personnel" refers to all employees, partners, owners, shareholders, members, officers, directors or independent contractors of the respective party.
2. **Responsibility for Services.** DS Murphy Commercial, LLC is solely responsible for the services provided under this Agreement and the work product of its appraisers.
3. **Appraisal Fee Changes.** The appraisal fee is based on an understanding of the assignment as outlined in the specifications for the appraisal. Changes in the scope of work or unanticipated matters concerning the property may result in a higher fee and will be billed at DS Murphy Commercial, LLC regular hourly rates. If Client places the assignment "on hold" and then reactivates the assignment, an additional charge may apply due to the inefficiency created. If Client cancels the assignment prior to completion, Client agrees to pay for DS Murphy Commercial, LLC costs and time incurred at its regular hourly rates prior to its receipt of written notice of such cancellation.
4. **Services Performed on an Hourly Basis.** If this assignment includes a provision for services performed on an hourly billing basis, the hourly rates for such services are subject to periodic adjustment to current rates. DS Murphy Commercial, LLC will provide 30 days' notice to Client prior to any rate increases. If Client chooses not to consent to the increased rates, Client may terminate the Agreement by written notice effective when received by DS Murphy Commercial, LLC. If this assignment includes a provision for services performed on an hourly billing basis, Client acknowledges that DS Murphy Commercial, LLC has not committed to any total fee amount to be incurred by Client under this Agreement.
5. **Intended Users and Uses of Appraisal.** In accordance with applicable professional appraisal standards, each appraisal report will identify the client, any additional intended users, and the intended use(s) of the appraisal. DS Murphy Commercial, LLC shall have no responsibility, obligation or liability to any party who is not identified as the client or as an additional intended user in the appraisal report or for any uses of an appraisal that are not identified in the report. Any party who is not the client or an intended user is not entitled to use or rely on the appraisal without the express written consent of DS Murphy Commercial, LLC, notwithstanding that such a party may receive a copy of the report for compliance or informational purposes.
6. **Independence of Appraisal Services.** The services performed under this Agreement will be delivered in a manner that is independent, impartial, and objective. DS Murphy Commercial, LLC and Client's obligation to pay are not contingent on the value of the property, any other

assignment results, the funding of any loan, or the outcome of any dispute or litigation. Any opinions expressed about the potential outcome of a matter or case are not guarantees of the outcome.

7. Confidentiality. DS Murphy Commercial, LLC and its Personnel will comply with all confidentiality duties imposed by applicable law and professional standards. Client agrees that DS Murphy Commercial, LLC may disclose the appraisal report, assignment results and other information relating to an appraisal, including information which may be considered confidential under applicable professional standards, to third parties as required by law or as necessary for compliance with professional standards. Client further consents to and authorizes DS Murphy Commercial, LLC to disclose the appraisal report, assignment results and other information relating to an appraisal, including information which may be considered confidential under applicable professional standards, as reasonably necessary to defending or responding to threatened or actual legal or regulatory actions or for insurance coverage of such matters.

8. Testimony in Court or Other Proceedings. Unless otherwise stated in this Agreement, Client agrees that DS Commercial, LLC's engagement under this Agreement does not include DS Commercial LLC's or its Personnel's participation in or preparation for any oral or written testimony in a Judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment. Client will not designate or disclose DS Murphy Commercial, LLC or any of its Personnel as an expert witness in any court, arbitration or other proceeding without the prior written consent of DS Murphy Commercial, LLC.

9. Subpoenas and Testimony. In the event that DS Murphy Commercial, LLC or any of its Personnel is compelled by subpoena or other legal or administrative process to provide testimony or produce documents relating to the appraisal or services under this Agreement, whether in court, deposition, arbitration or any other proceeding, DS Murphy Commercial, LLC shall provide notice thereof to Client and Client agrees that DS Murphy Commercial, LLC or any of its Personnel may disclose such information as required to comply with such process and to compensate DS Murphy Commercial, LLC for the reasonable time incurred in connection with preparation for and provision of such testimony and/or documents at DS Murphy Commercial, LLC's rates in effect at that time and reimburse its reasonable actual expenses.

10. Withdrawal Prior to Completion. DS Murphy Commercial, LLC may terminate its rendition of services for the assignment(s) contemplated under this Agreement and withdraw without penalty or liability before completion or reporting of the appraisal in the event that it determines, at its sole discretion, that incomplete information was provided to DS Murphy Commercial, LLC prior to the engagement, that Client or other parties have not or cannot provide documentation or information necessary to DS Murphy Commercial, LLC's analysis or reporting,

that conditions of the subject property render the original anticipated scope of work inappropriate, that DS Murphy Commercial, LLC becomes aware that a conflict of interest has arisen, or that Client has not complied with its payment obligations under this Agreement.

11. Third-Party Beneficiaries of Agreement. The Personnel of DS Murphy Commercial, LLC's assisting or providing any services in connection with the services to be provided under this Agreement and each of such franchisee's and licensee's Personnel (each a 'Third-Party Beneficiary') shall each be an express third-party beneficiary of this Agreement and entitled to all of the rights and protections of and applicable to DS Murphy Commercial, LLC, and the limitations applicable to the Client, set forth herein (Including, without limitation, the provisions regarding Intended Users and Uses of Appraisal, Maximum Time Period for legal Actions, Mutual limitations of liability. Indemnification, Subpoenas and Testimony, Unauthorized Use or Publication, No Responsibility for Certain Conditions and Arbitration). Without limiting the foregoing, although DS Murphy Commercial, LLC will provide no services under this Agreement, in the event of any legal claim or dispute, the following protections and limitations shall apply for the benefit of each Third Party Beneficiary: Responsibility for Services, Intended Users and Uses of Appraisal, Maximum Time Period for Legal Actions, Mutual Limitations of Liability, Indemnification, Subpoenas and Testimony, No Responsibility for Certain Conditions and Arbitration, and no waiver, modification or amendment of such provisions shall apply to any Third-Party Beneficiary, unless such waiver, modification or amendment is in writing and executed by such Third-Party Beneficiary. There are no other third-party beneficiaries of this Agreement or the services performed under this Agreement.

12. No Unauthorized Use or Publication. No part of an appraisal report or the opinions or conclusions stated in a report may be published or used in any advertising materials, property listings, investment offerings or prospectuses, or securities filings or statements without DS Murphy Commercial, LLC's prior written authorization. If Client publishes or uses the report or DS Murphy Commercial, LLC's work product without such authorization or provides the report or other work product for unauthorized use or publication, Client agrees to indemnify and hold DS Murphy Commercial, LLC and its Personnel harmless from and against all damages, liabilities, losses, causes of actions, expenses, claims and costs including attorneys' fees, incurred in the investigation and/or defense of any claim arising from or in any way connected to the unauthorized use or publication.

13. No Responsibility for Certain Conditions. Notwithstanding that a report may comment on, analyze or assume certain conditions, unless otherwise stated in the report, DS Murphy Commercial, LLC and its Personnel shall have no responsibility for investigating and shall have no responsibility or liability for matters pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) flood zones, earthquake zones, surveys, property lines or boundaries pertaining to the property; (c) the property's compliance with local, state or federal zoning, planning, building, occupancy permits, disability access, life safety and environmental laws, regulations and standards; (d) building permits and planning approvals for improvements on the property; (e) structural or mechanical soundness or safety; (f) contamination, mold, pollution, asbestos, storage tanks, subsoil conditions, animal or vermin infestations and hazardous conditions affecting the property; and (g) other conditions and matters for which real estate appraisers are not customarily deemed to have professional expertise. Unless otherwise noted, the appraisal will value the property as though free of pollution, hazardous materials or other contamination of any kind.

14. Maximum Time Period for Claims and Proceedings. Unless the time period is shorter under applicable law/ and except for claims for indemnification pursuant to Section 23, each claim, cause of action, or other proceeding concerning or relating to this Agreement, or the services or the results of the services provided hereunder (each being a 'Claim*') between Client and DS Murphy Commercial, LLC shall be filed (whether in court or in an applicable arbitration tribunal), within two (2) years from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time period stated in this section shall: (a) not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages, and (b) apply to all non-criminal claims or causes of action of any type, except for intentional fraud or intentionally wrongful conduct.

15. Mutual Limitations of liability. Professional standards for the performance of real estate appraisals require that appraisers perform their services independently, impartially, and objectively. Client and other users of appraisals often have separate legal or regulatory obligations imposed on them in relation to the appraisal process. The provisions of this section are designed to assure that an appraiser can render appraisal services in compliance with professional standards for reasonable compensation and to assure that clients and users can comply freely with their own professional and legal obligations, and any modifications hereof must be in writing and signed by the parties.

a. Limitations of Liability. To the fullest extent permitted by applicable law, the maximum liability of DS Murphy Commercial, LLC and its Personnel to the Client or to any third-party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by Appraiser) and of Client to DS Murphy Commercial, LLC for any Claim shall be limited to the total compensation actually paid to DS Murphy Commercial, LLC for the appraisal or other services that are subject of the Claim. This Limitation of liability extends to all types of Claims, whether in contract or tort, but excludes: (i) claims/causes of action for intentionally fraudulent or criminal conduct, intentionally caused injury, or unauthorized use or publication of the appraisal or work product or (ii) claims/causes of action by DS Murphy Commercial, LLC for the collection of unpaid compensation for the appraisal or other services (for which the maximum recovery shall be the total amount unpaid and owing to DS Murphy Commercial, LLC, plus applicable interest and late charges), or (iii) claims, causes of action, or other proceedings by DS Murphy Commercial, LLC against Client in accordance with Section 23 (each an 'Indemnification Claim'), or for publication of any report other than as may be expressly permitted by this Agreement (each a "Publication Claim").

b. No Special or Consequential Damages. Except In the case of an Indemnification Claim or a Publication Claim, neither DS Murphy Commercial, LLC/its Personnel nor Client shall be liable to one another or to any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by Appraiser) claiming by or through any of them or as a result of an appraisal or the matters set forth in this Agreement for special or consequential damages, including, without limitation, loss of profits, prospective business opportunities, or damages caused by loss of use of any property, regardless of whether arising from negligence or a breach of this Agreement or otherwise, and regardless of whether a party was advised or knew of the possibility of such damages.

c. **Application to Other Parties.** The limitations of liability in this section shall also apply to Claims against a Third-Party Beneficiary.

16. **No Assignment of Claims.** No rights under this Agreement and no Claim may be assigned by any party, except: (i) if set forth in the scope of services or (ii) with regard to the collection of a bona fide existing debt for payment for the services.

17. **Internal Compliance Reviews.** The appraisal or other work product and files may be disclosed to and subject to evaluation by DS Murphy Commercial, LLC for internal compliance purposes. Such evaluations do not establish any responsibility to the Client or any other parties. Client consents to disclosure of information relating to the appraisal for that purpose.

18. **Arbitration.** Except for the Claims described herein below, each Claim shall be resolved by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The place of arbitration shall be a mutually agreed location within the state in which the subject property is located. This arbitration requirement shall not apply to any Indemnification Claim, Publication Claim, or any Claim for monetary damages under \$5,000, or for collection of amounts due pursuant to this Agreement and not timely or fully paid.

19. **Indemnification.** Client will defend, indemnify and hold DS Murphy Commercial, LLC and its Personnel (each being an 'Indemnified Party") harmless from and against any liabilities, damages, obligations, costs, and expenses (including attorneys' fees) arising out of or suffered by an Indemnified Party from or in connection with any- claim, cause of action, or other proceeding brought by a third party (a "Third-Party Action") where such Third-Party Action arises in connection with, results from, or is based In whole or in part upon: (a) publication of the appraisal report or all or any part of its content in a manner inconsistent with the terms of this Agreement, (b) use or reliance on the appraisal by a person, entity, or association not identified as an intended user, unless DS Murphy Commercial, LLC has consented in writing to adding such person as an intended user, (c) Client's provision of inaccurate information or documentation, (d) Client's provision of an incomplete copy of the appraisal report to any person, entity, or association, or (e) Clinet's use or provision of the appraisal of the purpose other than its identified intended use.

20. **Governing Law and Jurisdiction.** This Agreement and each Claim shall be governed by the law of the state in which DS Commercial, LLC.'s office performing the assignment is located, exclusive of that state's choice of law rules. Client and DS Murphy Commercial, LLC agree that, except for Indemnification Claims and Publication Claims, each Claim and each legal proceeding to enforce an arbitration award entered pursuant to the arbitration provision of this Agreement, shall be brought in a state or federal court having jurisdiction over the location of the DS Murphy

Commercial, LLC's office performing the assignment, and the parties hereby waive any objections to the personal jurisdiction or venue of such court.

21. Severability. If any provision of this Agreement is held, in whole or part, to be void, unenforceable, or invalid for any reason, the remainder of that provision and the remainder of the entire Agreement shall be severable and remain in full force and effect.

22. Execution of Agreement. Execution of this Agreement and delivery of an executed copy by any party by electronic means will be as effective as delivery of a manually executed copy by such party. In the event that any or all off services described in this Agreement are performed at Client's request or direction, but prior to or without Client's execution of the Agreement, the terms and conditions of this Agreement, including Client's obligation to pay, shall still apply.

23. Entire Agreement and Modifications. This Agreement contains the entire agreement of the parties. No other agreement, statement or promise made on or before the effective date of this agreement will be binding on the parties. This Agreement may only be modified by a subsequent agreement of the parties in writing signed by all the parties.

24. Survival. The Terms and Conditions of this Agreement shall survive and continue to be applicable after completion of the services described herein.