



APPRAISAL OF REAL PROPERTY

Chessie Auto-Wash Depot Car Wash
701 Chestnut Street
South Charleston, Kanawha County, WV 25309
MountainSeed File ID: 190701047 / Loan Number: 261496801
Latitude: 38.351221
Longitude: -81.731031

IN AN APPRAISAL REPORT

As of July 22, 2019

Prepared For:

Poca Valley Bank – Winfield, WV
3500 Winfield Road
Winfield, WV 25213

Prepared By:

Cushman & Wakefield
Valuation & Advisory
225 West Wacker, Suite 3000
Chicago, IL 60606
Cushman & Wakefield File ID: 19-21002-900461-001



Chessie Auto-Wash Depot Car Wash
701 Chestnut Street
South Charleston, Kanawha County, WV 25309



CUSHMAN & WAKEFIELD
225 WEST WACKER, SUITE 3000
CHICAGO, IL 60606

August 1, 2019

Mr. Tony Marks
Poca Valley Bank – Winfield, WV
3500 Winfield Road
Winfield, WV 25213

Re: Appraisal of Real Property
In an Appraisal Report

Chessie Auto-Wash Depot Car Wash
701 Chestnut Street
South Charleston, Kanawha County, WV 25309

C&W File ID: 19-21002-900461-001
MountainSeed File ID: 190701047 / Loan Number: 261496801

Dear Mr. Marks:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in an appraisal report dated August 1, 2019. The inspection date is July 22, 2019, with an As Is value date of July 22, 2019.

This appraisal report has been prepared in compliance with the *Uniform Standards of Professional Appraisal Practice* (USPAP) and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) specifies that a Federally-regulated financial institution must be the Client in the appraiser-client relationship under the terms of an assignment agreement. To the extent the Client is governed by FIRREA, this appraisal meets all applicable requirements.

The subject is commonly known as Chessie Auto-Wash Depot Car Wash. The property was originally constructed in 2005 and renovated in 2018, was in average condition at the time of inspection and has an effective age of approximately 10 years. The subject's car wash is 3,200 square feet of gross building area. The subject improvements are situated on a 27,007 square foot corner site. The subject is located at the northwest corner of Chestnut Street and McClung Street in South Charleston, West Virginia.

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion of market value:

VALUE CONCLUSIONS			
Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
As-Is Market Value of the Going Concern	Fee Simple	7/22/2019	\$1,100,000

Compiled by Cushman & Wakefield

The components of the market value of the going concern are as follows:

ALLOCATION OF MARKET VALUE		
VALUE COMPONENT	VALUE	PERCENT
Land Value	\$375,000	34.1%
Structures	\$258,229	23.5%
Site Improvements	\$60,008	5.5%
Total Real Property	\$693,237	63.0%
Real Property (Rounded)	\$700,000	63.6%
Personal Property ¹	\$400,000	36.4%
Intangible Property	\$0	0.0%
Total Going Concern Market Value	\$1,100,000	100.0%

¹This value represents the depreciated value of the car wash equipment. We have included it in our going concern value due to this being the typical process in the subject's market.

Compiled by Cushman & Wakefield

The value opinion in this report is qualified by the following extraordinary assumptions and hypothetical conditions.

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions.

The property is a car wash facility. We have not made a soil test or test of underground water. Identifying site and soil contaminants or environmental issues is beyond the scope of this appraisal and the appraiser's qualifications. Unless otherwise stated, this appraisal is based on the assumption that the site and property are uncontaminated and unaffected by environmentally hazardous materials or substances. No responsibility is assumed by the appraiser for contamination issues and no warranties are implied by this opinion of value. No consideration of existing or proposed regulations of the Environmental Protection Agency, nor any other government agency, has been made. No statement of the subject property's compliance or noncompliance with the regulations or requirements of any government agency has been made by, or implied. If the subject's site has environmental issues the value conclusions presented in this appraisal would change. The client is advised to obtain the services of qualified environmental services contractors.

HYPOTHETICAL CONDITIONS

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions.

This appraisal does not employ any hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD

A handwritten signature in dark ink, reading "Scott Frayn". The signature is written in a cursive style with a horizontal line underneath it.

Scott C. Frayn, MAI
Senior Director
WV Certified General Appraiser
License No. TEMP19-054
scott.frayn@cushwake.com
312-203-9590 Office Direct

Client Satisfaction Survey

WE WANT TO HEAR FROM YOU!

VALUATION & ADVISORY



V&A National Quality Control Group values your feedback!

- What are we doing right?
- Are there areas where we could improve?
- Did our report meet your requirements?

As part of our quality monitoring campaign, your comments are critical to our efforts to continuously improve our service.

We'd appreciate your help in completing a short survey pertaining to this report and the level of service you received. Rest assured, any feedback will be treated with proper discretion and is not shared with executive management. If you prefer to limit who receives the survey response, the distribution can be altered at your request.

Simply click <https://www.surveymonkey.com/r/LQKCGLF?c=19-21002-900461-001> to respond or print out the survey in the Addenda to submit a hard copy.

Contact our Quality Control Committee with any questions or comments:

Scott Schafer, MAI, MRICS

Senior Managing Director
National Quality Control
Valuation & Advisory
T +1 716 200 0171
F +1 716 852 0890
scott.schafer@cushwake.com

Rick Zbranek, MAI

Senior Managing Director
National Quality Control
Valuation & Advisory
T +1 713 963 2863
F +1 716 852 0890
Rick.Zbranek@cushwake.com

Clarke Lewis, MAI

Senior Managing Director
Appraisal Management
Valuation & Advisory
T +1 631 234 5140
F +1 716 852 0890
clarke.lewis@cushwake.com

Steve Henry, MAI

Managing Director
Client Relations and Quality Assurance
Valuation & Advisory
T +1 949 930 9211
F +1 716 852 0890
Steve.Henry@cushwake.com

Sid Womack, MAI, AI-GRS, FRICS

Senior Managing Director
Regional Leader
Valuation & Advisory
T +1 972 663 9659
F +1 716 852 0890
sid.womack@cushwake.com

Steve Saunders, MAI, AI GRS, FRICS

Executive Managing Director
Florida Valuation & Advisory Market Leader
Valuation & Advisory
T +1 407 541 4384
F +1 716 852 0890
Steve.Saunders@cushwake.com

Executive Summary

The subject is commonly known as Chessie Auto-Wash Depot Car Wash. The property was originally constructed in 2005 and renovated in 2018, was in average condition at the time of inspection and has an effective age of approximately 10 years. The subject's car wash is 3,200 square feet of gross building area. The subject improvements are situated on a 27,007 square foot corner site. The subject is located at the northwest corner of Chestnut Street and McClung Street in South Charleston, West Virginia.

BASIC INFORMATION

Common Property Name:	Chessie Auto-Wash Depot Car Wash
Address:	701 Chestnut Street South Charleston, WV - 25309
County:	Kanawha
Date of Value:	July 22, 2019
Property Ownership Entity:	Big Dog Car Care Center LLC
Property Rights Appraised:	Fee Simple

SITE INFORMATION

Land Area	<u>Square Feet / Acres</u>
Main Parcel Land Area:	27,007 / 0.62
Excess Land Area:	<u>None</u>
Total Land Area:	27,007 / 0.62
Site Shape:	Rectangular
Site Topography:	Level at street grade
Frontage:	Good/Excellent
Site Utility:	Good/Excellent
Access:	Good/Excellent
Visibility:	Good/Excellent
Location Rating:	Good/Excellent
<u>Flood Zone Status:</u>	
Flood Zone:	X, Areas determined to be outside the 500 year flood plain.
Flood Map Number:	54039C0401E
Flood Map Date:	2/6/2008
Comments	The flood zone determination and other related data are provided by a third party vendor deemed to be reliable. If further details are required, additional research is required that is beyond the scope of this analysis.

BUILDING INFORMATION

Type of Property:	Car Wash
<u>Building Area:</u>	
Car Wash Area:	3,200 SF
Total Building Area:	3,200 SF
Canopy Area:	0 SF
Land to Building Ratio:	8.44:1
<u>Age/Life:</u>	
Quality:	Good
Condition:	Average
Year Built:	2005
Actual Age:	14 Years
Effective Age:	10 Years
Economic Life:	45 Years
Remaining Economic Life:	35 Years

MUNICIPAL INFORMATION**Assessment Information:**

Assessing Authority	Kanawha County
Assessor's Parcel Identification	20-18- 15-0129.0001
Current Tax Year	Payable 2018/2019
Taxable Assessment	\$430,519
Current Tax Liability	\$13,121
Subject's assessment is	Below market levels

Zoning Information:

Municipality Governing Zoning	City of South Charleston
Current Zoning	C4, Neighborhood Commercial District

DEMAND CATALYSTS

Corner or Interior Site:	Corner
Access Rating:	Good/Excellent
Frontage Rating:	Good/Excellent
Site Visibility Rating:	Good/Excellent

HIGHEST & BEST USE**As Though Vacant:**

Hold until it is financially feasible to develop a commercial use built to its maximum feasible building area

Excess Land - As Though Vacant:

None; the subject does not include excess land

As Improved:

A Car Wash as it is currently improved

The below Valuation Indices table portrays our value conclusions.

VALUATION INDICES	
LAND VALUE	\$375,000
COST APPROACH	\$1,100,000
SALES COMPARISON APPROACH	\$1,075,000
INCOME CAPITALIZATION APPROACH	
EBITDAR Direct Capitalization Method	\$1,075,000
EBITDAR Yield Capitalization Method	\$1,125,000
Income Capitalization Approach Conclusion	\$1,100,000
FINAL VALUE CONCLUSION	\$1,100,000

Compiled by Cushman & Wakefield

The intangible asset value components are shown in the following table, followed by a table displaying the different components of our market value of the going concern conclusion.

TOTAL INTANGIBLE VALUE

Market Value of the Going Concern:	\$1,100,000
LESS: Total Real Property ¹ :	\$700,000
LESS: Furniture, Fixtures & Equipment ² :	\$400,000
EQUALS: Total Intangible Value (Rounded):	\$0

¹See Cost Approach Value Summary table for Real Property calculation.

²This value represents the depreciated value of the car wash equipment. We have included it in our going concern value due to this being the typical process in the subject's market.

Compiled by Cushman & Wakefield

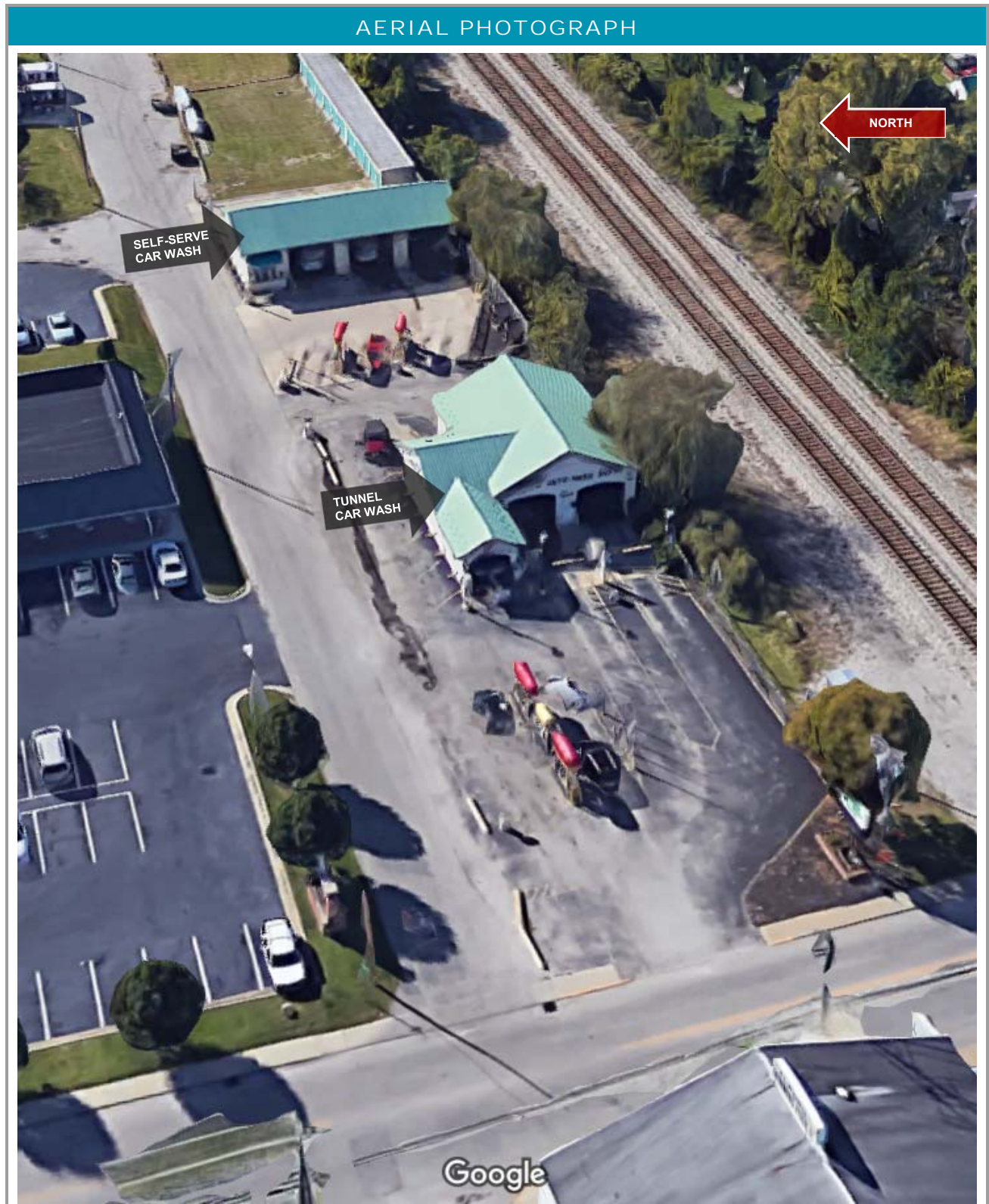
ALLOCATION OF MARKET VALUE

VALUE COMPONENT	VALUE	PERCENT
Land Value	\$375,000	34.1%
Structures	\$258,229	23.5%
Site Improvements	<u>\$60,008</u>	5.5%
Total Real Property	\$693,237	63.0%
Real Property (Rounded)	\$700,000	63.6%
Personal Property ¹	\$400,000	36.4%
Intangible Property	\$0	0.0%
Total Going Concern Market Value	\$1,100,000	100.0%

¹This value represents the depreciated value of the car wash equipment. We have included it in our going concern value due to this being the typical process in the subject's market.

Compiled by Cushman & Wakefield

Property Photographs



SUBJECT PROPERTY



SUBJECT PROPERTY – TUNNEL CAR WASH



SUBJECT PROPERTY – SELF-SERVE CAR WASH



SUBJECT PROPERTY – VACUUM AREA



SUBJECT PROPERTY – PRIMARY SIGNAGE



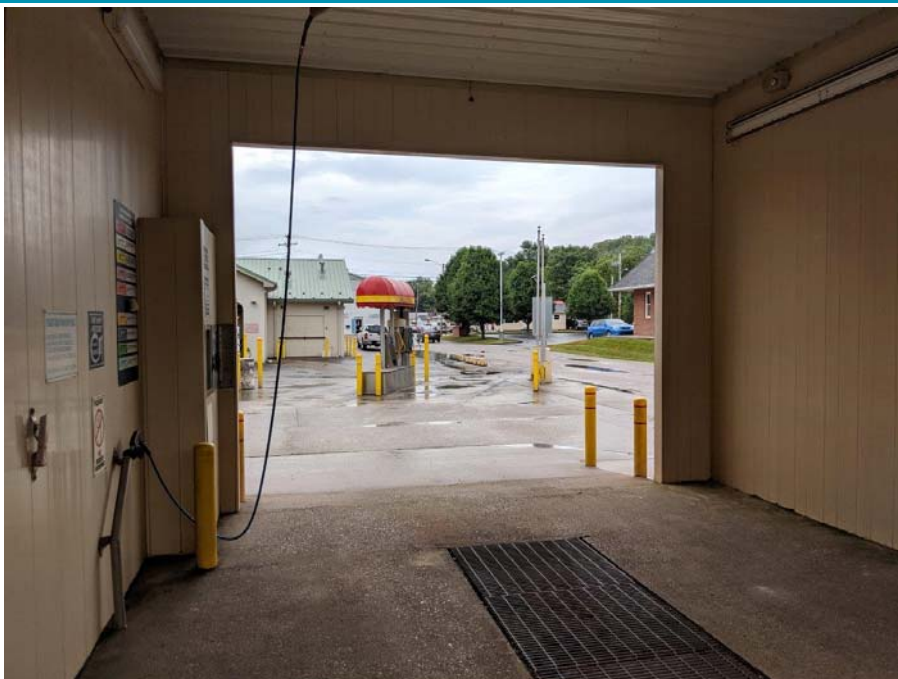
SUBJECT PROPERTY – INTERIOR



SUBJECT PROPERTY – INTERIOR



SUBJECT PROPERTY – INTERIOR



STREET SCENE – VIEWING NORTH ON CHESTNUT STREET



STREET SCENE – VIEWING SOUTH ON CHESTNUT STREET



STREET SCENE – VIEWING EAST ON MCCLUNG STREET



STREET SCENE – VIEWING WEST ON MCCLUNG STREET



Table of Contents

Client Satisfaction Survey-----	I
Executive Summary -----	II
Scope of Work -----	1
Introduction -----	2
Identification of Property-----	2
Property Ownership and Recent History -----	2
Dates of Inspection and Valuation -----	2
Client, Intended Use and Users of the Appraisal -----	2
Quality Control -----	3
Operational Assumptions -----	3
Most Probable Purchaser -----	3
Property Rights Appraised -----	3
Charleston, West Virginia Regional Analysis -----	4
Local Area Analysis -----	10
Car Wash Industry Overview-----	17
Property Analysis -----	20
Site Description -----	20
Improvements Description -----	22
Historical & Planned Capital Expenditures -----	23
Real Property Taxes And Assessments-----	24
Zoning-----	26
Highest and Best Use-----	28
Valuation Process-----	30
Land Valuation-----	31
Cost Approach -----	37
Sales Comparison Approach-----	44
Income Capitalization Approach -----	49
Revenue & Expense Analysis -----	49
Investment Considerations -----	51
EBITDAR Direct Capitalization Method -----	57
EBITDAR Yield Capitalization Method-----	61
Intangible Assets Value -----	67
Reconciliation and Final Value Opinions-----	68
Insurable Value -----	70
Assumptions and Limiting Conditions-----	72
Certification -----	74
Addenda Contents -----	75
Addendum A: Glossary of Terms & Definitions	
Addendum B: Client Satisfaction Survey	
Addendum C: Engagement Letter	
Addendum D: Sale Sheets - Land & Improved	
Addendum E: Qualifications of the Appraisers	

Scope of Work

This appraisal, presented in an appraisal report, is intended to comply with the reporting requirements outlined under Uniform Standards of Professional Appraisal Practice (USPAP) for an appraisal report.

The scope of this appraisal is to value the fee simple interest, and to allocate the going concern value components of the fee simple interest. This required collecting primary and secondary data relevant to the subject property. Vacant land and improved sales were researched in the subject's market, rental data was analyzed, and the input of buyers, sellers, brokers, property developers and public officials was considered. A physical inspection of the property was made. In addition, the general regional economy as well as the specifics of the subject's local area was investigated.

This appraisal was prepared without limitation of scope and involved thorough collection, checking and analysis of economic data, sales data, competitive market data and other information required in the appraisal process. The appraisal will consider the three standard approaches to value: income capitalization, sales comparison, and cost. Because car wash facilities are income-producing properties that are normally bought and sold on the basis of capitalization of their anticipated stabilized earning power, the greatest weight is given to the value indicated by the income capitalization approach. We find that most car wash investors employ a similar procedure in formulating their purchase decisions, and thus the income capitalization approach most closely reflects the rationale of typical buyers. When appropriate the sales comparison and cost approaches are used to test the reasonableness of the results indicated by the income capitalization approach. In this analysis, we relied on the Income Capitalization Approach to value and utilized the Sales Comparison Approach and Cost Approach as tests of reasonableness. Additionally, the Cost Approach is utilized as an allocation of the market value components.

REPORT OPTION DESCRIPTION

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

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

Introduction

IDENTIFICATION OF PROPERTY

Common Property Name:	Chessie Auto-Wash Depot Car Wash
Location:	The subject property is located at 701 Chestnut Street, South Charleston, Kanawha County, West Virginia 25309.
Assessor's Parcel Numbers:	20-18- 15-0129.0001
Legal Description:	We were not provided with a legal description.

PROPERTY OWNERSHIP AND RECENT HISTORY

Current Ownership:	Big Dog Car Care Center LLC
Sale History:	To the best of our knowledge, the property has not sold within the past three years.
Current Disposition:	To the best of our knowledge, the property is not under contract of sale nor is it being marketed for sale.
Previous Appraisal:	We have not performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment.

DATES OF INSPECTION AND VALUATION

Date of Valuation:	
As Is:	July 22, 2019
Date of Inspection:	July 22, 2019
Property Inspected by:	Scott C. Frayn, MAI made a personal inspection of the property that is the subject of this report.

CLIENT, INTENDED USE AND USERS OF THE APPRAISAL

Client:	Poca Valley Bank – Winfield, WV
Intended User:	The appraisal was prepared for Poca Valley Bank – Winfield, WV as an Intended User. The appraisal is intended only for the use specified below. The Client agrees that there are no other Intended Users.
Intended Use:	This appraisal is intended to provide an opinion of the market value of the going concern interest in the property for the use of the client in evaluating potential financing. This report is not intended for any other use.

QUALITY CONTROL

Cushman & Wakefield has an internal Quality Control Oversight Program. This Program mandates a “second read” of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

OPERATIONAL ASSUMPTIONS

For the purposes of this report, we assumed that the subject will be operated as a Car Wash. We further assumed that the subject will be operated by competent and experienced management familiar with the operation of car washes in the United States, and more specifically, South Charleston, West Virginia. For the purpose of this appraisal, we assumed that the subject could be sold free and clear and that with the existing brand affiliation would remain throughout the holding period.

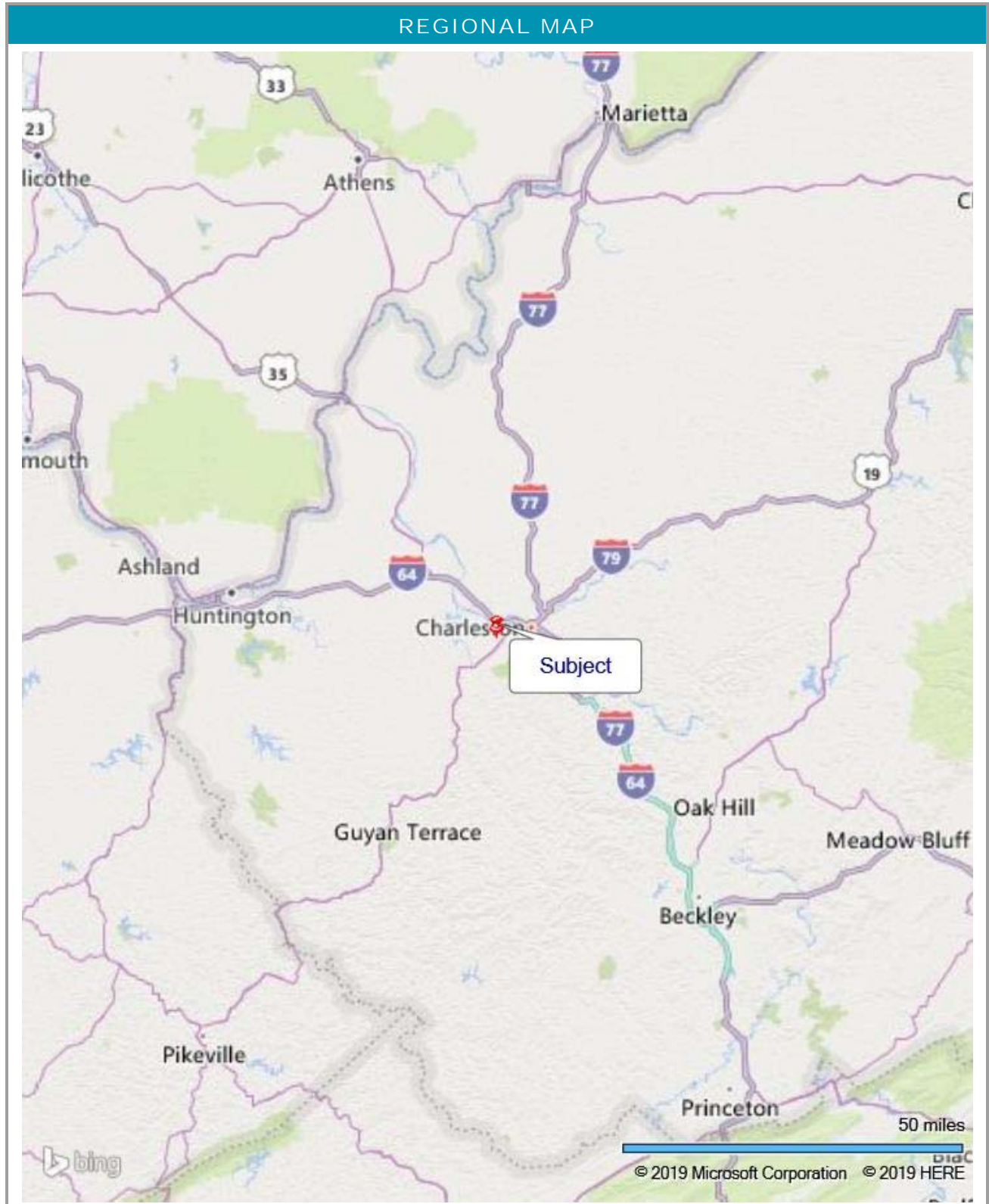
MOST PROBABLE PURCHASER

The subject property is currently an owner-occupied Car Wash. If the subject property were to sell, the most likely purchaser would also be an owner-occupier due to this being the most common ownership structure for the subject’s property type.

PROPERTY RIGHTS APPRAISED

The interest appraised is the fee simple estate, including the fee simple interest in the land and the contributory value of the furniture, fixtures and equipment. The appraisers assume that the subject will be, and shall remain, open and operational.

Charleston, West Virginia Regional Analysis



INTRODUCTION

The short- and long-term value of real estate is influenced by a variety of interacting factors. Regional analysis identifies those factors that affect property value, and the role they play within the region. The four primary forces that determine the supply and demand for real property, and consequently affect market value, are: environmental characteristics, governmental forces, social factors, and economic trends. The subject property is located in South Charleston, West Virginia in the Charleston, West Virginia MSA.

ECONOMIC & DEMOGRAPHIC PROFILE

The following profile of the Charleston, West Virginia MSA was provided by Moody's Economy.com. Economy.com's core assets of proprietary editorial and research content as well as economic and financial databases are a source of information on national and regional economies, industries, financial markets, and demographics.

Economy.com's approach to the analysis of the U.S. economy consists of building a large-scale, simultaneous-equation econometric model, which they simulate and adjust with local market information, creating a model of the U.S. macro economy that is both top-down and bottom-up. In this model, those variables that are national in nature are modeled nationally while those that are regional in nature are modeled regionally. Interest rates, prices, and business investment are modeled as national variables; key sectors such as labor markets (employment, labor force), demographics (population, households, and migration), and construction activity (housing starts and sales) are modeled regionally and then aggregated to national totals. This approach allows local information to influence the macroeconomic outlook. Therefore, changes in fiscal policy at the national level (changes in tax rates, for example) are translated into their corresponding effects on state economies. At the same time, the growth patterns of large states, such as California, New York, and Texas, play a major role in shaping the national outlook.

In addition, on a regional basis, the modeling system is explicitly linked to other states through migration flows and unemployment rates. Economy.com's model structure also takes into account migration between states.

ECONOMIC DRIVERS



EMPLOYMENT GROWTH RANK

2018-2020
375
5th quintile

2018-2023
337
5th quintile

Best=1, Worst=410

RELATIVE COSTS

LIVING
91%

BUSINESS
87%

U.S.=100%

VITALITY

RELATIVE
43%
Rank: 400

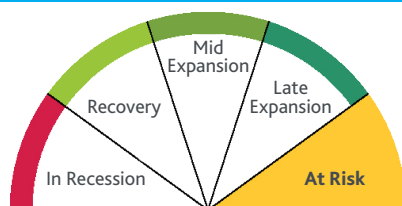
Best=1, Worst=403

QUALITY

OF LIFE
354

Best=1, Worst=378

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

- » Below-average business and living costs.
- » Abundant coal and natural gas reserves.
- » Below-average employment volatility.

WEAKNESSES

- » Rapid population decline and below-average incomes.
- » Large retiree population past peak expenditure years.
- » Dearth of educated labor.

FORECAST RISKS

SHORT TERM



LONG TERM



RISK EXPOSURE
2019-2024

317

4th quintile Highest=1
Lowest=403

UPSIDE

- » Stronger than expected demand for coal lifts prices, giving a larger boost to mining.
- » A rapidly aging population lifts healthcare demand by more than anticipated.

DOWNSIDE

- » Natural gas prices remain near a historical low, weighing on coal demand.
- » As the industrial structure shifts, a lack of retraining and low educational attainment lead to more long-term unemployment.

MOODY'S RATING

Aa2

CITY
AS OF SEP 27, 2017

ANALYSIS

Recent Performance. Charleston is losing its footing as coal mining struggles to make headway and government employment slips further into the abyss. Nonfarm payrolls are now smaller than they were in 1995, and CHW is among the 10 worst-performing metro areas in the South. The public sector, which is contracting faster than all other metro areas in the state except Morgantown, is leading the decline, and payrolls are now at a 17-year low. Additionally, the key mining and construction industries are flat. The 5.4% unemployment rate in February was among the 10 highest in the South, and is over 2 percentage points above its nadir from the previous business cycle. Further, a chronically weak labor market has caused many job seekers to end their search or leave CHW entirely. As a result, the labor force is 12% smaller than it was a decade ago.

Coal. Mining will grow modestly over the near term, but the industry will underperform other areas in the state. CHW is the fourth most dependent metro area nationally on coal mining employment, and it will reap rewards as stronger foreign demand helps end the decline in coal mining jobs. Expanding nations abroad will import more coal from West Virginia. For example, exports to India, which compose 12% of the state's coal exports, will play a vital role as the Indian expansion accelerates in 2019 and rising household electricity consumption boosts coal demand. However, the recovery in CHW will be far less robust than in other mining-reliant metro areas in the Mountain State. CHW has a high share of surface mines, which are more productive than underground mines, and therefore will not require many additional workers to increase coal output. With that said, even a small rise in mining payrolls will pay dividends since coal miners earn 50% more than CHW's average wage.

Spending. CHW's consumer industries will improve as income growth accelerates. Retail and hospitality have taken a hit over the past year as the metro area shed jobs and households cut back on spending at local establishments. However, an improving labor market will lead to higher pay, and average hourly earnings will get a boost from modest gains in high-paying energy jobs. The presence of labor market slack will also allow CHW to narrow its performance gap with the nation as employment growth accelerates locally at the same time that a tight labor market causes hiring to decelerate nationally. With wages and employment rising, households will boost spending and consumer industries will begin to recover.

Demographics. Poor demographics will be a long-term headwind. Last year marked the ninth consecutive year of population decline in the metro area, and losses are accelerating. Out-migration remains a major problem as residents flee CHW in search of better job opportunities elsewhere. A strengthening labor market will help ease out-migration, but the 10th highest death rate in the South will keep CHW's population in decline next year. All told, fewer residents will reduce tax revenues for local governments and cause population-dependent industries such as healthcare and construction to underperform.

Charleston's economy will improve modestly next year, but payrolls will be the slowest growing in the state. Mining will add workers over the near term, but gains will trail other metro areas in West Virginia. Longer run, the outlook is bleak. Low educational attainment, unfavorable demographics, and the decline of coal mining will keep output and employment growth below the national average.

Matthew R. Walsh
April 2019

1-866-275-3266
help@economy.com

2013	2014	2015	2016	2017	2018	INDICATORS	2019	2020	2021	2022	2023	2024
11.6	11.6	11.4	11.3	11.4	11.8	Gross metro product (C12\$ bil)	12.1	12.4	12.7	13.0	13.3	13.6
-0.7	-0.2	-1.6	-1.0	1.4	2.9	% change	2.9	2.2	2.7	2.4	2.1	2.0
118.1	117.6	115.9	113.4	111.7	110.8	Total employment (ths)	110.6	111.4	111.6	112.4	112.8	113.1
-1.1	-0.4	-1.4	-2.2	-1.4	-0.9	% change	-0.1	0.7	0.2	0.7	0.4	0.3
6.4	6.3	6.5	5.9	5.2	5.3	Unemployment rate (%)	4.9	4.2	4.4	4.5	4.6	4.6
-1.7	2.4	0.4	-1.1	1.8	2.1	Personal income growth (%)	4.9	4.8	4.0	5.0	4.5	4.2
44.0	43.5	42.3	41.9	41.6	41.4	Median household income (\$ ths)	42.4	44.0	45.6	47.4	49.1	50.7
224.8	223.0	220.5	218.0	214.5	212.7	Population (ths)	211.8	210.8	210.1	209.5	209.0	208.4
-0.5	-0.8	-1.1	-1.1	-1.6	-0.8	% change	-0.5	-0.4	-0.4	-0.3	-0.3	-0.3
-0.7	-1.5	-1.9	-2.0	-2.8	-1.0	Net migration (ths)	-0.3	-0.2	-0.0	0.2	0.3	0.2
88	88	90	70	70	94	Single-family permits (#)	63	73	82	87	87	85
253	233	193	115	65	54	Multifamily permits (#)	64	28	25	23	23	23
159.5	162.7	164.5	165.7	164.3	167.5	FHFA house price (1995Q1=100)	167.7	170.4	176.2	184.2	194.1	205.0

ECONOMIC HEALTH CHECK

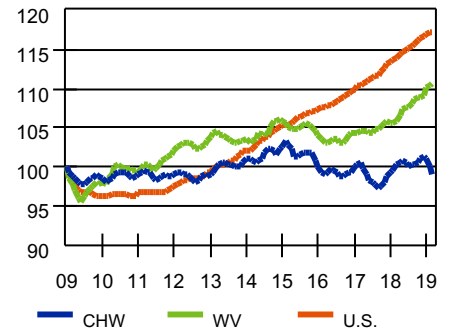
3-MO MA

	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Employment, change, ths	-0.2	-0.2	-0.3	-0.2	-0.1	0.0
Unemployment rate, %	5.2	5.2	5.3	5.3	5.3	5.2
Labor force participation rate, %	53.8	53.7	53.7	53.7	54.0	54.1
Employment-to-population ratio, %	51.0	50.9	50.8	50.9	51.1	51.3
Average weekly hours, #	35.9	35.8	35.8	36.0	36.1	36.0
Industrial production, 2012=100	110.2	110.6	111.1	111.1	110.8	110.3
Residential permits, single-family, #	68	132	126	128	51	66
Residential permits, multifamily, #	48	52	37	37	11	29
<div> <div>Better than prior 3-mo MA</div> <div>Unchanged from prior 3-mo MA</div> <div>Worse than prior 3-mo MA</div> </div>						

Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX

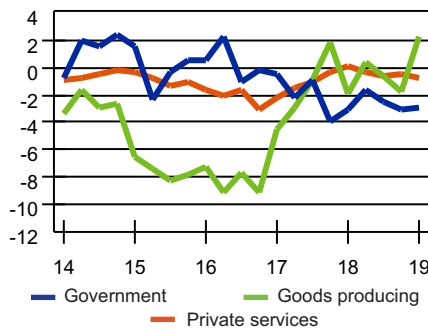
JAN 2009=100



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO



Sources: BLS, Moody's Analytics

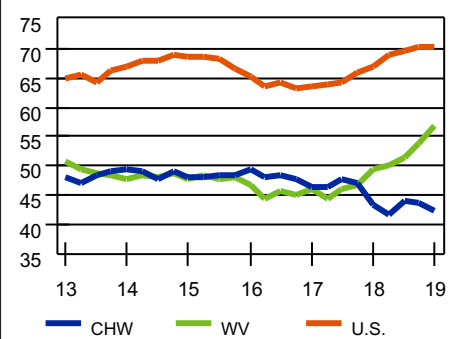
% CHANGE YR AGO, 3-MO MA

	Mar 18	Sep 18	Mar 19
Total	-0.8	-1.0	-1.1
Mining	-4.3	-15.0	-17.8
Construction	3.4	12.7	15.3
Manufacturing	-5.4	-2.7	0.9
Trade	-1.4	-3.2	-4.5
Trans/Utilities	-2.0	1.0	5.2
Information	-15.2	-5.9	4.4
Financial Activities	-1.9	-2.7	-0.5
Prof & Business Svcs.	5.1	6.1	0.7
Edu & Health Svcs.	-0.5	-2.0	0.4
Leisure & Hospitality	2.3	-1.0	-3.6
Other Services	-2.5	-0.8	-0.0
Government	-3.0	-2.5	-3.0

Sources: BLS, Moody's Analytics

DIFFUSION INDEX

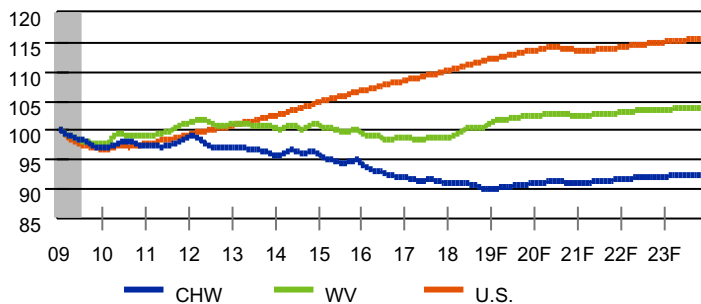
3-DIGIT NAICS LEVEL, 6-MO MA



Sources: BLS, Moody's Analytics

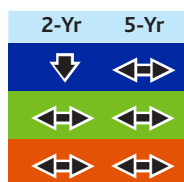
RELATIVE EMPLOYMENT PERFORMANCE

JAN 2009=100



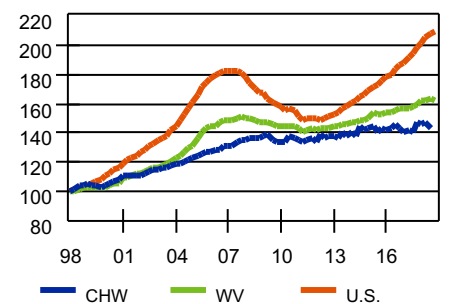
Sources: BLS, Moody's Analytics

FORECAST
VS. 6 MO PRIOR



HOUSE PRICE

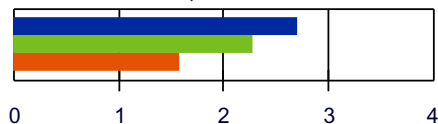
1998Q1=100, NSA



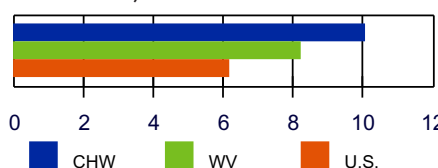
Sources: FHFA, Moody's Analytics

VACANCY RATES

HOMEOWNER, % HOUSES FOR SALE



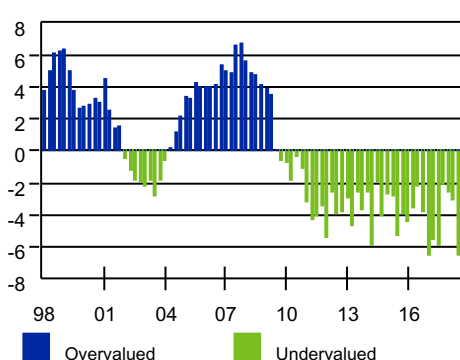
RENTAL, % INVENTORY FOR RENT



Sources: Census Bureau, ACS, Moody's Analytics, 2017

HOUSE PRICE TRENDS

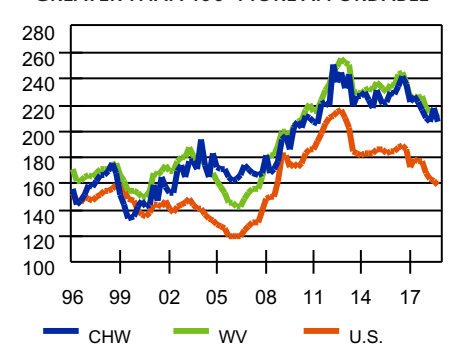
%



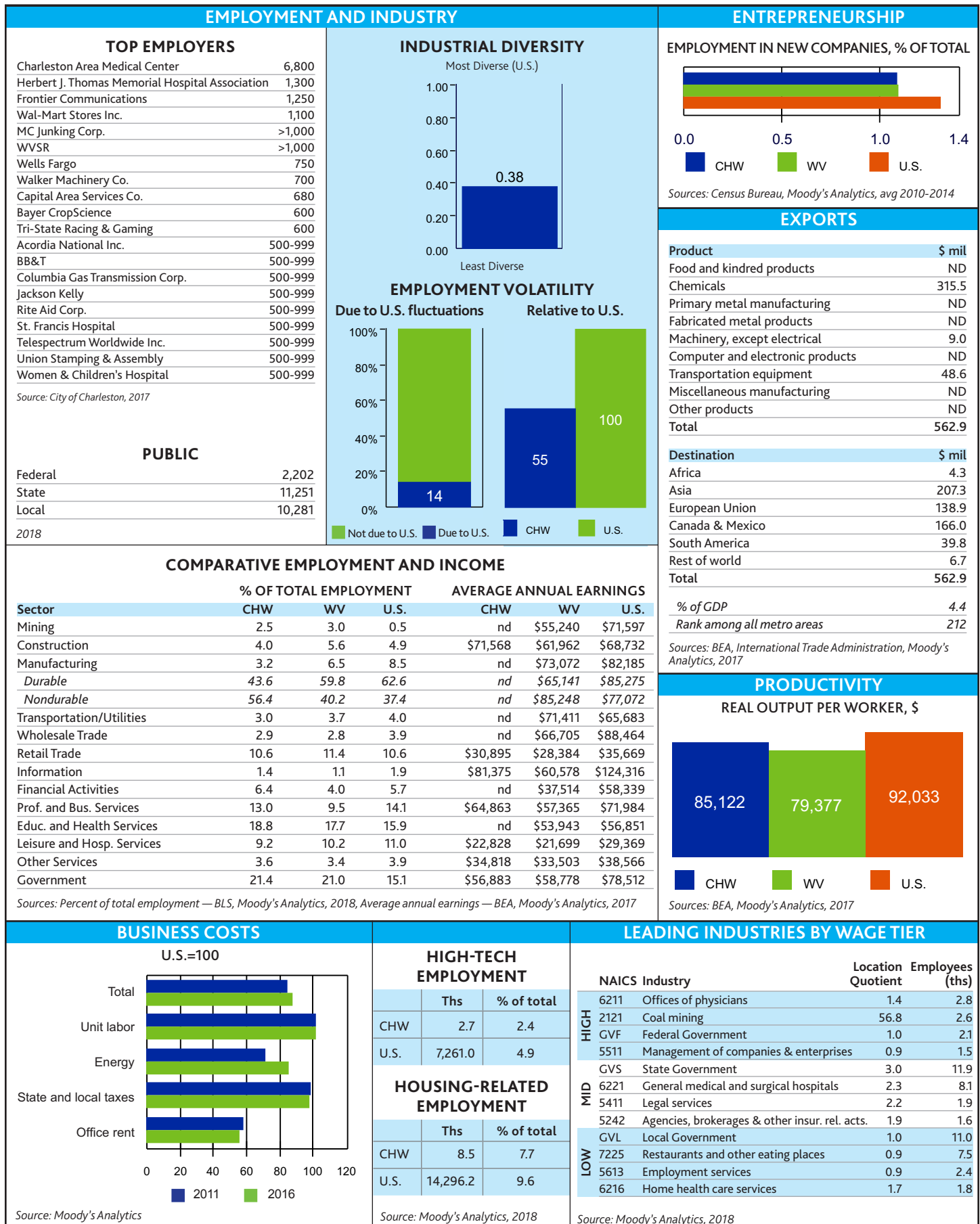
Sources: FHFA, Moody's Analytics

HOUSING AFFORDABILITY

GREATER THAN 100=MORE AFFORDABLE



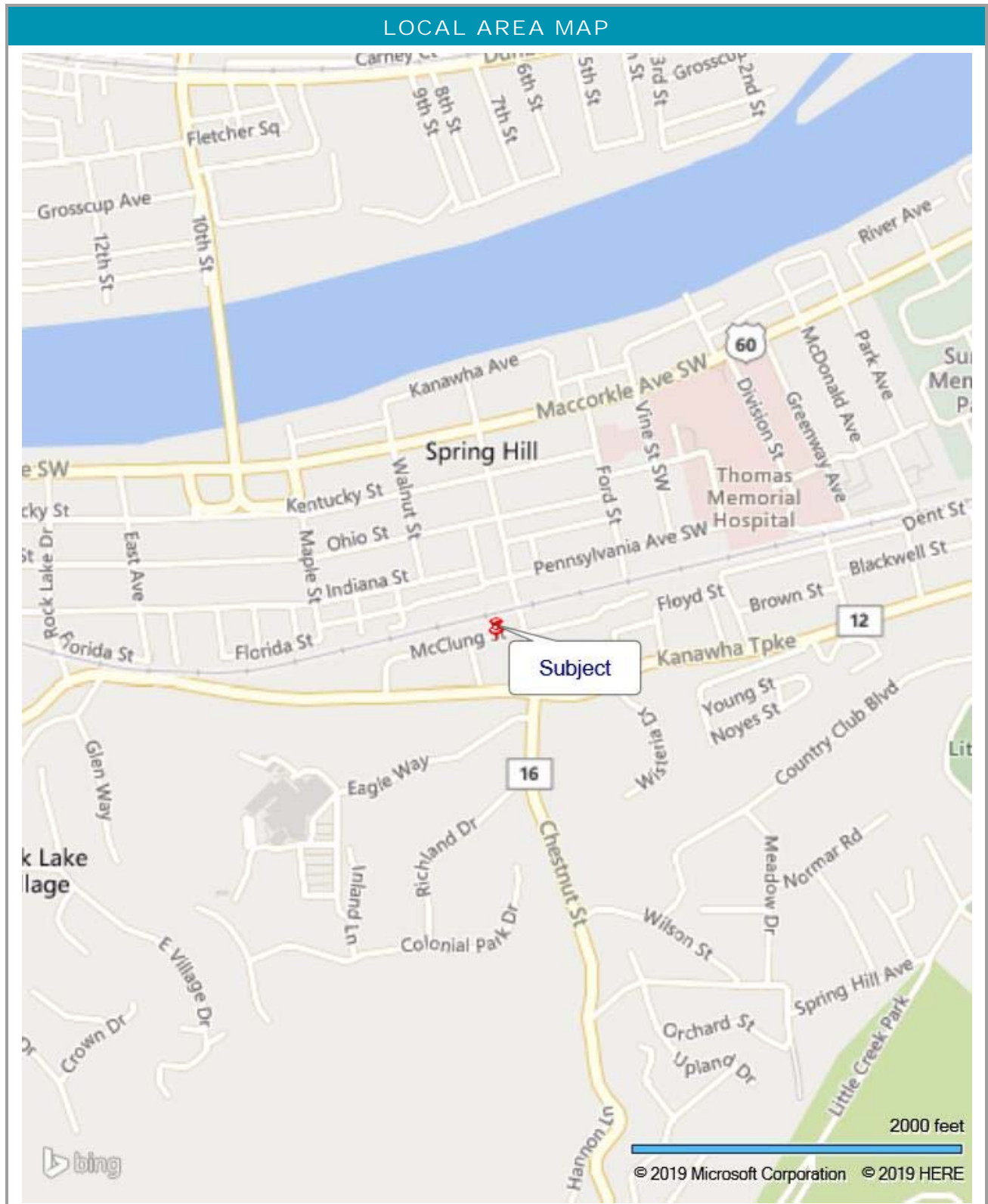
Sources: NAR, Moody's Analytics



CONCLUSION

In light of the social and economic attributes of the greater Charleston, West Virginia area, we are cautiously optimistic about the short-term outlook. Long-term, the region should see stability and moderate growth, with increasing real estate values.

Local Area Analysis



LOCATION

The subject property is located in South Charleston, West Virginia in the Charleston, West Virginia MSA. As of 2018, South Charleston had a population of 12,879. The street that the subject is located on, Chestnut Street, is considered a primary commercial corridor for the subject's local area. The subject's site has a daily traffic volume that supports its current use as a Car Wash, and it benefits from excellent neighborhood access and excellent regional access. The subject's primary trade area, a 10 minute drive-time with the origination point being the subject property, has a 2018 population of 32,627, which is expected to decline -0.31 percent per annum through 2023.

LOCAL AREA ACCESS

We have analyzed the subject's neighborhood access from both a local and regional standpoint. Chestnut Street is a primary thoroughfare, resulting in good local access for the subject's neighborhood. Interstate 64 is located 0.8 miles north of the subject property. The subject has excellent regional access. Overall, the local area's accessibility is excellent.

COMPETITIVE TRADE AREA

We have considered several factors in defining boundaries for the subject's competitive trade area. First, the property's location with respect to transportation provides the basis for regional access to the area. Second, competition and geographic boundaries help to define the potential size of the trade area as a measure of distance from the property. Third, the demand segment mix provides the basic snapshot of local customers (versus transient) that are likely to patronize the property. This analysis is also of particular importance to understand the growth potential of the neighborhood, and its propensity to attract new businesses and a variety of commercial and/or leisure demand generators.

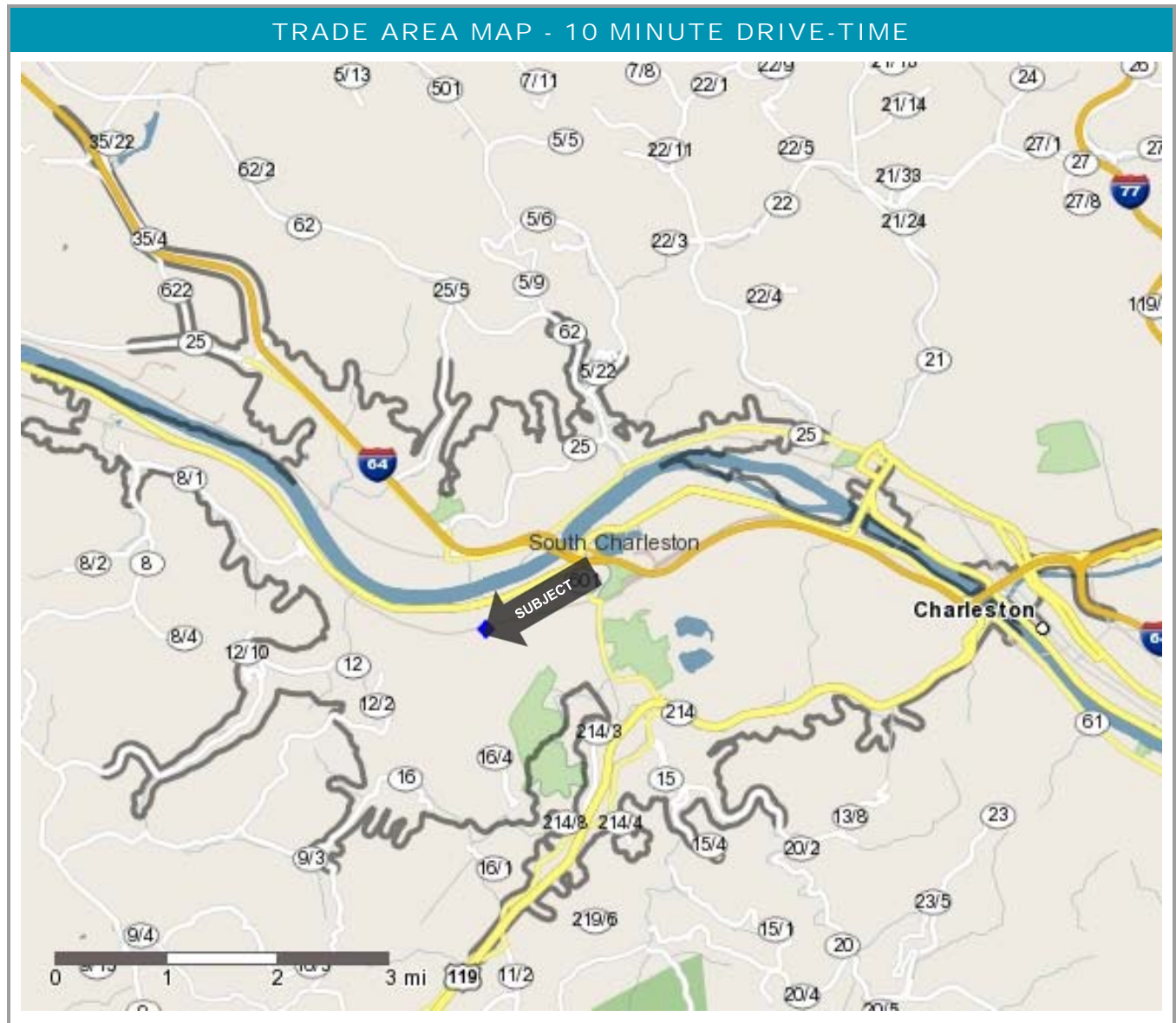
We analyzed the subject's trade area based on the following:

- Highway accessibility, including area traffic patterns, geographical constraints, and nodes of residential development;
- The position and nature of the area's retail structure, including the location of car washes which compete with the subject and the strength and composition of the retail infill

The subject is located at the northwest corner of Chestnut Street and McClung Street in South Charleston, West Virginia. The subject's immediate location has good local accessibility and excellent regional accessibility, as well as the proliferation of peripheral draws. Major roadway proximity to the neighborhood provides the necessary access to more regional destinations throughout the area, while the surrounding uses provide the necessary drawing power to generate a relatively high traffic flow for the subject property.

The subject property is a Car Wash, which relies heavily on vehicular traffic. Therefore, due to the nature of the subject property, we have delineated the subject's trade area by drive-time. Given all of the above, we believe the subject property's primary trade area would likely span an area encompassing a 10 minute drive-time around the subject. The subject's secondary trade area might span up to a 20 minute drive-time from the site given its regional accessibility. Using these observations, we analyzed a primary demographic profile for the subject based on a drive-time of approximately 10 minutes from the property.

The following map outlines the subject's primary trade area; a 10 minute drive-time with the origination point being the subject property.



To add perspective to this analysis, we segregated our survey into 5, 10, and 20 minute drive-times with a comparison to South Charleston, County, and the State. This data and analysis is presented below.

DEMOGRAPHIC SUMMARY						
POPULATION STATISTICS	5.0 Minute Drive-Time	10.0 Minute Drive-Time	20.0 Minute Drive-Time	South Charleston Municipality	Kanawha County	West Virginia State
2000	8,541	34,609	135,696	13,766	200,172	1,808,243
2018	7,837	32,627	128,262	12,879	186,829	1,851,135
2023	7,716	32,122	126,338	12,662	183,704	1,872,105
Compound Annual Change						
2000 - 2018	-0.48%	-0.33%	-0.31%	-0.37%	-0.38%	0.13%
2018 - 2023	-0.31%	-0.31%	-0.30%	-0.34%	-0.34%	0.23%
HOUSEHOLD STATISTICS						
2000	4,132	15,615	60,098	6,419	86,261	736,428
2018	3,796	14,855	57,588	6,010	81,960	758,849
2023	3,753	14,744	57,197	5,943	81,253	773,001
Compound Annual Change						
2000 - 2018	-0.47%	-0.28%	-0.24%	-0.37%	-0.28%	0.17%
2018 - 2023	-0.23%	-0.15%	-0.14%	-0.22%	-0.17%	0.37%
AVERAGE HOUSEHOLD INCOME						
2000	\$44,197	\$49,805	\$50,609	\$51,031	\$47,097	\$40,079
2018	\$51,172	\$65,200	\$68,756	\$61,802	\$64,903	\$60,609
2023	\$59,897	\$75,577	\$79,669	\$71,694	\$75,215	\$69,763
Compound Annual Change						
2000 - 2018	0.82%	1.51%	1.72%	1.07%	1.80%	2.32%
2018 - 2023	3.20%	3.00%	2.99%	3.01%	2.99%	2.85%
OCCUPANCY						
Owner Occupied	58.61%	64.71%	65.18%	65.56%	68.99%	73.16%
Renter Occupied	41.39%	35.29%	34.82%	34.44%	31.01%	26.84%

© Experian Marketing Solutions, Inc. • All rights reserved

POPULATION

Having established the subject's trade area, our analysis focuses on the trade area's population. Experian Marketing Solutions, Inc. provides historical, current and forecasted population estimates for the total trade area. Patterns of development density and migration are reflected in the current levels of population estimates.

Experian Marketing Solutions, Inc., projects population growth through 2023 to be -0.31 percent per annum within the primary trade area (10 minute drive-time). Expanding to the total trade area (20 minute drive-time), population is expected to decline -0.3 percent per annum by 2023.

HOUSEHOLDS

A household consists of a person or group of people occupying a single housing unit, and is not necessarily a family unit. When an individual purchases goods and services, these purchases are a reflection of the entire household's

needs and decisions, making the household a critical unit to be considered when reviewing market data and forming conclusions about the trade area as it impacts the subject.

According to Experian Marketing Solutions, Inc., the Primary Trade Area (10 minute drive-time) grew at a compound annual rate of -0.28 percent between 2000 and 2018. Household growth through 2023 is estimated at -0.15 percent per annum. In 2000, there were 2.22 persons per household in the primary trade area and by 2023 this number is estimated to have decreased to 2.20 persons. Through 2023, the average number of persons per household is forecasted to decline to 2.18 persons.

TRADE AREA INCOME

Income levels, either on a per capita, per family or household basis, indicate the economic level of the residents of the trade area and form an important component of this total analysis. Average household income, when combined with the number of households, is a major determinant of an area's retail sales potential.

According to Experian Marketing Solutions, Inc. average household income in the primary trade area in 2018 was approximately \$65,200, 105.50 percent of the South Charleston average (\$61,802) and 100.46 percent of the County average (\$64,903).

Further analysis shows a relatively broad-based distribution of income, with a distribution generally comparable to the subject's state. This information is summarized as follows:

DISTRIBUTION OF HOUSEHOLD INCOME						
Category	5.0 Minute Drive-Time	10.0 Minute Drive-Time	20.0 Minute Drive-Time	South Charleston Municipality	Kanawha County	West Virginia State
\$150,000 or more	2.35%	5.67%	7.12%	3.99%	5.97%	4.97%
\$125,000 to \$149,999	2.53%	3.56%	3.80%	3.94%	3.38%	3.41%
\$100,000 to \$124,999	3.80%	6.41%	6.61%	6.19%	6.30%	6.50%
\$75,000 to \$99,999	10.73%	11.81%	11.33%	12.83%	11.20%	11.39%
\$50,000 to \$74,999	16.39%	18.73%	18.06%	18.55%	18.80%	18.65%
\$35,000 to \$49,999	17.08%	15.69%	15.00%	15.31%	15.26%	14.59%
\$25,000 to \$34,999	14.79%	11.82%	11.04%	12.94%	11.39%	11.34%
\$15,000 to \$24,999	15.84%	12.28%	12.33%	13.14%	12.72%	13.19%
Under \$15,000	16.50%	14.03%	14.70%	13.11%	14.98%	15.95%
Median Income	\$51,172	\$65,200	\$68,756	\$61,802	\$64,903	\$60,609

© Experian Marketing Solutions, Inc. •All rights reserved

RETAIL SALES

Perhaps an even more important measure of area income is the amount spent on retail purchases. At the end of last year, South Charleston had an aggregate retail sales level of \$289,061,181, with average retail sales per household of \$48,097. By comparison, the County had average sales per household of \$48,151, while the State was \$48,638.

RETAIL SALES (in \$000)			
Area	2018	2023	CAGR 2018-23
Municipality	\$289,061	\$335,358	3.0%
County	\$3,946,492	\$4,592,363	3.1%
State	\$36,908,630	\$44,051,975	3.6%

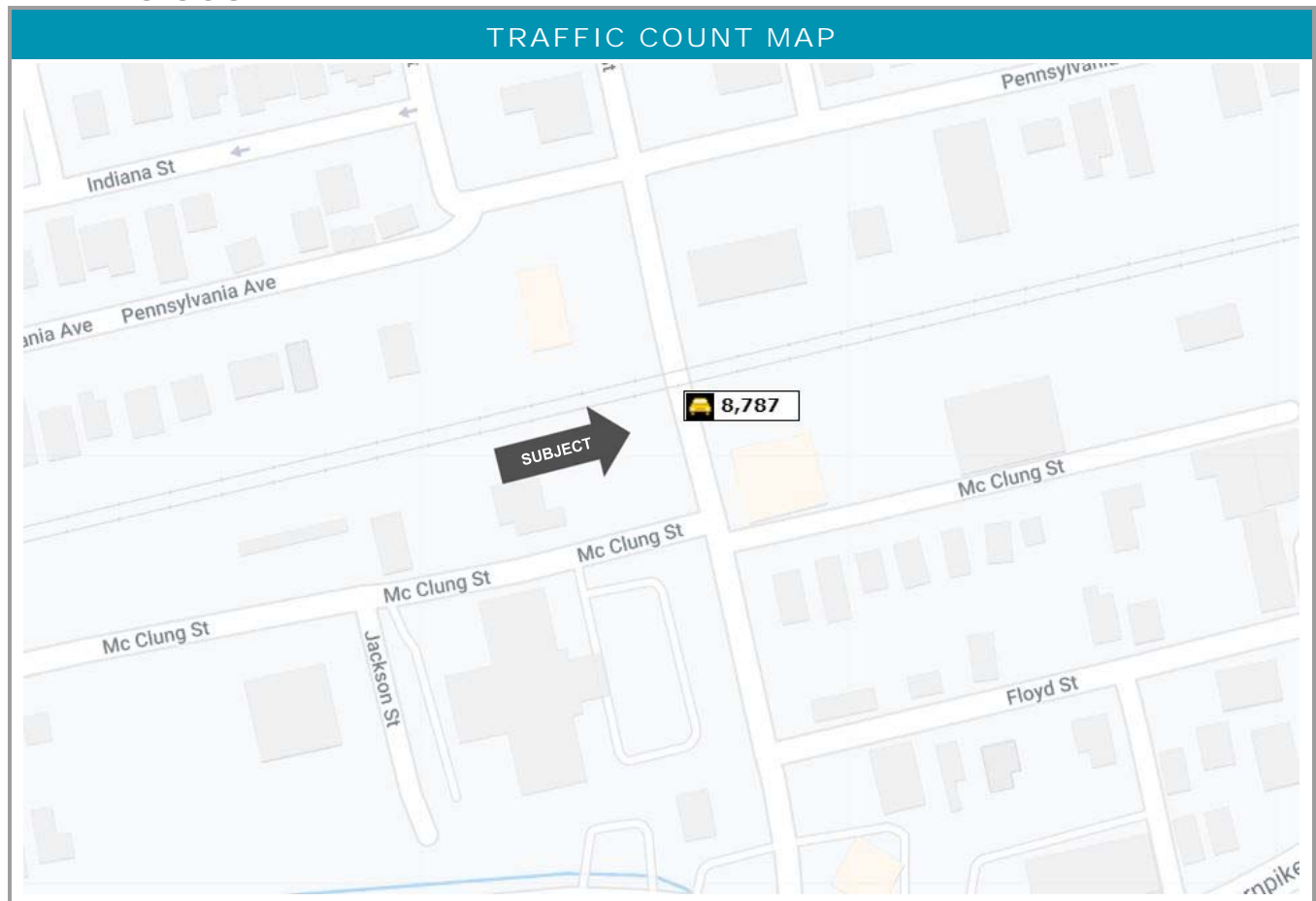
© Experian Marketing Solutions, Inc. •All rights reserved

Experian Marketing Solutions, Inc. projects retail sales in South Charleston will grow at a pace similar to the County and below the State. It is important to note that these forecasts are in constant, current dollars and represent growth over inflation.

DEMOGRAPHICS SUMMARY

The subject's primary trade area's population growth is expected to be similar to South Charleston, similar to the County, and slower than the State. Overall, the subject's primary trade area has an average population growth rate. The average household income level in the subject's primary trade area is \$65,200, which is similar to South Charleston, similar to the County, and similar to the State levels. Overall, the subject's primary trade area has an average income level. Overall, we rate the subject's primary trade area's demographics as average.

TRAFFIC COUNTS



As shown in the map above, the subject benefits from a daily vehicle count of approximately 9,000, which adequately supports its use as a Car Wash.

SPECIAL HAZARDS OR ADVERSE INFLUENCES

Generally, properties in the subject neighborhood appear to be functional for their intended use and they exhibit minimal deferred maintenance and sufficient occupancy. No special hazards or detrimental influences were identified that are expected to affect local value levels.

LOCAL AREA OUTLOOK

As will be further discussed, the subject's location proximate to central South Charleston and a variety of demand generators, as well as good local accessibility and excellent regional accessibility to major roadways and highways

should enable the subject to continue to be competitive in the market. In terms of real estate values, we believe the immediate area should experience stable growth over the near and longer term.

Car Wash Industry Overview

INTRODUCTION

Overview

The U.S. car wash industry comprises establishments primarily engaged in cleaning, washing, and/or waxing automotive vehicles, such as passenger cars, trucks, vans, and trailers.

Establishment types in this industry include:

- Automotive detailing services (i.e., cleaning, polishing)
- Automotive washing and polishing
- Car detailers
- Car washes
- Detailing services (i.e., cleaning and polishing)
- Mobile car and truck washes
- Self-service carwash
- Truck and bus washes

Competitive Landscape

The car wash industry is driven by automotive sales and growth in household/disposable income. As the U.S. automotive industry has bounced back from its decline between 2008 and 2010, and employment growth has experienced slow but steady gains over the last few years, the car wash industry is reporting improved revenues and customer traffic. Lower gas prices have encouraged greater car usage and consequently provided more of a need for automotive services. Automotive News reports that in 2016, total U.S. sales of new vehicles were at an all-time high as they increased by 0.3 percent year-over-year, to over 17.5 million units.

Car wash facilities are usually located in highly-trafficked corridors in order to provide the best opportunities for visibility and therefore profitability. Large chains have advantages in marketing and customer recognition. Smaller companies and single-location car washes can compete by setting up in prime locations. The industry is highly fragmented: the 50 largest companies hold approximately 6.9 percent of the market, with vast majority operated by small business owners.

Products, Operations & Technology

The services provided include: exterior wash, interior cleaning, waxing, underside cleaning, vacuuming, and premium detailing. Detailing services consist of intensive interior and exterior cleaning, as well as waxing and polishing by hand. In addition to car wash services, some facilities offer vehicle maintenance and repair, safety inspection services and sell automotive products. Types of car wash facilities include:

- Self-serve bay: Single stall drive-in bay with wands and hoses for hands-on customer use.
- Self-serve automatic bay: Single stall drive-in bay with a boom or roller mechanism used to apply water, soap and/or wax at high pressure with cloth or brushes touching the vehicle.
- Self-serve touch-less automatic bay: A single-stall drive-in bay without any brushes or cloth that utilizes only high pressure water.

- Full-service tunnel: Conveyor belt moves car along a tunnel with full service exterior cleaning. Employees may also be stationed at the exit to clean the inside of the car and wipe down the exterior.

Additionally, coin-operated vacuums may be available for self-serve customer use, and an assortment of related items such as towels, fresheners, soaps, etc. may be sold on the premises of self-serve hands-on bays through vending machines. Some car washes also employ detailers who perform detailing services.

Economics of Car Wash Services

Major players in the industry, whose primary business is in providing automatic car washes, include Mister Car Wash, Zips Car Wash, and Autobell Car Wash. In October 2016, Mister Car Wash acquired AutoBuffs Express and with opened four car wash facilities in the Atlanta area. This follows a series of acquisitions which has seen the company add approximately 38 new locations in four states over the past 24 months.

The largest companies in the industry are privately owned, often by family of the original owners/operators. The table below details the largest companies in the industry by number of locations (locations include car wash services only, and exclude any vehicle maintenance/repair locations owned by the same company):

Car Wash Services Industry Top Car Wash Competitors			
Company	Headquarters	Number of Car Wash Locations	Number of States
Mister Car Wash	Tuscon, Arizona	250	20
International Car Wash Group (ICWG)	Centennial, Colorado	126	6
Zips Car Wash	Little Rock, Aakansas	94	11
Autobell Car Wash	Charlotte, North Carolina	78	5
Wash Depot Holdings Inc.	Malden, Massachusetts	50	10
Quick Quack Car Wash	Roseville, California	40	4

Source: Company Websites

Revenue

The U.S. Census Bureau indicates that revenues for employers in the car wash industry totaled almost \$8.7 billion in 2016, up 7.9 percent from \$8.0 billion in 2015. The International Carwash Association reported that the U.S. car wash industry continues to recover from the economic downturn several years ago, posting increases in car washes per location (wash count) and average revenue per car wash in the last five years. Industry organizations have been optimistic about growth since 2012, and looking ahead, IBISWorld projects growth of 1.8 percent annually expected from 2018 through 2023.

The following table depicts revenue data as reported to the U.S. Census Bureau between 2008 and 2016 (latest data available):

Car Wash Revenue Employer Firms									
	2016	2015	2014	2013	2012	2011	2010	2009	2008
Employer Revenue (in millions)	\$8,664	\$8,031	\$7,609	\$7,264	\$7,024	\$6,374	\$6,151	\$5,896	\$6,237
Revenue Grow th	7.9%	5.5%	4.7%	3.4%	10.2%	3.6%	4.3%	-5.5%	-

Source: U.S. Census Bureau, Industry Statistics Portal

Industry Trends

According to the International Carwash Association, more than 2.0 billion cars are washed each year in North America, the percentage of drivers who report most frequently washing their vehicle at a professional car wash has grown from less than 50.0 percent in 1994 to 72.0 percent in 2014.

Hand car washing services, the industry standard until the 1990s, have given way to relatively cheaper automated car wash services. With an eye toward conservation, many government agencies encourage consumers to forego the less environmentally-friendly driveway wash and instead opt for professional car cleaning instead. Professional car washing services minimize energy and water consumption, as well reduce the dumping of soaps and other chemicals into the environment. This creates opportunity for car wash companies. Companies themselves are embracing the “greening” of business, as car wash businesses are carefully analyzing the effectiveness of renewable energy sources for heating water and running equipment. According to the Southwest Car Wash Association, a self-serve car wash will use approximately 18 gallons of water, large conveyor units will use up to 40 gallons of water, and a home car wash can consume up to 140 gallons of water. Water recycling systems can also be used by car washes to reclaim almost all of the water used in a wash, which can then be filtered and re-used. This is especially important in periods of drought, when consumers and businesses must follow emergency water restrictions.

Moving forward, car washes may increase revenues by selling additional products or services to customers as they wait on the premises. Waiting rooms can provide Wi-Fi as well as automotive accessories, gifts, and snacks are among the most common offerings. Some car wash facilities also provide vehicle maintenance and repair services.

Approximately 90.0 percent of all reported car wash revenues are from small companies, however multi-store chains are expanding throughout the U.S. Ownership is also expanding to businesses outside of the traditional car wash realm, with companies like Home Depot, Albertson’s, Costco and Wal-Mart offering car washing services. These locations provide convenience, competitive prices and quick turnaround time for consumers, as their cars are cleaned while they shop.

Employment

As of June 2017, the Bureau of Labor statistics reported that employment in the car wash services industries was approximately 172,775, an increase of 1.4 percent in the last 12 months. The average annual wage for all occupations in the industry was \$20,641. According to projections from the Bureau of Labor Statistics, employment for hand laborers, which includes car wash and detail employees, is projected to grow by approximately 7.0 percent over the ten year period from 2016 through 2026, which is in line with employment growth for all industries.

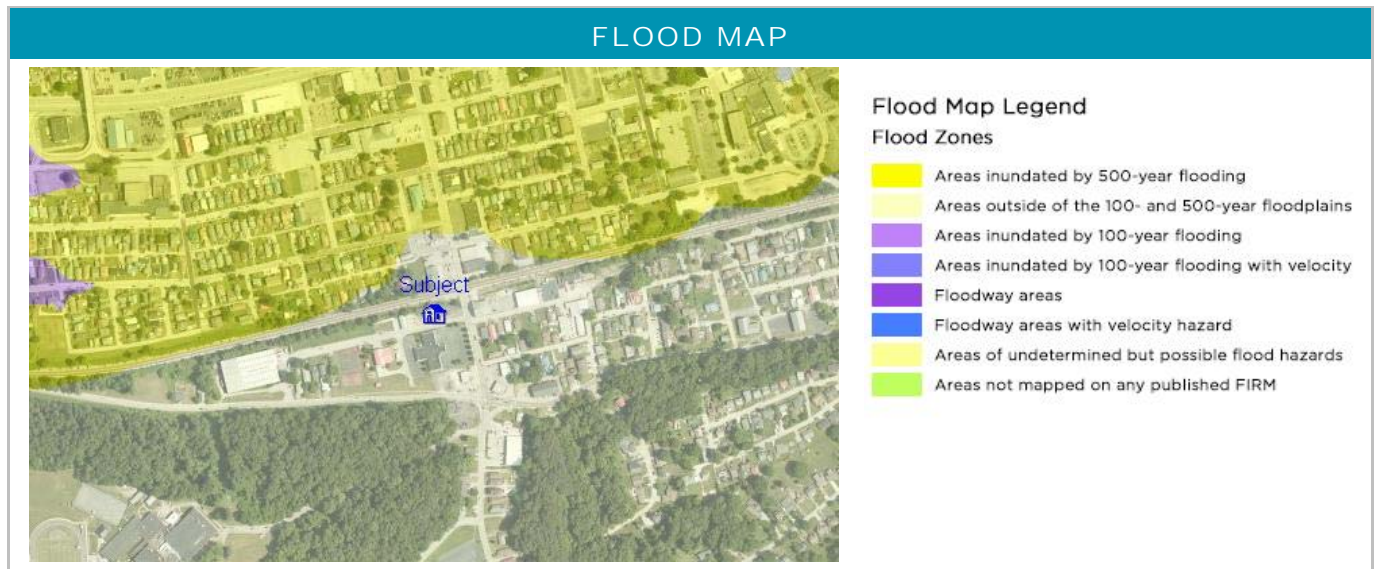
Conclusion

The car wash services industry growth depends on automotive sales activity and strong household/disposable income. The great recession in the late 2000s negatively impacted automotive sales and employment, and as a result the car wash industry suffered. During the economic downturn and its immediate aftermath, cash-strapped consumers significantly reduced discretionary spending on things like professional car washes, preferring to wash vehicles at home for a much lower cost. In 2010, as the credit markets opened, the automotive industry experienced a revival which generated growth for the car wash industry. There was a surge in revenues reported in 2012 and positive growth has continued through 2017. Going forward, car wash companies that will succeed in the near future will adapt to growing trends in service models, government regulation of natural resources, and consumer desire for both expedient and environmentally-friendly services. Healthy projected revenues through 2023 are a strong indicator that the car wash industry has recovered from the downturn and has an optimistic outlook.

Property Analysis

SITE DESCRIPTION

Location:	The subject property is located at 701 Chestnut Street, South Charleston, Kanawha County, West Virginia 25309.
Shape:	Rectangular shaped
Topography:	Level at street grade
Land Area Primary Site:	0.62 acres / 27,007 square feet
Land Area Excess Land:	No
Land Area Total:	0.62 acres / 27,007 square feet
Frontage:	The subject site has good/excellent frontage.
Access and Visibility:	The subject site is a corner site that is located on a primary arterial thoroughfare and is directly exposed to a traffic volume of approximately 9,000 vehicles per day. Overall, the subject's access and visibility is rated good/excellent when compared to industry standards for fuel related properties and its primary competition.
Soil Conditions:	We were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing structures. We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate. The property is a car wash facility. We have not made a soil test or test of underground water. Identifying site and soil contaminants or environmental issues is beyond the scope of this appraisal and the appraiser's qualifications. Unless otherwise stated, this appraisal is based on the assumption that the site and property are uncontaminated and unaffected by environmentally hazardous materials or substances. No responsibility is assumed by the appraiser for contamination issues and no warranties are implied by this opinion of value. No consideration of existing or proposed regulations of the Environmental Protection Agency, nor any other government agency, has been made. No statement of the subject property's compliance or noncompliance with the regulations or requirements of any government agency has been made by, or implied. If the subject's site has environmental issues the value conclusions presented in this appraisal would change. The client is advised to obtain the services of qualified environmental services contractors.
Utilities:	All utilities are available to the subject site.
Site Improvements:	See "Site Improvements" in the following "Improvements Description" section.
Land Use Restrictions:	We were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.



Flood Zone: The subject property is located in flood zone X.

Flood Zone Description: Areas determined to be outside the 500 year flood plain. The flood zone determination and other related data are provided by a third party vendor deemed to be reliable. If further details are required, additional research is required that is beyond the scope of this analysis.

Wetlands: We were not given a Wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.

Hazardous Substances: We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field. The property is a car wash facility. We have not made a soil test or test of underground water. Identifying site and soil contaminants or environmental issues is beyond the scope of this appraisal and the appraiser's qualifications. Unless otherwise stated, this appraisal is based on the assumption that the site and property are uncontaminated and unaffected by environmentally hazardous materials or substances. No responsibility is assumed by the appraiser for contamination issues and no warranties are implied by this opinion of value. No consideration of existing or proposed regulations of the Environmental Protection Agency, nor any other government agency, has been made. No statement of the subject property's compliance or noncompliance with the regulations or requirements of any government agency has been made by, or implied. If the subject's site has environmental issues the value conclusions presented in this appraisal would change. The client is advised to obtain the services of qualified environmental services contractors.

Overall Site Utility: The subject site is functional for its current use.

Location Rating: The subject's overall site location is identified as good/excellent.

IMPROVEMENTS DESCRIPTION

The subject is commonly known as Chessie Auto-Wash Depot Car Wash. The property was originally constructed in 2005 and renovated in 2018, was in average condition at the time of inspection and has an effective age of approximately 10 years. The subject's car wash is 3,200 square feet of gross building area.

CAR WASH

Overview: The subject's car wash is a 3,200 square foot, poured concrete slab, steel frame, steel constructed building with a gabled steel roof. The subject's car wash was constructed in 2005 and at the time of valuation was in average condition with an effective age of approximately 10 years.

CONSTRUCTION DETAIL

Year Built: 2005

Effective Age: 10 years

Remaining Economic Life: 35 years

Gross Building Area: ±3,200 square feet

Number of Stories: 1

Structural Frame: Steel frame

Foundation: Poured concrete slab

Floors: Concrete slab

Exterior Walls: Steel

Roof: Gabled with a steel surface

Windows: Thermal windows in aluminum frames

Pedestrian Doors: Glass and metal

MECHANICAL DETAIL

Heating and Cooling: Roof mounted package HVAC units

Plumbing: The plumbing system is assumed to be adequate for existing use and in compliance with local law and building codes. The plumbing system is typical of other properties in the area with a combination of PVC, steel, copper and cast iron piping throughout the building.

Electrical Service: Electrical service is provided by public utility and is assumed to be adequate.

Emergency Power: None

Fire Protection: None

Security: Security cameras and monitors

INTERIOR DETAIL

Layout:	A majority of the subject's interior space is dedicated to the drive through tunnel for vehicles.
Floor Covering:	Primarily tile
Walls:	Drywall
Ceilings:	Acoustic tile
Lighting:	Fluorescent and Incandescent

SITE IMPROVEMENTS

Canopy:	The subject includes a small free-standing, prefabricated, structural steel canopy that covers a total area of 0 square feet.
Vehicle Vacuum Stations:	Seven vehicle vacuum stations
Asphalt and Concrete:	Approximately 19,000 square feet of asphalt and concrete
Other Site Improvements:	Other site improvements include yard lighting, signage, and landscaping.

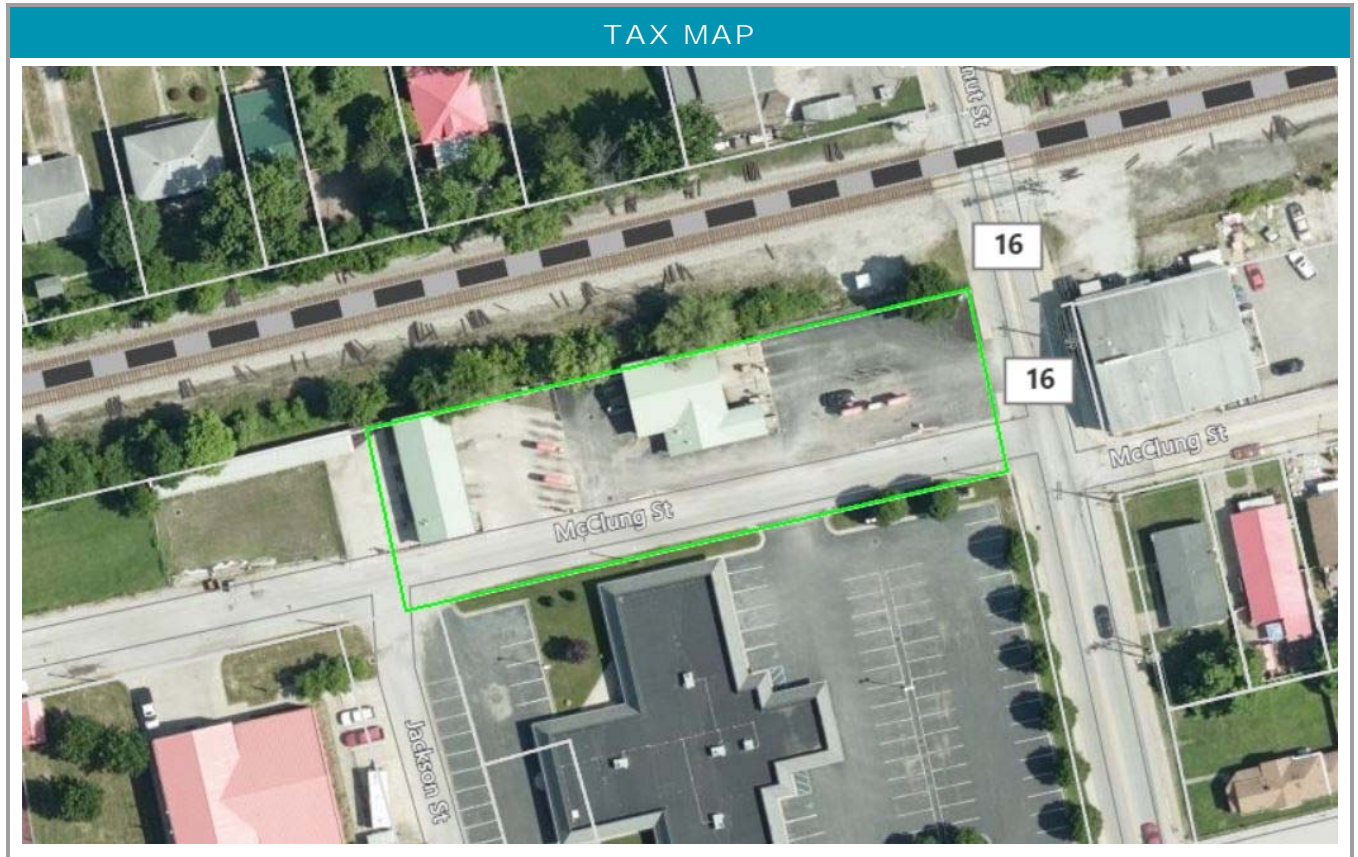
HISTORICAL & PLANNED CAPITAL EXPENDITURES

Curable physical deterioration refers to those items that are economically feasible to cure as of the effective date of the appraisal. This element of depreciation is commonly referred to as deferred maintenance and is measured as the cost of repairing or restoring the item to new or reasonably new condition. The property's overall condition is considered to be average with no atypical levels of deferred maintenance. Ownership did not provide any significant renovations that have occurred recently. In order to ensure that the subject property is maintained in a competitive position throughout the holding period, we applied an annual facility expense, which includes maintenance of the subject property. The annual facility expense maintenance/reserve should be adequate to fund all typical future capital expenditures and correction of any deferred maintenance throughout the holding period.

REAL PROPERTY TAXES AND ASSESSMENTS

CURRENT PROPERTY TAXES

The subject property is located in the taxing jurisdiction of Kanawha County, and the assessor's parcel identification numbers are 20-18- 15-0129.0001. The below map displays the subject's tax parcel.



According to the local tax collector's office, taxes are current. The assessment and taxes for the subject property are detailed below:

PROPERTY ASSESSMENT AND TAX INFORMATION	
Assessor's Parcel Numbers:	20-18- 15-0129.0001
Assessing Authority:	Kanawha County
Current Tax Year:	Payable 2018/2019
Assessment Ratio (% of market Value):	60.00%
Are taxes current?	Taxes are current
Is there a grievance underway?	Not to our knowledge
The subject's assessment and taxes are:	Below market levels
ASSESSMENT INFORMATION	
Assessed Value	Totals
Land:	\$245,640
Improvements:	<u>\$184,879</u>
Total Assessed Value:	\$430,519
Assessor's Implied Market Value	\$717,532
TAX LIABILITY	
Total Tax Rate, Payable 2018/2019	3.0478%
Total Property Taxes	\$13,121
Estimated Year 1 Property Taxes¹	\$17,000
¹ Based on a review of assessor's implied market value and our cost approach conclusion	
<i>Compiled by Cushman & Wakefield</i>	

REAL ESTATE TAX ANALYSIS

Total Payable 2018/2019 taxes are \$13,121. We have performed a real estate tax analysis for the subject property. The Kanawha county assessor does not include personal property in its assessment calculations, and therefore, we have compared the assessor's implied market value with our cost approach, excluding personal property. The current assessor's implied market value for the subject property is \$717,532. Our cost approach value conclusion, excluding personal property, is approximately \$1,100,000. It is unrealistic to assume that the county assessor will increase or decrease the assessed value by more than approximately 30.0 percent, and therefore, it is unreasonable to assume taxes will increase by more than approximately 30.0 percent. Our real estate tax analysis indicates that the current assessed value is below market levels, and an appropriate projection of Year 1 taxes is \$17,000.

REAL PROPERTY TAX CONCLUSION

Based upon a review of tax comparables and the assessor's implied market value, the subject is generally taxed below market levels. In order to calculate the subject's market tax level we have compared the subject's real estate value to the assessor's implied market value. We have concluded to a projection of year one taxes of \$17,000.

ZONING

GENERAL INFORMATION

The subject property is zoned C4, Neighborhood Commercial District by the municipality of City of South Charleston, West Virginia. A summary of the subject's zoning is provided in the following table.

ZONING	
Municipality Governing Zoning:	City of South Charleston
Current Zoning:	C4, Neighborhood Commercial District
Current Use:	Car Wash
Is current use permitted:	Yes; complying use
Change In Zone Likely:	No
Zoning Change Applied For:	No

Compiled by Cushman & Wakefield

ZONING CONFORMANCE

Property value is affected by whether or not an existing or proposed improvement complies to zoning regulations.

CONFORMING USES

An existing or proposed use that complies to zoning regulations implies that there is no legal risk and that the existing improvements could be replaced "as-of-right."

PRE-EXISTING, NON-CONFORMING USES

In many areas, existing buildings pre-date the current zoning regulations. When this is the case, it is possible for an existing building that represents a non-complying use to still be considered a legal use of the property. Whether or not the rights of continued use of the building exist depends on local laws. Local laws will also determine if the existing building may be replicated in the event of loss or damage.

NON-CONFORMING USES

A proposed non-complying use to an existing building might remain legal via variance or special use permit. When appraising a property that has such a non-complying use, it is important to understand the local laws governing this use.

OTHER RESTRICTIONS

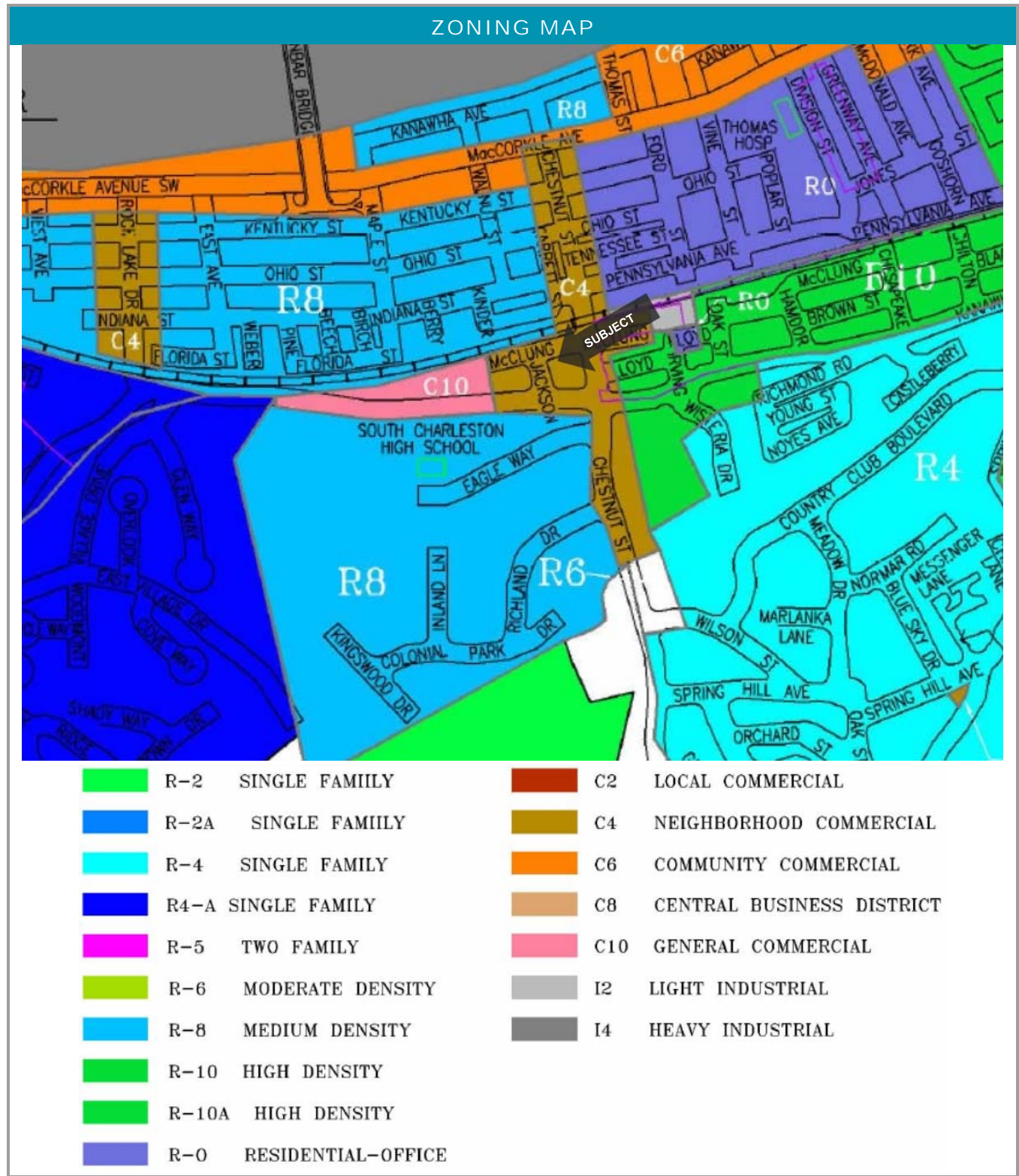
We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by those qualified such as an attorney or title company can uncover such restrictive covenants. We recommend a title examination to determine if any such restrictions exist.

ZONING CONCLUSIONS

We have analyzed the zoning requirements in relation to the subject property, and considered the conformance of the existing use. We are not experts in the interpretation of complex zoning ordinances but based on our review of public information, the subject property is a complying use.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence.

We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.



Highest and Best Use

HIGHEST AND BEST USE DEFINITION

The Dictionary of Real Estate Appraisal, Sixth Edition (2015), a publication of the Appraisal Institute, defines the highest and best use as:

The reasonably probable use of 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.

To determine the highest and best use we typically evaluate the subject site under two scenarios: as though vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described above.

HIGHEST AND BEST USE OF SITE AS THOUGH VACANT

Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, which indicates that permitted uses within this district include retail and other commercial uses. We are not aware of any further legal restrictions that limit the potential uses of the subject. In addition, rezoning of the site is not likely due to the character of the area.

Physically Possible

The physical possibility of a use is primarily dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject site contains 0.62 acres, or 27,007 square feet. The site is rectangular and level at street grade. It has good/excellent frontage, good/excellent access, and good/excellent visibility. The overall utility of the site is considered to be good/excellent. All public utilities are available to the site including public water and sewer, gas, electric and telephone. Overall, the site is considered adequate to accommodate most permitted development possibilities.

Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

Conclusion

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible, and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as though vacant is hold until it is financially feasible to develop a commercial use built to its maximum feasible building area.

HIGHEST AND BEST USE OF PROPERTY AS IMPROVED

The Dictionary of Real Estate Appraisal defines highest and best use of the property as improved as:

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

Legally Permissible

The site is improved with a Car Wash containing 3,200 square feet of gross building area. The subject appears to be an approved use.

Physically Possible

The improvements are in average condition. We know of no current or pending municipal actions or covenants that would require a change to the current improvements.

Financially Feasible and Maximally Productive

In the Reconciliation section, we concluded to a market value for the subject property of \$1,100,000 and a land value of \$375,000. Therefore, in our opinion, the improvements contribute significantly to the value of the site.

Conclusion

It is our opinion that the existing improvements add value to the site as though vacant, dictating a continuation of its current use. It is our opinion that the Highest and Best Use of the subject property as improved is A Car Wash as it is currently improved.

Most Likely Buyer

The subject property is currently an owner-occupied Car Wash. If the subject property were to sell, the most likely purchaser would also be an owner-occupier due to this being the most common ownership structure for the subject's property type.

Valuation Process

METHODOLOGY

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

We considered each approach in developing our opinion of the market value of the subject property. We discuss each approach below and conclude with a summary of their applicability to the subject property.

SUMMARY

In this analysis, we relied on the Income Capitalization Approach to value and utilized the Sales Comparison Approach and Cost Approach as tests of reasonableness. Additionally, the Cost Approach is utilized as an allocation of the market value components.

Land Valuation

We used the Sales Comparison Approach to develop an opinion of land value. We examined current offerings and analyzed prices buyers have recently paid for comparable sites. If the comparable was superior to the subject, a downward adjustment was made to the comparable sale. If inferior, an upward adjustment was made.

The most widely used and market-oriented unit of comparison for properties with characteristics similar to those of the subject is price per square foot. All transactions used in this analysis are based on the most appropriate method used in the local market.

The major elements of comparison used to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

The comparables and our analysis are presented as follows.

SUMMARY OF LAND SALES

PROPERTY INFORMATION							TRANSACTION INFORMATION					
No.	Location	Size (sf)	Size (Acres)	Traffic Volume	Corner or Interior	Public Utilities	Grantor	Grantee	Property Rights Conveyed	Sale Date	Sale Price	\$/SF Land
S	Subject Property	27,007	0.62	9,000 VPD	Corner	All available						
1	900 Block Brooks Street Charleston, WV	90,605	2.08	Not available	Interior	All Available	kingston land company	Angela Settle	Fee Simple	5/19	\$794,195	\$8.77
2	US 60 Barboursville, WV	23,522	0.54	22,000 VPD	Interior	All Available	Not available	Not available	Fee Simple	7/18	\$315,000	\$13.39
3	401-409 W Virginia Street Charleston, WV	34,380	0.79	Not available	Corner	All Available	Not available	Scaff Family Limited Partnership	Fee Simple	10/16	\$335,000	\$9.74
4	320 Maccorkle Avenue Charleston, WV	49,223	1.13	30,000 VPD	Interior	All Available	SCP Prop LLC	Construction Solutions	Fee Simple	6/16	\$875,000	\$17.78
STATISTICS												
Low		23,522	0.54	22,000 VPD						6/16	\$315,000	\$8.77
High		90,605	2.08	30,000 VPD						5/19	\$875,000	\$17.78
Average		49,433	1.13	26,000 VPD						10/17	\$579,799	\$12.42

Compiled by Cushman & Wakefield

LAND SALE ADJUSTMENT GRID

Economic Adjustments (Cumulative)																					
No.	Price PSF Land	Sale Date	Property Rights Conveyed		Conditions of Sale		Financing	Market Conditions ⁽¹⁾		Price PSF Land Subtotal		Location	Traffic Volume	Size	Public Utilities	Utility ⁽²⁾	Other	Adj. Price PSF Land	Net Adj.	Overall	
1	\$8.77	5/19	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	0.4%	\$8.80	0.4%	5.0%	0.0%	25.0%	0.0%	10.0%	0.0%	\$12.32	40.0%	+		
2	\$13.39	7/18	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	2.0%	\$13.66	2.0%	0.0%	-15.0%	-5.0%	0.0%	10.0%	0.0%	\$12.29	-10.0%	-		
3	\$9.74	10/16	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	5.6%	\$10.29	5.6%	10.0%	0.0%	5.0%	0.0%	0.0%	0.0%	\$11.83	15.0%	+		
4	\$17.78	6/16	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	6.3%	\$18.90	6.3%	-10.0%	-25.0%	15.0%	0.0%	10.0%	0.0%	\$17.01	-10.0%	-		
STATISTICS																					
	\$8.77	6/16	- Low															Low -	\$11.83	-10.0%	
	\$17.78	5/19	- High															High -	\$17.01	40.0%	
	\$12.42	10/17	- Average															Average -	\$13.36	8.8%	

Compiled by Cushman & Wakefield

⁽¹⁾Market Conditions Adjustment Footnote

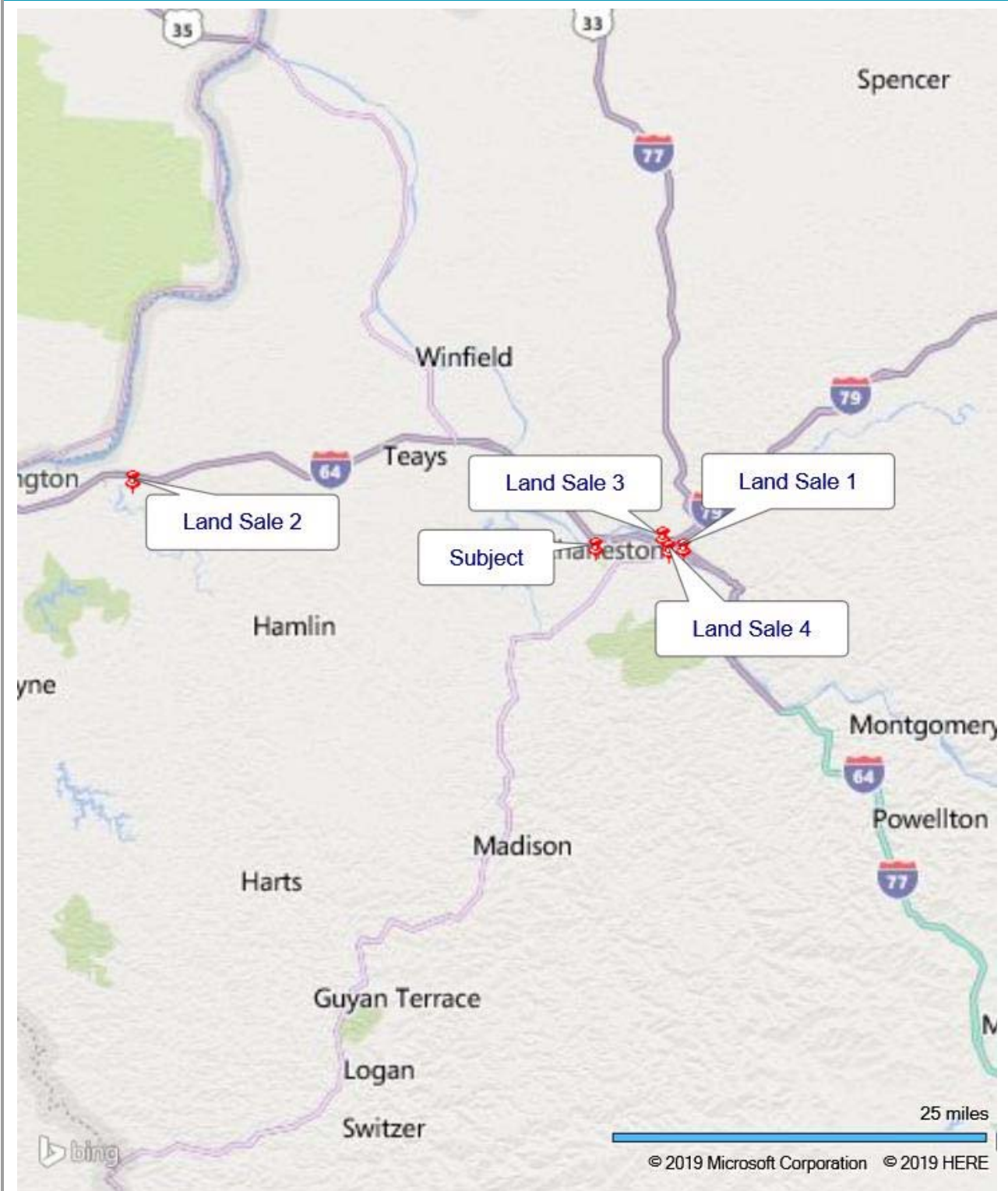
Compound annual change in market conditions: 2.00%

Date of Value (for adjustment calculations): 7/22/19

⁽²⁾ Utility Footnote

Utility includes corner vs interior lot, access, frontage and visibility.

LAND SALE LOCATION MAP



DISCUSSION OF ADJUSTMENTS

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the sale price of a property. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the fee simple interest of the land, as reflected by each of the comparables, an adjustment for property rights is not required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Market Conditions

The sales that are included in this analysis occurred between June 2016 and May 2019. As the market has improved over this time period, we applied an upward annual adjustment of 2.00 percent.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. The subject property is rated good/excellent in location. We made a downward adjustment to those comparables considered superior in location compared to the subject. Conversely, an upward adjustment was made to those comparables considered inferior.

Traffic Volume

We have collected the average vehicles per day for the subject site and the comparable land sales. Generally speaking, retail land sales with higher traffic volumes sell for a higher price per square foot than retail land sales with lower traffic volumes. Therefore, we have adjusted comparable sales with higher traffic volumes down and vice versa.

Size

The adjustment for size generally reflects the inverse relationship between unit price and lot size. Smaller lots tend to sell for higher unit prices than larger lots, and vice versa. Therefore, upward adjustments were made to larger land parcels, and downward adjustments were made to smaller land parcels.

Public Utilities

The availability of public utilities has a significant impact on the value of a property. Municipal utility providers often, but not always, provide utilities such as gas, water, electric, sewer, and telephone. It is therefore important to understand any differences that may exist in the availability of public utilities to the subject property and its comparables. All of the sales, like the subject, had full access to public utilities at the time of sale. Therefore, no adjustments were required.

Utility

The subject parcel is adequately shaped to accommodate a typical building. It has good/excellent access, good/excellent frontage and good/excellent visibility. Overall, it has been determined that the site has good/excellent utility. A corner site has superior retail exposure compared to an interior site. The subject's site is a corner site. Adjustments were made to any comparables that are not corner sites.

Other

In some cases, other variables will have an impact on the price of a land transaction. Examples include soil or slope conditions, restrictive zoning, easements, wetlands or external influences. In our analysis of the comparables we found that no unusual conditions existed at the time of sale. As a result, no adjustments were required.

CONCLUSION OF SITE VALUE

After a thorough analysis, the comparable land sales reflect adjusted unit values ranging from \$11.83 per square foot to \$17.01 per square foot, with an average of \$13.36 per square foot. We placed equal reliance on each of the comparable sales. The indicated land value by the Sales Comparison Approach is:

AS IS LAND VALUE CONCLUSION	
Indicated Value	\$13.50
SQFT Measure	x 27,007
Indicated Value	\$364,595
Rounded to the nearest \$25,000	\$375,000
<i>Compiled by Cushman & Wakefield</i>	

Cost Approach

METHODOLOGY

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. The steps in this approach have been outlined in the Valuation Process section of this report. We have previously presented the land value analysis and developed an opinion of land value for the subject's site of \$375,000.

REPLACEMENT COST NEW

We have used the calculator section in the Marshall Valuation Service and actual construction cost information to estimate the replacement cost of the building and the majority of the station's above grade improvements. The Marshall Valuation Service is a nationally recognized publication containing construction costs for all types of improvements. The base costs in the manual are revised monthly and adjustment factors are provided to reflect regional and local cost variations. Where possible, these development costs were cross-checked with new construction data from comparable car wash properties.

The Marshall Valuation Service base costs include direct and indirect costs for the base structure, applicable tenant improvements and indirect costs such as plans, building permits, engineering, architect's fees, normal fees and interest on construction funds, sales taxes on materials and contractor's overhead and profit. The estimated costs for this report are inclusive of the above referenced direct and indirect costs.

The exhibit at the conclusion of this analysis contains a summary of the replacement cost for the subject. Details of the cost analysis for each component are retained in our files. The per square foot cost for smaller buildings is higher than larger ones. We relied on the "Good" quality tunnel car wash cost, identified on Page 4 of Section 64.

INDIRECT COSTS

Indirect costs (soft costs) not included in our Base Costs are developer overhead, property taxes, permanent loan fees, legal costs, developer fees, contingencies, and lease-up and marketing costs.

An average property in the subject market requires an allowance for indirect costs of between 5.0 and 15.0 percent of Base Costs. A rate of 10.0 percent was chosen for the Building Improvements (Structures) and 10.0 percent for the Site Improvements in the analysis, considerate of the fairly moderate efforts/costs expected for a property at this location and the size of the structure.

DEVELOPER'S PROFIT/FEE

In the case of the subject property, a gas/service station, the addition of a reasonable amount for a developer's (not contractor's) fee (not profit) is generally considered appropriate. This type of property is a single-purpose asset, which is typically never developed on a purely speculative basis. In light of political constraints and environment requirements for car washes, the development process of this type of use is considered somewhat difficult. A developer would need to be paid for their coordination effort of acquiring the site, obtaining permits, etc. Typically, a development fee of 10.0 to 20.0 percent would be anticipated. We have chosen to use 15.0 percent in our analysis.

DEPRECIATION

There are several methods for capturing the loss in value attributable to depreciation: The market extraction method, the age-life method, and the breakdown method. Our Cost Approach utilizes the fundamental components of the age-life method. In some situations, the impact of certain items of depreciation on value is known or is easily estimated. In the most common variation of the age-life method the cost to cure certain curable items (physical and functional) is known and can be deducted before the age-life ratio is applied; a process that mirrors what typical purchasers consider as part of the investment decision. Once processed, incurable items (physical and functional) can be estimated via the age-life ratio. In situations where External Obsolescence is present it, too, can be analyzed either as a residual to the market value conclusion or via an estimate of capitalized rent loss attributable to the external condition.

Physical Deterioration

The Marshall & Swift CCE defines physical deterioration as:

The wearing out of the improvement through the combination of wear and tear of use, the effects of the aging process and physical decay, action of the elements, structural defects, etc. It is typically divided into two types, curable and incurable, which may be individually estimated by the component breakdown method using some type of age/life approach. Physical deterioration may be further categorized as deferred maintenance, generally requiring immediate attention and treated separately based on the items' cost to repair.

Curable physical deterioration is generally associated with individual short-lived items such as paint, floor and roof covers, hot-water heaters, etc., requiring periodic replacement or renewal, or modification continuously over the normal life span of the improvement. Our calculation of Physical Curable Deterioration is based upon observable components, owner's proposed capital expenditures, and our own estimates of replacement costs where appropriate.

Incurable physical deterioration is generally associated with the residual group of long-lived items such as floor and roof structures, mechanical supply systems and foundations. Such basic structural items are not normally replaced in a typical maintenance program and are usually incurable except through major reconstruction. Physical Incurable Obsolescence will be calculated using a modified age-life method.

Functional Obsolescence

According to the Appraisal Institute, functional obsolescence can be caused by changes in market conditions that have made some aspect of a structure, material or design obsolete by current market standards. Functional obsolescence may also be curable or incurable.

Based on our review of the subject property we did not observe functional obsolescence.

External Obsolescence

External obsolescence is the adverse effect on value resulting from influences outside the property. External obsolescence may be the result of lagging rental rates, high inflation, excessive construction costs, access to highways, the lack of an adequate labor force, changing land use patterns and market conditions, or proximity to an objectionable use or condition.

In the case of the subject's property type the presence of external obsolescence is closely related to the income producing capability of a property. In other words, if the fee simple cost approach value conclusion is higher than the fee simple income capitalization approach value conclusion, it is an indication of poor management or external obsolescence. The subject has typical management, which indicates that external obsolescence is likely prevalent

in the market. We have applied an appropriate level of external obsolescence in the cost approach in order to bring the fee simple cost approach value conclusion in line with the fee simple income capitalization approach value conclusion. Based on a review of the location of the subject as well as local market conditions, we applied external obsolescence of 25 percent to the subject's improvements. Support for our level of external obsolescence is portrayed in the subject's historical financial performance.

REPLACEMENT COST NEW (STRUCTURES)

A breakdown of each building component is presented below. A separate analysis of each component allows for a consideration of the unique cost differences of each component. The following table summarizes the replacement cost new of the building improvements (structures).

COST APPROACH SUMMARY		
IMPROVEMENTS (STRUCTURES)		
DESCRIPTION		
Marshall & Swift - Improvement Type	Self-serve Car Wash	Tunnel Car Wash
Construction Class	S	S
Quality of Construction	Good	Good
Marshall & Swift - Section	Section 64	Section 64
Marshall & Swift - Page	Page 5	Page 4
Date	Mar-18	Mar-18
Number of Stories	1	1
Base SF Cost	\$75.00	\$155.00
SQUARE FOOT REFINEMENTS		
HVAC Refinements	\$0.00	\$0.00
Sprinklers	\$0.00	\$0.00
Other	\$0.00	\$0.00
Adjusted Base Cost	\$75.00	\$155.00
HEIGHT AND SIZE REFINEMENTS		
Number of Stories Adjustment	1.000	1.000
Height Per Story Adjustment	1.000	1.000
Perimeter Adjustment	1.000	1.000
Adjusted Base Cost	\$75.00	\$155.00
FINAL CALCULATIONS		
Current Cost Multiplier	1.040	1.040
Local Area Multiplier	0.890	0.890
Prospective Multiplier	1.000	1.000
Adjusted SF Cost	\$69.42	\$143.47
TIMES: SF for Replacement Cost Purposes	1,300	1,900
Adjusted Cost	\$90,246	\$272,589
PLUS: Indirect Costs 10.0%	\$9,025	\$27,259
Adjusted Cost	\$99,271	\$299,848
PLUS: Entrepreneurial Profit (Structures) 15.0%	\$14,891	\$44,977
Replacement Cost New (RCN)	\$114,161	\$344,825
REPLACEMENT COST SUMMARY (STRUCTURES)		
Total Adjusted Costs		\$362,835
PLUS: Total Indirect Costs		\$36,284
PLUS: Total Entrepreneurial Profit (Structures)		\$59,868
Total RCN		\$458,987

Total includes all component / building costs as detailed above

DEPRECIATION (STRUCTURES)

As previously discussed, our analysis of depreciation reflects physical and functional curable prior to consideration of physical and functional incurable items, which are treated as components of the modified age-life method. If applicable, economic obsolescence is independently estimated and deducted. To allow for any variances in the age/condition of individual building components, a separate depreciation analysis was applied to each. The following table summarizes the depreciated value of improvements (structures).

COST APPROACH SUMMARY		
DEPRECIATION ANALYSIS (STRUCTURES)		
DESCRIPTION	Self-serve Car Wash	Tunnel Car Wash
RCN	\$114,161	\$344,825
LESS: Physical Curable	\$0	\$0
LESS: Functional Curable	\$0	\$0
Adjusted RCN	\$114,161	\$344,825
Age/Life Analysis		
Year Built	2005	2005
Economic Life (Years)	30	45
Effective Age (Years)	10	10
Remaining Economic Life (Years)	20	35
Percent Depreciated	33.33%	22.22%
Age/Life Depreciation (% of Adjusted RCN)	\$38,054	\$76,628
Adjusted RCN	\$114,161	\$344,825
LESS: Age/Life Depreciation	(\$38,054)	(\$76,628)
Adjusted RCN	\$76,107	\$268,197
LESS: Functional Incurable	\$0	\$0
Adjusted RCN	\$76,107	\$268,197
LESS: Economic Obsolescence (External) 25.0%	(\$19,027)	(\$67,049)
Depreciated RCN	\$57,081	\$201,148
Depreciation Subtotal	(\$57,081)	(\$143,677)
DEPRECIATION SUMMARY (STRUCTURES)		
Total RCN		\$458,987
LESS: Total Depreciation - Physical Curable		\$0
LESS: Total Depreciation - Functional Curable		\$0
LESS: Total Depreciation - Age/Life		(\$114,682)
LESS: Total Depreciation - Functional Incurable		\$0
LESS: Total Depreciation - Economic Obsolescence (External)		(\$86,076)
Total Depreciated Value of Improvements		\$258,229
<i>Total includes all component / building costs as detailed above</i>		

SITE IMPROVEMENTS

REPLACEMENT COST NEW (SITE IMPROVEMENTS)

SITE IMPROVEMENTS - REPLACEMENT COST NEW										
Item	Description	Area (Units)	Cost Per Unit	Current Cost Multiplier	Local Area Multiplier	Cost New	Indirect 10.0%	Adjusted Cost	Profit 15.0%	Replacement Cost New
Asphalt & Concrete	SF	19,000	\$4.00	1.04	0.89	\$70,346	\$7,035	\$77,380	\$11,607	\$88,987
Yard Lighting		2	\$2,000	1.04	0.89	\$3,702	\$370	\$4,073	\$611	\$4,684
Sign		1	\$20,000	1.04	0.89	\$18,512	\$1,851	\$20,363	\$3,054	\$23,418
Vehicle Vacuums	Vacuum	7	\$2,000	1.04	0.89	\$12,958	\$1,296	\$14,254	\$2,138	\$16,392
Totals						\$105,518	\$10,552	\$116,070	\$17,411	\$133,481

DEPRECIATION (SITE IMPROVEMENTS)

SITE IMPROVEMENTS - DEPRECIATION											
Item	Physical Curable	Functional Curable	Adjusted Total	Economic Life	Effective Age	Dep %	Age/Life Depreciation	Total Depreciation	Adjusted Total	Economic Obsolescence 25.0%	Depreciated Cost
Asphalt & Concrete	\$0	\$0	\$88,987	12	5	41.67%	(\$37,078)	(\$37,078)	\$51,909	(\$12,977)	\$38,932
Yard Lighting	\$0	\$0	\$4,684	20	5	25.00%	(\$1,171)	(\$1,171)	\$3,513	(\$878)	\$2,634
Sign	\$0	\$0	\$23,418	12	5	41.67%	(\$9,757)	(\$9,757)	\$13,660	(\$3,415)	\$10,245
Vehicle Vacuums	\$0	\$0	\$16,392	15	5	33.33%	(\$5,464)	(\$5,464)	\$10,928	(\$2,732)	\$8,196
Totals	\$0	\$0	\$133,481				(\$53,470)		\$80,010	(\$20,003)	\$60,008

FURNITURE FIXTURES & EQUIPMENT

The following table summarizes the cost new of subject's furniture, fixtures and equipment (FF&E). It is noted that we have grouped equipment into a simplified package category rather than itemizing the many small items associated with a car wash operation.

REPLACEMENT COST NEW (FF&E)

FURNITURE FIXTURES & EQUIPMENT - REPLACEMENT COST NEW										
Item	Description	Units	Cost Per Unit	Current Cost Multiplier	Local Area Multiplier	Cost New	Indirect 10.0%	Adjusted Cost	Profit 15.0%	Replacement Cost New
Car Wash Equipment Package	Station FF&E	1	\$600,000	1.04	0.89	\$555,360	\$55,536	\$610,896	\$91,634	\$702,530
Totals						\$555,360	\$55,536	\$610,896	\$91,634	\$702,530

DEPRECIATION (FF&E)

FURNITURE FIXTURES & EQUIPMENT - DEPRECIATION											
Item	Physical Curable	Functional Curable	Adjusted Total	Economic Life	Effective Age	Dep %	Age/Life Depreciation	Total Depreciation	Adjusted Total	Economic Obsolescence 25.0%	Depreciated Cost (Rounded)
Car Wash Equipment Package	\$0	\$0	\$702,530	20	5	25.00%	(\$175,633)	(\$175,633)	\$526,898	(\$131,724)	\$400,000
Totals	\$0	\$0	\$702,530				(\$175,633)		\$526,898	(\$131,724)	\$400,000

The depreciated replacement cost of the subject's furniture, fixtures and equipment is \$400,000 (rounded). This figure will be referred to later in the report in order to appropriately allocate a value to the Total Intangible Assets Value component.

CONCLUSION

As a culmination to the Cost Approach, we reiterate the conclusions from each portion of this analysis. Please refer to the following table for our Cost Approach summary.

COST APPROACH VALUE SUMMARY

COST SOURCE

Marshall & Swift (Commercial Cost Explorer)

SUMMARY (STRUCTURES)

Adjusted Costs/Cost New	\$362,835
PLUS: Indirect Costs	\$36,284
PLUS: Entrepreneurial Profit	\$59,868
TOTAL REPLACEMENT COST NEW	\$458,987
LESS: Total Depreciation	(\$200,758)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (STRUCTURES)	\$258,229

SUMMARY (SITE IMPROVEMENTS)

Adjusted Costs/Cost New	\$105,518
PLUS: Total Indirect Costs	\$10,552
PLUS: Total Entrepreneurial Profit	\$17,411
TOTAL REPLACEMENT COST NEW	\$133,481
LESS: Total Depreciation	(\$73,473)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (SITE IMPROVEMENTS)	\$60,008

SUMMARY (FURNITURE FIXTURES & EQUIPMENT)

Adjusted Costs/Cost New	\$555,360
PLUS: Total Indirect Costs	\$55,536
PLUS: Total Entrepreneurial Profit	\$91,634
TOTAL REPLACEMENT COST NEW	\$702,530
LESS: Total Depreciation	(\$307,357)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (FF&E, Rounded)	\$400,000

TOTAL REPLACEMENT COST NEW OF IMPROVEMENTS	\$1,294,998
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS	\$718,237
PLUS: Land Value (Primary Site)	\$375,000
INDICATED VALUE BY THE COST APPROACH	\$1,093,237
Rounded to the Nearest	\$25,000
	\$1,100,000

COST APPROACH COMPONENTS

Total Cost Approach Value	\$1,100,000
LESS: Furniture Fixtures & Equipment	\$400,000
Total Real Property	\$700,000

Sales Comparison Approach

ANALYSIS OF SALES

Purchasers' motivations in car wash transactions vary a great deal. Due to the fact that comparable local sales are difficult to find, the appraisers have included a selection of regional car wash comparables. Buyers typically do not place primary emphasis on this approach in dealing with this property sector. Comparable sales are often difficult to interpret due to unknown environmental conditions, varied building improvements and revenue sources, existing lease agreements and business enterprise issues that may have affected the sale price. As such, the Sales Comparison Approach is considered a less reliable valuation process for car wash properties. However, we believe this approach is useful in supporting our value conclusions in the Cost Approach and Income Approach by providing value parameters. In addition to providing value parameters, we have also created a value point estimate from the sales comparison approach, which we have given no weight to in our final value conclusion.

The comparable sales include car wash concepts within the subject's region. We attempted to focus on like-kind comparables that would fall within the class of the subject property. The sales reviewed may have included business enterprise value and items of personal property as with the subject property. Charted on the following page are the comparable sales utilized in our analysis and an adjustment grid. Please note that our unit of comparison is overall sales price.

IMPROVED SALES

PROPERTY INFORMATION						TRANSACTION INFORMATION						
No.	Property Name Address, City, State	Land (SF)	Land to Building Ratio	Building GLA	Year Built	Grantor	Grantee	Value Interest	Sale Date	Sale Price	\$/SF Land	\$/SF Bldg
S	Subject Property	27,007	8.44:1	3,200	2005							
1	Car Wash 1155 Henry Ford Drive Woodstock, VA	92,782	15.16:1	6,122	2008	Interstate Car Wash LLC	1155 Henry Ford LLC	Leased Fee	9/18	\$1,675,000	\$18.05	\$273.60
2	Car Wash 2739 Wards Road Lynchburg, VA	32,234	9.27:1	3,477	1984	Not available	Not available	Fee Simple	6/18	\$740,000	\$22.96	\$212.83
3	Car Wash 3311 Library Road Pittsburgh, PA	27,355	5.97:1	4,580	-	C T V Group li LLC	Sherman Auto Bath & Shower Lp	Fee Simple	9/16	\$650,000	\$23.76	\$141.92
4	Car Wash 2390 Peters Creek Road Roanoke, VA	57,669	9.42:1	6,120	1989	Brambleton Imports Inc	Mayland Associates LLC	Fee Simple	3/16	\$755,200	\$13.10	\$123.40
STATISTICS												
Low		27,355	5.97:1	3,477	1984				3/16	\$650,000	\$13.10	\$123.40
High		92,782	15.16:1	6,122	2008				9/18	\$1,675,000	\$23.76	\$273.60
Average		52,510	9.96:1	5,075	1994				7/17	\$955,050	\$19.47	\$187.94

Compiled by Cushman & Wakefield

IMPROVED SALE ADJUSTMENT GRID

ECONOMIC ADJUSTMENTS (CUMULATIVE)																			
No.	Sale Price	Sale Date	Property Rights Conveyed		Conditions of Sale		Financing	Market ⁽¹⁾ Conditions	Subtotal		Location	Size (GLA)	Age, Quality & Condition	Land-Building Ratio	Utility ⁽²⁾	Other	Adj. Price	Net Adj.	Overall
1	\$1,675,000	9/18	Leased Fee	0.0%	Arm's-Length	0.0%	0.0%	1.6%	\$1,701,800	1.6%	-20.0%	0.0%	0.0%	-10.0%	-5.0%	0.0%	\$1,106,170	-35.0%	-
2	\$740,000	6/18	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	2.3%	\$757,020	2.3%	25.0%	0.0%	10.0%	0.0%	5.0%	0.0%	\$1,059,828	40.0%	+
3	\$650,000	9/16	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	5.7%	\$687,050	5.7%	25.0%	0.0%	0.0%	5.0%	10.0%	0.0%	\$961,870	40.0%	+
4	\$755,200	3/16	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	6.9%	\$807,309	6.9%	25.0%	0.0%	5.0%	0.0%	5.0%	0.0%	\$1,089,867	35.0%	+
STATISTICS																			
	\$650,000	3/16	- Low													Low -	\$961,870	-35.0%	
	\$1,675,000	9/18	- High													High -	\$1,106,170	40.0%	
	\$955,050	7/17	- Average													Average -	\$1,054,434	20.0%	

Compiled by Cushman & Wakefield

⁽¹⁾Market Conditions Adjustment

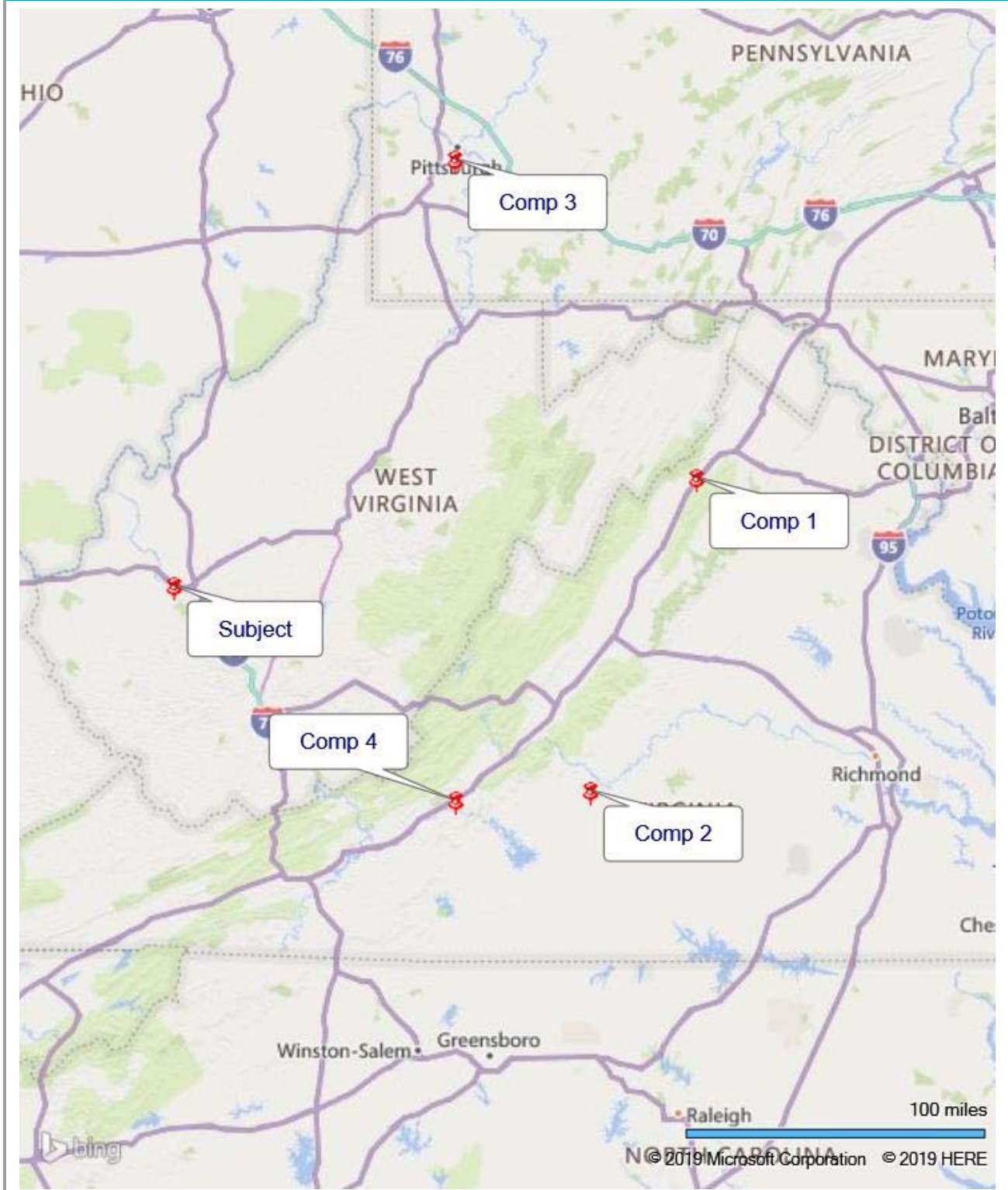
Compound annual change in market conditions: 2.00%

Date of Value (for adjustment calculations): 7/22/19

⁽²⁾Utility Footnote

Utility includes site layout, signage, visibility, etc.

IMPROVED SALE LOCATION MAP



PERCENTAGE ADJUSTMENT METHOD

Adjustment Process

The sales we used were the best available comparables to the subject property. The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or atypical conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market conditions are accounted for, creating a time adjusted price. Lastly, adjustments for location, physical traits and the economic characteristics of the market data are made in order to generate the final adjusted value for the subject property.

We made a downward adjustment to those comparables considered superior to the subject and an upward adjustment to those comparables considered inferior. Where expenditures upon sale exist, we included them in the sales price.

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. A going concern is an operating business enterprise that is expected to continue operating into the foreseeable future. We are valuing a going concern of the Fee Simple interest of the subject property. The comparables are fee simple sales or are leased at what appears to be a market rental rate. Therefore, an adjustment for property rights is not required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arm's-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Market Conditions

In this analysis, we determined the subject's value using the value date of July 22, 2019. All of the comparables were adjusted to this date. The sales that are included in this analysis occurred between March 2016 and September 2018. Given the strength of the local market, we have made a positive adjustment for market conditions. We have made a positive adjustment for market conditions at a rate of 2.0 percent per annum.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. The location of the subject property is rated good/excellent, and it has good/excellent access and good/excellent visibility. Each comparable was adjusted accordingly.

Physical Traits

Each property has various physical traits that determine its appeal. These traits include size, age, condition, quality, land-to-building ratio and utility. Each comparable was adjusted accordingly.

Other

This category accounts for any other adjustments not previously discussed. Based on our analysis of these sales, none required any additional adjustment.

Summary of Percentage Adjustment Method

The unadjusted sales prices range from \$650,000 to \$1,675,000, with an average of \$955,050. In an attempt to draw a point value estimate from the sales comparison approach we have taken into consideration the range of the adjusted sale prices, the average sale price, the median sale price, and the comparable that required the least gross adjustment. The adjusted sale prices range from \$961,870 to \$1,106,170, the average adjusted sale price is \$1,054,434, and the median adjusted sale price is \$1,074,847. The comparable that requires the least gross adjustment is Comparable 1, with an adjusted price of \$1,106,170, which we have applied more weight to in our value conclusion than the other comparables. The resulting pertinent value indicators and our sales comparison approach value conclusion are as follows:

PERCENT ADJUSTMENT METHOD SUMMARY

Indicated Value Range - Low	\$961,870
Indicated Value Range - High	\$1,106,170
Indicated Value - Average	\$1,054,434
Indicated Value - Median	\$1,074,847
Sale with Lowest Gross Adjustment - Sale Comp. 1	\$1,106,170
Indicated Value, Rounded	\$1,075,000

Compiled by Cushman & Wakefield

Given the subject's good/excellent location, functional site utility, and car wash asset class, we believe the comparable data set is supportive of the Going Concern value estimated in the Income Capitalization Approach. As described in the Income Capitalization Approach, our going concern value conclusion via the Income Capitalization Approach is \$1,100,000, which is within the range of adjusted comparable sale prices and in line with our income capitalization approach value conclusion. Therefore, the sales comparable data supports the conclusions cited herein, but it is non-conclusive as a stand-alone valuation methodology for the subject property.

Income Capitalization Approach

METHODOLOGY

The Income Capitalization Approach determines the value of a property based on the anticipated economic benefits. The principle of “anticipation” is essential to this approach, which recognizes the relationship between an asset’s potential future income and its value. To value the anticipated economic benefits of a property, potential income and expenses must be projected, the estimated income is then converted to a value indication by use of a combination of the following methods:

1. **Gross Profit Multiplier Method:** This method uses gross profit prior to a deduction for operating expenses. Once an accurate projection of gross profit is determined an appropriate gross profit multiplier (GPM) is selected. The property’s value is the result of multiplying the gross profit by the GPM. The GPM method is somewhat elementary compared to other income capitalization methods due to it not taking into consideration operating expenses. The typical purchaser for a car wash real estate asset has shifted from single-store operators to institutional investors, and the methods for valuing car wash real estate assets have shifted to more sophisticated methods. Although the GPM method can be used to support a value via the income capitalization approach, it is not the primary valuation method due to it not taking into consideration operating expenses.
2. **EBITDAR Direct Capitalization Method:** This method is similar to the GPM Valuation Method, with the primary differences being that it takes into consideration operating expenses; instead of gross profit, the EBITDAR capitalization method focuses on earnings before interest, taxes, depreciation, amortization and rent (EBITDAR). The subject’s projected EBITDAR is then capitalized using an appropriate capitalization rate. There is a strong correlation between a car wash’s EBITDAR and its market value, and therefore, the EBITDAR Direct Capitalization Valuation Method is considered to be an accurate indication of value.
3. **EBITDAR Yield Capitalization Method:** The EBITDAR Yield Capitalization Method is related to the EBITDAR Direct Capitalization Method; in the yield capitalization method annual EBITDAR figures and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments. The EBITDAR Yield Capitalization Method is an effective method of determining the value of a car wash property, but due to it being more complex than the GPM Method and the EBITDAR Capitalization Method it is typically used by corporations who own many stores.

SUMMARY

Based on our conversations with industry professionals the typical purchaser of a car wash going concern similar to the subject relies on a combination of the EBITDAR Direct Capitalization Method and EBITDAR Yield Capitalization Method. Therefore, we will conduct these methods and reconcile the differences in values. The first step for both methods is to analyze the historical financial performance and make a projection of the subject’s income and expenses.

REVENUE & EXPENSE ANALYSIS

Based on our conversations with industry professionals the typical purchaser of a car wash going concern similar to the subject relies primarily on the EBITDAR Direct Capitalization Method. Therefore, we will conduct this method. The first step for the EBITDAR Direct Capitalization Method is to analyze the historical financial performance and make a projection of the subject’s income and expenses.

REVENUE AND EXPENSE ANALYSIS									
	12 Months		12 Months		3 Months		C&W		
	2017 Actual		2018 Actual		2019 Annualized		Forecast (1)		
CAR WASH GROSS PROFIT	% CAR WASH REV		% CAR WASH REV		% CAR WASH REV		% CAR WASH REV		
Car Wash Revenue	\$160,530		\$198,821		\$247,853		\$250,000		
Car Wash Costs of Goods Sold	<u>\$4,048</u>	2.5%	<u>\$5,759</u>	2.9%	<u>\$5,252</u>	2.1%	<u>\$5,750</u>	2.3%	
Car Wash Gross Profit	\$156,482	97.5%	\$193,062	97.1%	\$242,601	97.9%	\$244,250	97.7%	
TOTAL GROSS PROFIT	% TOTAL REV		% TOTAL REV		% TOTAL REV		% TOTAL REV		
Total Revenue	\$160,530		\$198,821		\$247,853		\$250,000		
Total Cost of Goods Sold	<u>\$4,048</u>		<u>\$5,759</u>		<u>\$5,252</u>		<u>\$5,750</u>		
TOTAL GROSS PROFIT	\$156,482	97.5%	\$193,062	97.1%	\$242,601	97.9%	\$244,250	97.7%	
LESS: OPERATING EXPENSES	% TOTAL REV		% TOTAL REV		% TOTAL REV		% TOTAL REV		
Labor Costs	\$19,944	12.4%	\$12,864	6.5%	\$13,569	5.5%	\$15,000	6.0%	
Credit Card Expenses	\$4,317	2.7%	\$6,494	3.3%	\$6,885	2.8%	\$7,555	3.0%	
Repairs & Maintenance	\$5,870	3.7%	\$2,801	1.4%	\$2,318	0.9%	\$7,500	3.0%	
Other Operating Expenses	<u>\$77,213</u>	48.1%	<u>\$79,926</u>	40.2%	<u>\$72,046</u>	29.1%	<u>\$77,365</u>	30.9%	
Total Operating Expenses	\$107,344	66.9%	\$102,085	51.3%	\$94,817	38.3%	\$107,420	43.0%	
EBITDAR	\$49,139	30.6%	\$90,977	45.8%	\$147,783	59.6%	\$136,830	54.7%	
(1) Fiscal Year Beginning: 8/1/2019									
Fiscal Year Ending: 7/31/2020									
Compiled by Cushman & Wakefield									

CAR WASH GROSS PROFIT

We have been provided the historic car wash sales. Gross profit for car wash sales is developed by subtracting the cost of goods sold from gross revenue. Thus, the profit margin is the gross profit divided by the gross revenue. The subject's historical car wash revenue has ranged from \$160,530 to \$247,853 with an average of \$202,402. Based on the subject's historical performance we have projected the subject's in store revenue to be \$250,000 and car wash margin to be 97.7 percent in fiscal year 1, which results in projected car wash gross profit of \$244,250.

TOTAL GROSS PROFIT

Total gross profit is simply a summation of all gross profit sources. Historical gross profit for the subject has ranged from \$156,482 to \$242,601, with an average of \$197,382 from 2017 to 2019. Our projected total gross profit for the subject is \$244,250, which is in line with the recent financial performance for the subject property.

OPERATING EXPENSES

We have divided the subject's historical operating expenses into the categories of labor costs, repairs and maintenance, and other operating expenses. We have relied primarily on historical operating expenses to create our projections.

INCOME AND EXPENSE PRO FORMA

The following chart summarizes our opinion of income and expenses for Year One.

SUMMARY OF REVENUE AND EXPENSES			
C&W FORECAST - YEAR 1			
CAR WASH GROSS PROFIT	% CAR WASH REV		
Car Wash Revenue	\$250,000		
Car Wash Costs of Goods Sold	<u>\$5,750</u>	2.3%	
Car Wash Gross Profit	\$244,250	97.7%	100.0%
TOTAL GROSS PROFIT	% TOTAL REV		
Total Revenue	\$250,000		
Total Cost of Goods Sold	<u>\$5,750</u>		
TOTAL GROSS PROFIT	\$244,250	97.7%	100.0%
LESS: OPERATING EXPENSES	% TOTAL REV		
Labor Costs	\$15,000	6.0%	6.1%
Credit Card Expenses	\$7,555	3.0%	3.1%
Repairs & Maintenance	\$7,500	3.0%	3.1%
Other Operating Expenses	<u>\$77,365</u>	30.9%	31.7%
Total Operating Expenses	\$107,420	43.0%	44.0%
EBITDAR	\$136,830	54.7%	56.0%
(1) Fiscal Year Beginning: 8/01/2019			
Fiscal Year Ending: 7/31/2020			
Compiled by Cushman & Wakefield			

INVESTMENT CONSIDERATIONS

OVERVIEW

Despite continuing uncertainty about domestic and global conditions, the U.S. economy continued to generate healthy growth in the first quarter. Gross domestic product (GDP) grew at a 3.2% annual rate in first quarter 2019 following the 2.9% increase recorded in 2018. However, two important reasons for this strong growth were an accumulation of inventories and a substantial improvement in the trade balance (exports rose and imports fell). If these factors are stripped out, the increase in GDP caused by domestic demand was a more modest 1.4% annual rate.

The somewhat slower growth in domestic demand was also reflected in labor markets. Total U.S. payroll employment increased an average of 180,000 jobs per month, down from 233,000 in the fourth quarter of 2018. Nevertheless, job growth was solid for the quarter including the office using sectors (financial, professional and business services and information). Office-using employment increased an average of 38,000 jobs for the quarter, down modestly from the 50,000 per month added in fourth quarter 2018. Employment growth in industrial-related sectors slowed as the manufacturing sector saw a reduction in growth. Employment in transportation, warehousing and manufacturing increased an average of 15,000 jobs per month, down from nearly 40,000 in fourth quarter 2018. Employment in the warehouse and distribution sector accounted for more than 10,000 jobs per month in the first quarter while manufacturing only accounted for 4,000.

Further considerations include:

In the first quarter, layoffs, as measured by weekly unemployment filings, dropped to the lowest level in 50 years. Companies are focused on retaining existing employees because of the challenges in finding replacement workers. Unemployment had a slight decrease, as of May 30th, 2019, unemployment is at 3.6%. Although unemployment declined within the same month there were three thousand more unemployment filings.

These extraordinarily tight labor market conditions are pushing wages higher. As of March 2019, average hourly earnings had increased 3.2% from a year ago, roughly where wage growth has been for the past six months. The combination of more jobs and faster wage growth has raised aggregate wage and salary income 3.2% above year-earlier levels. This is likely to support growth in consumer spending in the next several quarters.

- According to the University of Michigan, consumers feel very good about their current situation. The “current conditions index” bounced back in March after dipping earlier this year and is at a highly optimistic level.
- Consumer spending was not as strong as it has been in recent quarters, growing 1.2% in first quarter 2019—slower growth was in part the result of the weather conditions. Retail sales in March jumped 1.6% from February. Sales had dropped 1.1% from last November to February 2019, which is why the GDP consumer spending numbers were soft, but the March surge indicates that consumers will remain important contributors to growth. Going forward, as personal income grows further, consumers have dry powder and will likely lead to faster spending growth in coming quarters.
- The S&P 500's 13.1% gain for first quarter was the best start to a year since 1998. The other equity indices saw strong performances as well. Both S&P 500 and Dow jumped 2.1% while NASDAQ surged 2.7%. Not to be outdone by equities, oil saw its biggest quarterly gain since 2009—WTI crude futures gained 32% in the first three months of the year. This was mainly due to OPEC enforced supply cuts and U.S. sanctions against major exporters Iran and Venezuela.

Inflation remains contained. In March, the consumer price index was 1.9% higher than a year earlier and the Federal Reserve's preferred inflation measure, the personal consumption deflator excluding food and energy, stood only 1.6% above its year earlier level, well below the Fed's 2% target.

The stable inflation environment has prompted the Fed to hold off on further rate increase for the time being. After raising the Federal Funds rate to the current target range of 2.25% to 2.50% in December 2018, the Federal Open Market Committee (FOMC) has become much less aggressive in its tone and projections. In its most recent meeting last March, the FOMC suggested strongly that there will be no further interest rate increases this year. The Fed's less aggressive stance along with softer economic growth in Europe have combined to place downward pressure on long term interest rates this year. After reaching a peak of 3.44% in November 2018 as of June 3rd, the 10-Year Treasury Note hit a 21-month low at 2.085% due to the lack of stability in global trade.

- U.S. commercial real estate investment activity faced a challenging start to 2019 with volume falling from a year earlier across deal structures of all types in the first quarter. Sales of portfolio and entity-level assets experienced the largest declines so far in 2019. The investment market had rose in 2018 to a level only topped by sales volume recorded in 2007.
- The year started off with a high level of uncertainty about the strength of the economy in the face of global headwinds including Brexit. Prime minister Theresa May resigned, giving a higher chance there will be a “no-deal” Brexit. Theresa May resignation could encourage another negotiation with current or past trade deals, possibly altering the GDP. There is also potential for a bilateral trade deal. Thus far the U.S. economy has remained healthy despite these headwinds and is expected to continue to grow through the balance of 2019.

ECONOMIC CONDITIONS

The current U.S. economic expansion cycle is nearly a decade old, and is by general consent a strong economy and getting stronger. Despite this, interest rates, which help determine the cost of borrowing money for investments, have lingered near historic lows since the 2008 recession. Interest rates went unchanged through to December 2015, when the Federal Reserve increased the rate for the first time in almost a decade. Now that more tariffs have been implemented on trade and inventories, the Federal Reserve Chairman Jerome Powell is more open to cutting rates based on how the economy responds to the new trade deals made in the past year.

In December 2016, the Federal Reserve raised its interest rates by a quarter of a point, to a range between 0.5% and 0.75%, and has since increased seven more times, each by 0.25 points. The current range is between 2.25% and 2.5% following the most recent hike in December 2018. All signs in the economy point to continued growth over the near-term. Economists expect there to be two cuts, one in September and another cut in December since trade is possibly lowering GDP. However, in the Federal Reserve's March 2019 meeting, it was indicated that there will be no hikes in 2019. One of the Federal Reserve's key objectives is to keep inflation low. Because inflation is already low, there is little reason for the Fed to raise interest rates.

The following graph displays historical and projected U.S. real GDP percentage change (annualized on a quarterly basis) from first quarter 2012 through fourth quarter 2020 (red bar highlights the most recent quarter available - 19Q1):



Source: Historical Data Courtesy of the Bureau of Economic Analysis, Forecast Data Courtesy of Moody's Analytics

Further points regarding current economic conditions are as follows:

- First quarter GDP grew 3.2%, well above expectations. Economists forecast continued economic expansion through 2020, though growth may ebb in 2019 as the fiscal boost from the tax cuts eventually fade. The National Association for Business Economics forecasts 2.7% GDP growth in 2019 and the Urban Land Institute's annual forecast survey expects the economy to grow 1.7% in 2020. GDP correlates strongly with the commercial real estate sector, so a strong economy indicates strong support for our business going forward.

- Commercial and multifamily mortgage loan originations increased 12% in first quarter 2019 when compared to the same period in 2018, according to the Mortgage Bankers Association's Quarterly Survey of Commercial/Multifamily Mortgage Banker. An increase in originations for health care, multifamily and industrial products led to the overall increase in lending volumes.
- Commercial mortgage-backed securities (CMBS) have been spurred by measured investment sales activity and stable credit spreads. Commercial Mortgage Alert data indicates that U.S. CMBS issuance in first quarter 2019, at \$16.5 billion, was 14.8% lower when compared to CMBS issuance during the same period in 2018. Issuance is likely to fall on an annual basis in 2019 due to market volatility and heightened competition.

U.S. REAL ESTATE MARKET IMPLICATIONS

The commercial real estate market's sales volume reached \$98.3 billion in first quarter 2019. Investor caution led to a pullback in deal activity in first quarter 2019, which experienced an 11.7% drop when compared to the amount recorded during first quarter 2018, according to Real Capital Analytics. The spike in the 10-Year Treasury Note in November and the fear that it would go higher persisted for some time into 2019. Even though the 10-Year Treasury Note has since fallen, commercial real estate investment has not returned to the pace of growth seen in 2018. Buyers and sellers can move apart on pricing expectations quickly, but it takes time to return to a set of expectations that can get deals done.

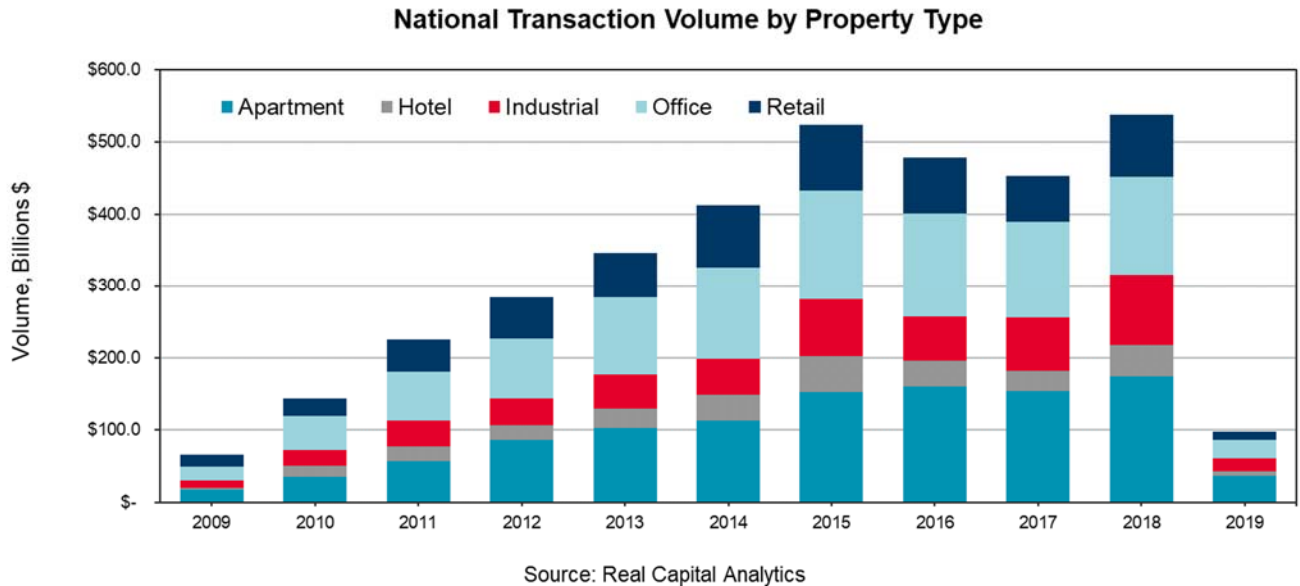
Only the Apartment and Seniors Housing & Care sectors avoided a drop in deal volume in first quarter 2019. Apartment investment activity edged up 1% and Seniors Housing volume rose 2%. Every other major property sector posted double-digit year-over-year declines in deal activity. Entity-level transactions came in at less than \$1b for first quarter 2019. Since 2011, only two quarters had entity-level deal activity at such low marks. The 89% year-over-year decline in these M&A-type transactions stunted the growth in deal activity for the quarter.

According to PricewaterhouseCoopers (PwC) Real Estate Investor Survey average cap rates for all property types decreased in 11 survey markets, increased in 19, and held steady in four over fourth quarter 2018, according to the PwC Real Estate Investor Survey for first quarter 2019. Although quarterly shifts are diverse, surveyed investors expect overall cap rates to hold steady over the next six months.

Notable points for the U.S. real estate market include:

- Deal volume in first quarter 2019 for the six largest metros declined 16% on a year-over-year basis while deal volume in non-major metros markets fell 8% over the same period.
- Among the property sectors, Industrial properties outperformed with respect to individual asset sales, and hit a record level of deal activity for any first quarter period. The Office sector faced the most challenges for single asset sales as volume fell 15% year-over-year. Originations were up 73% on industrial properties, 41% on health care properties and 14% on hotels.
- Most participants in the PwC Real Estate Investor Survey believe that current market conditions favor sellers in the national net lease market (62%) – while 13% said market conditions favor buyers and 25% answered conditions are neutral.
- Cap rates declined seven basis points in both the National Medical Office and National Strip Shopping Center markets in first quarter 2018, according to PwC Real Estate Investor Survey. While the Net Lease and the Regional Mall markets experienced the largest increases during the quarter at six and eight basis points, respectively. At 7.5%, the Chicago office market's overall cap rate is the highest of any market in first quarter 2019, while the Manhattan office market, at 4.53%, has the lowest cap rate. Overall, CBD markets reported lower cap rates than their suburban counterparts and are considered lower investment risks.

The following graph compares national transaction volume by property type from 2009 through first quarter 2019:



CONCLUSION

Economic conditions in the U.S. remain among the strongest levels experienced throughout this cycle. Given the correlation between the economy and property markets, values are expected to climb in most markets/product types as the expansion continues. The industry has been powered by strong business investment and sustained improvements in the labor markets. Despite the uncertainties and potential headwinds in the U.S. market, there is an abundance of dry powder and investors are growing their allocations to real estate. Going forward, the economy is expected to continue to grow at a healthy pace throughout 2019, creating a positive environment for commercial real estate.

Below are notes regarding the outlook for the U.S. national real estate market in 2019 and beyond:

- Participants in the PwC Real Estate Investor Survey hold a balanced feeling of current commercial real estate climate. The majority of the industry's key players – owners, lenders and buyers – view the market as fairly priced at a time when there is no “mad dash” to either sell or buy.
- Monetary policy remains highly accommodative by historic standards and supports continued growth in real estate. Expansionary policy has transitioned to a growth story and modest core-inflation. The latest global economic data on trade, spending, jobs, confidence, and factory orders is mostly solid and gathering moderate speed. With tariffs now influencing the U.S economy Christine Lagarde, the IMF's managing director warns that the current tariffs will dip the global GDP by 455 billion. Furthermore, the probability of a near-term Global recession remains as low as 5%, according to Oxford Economics.
- Consumer and business confidence have been at healthy levels, supported by tight labor markets, strong financial market returns, increasing housing values, and improved access to credit. Consumer confidence rebounded back to its high levels during first quarter and is expected to grow throughout the year, as the U.S. is on pace to add 1.5 to two million jobs in 2019, despite starting the year close to full employment.
- Overall, the U.S. economy is in its best shape for several years and is likely to remain strong throughout the near term. Barring an unexpected shock to global markets, the economy is anticipated to experience steady growth for the foreseeable future.

INVESTMENT CONSIDERATIONS

The factors listed below have been key to our valuation of this property and will have an impact on our selection of all investor rates.

EBITDAR Growth:	We project the subject's EBITDAR will increase at a rate of 3.00 percent per year. Given this investment consideration, the investment rates selected will be similar to the market indicators.
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently improving at a rate similar to that of the general real estate market, and therefore, given this investment consideration, the investment rates selected will be similar to market indicators.
Population Growth Rate Trend:	The subject's primary trade area's projected annual population growth rate of -0.31 is considered an average population growth rate when compared to the municipality, county and state. Therefore, given this investment consideration, the investment rates selected will be similar to to market indicators.
Household Income:	The subject's primary trade area's household income of \$65,200 is considered an average income level when compared to the municipality, county and state. Therefore, given this investment consideration, the investment rates selected will be similar to to market indicators.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is good/excellent.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has average overall investment appeal.

Compiled by Cushman & Wakefield

The following sections include the analyses that we will utilize in order to derive value conclusions from the subject's historical and projected income and expense data.

EBITDAR DIRECT CAPITALIZATION METHOD

OVERVIEW

This method is similar to the GPM Valuation Method, with the primary differences being that instead of it focusing on gross profit it focuses on earnings before interest, taxes, depreciation, amortization and rent (EBITDAR), and instead of being a multiple (income is multiplied by it) it is a capitalization rate (income is divided by it). Similar to the GPM Valuation Method, there is a strong correlation between a car wash's EBITDAR and its market value, and therefore, the EBITDAR Valuation Method is considered to be an accurate indication of value.

EBITDAR CAPITALIZATION RATE FROM COMPARABLE SALES

The following table contains a sample of EBITDAR capitalization rates from recent sales throughout the nation.

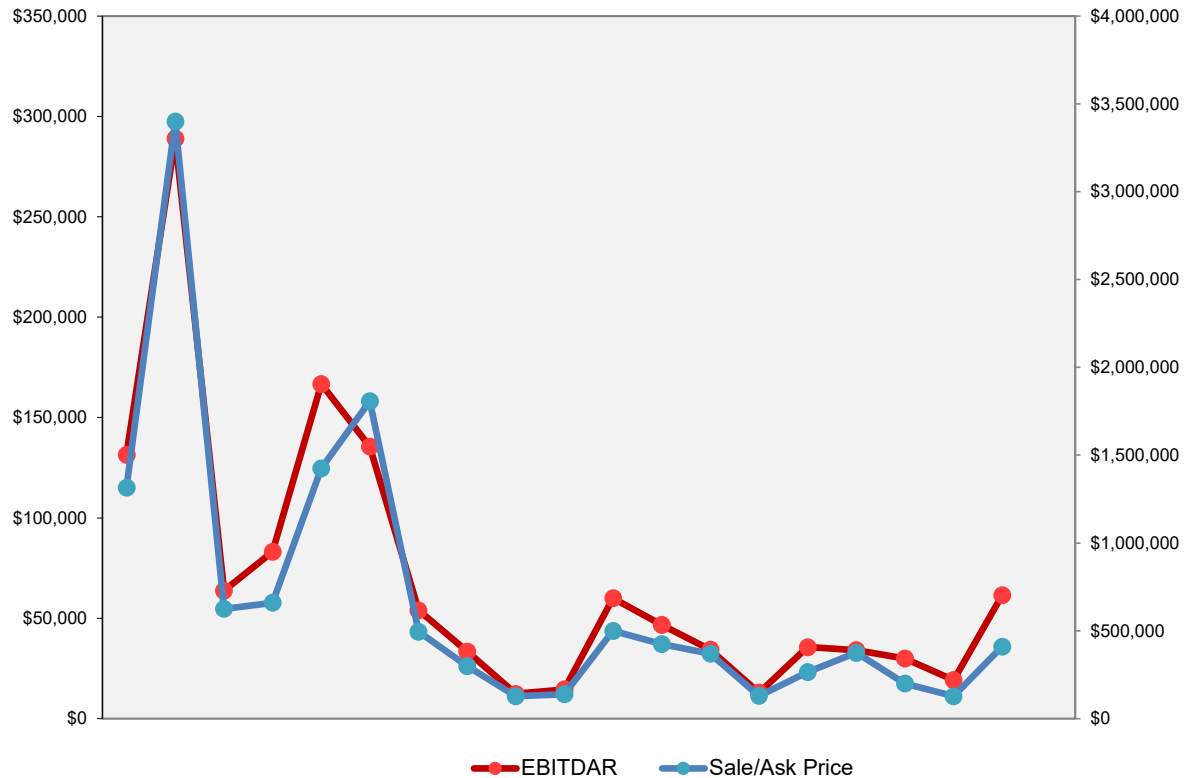
CAR WASH EBITDAR CAP RATE SALES SUMMARY								
No.	Location	Property Type	Sale Status	Property Rights	Sale Date	Sale/Ask Price	EBITDAR	EBITDAR Cap Rate
1	Cleveland, TN	Car Wash	Recorded Sale	Going Concern	Mar-19	\$1,315,000	\$131,500	10.00%
2	Tucker, GA	Car Wash	Recorded Sale	Going Concern	Nov-18	\$3,400,000	\$289,000	8.50%
3	Jacksonville, FL	Car Wash	Recorded Sale	Going Concern	Sep-18	\$625,000	\$63,750	10.20%
4	Seffner, FL	Car Wash	Recorded Sale	Going Concern	May-18	\$660,000	\$83,160	12.60%
5	Tampa, FL	Car Wash	Recorded Sale	Going Concern	Apr-18	\$1,425,000	\$166,725	11.70%
6	Fayetteville, AR	Car Wash	Recorded Sale	Going Concern	Dec-17	\$1,807,263	\$135,545	7.50%
7	Lithia, FL	Car Wash	Recorded Sale	Going Concern	Oct-17	\$495,000	\$53,955	10.90%
8	Lakeland, FL	Car Wash	Recorded Sale	Going Concern	Jun-17	\$299,000	\$33,488	11.20%
9	Fairborn, OH	Car Wash	Recorded Sale	Going Concern	Apr-17	\$127,500	\$12,368	9.70%
10	Piqua, OH	Car Wash	Recorded Sale	Going Concern	Feb-17	\$139,000	\$14,595	10.50%
11	Akron, OH	Car Wash	Recorded Sale	Going Concern	Dec-16	\$500,000	\$60,000	12.00%
12	Loveland, OH	Car Wash	Recorded Sale	Going Concern	Jun-16	\$425,000	\$46,750	11.00%
13	Toledo, OH	Car Wash	Recorded Sale	Going Concern	Jun-16	\$370,000	\$34,336	9.28%
14	Pendleton, SC	Car Wash	Recorded Sale	Going Concern	Feb-16	\$130,000	\$13,000	10.00%
15	Columbus, OH	Car Wash	Recorded Sale	Going Concern	Sep-14	\$265,000	\$35,643	13.45%
16	Rockwood, TN	Car Wash	Recorded Sale	Going Concern	Sep-14	\$375,000	\$34,125	9.10%
17	Lansing, MI	Car Wash	Recorded Sale	Going Concern	Jul-14	\$200,000	\$30,000	15.00%
18	Lorain, OH	Car Wash	Recorded Sale	Going Concern	May-14	\$128,000	\$19,200	15.00%
19	Blue Ridge, GA	Car Wash	Recorded Sale	Going Concern	Mar-14	\$410,000	\$61,500	15.00%
STATISTICS								
Low					Mar-14	\$127,500	\$12,368	7.50%
Average					Oct-16	\$689,251	\$69,402	11.19%
High					Mar-19	\$3,400,000	\$289,000	15.00%

Cushman & Wakefield

As indicated in the table above, the sales contain a range of EBITDAR capitalization rates ranging from 7.50 to 15.00 percent, with an average of 11.19 percent.

The following graph illustrates the correlation between Sale/Asking Price and EBITDAR for the EBITDAR Capitalization Rate Comparables that were presented on the prior page. EBITDAR is graphed based on the left axis and Sale/Asking Price is graphed based on the right axis.

CORRELATION OF SALE PRICE TO EBITDAR



As shown in the above graph, the correlation between each of the comparable sale's Sale/Asking Price and EBITDAR capitalization rate is strong. We have performed a statistical analysis on the comparable sale dataset and the resulting correlation coefficient, also known as R^2 value, is 0.9629, which is a statistically high correlation. A correlation coefficient indicates the percentage of the movements in the dependent variable that can be explained by the independent variable. Therefore, according to our dataset, 96.29 percent of a property's sale price is directly accountable to the property's EBITDAR.

EBITDAR CAPITALIZATION RATE CALCULATION

We have considered aspects of the subject property that would influence the capitalization rate, including its EBITDAR and gross profit levels, trend of income, locational attributes and remaining economic life. The following is a summary of each of the variables that we have taken into consideration in selecting an appropriate EBITDAR capitalization rate for the subject.

EBITDAR CAPITALIZATION SELECTION			
	PARAMETERS & RATINGS	PARAMETER WEIGHT	SUBJECT'S WEIGHTED RATING
TOTAL EBITDAR			
Excellent EBITDAR	\$535,000		
Poor EBITDAR	\$0		
Subject	\$136,830		
Subject's Rating	25.58%	25.00%	6.39%
EBITDAR GROWTH			
Excellent EBITDAR Growth	4.00%		
Poor EBITDAR Growth	-2.00%		
Subject's 2018 to 2019 Growth	62.44%		
Subject's Rating	100.00%	5.00%	5.00%
EBITDAR TO REAL PROPERTY RATIO			
Excellent EBITDAR to Real Property Ratio	0.12		
Poor EBITDAR to Real Property Ratio	0.20		
Subject's EBITDAR	\$136,830		
Subject's Real Property	\$700,000		
Subject's Ratio	0.20		
Subject's Rating	5.66%	35.00%	1.98%
POPULATION DENSITY			
Very Dense (persons in 5 minute drive time)	20,000		
Very Sparse (persons in 5 minute drive time)	2,000		
Subject	7,837		
Subject's Rating	32.43%	10.00%	3.24%
POPULATION TREND			
Excellent Population Growth	1.50%		
Poor Population Growth	-1.50%		
Subject's Primary Trade Area Growth	-0.31%		
Subject's Rating	39.62%	5.00%	1.98%
DEPRECIATION, EXCLUDING EXTERNAL OBSOLESCENCE			
Subject's Total RCN of Improvements	\$1,294,998		
Subject's Total Depreciated Value of Improvements	\$956,040		
Minimum Depreciation (Excellent)	0.00%		
Maximum Depreciation (Poor)	100.00%		
Subject's Depreciation	26.17%		
Subject's Rating	73.83%	20.00%	14.77%
TOTAL EBITDAR CAPITALIZATION RATING		100.00%	33.36%

The maximum score that a property can achieve in the above EBITDAR Capitalization selection process is a perfect score of 100.00 percent. As shown above table, the subject's score is 33.36 percent.

The next step is to convert the subject's capitalization rate score into a capitalization rate. A score of 33.36 percent correlates to a capitalization rate that is 33.36 percent between the bottom and top of the range of reasonable capitalization rates, as shown in the below table.

CONVERSION OF SUBJECT'S EBITDAR RATING TO CAPITALIZATION RATE	
EBITDAR Capitalization Rate, Bottom of Range	10.00% Capitalization Rate = Rating of 100.00%
EBITDAR Capitalization Rate, Top of Range	14.00% Capitalization Rate = Rating of 0.00%
Subject's Cumulative Rating	33.36% = Subject's rating
Subject's EBITDAR Capitalization Rate	12.75% Capitalization Rate = Rating of 33.36%

Compiled by Cushman & Wakefield

EBITDAR CAPITALIZATION RATE RANGE

As portrayed in the previously presented car wash EBITDAR Cap Rate Sales Summary table, the range of EBITDAR capitalization rate comparables is 7.50 percent to 15.00 percent with a mean of 11.19 percent. In order

to create an appropriate capitalization rate range for the subject's property type, we have outlined additional statistical points from the data set.

CAP RATE STATISTICS

Minimum	7.50%
First Quartile	9.70%
Second Quartile	10.90%
Third Quartile	12.60%
Maximum	15.00%

Cushman & Wakefield, Inc.

The data between the first and third quartile represent the mid-range of the data set. Therefore, our EBITDAR Capitalization Rate Range, as portrayed in the below table, is generally based off of these parameters. The below table portrays the Capitalization Rate, the subject's Capitalization Rate Rating, which was determined on the previous page, and the resulting EBITDAR Capitalization Rate for the subject property.

EBITDAR SELECTION

EBITDAR Capitalization Rate, Bottom of Range	10.00%
EBITDAR Capitalization Rate, Top of Range	14.00%
Subject's Cumulative Rating	33.36%
Subject's EBITDAR Capitalization Rate	12.75%

Compiled by Cushman & Wakefield

EBITDAR CAPITALIZATION RATE CONCLUSION

Our EBITDAR capitalization rate of 12.75 percent is supported by EBITDAR comparables, investor surveys, market participant interviews, and the subject's specific financial, physical and locational attributes. In the EBITDAR Capitalization Rate Method, we developed an opinion of market value by capitalization year one EBITDAR by our selected capitalization rate. Our conclusion using the EBITDAR Capitalization Rate Method is as follows:

EBITDAR CAPITALIZATION METHOD

Going Concern Value	
EBITDAR	\$136,830
Sensitivity Analysis (0.25% Spread)	
Based on Low-Range of 12.50%	\$1,094,641
Based on Most Probable Range of 12.75%	\$1,073,177
Based on High-Range of 13.00%	\$1,052,539
Reconciled Value	\$1,073,177
Rounded to nearest \$25,000	\$1,075,000

Compiled by Cushman & Wakefield

EBITDAR YIELD CAPITALIZATION METHOD

OVERVIEW

EBITDAR Yield Capitalization Method: The EBITDAR Yield Capitalization Method is related to the EBITDAR Direct Capitalization Method; in the yield capitalization method annual EBITDAR figures and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments. The EBITDAR Yield Capitalization Method is an effective method of determining the value of a car wash property, but due to it being more complex than the GPM Method and the EBITDAR Capitalization Method it is typically used by corporations who own many stores.

In the Yield Capitalization Method we model the income characteristics of the property and make a variety of cash flow assumptions. We attempted to reflect the most likely investment assumptions of typical buyers and sellers in this market segment.

GENERAL CASH FLOW ASSUMPTIONS

The start date of the Yield Capitalization analysis is August 1, 2019. We performed this analysis on a fiscal year basis. The analysis incorporates a forecast period of 10 years, and a holding period of 10 years.

The following table outlines the assumptions used in the Yield Capitalization analysis.

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS			
VALUATION SCENARIO: Going Concern Market Value As Is			
GENERAL CASH FLOW ASSUMPTIONS		GROWTH RATES	
Cash Flow Start Date:	8/1/2019	Rental Revenue	3.00%
Calendar or Fiscal Analysis:	Fiscal	Car Wash Revenue	3.00%
Investment Holding Period:	10	Car Wash Gross Profit Margin	0.00%
Analysis Projection Period	11	Other Revenue	3.00%
		Consumer Price Index/Operating Expenses	3.00%
RATES OF RETURN		VALUATION	
Discount Rate (IRR) for EBITDAR	14.00%	Going Concern Market Value As Is	\$1,124,731
Discount Rate (IRR) for Reversion	14.25%	Rounded to the nearest \$25,000	\$1,125,000
Terminal EBITDAR Capitalization Rate	13.75%	Value Percent of EBITDAR Cash Flows	69.85%
Reversionary Sales Cost	6.00%	Value Percent of Reversion	30.15%
Basis Point Spread (cap rate out versus in)	100		

Compiled by Cushman & Wakefield

FINANCIAL ASSUMPTIONS

The financial assumptions used in the Yield Capitalization process are discussed in the following commentary.

Terminal Capitalization Rate Selection

A terminal capitalization rate was used to develop an opinion of the market value of the property at the end of the assumed investment holding period. The rate is applied to the earnings before interest, tax, depreciation, amortization and rent (EBITDAR) following year 10. We developed an opinion of an appropriate terminal capitalization rate based on market participants and based on the fact that the subject's structural components will be 10 years older. Primarily due to the subject's components being older, we have applied a terminal EBITDAR capitalization rate that is 100 basis points above the 12.75 percent EBITDAR capitalization rate that we applied going into the investment, which is considered reasonable. The resulting EBITDAR capitalization rate that we have applied in our analysis is 13.75 percent.

Reversionary Sales Costs

We estimated the cost of sale at the time of reversion to be 6.00 percent, which is in keeping with local market practice.

Discount Rate Selection

We developed an opinion of future cash flows, including property value at reversion, and discounted that income stream at an internal rate of return (IRR) currently required by investors for similar-quality real property. The IRR (also known as yield) is the single rate that discounts all future equity benefits (cash flows and equity reversion) to an opinion of net present value. Transactional rates are usually difficult to obtain in the verification process and are actually only target rates of the buyer at the time of sale. The property's performance will ultimately determine the actual yield at the time of sale after a specific holding period.

We previously discussed all factors that would influence our selection of a discount rate for the subject property. Given all of these factors, we discounted our cash flow projections at an internal rate of return of 14.00 percent and our reversionary value projection at an internal rate of return of 14.25 percent.

Yield Capitalization Method Conclusion

The cash flow is presented on the following page followed by our discounted cash flow valuation matrix. The cash flow commencement date is August 1, 2019.

ANNUAL CASH FLOW REPORT

CHESSIE AUTO-WASH DEPOT CAR WASH

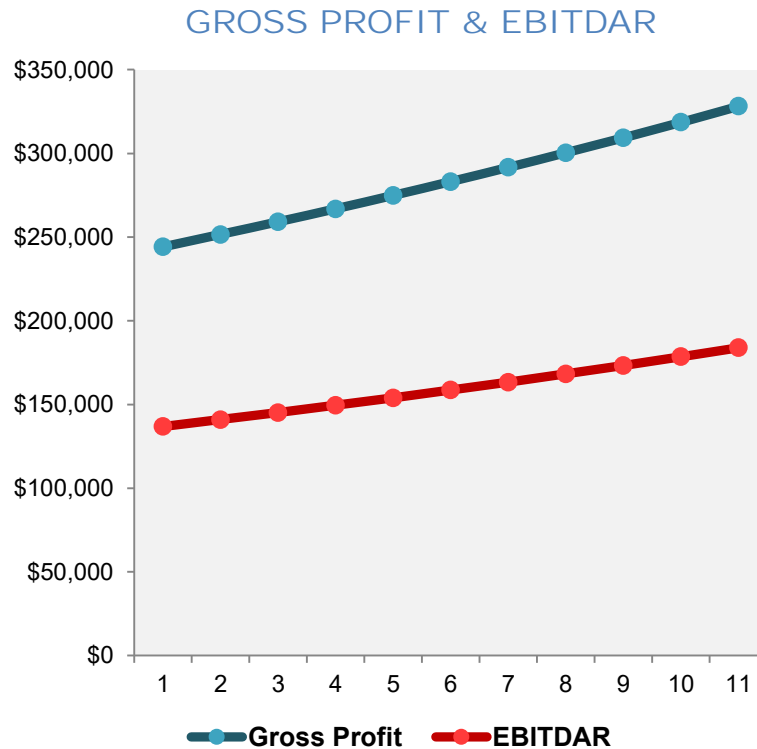
	1	2	3	4	5	6	7	8	9	10	11
For the Years Beginning	Aug-2019	Aug-2020	Aug-2021	Aug-2022	Aug-2023	Aug-2024	Aug-2025	Aug-2026	Aug-2027	Aug-2028	Aug-2029
For the Years Ending	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024	Jul-2025	Jul-2026	Jul-2027	Jul-2028	Jul-2029	Jul-2030
CAR WASH GROSS PROFIT											
Car Wash Revenue	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377	\$289,819	\$298,513	\$307,468	\$316,693	\$326,193	\$335,979
Car Wash Costs of Goods Sold	\$5,750	\$5,923	\$6,100	\$6,283	\$6,472	\$6,666	\$6,866	\$7,072	\$7,284	\$7,502	\$7,728
Car Wash Gross Profit	\$244,250	\$251,578	\$259,125	\$266,899	\$274,906	\$283,153	\$291,647	\$300,397	\$309,409	\$318,691	\$328,252
TOTAL GROSS PROFIT											
Total Revenue	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377	\$289,819	\$298,513	\$307,468	\$316,693	\$326,193	\$335,979
Total Cost of Goods Sold	\$5,750	\$5,923	\$6,100	\$6,283	\$6,472	\$6,666	\$6,866	\$7,072	\$7,284	\$7,502	\$7,728
TOTAL GROSS PROFIT	\$244,250	\$251,578	\$259,125	\$266,899	\$274,906	\$283,153	\$291,647	\$300,397	\$309,409	\$318,691	\$328,252
LESS: OPERATING EXPENSES											
Labor Costs	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572	\$20,159
Credit Card Expenses	\$7,555	\$7,782	\$8,015	\$8,256	\$8,503	\$8,758	\$9,021	\$9,292	\$9,570	\$9,858	\$10,153
Repairs & Maintenance	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786	\$10,079
Other Operating Expenses	\$77,365	\$79,686	\$82,076	\$84,539	\$87,075	\$89,687	\$92,378	\$95,149	\$98,004	\$100,944	\$103,972
Total Operating Expenses	\$107,420	\$110,642	\$113,962	\$117,381	\$120,902	\$124,529	\$128,265	\$132,113	\$136,076	\$140,159	\$144,363
EBITDAR	\$136,830	\$140,935	\$145,163	\$149,518	\$154,004	\$158,624	\$163,382	\$168,284	\$173,332	\$178,532	\$183,888

Compiled by Cushman & Wakefield

The following table outlines the subject's projected annual growth for each line item.

ANNUAL GROWTH	Year 1 through Year 11
CAR WASH GROSS PROFIT	
Car Wash Revenue	3.00%
Car Wash Costs of Goods Sold	3.00%
Car Wash Gross Profit	3.00%
TOTAL GROSS PROFIT	
Total Revenue	3.00%
Total Cost of Goods Sold	3.00%
TOTAL GROSS PROFIT	3.00%
LESS: OPERATING EXPENSES	
Labor Costs	3.00%
Credit Card Expenses	3.00%
Repairs & Maintenance	3.00%
Other Operating Expenses	3.00%
Total Operating Expenses	3.00%
EBITDAR	3.00%
<i>Compiled by Cushman & Wakefield</i>	

The following graph depicts the forecasted change in both EBITDAR and gross profit over the analysis period.



The results of the EBITDAR Yield Capitalization analysis are presented below:

PRICING MATRIX - MARKET VALUE AS-IS					
Terminal Cap Rates	Discount Rate (IRR) for Cash Flow				
	13.50%	13.75%	14.00%	14.25%	14.50%
13.25%	\$1,169,218	\$1,153,074	\$1,137,250	\$1,121,738	\$1,106,532
13.50%	\$1,162,557	\$1,146,558	\$1,130,875	\$1,115,501	\$1,100,429
13.75%	\$1,156,138	\$1,140,278	\$1,124,731	\$1,109,490	\$1,094,548
14.00%	\$1,149,948	\$1,134,223	\$1,118,807	\$1,103,694	\$1,088,877
14.25%	\$1,143,976	\$1,128,380	\$1,113,091	\$1,098,101	\$1,083,405
IRR Reversion	13.75%	14.00%	14.25%	14.50%	14.75%
Cost of Sale at Reversion:			6.00%		
Percent Residual:			30.15%		
Rounded to nearest \$25,000			\$1,125,000		

Compiled by Cushman & Wakefield

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at \$1,125,000, rounded. The reversion contributes 30.15 percent to this value estimate.

RECONCILIATION WITHIN THE INCOME CAPITALIZATION APPROACH

The following is a summary of our concluded values in the Income Capitalization Approach:

INCOME CAPITALIZATION APPROACH CONCLUSION		
VALUATION METHOD	VALUE	WEIGHT
EBITDAR Direct Capitalization	\$1,075,000	60%
EBITDAR Yield Capitalization	\$1,125,000	40%
Reconciled Value	\$1,095,000	
Rounded to the nearest \$25,000	\$1,100,000	
<i>Compiled by Cushman & Wakefield</i>		

As portrayed in the above table, we have applied more weight to the EBITDAR Direct Capitalization Approach due to it being the more common method among market participants.

Intangible Assets Value

The value estimated via the Income Capitalization Approach is recognized as the value of the going-concern. It theoretically contains all of the value components that we have allocated within this appraisal report. In some cases the combination of the car wash sales and all other miscellaneous income does not produce an adequate revenue stream, thereby negating any business value attributed to the car wash. More commonly, the value derived within the Income Capitalization Approach contains a contributory value of intangible asset value. The intangible asset value is estimated by subtracting the value of the real property plus the value of the equipment from the value of the Income Capitalization Approach. When the economics of a certain property does not produce enough of a return on investment there are often instances of no intangible asset value. The calculation for this value is displayed in the chart below:

TOTAL INTANGIBLE VALUE	
Market Value of the Going Concern:	\$1,100,000
LESS: Total Real Property ¹ :	\$700,000
LESS: Furniture, Fixtures & Equipment ² :	\$400,000
EQUALS: Total Intangible Value (Rounded):	\$0

¹See Cost Approach Value Summary table for Real Property calculation.

²This value represents the depreciated value of the car wash equipment. We have included it in our going concern value due to this being the typical process in the subject's market.

Compiled by Cushman & Wakefield

Reconciliation and Final Value Opinions

VALUATION METHODOLOGY AND RECONCILIATION

In this analysis, we relied on the Income Capitalization Approach to value and utilized the Sales Comparison Approach and Cost Approach as tests of reasonableness. Additionally, the Cost Approach is utilized as an allocation of the market value components. The approaches indicated the following:

VALUATION INDICES	
LAND VALUE	\$375,000
COST APPROACH	\$1,100,000
SALES COMPARISON APPROACH	\$1,075,000
INCOME CAPITALIZATION APPROACH	
EBITDAR Direct Capitalization Method	\$1,075,000
EBITDAR Yield Capitalization Method	\$1,125,000
Income Capitalization Approach Conclusion	\$1,100,000
FINAL VALUE CONCLUSION	\$1,100,000

Compiled by Cushman & Wakefield

In order to develop a value conclusion for the going concern of the fee simple interest, we have given all weight to the Income Capitalization Approach as this mirrors the methodology of market participants for car wash properties.

VALUE CONCLUSIONS			
Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
As-Is Market Value of the Going Concern	Fee Simple	7/22/2019	\$1,100,000

Compiled by Cushman & Wakefield

The components of the Market Value of the going concern are as follows:

ALLOCATION OF MARKET VALUE		
VALUE COMPONENT	VALUE	PERCENT
Land Value	\$375,000	34.1%
Structures	\$258,229	23.5%
Site Improvements	<u>\$60,008</u>	5.5%
Total Real Property	\$693,237	63.0%
Real Property (Rounded)	\$700,000	63.6%
Personal Property ¹	\$400,000	36.4%
Intangible Property	\$0	0.0%
Total Going Concern Market Value	\$1,100,000	100.0%

¹This value represents the depreciated value of the car wash equipment. We have included it in our going concern value due to this being the typical process in the subject's market.

Compiled by Cushman & Wakefield

EXPOSURE TIME AND MARKETING TIME

Exposure Time

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded

within this report would have been approximately nine (9) months. This assumes an active and professional marketing plan would have been employed by the current owner.

Marketing Time

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within nine (9) months.

Insurable Value

At the Client's request, we provided an insurable value estimate. The estimate is based on figures derived from the Marshall and Swift (M&S) Commercial Cost Explorer and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.

Insurable Value is directly related to the portion of the real estate that is covered under the asset's insurance policy. We based this opinion on the building's replacement cost new (RCN) which has no direct correlation with its actual market value.

We developed an opinion of RCN using the Calculator Method developed by Marshall & Swift.

The RCN is the total construction cost of a new building with the same specifications and utility as the building being appraised, but built using modern technology, materials, standards and design. For insurance purposes, RCN includes all direct costs necessary to construct the building improvements. Items that are not considered include land value, site improvements, indirect costs, depreciation and entrepreneurial profit. To develop an opinion of insurable value, exclusions for below-grade foundations and architectural fees must be deducted from RCN.

The Insurable Valuation summary is presented on the following page:

INSURABLE VALUE SUMMARY

IMPROVEMENTS (STRUCTURES)		
DESCRIPTION		
Marshall & Swift - Improvement Type	Self-serve Car Wash	Tunnel Car Wash
Construction Class	S	S
Quality of Construction	Good	Good
Marshall & Swift - Section	Section 64	Section 64
Marshall & Swift - Page	Page 5	Page 4
Date	Mar-18	Mar-18
Base SF Cost	\$75.00	\$155.00
SQUARE FOOT REFINEMENTS (STRUCTURES)		
HVAC Refinements	\$0.00	\$0.00
Sprinklers	\$0.00	\$0.00
Elevators	\$0.00	\$0.00
Adjusted Base Cost	\$75.00	\$155.00
HEIGHT AND SIZE REFINEMENTS (STRUCTURES)		
Number of Stories	1.000	1.000
Height Per Story	1.000	1.000
Perimeter	1.000	1.000
Adjusted Base Cost	\$75.00	\$155.00
FINAL CALCULATIONS (STRUCTURES)		
Current Cost Multiplier	1.040	1.040
Local Area Multiplier	0.890	0.890
Prospective Multiplier	1.000	1.000
Adjusted SF Cost	\$69.42	\$143.47
TIMES: SF for Replacement Cost Purposes	1,300	1,900
Adjusted Cost	\$90,246	\$272,589
REPLACEMENT COST SUMMARY (STRUCTURES)		
Adjusted Base Costs		\$362,835
PLUS: Indirect Costs 10.0%		\$36,284
Total Replacement Cost New (Structures)		\$399,119
<i>Total includes all component / building costs as detailed above</i>		
REPLACEMENT COST SUMMARY (SITE IMPROVEMENTS & FF&E)		
Yard Lighting (RCN)		\$3,702
Sign (RCN)		\$18,512
Air Dispensers (RCN)		\$0
Vehicle Vacuums (RCN)		\$12,958
Car Wash Equipment Package (RCN)		\$555,360
Site Improvements & FF&E (RCN)		\$590,533
PLUS: Indirect Costs 10.0%		\$59,053
Total Replacement Cost New (Site Improvements)		\$649,586
INSURABLE VALUE SUMMARY		
Insurable Value Type		Insurable Value As-Is
Cost Source:		Marshall Valuation Service
Insurance Exclusions		
Foundations Below Grade		(3.4%)
Piping Below Grade (Negligible)		(1.0%)
Architect Fees		(6.0%)
Total Insurance Exclusion Adjustment		-10.4%
Total Replacement Cost New (Structures)		\$399,119
Total Insurance Exclusion Amount		(\$41,508)
Total Replacement Cost New (Structures)		\$399,119
Total Replacement Cost New (Site Improvements)		\$649,586
Total Replacement Cost New (Structures & Site Improvements)		\$1,048,705
LESS: Total Insurance Exclusion Amount		(\$41,508)
Adjusted Costs (Structures)		\$1,007,196
Rounded to the Nearest	\$25,000	\$1,000,000

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. C&W assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.
- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.

- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
- Any estimate of insurable value, if included within the agreed upon scope of work and presented within this Report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, C&W strongly recommends that the Intended Users obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, C&W makes no warranties regarding the accuracy of this estimate.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Certification

We certify that, to the best of our 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which 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.
- Scott C. Frayn, MAI made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this report.
- We have not performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment.
- As of the date of this report Scott C. Frayn, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.



Scott C. Frayn, MAI
Senior Director
WV Certified General Appraiser
License No. TEMP19-054
scott.frayn@cushwake.com
312-203-9590 Office Direct

Addenda Contents

Addendum A: Glossary of Terms & Definitions

Addendum B: Client Satisfaction Survey

Addendum C: Engagement Letter

Addendum D: Sale Sheets - Land & Improved

Addendum E: Qualifications of the Appraisers

Addendum A:

Glossary of Terms & Definitions

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Sixth Edition (2015), published by the Appraisal Institute, Chicago, IL, as well as other sources.

AS IS MARKET VALUE

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Proposed Interagency Appraisal and Evaluation Guidelines, OCC-4810-33-P 20%)

BAND OF INVESTMENT

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

CASH EQUIVALENCY

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

DEPRECIATION

1. In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2. In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

ELLWOOD FORMULA

A yield capitalization method that provides a formulaic solution for developing a capitalization rate for various combinations of equity yields and mortgage terms. The formula is applicable only to properties with stable or stabilized income streams and properties with income streams expected to change according to the J- or K-factor pattern. The formula is

$$RO = [YE - M (YE + P \frac{1}{S} n - RM) - \Delta O \frac{1}{S} n] / [1 + \Delta I J]$$

where

RO = Overall Capitalization Rate

YE = Equity Yield Rate

M = Loan-to-Value Ratio

P = Percentage of Loan Paid Off

$\frac{1}{S} n$ = Sinking Fund Factor at the Equity Yield Rate

RM = Mortgage Capitalization Rate

ΔO = Change in Total Property Value

ΔI = Total Ratio Change in Income

J = J Factor

Also called mortgage-equity formula.

EXPOSURE TIME

1. The time a property remains on the market. 2. 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 on an analysis of past events assuming a competitive and open market. See also marketing time.

FEE SIMPLE ESTATE

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

GOING CONCERN

An operating business enterprise that is expected to continue operating into the foreseeable future.

HYPOTHETICAL CONDITIONS

A hypothetical condition is "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

INSURABLE VALUE

A type of value for insurance purposes.

LEASED FEE INTEREST

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

LEASEHOLD INTEREST

The tenant's possessory interest created by a lease. See also negative leasehold; positive leasehold.

LIQUIDATION VALUE

The most probable price that a specified interest in real estate property is likely to bring under all of the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and the seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing concessions granted by anyone associated with the sale.

MARKET RENT

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

MARKET VALUE

As defined in the Agencies' appraisal regulations, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

MARKETING TIME

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) See also exposure time.

MORTGAGE-EQUITY ANALYSIS

Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

OPERATING EXPENSES

Other Taxes, Fees & Permits - Personal property taxes, sales taxes, utility taxes, fees and permit expenses.

¹ "Interagency Appraisal and Evaluation Guidelines." Federal Register 75:237 (December 10, 2010) p. 77472.

Property Insurance – Coverage for loss or damage to the property caused by the perils of fire, lightning, extended coverage perils, vandalism and malicious mischief, and additional perils.

Management Fees - The sum paid for management services. Management services may be contracted for or provided by the property owner. Management expenses may include supervision, on-site offices or apartments for resident managers, telephone service, clerical help, legal or accounting services, printing and postage, and advertising. Management fees may occasionally be included among recoverable operating expenses

Total Administrative Fees – Depending on the nature of the real estate, these usually include professional fees and other general administrative expenses, such as rent of offices and the services needed to operate the property. Administrative expenses can be provided either in the following expense subcategories or in a bulk total. 1) Professional Fees – Fees paid for any professional services contracted for or incurred in property operation; or 2) Other Administrative – Any other general administrative expenses incurred in property operation.

Heating Fuel - The cost of heating fuel purchased from outside producers. The cost of heat is generally a tenant expense in single-tenant, industrial or retail properties, and apartment projects with individual heating units. It is a major expense item shown in operating statements for office buildings and many apartment properties. The fuel consumed may be coal, oil, or public steam. Heating supplies, maintenance, and workers' wages are included in this expense category under certain accounting methods.

Electricity - The cost of electricity purchased from outside producers. Although the cost of electricity for leased space is frequently a tenant expense, and therefore not included in the operating expense statement, the owner may be responsible for lighting public areas and for the power needed to run elevators and other building equipment.

Gas - The cost of gas purchased from outside producers. When used for heating and air conditioning, gas can be a major expense item that is either paid by the tenant or reflected in the rent.

Water & Sewer - The cost of water consumed, including water specially treated for the circulating ice water system, or purchased for drinking purposes. The cost of water is a major consideration for industrial plants that use processes depending on water and for multifamily projects, in which the cost of sewer service usually ties to the amount of water used. It is also an important consideration for laundries, restaurants, taverns, hotels, and similar operations.

Other Utilities - The cost of other utilities purchased from outside producers.

Total Utilities - The cost of utilities net of energy sales to stores and others. Utilities are services rendered by public and private utility companies (e.g., electricity, gas, heating fuel, water/sewer and other utilities providers). Utility expenses can be provided either in expense subcategories or in a bulk total.

Repairs & Maintenance - All expenses incurred for the general repairs and maintenance of the building, including common areas and general upkeep. Repairs and maintenance expenses include elevator, HVAC, electrical and plumbing, structural/roof, and other repairs and maintenance expense items. Repairs and Maintenance expenses can be provided either in the following expense subcategories or in a bulk total. 1) Elevator - The expense of the contract and any additional expenses for elevator repairs and maintenance. This expense item may also include escalator repairs and maintenance. 2) HVAC – The expense of the contract and any additional expenses for heating, ventilation and air-conditioning systems. 3) Electrical & Plumbing - The expense of all repairs and maintenance associated with the property's electrical and plumbing systems. 4) Structural/Roof - The expense of all repairs and maintenance associated with the property's building structure and roof. 5) Pest Control – The expense of insect and rodent control. 6) Other Repairs & Maintenance - The cost of any other repairs and maintenance items not specifically included in other expense categories.

Common Area Maintenance - The common area is the total area within a property that is not designed for sale or rental, but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. Common Area Maintenance (CAM) expenses can be entered in bulk or through the sub-categories. 1) Utilities – Cost of utilities that are included in CAM charges and passed through to tenants. 2) Repair & Maintenance – Cost of repair and maintenance items that are included in CAM charges and passed through to tenants. 3) Parking Lot Maintenance – Cost of parking lot maintenance items that are included in CAM charges and passed through to tenants. 4) Snow Removal – Cost of snow removal that are included in CAM charges and passed through to tenants. 5) Grounds Maintenance – Cost of ground maintenance items that are included in CAM charges and passed through to tenants. 6) Other CAM expenses are items that are included in CAM charges and passed through to tenants.

Painting & Decorating - This expense category is relevant to residential properties where the landlord is required to prepare a dwelling unit for occupancy in between tenancies.

Cleaning & Janitorial - The expenses for building cleaning and janitorial services, for both daytime and night-time cleaning and janitorial service for tenant spaces, public areas, atriums, elevators, restrooms, windows, etc. Cleaning and Janitorial expenses can be provided either in the following subcategories or entered in a bulk total. 1) Contract Services - The expense of cleaning and janitorial services contracted for with outside service providers. 2) Supplies, Materials & Misc. - The cost any cleaning materials and any other janitorial supplies required for property cleaning and janitorial services and not covered elsewhere. 3) Trash Removal - The expense of property trash and rubbish removal and related services. Sometimes this expense item includes the cost of pest control and/or snow removal. 4) Other Cleaning/Janitorial - Any other cleaning and janitorial related expenses not included in other specific expense categories.

Advertising & Promotion - Expenses related to advertising, promotion, sales, and publicity and all related printing, stationary, artwork, magazine space, broadcasting, and postage related to marketing.

Professional Fees - All professional fees associated with property leasing activities including legal, accounting, data processing, and auditing costs to the extent necessary to satisfy tenant lease requirements and permanent lender requirements.

Total Payroll - The payroll expenses for all employees involved in the ongoing operation of the property, but whose salaries and wages are not included in other expense categories. Payroll expenses can be provided either in the following subcategories or entered in a bulk total. 1) Administrative Payroll - The payroll expenses for all employees involved in on-going property administration. 2) Repair & Maintenance Payroll - The expense of all employees involved in on-going repairs and maintenance of the property. 3) Cleaning Payroll - The expense of all employees involved in providing on-going cleaning and janitorial services to the property 4) Other Payroll - The expense of any other employees involved in providing services to the property not covered in other specific categories.

Security - Expenses related to the security of the Lessees and the Property. This expense item includes payroll, contract services and other security expenses not covered in other expense categories. This item also includes the expense of maintenance of security systems such as alarms and closed circuit television (CCTV), and ordinary supplies necessary to operate a security program, including batteries, control forms, access cards, and security uniforms.

Roads & Grounds - The cost of maintaining the grounds and parking areas of the property. This expense can vary widely depending on the type of property and its total area. Landscaping improvements can range from none to extensive beds, gardens and trees. In addition, hard-surfaced public parking areas with drains, lights, and marked car spaces are subject to intensive wear and can be costly to maintain.

Other Operating Expenses - Any other expenses incurred in the operation of the property not specifically covered elsewhere.

Real Estate Taxes - The tax levied on real estate (i.e., on the land, appurtenances, improvements, structures and buildings); typically by the state, county and/or municipality in which the property is located.

PROSPECTIVE OPINION OF VALUE

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

PROSPECTIVE VALUE UPON REACHING STABILIZED OCCUPANCY

The value of a property as of a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

SPECIAL, UNUSUAL, OR EXTRAORDINARY ASSUMPTIONS

Before completing the acquisition of a property, a prudent purchaser in the market typically exercises due diligence by making customary enquiries about the property. It is normal for a Valuer to make assumptions as to the most likely outcome of this due diligence process and to rely on actual information regarding such matters as provided by the client. Special, unusual, or extraordinary assumptions may be any additional assumptions relating to matters covered in the due diligence process, or may relate to other issues, such as the identity of the purchaser, the physical state of the property, the presence of environmental pollutants (e.g., ground water contamination), or the ability to redevelop the property.

Addendum B: Client Satisfaction Survey

Survey Link: <https://www.surveymonkey.com/r/LQKCGLF?c=19-21002-900461-001>

Cushman & Wakefield File ID: 19-21002-900461-001

Fax Option: (716) 852-0890

1. Based on the scope and complexity of the assignment, please rate the development of the appraisal relative to the adequacy and relevance of the data, the appropriateness of the techniques used, and the reasonableness of the analyses, opinions, and conclusions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: _____

2. Please rate the appraisal report on clarity, attention to detail, and the extent to which it was presentable to your internal/external users without revisions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: _____

3. The appraiser communicated effectively by listening to your concerns, showed a sense of urgency in responding, and provided convincing support of his/her conclusions:

☐ Not Applicable

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: _____

4. The report was on time as agreed, or was received within an acceptable time frame if unforeseen factors occurred after the engagement:

☐ Yes

☐ No

Comments: _____

5. Please rate your overall satisfaction relative to cost, timing, and quality:

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: _____

6. Any additional comments or suggestions you feel our National Quality Control Committee should know?

7. Would you like a representative of our National Quality Control Committee to contact you?

☐ Yes

☐ No

Name & Phone (if contact is desired):

Contact Information: Scott Schafer
 Managing Director, National Quality Control
 (716) 852-7500, ext. 121

Addendum C: Engagement Letter



MountainSeed Appraisal Management, LLC
2100 Powers Ferry Road SE, Suite 410
Atlanta, GA 30339
404-973-2568

APPRAISAL REQUEST FORM
COMPANY: Poca Valley Bank – Winfield, WV

State Registration Number: WV010002

File Information

File ID: 190701047
Loan Number: 261496801

Due Date: 7/23/2019
Address Appraisal To: Marks, Tony

Appraiser Information

Loan Type: Refinance
Form: Appraisal Report (Narrative format)
Service Fee: \$ [REDACTED]
Real Estate Valued: Land and Improvements

Appraiser: Heinrich, MAI,
Douglas
Interest Valued: Fee Simple
Effective Date of Valuation: Value As Is

Client Information

Client: Poca Valley Bank – Winfield, WV
Address: P.O. Box 856, 3500 Winfield Road
Winfield, WV 25213

Borrower: Big Dog Car Care
Center LLC
Co-Borrower:
Company Name: Big Dog Car Care
Center LLC

Subject Property

Address: 701 Chestnut Street
Charleston, WV 25309
County: Kanawha
Property Type: Other (Please Specify): Car Wash
Property Tax ID: 07590285
Description: General rebid,

Intended Use: Refinance
Appraisal Category: Origination
Map: [Map Link](#)

THIS IS A RUSH ORDER. PLEASE PROVIDE A FEE COMMENSURATE WITH YOUR
BEST POSSIBLE TURNAROUND TIME. THANK YOU.

62/100 AAC M/L South side RR/R/W Chestnut St Map 15 Parcel 0129 0001

There is only one real estate parcel – since the car wash is equipment intensive I
included the personal property ticket as well i.e., you were provided with real estate tax
ticket and the personal property tax ticket. The property contains two full service tunnels
along with self-service wash bays.

ORDER SPECIFIC VALUATION INSTRUCTIONS AND COMMENTS:

As stated in the "Subcontracting and Assignment: Professional Assistance" section of the engagement letter, no subcontracting or outsourcing is permitted. Any exceptions requested by the appraiser and approved by MountainSeed will be clearly stated in the engagement letter.

FURTHERMORE, THE FINANCIAL INSTITUTION EXPECTS THE ENGAGED APPRAISER TO SIGN THE REPORT AND INSPECT THE SUBJECT PROPERTY. ALL EXCEPTIONS, INCLUDING A REQUEST TO HAVE ANOTHER EMPLOYEE IN YOUR FIRM INSPECT THE PROPERTY, MUST BE APPROVED BY MOUNTAINSEED PRIOR TO ENGAGEMENT. THIS REQUEST NEEDS TO BE INCLUDED IN THE BID COMMENTS AND/OR SHOULD BE PART OF AN ACCEPT WITH CONDITION; WITH THE CONDITION BEING THAT ANOTHER NAMED APPRAISER WITHIN YOUR FIRM WILL MAKE THE PHYSICAL INSPECTION.

PLEASE DECLINE TO BID AND/OR DECLINE THE ENGAGEMENT IF YOU ARE UNABLE OR UNWILLING TO ADHERE TO THIS CONTRACTUAL OBLIGATION.

UNLESS OTHERWISE STATED, BE AWARE THAT THIS ORDER REQUIRES A SINGLE APPRAISAL REPORT. MULTIPLE REPORTS WILL NOT BE ACCEPTED AND WILL RESULT IN A REVISION REQUEST THAT THE REPORTS BE COMBINED.

The assignment should include an estimate of the "As Is" Market Value (per Interagency Guidelines: "The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date.").

The improved comparables should clearly state and analyze what aspects of the property sold. Thus, when applicable the sale write ups should include whether FFEand/or any intangible value was included in the transaction price.

Prior Experience: The property being bid is a CAR WASH FACILITY. These properties are considered special purpose and POTENTIALLY complex assignments. Please comment on your level of experience and approximately how many similar properties you have appraised in the past 36 months. You must include these comments in the order as the bank is attempting to ensure that have an appraiser that is qualified to perform the appraisal.

FF Per USPAP Standards: "When personal property, trade fixtures, or intangible items are included in the appraisal, the appraiser must analyze the effect on value of such non-real property items." With this in mind, if the ultimate market value includes FFE the appraisal should predominately display the allocation of the fee simple or leased fee value of the real estate and the contributory value of the FFThis allocation should not only be within the bulk of the report but should also be provided in the letter of transmittal. If the value of the FFEhas not be included in the value (excluded from sale and rent comparables) or if the subject includes none merely state as such.

Are there issues that the financial institution knows about that could impact value? No

Contact Person: Steve Tweedy

Cell Phone: 3044212415

Contact Email Address: sandstweedy@gmail.com

Work Phone:

Home Phone:

Note: This appraisal order is not transferrable to another appraiser. If the appraiser named on this appraisal request is unable to complete this assignment please contact MountainSeed AMC at 404-973-2568. All appraisers are approved on an individual basis, if this assignment is completed by another appraiser MountainSeed AMC will not be liable for any appraisal related service fee.



Date: 7/9/2019

Appraisal Company: (NBP) Cushman & Wakefield of Illinois, Inc.
Appraisal Co Address: 7304 W 130th St., Suite 150
Overland Park, KS 66213

Regarding: 701 Chestnut Street Charleston, WV 25309

Dear: Douglas Heinrich, MAI

This letter (this "**Engagement Letter**") confirms your engagement to prepare an appraisal of the property described below in compliance with the terms and conditions set forth below.

Basic Information

Property to Be Appraised: 701 Chestnut Street Charleston, WV 25309

Property Description: General rebid,

THIS IS A RUSH ORDER. PLEASE PROVIDE A FEE COMMENSURATE WITH YOUR BEST POSSIBLE TURNAROUND TIME. THANK YOU.

62/100 AAC M/L South side RR/R/W Chestnut St Map 15 Parcel 0129 0001

There is only one real estate parcel – since the car wash is equipment intensive I included the personal property ticket as well i.e., you were provided with real estate tax ticket and the personal property tax ticket. The property contains two full service tunnels along with self-service wash bays.

ORDER SPECIFIC VALUATION INSTRUCTIONS AND COMMENTS:

As stated in the "Subcontracting and Assignment: Professional Assistance" section of the engagement letter, no subcontracting or outsourcing is permitted. Any exceptions requested by the appraiser and approved by MountainSeed will be clearly stated in the engagement letter.

FURTHERMORE, THE FINANCIAL INSTITUTION EXPECTS THE ENGAGED APPRAISER TO SIGN THE REPORT AND INSPECT THE SUBJECT PROPERTY. ALL EXCEPTIONS, INCLUDING A REQUEST TO HAVE ANOTHER EMPLOYEE IN YOUR FIRM INSPECT THE PROPERTY, MUST BE APPROVED BY MOUNTAINSEED PRIOR TO ENGAGEMENT. THIS REQUEST NEEDS TO BE INCLUDED IN THE BID COMMENTS AND/OR SHOULD BE PART OF AN ACCEPT WITH CONDITION; WITH THE CONDITION BEING THAT ANOTHER NAMED APPRAISER WITHIN YOUR FIRM WILL MAKE THE PHYSICAL INSPECTION.

PLEASE DECLINE TO BID AND/OR DECLINE THE ENGAGEMENT IF YOU ARE UNABLE OR UNWILLING TO ADHERE TO THIS CONTRACTUAL OBLIGATION.

UNLESS OTHERWISE STATED, BE AWARE THAT THIS ORDER REQUIRES A SINGLE APPRAISAL REPORT. MULTIPLE REPORTS WILL NOT BE ACCEPTED AND WILL RESULT IN A REVISION REQUEST THAT THE REPORTS BE COMBINED.

The assignment should include an estimate of the "As Is" Market Value (per Interagency Guidelines: "The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date.").

The improved comparables should clearly state and analyze what aspects of the property sold. Thus, when applicable the sale write ups should include whether FFEand/or any intangible value was included in the transaction price.

Prior Experience: The property being bid is a CAR WASH FACILITY. These properties are considered special purpose and POTENTIALLY complex assignments. Please comment on your level of experience and approximately how many similar properties you have appraised in the past 36 months. You must include these comments in the order as the bank is attempting to ensure that have an appraiser that is qualified to perform the appraisal.

FF Per USPAP Standards: "When personal property, trade fixtures, or intangible items are included in the appraisal, the appraiser must analyze the effect on value of such non-real property items." With this in mind, if the ultimate market value includes FFE the appraisal should predominately display the allocation of the fee simple or leased fee value of the real estate and the contributory value of the FFThis allocation should not only be within the bulk of the report but should also be provided in the letter of transmittal. If the value of the FFEhas not be included in the value (excluded from sale and rent comparables) or if the subject includes none merely state as such.

Interest in the
Property to be
Appraised: Fee Simple

Client: Poca Valley Bank – Winfield, WV

Intended User: Financial Institution

Borrower (if
Applicable): Big Dog Car Care Center LLC

Property Owner
Contact Name: Steve Tweedy

Property Owner
Phone:

Appraisal
Management
Company: MountainSeed Appraisal Management, LLC

Value As Is

Valuation
Methodology to
Be Used:

Appraisal Form
to Be Used: Appraisal Report (Narrative format)

Fee: \$4400.00

Due Date: 7/23/2019

Addressee: Your Appraisal Report should be addressed to the Financial Institution.

I. INSTRUCTIONS

a. Purpose of the Assignment

The purpose of the assignment is to develop and report an informed and independent opinion of the Market Value of the Subject Property.

b. Intended Use

The report you prepare is intended to be used by the Financial Institution as an aid in underwriting a loan, loan modification or loan extension; classification or monitoring of a loan; and/or the disposition or monitoring of REO or loan collateral, which may constitute a federally-related real estate transaction for purposes of applicable federal appraisal regulations. The Financial Institution may, without your prior authorization or a notice to you, provide your report to other parties for their use, including without limitation in lending-related activities.

c. Acceptance of the Assignment

You must accept or decline this assignment ***within one (1) business day.***

d. Web Portal

The Financial Institution has engaged MountainSeed to provide certain appraisal management company services to the Financial Institution. The Financial Institution has appointed MountainSeed as the Financial Institutions agent for purposes of engaging you on behalf of the Financial Institution in accordance with this Engagement Letter. Accordingly, you must direct communications about this appraisal assignment to MountainSeed through the web-based software system with which you registered prior to receiving this assignment (the ***Web Portal***). If you have an issue with the Web Portal, please contact MountainSeed by phone (404) 973-2568 or email (info@mountainseed.com).

You agree to consistently monitor the Web Portal for updates and correspondence from MountainSeed.

You agree to respond to all communications from MountainSeed within one (1) business day, and you agree to comply with the other timing and delivery requirements set forth below. Failure to respond to communications from MountainSeed regarding this appraisal assignment, or failure to meet any of the other timing and delivery requirements, may result in the work being reassigned to another appraiser. You understand that the Financial Institution reserves the right to withhold payment in the event the assignment is reassigned due to your failure to meet timing and delivery requirements.

e. Requirement to Decline the Assignment or Stop Work

You must decline this assignment if you are not geographically competent, the assignment falls outside of your scope of practice restrictions, or you know of any reason you would not be able to provide an unbiased and independent professional judgment as to the Market Value of the Subject Property. Furthermore, you

must stop work and immediately notify MountainSeed if you later determine that you are not qualified to complete the assignment. You acknowledge that you have received a copy of MountainSeeds Appraiser Independence Policy (AP0001) (the **Appraiser Independence Policy**), which is incorporated into this Engagement Letter by this reference. ***If you believe that a violation of the Appraiser Independence Policy has occurred, or any applicable conflict of interest or independence requirements (such as attempts by others to influence or coerce) have been compromised in any way, you will immediately stop work and contact MountainSeeds compliance hotline at 1-877-848-4914.***

f. Requirements for Completion of the Assignment

i. *Inspection*

Immediately, but in no event less than **two (2) business days**, following your acceptance of this assignment, you should contact the property contact to schedule an inspection. If you are unable to reach the property contact, please notify MountainSeed immediately. As soon as the inspection date has been set, you should change the order status in the Web Portal to **"Appt. Set"** and add the date and time of the appointment in the appropriate section of the order.

ii. *Property Information*

The description of the Subject Property and any other information provided to you by MountainSeed or Financial Institution is provided on an **As-Is, Where-Is** basis with no representation or warranty whatsoever.

If at any time you discover a material discrepancy or insufficiency in the description of the Subject Property or other information provided to you that necessitates a change in the scope of the work, your fee or the Due Date, you must notify MountainSeed within **one (1) business day** of such discovery (and in any event prior to the Due Date and your delivery of the Appraisal) and the parties will work together to agree upon a mutually satisfactory amendment to this Engagement Letter to memorialize any such necessary changes.

iii. *Uniform Standard*

In performing the assignment, you and your work product must conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (**USPAP**) promulgated by the Appraisal Standards Board of the Appraisal Foundation.

iv. *Additional Requirements*

You and your work product must comply with the regulations, guidelines, and standards specified in the MountainSeed General Guidelines for Financial Institutions, Commercial Appraisal Services (herein referred to as the **Additional Requirements**). You can access these guidelines via the following link:
<https://mountainseed.com/valuationguidelines-commercial/>

By signing this engagement letter, you acknowledge that you have received a copy of these Guidelines.

While you must comply, and must ensure that your work product complies, with those provisions in the respective federal laws and regulations that are applicable to you and your performance of this assignment, this Engagement Letter does not require you to guaranty compliance with portions of those federal laws and regulations that do not apply to your performance of this assignment or over which you have no control whatsoever. However, you must be knowledgeable about and comply with any provisions of the laws, regulations, and guidelines discussed above that apply to your work. For example, you must comply with the requirement to provide an As Is Market Value for assignments involving federally related transactions. This requirement applies to all assignments, including those involving new construction or for properties undergoing renovation. Please remember that under USPAPs Scope of Work Rule, assignment conditions include laws and regulations. You may also wish to refer to USPAP Advisory Opinion 30, *Appraisals for Use by a Federally Regulated Financial Institution*.

v. *Special Requirements*

Your Appraisal must comply with USPAP, the Additional Requirements stated above, and all the terms and conditions and any Special Requirements set forth in this Engagement Letter.

vi. State-Specific Requirements

1. AMC Registration/License Number & Fee Disclosure

Appraisals are expected to comply with any state-specific requirements regarding the disclosure of: (a) MountainSeed's AMC registration or license number, as applicable; and/or (b) the fee paid for your services.

Pursuant to state law, MountainSeed cannot prohibit the appraiser from disclosing the appraisal fee within the appraisal report. Furthermore, MountainSeed does not require the appraiser to disclose the AMC registration/license number or appraisal fee within the appraisal report, however in the following states, you should disclose the AMC registration and/or your fee within the body of the appraisal report. (Note: This list is provided for informational purposes only. It is your responsibility to verify disclosure requirements with the licensing board in the state where the subject property is located.)

State	Appraiser to Disclose in Report (AMC #, Fee, or Both)	Special Instructions
Alabama	AMC #	Appraiser shall state fee paid to appraiser in certification of report.
Arizona	Fee	Appraiser shall state their fee in scope of work section of report.
Colorado	Fee	None
Georgia	Both	None
Illinois	Both	<p>1) An independent appraiser by employment or contract for a specific assignment, the appraiser shall prominently display the appraisal fee received from the appraisal management company in the certification as follows: "The compensation for this appraisal assignment is \$_____."</p> <p>2) An employee appraiser for a specific assignment, the appraiser shall prominently display the appraisal fee received from the appraisal management company in the certification as</p>

		<p>follows: "The compensation for this appraisal assignment is \$_____.</p> <p>3) An employee appraiser who receives a salary and does not receive a fee for the assignment, the employee appraiser shall prominently display the following language: "The appraiser is a salaried employee and received no appraisal fee for the assignment."</p> <p>4) An appraiser for a specific assignment, the appraiser shall prominently display the appraisal management company's Illinois registration number and expiration date as follows: "The appraisal management company's Illinois registration number is _____ and it expires on (month/day/year)."</p>
Kentucky	Both	Appraiser to place AMC name, registration number and fee paid to appraiser in report.
Louisiana	Fee	None
Montana	AMC #	None
Nevada	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
New Jersey	Both	None
New Mexico	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.

Ohio	Both	Appraiser to state actual fees paid to the appraiser within the body of the appraisal report.
Utah	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
Vermont	Fee	Appraiser to state fee paid to appraiser in report.

2. *Assignments Involving Illinois Property*

For appraisal assignments involving property located in the state of Illinois, you must comply with the requirements of Illinois law and the Illinois Administrative Code. Illinois has established state law governing appraisal assignments in which an AMC is involved. You must comply with Illinois law, including the provisions of Illinois Administrative Code Section 1455.250.

a. Client(s) & Intended User(s)

MountainSeed is an appraisal management company (AMC) and is engaging you on the Financial Institutions behalf, acting as the Financial Institutions agent. As the Financial Institution is engaging you through MountainSeed (an agent), the Financial Institution is also a client. Accordingly, notwithstanding any provision to the contrary contained in this Engagement Letter, ***you must identify MountainSeed as the client and the Financial Institution as the intended user in the appraisal report.***

b. AMC Illinois Registration Number

The appraiser shall prominently display the appraisal management company's Illinois registration number and expiration date as follows: "The appraisal management company's Illinois registration number is 558.000010 and it expires on (month/day/year)."

Verify current expiration date at: <https://ilesonline.idfpr.illinois.gov/DFPR/Lookup/LicenseLookup.aspx>

g. Requirements for Delivery of the Appraisal

i. Delivery to MountainSeed

You must upload the Appraisal, including all exhibits and addendums, in a color PDF format to the Web Portal. You must upload a separate PDF of your invoice for the report in accordance with the Invoicing and Payment section below. The invoice should comply with the requirements of Section II(b) of this Engagement Letter.

ii. Due Date

You must deliver all work product required under the terms of this Engagement Letter by the Due Date. You must promptly notify MountainSeed in writing, ***and in no event less than two (2) business days prior to the Due Date***, in the event that you anticipate any delay in meeting the Due Date. MountainSeed shall be under no obligation to extend the Due Date.

iii. Effective Date of the Appraisal

The effective date of your valuation opinion must be within thirty (30) days of the date of your delivery of the Appraisal, unless instructed otherwise.

II. POST-DELIVERY

a. Review of the Appraisal and Response to Related Inquiries

You acknowledge that MountainSeed may, for the benefit of MountainSeed and the Financial Institution, conduct or cause to be conducted a review of your completed appraisal. In connection with that review,

MountainSeed may contact you to discuss your appraisal, to ask questions, or to request revisions in connection with MountainSeeds Appraisal Independence Policy. You agree to respond: (i) **within one (1) business day** to acknowledge your receipt of any such communication, and (ii) **within two (2) business days** to address any requests for revisions or additional information. You acknowledge that the resolution of such requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

Furthermore, you acknowledge that MountainSeed may use the results of any reviews or other quality control processes to establish an appraiser scorecard or other methodology or process for determining the quality of your work product (a **Scorecard**), and you agree that MountainSeed may share the results of any such Scorecard with the Financial Institution and other Financial Institution clients and third parties. You have the right to request a copy of your Scorecard and to dispute any information contained in it.

MountainSeed agrees to use good faith efforts to cooperate with you in resolving any such disputes regarding information contained on your Scorecard.

b. Invoicing and Payment

i. *Generally*

You must address your invoice to the Financial Institution at its address and submit it with your completed Appraisal. ***The fee for this engagement set forth above includes all expenses, including travel and any technical assistance that you feel is necessary or appropriate.*** Your invoice at a minimum should include your contact information, the property address and MountainSeed File ID Number, the fee, an invoice date and payment terms, and shall be accompanied by a completed IRS W-9 Form (unless you have already provided a copy of your W-9 to MountainSeed).

Provided you have delivered the appraisal and otherwise fully satisfied your obligations hereunder, the Financial Institution will pay your fee as set forth above within thirty (30) days following the later to occur of (1) the Financial Institutions receipt of your invoice and all required supplemental information (e.g., W-9) or (2) the Financial Institutions receipt of completed report or work product meeting all requirements of this Engagement Letter. You acknowledge and agree that the Financial Institution may withhold payment of your fee in the event your work product, in the Financial Institutions reasonable discretion, does not comply with any requirement of this Engagement Letter.

Please note that MountainSeed does not charge the Financial Institution an all-inclusive flat fee (your appraiser fee and the AMC fee combined). Instead, MountainSeed's arrangement with the Financial Institution requires you to invoice the Financial Institution directly for your agreed-upon fee. MountainSeed's fee is invoiced separately from yours. We believe this model provides transparency for you. We believe that asking you to bill the Financial Institution directly for your appraisal fee eliminates delay.

While it is our belief that this is the best payment model, we also understand that it is possible that from time to time a Financial Institution may be delinquent in timely payment. We do not want to be a deterrent in your receiving timely payment. If you have outstanding invoices that are excessively delinquent and would like to inquire directly to the Financial Institution on the status of your payment, please feel free to place a message in the Web Portal and request the contact information for the accounts payable department at the Financial Institution.

PLEASE NOTE THAT, EXCEPT AS SPECIFICALLY PROVIDED ELSEWHERE IN THIS AGREEMENT, MOUNTAINSEED DOES NOT ASSUME LIABILITY FOR YOUR FEE IN THE EVENT THE FINANCIAL INSTITUTION FAILS TO PAY OR IS DELINQUENT IN PAYING YOUR INVOICE.

ii. *State-Specific Requirements*

For Assignments Involving Properties Located in the State of North Carolina Only: If you believe that the Financial Institution has failed to pay your fee for an appraisal within **25 days** of the date you transmitted to us your completed appraisal, except where you have been notified of any non-compliance with the

conditions of the engagement, in addition to placing a message in the Web Portal, please contact MountainSeed immediately at accounting@mountainseed.com so that we can work with you and the Financial Institution to ensure that you receive timely payment. Please note that while we believe that our payment policy is mutually beneficial, it does require that we rely on you to notify us when you have not been timely paid. To assist us in prioritizing your request for payment, please include the phrase **NORTH CAROLINA PAYMENT REQUEST** in all caps in the subject line of your email.

For Assignments Involving Properties Located in the State of Illinois Only: If you believe that the Financial Institution has failed to pay your fee for an appraisal within **90 days** of the date you transmitted to us your completed appraisal, except where you have been notified of any non-compliance with the conditions of the engagement, in addition to placing a message in the Web Portal, please contact MountainSeed immediately at accounting@mountainseed.com so that we can work with you and the Financial Institution to ensure that you receive timely payment. Please note that while we believe that our payment policy is mutually beneficial, it does require that we rely on you to notify us when you have not been timely paid. To assist us in prioritizing your request for payment, please include the phrase **ILLINOIS PAYMENT REQUEST** in all caps in the subject line of your email. If after notifying MountainSeed as set forth in this paragraph you still have not been paid by the Financial Institution, and you have not been notified of any non-compliance with the conditions of the engagement, MountainSeed will pay any outstanding portion of your fee that remains unpaid within **120 days** of the date you transmitted to us your completed appraisal.

c. Disputes

MountainSeed has established a policy and a process for handling dispute requests from the Financial Institution following the Financial Institutions receipt of the completed appraisal, in accordance with the Appraisal Independence Policy. If you receive a completed dispute request form through the Web Portal, you agree to respond: (i) **within one (1) business day** to acknowledge your receipt of any such communication, and (ii) **within three (3) business days** to address any requests for revisions or additional information utilizing the Web Portal. You acknowledge that the resolution of such Financial Institution dispute requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

III. REPRESENTATIONS AND WARRANTIES

a. Licensure/Certification

You represent and warrant that you hold the appraisal license or certification necessary to perform the appraisal assignment. Furthermore, you represent and warrant that all professional qualifications, licenses, and other information provided to MountainSeed or Financial Institution were and remain valid, true, correct, and complete in every respect, except to the extent you have notified MountainSeed and Financial Institution in writing of any change.

b. Appraisal Standards and Competency

By executing this Engagement Letter you acknowledge, declare, represent and warrant that you:

- (i) Understand the competency requirements of the pertinent version of USPAP and can satisfy each provision of the competency rule;
- (ii) Meet the competency requirements for this appraisal assignment;
- (iii) Are competent in the property type of the assignment;
- (iv) Are competent in the geographical area of the assignment;
- (v) Have access to appropriate data sources for the assignment;
- (vi) Are aware that misrepresentation of competency may be subject to the mandatory reporting requirement in the most current version of USPAP;
- (vii) Are familiar with the laws, rules, regulations, guidelines and other materials described in USPAP and the Additional Requirements;
- (viii) Are not aware of any reason why you or the Appraisal you prepare in connection with this assignment would fail to comply with USPAP and Additional Requirements, including without limitation the independence provisions and prohibitions on conflicts of interest;

- (ix) Have specific experience with the Subject Property type;
- (x) Hold all licenses, registrations, permits, certifications and governmental or other authorizations required to perform the appraisal in accordance with USPAP and the Additional Requirements, and in compliance with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines;
- (xi) Have not performed any prior services regarding the Subject Property, as an appraiser, or in any other capacity, within the three-year period ending with the date of this Engagement Letter, or if you have performed such services, have disclosed those services in writing in compliance with USPAP prior to accepting this assignment;
- (xii) To your actual knowledge, are not listed on an exclusionary list or any similar list maintained by any governmental or quasi-governmental entity;
- (xiii) To your actual knowledge, have not had any registration, certificate or license to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, suspended or revoked by any state or appraisal board prior to or as of the date of this Engagement Letter; and
- (xiv) Have no interest, direct or indirect, financial or otherwise in the Subject Property or the underlying transaction. ***(Although USPAP may allow an appraiser to appraise a property in which the appraiser has an interest with appropriate disclosures, the Additional Requirements do not permit such activity. If you have an interest in the Subject Property, you must decline this assignment.)***

c. Compliance with Applicable Law

You represent and warrant that you perform services as covered by this Engagement Letter in compliance with all applicable federal and state laws, regulations, and guidance, including, but not limited to, the laws, regulations, and guidance identified in the Additional Requirements section of this Engagement Letter.

d. Errors & Omissions Insurance

You represent and warrant that you maintain, and covenant that you shall continue to maintain (either by continuation of similar coverage with the same or a different insurance carrier or by the purchase of extended reporting period coverage or tail coverage) for a period of three years after the date of completion of this assignment, professional liability insurance (***EOInsurance***) covering damages arising from the professional appraisal services delivered by you under this Engagement Letter. Your EOInsurance shall: (i) have a minimum liability limit of \$500,000 per claim and \$1,000,000 in aggregate for all claims, (ii) be issued by an insurance carrier having a Bests Financial Strength rating of A- or better and Financial Size Category of at least Class IX, and (iii) be issued on an insurance policy form and by an insurance program acceptable to MountainSeed and Financial Institution. The policy shall not contain an exclusion for defense or damages relating to claims arising out of failed financial institutions or claims made by the FDIC or any other state or federal regulator or insurer of Financial Institutions, mortgage lenders, or other financial institutions.

You represent and warrant that you have provided MountainSeed (or other persons or entities as directed by MountainSeed) with true, correct and complete insurance declarations page or certificate of coverage evidencing your current EOInsurance together with any other insurance documentation relating to such coverage requested by MountainSeed.

You agree to supply evidence of EOInsurance whenever your EOInsurance is renewed or replaced and shall immediately inform MountainSeed (or other persons or entities as directed by MountainSeed) of any nonrenewal, cancellation, termination or change of prior acts date/retroactive date of Appraisers EOInsurance. During the period that you are required to carry EOInsurance under this Engagement Letter, you shall not make any change or alteration to your EOInsurance which results in the loss of prior acts or retroactive date coverage covering the date on which the assignment was performed under this Agreement. You consent to MountainSeed confirming EOInsurance coverage directly with the insurance carriers or insurance program administrators.

IV. INTELLECTUAL PROPERTY

As between you and the Financial Institution, the Financial Institution will be deemed to own your appraisal and any reports or other information provided by you to Financial Institution in connection with this Engagement Letter, and neither Financial Institution nor MountainSeed will be restricted in any way with respect to redistribution of such information. You shall not claim any copyrights or other ownership interests

in that work product. You, however, shall have the right to retain copies of reports, documents or other information produced or utilized by you for the purpose of your work file under USPAP or as may be required under any law or regulation.

Notwithstanding the foregoing, you acknowledge and agree that, in connection with its review of your Appraisal or otherwise, MountainSeed may extract and compile market data, including without limitation, information relating to comparable sales, rents, operating expenses, income, leases, and leasing activity; neighborhood descriptions; economic trends; and similar information, including, without limitation, for purposes of populating databases to be used by MountainSeed and its affiliates in future performance of services for, and product offerings to Financial Institution and other clients. Any such databases or other compilation of data extracted and compiled by MountainSeed shall be owned solely by MountainSeed, and you specifically disclaim, transfer, and assign to MountainSeed any right, title or interest in and to such databases and compilations and the information contained in them; provided, however, that this sentence shall not limit the Financial Institutions rights to use the appraisal in accordance with the terms of this Engagement Letter. For the absence of doubt, any such information extracted from your Appraisal and compiled by MountainSeed solely in accordance with the rights granted to MountainSeed under this paragraph shall not include your opinion of the value of the Subject Property as stated in the Appraisal, or any other confidential information relating to the Subject Property or the loan or transaction underlying the appraisal (including the identity of the lender and the identity of the borrower), or any confidential information with respect to the Financial Institution, the borrower, or the Financial Institutions or borrowers business operations, to the extent not already publicly available.

V. OTHER PROVISIONS

a. Relationship between the Parties

In the performance of services under the terms of this Engagement Letter, you shall act solely as an independent contractor, and nothing herein contained or implied shall at any time be construed so as to create the relationship of employer and employee, master and servant, partner, principal and agent or joint venture partner between you and Financial Institution or MountainSeed. Specifically, you acknowledge and agree that (i) neither Financial Institution nor MountainSeed will withhold any taxes, income or otherwise, from payments to you and that you will be required to file corporate, partnership, and/or individual tax returns and to pay taxes in accordance with applicable federal, state and local laws, (ii) this Engagement Letter is not an employment agreement, (iii) you are not an employee of MountainSeed or Financial Institution for any purpose, including, but not limited to, application of the Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, state and federal income tax withholding requirements, workers compensation insurance, and third-party liability claims, (iv) neither MountainSeed nor Financial Institution shall be liable for any obligations incurred by you unless specifically authorized in writing, (v) you shall not act as an agent of MountainSeed or Financial Institution, nor bind MountainSeed or Financial Institution in any manner, (vi) you shall not represent or communicate to any party that you are an employee or an agent of MountainSeed or Financial Institution, and (vii) you are free to perform services for any and all other clients or management companies and you are free to set your own hours with respect to the performance of the assignment under this Engagement Letter.

b. Subcontracting Performance of Services

i. Generally

No subcontracting or outsourcing is permitted under this Engagement Letter. You, as the person signing this Engagement Letter, shall be the person who performs and signs the Appraisal requested herein. In general, the Financial Institution expects that you shall be the person that personally inspects the Property in connection with your Appraisal. Requests to have another employee in your firm inspect the Property must be approved and accepted by MountainSeed prior to engagement. Unless specifically instructed otherwise by MountainSeed or the Financial Institution, you may receive assistance in completing the Appraisal, so long as: (1) you at all times comply with USPAP, the Additional Requirements and the other provisions of this Engagement Letter, including without limitation in documenting the assistance you received, (2) the person providing the assistance is employed directly by you or by your

appraisal firm and is characterized as an employee (and not an independent contractor) for federal income tax purposes; (3) the person providing the assistance is competent and qualified to provide the assistance and holds all necessary state, federal or local licenses, certificates or other authorizations required by any applicable authority; (4) you continuously supervise the person providing the assistance at all times in any work related to this Appraisal assignment, and (5) you sign the Appraisal and certification and accept full responsibility for the work. Specifically, and without limitation, you acknowledge and agree that you are familiar with applicable state laws, rules and appraisal board regulations, if any, regarding receiving professional assistance in connection with an appraisal assignment and that you shall at all times comply with those laws, rules and regulations in receiving any assistance in performing the Appraisal. You shall not assign this Engagement Letter to any other party, and any attempt by you to assign shall be void.

ii. State-Specific Requirements

For appraisal assignments involving property located in the state of Montana, subject to being permissible under the policies of the Financial Institution, Subsection V(b)(i), above, does not preclude you from: (i) utilizing the assistance of a licensed real estate trainee (under your supervision) or (ii) transferring the assignment to your employee who is Montana-licensed or -certified real estate appraiser who is a member of the Financial Institutions panel, provided that such individual can complete the work in accordance with USPAP and pursuant to the requirements of the Montana Board of Real Estate Appraisers.

c. No Disclaimers

The Financial Institution reserves the right not to accept the report and neither Financial Institution nor MountainSeed will be responsible for any fees or expenses incurred hereunder if your report includes disclaimers limiting your professional liability for services typically performed by an appraiser. This section shall not prohibit you from including standard disclaimers that may limit your liability for services typically performed by a third-party and that an appraiser is not qualified to perform, such as environmental site assessments.

d. No Third-Party Beneficiaries

All requirements and standards for you and your work product are imposed solely and exclusively for the benefit of MountainSeed and Financial Institution and their respective successors and assigns, and no other person shall be deemed a third-party beneficiary of this Engagement Letter. You are solely responsible for ensuring that you and your work product comply with all such requirements and standards. Specifically, you are not entitled to rely on any review that MountainSeed may perform to evaluate your work products compliance with any such requirements and standards. You should not assume that MountainSeed will refuse to accept your work product in absence of strict compliance with any or all such requirements and standards.

e. No Promise of Future Assignments

You acknowledge that neither MountainSeed nor Financial Institution has made any guarantee of future assignments. Neither Financial Institution nor MountainSeed makes any promise or guarantee as to any minimum number of assignments or minimum level of revenue.

f. Indemnity

You agree to indemnify MountainSeed for any and all loss, damage, liability, claim or expense incurred by an Indemnified Party arising out of or related to (i) any death, bodily injury or damage to property resulting from your acts or omissions, (ii) your negligence, gross negligence or willful misconduct in performing this assignment; or (iii) any breach of your representations, warranties and covenants contained in this Engagement Letter. Notwithstanding the foregoing, nothing in subpart (iii) above will be deemed to require you to defend, indemnify or hold harmless MountainSeed or any MountainSeed-related Indemnified Party with respect to any liability, damage, loss, claim or expense that arises out of the services performed by MountainSeed, its agents, employees, or independent contractors, and not the services you performed. Furthermore, this indemnification provision in this paragraph shall not apply to appraisals performed in Vermont; for other states, in the event that the indemnification provision in this paragraph is broader than permitted by any applicable law or regulation, this section shall be limited to the extent of the indemnification permitted by such law or regulation in that state.

g. Termination

Notwithstanding anything contained herein to the contrary, either Financial Institution or MountainSeed may, at its option and for any reason, terminate this agreement without responsibility for payment of the appraiser's fees or costs, except for any actual staff time and out-of-pocket costs only, not to exceed the fee amount stated above, incurred by the appraiser in connection with the appraiser's performance of this agreement as of the date of termination.

h. Amendment

This Engagement Letter may only be amended in writing, signed by the parties hereto.

i. Confidentiality

You will take all reasonable steps to ensure that neither you nor any organization with which you are affiliated (including any employees, agents, appraisers, or officers of any such organization) will divulge any Confidential Information concerning your Appraisal to any person other than Financial Institution or MountainSeed. For purposes of this engagement letter, the term **Confidential Information** shall mean all non-public data or information that is submitted directly or indirectly to you by MountainSeed or Financial Institution or obtained or learned by you as a result of the engagement described in this Letter, including without limitation, information related to Financial Institutions or MountainSeeds customers, technology, operations facilities, consumer markets, products, capabilities, systems procedures, security practices, research, development, business affairs, ideas, concepts, innovations, inventions, designs, business methodologies, improvements, trade secrets, copyrightable subject matter and other proprietary information. All Confidential Information shall remain the property of Financial Institution or MountainSeed, as applicable, and shall be protected as described below.

Except may be required by applicable law or lawful order or requirement of a court or other governmental authority having jurisdiction over you, you shall take reasonable means to hold all Confidential Information in confidence, and you shall not use (except for purposes set forth herein and authorized by Financial Institution or MountainSeed), disclose, duplicate, publish, release, transfer or otherwise make available Confidential Information in any form to, or for the use and benefit of, any person or entity without the express written consent of MountainSeed. You represent and warrant to Financial Institution and MountainSeed that you have established commercially reasonable controls to ensure the confidentiality of Confidential Information and to insure that Confidential Information is not disclosed in violation of the provisions of this Engagement Letter or the Gramm-Leach-Bliley Act of 1999 (15 U.S.C. § 6801, et seq.), as it may be amended, supplemented or replaced from time to time (the **GLB Act**) and the regulations promulgated thereunder. If the GLB Act, the regulations promulgated thereunder or other applicable law now or hereafter in effect imposes a higher standard of confidentiality, such standard shall prevail over the standard set forth in this Engagement Letter.

You also agree that you will at any time during your engagement, at MountainSeeds or Financial Institutions request, and in any event, at the termination of this engagement, regardless of the reason, surrender to MountainSeed and/or Financial Institution (as is appropriate) all Confidential Information and any copies or abstracts thereof, to the extent surrendering the information is not prohibited under USPAP or other applicable federal, state and local laws, ordinances, rules, regulations and guidelines that may require you to maintain certain records.

You have caused this Engagement Letter to be executed as of the date set forth below.

Cushman and Wakefield (COMPANY)

By:  _____

Name: Douglas A. Heinrich, MAI

Title: Executive Director

Addendum D: Sale Sheets - Land & Improved

LAND SALE COMPARABLE 1

Address:	900 Block Brooks Street Charleston, WV
MSA:	Charleston, West Virginia
County:	Kanawha
Submarket:	N/A
Property Type:	Land
Property Subtype:	Commercial
Classification:	N/A
ID:	4758163
Tax Number (s):	11-18-0021-0000-0000

PROPERTY INFORMATION

Site Area (Acres):	2.08	Public Utilities:	All Available
Site Area (Sq.Ft.):	90,605	Electricity:	N/A
Zoning:	1 on surrounding uses	Water:	N/A
Utility:	Average/Good	Sewer:	N/A
Access:	Average/Good	Gas:	N/A
Frontage:	Average/Good	Proposed Use:	Retail Development
Visibility:	Average/Good	Maximum FAR:	N/A
Corner or Interior:	Interior	Zoning Floor Area:	N/A
Topography:	Level	Potential Units:	N/A

SALE INFORMATION

Status:	Recorded Sale	Price per Sq.Ft.:	\$8.77
Sale Date:	5/2019	Price per Acre:	\$381,824
Sale Price:	\$794,195	Sale Price per ZFA:	N/A
Value Interest:	Fee Simple	Price per Potential Un	N/A
Grantor:	kingston land company		
Grantee:	Angela Settle		
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party

COMMENTS

Commercial land located in Charleston, WV.

LAND SALE COMPARABLE 2

Address:	US 60 Barboursville, WV
MSA:	Huntington, West Virginia
County:	Cabell
Submarket:	N/A
Property Type:	Land
Property Subtype:	Commercial
Classification:	N/A
ID:	4433025
Tax Number (s):	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.54	Public Utilities:	All Available
Site Area (Sq.Ft.):	23,522	Electricity:	N/A
Zoning:	1 on surrounding uses	Water:	N/A
Utility:	Average/Good	Sewer:	N/A
Access:	Average/Good	Gas:	N/A
Frontage:	Average/Good	Proposed Use:	Retail Development
Visibility:	Average/Good	Maximum FAR:	N/A
Corner or Interior:	Interior	Zoning Floor Area:	N/A
Topography:	Level	Potential Units:	N/A

SALE INFORMATION

Status:	Recorded Sale	Price per Sq.Ft.:	\$13.39
Sale Date:	7/2018	Price per Acre:	\$583,343
Sale Price:	\$315,000	Sale Price per ZFA:	N/A
Value Interest:	Fee Simple	Price per Potential Un	N/A
Grantor:	Not available		

Grantee:	Not available
----------	---------------

Financing:	N/A
Condition of Sale:	None

VERIFICATION COMMENTS

Trusted third party

COMMENTS

Commercial land located in Barboursville, WV, exposed to a daily traffic volume of approximately 22,000 vehicles per day.

LAND SALE COMPARABLE 3

Address:	401-409 W Virginia Street Charleston, WV
MSA:	Charleston, West Virginia
County:	Kanawha
Submarket:	N/A
Property Type:	Land
Property Subtype:	Commercial
Classification:	N/A
ID:	3731089
Tax Number (s):	20-12-22-02430000

PROPERTY INFORMATION

Site Area (Acres):	0.79	Public Utilities:	All Available
Site Area (Sq.Ft.):	34,380	Electricity:	N/A
Zoning:	C-10	Water:	N/A
Utility:	Average/Good	Sewer:	N/A
Access:	Average/Good	Gas:	N/A
Frontage:	Average/Good	Proposed Use:	Retail Development
Visibility:	Average/Good	Maximum FAR:	N/A
Corner or Interior:	Corner	Zoning Floor Area:	N/A
Topography:	Level	Potential Units:	N/A

SALE INFORMATION

Status:	Recorded Sale	Price per Sq.Ft.:	\$9.74
Sale Date:	10/2016	Price per Acre:	\$424,450
Sale Price:	\$335,000	Sale Price per ZFA:	N/A
Value Interest:	Fee Simple	Price per Potential Un	N/A
Grantor:	Not available		

Grantee:	Skaff Family Limited Partnership
Financing:	N/A
Condition of Sale:	None

VERIFICATION COMMENTS

Trusted third party

COMMENTS

Commercial land located in Charleston, WV.

LAND SALE COMPARABLE 4

Address:	320 Maccorkle Avenue Charleston, WV
MSA:	Charleston, West Virginia
County:	Kanawha
Submarket:	N/A
Property Type:	Land
Property Subtype:	Commercial
Classification:	N/A
ID:	3674256
Tax Number (s):	14-1-00600000

PROPERTY INFORMATION

Site Area (Acres):	1.13	Public Utilities:	All Available
Site Area (Sq.Ft.):	49,223	Electricity:	N/A
Zoning:	1 on surrounding uses	Water:	N/A
Utility:	Average/Good	Sewer:	N/A
Access:	Average/Good	Gas:	N/A
Frontage:	Average/Good	Proposed Use:	Retail Development
Visibility:	Average/Good	Maximum FAR:	N/A
Corner or Interior:	Interior	Zoning Floor Area:	N/A
Topography:	Level	Potential Units:	N/A

SALE INFORMATION

Status:	Recorded Sale	Price per Sq.Ft.:	\$17.78
Sale Date:	6/2016	Price per Acre:	\$774,333
Sale Price:	\$875,000	Sale Price per ZFA:	N/A
Value Interest:	Fee Simple	Price per Potential Un	N/A
Grantor:	SCP Prop LLC		

Grantee:	Construction Solutions
Financing:	N/A
Condition of Sale:	None

VERIFICATION COMMENTS

Trusted third party

COMMENTS

Commercial land located in Charleston, WV, exposed to a daily traffic volume of approximately 30,000 vehicles per day.

IMPROVED SALE COMPARABLE 1



Address: Car Wash
1155 Henry Ford Drive
Woodstock, VA
MSA: N/A
County: Shenandoah
Submarket: N/A
Property Type: Retail-Commercial
Property Subtype: Car Wash
Classification: Service-Station
ID: 4527426

PROPERTY INFORMATION

Site Area (Acres):	2.13	Convenience Store:	N/A
Site Area (Sq.Ft.):	92,782	Service Bays:	N/A
Gross Bldg Area:	6,122	Pumps:	N/A
Gross Leasable Area:	6,122	Pump Islands:	N/A
Year Built:	2008	Canopy:	N/A
Last Renovation:	N/A	Car Wash:	N/A
Quality:	Average/Good	Parking Ratio:	N/A
Condition:	Average/Good	L:B Ratio:	15.16:1
Number of Buildings:	1	Tenancy Type:	N/A
Number of Stories:	1	Sub Tenants:	N/A
Number of Parking Spaces:	N/A		

SALE INFORMATION

Status:	Recorded Sale	OAR:	8%
Sale Date:	9/2018	NOI:	\$140,700
Sale Price:	\$1,675,000	NOI per SqFt:	22.9826854
Price per Sq.Ft.:	\$273.60	Occupancy:	100%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Interstate Car Wash LLC	GIM	N/A
Grantee:	1155 Henry Ford LLC	Buying Entity:	Investor
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party and public records. Recorder of Deeds Document # 5092.

COMMENTS

The comparable sale is a 6,122 square foot car wash located in Woodstock, VA.

IMPROVED SALE COMPARABLE 2



Address: Car Wash
2739 Wards Road
Lynchburg, VA
MSA: Lynchburg, Virginia
County: Lynchburg City
Submarket: N/A
Property Type: Retail-Commercial
Property Subtype: Car Wash
Classification: Service-Station
ID: 4301519

PROPERTY INFORMATION

Site Area (Acres):	0.74	Convenience Store:	N/A
Site Area (Sq.Ft.):	32,234	Service Bays:	N/A
Gross Bldg Area:	3,477	Pumps:	N/A
Gross Leasable Area:	3,477	Pump Islands:	N/A
Year Built:	1984	Canopy:	N/A
Last Renovation:	N/A	Car Wash:	N/A
Quality:	Average	Parking Ratio:	N/A
Condition:	Average	L:B Ratio:	9.27:1
Number of Buildings:	1	Tenancy Type:	N/A
Number of Stories:	1	Sub Tenants:	N/A
Number of Parking Spaces:	N/A		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Sale Date:	6/2018	NOI:	N/A
Sale Price:	\$740,000	NOI per SqFt:	N/A
Price per Sq.Ft.:	\$212.83	Occupancy:	100%
Value Interest:	Fee Simple	Expense Ratio:	N/A
Grantor:	Not available	GIM	N/A
Grantee:	Not available	Buying Entity:	Owner-user
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party

COMMENTS

The comparable sale is a 3,477 square foot car wash located in Lynchburg, VA.

IMPROVED SALE COMPARABLE 3



Address: Car Wash
3311 Library Road
Pittsburgh, PA
Pittsburgh, Pennsylvania
MSA: Allegheny
County: N/A
Submarket: Retail-Commercial
Property Type: Car Wash
Property Subtype: Service-Station
Classification: 3752118
ID:

PROPERTY INFORMATION

Site Area (Acres):	0.63	Convenience Store:	N/A
Site Area (Sq.Ft.):	27,355	Service Bays:	N/A
Gross Bldg Area:	4,580	Pumps:	N/A
Gross Leasable Area:	4,580	Pump Islands:	N/A
Year Built:	-	Canopy:	N/A
Last Renovation:	N/A	Car Wash:	N/A
Quality:	Average	Parking Ratio:	N/A
Condition:	Average	L:B Ratio:	5.97:1
Number of Buildings:	1	Tenancy Type:	N/A
Number of Stories:	1	Sub Tenants:	N/A
Number of Parking Spaces:	N/A		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Sale Date:	9/2016	NOI:	N/A
Sale Price:	\$650,000	NOI per SqFt:	N/A
Price per Sq.Ft.:	\$141.92	Occupancy:	100%
Value Interest:	Fee Simple	Expense Ratio:	N/A
Grantor:	C T V Group li LLC	GIM	N/A

Grantee: uto Bath & Shower Lp Buying Entity: Owner-user

Financing: N/A
Condition of Sale: None

VERIFICATION COMMENTS

Trusted third party and public records. Recorder of Deeds Document # 16562000312.

COMMENTS

The comparable sale is a 4,580 square foot car wash located in Pittsburgh, PA.

IMPROVED SALE COMPARABLE 4



Address: Car Wash
2390 Peters Creek Road
Roanoke, VA
Roanoke, Virginia
MSA: Roanoke City
County: Roanoke City
Submarket: N/A
Property Type: Retail-Commercial
Property Subtype: Car Wash
Classification: Service-Station
ID: 3557252

PROPERTY INFORMATION

Site Area (Acres):	1.32	Convenience Store:	N/A
Site Area (Sq.Ft.):	57,669	Service Bays:	N/A
Gross Bldg Area:	6,120	Pumps:	N/A
Gross Leasable Area:	6,120	Pump Islands:	N/A
Year Built:	1989	Canopy:	N/A
Last Renovation:	N/A	Car Wash:	N/A
Quality:	Average	Parking Ratio:	N/A
Condition:	Average	L:B Ratio:	9.42:1
Number of Buildings:	1	Tenancy Type:	N/A
Number of Stories:	1	Sub Tenants:	N/A
Number of Parking Spaces:	N/A		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Sale Date:	3/2016	NOI:	N/A
Sale Price:	\$755,200	NOI per SqFt:	N/A
Price per Sq.Ft.:	\$123.40	Occupancy:	100%
Value Interest:	Fee Simple	Expense Ratio:	N/A
Grantor:	Brambleton Imports Inc	GIM	N/A
Grantee:	lyland Associates LLC	Buying Entity:	Owner-user
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party and public records. Recorder of Deeds Document # 2465.

COMMENTS

The comparable sale is a 6,120 square foot car wash located in Roanoke, VA.

Addendum E: Qualifications of the Appraisers



Scott C. Frayn, MAI Senior Director

Valuation & Advisory
Practice Group Member | Retail, Gas Station & Convenience Store
Cushman & Wakefield of Illinois, Inc.

Professional Expertise

Scott Frayn is a Senior Director with Cushman & Wakefield of Illinois, Inc. Valuation & Advisory in the Suburban Chicago office. Mr. Frayn is a member of the Valuation & Advisory Retail Practice Group, and regional leader of the Gas Station & Convenience Store Practice Group.

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute. As of the current date, Scott C. Frayn, MAI has completed the requirements of the continuing education program of the Appraisal Institute
- Certified General Real Estate Appraiser in the following states:
 - California – 3001968
 - Illinois – 553.002218
 - Indiana – CG41400040
 - Iowa – CG03258
 - Michigan – 1201074600
 - Minnesota – 40331274
 - Missouri – 2014000837
 - Nebraska – CG201510Rp
 - Ohio – 2014000305
 - Tennessee – 5346
 - Texas – TX1380856 G
 - Wisconsin – 1964-010
- Advisor for the Appraisal Institute's Candidate for Designation Program.
- Publications include "Forecasting Commercial Real Estate Appreciation with Commercial Land Sales," The Appraisal Journal
- Bachelor of Science – Finance, Northern Illinois University, Cum Laude
- Bachelor of Science – Economics, Northern Illinois University, Cum Laude

State of West Virginia
WV Real Estate Appraiser Licensing & Certification Board
This is to certify that

Temporary Permit TEMP19-054
Expiration: 1/17/2020
SCOTT CHRISTOPHER FRAYN
9500 BRYN MAWR AVE SUITE 600
ROSEMORT IL, 60018

has met the requirements of the law, and is authorized to appraise real estate and real property in the State of West Virginia.



Executive Director

The Board has recieved your annual fee and verification of completion of continuing education. The adjoining pocket card evidencing that you are entitles to appraise real property in the State of West Virginia is valid until the expiration date on the face of the card. If you do not receive your renewal application at least 30 days prior to the expiration date, contact the Board office. It is your responsibility to renew your license or certification, even if you do not automatically receive a renewal application.

Important

When signing an appraisal report, place your classification and license or certification number adjacent to or immediately below your signature. Also, use your number and classification in all statements of qualifications, contracts or other instruments, including advertising media. You are required to comply with the Uniform Standards of Professional Appraisal Practice, which are promulgated by The Appraisal Foundation, and are bound by the Competency Provision contained therein.