

Worcester County Administration
1 West Market Street, Room 1103
Snow Hill, Maryland 21863



REQUEST FOR PROPOSAL

PROJECT: Sale of Surplus Property –
Warehouse Facility – Prior Liquor Control Building

DEPARTMENT: _____

VENDOR:

NAME: _____

ADDRESS: _____

PROPOSAL OPENING:

DATE: Wednesday, March 8, 2023

TIME: 2:00 PM

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SECTION 1: PROJECT OVERVIEW

1.1 General Intent

- a. Worcester County, Maryland (“County”) has declared surplus and now offers for sale the following described real property (“Property”), 5363 Snow Hill Road, Snow Hill, Maryland 21863.
- b. All Development Proposals submitted must conform to the Proposal Requirements listed in Section 2.
- c. Entities that submit a proposal for award of this contract are referred to as “proposers” in this document. The firm or individual that is awarded the contract is herein referred to as the “Firm” or “Developer”. The words Bidder, Offeror, Consultant, Proposer, Developer and Contractor may be used interchangeably.

1.2 Background Information – Worcester County

- a. Worcester County, Maryland, founded in 1742, was created by the division of Somerset County (pop. 52,460, per v2020 estimates www.census.gov).
- b. Stretching from Southern Delaware to Virginia’s Eastern Shore, Worcester is the heart of the Delmarva region and the only Maryland county bordering the Atlantic. Located less than three hours from Baltimore, Washington DC and Philadelphia, Ocean City – the county’s renowned resort – attracts more than 8 million visitors annually. Worcester is also federally designated SBA HUBZone, with three Enterprise Zones and two Arts & Entertainment districts. Worcester’s flagship manufacturing hub is the 175-acre Pocomoke Industrial Park.

1.3 Site Description and Zoning

- a. The subject property is a warehouse and office space building situated along the southwest side of Snow Hill Road west of the town of Snow Hill, Maryland. The property consists of a 7.96 +/- acre commercial site presently improved with a 47,575 +/- square foot warehouse building with a partial office fit-out.
- b. The County makes no representations, guaranty, or warranty concerning any site conditions. The subject property is being offered in an “AS IS, WHERE IS” condition.

1.4 Summary of Parcel Data

Name:	Warehouse Facility – Prior Liquor Control Building
Tax I.D.'s:	Map 0063, Grid 0004, Parcel 0002 (ID #02-007118)
Ownership:	County Commissioners of Worcester County
Location:	Southwest side of Snow Hill Road, west of the Pocomoke River
Current Use:	Previously the County's Liquor Control Building, the property is currently being leased to a tenant on month to month basis.
Zoning:	C-2; General Commercial District
Gross Acreage:	7.96 +/-
Appraised Value:	\$990,000 (2018 appraisal by Lefort Appraisal & Consulting, Inc.)
Tax Assessment Value:	\$965,400 (as of Phase-In Assessment 2017-2020)
Special considerations:	Property appears to lie within the 100 Year Flood Plain Area. Building elevation appears below flood plain per GIS data.

1.5 Development Objectives

- a. The County is interested in receiving proposals that would lead to economic development that would benefit the County. Developers should strive to ensure that the completed use is coordinated and balanced and includes, but is not limited to:
 - i. Highly aesthetic, quality mixed-use project which is harmonious with the objectives of Worcester County;
 - ii. Increases property tax base and develops a lasting revenue stream;
 - iii. Foster intensity of development – efficient use of land, good density and promoting vibrancy;
 - iv. Restore and maintain environmental quality – reduce the amount of runoff pollution, increase the amount of green space, plant trees, utilization of sustainable materials and incorporation of water and energy efficient site design/construction;

END OF SECTION

SECTION 2: PROPOSAL REQUIREMENTS

2.1 General Submittal Information

- a. Proposers, before submitting a proposal, will become fully informed as to the extent and character of the proposal document and are expected to completely familiarize themselves with the requirements of this solicitation and any and all specifications. Failure to do so will not relieve the Proposer of the responsibility to fully perform in accordance therewith. No consideration will be granted for alleged misunderstanding of the material to be furnished or the work to be performed, it being understood that the submission of a proposal is an agreement with all of the items and condition referred to herein.
- b. All offers and any other documents required as noted in this RFP and any addenda must be submitted to Nicholas Rice, Procurement Officer, 1 West Market Street, Room 1103, Snow Hill, MD 21863, by Wednesday, March 8, 2023 at 2:00 p.m. Under no circumstances will offers delivered after the date and time specified be considered. The County will not be responsible for any offer delayed in the postal or other delivery service nor any late offer, amendment, or request for withdrawal of offer, received after the RFP date. Offers received after the date and time for receipt will be returned unopened.
- c. All submitted documents should be prepared in a professional manner and must provide a clear and concise demonstration of the Proposer's capability to satisfy the requirements and objectives of this RFP.
- d. The County will not be limited solely to the information provided by the Proposer, but may utilize other sources of information useful in evaluating the capabilities of the Proposer. Special or unique capabilities or advantages of the Proposer should be clearly stated in the Developer's Development Proposal Document.
- e. All copies of the Proposal submittal and any other documents required to be submitted with the Proposal will be enclosed in a sealed envelope. The envelope will be identified with the project name and the Proposer's name and address. If the proposal is sent by mail, the sealed envelope will be enclosed in a separate mailing envelope with the notation "**SEALED PROPOSAL ENCLOSED**" on the face thereof.
- f. Proposers or their authorized agents are expected to fully inform themselves as to the conditions, requirements, and specifications before submitting proposals; failure to do so will be at the Proposer's own risk.
- g. Proposals will be valid for a minimum of 180 days from the date of proposal opening.

2.2 RFP-specific Submission Requirements

Each submission of proposal documents will be required to provide the following exhibits or materials as part of the proposal package. In order to issue a uniform review process and to obtain the maximum degree of comparability, it is required that the submittal be organized in the manner specified, tabbed, and with a table of contents.

- a. Title Page: Show the name of the development firm, address, telephone number, name of contact person, date, and the subject: **“Sale of Surplus Property – Warehouse Facility – Prior Liquor Control Building”**.
- b. Table of Contents: Include a clear identification of the material by section and by page number.
- c. Comprehensive Plan for use of the Site: This should include, but not limited to:
 - Plans for renovation or demolition;
 - Use planned when demolition has been completed;
 - Anticipated neighborhood impact. If applicable address:
 - Traffic
 - Parking
 - Pedestrian traffic
 - Noise
 - Construction
 - Discuss how your proposed use is compatible with the surrounding neighborhood.
 - Anticipated date of project / redevelopment completion.
- d. Letter of Interest: Brief history of firm, a statement of the respondent’s interest in the proposed property, and describe the firm’s strengths that enhance their ability to purchase the properties and carry out any proposed improvements to the properties.
- e. Financial Capacity to Complete Proposed Improvements: In order for proposals to be considered, Proposers must submit with their proposal, a letter from a lending institution evidencing the Proposer possesses the ability to obtain the necessary funds to purchase this property. Evidence will include all information necessary to certify that the Proposer: maintains a permanent place of business; has available the organization and qualified manpower to do the proposed improvements; has adequate financial status to meet the financial obligations incidental to the proposed improvements; has not had just or proper claims pending against him or his company. **Failure to submit this letter with your proposal may result in rejection of your proposal.**

- f. Additional Background: You are invited to include a maximum of five pages of information not included above which you feel may be useful and applicable to this project.
- g. County Forms: Submit the following completed forms provided in the RFP (found in Sections 5, 6, 7 & 8):
 - i. Section 5: Form of Proposal
 - ii. Section 6: Developer's Affidavit of Qualification to Proposal
 - iii. Section 7: Ownership Disclosure Form
 - iv. Section 8: Non-Collusive Affidavit

2.3 Completion of Proposal Documents

- a. Use only forms supplied by the County.
- b. Submit one (1) original and three (3) copies of completed Proposal Documents. Each copy of the proposal will be bound in a single volume. All documents submitted with the proposal will be bound in that single volume. All blanks on the form will be filled in.
- c. Where so indicated by the make-up of the proposal form, sums will be expressed in both words and figures, and in the case of a discrepancy between the two, the amount written in words will govern. In event there is a discrepancy between the unit price and the extended totals, the unit prices will govern.
- d. Any interlineation, alteration, or erasure MUST be initialed by the signer of the Proposal.
- e. Each copy of the proposal will be signed by the person or persons legally authorized to bind the Proposer to a contract, using the legal name of the signer. A proposal submitted by an agent will have a current Power of Attorney attached certifying the agent's authority to bind the Proposer.
- f. Proposer will supply all information and submittals required by the documents to constitute a proper and responsible proposal.
- g. Any ambiguity in any proposal as a result of omission, error, lack of clarity or noncompliance by the Proposer with specifications, instructions, and/or all conditions of proposal will be construed in the light most favorable to the County.

2.4 Deposit

- a. The Successful Proposer, within fourteen (14) calendar days from the Notice of Award, will be required to provide a deposit in an amount not less than five percent (5%) of the base bid. Certified or cashier's checks are acceptable, made payable to the County.
- b. The deposit will be returned to the Successful Proposer upon execution of a Purchase and Sale Agreement or applied to the sale.

END OF SECTION

SECTION 3: EVALUATION AND SELECTION PROCESS

3.1 Opening of Proposals

- a. Proposals received on time will be opened publicly and only participant's name will be read aloud for the record.
- b. The contract will be awarded or all proposals will be rejected within 180 days from the date of proposal opening.

3.2 Acceptance or Rejection of Proposals

- a. Unless otherwise specified, the contract will be awarded to the most **RESPONSIBLE** and **RESPONSIVE** Proposer complying with the provisions of the proposal documents, provided the proposal price is reasonable and it is in the best interest of the County to accept it. The County reserves the right to reject the proposal of any Proposer who has previously failed to perform properly in any way or complete on time contracts of a similar nature; or a proposal from a Proposer who, investigation shows, is not in a position to perform the contract; or a proposal from any person, firm, or corporation which is in arrears or in default to the County for any debt or contract.
- b. In determining a Proposer's **RESPONSIBILITY**, the County may consider the following qualifications, in addition to price:
 - i. Ability, capacity, and skill to provide the commodities or services required within the specified time, including future maintenance and service, and including current financial statement or other evidence of pecuniary resources and necessary facilities;
 - ii. Character, integrity, reputation, experience and efficiency;
 - iii. Quality of past performance on previous or existing contracts, including a list of current and past contracts and other evidence of performance ability;
 - iv. Previous and existing compliance with laws and ordinances relating to contracts with the County and to the Proposer's employment practices;
 - v. Evidence of adequate insurance to comply with contract terms and conditions;
 - vi. Statement of current work load and capacity;
 - vii. Explanation of methods to be used in fulfilling the contract.
- c. In determining a Proposer's **RESPONSIVENESS**, the County will consider whether the proposal conforms in all material respects to the proposal documents. The County reserves the right to waive any informalities or irregularities that may be in its best interest to do so. Additionally, failure to submit the proposal documents in the manners outlined above may result in the proposal document being rejected as unresponsive.

- d. The County will have the right to reject any and all proposals, where applicable to accept in whole or in part, to add or delete quantities, to reject a proposal not accompanied by required proposal security or other data required by the proposal documents, and to accept or reject any proposal which deviates from specifications when in the best interest of the County. Irrespective of any of the foregoing, the County will have the right to award the Contract in its own best interests.

END OF SECTION

SECTION 4: GENERAL INFORMATION

4.1 Economy of Proposal

- a. Proposals should be prepared simply and economically, providing straightforward and concise description of the Proposers' capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content. Elaborate brochures and other representations beyond that sufficient to present a complete and effective proposal are neither required nor desired.

4.2 Proprietary Information or Trade Secrets

- a. The Proposer may invoke proprietary information or trade secret protection for submission of any data/material by (1) identifying the data/material in a written description, (2) clearly marking the data/material as proprietary, and (3) providing a written statement detailing the reasons why protection is necessary. The County reserves the right to ask for additional clarification prior to establishing protection.

4.3 Ownership of Materials

- a. Ownership of all material and documentation originated and prepared pursuant to the RFP will belong exclusively to the County and is subject to public inspection in accordance with the Freedom of Information Act. Trade secrets or proprietary information submitted by a Firm in connection with a procurement transaction will not be subject to disclosure under the Freedom of Information Act. However, the Firm must invoke the protections of this section prior to or upon submission of the data or other materials.

4.4 Audit

- a. The Firm agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited. The County, its authorized agents, and/or State auditors will have full access to and the right to examine any of said materials during said period.

4.5 Contract Award

- a. A Purchase and Sale Agreement will result from award of this RFP.
- b. Proposals and contracts issued by the County will bind the Firm to applicable conditions and requirements herein set forth, unless otherwise specified in the proposal documents, and are subject to all federal, state, and municipal laws, rules, regulations, and limitations. This contract will be construed and interpreted in accordance with the laws of the State of Maryland and all questions of performance hereunder will be determined in accordance with such laws.
- c. County personal property taxes must be on a current basis; if any such taxes are delinquent, they must be paid before award of contract. Failure to pay will result in the award of proposal to another firm.

- d. The County reserves the right to engage in individual discussions and interviews with those Proposers deemed fully qualified, responsible, suitable and professionally competent to provide the required services should the project size warrant it. Proposers will be encouraged to elaborate on their qualifications, performance data, and staff expertise. Proprietary information from competing Proposers will not be disclosed to the public or to competitors.

4.6 Modification or Withdrawal of Proposal

- a. A proposal may not be modified, withdrawn or cancelled by the Proposer during the stipulated time period following the time and date designated for the receipt of proposals, and each Proposer so agrees in submitting a proposal.

4.7 Collusion/Financial Benefit

- a. The Proposer certifies that his/her proposal is made without any previous understanding, agreement, or connection with any person, firm, or corporation making a proposal for the same project; without prior knowledge of competitive prices; and is in all respects fair, without outside control, collusion, fraud, or otherwise illegal action.
- b. Upon signing the proposal, Proposer certifies that no member of the governing body of the County, or members of his/her immediate family, including spouse, parents or children, or any other officer or employee of the County, or any member or employee of a Commission, Board, or Corporation controlled or appointed by the Executive Officer or Council has received or has been promised, directly or indirectly, any financial benefit, related to this contract.

4.8 Indemnity

- a. The successful Firm agrees to indemnify, defend, and hold harmless the County and its officers, employees, and agents from any and all liability, loss, cost, damage, and expense (including reasonable attorney's fees and court costs) resulting from, arising out of, or incurred by reason of any claims, actions, or suits based upon or alleging bodily injury, including death, or property damage rising out of or resulting from the Firm's operations under this Contract, whether such operations be by himself or by any Subcontractor or by anyone directly or indirectly employed by either of them.
- b. Firm further agrees to furnish adequate protection against damage to all work and to repair damages of any kind, to the building or equipment, due to Firm's own work or to the work of other contractors for which he or his workers are responsible.

4.9 Contract Changes

- a. **NO CLAIMS** may be made by anyone that the scope of the project or that the Firm's services have been changed **UNLESS** such changes or adjustments have been made by an approved **WRITTEN AMENDMENT (Change Order)** to the Contract signed by the Chief Administrative Officer (and the County Commissioners, if required), prior to extra work being initiated. Changes performed without prior, approved, written authority will be considered as unauthorized and at the expense of the Firm. Payment will not be made by the County (Owner) for said changes not approved as aforementioned.
- b. **NO ORAL** conversations, agreements, discussions, or suggestions, which involve changes to the scope of the Contract, made by anyone including any County employee, will be honored or valid. No written agreements or changes to the scope of the Contract made by anyone other than the Chief Administrative Officer (with County Commissioners approval, if required) will be honored or valid.
- c. If any change ordered in the work results in a reduction in the work, the Firm will neither have, nor assert any claim for, nor be entitled to any additional compensation for damages or for loss of anticipated profits on work that is eliminated.
- d. No inspection, or any failure to inspect, at any time or place, will relieve the Firm from his obligation to perform all the work strictly in accordance with the requirements of the specifications. The Firm's Project Representatives are NOT authorized to revoke, alter, enlarge, relax, or release any requirement of these specifications, or to approve or accept any portion of the Contract, or to issue instruction contrary to the drawings and specifications of the Contract.

4.10 Addendum

- a. **No oral statements of any person will modify or otherwise affect or interpret** the meaning of the Contract specifications, or the terms, conditions, or other portions of the Contract. All modifications and every request for any interpretation must be addressed to the Procurement Officer, and to be given consideration, must be received at the above address at least ten (10) days prior to the date fixed for the opening of proposals.
- b. Any and all interpretations, corrections, revisions, and amendments will be issued by the Procurement Officer to all holders of proposal documents in the form of written addenda. Proposers are cautioned that any oral statements made by any Entity's employee that materially change any portion of the proposal documents will not be relied upon unless subsequently ratified by a formal written amendment to the proposal document. All addenda will be issued so as to be received at least five (5) days prior to the time set for receipt of proposals, and will become part of the Contract Documents and will be acknowledged in the proposal form. Failure of any

Proposer to receive any such addenda will not relieve said Proposer from any obligation under his Proposal as submitted.

- c. Proposers are cautioned to refrain from including in their proposal any substitutions which are not confirmed by written addenda. To find out whether the County intends to issue an amendment reflecting an oral statement made by any employee, contact Nicholas Rice, Procurement Officer, at 410-632-1194 during normal business hours.
- d. The Procurement Officer, reserves the right to postpone the proposal opening for any major changes occurring in the 5-day interim which would otherwise necessitate an Addendum.

4.11 Cancellation of the Proposal Document/Rejection of All Proposals

- a. The County may, at its sole discretion, cancel this Proposal Document, in whole or in part, or reject all Proposal Documents submitted when this action is determined to be in the best interest of the County.

4.12 Evaluation Criteria

- a. The following table shows evaluation criteria:

Maximum Possible Points	Criterion
50	The monetary value offered for the Property.
25	Use and redevelopment of Property as defined by the proposer in the proposal documents. Developer’s ability to meet or exceed the development timeline as defined in the solicitation document, including past experience on similar projects and the developer’s ability to meet or exceed deadlines.
20	Balance sheet provides evidence the entity’s liquidity is above industry standards and the Income Statement provides evidence of sustainable cash flows
5	Such other and further factors as the Committee may wish to consider.

Each Developers final score will be the sum of each criterion’s total points.

END OF SECTION

SECTION 5: REQUIRED FORMS—FORM OF PROPOSAL

Date: _____

To Whom It May Concern:

We hereby submit our proposal for County owned property, described as Warehouse Facility – Prior Liquor Control Building as indicated in the Proposal Documents.

Having carefully examined the Proposal Document and having received clarification on all items of conflict or upon which any doubt arose, the undersigned hereby requests consideration of our firm for award of the referenced contract.

Proposal Amount for **5363 Snow Hill Road, Snow Hill, Maryland 21863**. \$ _____

* The Successful Proposer, within fourteen (14) calendar days from the Notice of Award, will be required to provide a deposit in an amount not less than five percent (5%) of the base bid.

Firm Name: _____

Firm Address: _____

City/State/Zip: _____

_____ Telephone

_____ Fax

_____ Email

Signature

Printed Name

SECTION 6: REQUIRED FORMS–DEVELOPER’S AFFIDAVIT OF QUALIFICATION TO PROPOSE (pg. 1 of 2)

I hereby affirm that:

I, _____ am the _____
(Printed Name) (Title) and

the duly authorized representative of the Developer of:

(Name of Firm) whose address is:

(Street)

(City/State/Zip)

and that I possess the legal authority to make this affidavit on behalf of myself and the Developer for which I am acting.

Except as described below, neither I nor the above Developer, not to the best of my knowledge and of its officers, directors or partners, or any of its employees directly involved in obtaining contracts with the State or any county, bi-county or multi-county agency, or subdivision of the State have been convicted of, or have pleaded nolo-contendere to a charge of, or have during the course of an official investigation or other proceeding admitted in writing or under oath acts or omissions which constitute bribery, attempted bribery, or conspiracy to bribe under the provisions of Article 27 of the Annotated Code of Maryland or under the laws of any state or federal government (conduct prior to July 1, 1977 is not required to be reported).

(State “none” or, as appropriate, list any conviction, plea or admission described in the paragraph above, with the date, court, official or administrative body, the individuals involved and their position with the Developer, and the sentence or disposition, if any.)

I acknowledge that this affidavit is to be furnished to the County, I acknowledge that, if the representations set forth in this affidavit are not true and correct, the County may terminate any Contract awarded and take any other appropriate action. I further acknowledge that I am executing

this affidavit in compliance with section 16D of Article 78A of the Annotated Code of Maryland, which provides that certain persons who have been convicted of or have admitted to

bribery, attempted bribery or conspiracy to bribe may be disqualified, either by operation of law or after a hearing, from entering into contracts with the State or any of its agencies or subdivisions.

I do solemnly declare and affirm under the penalties of perjury that the contents of this affidavit are true and correct.

Signature

Printed Name

SECTION 7: REQUIRED FORMS - OWNERSHIP DISCLOSURE FORM

COMPANY NAME: _____

TYPE OF COMPANY (circle one):

ADDRESS: _____

*Sole Proprietorship

*Partnership

*Corporation

FEIN#: _____

*Limited Liability Corporation

INSTRUCTIONS: Provide below the names, offices held and any ownership interest of all officers of the firm. If additional space is necessary, provide on an attached sheet.

NAME	OFFICE HELD	OWNERSHIP INTEREST (Shares Owned or % of Partnership)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

INSTRUCTIONS: Provide below the names, offices held and ownership interest of all individuals not listed above, and any partnerships, corporations and any other owner having a 10% or greater interest in the firm named above. If a listed owner is a corporation or partnership, provide below the same information for the holders of 10% or more interest in that corporation or partnership. If additional space is necessary, provide that information on an attached sheet. **If there are no owners with 10% or more interest in your firm, enter "None" below.**

NAME	OFFICE HELD	OWNERSHIP INTEREST (Shares Owned or % of Partnership)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

OWNERSHIP DISCLOSURE FORM – cont'd

COMPLETE ALL QUESTIONS BELOW

	YES	NO
1. Within the past five years, has another company or corporation had a 10% or greater interest in the firm identified above? (If yes, complete and attach a separate disclosure form reflecting previous ownership interests.)	_____	_____
2. Has any person or entity listed in this form or its attachments ever been arrested, charged, indicted or convicted in a criminal or disorderly persons matter within the State of Maryland, any other state or the U.S. Government? (If yes, attach a detailed explanation for each instance.)	_____	_____
3. Has any person or entity listed in this form or its attachments ever been suspended, debarred or otherwise declared ineligible by any agency of government from proposing or contracting to provide services, labor, material or supplies? (If yes, attach a detailed explanation for each instance.)	_____	_____
4. Are there now any criminal matters or debarment proceedings pending in which the firm and/or its officers and or managers are involved? (If yes, attach a detailed explanation for each instance.)	_____	_____
5. Has any federal, state or local license, permit or other similar authorization, necessary to perform the work applied for herein and held or applied for by any person or entity listed in this form, been suspended or revoked, or been the subject of any pending proceedings specifically seeking or litigating the issue of suspension or revocation? (If yes to any part of this question, attached a detailed explanation for each instance.)	_____	_____

CERTIFICATION: I, being duly authorized, hereby represent and state that the information supplied above, including all attached pages, is complete and correct to the best of my knowledge. I acknowledge that Worcester County is relying on the information contained herein and thereby acknowledge that I am under a continuing obligation from the date of this certification through the completion of any contracts with Worcester County to notify the County in writing of any changes to the answers or information contained herein. I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreement with Worcester County and the County at its option, may declare any contract(s) resulting from this certification void and unenforceable.

PRINTED NAME: _____

SIGNATURE: _____

DATE: _____

WITNESS: _____

AFFIX CORPORATE SEAL HERE

SECTION 8: REQUIRED FORMS - NON-COLLUSIVE AFFIDAVIT

_____ being first duly sworn, deposes and says that:

1. He/she is the _____, (Owner, Partner, Officer, Representative or Agent) of _____, the Developer that has submitted the attached Proposal Document;
2. He/she is fully informed respecting the preparation and contents of the attached Proposal Document and of all pertinent circumstances respecting such Proposal Documents;
3. Such Proposal Document is genuine and is not a collusive or sham Proposal Document;
4. Neither the said Developer nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, have in any way colluded, conspired, connived or agreed, directly or indirectly, with any other Developer, firm, or person to submit a collusive or sham Proposal Document in connection with the Services for which the attached Proposal Document has been submitted; or to refrain from proposing in connection with such Services; or have in any manner, directly or indirectly, sought by agreement or collusion, or communication, or conference with any Developer, firm, or person to fix the price or prices in the attached Proposal Document or of any other Developer, or to fix any overhead, profit, or cost elements on the Proposal Document price or the Proposal Document price of any other Developer, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any disadvantage against (Recipient), or any person interested in the Services;
5. The price or prices quoted in the attached Proposal Document are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Developer or any other of its agents, representatives, owners, employees or parties in interest, including this affiant.
6. Signed, sealed and delivered in the presence of:

_____	By: _____
Witness	Signature
_____	_____
Witness	Printed Name

	Title

WORCESTER COUNTY MARYLAND
STANDARD TERMS AND CONDITIONS

The provisions below are applicable to all Worcester County (“County”) contracts. These provisions are not a complete agreement. These provisions must be attached to an executed document that identifies the work to be performed, compensation, term, incorporated attachments, and any special conditions (“Contract”). If the Standard Terms and any other part of the Contract conflict, then the Standard Terms will prevail.

1. **Amendment.** Amendments to the Contract must be in writing and signed by the parties.
2. **Bankruptcy.** If a bankruptcy proceeding by or against the Contractor is filed, then:
 - a. The Contractor must notify the County immediately; and
 - b. The County may cancel the Contract or affirm the Contract and hold the Contractor responsible for damages.
3. **Compliance with Law.** Contractor must comply with all applicable federal, state, and local law. Contractor is qualified to do business in the State of Maryland. Contractor must obtain, at its expense, all licenses, permits, insurance, and governmental approvals needed to perform its obligations under the Contract.
4. **Contingent Fee Prohibition.** The Contractor has not directed anyone, other than its employee or agent, to solicit the Contract and it has not promised to pay anyone a commission, percentage, brokerage fee, contingent fee, or other consideration contingent on the making of the Contract.
5. **Counterparts and Signature.** The Contract may be executed in several counterparts, each of which may be an original and all of which will be the same instrument. The Contract may be signed in writing or by electronic signature, including by email. An electronic signature, a facsimile copy, or computer image of the Contract will have the same effect as an original signed copy.
6. **Exclusive Jurisdiction.** All legal proceedings related to this Contract must be exclusively filed, tried, and maintained in either the District Court of Maryland for Worcester County, Maryland or the Circuit Court of Worcester County, Maryland. The parties expressly waive any right to remove the matter to any other state or federal venue and waive any right to a jury trial.
7. **Force Majeure.** The parties are not responsible for delay or default caused by fire, riot, acts of God, County-declaration-of-emergency, or war beyond their reasonable control. The parties must make all reasonable efforts to eliminate a cause of delay or default and must, upon cessation, diligently pursue their obligations under the Contract.
8. **Governing Law.** The Contract is governed by the laws of Maryland and the County.
9. **Indemnification.** The Contractor must indemnify the County and its agents from all liability, penalties, costs, damages, or claims (including attorney’s fees) resulting from personal injury, death, or damage to property that arises from or is connected to the performance of the work or failure to perform its obligations under the Contract. All indemnification provisions will survive the expiration or termination of the Contract.
10. **Independent Contractor.**
 - a. Contractor is an “Independent Contractor”, not an employee. Although the County may determine the delivery schedule for the work and evaluate the quality of the work, the County will not control the means or manner of the Contractor’s performance.

- b. Contractor is responsible for all applicable taxes on any compensation paid under the Contract. Contractor is not eligible for any federal Social Security, unemployment insurance, or workers' compensation benefits under the Contract.
- c. Contractor must immediately provide the County notice of any claim made against Contractor by any third party.

11. Insurance Requirements.

- a. Contractor must have Commercial General Liability Insurance in the amounts listed below. The insurance must include coverage for personal injury, discrimination, and civil rights violation claims. All insurance must name County, its employees, and agents as "ADDITIONAL INSURED". A copy of the certificate of insurance must be filed with the County before the Contract is executed, providing coverage in the amount of \$1,000,000 per occurrence, \$2,000,000 general aggregate, and \$500,000 for property damage.
- b. Contractor must have automobile insurance on all vehicles used in the Contract to protect Contractor against claims for damages resulting from bodily injury, including wrongful death, and property damage that may arise from the operations in connection with the Contract. All insurance must name County, its employees, and agents as "ADDITIONAL INSURED".
- c. Contractor must provide the County with a certification of Workers' Compensation Insurance, with employer's liability in the minimum amount required by Maryland law in effect for each year of the Contract.
- d. All insurance policies must have a minimum 30 days' notice of cancellation. The County must be notified immediately upon cancellation.
- e. When insurance coverage is renewed, Contractor must provide new certificates of insurance prior to expiration of current policies.

12. Nondiscrimination. Contractor must not discriminate against any worker, employee, or applicant because of religion, race, sex, age, sexual orientation, physical or mental disability, or perceived disability. This provision must be incorporated in all subcontracts related to the Contract.

13. Ownership of Documents; Intellectual Property.

- a. All documents prepared under the Contract must be available to the County upon request and will become the exclusive property of the County upon termination or completion of the services. The County may use the documents without restriction or without additional compensation to the Contractor. The County will be the owner of the documents for the purposes of copyright, patent, or trademark registration.
- b. If the Contractor obtains, uses, or subcontracts for any intellectual property, then it must provide an assignment to the County of ownership or use of the property.
- c. The Contractor must indemnify the County from all claims of infringement related to the use of any patented design, device, materials, or process, or any trademark or copyright, and must indemnify the County, its officers, agents, and employees with respect to any claim, action, costs, or infringement, for royalties or user fees, arising out of purchase or use of materials, construction, supplies, equipment, or services covered by the Contract.

14. Payments. Payments to the Contractor under the Contract will be within 30 days of the County's receipt of a proper invoice from the Contractor. If an invoice remains unpaid 45 days after the

invoice was received, interest will accrue at 6% per year.

15. **Records.** Contractor must maintain fiscal records relating to the Contract in accordance with generally accepted accounting principles. All other relevant records must be retained by Contractor and kept accessible for at least three years after final payment, termination of the Contract, or until the conclusion of any audit, controversy, or litigation related to the Contract. All subcontracts must comply with these provisions. County may access all records of the Contractor related to the Contract.

16. **Remedies.**

- a. **Corrections of errors and omissions.** Contractor must perform work necessary to correct errors and omissions in the services required under the Contract, without undue delays and cost to the County. The County's acceptance will not relieve the Contractor of the responsibility of subsequent corrections of errors.
- b. **Set-off.** The County may deduct from any amounts payable to the Contractor any back-charges, penalties, or damages sustained by the County, its agents, or employees caused by Contractor's breach. Contractor will not be relieved of liability for any costs caused by a failure to satisfactorily perform the services.
- c. **Cumulative.** These remedies are cumulative and without waiver of any others.

17. **Responsibility of Contractor.**

- a. The Contractor must perform the services with the standard of care, skill, and diligence normally provided by a Contractor in the performance of services similar the services.
- b. Notwithstanding any review, approval, acceptance, or payment for the services by the County, the Contractor will be responsible for the accuracy of any work, design, drawings, specifications, and materials furnished by the Contractor under the Contract.
- c. If the Contractor fails to conform with subparagraph (a) above, then it must, if required by the County, perform at its own expense any service necessary for the correction of any deficiencies or damages resulting from the Contractor's failure. This obligation is in addition to any other remedy available to the County.

18. **Severability/Waiver.** If a court finds any term of the Contract to be invalid, the validity of the remaining terms will not be affected. The failure of either party to enforce any term of the Contract is not a waiver by that party.

19. **Subcontracting or Assignment.** The Contractor may not subcontract or assign any part of the Contract without the prior written consent of the County. The County may withhold consent for any reason the County deems appropriate.

20. **Termination.** If the Contractor violates any provision of the Contract, the County may terminate the Contract by written notice. All finished or unfinished work provided by the Contractor will, at the County's option, become the County's property. The County will pay the Contractor fair compensation for satisfactory performance that occurred before termination less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the County can affirmatively collect damages.

21. **Termination of Contract for Convenience.** Upon written notice, the County may terminate the

Contract when the County determines termination is in the County's best interest. Termination for convenience is effective on the date specified in the County's written notice. The County will pay for reasonable costs allocable to the Contract for costs incurred by the Contractor up to the date of termination. But the Contractor will not be reimbursed for any anticipatory profits that have not been earned before termination.

22. **Termination of Multi-year Contract.** If funds are not available for any fiscal period of the Contract after the first fiscal period, then the Contract will be terminated automatically as of the beginning of unfunded fiscal period. Termination will discharge the Contractor and the County from future performance of the Contract, but not from their rights and obligations existing at the time of termination.
23. **Third Party Beneficiaries.** The County and Contractor are the only parties to the Contract and are the only parties entitled to enforce its terms. Nothing in the Contract gives any benefit or right to third persons unless individually identified by name and expressly described as intended beneficiaries of the Contract.
24. **Use of County Facilities.** Contractor may only County facilities that are needed to perform the Contract. County has no responsibility for the loss or damage to Contractor's personal property which may be stored on County property.
25. **Whole Contract.** The Contract, the Standard Terms, and attachments are the complete agreement between the parties and supersede all earlier agreements, proposals, or other communications between the parties relating to the subject matter of the Contract.

APPRAISAL REPORT
OF

WORCESTER LIQUOR CONTROL WAREHOUSE
5363 SNOW HILL ROAD
WEST OF POCOMOKE RIVER
SNOW HILL, WORCESTER CO., MD 21863

AS OF MARCH 16, 2018

PREPARED FOR

MR. KELLY SHANNAHAN,
ASSISTANT CHIEF ADMINISTRATIVE OFFICER
WORCESTER COUNTY ADMINISTRATION
ROOM 1103, GOVERNMENT CENTER
ONE WEST MARKET STREET
SNOW HILL, MARYLAND 21863-1195

PREPARED BY

LEFORT APPRAISAL & CONSULTING, INC.
1323 MT. HERMON ROAD, SUITE 6B
SALISBURY, MARYLAND 21804

LEFORT FILE # 218C0107

Lefort Appraisal & Consulting, Inc.

*1323 Mt. Hermon Road, Suite 6B
Salisbury, Maryland 21804*

April 17, 2018

Mr. Kelly Shannahan, Assistant Chief Administrative Officer
Worcester County Administration
Room 1103, Government Center
One West Market Street
Snow Hill, Maryland 21863-1195

RE: Appraisal Report of
Worcester County Warehouse Building
5363 Snow Hill Road
Snow Hill, Worcester County, Maryland 21863

Mr. Shannahan:

In accordance with your request, I have completed an appraisal report on the above referenced property. The subject property represents a warehouse and office building situated along the southwest side of Snow Hill Road west of the town of Snow Hill, Maryland. The subject property consists of a 7.96 +/- Acre commercial site presently improved with a 47,575 +/- square foot warehouse building with partial office fit-out. The building is generally separated into two components representing the front office/warehouse area and the rear warehouse section. The building is presently occupied for storage by the county and was previously the Worcester Liquor Control warehouse.

As recorded within Land Records of Worcester County in Liber 5719, Folio 448, the subject property is currently in the ownership of the County Commissioners of Worcester County, Maryland. This most recent deed of record, dated July 1, 2011, provides for the most recent transfer of title for the property. The subject property represents 'Item First' as presented within this deed. This deed of record and the most recent recorded plat of record (SVH 194, Folio 67) provides for a complete legal description for the subject property. The subject property is also identified by the Worcester County Department of Assessment and Taxation as being on Worcester County Tax Map 63, Grid 4, representing Parcel 02.

Mr. Kelly Shannahan
April 17, 2018
Page Two

An initial physical inspection of the subject property and neighborhood was performed on November 16, 2017. A final physical inspection of the property was made on March 16, 2018. This later date will also represent the effective date of value. I have developed the Cost and Sales Comparison Approaches to value in the analysis of the property. The application of these approaches to value offer a direct reflection of the current market activity for alternative investment. A cursory income approach is applied in support of the valuation by these approaches. Through the analysis, an estimate of the "As Is" Fair Market Value for the subject property was made. *The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for the unauthorized use of this report.*

The value conclusions presented herein represent the Fair Market Value of the fee simple interest for the subject property as of the effective date, March 16, 2018. This appraisal has been developed and reported in accordance with the Provisions and Standards set forth in the *Uniform Standards of Professional Appraisal Practice (USPAP)* adopted by the Appraisal Standards Board of the Appraisal Foundation, the requirements of the *Standards of Professional Practice*, the *Code of Professional Ethics of the Appraisal Institute*, and the State of Maryland Department of General Service appraisal requirements and guidelines.

It is noted that the subject property may be subject to potentially hazardous materials (fertilizer, petroleum, paint, chemical, etc.) that may have been utilized as part of the past operations. At the time of inspection, the appraiser did not notice any potential environmental concerns with the property. *The appraiser is not an expert at identifying potential hazardous materials. The presence of and/or contamination from substances such as petroleum by products and/or other hazardous materials may affect the value of the property.*

PROSPECTIVE VALUE (W/ CURED DEFERRED MAINTENANCE)

Based upon my investigation and an analysis of the facts and data as presented within this report, the "***Prospective***" Fair Market Value for the subject ***Worcester Liquor Warehouse Property*** situated at 5363 Snow Hill Road, west of Snow Hill, in Worcester County, Maryland, as of the anticipated completion of the renovation, anticipated within a year, April 16, 2019, in Fee Simple Interest, is:

**One Million Two Hundred Fifty Thousand Dollars
(\$1,250,000)**

The prospective value conclusion presented herein is subject to curing of the deferred maintenance based on the anticipated cost estimates and schedule plans provided to the appraiser. This valuation is thereby subject to the hypothetical condition that the items of deferred maintenance will be corrected and any repairs or replacements will be compliant to existing zoning requirements and environmental impact studies for the district, constructed of good quality materials and in a good workman like manner consistent with the provided specifications and in accordance with all governmental regulations and codes.

Mr. Kelly Shannahan
April 17, 2018
Page Three

“AS IS” FAIR MARKET VALUE

Subsequently, after deducted the estimated “Costs of Cure Deferred Maintenance”, the final estimate of the “As Is” Fair Market Value is concluded. Based upon my investigation and an analysis of the facts and data as presented within this report, the ***“As Is” Fair Market Value*** for the subject ***Worcester Liquor Warehouse Property situated at 5363 Snow Hill Road, west of Snow Hill, in Worcester County, Maryland,*** as of March 16, 2018, in Fee Simple Interest, is:

**Nine Hundred Ninety Thousand Dollars
(\$ 990,000)**

THIS LETTER MUST REMAIN ATTACHED TO THE REPORT, AS WELL AS THE RELATED EXHIBITS AND ADDENDUM, IN ORDER FOR THE VALUE OPINION SET FORTH IN THIS APPRAISAL TO BE CONSIDERED VALID.

Respectfully submitted,



William J. Lefort, President
Lefort Appraisal & Consulting, Inc.

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- Income Analysis
- Photos of Items of Deferred Maintenance
- Appraiser's State Certifications
- Site Plat
- Floor Plan
- Subject Property Deed
- Existing Lease Agreement
- Assessment Data Sheet

SUBJECT PHOTOGRAPHS

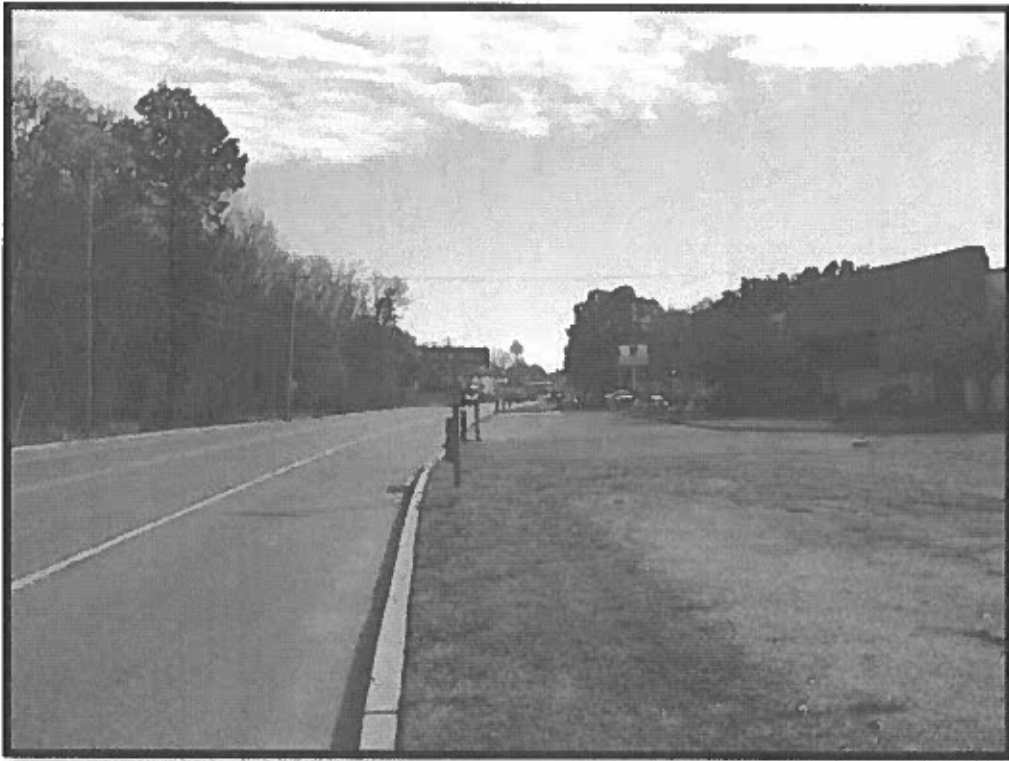


View overlooking Subject (Facing Southwest across Snow Hill Road)

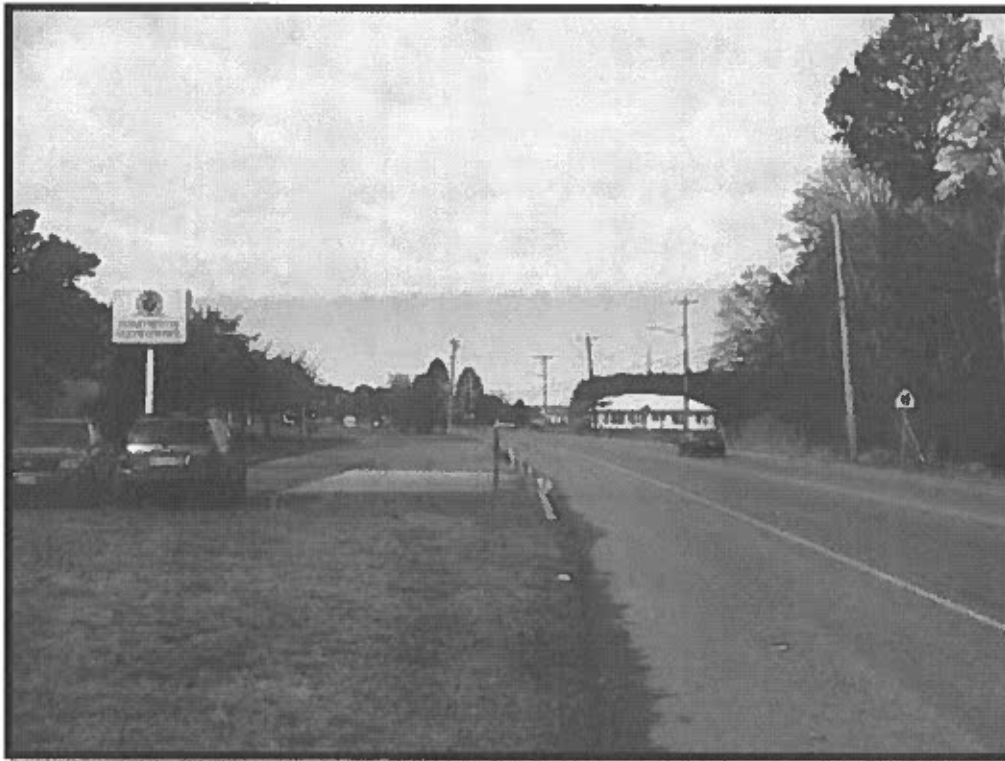


View overlooking Subject (Facing South across Snow Hill Road)

SUBJECT PHOTOGRAPHS

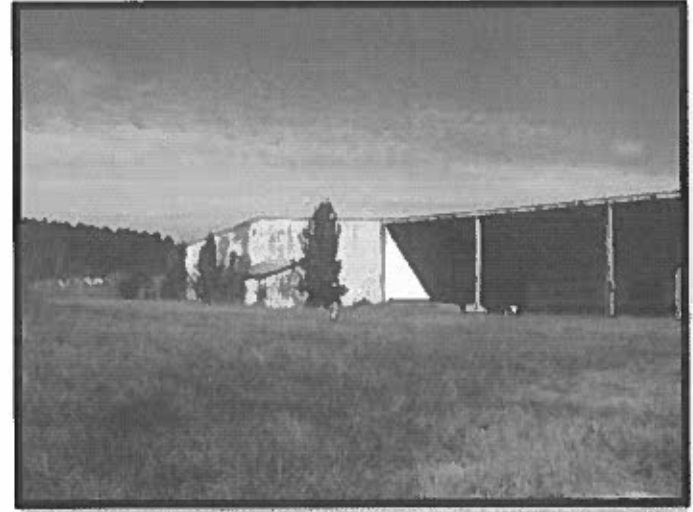
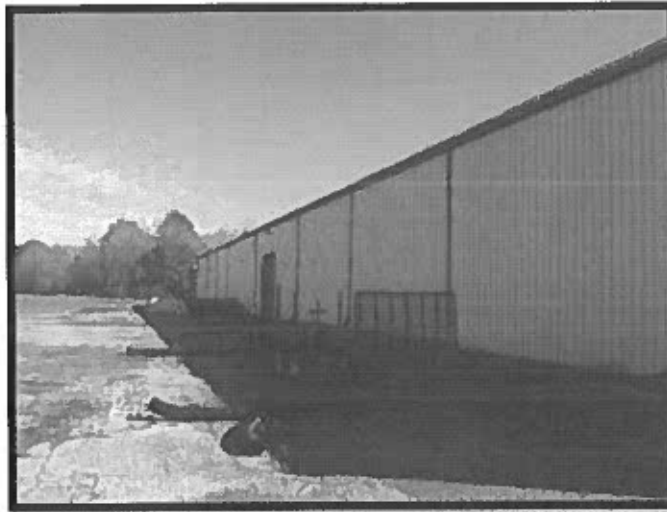
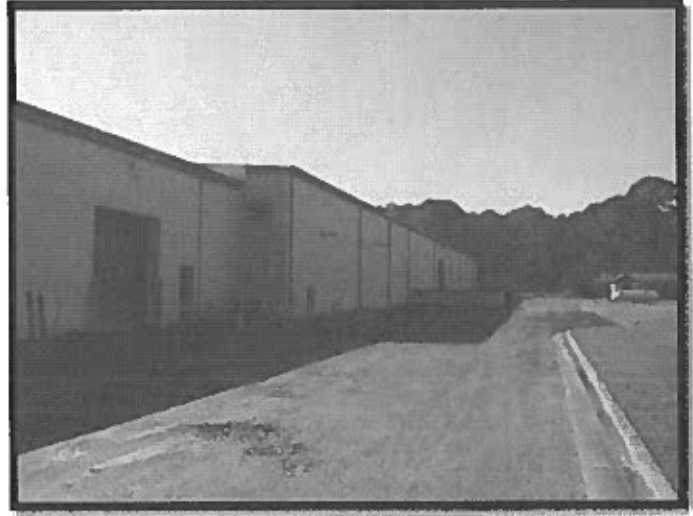


Street Scene Facing Southeast toward Snow Hill (Subject on Right)

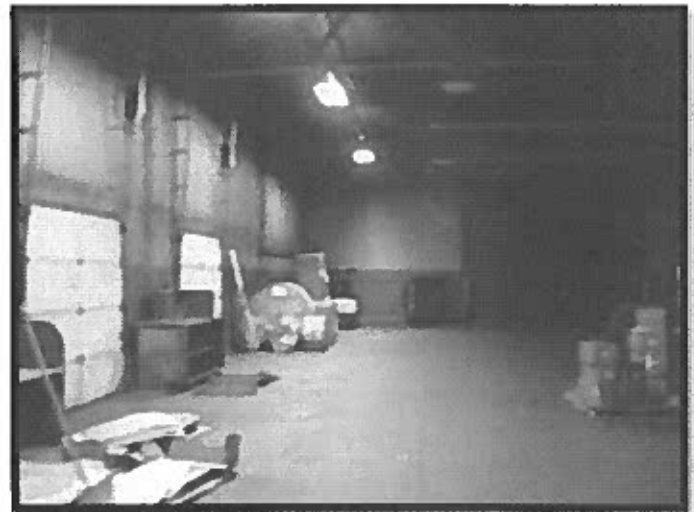
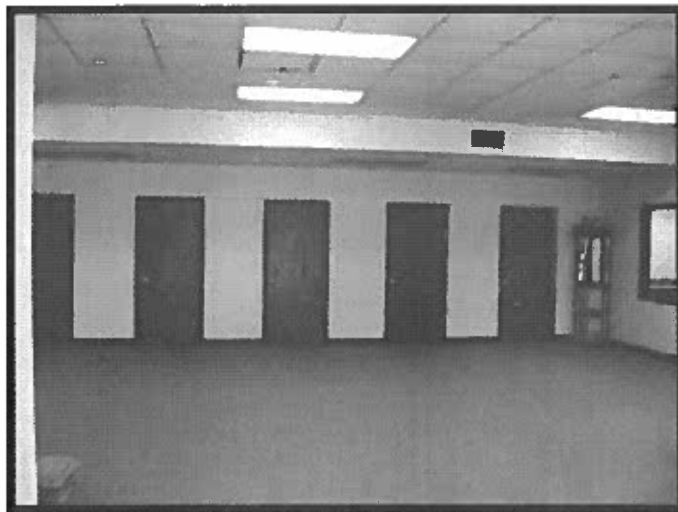
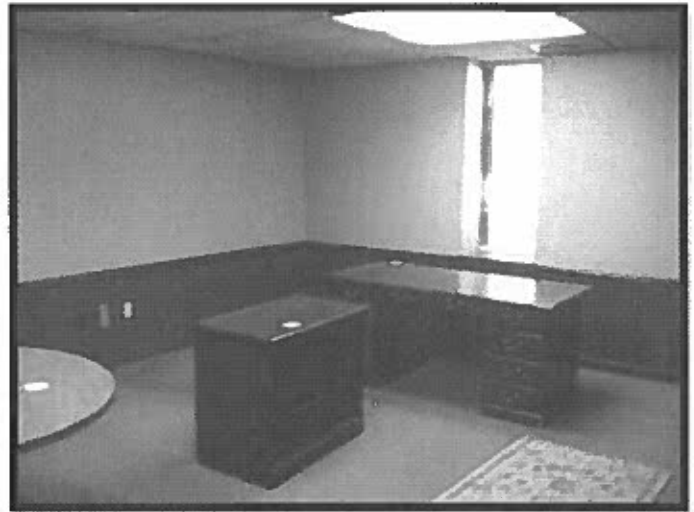
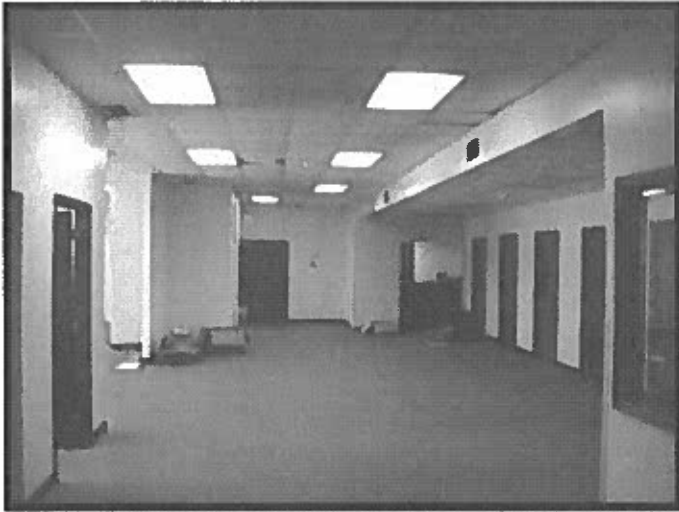


Street Scene Facing west along Snow Hill Road (Subject on Left)

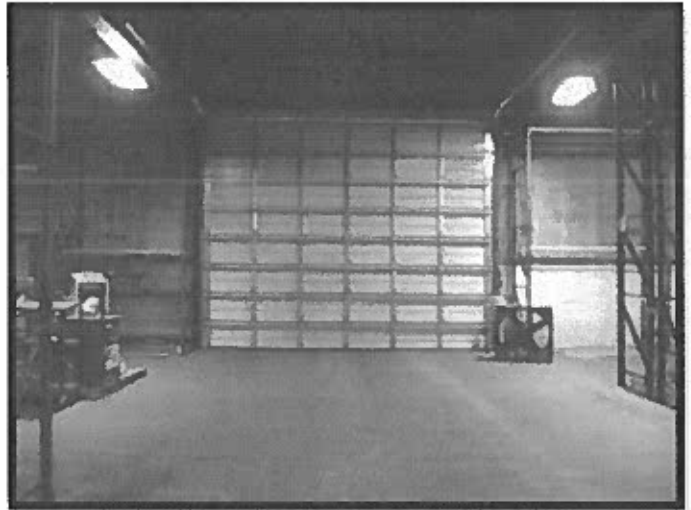
ADDITIONAL EXTERIOR PHOTOGRAPHS



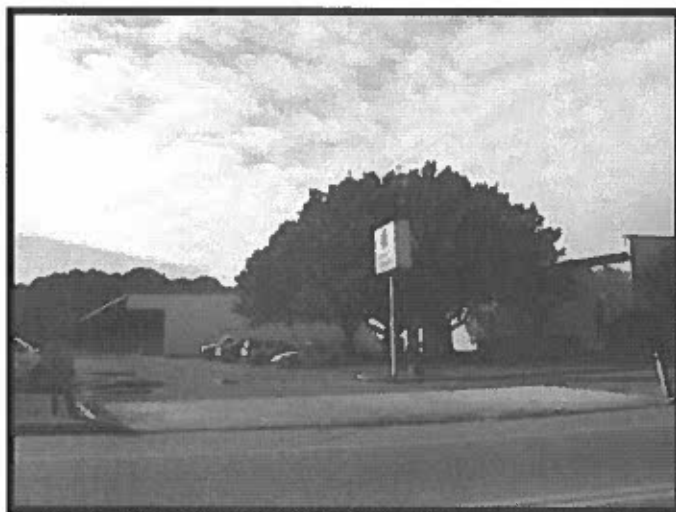
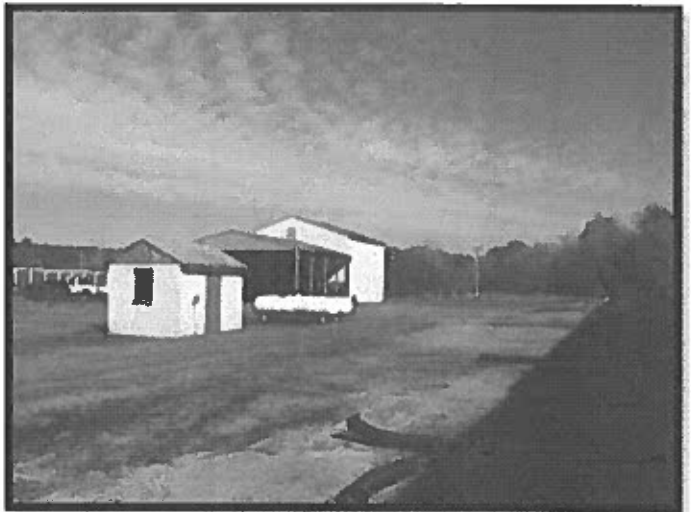
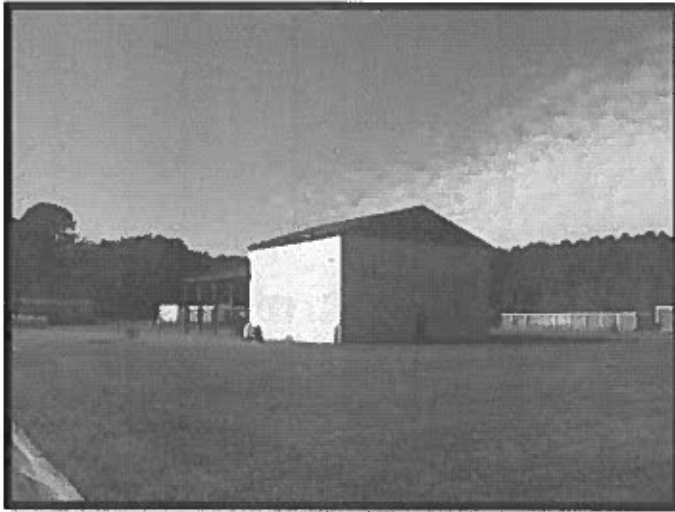
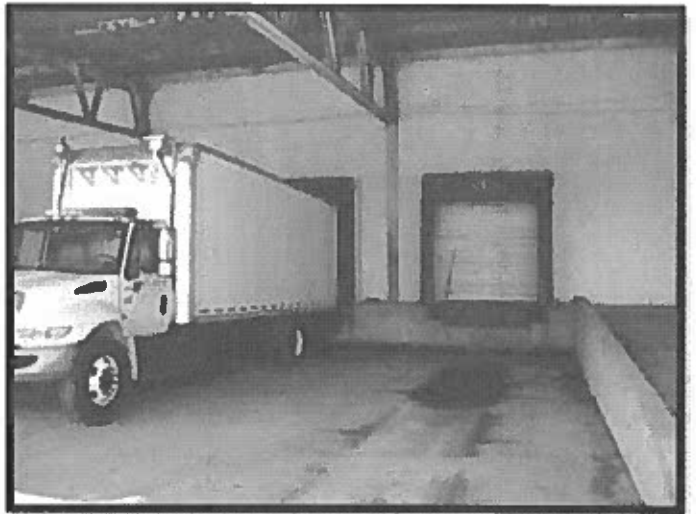
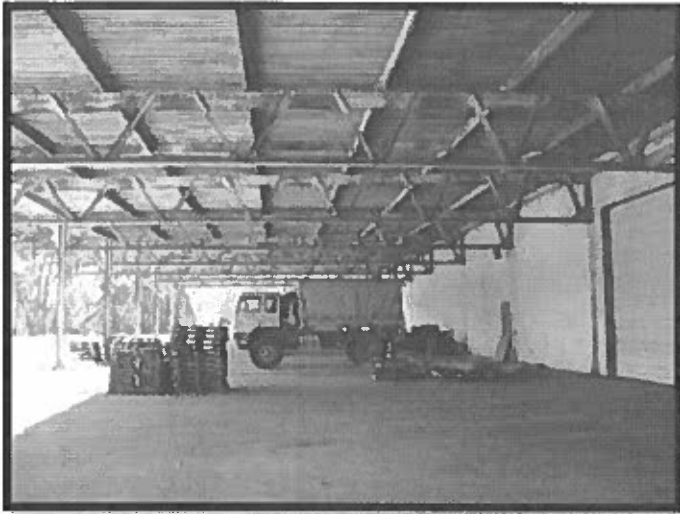
REPRESENTATIVE INTERIOR PHOTOS (Front Office and Storage)



REPRESENTATIVE INTERIOR PHOTOS (Rear Warehouse Section)



ADDITIONAL PHOTOGRAPHS (Covered Storage and Site Improvements)



SUMMARY OF SALIENT FACTS & CONCLUSIONS

IDENTIFICATION: ***Warehouse Facility – Prior Liquor Control Building***
5363 Snow Hill Road (Southwest Side)
West of the Pocomoke River
Snow Hill, Worcester County, Maryland 21863

TAX MAP REFERENCE: Tax Map 63, Grid 4, Parcel 2 (ID #02-007118)

CENSUS TRACT: Worcester County – 9912 (Rural - West Snow Hill Area)

OWNER OF RECORD: County Commissioners of Worcester County

DEED REFERENCE: SVH Liber 5719, Folio 448 (Item: First)
PLAT RECORD: SVH Book 194, Folio 67

SITE: 7.96 +/- Acres (Total per Deed & Plat)

IMPROVEMENTS: 46,575 +/- Square Feet (Total Gross Building Area)
12,625 +/- Sq. Ft. (Front Section)
34,950 +/- Sq. Ft. (Rear Section)

Construction: Masonry Block and Steel Frame Construction
- Painted Metal Panel Exterior Finish
 o w/ Built-Up Metal and Asphalt Roof Cover
- Average Quality Construction (Built circa. 1960)
- Average to Fair Condition (Partial Renovations in past)

Additional Improvements: - 19,500 +/- Sq. Ft. Covered Storage Area
- 1,835 +/- Sq. Ft. Block Warehouse

SITE IMPROVEMENTS: Asphalt paved driveway and parking area, gravel covered parking and drive extension, concrete walks and entrance pads; mature landscaping, and security fencing.

ZONING: C-2; General Commercial District

UTILITIES: Private Well and Septic System
Electric, Cable & Gas provided by private companies.

HIGHEST AND BEST USE: Continued Warehouse with Office Use

EXPOSURE TIME: Within twelve (12) to twenty-four (24) months

INTEREST VALUED: Fee Simple Interest

FLOOD PLAIN MAP: FEMA Map #24047C0242-H, dated July 16, 2015; *Property appears to lie within the 100 Year Flood Plain Area.*
Building elevation appears below flood plain per GIS data

(Continued on Following Page)

SUMMARY OF SALIENT FACTS & CONCLUSIONS (Continued)

IDENTIFICATION: *Warehouse Facility – Prior Liquor Control Building*
5363 Snow Hill Road (Southwest Side)
West of the Pocomoke River
Snow Hill, Worcester County, Maryland 21863

EFFECTIVE DATE: March 16, 2018 (As Is Fair Market Value)
April 17, 2019 (Prospective Fair Market Value)

DATE OF REPORT: April 17, 2018

VALUE CONCLUSIONS

SALES COMPARISON APPROACH	\$1,000,000
COST APPROACH	\$1,425,000
SITE VALUE:	\$ 160,000
INCOME CAPITALIZATION APPROACH:	<i>See Addendum</i>

<i>ESTIMATE OF FAIR MARKET VALUE:</i>	<i>\$1,250,000</i>
<i>UPON COMPLETION OF DEFERRED ITEMS</i>	
<i>LESS: ESTIMATED COSTS TO CURE DEFERRED MAINTENANCE:</i>	<i><u>\$ 260,000</u></i>
<i>FINAL ESTIMATE</i>	
<i>“AS IS” FAIR MARKET VALUE:</i>	<i>\$ 990,000</i>

CERTIFICATION

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved; any specified interest or bias has not affected the impartiality of my opinions and conclusions.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- my reported analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I, William J. Lefort, have made a personal inspection of the appraised property which is the subject of this report. The date of the most recent accessible and peripheral subject inspection was March 16, 2018. The property owner and the designated representative were given the opportunity to accompany the appraiser on the initial property inspection on November 16, 2017;
- the appraiser has inspected (from at least the public street) all of the comparable sales used in the report;
- No one provided significant professional assistance to the persons signing this report.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, I have completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
- I have not revealed the findings and results of this appraisal to anyone other than to the proper person; and I will not do so until so authorize or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified to these findings.
- In my opinion, as of March 16, 2018, the "As Is" Fair Market Value of the subject property is concluded to be \$990,000.



William J. Lefort, President
Maryland General Certified Appraiser #04-20099

April 17, 2018
(Date)

SCOPE OF WORK (PROCESS)

The scope of work encompasses the necessary research and analysis to prepare a report in accordance with the intended use, the *Standards of Professional Practice and Code of Professional Ethics of the Appraisal Institute*, and the *Uniform Standards of Professional Appraisal Practice (USPAP)* of the Appraisal Foundation. The report further performed in compliance with Maryland Department of General Services appraisal requirements and guidelines. In regard to the valuation of the subject property the following steps were performed.

Subject Property Identification

An initial physical inspection of the subject property and surrounding neighborhood was made on November 16, 2017. An additional follow-up inspection of the peripheral of the property and neighborhood was made on March 16, 2018. This later date shall also represent the effective date of valuation. The director of the county department of Development Review and Permitting, Mr. Ed Tudor, accompanied the appraiser during the inspection.

The subject property data was compiled from discussions with the subject property owner, the Worcester County Land Records and Department of Assessment & Taxation, information from the client, and from a personal inspection of the property. The site size and description was obtained from the deed of record and recorded survey for the property. The building size and description was obtained from an inspection and measurement of the structure by the appraiser and compared with the assessment and client provided data. *Any information received is assumed to be accurate and the appraiser reserves the right to review and revise the analysis if any future information is contrary to that provided at the time of the appraisal.*

Noted Deferred Maintenance

During the inspection of the subject property it was noted and identified several items of deferred maintenance within the property requiring immediate repair or replacement. These items included the required replacement of the rear wall for the facility, correct any grading and drainage around the building, abandonment of the old septic tank, and removal of lead paint with repainting of the exterior storage area. A summary of these costs is provided within the addendum to this appraisal.

Market Area Identification and Research

Regional and county data was based on information available from the State of Maryland and Worcester County Department of Economic Development. The town and neighborhood data were based on information from the Town of Snow Hill, the Worcester County Department of Economic Development, and a physical inspection of the area. The Marketability Study and Highest and Best Use analyses were based on data provided by the planning and zoning department, economic development department, Flex MLS statistics, market data and discussions with market participants. From the analysis of these market reflections the Highest and Best Use for the subject property was determined as well as the basis for valuation.

Appraisal Procedure Followed

In the determination of the “As Is” Fair Market Value for the subject property, the appraiser has utilized the Cost and Sales Comparison Approaches to value. At the directive of the client, the appraiser has been requested to incorporate at a minimum a Cost Approach for the purposes of cost analysis and site valuation. As the initial step in analysis, recent transfers of similarly influenced vacant or minimally improved commercial sites were researched and analyzed for an indication of the underlying site value for the subject property. This concluded land value was subsequently utilized within the cost approach. The cost approach was developed utilizing Marshall Valuation Service Swift Estimator, actual comparable cost figures provided by local/regional contractors, as well as general information from our files. The expanded market area representing the Lower Eastern Shore was researched for comparable improved transfers. When necessary, the area was expanded to include more alternative use properties as well as expanded into neighboring Sussex County, Delaware. In developing the Sales Comparison Approach to value, the market data used was collected from our office files, regional Assessment Offices, local and regional Realtors, MLS Services, additional market participants and other appraisers. In support of the two primary approaches to value, an income capitalization analysis was developed utilizing the most reliable information in regards to market rental rates and rates of capitalization from the market. Representing the most subjective of available approaches given the size, age and ownership of the property, this approach is only offered as a basis in support of the other approaches to value.

After assembling and analyzing the data defined in this scope of work, a final estimate of the “Proposed” Fair Market Value for the subject property was made using sound appraisal practice. This value reflects the market-oriented value for the property with full consideration assuming the correction of several items of deferred maintenance noted at the time of inspection. The proposed value represents a prospective value estimate as of an anticipated date of completed within one year of the appraisal date or April 17, 2019. After deduction of the estimated Costs to Cure for the Deferred Maintenance, a final estimate of the “As Is” Fair Market Value is concluded for the subject property. The Market Value conclusions further reflect the reasonable exposure and effective marketing of the property in the open market.

The prospective value conclusion presented herein is subject to curing of the deferred maintenance based on the anticipated cost estimates and schedule plans provided to the appraiser. This valuation is thereby subject to the hypothetical condition that the items of deferred maintenance will be corrected and any repairs or replacements will be compliant to existing zoning requirements and environmental impact studies for the district, constructed of good quality materials and in a good workman like manner consistent with the provided specifications and in accordance with all governmental regulations and codes.

Marketability Analysis and Exposure Time

The market value conclusion provided herein represents the “As Is” condition of the subject property not assuming any contingencies for redevelopment. The market sales data and analysis within the Sales Comparison Approach reflect a range of alternative uses present in the market with respective varying levels of condition and utility for comparison to the subject. The basis for valuation considers the “As Is” condition of the property as of the effective date of appraisal. For a marketable product, such improved warehouse properties of similar utility will typically transfer when priced reasonably and not subject to contingent approval (extended exposure).

Typical exposure times for the market range from 0 days to approximately 2 years for most marketable products. However, the required replacement of the required items may be an item of contingency and/or discount in value. Therefore, an exposure time for the subject property may be extended as subject to such timing. The exposure time would be approximately one-year representative of the existing zoning, and utility for the investment product required by the typical buyer. The Market Value conclusion further reflects the reasonable exposure and effective marketing of the property in the open market typically representing an exposure time of within twelve (12) months to (24) months.

All of the information contained within this summary appraisal has been developed by direct research or from information contained within our office files and verified by representative parties in accordance with Standards Rule 1 of the *Uniform Standards of Professional Appraisal Practice (USPAP)*. Furthermore, this appraisal report is presented in accordance with Standards Rule 2 of USPAP. *The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for the unauthorized use of this report.*

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the Fair Market Value in Fee Simple Interest for the subject property as of the effective date of the appraisal, March 16, 2018. Additionally, the prospective value for the property subject to curing of the deferred maintenance has been provided as of the anticipated data of completion, April 17, 2019.

IDENTIFICATION OF THE CLIENT

The client for the appraisal and prepared appraisal report is identified as Mr. Harold E. Higgins, Chief Administrative Officer for Worcester County, Maryland.

INTENDED USE AND USERS OF THE APPRAISAL

The intended use of the appraisal is to provide the client, Mr. Harold E. Higgin, with the Worcester County Administration with an estimate of fair market value for utilization in determining a cost basis for proposed renovations and/or disposition decisions. The intended users are extended to the representatives of the Worcester County Administration and the Maryland Department of General Services as a potential funding agent for the project.

EFFECTIVE DATE OF APPRAISAL

The subject property was last inspected by the appraiser on March 16, 2018. This date shall also serve as the effective date of this appraisal.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those represented by the Fee Simple Interest in the subject property. The property rights further reflect the property surface rights only. As typical, the particular parties of a transaction rarely consider any impact on subsurface rights in the transaction of a property. Consistent with the request and general market activity, no consideration has been given to any subsurface rights that may be present upon the subject property.

DEFINITION OF VALUE

Fair Market Value

The definition of Fair Market Value as defined within the *State of Maryland Real Property Code Ann. §12-105(b)* is as follows:

"The fair market value of property in a condemnation proceeding is the price as of the valuation date for the highest and best use of the property which a vendor, willing but not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy, would pay, excluding any increment in value proximately caused by the public project for which the property condemned is needed. In addition, fair market value includes any amount by which the price reflects a diminution in value occurring between the effective date of legislative authority for the acquisition of the property and the date of actual taking if the trier of facts finds that the diminution in value was proximately caused by the public project for which the property condemned is needed, or by announcements or acts of the plaintiff or its officials concerning the public project, and was beyond the reasonable control of the property owner."

DEFINITIONS

Ownership Interests:

There are three basic forms of property ownership which may be valued in an appraisal report. They are fee simple interest, leased fee interest and leasehold interest. A definition of each representative property interest as related to the purpose and function of this appraisal report is presented below. The definition has been obtained from The Appraisal of Real Estate, 14th edition.

Fee Simple Interest-

"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."

Market Value "As Is" on Appraisal Date:

An estimate of the market value of the property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualification as of the date the appraisal is prepared.

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. The Dictionary of Real Estate Appraisal, 6th Edition

Replacement Cost

“the estimated cost to construct, at current prices as of the effective appraisal date, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout” The Dictionary of Real Estate Appraisal, 6th Edition

Deferred Maintenance

“Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.” ” The Dictionary of Real Estate Appraisal, 6th Edition

Hypothetical Condition:

“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”. USPAP, January 2018.

REGIONAL MAP - DELMARVA PENINSULA



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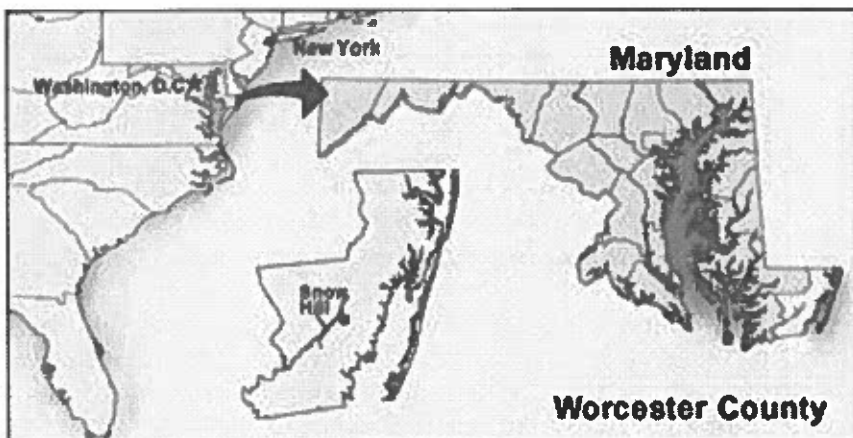
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MARKET AREA DESCRIPTION AND ANALYSIS

REGIONAL DESCRIPTION (WORCESTER COUNTY)

The subject property is situated along the southwest side of Snow Hill Road, west of the Pocomoke River and the town of Snow Hill, in Worcester County, Maryland. Worcester County is located in an area of the State of Maryland known as the "Eastern Shore" and is centrally located along the Eastern Seaboard of the "Delmarva Peninsula." The topography of the county is generally level, covering a land area of approximately 475 square miles and ranging in elevation from sea level to 65 feet above sea level. The county is bordered on the west by Wicomico and Somerset counties, on the south by Accomack County in Virginia, on the north by Sussex County in Delaware, and on the east by the Atlantic Ocean. The resort town of Ocean City, the largest town in the county, represents the easternmost point in the State of Maryland. Major bodies of water include the Pocomoke River, the St. Martin River, the Chincoteague Bay, Newport Bay, Sinepuxent Bay, Isle of Wight Bay, Assawoman Bay, and the Atlantic Ocean.



Transportation

The supporting roadway system for the county includes U.S. Route 50 which transverses the county from east to west and provides primary access to the beach resort of Ocean City. Route 50 is the arterial highway connecting the coastal resort areas to the metropolitan Baltimore and Washington, D.C. areas via the Chesapeake Bay Bridge. Additionally, U.S. Route 113 extends in a northeast-southwest direction through the entire county from Pocomoke City past the Delaware border north toward Dover. Both arterial roads intersect U.S. Route 13, a major North/South corridor road along the eastern seaboard. The ever-improving system of roads include the current U.S. Route 113 dual-ization project, Delaware Route 1 and the Salisbury By-Pass (Route 50) should continue to improve facilitation for the county's presence as a resort destination. In addition to the primary roadways, Worcester County is aptly serviced by many secondary and tertiary roadways including MD Route 12, MD Route 90 and MD Route 374. Additional transportation is provided by air transport by the Salisbury-Wicomico-Ocean City County Regional Airport and the Ocean City Municipal Airport.

Worcester County is located within a four hour drive of the main metropolitan areas of Washington, Baltimore, New York and Philadelphia. The following chart presents the distance of the nearest major metropolitan areas from the county seat of Snow Hill.

<u>Metropolitan City</u>	<u>Distance</u>
Baltimore, MD	124 Miles
Washington, D.C.	138 Miles
New York, NY	245 Miles
Philadelphia, PA	145 Miles
Pittsburgh, PA	342 Miles
Chesapeake Bay Bridge-Tunnel	120 Miles

Population and Income

The total population for the county was estimated to be approximately 51,454 people during the 2010 Census. This population estimate represents an increase of 10.6% beyond the 2000 population of 46,543. While slowing from the trend from 1990, the county has continued to exceed the state level of growth. The chart below exhibits the population trends for Worcester County in relationship to the entire Lower Eastern Shore and State of Maryland.

POPULATION TRENDS						
AREA	2010	2000	1990	1980	Change 1990-2000	Change 2000-'10
Worcester	51,454	46,543	35,028	30,889	32.9%	10.6%
* Lower Eastern Shore	176,657	155,934	132,807	114,617	17.4%	13.3%
Maryland	5,773,552	5,296,486	4,780,753	4,216,975	10.8%	9.0%

* Represents Somerset, Wicomico and Worcester Counties

Source: Maryland Department of Planning & U.S. Census Bureau (2010)

The population of Worcester County has exceeded the growth of the Lower Eastern Shore and Maryland over the past decade. This growth is projected to continue into the next decade. This increased growth in the county can be largely attributed to the growing trend of year round housing in and around the resort town of Ocean City. The following table presents the projected yearly population of the county from 2000 to 2020.

POPULATION FORECASTS					
AREA	2000	2010	Project 2020	Project 2010-'20	Change 2000-'10
Worcester	46,543	51,454	55,300	7.5%	10.6%
* Lower Eastern Shore	155,934	176,657	189,550	7.3%	13.3%
Maryland	5,296,486	5,773,552	6,276,300	8.7%	9.0%

* Represents Somerset, Wicomico and Worcester Counties

Source: Maryland Department of Planning & U.S. Census Bureau (2010)

The main municipalities within Worcester County include the Resort Town of Ocean City, the nearby Town of Berlin, Pocomoke City and Snow Hill. With the exception of Snow Hill, each of these municipalities have generally sustained population over the past decade. These population centers account for 66% of the total population of the county. These towns also represent the major employment and service centers for the county. The population figures below represent the year-round population for the county, while it is noted that the population of the Ocean City resort area surpasses 400,000 during weekends in the peak season period between Late June and August.

The Town of Snow Hill serves as the County Seat for Worcester County and is situated near the center of the county along U.S. Route 113. According to the 2006 Comprehensive Plan for Worcester County, planned development has been allowed for "approximately 18,000 new

residents in designated growth areas at appropriate intensities and by infilling existing communities.” These growth areas include Berlin, Showell, Snow Hill and Pocomoke City.

Worcester County is a major source of recreational activity in the Mid-Atlantic States with Ocean City and the surrounding resort area providing a focal point of this activity. Establishments providing retail and/or service business for the tourism trade account for over 63% of the total private employment in the county. Aside the resort town, various tourist attractions for the county include the White and Blue Marlin Fishing Tournaments, Ward World Championship Wildfowl Carving Competition, The Snow Hill Water Festival, The Pocomoke Cypress Festival and many antique shows. The county has two state parks and one national park along with seven campgrounds and seventeen golf courses. These recreational facilities offers a tourist population an array of activities within the county. Major recreational areas such as Assateague Island State Park and National Seashore, the Pocomoke River and the resort town of Ocean City offer various recreational activities. Predominant recreational activities include canoeing, cruises, bass fishing, hiking, camping, nature observation, sunbathing, surfing, deep sea fishing and golfing.

The income levels within the county reflect a moderate income base. This is evidenced by examining Median Household and Per Capita Income. The following chart displays the Worcester County income levels in comparison to Maryland and National data. The county exhibited an average median household income (2012-2016) of \$57,227. The income level lies above the U.S. Median but representatively below the Maryland median income as influenced by the metropolitan areas of Washington D.C. and Baltimore. The income exhibits a relatively healthy basis for the county and ranks 16th of 24 in the state. The county exhibits the highest income level for the Lower Eastern Shore and also reflects the third highest income levels for the entire Eastern Shore of Maryland behind the wealthier upper shore counties of Queen Anne’s, Talbot and Caroline.

MEDIAN HOUSEHOLD INCOME					
<i>2012-2016 Averages</i>	Wicomico	Somerset	Worcester	State	USA
Median HH Income	\$53,580	\$35,886	\$57,227	\$76,067	\$55,322
Per Capita	\$26,498	\$17,143	\$32,988	\$37,756	\$29,829

Source: Maryland Dept of Planning & U.S. Census Bureau (2018)

Primary retail services for the county are concentrated in the resort Town of Ocean City and adjacent West Ocean City to the west of the south end of town. With the continual expansion of the retail centers in West Ocean City, Berlin and Ocean Pines over the past decade, the overall growth in the retail sales and employment center to the northwest portion of the county should continue into the future. The county offers two main State Enterprise Zones in Pocomoke City and Berlin. The expansion of the MARS spaceport near Wallops Island over the next decade including launch of unmanned supply spacecraft which began late 2011, should directly increase the exposure of the immediate Pocomoke City and larger Worcester County and Lower Eastern Shore market area.

Additional retail services and employment centers are found in the nearby community of Salisbury within 20 miles to the northwest of Snow Hill along MD Route 12. Salisbury is situated at the crossroads of the two major thoroughfares for the “Delmarva Peninsula.” Representing the retail “Hub” for the Eastern Shore of Maryland, Salisbury, with the recent completion of the Salisbury By-Pass, is perceived as strengthening as the primary commercial/retail center of the Delmarva Peninsula.

Development throughout the county over the past two decades has increased on both a residential and supporting commercial sense. The continual development of the existing and proposed planned communities as well as other community subdivision developments within the region will strengthen the year round employment and economic conditions for the entire county. Ongoing developments consist of several condominium projects throughout Ocean City as well as small and large scale residential developments in the Ocean Pines and West Ocean City areas. Considerable price increases and continual westward and southward growth has resulted in the growth of the nearby town of Berlin, offering more affordable housing choices. Furthermore, the overall growth of the county and significant price appreciation in the resort market, now including Berlin, has resulted in an increased demand for housing in the peripheral county sub-markets of Snow Hill and Pocomoke to the south.

Although development appears to be broadening throughout the county, the environmental influence still plays a significant part of the "character" of Worcester County. The temperate and generally mild climate of the area also has served to allow it to become a year-round tourist destination. Natural phenomena which prove to be destructive to real property, such as hurricanes, excessive freezing, and tornadoes are rare. Much of the county's identity is tied to the ocean frontage, waterways, and the wildlife that resides in this area. Therefore, much recreational activity is a direct result of the geographic configuration and scenic views. As this region is a coastal area, the topography is essentially level. Land use patterns indicate a managed growth in residential and very limited growth in commercial development in the eastern resort area of Worcester County. Growth patterns in the central and western portion of the county indicate that development is occurring at a considerable slower pace. This region was, and still is, mainly agricultural in nature. However, land usage continues to gradually shift some agricultural tracts into residential and commercial development.

The Worcester County revised Comprehensive Plan and zoning regulations for the county establishing a pattern for future growth of the county. In an attempt to preserve the rural character of the county, the Comprehensive Plan has established growth zone areas throughout the county, predominantly around existing population centers around Pocomoke, Berlin, Snow Hill, Newark and Showell. The plan is anticipated to effectively curb any sporadic development sprawl throughout the county.

As exhibited by the available market data, the overall county real estate economy tends to have stabilized over the past two years in response to the rebound of the overall national recession. While exhibiting a slow-down in activity and price adjustments in more speculative markets, the overall market has only experienced a correction and appears to have stabilized over the past two years with future anticipation for new growth upon complete rebound of the overall national economy. The entire non-resort county market area has experienced growth in activity over the past two years which is anticipated to continue into the future as the economy continues improvement. Associated with this increasing demand for housing in the surrounding market will be increased interest in more affordable lands as prices ultimately begin increasing. This activity appears to have begun as home prices have begun to increase with average lot prices on a county level increasing over the past year.

As most of the county consists of agricultural tracts intermingled with sporadic towns and communities, much of the concern regarding environmental hazards such as traffic, noise, and the aforementioned encroachment upon sensitive ecosystems is centered around the resort area along the coastline. Traffic concerns were the focus of past State government administrations in a program known as "Reach the Beach". The main highways to the resort areas were widened and by-passes installed including the Salisbury By-Pass and the ongoing dual-ization project along Route 113.

Worcester County Summary

In summary, Worcester County governmental leaders have been aggressive in attracting alternative industries, attracting residential development and broadening the resort attraction to expand its economic base. The continual presence of the resort Town of Ocean City will offer the basis which should assure the continued growth in all aspects of the region including associated needs for residential housing developments. Furthermore, the presence of affordable lands offers a competitive aspect to the more metropolitan areas in the Mid-Atlantic area. Therefore, the regional area encompassing Worcester County and the Lower Eastern Shore of Maryland is considered to be in a present stage of growth which should continue into the forthcoming years of the new century.

Overall, the environment of Worcester County has been a very positive and significant influence on this region and it appears as if the necessary steps are being take to retain its positive attributes. An analysis of the general regional data and the four forces (social, economic, governmental, and environmental) reveals that Worcester County is growing and healthy, striving on the tourism industry that drives its economy. Ocean City has guided the continued growth of the entire county even through past economic downturns to be representatively strong and stable and offering a major influence to the entire Peninsula. Property values have begun to rebound over the past year after experiencing corrections during the recent recessionary period. Property values should continue to rebound with the increasing demand for additional residential development, and the supporting retail operations and services provided throughout the county. In conclusion, there is a healthy economic base for the region with prospective for large population growth and employment expansion into the 21st Century. The overall economic outlook for this region is relatively good.

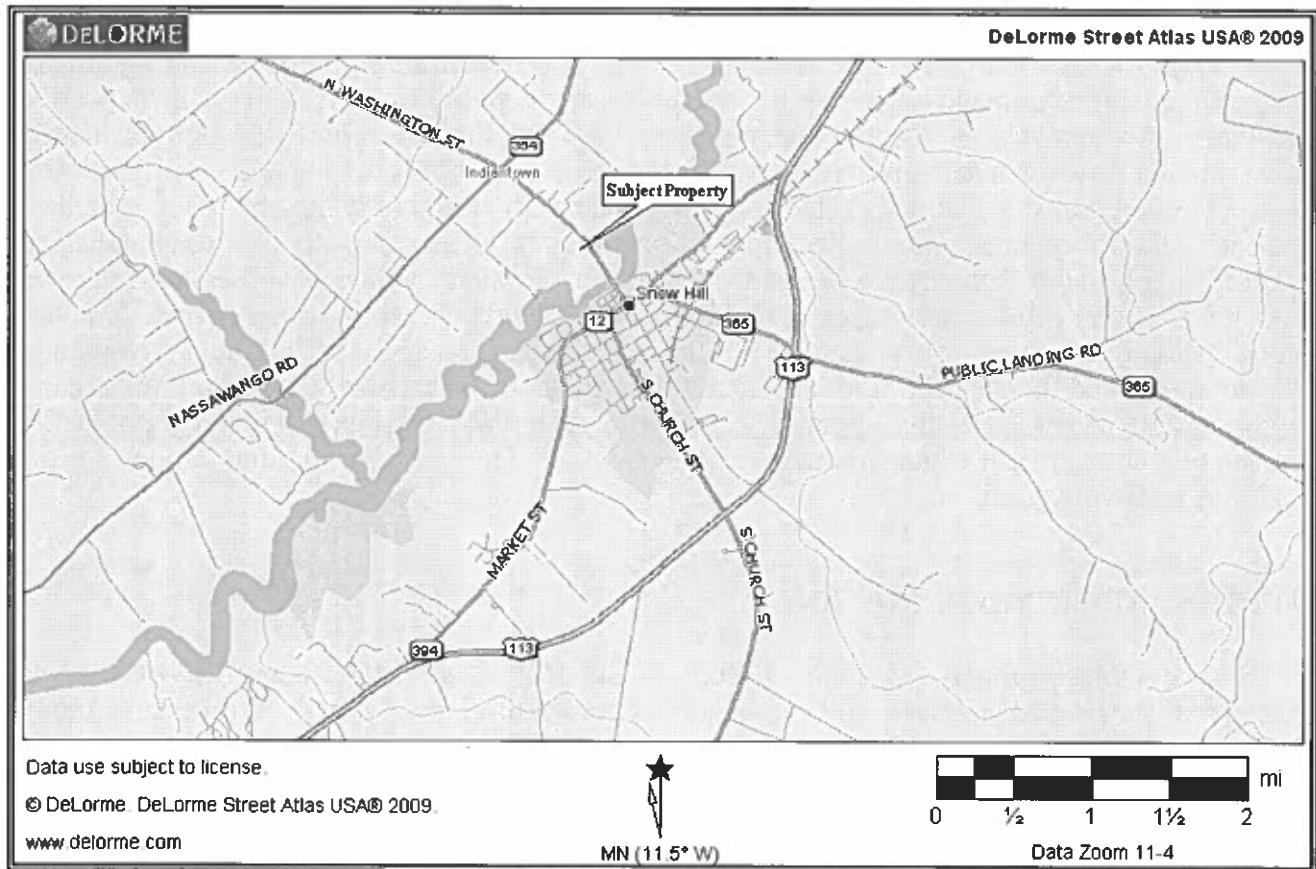
NEIGHBORHOOD DESCRIPTION

The subject property is situated along Snow Hill Road (MD Route 12), west of the Pocomoke River and the downtown area of the town of Snow Hill, in Worcester County, Maryland. The subject neighborhood is designated by the entire Town of Snow Hill and the general surrounding area in central Worcester County. The associated postal code for the Town of Snow Hill is 21863. Serving as the County Seat, the Town of Snow Hill also serves as a secondary commercial center within the county exhibiting a removed location from the resort areas to the northeast portion of the county. The general boundaries for the neighborhood are established by U.S. Route 113 to the south and east and the Pocomoke River to the north and west.

A neighborhood can be defined as, *"a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."* A market area is defined as, *"the geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probably, potential purchasers and users."*

* "The Appraisal of Real Estate", Fourteenth Edition, Appraisal Institute, Pg. 156.

The present primary influence on the neighborhood is the nearby Town of Snow Hill to the east. Serving as the County Seat, the Town of Snow Hill also serves as a secondary commercial center within the county exhibiting a removed location from the resort areas to the northeast portion of the county. Access to Snow Hill is provided via MD Route 12 (Snow Hill Road), running in a northwest/southeast direction, and U.S. Route 113 (Worcester Highway), running in a northeast/southwest direction. The Pocomoke River borders the municipal area of Snow Hill on the northwest. Snow Hill provides for the government center for the larger resort influenced county. Population for the area is concentrated in the town centers. The primary commercial services for the area are provided within the City of Salisbury to the west with secondary services in Berlin to the east and Snow Hill to the south.



Of particular importance to future growth, the ongoing dual-ization project for U.S. Route 113 is presently in the engineering and construction phases northeast of Snow Hill. The most recent completion of the widened four lane road extends past Public Landing Road terminating at Purnell Branch to the east of Snow Hill. The current phase under construction will extend the road northward toward Newark. Completion of this project within the next couple years with planned completion of the entire road within three years should increase the overall traffic and ultimate appeal of the town in the future.

While providing a gradually expanded economic base, emphasis continues to be placed on developing the town's full historic and recreational potential, while continuing to maintain Snow Hill's quaint atmosphere. The Town of Snow Hill had a population of 2,103 based on the 2010

Census data. This figure represents a significant decrease of 13% from the 2000 figure of 2,409 which offered a modest growth over the prior decade of 8.7% beyond the 1990 census figure of 2,216 people. Unfortunately, the area has experienced a shift of population from the town limits to the peripheral areas of the county as exhibited by the surrounding Census Data for tracts 9512 and 9513 (inclusive of Snow Hill) which exhibited a slight population growth from 5,863 to 5,907 from 2000 to 2010.

A large-scale project was planned for the town to increase the exposure and interest in the town. However, the community of Summerfield never got underway with the economic recession stymieing the development before construction began. The large-scale development was proposed for a total of 2,170 housing units on nearly 1,000 acres of land situated along the Pocomoke River to the southwest side of the town. As contingent upon annexation for the lands, the developer originally agreed to construct a new wastewater service facility for Snow Hill at an estimated cost of approximately \$15,000,000 which also remains on hold. Most of the lands associated with the development have been sold off to regional farmers and investors with the anticipation for development limited for the foreseeable future.

The surrounding Snow Hill market area is experiencing a recent stage of stabilization headed for a renewed growth in the future. Snow Hill is influenced by its geographical location, presence as county seat, and affordable cost of living representing an expanding bedroom community and commercial sub-market for the Lower Eastern Shore area. As the county residential growth continues, the demand for supporting commercial, service and institutional uses will expand. The immediate area and associated users should continue to grow and develop with the ever-increasing population for the entire supporting market area.

Although not providing a large commercial and employment center, the economy of the area appears to be continually growing and strengthening as the surrounding population and transient traffic gradually increases and new businesses and services arise. The economic outlook for the area is one of continued growth on a modest scale with the anticipation for increased growth as a larger regional industrial and service center in the future. The entire neighborhood area is considered to be in a stage of new growth with the gradual addition of residential uses as well as commercial and service oriented uses supporting the increasing appeal of the area. The immediate area and associated users should continue to grow and develop with the ever increasing population for the entire supporting market area.

The concentration of commercial development within the town is centered in the Downtown Area. The Downtown Area contains several historic buildings, the court house, and State and County administrative office space near the waterfront. Occupancy within the older storefronts include office space, retail, antiques, and restaurants catering to the downtown traffic. The most recent development within the downtown area has been 65,000 +/- Square Foot expansion on the County Courthouse and Worcester County Administrative Offices during 2001.

Additional commercial centers include along both extensions of Market Street from downtown. To the south end of the town are several commercial uses including an older convenience store and professional office center situated near the Snow Hill Rehabilitation Center.

To the north end of the town is a small enclave of retail space situated near the U.S. Route 113 bypass. This area contains a McDonalds restaurant, Convenience Store/Restaurant and Drug Store and a Dollar General store. A large Tyson growing operation and the MD State Highway local administrative offices are situated across the street from the convenience center.

Recent developments within the town over the past decade have included the construction of the Fulton Senior Center, expansion of the Recreational center, Heaths Manor townhouse (senior) apartments, new Snow Hill Volunteer Fire Station, and the Greenbrier Townhouse Apartments. All of these developments are concentrated to the east of town toward Route 113. Several small residential developments have been developed, approved and/or are pending within the town limits to accommodate any future demand needs for the foreseeable future. Of these developments, only Rockwood (80 units), Morgan's Purchase (26 units), and Huntingfields (51 units) have initiated any development within the past five years.



The subject property is situated to the northwest of and immediately outside of the historic Downtown area the Pocomoke River waterfront. This area is predominantly commercial service service oriented with the subject government warehouse, surrounding mini-storage, a restaurant, a convenience store and a day care center. The area is mostly built-out along the buildable areas along the Snow Hill Road frontage extending northwest from the Pocomoke River.

Associated with the past recessionary period and failure of the proposed large scale Summerfield project, the surrounding Snow Hill market area is experiencing a current stage of stabilization headed for a renewed growth in the future. Snow Hill is influenced by its geographical location, presence as county seat, and affordable cost of living representing an expanding bedroom community and commercial sub-market for the Lower Eastern Shore area.

As the county residential growth continues, the demand for supporting commercial, service and institutional uses will expand. The immediate area and associated users should continue to grow and develop with the ever increasing population for the entire supporting market area.

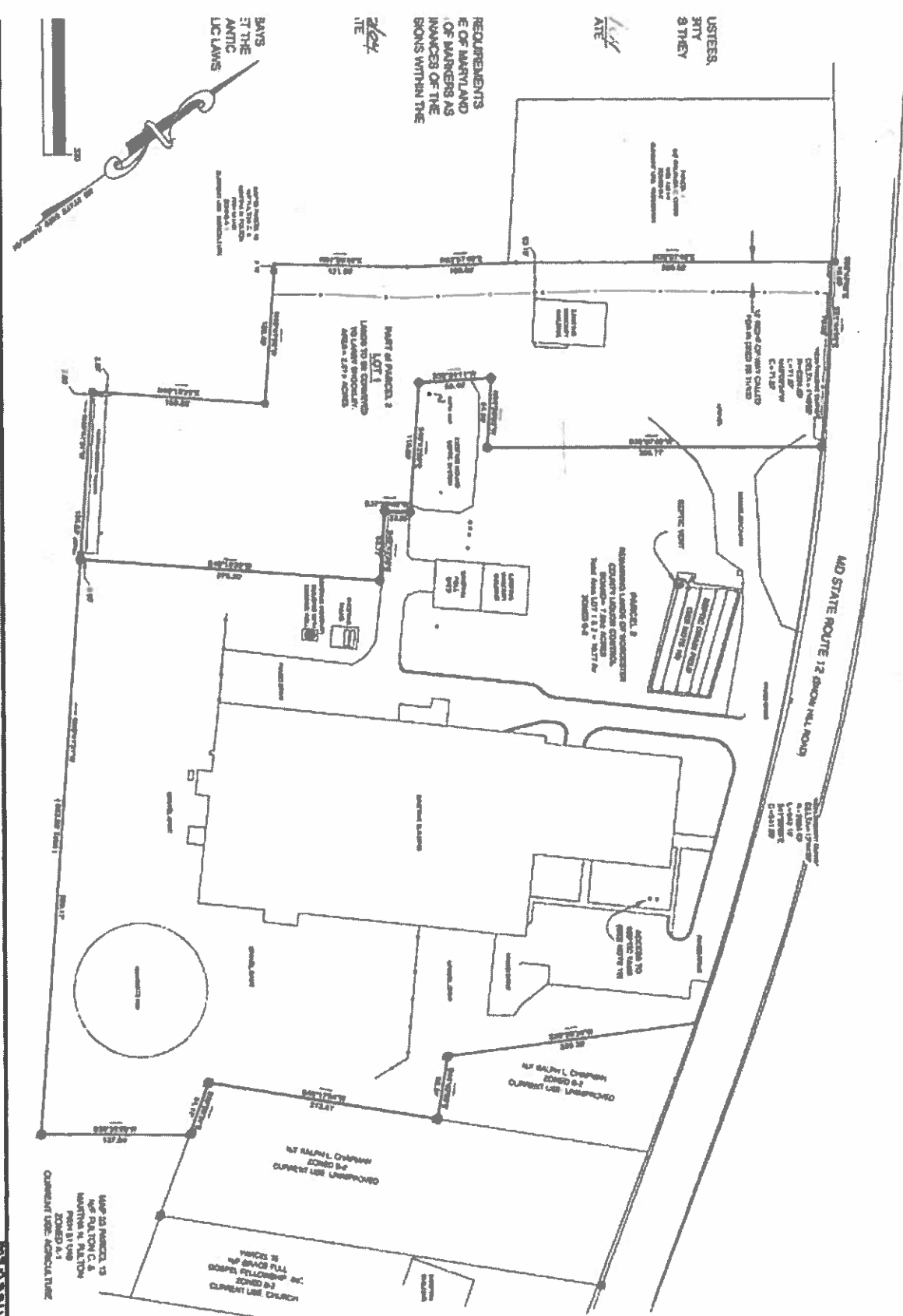
In conclusion, the subject neighborhood is a mixture of retail, restaurant and service related uses catering to the immediate neighborhood. The subject property is well situated in the primary commercial area towards the north end of the town and should continue to offer a primary commercial area serving the entire Town of Snow Hill. Any redevelopment and/or renovation of the subject building should cater to the future needs of the Town. The entire Snow Hill area is considered to be in a stage of renewal/renovation with many properties under new ownership or performing extensive renovations over the past five to ten years. With the concentration of the Town as the County Seat, future demand for retail and commercial service uses should continue.

SITE PLAT

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CORPORATION, ATLANTIC GROUP, AND ITS SURVEYOR AGENT,
ASSUME NO LIABILITY TO ITS EXISTENCE OR EXACT LOCATION AS
IT IS A SUB-SURFACE STRUCTURE AND IS UNABLE TO BE VISUALLY
VERIFIED

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 - - IRON STOB FOUND
 - - UNMARKED POINT
 - - IRON PIPE FOUND



DESCRIPTION OF THE SUBJECT PROPERTY

The subject property is situated along the southwest side of Snow Hill Road within ¼ miles of the Pocomoke River and the Downtown area of the town of Snow Hill. The subject site is comprised of approximately 7.96 +/- of land area which is presently improved with a warehouse and office building offering a total of 47,575 +/- square feet of gross building area. The property is utilized for storage for Worcester County and previously housed the Liquor Control and was previously utilized for an agricultural implement sales facility.

LEGAL DESCRIPTION & HISTORY OF OWNERSHIP

As recorded within Land Records of Worcester County in SVH Liber 5719, Folio 448, the subject property is currently in the ownership of County Commissioners of Worcester County. This most recent deed of record dates to July 1, 2011 and represents a confirmatory deed in change of department ownership from the Worcester County Liquor Control Board to the present County Commissioners ownership. The deed of record provides for a complete legal description for the subject property as referenced within "Item First" therein. Additional reference is made to the most recent deed of record as recorded in SVH Plat Book 194, Folio 67. As recorded within the deed of record, the subject parcel offers a total area of 7.96 +/- acres. The subject property is also identified by the Worcester County Department of Assessment and Taxation as being on Tax Map 63, Grid 4, representing Parcel 2.

With the exception of the past internal ownership transfer, no other recent transfer history, current contracts or listings of the subject property were discovered nor disclosed to the appraisers. Copies of the above referenced deed and plat of record and listing sheet are provided within the addendum to this appraisal while an excerpt of the site plan is provided on the prior page.

The subject parcel appears to be subject to any additional standard public ways and utilities rights-of-way and easements of public record. While the site appears to share some cross access with the adjacent lands, the site does not benefit from any recorded easements to shared access. No other easements or encumbrances were discovered nor disclosed during the period of research. Inclusive of any public utility easements of record, no adverse easements, encroachments or encumbrances were noted or discovered by the appraisers during our research. Any existing easements of public record do not appear to impact the overall utility and effective marketability of the subject property.

SITE DESCRIPTION

Site Size/Configuration: The subject site offers an irregular shape conforming to the road frontages with a total area of 7.96 +/- acres. The site offers 543 feet of frontage along Snow Hill Road. The depth of the site varies to a maximum of about 675 feet. The boundaries are established by the adjoining commercial properties to the northwest and southeast and overgrown wetland area to the rear.

Topography/Drainage: Drainage for the site appears adequate and is facilitated by on-site grading toward the street frontage swale and rear low-lying areas. The site does not presently benefit from a stormwater management system.

Access: The property benefits from two primary curb cuts along the frontage of Snow Hill Road. The road is state maintained with a total right of way of 50 to 60 feet in the area of the subject site. Snow Hill Road (MD Route 12) provides for direct access to Snow Hill to the southeast extending into the historic downtown district of the town.

Utilities: The site is not serviced by public water and sewer service. No anticipated extension of services is planned for the immediate neighborhood. Additional gas service, electric, and communications are provided by private companies (Chesapeake Utilities, Delmarva Power, Comcast/Xfinity, Verizon Communications, etc.). Gas is provided by an on-site underground Propane storage tank.

Overall Utility: The entire subject site appears to offer average overall utility exhibiting an adaptable larger commercial lot size, with good configuration and frontage to accommodate the commercial and/or industrial service uses.

Flood Plain: As presented upon the following exhibit, the subject property appears to fall within the 100 year flood plain area as shown on FEMA Community Map #24047C-0242-H, dated July 16, 2015. As presented by the elevation certificate for the property, the existing improvements appear to fall below the flood elevation of 7 feet at a height of 5.2 to 5.8 feet. While within the flood plain area, the improvements have only been subject to high water in rare storm systems in the past.

Subject Flood Map



IMPROVEMENTS

The subject site is currently improved with a structural warehouse and office facility presently occupied by Worcester County as an equipment and vehicle storage facility. The Gross Building Area (GBA) for the entire property is estimated to be approximately 47,575 square feet. Construction of the original facility dates back to 1960 with the most recent cosmetic renovation performed during 2005. A description of the existing structure situated on site is below.

DESCRIPTION:

The primary improvements are generally separated into two structures representing a front mixed office/retail and warehouse space and the rear larger warehouse structure.



Front Section:

The front building measures approximately 101' X 125' for a total area of 12,625 +/- square feet. Approximately 8,750 square feet of this space is some finish of conditioned space previously utilized for office and sales service space. The remainder is warehouse space situated along the northwest side. A small mezzanine area of approximately 3,250 Sq. Ft. is situated above some of the finished floor area and is available for storage.

Rear Section:

The larger rear section totals 185' in width. The enclosed area of this rear section measures approximately 115.3' X 303' for a total area of 34,950 +/- square feet. The space is entirely open warehouse area at a 20' height separated into two sections with roll-up fire doors. Attached to this section of the building is an extended structural overhang to the southeast side of the structure offering covered storage area. This area occupied approximately 19,500 square feet.

The space is generally broken out as:

Front Structure: 12,625 +/- Sq. Ft. (7,950 +/- SF – Finished)
Rear Structure: 34,950 +/- Sq. Ft.

Total Enclosed Space: 47,575 +/- Sq. Ft. (Gross Building Area)

Covered Storage Area: 19,500 +/- Sq. Ft.

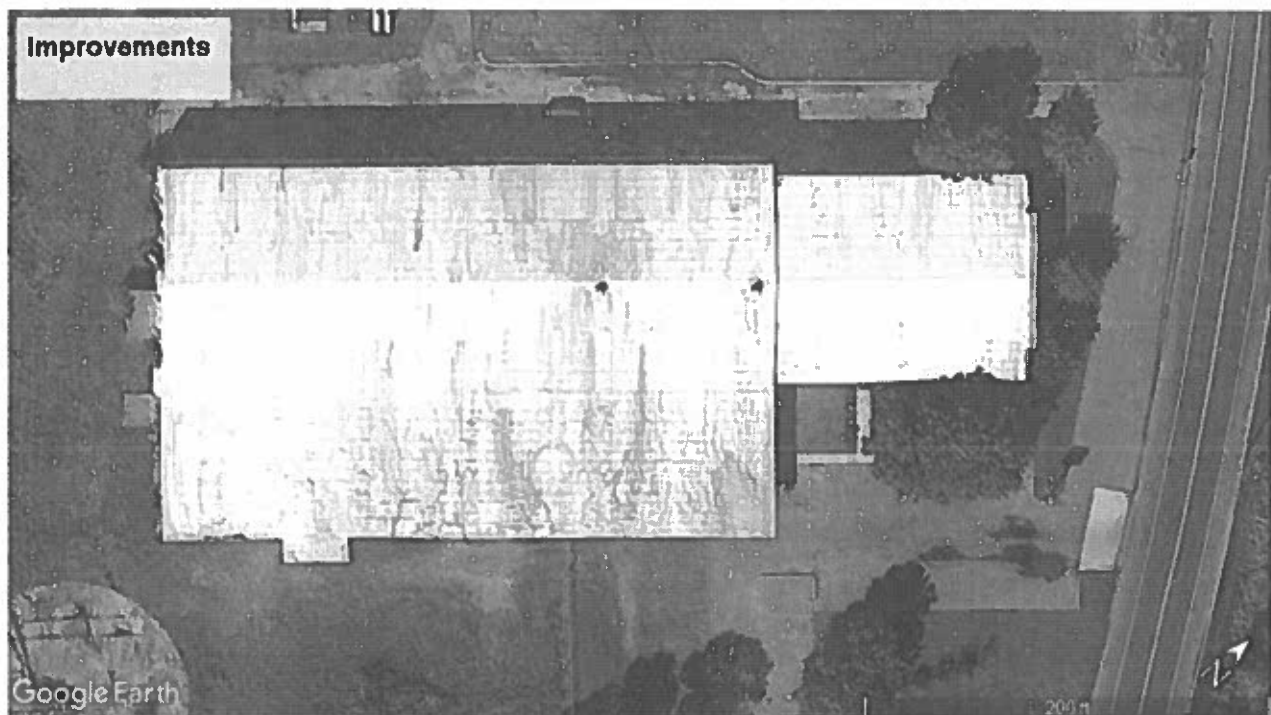
CONSTRUCTION:

Front:

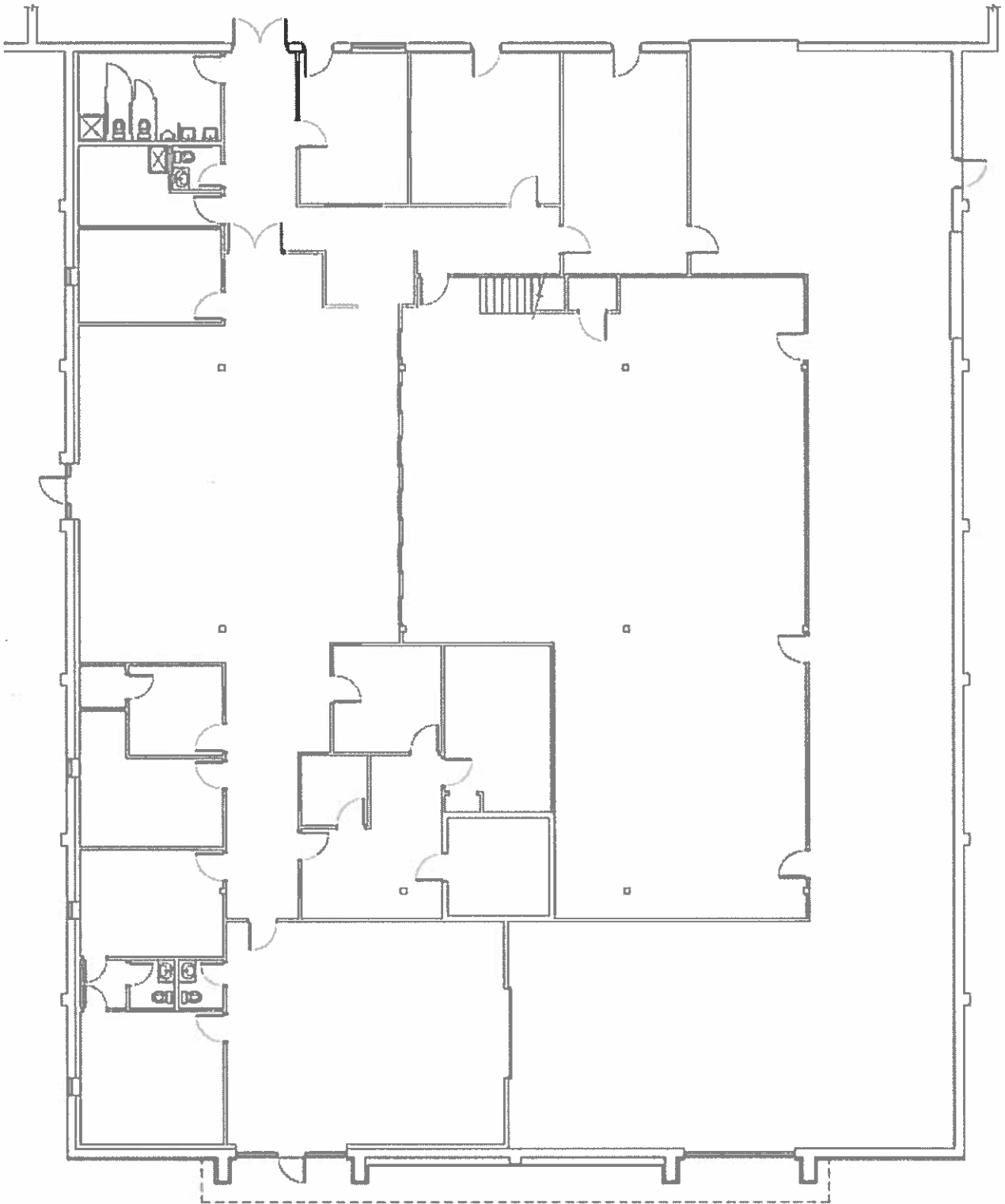
Construction of the front structure developed over the age of the facility offering the original structure gradually expanded. This section consists of a mixed construction comprising steel frame, masonry block, with a wood frame and steel roof system. The roof system is a built-up synthetic membrane cover over metal panel over a wood plank base and metal panel system. The Foundation and subfloor is comprised of masonry block with a poured concrete slab. Overall eave height for this structure is approximately 18 Feet with a peak height extending to approximately 20 Feet.

Rear:

Construction of the rear structure consists of a heavy steel frame and girder structure with masonry block exterior walls. The roof system is a built-up synthetic membrane cover over metal panel on the girder system. The Foundation and subfloor is comprised of masonry block with a poured concrete slab. Overall eave height for this structure is approximately 20 Feet with the middle section slightly elevated. Peak height extends to approximately 24 Feet.



FLOOR PLAN (Front Section)



EXISTING CONDITIONS FLOOR PLAN

SCALE: 1/8" = 1'-0"

EXTERIOR:

The entire structure is finished with metal panel exterior walls with minimal trim. The exterior is finished with a vinyl soffit and aluminum fascia, gutters and downspout. Windows are an aluminum retail glass.

INTERIOR:

Rear Warehouse:

The interior of the space is separated into two sections representing the front and rear sections. The rear section and the northeast area of the front section comprise unfinished storage warehouse space. This space is exposed masonry block on a concrete slab. The space is heated with gas fired suspended radiant heaters of varying condition.

Front:

Overall interior finish in the front conditioned section accounts for approximately 8,750 square feet per the client's figures. This space offers a varying level of finish from open rooms for storage or R&D to smaller office spaces. Interior finish is basic with a combination of commercial grade carpet, sheet vinyl composition flooring, painted drywall walls and painted ceiling at an 8' finished level. Basic painted wood trim is provided throughout with minimal ornamentation. Finish consists of painted drywall and paneled walls with composition tile and carpet flooring. The ceiling is finished with an acoustical drop system in most portions of the finished area. Insulation of the structure appears adequate upon inspection. An available floor plan of the space is provided on the prior page. Cabinetry is provided within selective offices and in the breakroom.

MECHANICALS:

Lighting is provided by an array of systems including flush mounted fluorescent lights, sodium based warehouse lighting and incandescent units. The lighting has not yet been upgraded to more energy efficient units. A primary transformer is situated on the site which provides access to the multiple electrical panels serving the entire structure. Plumbing systems appear to be operational as provided in the bathrooms and kitchen units. However, each of the available restroom units would require upgrade upon the ultimate renovation of the conditioned space for final occupancy.

HVAC is provided by varying individual heat pump systems to the conditioned space. The units are of varying age and are reported to cross over systems within the finished space. Heat is serviced by the heat pump units and suspended radiant air systems. The individual air conditioning units and exchanges appear to date past ten to fifteen years and should require replacement as demanded in the future.

Covered Storage: Situated to the east side of the rear warehouse section is a 19,500 square foot covered storage area. The covered area offers an extension of the structural improvements and extend approximately 65 feet X 303 feet. This storage area offers similar structural steel and is improved with a heavy concrete slab and double recessed bays with docks.

SITE IMPROVEMENTS: Site improvements consist of the asphalt paved Access Drive and Parking Lot improvements. An elevated loading dock and ramp is improved on the northwest side of the warehouse. Additional site improvements include; concrete sidewalks and limited landscaping. The site benefits from off-site concrete curbing along the street frontage. Site drainage is facilitated by general grading toward the street improvements. The site is not presently improved with a modern stormwater management system. *Please note that the circular masonry area to the south corner of the site identifies the location of the prior wastewater treatment tank from a prior canning operation on site and is abandoned.*

UPDATES REQUIRED: The overall condition of the improvements is below average, but several items of a deferred maintenance level were noted at the time of inspection. Additionally, the improvements will require some renovations and upgrades over the next 5 to 10 years to sustain occupancy of the facility. As presented by the client, intensive renovation would require accommodation to current codes which will generally limit the overall future continued utility. Thereby, utility will continue to be akin to the overall contribution of the improvements in lieu of any alternative replacement product.

Deferred Maintenance: Items of a deferred nature of the improvements were identified by the client and appraiser. These items include a required significant repair to the rear wall structure. The settlement of the wall requires engineering and full replacement for long term structural stability. Additionally, the old septic tank requires proper abandonment and any existing leaks within the facility require repair covering any necessary environmental and health concerns for the facility. Lastly, the exposed painted open storage space has been identified as containing potential lead paint. This area requires proper scraping and painting for abatement to sustain utility as well. As presented by the client representative and included in the addendum to this appraisal, the total costs for these curable items for short term replacement amount to \$260,000. This figure will be utilized within the calculations later within the valuation section.

Utility Considerations: In addition to the short term deferred maintenance items, the facility will require upgrades and renovations to several items to sustain utility for the foreseeable life of the structure. Initially, the metal exterior panels extend beyond the slab of the structure and require some replacement in damaged and rotted areas. The facility is not fully ADA compliant as associated with the dated structural improvements. Furthermore, the structure is not serviced with a sprinkler system. Any future renovation should consider upgrade in the necessary areas. As presented above, the structural improvements presently fall below the flood plain for the area. This elevation limits the potential for extensive renovation of the facility. However, the association would not limit overall utility and can accommodate an array of users, particularly with no continual flooding presence.

ADDITIONAL: Situated to the northwest side of the building is a small block structure presently occupied and leased to a landscape contractor. The plain building offers a total of 1,835 +/- square feet with an approximate 22' eave height. A similar sized covered pavilion area is attached to the rear of the building. This structure offers limited overall contribution to the property but is available for added utility. The lease is short-term and does not impact the overall utility of the larger property.

OVERALL UTILITY: The original improvements were built in 1960 with renovation for tenant occupancy most recently around 2005. The building offers an overall below average condition with overall average utility. While dated, the larger site size and improvements with open ceiling height with good general accessibility benefit the overall utility to the average level for the market for a competitive product. Overall utility for the property is considered for the adaptable warehouse storage use in consideration of the anticipated remaining life and any limiting utility.

ACTUAL AGE:	57 Years (Built 1960)
EFFECTIVE AGE:	~ 20 Years
TOTAL ECONOMIC LIFE:	40 Years (20 years remaining)
CONSTRUCTION QUALITY:	Average to Good Cost Steel/Masonry Frame
CONDITION:	Below Average

In conclusion, the subject's existing improvements are adequate for its continued utilization as a warehousing facility. The improvements were inspected and are of an average construction and below average condition. Considering the overall condition and extent of improvement of the subject space, the overall subject site and improvements appear to offer functional utility for an array of users for the space. Specifically, the improvements offer a viable alternative to more expensive new construction facilities. The overall utility of the property is considered average for marketability.

Hazardous Waste

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde, foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Handicapped Access

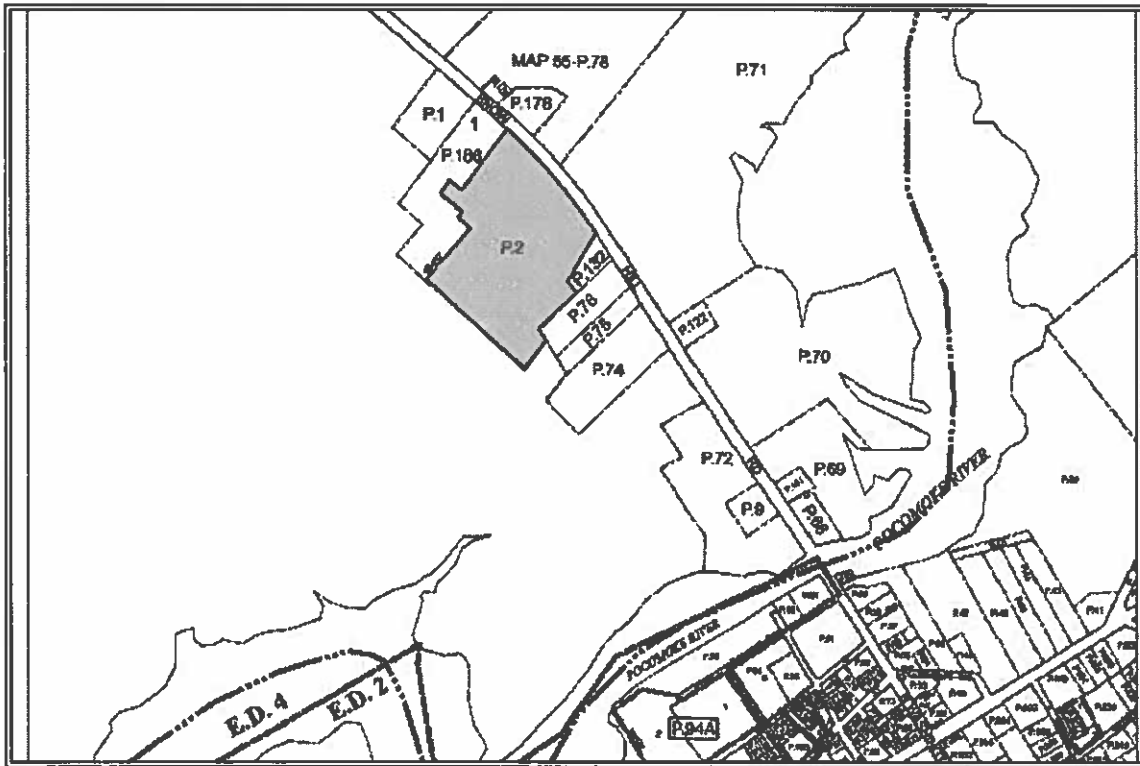
The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that such a specific survey and analysis could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

Subsoil Conditions

I have inspected the land and the improvements; however, it is not possible to observe conditions beneath the soil or hidden structural, or other components. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil being appraised appears firm, however, subsidence in the area is unknown. I do not warrant against this condition or the occurrence of problems arising from soil conditions.

ASSESSMENT AND TAXATION

The subject property is identified by the Worcester County Office of Assessment and Taxation as being on Worcester County Tax Map 63, Grid 4, representing Parcel 2. The current indicated Market Value and Assessment for the subject property is as presented below. The subject is located outside of the Town of Snow Hill and has an associated tax rate of \$0.835 for the county, and \$0.112 for the State of Maryland for a combined 2017/18 tax rate of \$0.947 per \$100 of assessed value.



Current Assessment and Tax Liability

	<u>Land</u>	<u>Improve.</u>	<u>Total FCV</u>	<u>Assessed Value</u>
Parcel 2 (#02-007118)	\$157,100	\$808,300	\$965,400	
Phase-In Assessment (2017-2020)				\$965,400
Total Tax Load (2017-2018)				
	\$965,400 X \$0.947/100 = \$9,142.34 (Exempt - Government)			

ZONING

The subject property currently lies within a C-2; General Commercial District as identified by the zoning ordinance for Worcester County. As stated within the code, the purpose of this district is “intended to provide for more intense commercial development serving populations of three thousand or more within an approximate ten to twenty minute travel time. These commercial centers generally have higher parking demand and greater visibility...Commercial structures and uses must be compatible with the community and the County’s character...”



Permitted uses within this district include, as a representative list; motels & hotels, retail businesses, restaurants, indoor commercial recreation establishments, commercial parking lots and parking garages, contractor shops, warehousing, self-storage centers, vehicle, watercraft and equipment sales and service uses, day-care centers, churches, firehouses, public or private uses. An array of permitted uses and several additional uses are permitted by special exception upon approval.

The subject property as currently improved appears to be a legal non-conforming use, as grandfathered into the present Code for Worcester County. The primary item of non-conformity is the lack of current storm-water management systems associated with the dated improvement of the facility.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use is defined in *The Dictionary of Real Estate Appraisal, Sixth edition*, published by the Appraisal Institute, 2016, as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.”

The analytical process involves a careful study of both the impact and the relationship of each factor to the subject property, and the highest and best use conclusion reflects the optimal combination of these factors.

HIGHEST AND BEST USE “AS IF VACANT”

The first step in the appraisal of real estate is the determination of the highest and best use as if the site was vacant and available to be put to its most productive use. This analysis is important to both unimproved and improved sites. In the appraisal process, the highest and best use analysis determines the comparable sales to be utilized in the valuation of the subject.

Legally Permissible

As described in the “zoning” section of this report, the subject property is zoned within a C-2; General Commercial District. Permitted uses within this district include, as a representative list; motels & hotels, retail businesses, restaurants, indoor commercial recreation establishments, commercial parking lots and parking garages, contractor shops, warehousing, self-storage centers, vehicle, watercraft and equipment sales and service uses, day-care centers, churches, firehouses, public or private uses. The site does not appear to offer any legal limitations to restrict the extent of legally permissible uses for the property.

Physically Possible

The subject property consists of a total area of 7.96 +/- Acres. The site is generally rectangular in shape and situated just outside of the downtown area of Snow Hill near the Pocomoke River waterfront. Based on the zoning regulations, the overall site could accommodate an array of Legally Permissible Uses. The size of the site would allow for future subdivision for a single occupant or multiple users. The lands generally fall below the flood plain level for the area. While not restrictive, this designation will result in increased construction requirements and insurance costs associated with the improvements.

Financially Feasible

The question of financial feasibility requires the examination of the subject neighborhood and the uses which would result in adequate net return to an investor or developer. The location of the subject site is within a commercial service area for the immediate Snow Hill area. The local and regional market area has been expanding as a result of accountable population growth over the past three decades. Any financially feasible use consistent with uses present in the neighborhood area would be considered reasonable. Given the limitations upon the site, future

utility would likely suggest a more industrial service type use as presently existing nearby as warehousing uses and/or self-storage facilities.

Maximally Profitable

The location of the subject property is immediately outside of the town of Snow Hill within a general governmental and general professional office market area. Most associated uses including the subject tend to cater toward the governmental influence of the area. From the analysis performed in the valuation section of this report, it appears that the utility of the property with an industrial warehouse or service oriented use would represent a financially feasible use of the site. More intensive commercial retail uses would likely require public utilities or more intensive development plans. The site appears to be situated in an area of secondary exposure for the area. Therefore, the Highest and Best Use for the subject property "As If Vacant" would be for future development of a commercial service and/or industrial warehouse type use within the permitted uses consistent with the existing and nearby uses.

Highest and Best Use "As Improved"

The subject property is currently improved with a warehouse facility occupied by the county government. The existing improvements represent a legal non-conforming use as grandfathered in the present code. These improvements appear to represent the ideal improvement representing the highest and best use "as improved" for the site as no alternative use would warrant the demolition of the improvements for any alternative uses at the current time. The improvements lend toward a continued warehousing and commercial service use. Therefore, based on the analysis presented above, it is determined that the current Warehouse use represents the Highest and Best Use "As Improved."

THE APPRAISAL PROCESS

The appraisal process is a systematic method of gathering data regarding sociological, physical, economic and governmental forces in order to analyze and interpret their influence, in terms of value, on a specific real property. In this process three basic approaches are typically used - the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. Each is based on the principal of substitution which states that an informed purchaser would pay no more for the rights in a particular real property than the cost of acquisition without undue delay for an equally desirable one.

The Sales Comparison Approach is essential to almost every appraisal of the value of real property. In this approach, sales of similarly improved properties are analyzed as to their price, terms and conditions of sale. These sales are then compared directly to the subject and adjusted for any differences in time, location, physical characteristics and other factors affecting value. The resulting adjusted sales should indicate a range of value for the subject property. Varying degrees of judgment on the part of the appraiser are involved in the comparative process. The reliability of this approach depends on the availability of ample and adequate sales data for comparison to the subject.

In the Cost Approach, the site is valued as if vacant and available to be put to its highest and best use. Land value is estimated by the sales comparison approach which involves comparing the subject site with similar unimproved parcels which have recently been sold or are currently offered for sale. The replacement cost new of the improvements is then estimated less any accrued depreciation from all causes including physical, functional and external. This depreciated value of the improvements is then added to the site value for an indication of value by the cost approach.

The Income Capitalization Approach estimates the present worth of all future benefits, either in money or amenities, anticipated through the ownership of real estate. This is generally measured by developing a net income stream which a fully informed person is warranted in assuming the property would produce during its remaining useful life. Operating expenses of the property are then subtracted from the income to establish a net operating income. After comparison with investments of similar type and class, the net income is capitalized into a value estimate.

The subject property is currently improved with an existing warehouse facility. The typical purchaser will likely be an owner/investor occupying the property to maximize the continued and remaining utility for the property. Similarly, comparable properties of the subject size within the expanded market area offer similar ownership. The nature of the subject investment and potential for direct cost for proposed renovations, the appraiser has performed a Cost Approach at the directive of the client. Therefore, based on these governing market reflections, the appraiser has applied the Cost Approach, and Sales Comparison Approach to value for the subject analysis. As a more subjective analysis regarding the investment parameters, only a base cursory income analysis has been performed in support of the other approaches to value. These approaches offer a thorough evaluation of the market activity and have been applied within the valuation.

VALUATION BY THE COST APPROACH

Initially, the appraiser has performed a Cost Approach toward valuation of the subject property. Considering the dated and cut-up layout of the improvements, the approach offers a replacement cost aspect for the investment. The initial step in performing the Cost Approach to value is to determine the associated value of the supporting underlying site. The subject site represents an 7.96 +/- acres commercial zoned site situated within a commercial and industrial business service area near the town of Snow Hill, Maryland. The highest and best use for the site as if vacant is commensurate with the existing use. Presented below is an analysis in the Site Valuation for the subject property site.

Site Valuation





As the initial step in the valuation of the subject property via the Cost Approach, the appraiser has investigated the most comparable commercial and industrial zoned and influenced land sales within the surrounding market area to establish a site value for the subject property. Presented below is an analysis of the sales which are considered to be the most comparable to the subject site in terms of location, size and development potential. The unit price (per acre) of these comparable sales are subsequently adjusted for dissimilarities when compared to the subject property. Adjustments were performed for features such as size, access, location, utility and appeal.

A survey of similar sized commercial and industrial influenced zoned parcels located in the surrounding market area was performed. I have analyzed and compared the land sales to the subject property and have made adjustments for such factors as location, size, density, frontage/access, zoning, utility and availability of utilities. The adjusted unit prices should indicate a range into which the value of the subject site should fall. All of the recent transfers represent purchase of sites for development with similar alternative uses for industrial/commercial tracts of land similar in site and potential utility as the subject site.

The land sales presented on the following page are considered to be the most applicable for analysis to the subject property in terms of use, location, zoning and size. The sales are situated in similarly influenced commercial/industrial service use areas and offer similar proximity and potential utility as the subject site. Each reflects the overall utility of the subject parcel. The sales prices for each of the comparable sales have subsequently been adjusted to a per unit value for application to the subject site.

Four (4) representative transfers of similarly influenced tracts of land were analyzed in valuing the subject site. Adjustments, upward or downward are made to compensate for dissimilarities, as related to the subject property for such features as location, size, exposure, access and other physical factors affecting value. The land value concluded within this analysis will be applied within the Cost Approach in estimating the "As Is" Market Value for the subject property. Presented on the following pages is a data description for each comparable sales.

LAND SALES ADJUSTMENT CHART

Subject	Sale One	Sale Two	Sale Three	Sale Four	
Location	5363 Snow Hill Rd	11118 Somerset Ave.	30790 Park Dr.	Worcester Hwy	Beaver Run Dr.
Area	Snow Hill, Maryland	Princess Anne, MD	Princess Anne, MD	Bishopville, MD	Salisbury, MD
Proximity		16 Miles West	15.5 Miles West	20 Miles Northeast	14.5 Miles Northwest
Tax (Map/Grid/Parcel/Lot)		23 - 6 - 99	203 - 11 - 1330a	9 - 2 - 60 & 378	39 - 6 - 264 (L8aa)
					
Deed Reference (Liber/Folio)		L. 970, F. 034	L. 931, F. 161	L. 6616, F. 118	L. 3905, F. 452
Grantor		Robert & Joanne Coffin	Somerset County	Hammond	O. Palmer Gillis III
Grantee		Princess Anne Storage	Richard Reynolds	ACS-113 Investments	Brian K. Spicer
Site Characteristics					
Size (Acres)	7.96	5.29	5.88	20.51	3.59
Frontage	~ 150 Ft.	Route 13	~ 1150 Ft.	~ 690 Ft.	~ 370 Ft.
Configuration	Irregular	Irregular	Rectangular	Rectangular	Rectangular
Topography	Level	Level	Level (2 Parcels)	Level (2 Parcels)	Level
Zoning	C-2	C-3	I-1	B-2/A-1	Business Park
Utilities	Private	Public	Public	Private	Private
Financing		Cash to Seller	Cash to Seller	Conventional	Cash to Seller
Information Source		Realist/MLS/Deed/Asmt	Realist/Deed/Asmt	Realist/Deed/Asmt	Realist/Deed/Asmt
Size (Useable Area)	7.96	5.29	5.88	20.51	3.59
Date of Sale		11/28/2017	8/2/2016	7/31/2015	9/25/2015
Sales Price		\$125,000	\$124,800	\$300,000	\$145,000
Price per Acre		\$23,629	\$21,224	\$14,627	\$40,390
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing		Cash to Seller	Cash to Seller	Conventional	Cash to Seller
Conditions of Sale		\$12,500	Arms-Length	Arms-Length	Arms-Length
Improvements/Expend.		None Contributory	N/A	N/A	N/A
Adjusted Sales Price		\$137,500	\$124,800	\$300,000	\$145,000
Price per Sq. Ft.		\$25,992	\$21,224	\$14,627	\$40,390
Market Conditions		0.0%	0.0%	5.0%	5.0%
Adj. Price per Sq. Ft.		\$25,992	\$21,224	\$15,358	\$42,409
Location/Exposure		0.0%	0.0%	5.0%	-15.0%
Frontage/Access		-5.0%	0.0%	0.0%	0.0%
Site Size		0.0%	0.0%	25.0%	-15.0%
Configuration/Topo		0.0%	0.0%	5.0%	0.0%
Utilities/Potential		-5.0%	0.0%	0.0%	-5.0%
Site Improvements		0.0%	0.0%	0.0%	0.0%
Overall Utility/Zoning		-10.0%	-10.0%	-10.0%	-10.0%
Net Adjustment		-20.0%	-10.0%	25.0%	-45.0%
Adj. Price per Sq. Ft.		\$20,794	\$19,102	\$19,198	\$23,325

Calculated Mean of Adjusted Data: \$20,604.79

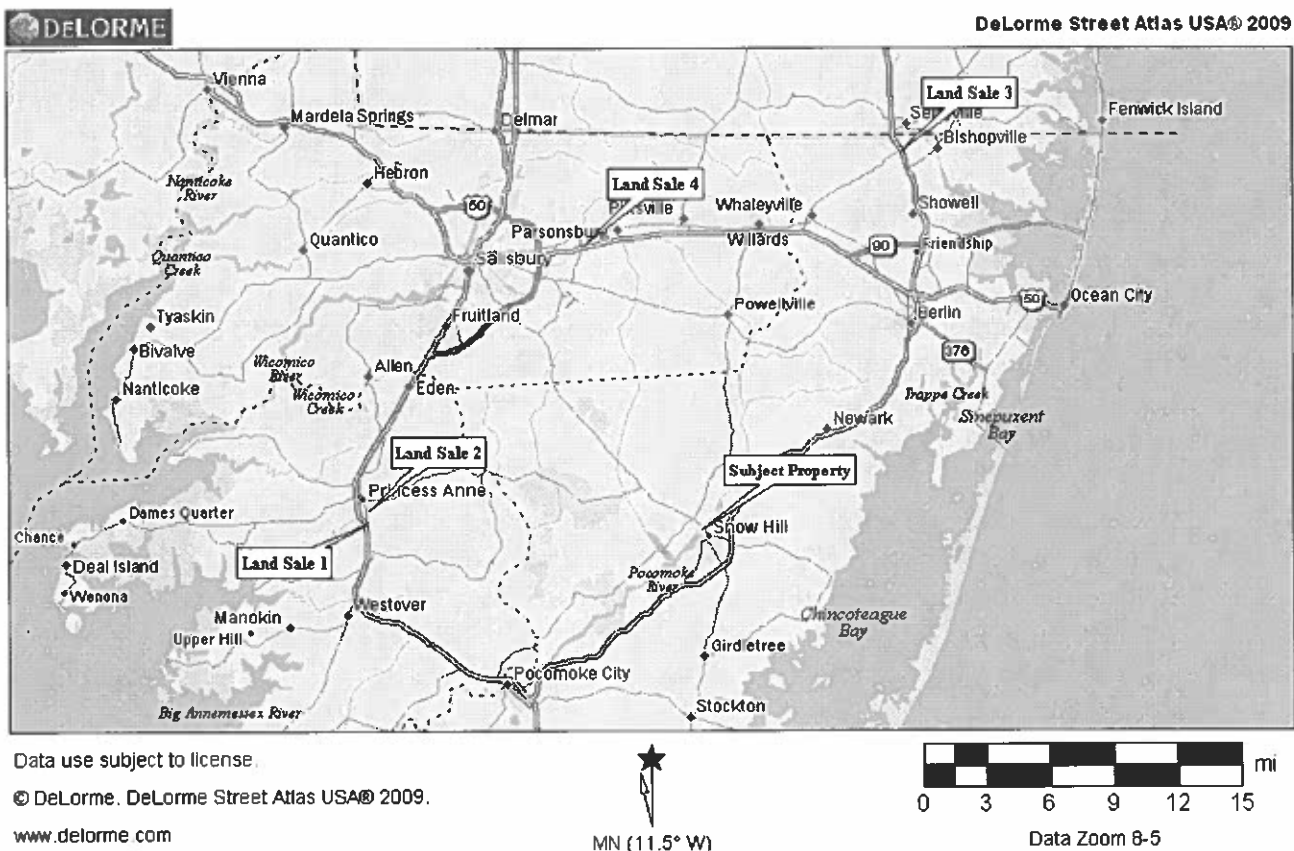
Land Value Estimate: 7.96 Acres @ \$20,000.00 \$159,200

Final Estimate of Site Value: \$160,000

SITE VALUATION (7.96 +/- Acres)

The four representative land sales have been analyzed in the adjustment grid presented on the previous Page. Prior to adjustment, the comparable land sales provide a range of land value from \$14,627 to \$40,390 per acres of land area.

Adjustments have been applied to each comparable sale to reflect those factors which are either superior or inferior to the subject property. The good array of similar sized and similar utility land sales data offers a good selection of comparable sales for analysis. Adjustments have been performed for Location/Exposure, Frontage/Access, Site Size, Configuration/Topography, Utilities/Overall Potential, Site Improvements, and Zoning/Overall Utility. Applied adjustments are minimal and applied at 5% increments unless otherwise indicated. Upon final adjustment, the range of unit sale prices will offer a reliable range from which to ascertain an estimate of the unit value for the subject site. A discussion of any measurable adjustments are as presented below.



Property Rights/Financing/Conditions of Sale

The comparable sales provide a good range of overall utility for which the existing and potential use of the subject is exhibited. All of the properties sold in fee simple interest and do not require adjustments for property rights. All of the sales sold with conventional financing or its cash equivalent. All of the properties were indicated to have sold in arms-length terms between unrelated parties. Sale One was sold at auction and was indicative of the land value only. The

improvements were of fair condition and required extensive renovations. According to the auctioneer, the value obtained was reflective of land value only.

A discussion of the more significant physical adjustments required for the comparable sales analysis is presented below.

Location

Sale One is located in an inferior area to the north end of county and requires a slight upward adjustment while the overall superior location of Sale Four in Salisbury requires a significant downward adjustment.

Site Size

Typically, smaller acreage parcels sale for a higher per Acre value than do larger acreage due to the decreasing utilization (single use versus subdivision or center development) and costs of the additional acreage. A significant adjustment is required for the significantly larger size of Sale Three representing more raw land for subdivision than the subject site. Sale Four is of a smaller industrial park approved lot and warrants an accountable downward adjustment.

Utilities/Potential/Site Improvement and Zoning/Utility

The overall superior commercial service utility of Sales One and Four warrants downward adjustments. Each of the transfers is applied a downward adjustment reflective of the overall superior lack of flood plain. While not ultimately restrictive, the presence of the area increases the overall costs of development and investment. An adjustment of at least 10% is applied.

Reconciliation and Final Site Value

After adjusting the Comparable Land Sales, the adjusted sales prices for the four transfers indicates a range of value from \$19,102 to \$23,325 per acre. Although these sales differ in various aspects including location and size, they are the most recent predominant land sales available within the surrounding market area and supporting market. Therefore, based on the adjustment analysis and concluded range of value, a unit value of \$20,000 per acre of land area is indicated for the subject site.

Applying the price per acre value to the subject's site area of 7.96 +/- Acres results in an indication of value of \$159,200. Thus, the underlying Site Value for the subject property, as of effective date of value, March 16, 2018, is estimated to be (Rounded):

**One Hundred Sixty Thousand Dollars
(\$ 160,000)**

VALUATION BY THE COST APPROACH

Worcester County Warehouse
5363 Snow Hill Road
Snow Hill, Worcester Co., MD 21863

REPLACEMENT COST:

Storage Warehouse Facility (Sect 14, Pg. 26)			<u>Base Cost</u>	
Average Cost - Class S			\$39.19	
HVAC Adjustment			\$0.00	
Sprinkler Adjustment			\$0.00	
Adjusted Base Cost:			<u>\$39.19</u>	
Area Multiplier:		X	1.000	
Height Multiplier:		X	1.000	
Current Cost Multiplier:		X	1.000	
Local Multiplier:		X	<u>0.970</u>	
Final Adjusted Base Cost (per Square Foot):			\$38.01	
Gross Building Area:		X	47,575 Square Feet	
Improvement Cost Estimate:			\$1,808,530	
Plus: Open Storage Area	19,500 SF @	\$20.00	\$390,000	
Plus: Mezzanine	3,250 SF @	\$10.00	<u>\$32,500</u>	
<i>Total Improvement Estimate:</i>				<i>\$2,231,030</i>
Plus: Soft Cost Allowance	1.0%			\$22,310
Plus: Entrepreneurial Profit @	7.0%			<u>\$156,172</u>
<i>Total Improvement Cost b/f Depreciation:</i>				<i>\$2,409,513</i>
Less: Physical Depreciation:	<u>20</u> Effective Age			
	40 Expected Life	50.00%		<u>(\$1,204,756)</u>
<i>Depreciated Cost of Improvements:</i>				<i>\$1,204,756</i>
Site Improvements:				
Paved parking & Drives	13,000 sf @	\$3.50	\$45,500	
Access Sidewalks	1,500 sf @	\$12.00	\$18,000	
Tar & Chip Drives	30,000 sf @	\$1.50	\$45,000	
Landscape/Misc.	1 Lump Sum	\$5,000.00	<u>\$5,000</u>	
Total Site Improvement Cost:			\$113,500	
Plus: Entrepreneurial Profit	7.0%		<u>\$7,945</u>	
Total Site Improvement Cost:			<u>\$121,445</u>	
Less: Depreciation	50.0%		<u>\$ (60,723)</u>	
Contributory Value of Site Improvements:				\$60,723
SUPPORTING LAND VALUE FROM MARKET:				<u>\$160,000</u>
ESTIMATE OF VALUE BY COST APPROACH :				\$1,425,479
FINAL ESTIMATE OF VALUE (ROUNDED):				\$1,425,000

REPLACEMENT COSTS:

The estimated replacement costs of the improvements have been based on information extracted from the Marshall Valuation Service, information supplied by the owner, developers of similar properties, market data and files contained within the appraiser's office. The chart on the previous page sets forth the mathematical procedure utilized by the appraiser to arrive at an indicated value for the subject property via the Cost Approach.

Base Cost Estimate

The existing improvements are considered to be of an Average Cost Class S Storage Warehouse construction. As calculated, the base unit price for the Storage Warehouse occupancy is \$39.19 per square foot. As these figures obtained from Swift Estimate factor any required HVAC and Sprinkler adjustments, the adjusted base unit price is \$39.19. The base cost figures include architectural fees and contractor's overhead and profit, standard site preparation, sales taxes, permit fees, insurance for construction and interim construction financing. Necessary plumbing and electrical connections including required bathroom facilities for the use are also included within these cost figures.

Next, Story Height and Perimeter Multipliers have been applied based on the height and average perimeter of the existing improvements. As a replacement aspect for the cost analysis, these figures are presented to be base at 1.00. Current Cost and Local Multipliers are also applied to the adjusted base price. After adjusting for the base cost, the building area is multiplied by the Adjusted Cost for a Building Cost Estimate. The final adjusted base cost is \$38.01 for the 47,575 square feet for an indication of Total Improvement Cost of \$1,808,530.

To this cost is added the cost for the Open Storage and the Mezzanine area of the improvements. Adding these costs results in a Total Improvement Estimate to all sources of \$2,231,030.

Soft Cost Allowance

Added to the building replacement cost estimate is a Soft Cost Allowance of 1.0% for development. The soft costs account for any fees and costs associated with financing, site acquisition, surveys, appraisals, and environmental studies associated with the development. These costs are in excess of those architectural, design, and utility costs incorporated into the direct base replacement cost estimates. Anticipated costs can range between as low as 1% of costs to over 8% for sites requiring lease-up management and marketing. Based on the anticipated costs for the subject and limited multi-tenant or environmental concerns with the use, a base estimate of 1.0% of the Improvement Cost estimate is applied.

Entrepreneurial Profit

Added to the total improvement estimate is entrepreneurial profit of 7% for development. Historical data and discussions with developers of commercial properties have provided an entrepreneurial profit for such projects of approximately 6% to 18% of improvement costs. While commanding profit levels over 12% during the past building phase, the stable national economy and past cost increases suggest a curtail of the profit margins. Profit levels tend to be compromised for any development in constrained economic conditions where costs significantly exceed alternative existing property acquisition. While presently rebounding, this would suggest a

reduced overall profit for the development to the low end of the range. Therefore, an entrepreneurial profit estimated at least 7% of total costs is applied. The Total Improvement Cost before Depreciation is calculated to be \$2,409,513.

Depreciation

Depreciation for the structure is based on the Effective Age/Life Method. This method utilizes a rate derived when the Effective Age of the structure is divided by the Expected Economic Life of the structure. Based on the Effective Age/Expected Economic Life method of estimating depreciation, the amount of depreciation associated with each component has been determined as presented above. This incurable physical deterioration refers to the basic wear and tear on the building structure and is based on figures provided in the Marshall & Swift Cost Manual. The subject improvements were originally constructed during 1960 with most recent renovation performed during 2005. Considering the subject property improvements will incur repair of any required deferred maintenance items, the overall age will be stabilized. As most investments require a long term invest of at least 15 to 20 years of economic life, the basis for analysis for remaining life will command 20 years with effective management after the repairs and replacements. Therefore, an effective age for the structure is estimated to be 20 years of the 40-year anticipated life or a depreciation level of 50.0%. After deducting depreciation, the Depreciated Value of the Improvements is calculated to be \$1,204,756.

Contributory Site Improvements

The site improvements for the project are subsequently added to the Depreciated Value of the Improvements. Site improvements not included within the construction cost of the structure consist of the Paved Parking and Driveway Areas, Landscaping, Signage, and Concrete Sidewalk. Square Footage estimates were derived from measurements from the available site and floor plans. Representative Site Cost estimates were derived from estimates by the owner, developer and from Section 66 of the Marshall Valuation Service.

The Total Value of the Site Improvements including Profit is calculated to be \$121,445. These items have a shorter expected life than the building improvements. A depreciation estimate of 50% of costs was deducted. The Contributory Value of the Site Improvements is calculated to be \$60,723.

Estimate of Value via Cost Approach

To the depreciated value of the improvements for the subject property of \$1,204,756 is added the contributory value of the site improvements of \$60,723 for a total depreciated value of \$1,265,479. To the total cost must be added the estimated site value for the underlying land of \$160,000 (calculated previously) which results in an estimated value of \$1,425,479. Therefore, the **Prospective Fair Market Value** for the subject *Worcester Liquor Control Warehouse Property situated at 5363 Snow Hill Road, west of Snow Hill, in Worcester County, Maryland*, as of the anticipated completion of the renovation, anticipated within a year, April 16, 2019, in Fee Simple Interest, is:

**One Million Four Hundred Twenty-Five Thousand Dollars
(\$1,425,000)**

SALES COMPARISON APPROACH

The subject property is a storage warehouse property situated in a service area immediately outside the Town of Snow Hill. The property is of average utility with overall below average condition and average appeal located in a tertiary market area of the larger Lower Eastern Shore market area. The appraiser has investigated the most recent transfers of comparable improved warehouse and storage use particularly owner occupied and/or partial tenant properties offering similar or alternative utility for comparison to the subject.

The combination of sales offer a range of utility which relates to the overall use of the subject property. Reflected on the following pages is a presentation of the comparable sales considered similar in property type, size and overall utility as the subject property. The analysis of the subject property will reflect the Fair Market Value for the property as the basis for analysis as completed with the replacements for the deferred maintenance.

This analysis utilizes the most comparable sales available in terms of comparable utility, size, economic occupancy and fit-out as the subject improvements. Particularly, the appraiser has researched the surrounding market area for facilities of similar size and utility.

Five (5) representative transfers of comparable warehouse office use or similar utility properties were analyzed in valuing the subject property. The comparable sales have been presented in the order of date of sale. Before adjustment, the comparable sale properties selected reflect a range of sale price per square foot from \$16.27 to \$41.50 per square foot of gross building area.

The transfers offer the best data available for comparison to the subject facility as well as a reflection on the market reactions. The data offers a range of age/condition, fit-out and utility which brackets that of the subject property. Adjustments upward or downward are made to compensate for dissimilarities, as related to the subject property for such features as location, size, utility, construction, and other physical factors affecting value. Presented on the following pages is a data description for each comparable sale while below is a summary chart for each comparable sale.

Comp.	Date	Consideration	Size	\$\$ per SF
1	12/29/2017	\$1,125,000	37,000 Sq. Ft.	\$30.41
2	6/2/2017	\$950,000	58,400 Sq. Ft.	\$16.27
3	1/18/2017	\$1,575,000	37,950 Sq. Ft.	\$41.50
4	6/3/2016	\$1,500,907	56,000 Sq. Ft.	\$26.80
5	3/31/2016	\$950,000	43,948 Sq. Ft.	\$21.62

COMPARABLE BUILDING SALE ONE

LOCATION: 100 Industrial Boulevard, East Side Park Avenue
Seaford Industrial Park
Seaford, Sussex County, Delaware 19973

TAX MAP: District 5-31, Map 10.00, Parcels 236.02 & 236.17

GRANTOR: BASF Corporation

GRANTEE: Delmarva Central Railroad Co.

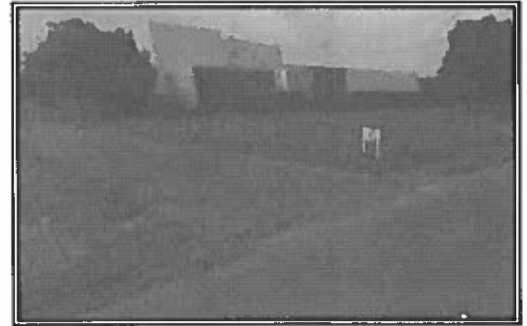
DATE OF SALE: December 29, 2017

DEED REFERENCE: Book 4821, Page 093

CONSIDERATION: \$1,125,000

BLDG/SQ. FT.: 37,000 +/- Square Feet

UNIT PRICE: \$30.41 per Square Foot



BLDG. DESCRIPTION: Age/condition: Circa. 1986 – Average
Construction: Prefabricated Steel Frame with insulated Metal Panels
Fit-Out: Warehouse Space with up to 40' Ceilings

LAND AREA: 19.99 +/- Acres

LAND TO BLDG: 23.53 : 1

FINANCING: Conventional Financing

ZONING: I; Light Industrial Park District

UTILITIES: Public Water and Sewer Service

HISTORY: No prior transfers within past five years

CONFIRMATION: Selling Agent, Deed and Assessment Records

COMMENTS: This transfer represents the purchase of the prior SC Johnson facility in the Seaford Industrial Park. The improvements represent an older facility within the park but still offers good utility. The property was purchase by a regional railroad storage operation which will utilize the existing rail spur for its operations. The property has been vacant for the past couple years and actively marketed for four years at prices up to \$1,500,000. An additional 6.63 acre site was acquired with the main improvement site with an underlying 13.33 acres of land. The building included a large mezzanine area of 17,300 square feet. All equipment to the past operations were removed from the property which represented a standard warehouse facility with office space.

COMPARABLE BUILDING SALE TWO

LOCATION: 406 Marvel Road – East side of Windsor Drive
Northwood Industrial Park
Salisbury, Wicomico County, Maryland 21801

TAX MAP: Map 102, Grid 16, Parcel 220

GRANTOR: Rosalie H. Potter

GRANTEE: Marvel Business Center, LLC

DATE OF SALE: June 2, 2017

DEED REFERENCE: Liber 4177, Folio 143

CONSIDERATION: \$ 950,000

BLDG/SQ. FT.: 58,400 +/- Square Feet (Gross Building Area)

UNIT PRICE: \$16.27 per Square Foot

BLDG. DESCRIPTION: Age/condition: Circa. 1970 – Below Average
Construction: Prefabricated Steel Frame with Steel Panels (uninsulated)
Fit-Out: Approximately 2,000 Sq. Ft. Office Area
Description: Storage Warehouse Building – 24' Height

LAND AREA: 3.03 +/- Acres

LAND TO BLDG: 2.26 : 1

FINANCING: Conventional Redevelopment (\$1,300,000 – Bank of Delmarva)

ZONING: IP; Industrial Park District

UTILITIES: Public Water and Sewer Service provided

HISTORY: No Prior transfer within the past five years

CONFIRMATION: Listing Agent for Grantor, Deed and Assessment Records

COMMENTS: This is the sale of a distributor warehouse in the Northwood Industrial Park in Salisbury. According to the realtor, the property was priced right to accommodate the redevelopment of the property into a multi-tenant facility. The improvements required replacement of metal panels, roof replacements and interior upgrades. The property was marketed for over 9 months prior to obtaining the offer for the redevelopment aspect. Pricing for the listing ranged from \$1,750,000 down to \$1,295,000 prior to the offer. The existing occupant has downsized into ½ of the structure with the Windsor Drive frontage being redevelopment with 5,000 to 10,000 square foot service bay units with rentals starting at \$5.95 per square foot.



COMPARABLE BUILDING SALE THREE

LOCATION: 822 Eastern Shore Drive
@ North Side of South Boulevard
Salisbury, Wicomico County, Maryland 21804

TAX MAP: Tax Map 115, Grid 3, Parcel 1636

GRANTOR: Salisbury Days Co., LLC

GRANTEE: Hope & Life Outreach, Inc.

DATE OF SALE: January 18, 2017

DEED REFERENCE: Liber 4115, Folio 1

CONSIDERATION: \$1,575,000

BLDG/SQ. FT.: 37,950 +/- Square Feet

UNIT PRICE: \$ 41.50 per Square Foot



BLDG. DESCRIPTION: Age/condition: Circa. 1967 – Average
Construction: Steel Frame with insulated Steel Panels
Fit-Out: Office, Showroom and Warehouse
Description: Prior Lumber Warehouse utilized for Community Service Use

LAND AREA: 3.7349 +/- Acres

LAND TO BLDG: 4.29 : 1

FINANCING: Conventional Financing (Bank of Delmarva - \$1,200,000)

ZONING: GC; General Commercial District

UTILITIES: Public Water and Sewer Service

HISTORY: No Prior Transfers within past five years.

CONFIRMATION: Representative of Grantor, Deed and Assessment Records

COMMENTS: This represents the transfer of the old Moore lumber warehouse to the past tenant for the property. The property is being utilized for a community service and donation center for HALO. The consideration paid was the base purchase negotiated for the property between the parties. An additional donation was not disclosed reflective of the difference in any subsequent appraisal for financing purposes. The property was an occupied building and not actively marketed. The site is situated in a commercial area and the property would be available to future redevelopment which was anticipated as investment prior to the transfer. The transfer is reflective of the storage utility without consideration of the commercial potential.

COMPARABLE BUILDING SALE FOUR

LOCATION: 10026 Main Street
Northeast Quadrant of U.S. Route 50
Berlin, Worcester County, Maryland 21811

TAX MAP: Map 25, Grid 3, Parcel 50

GRANTOR: Merial Select, Inc.

GRANTEE: Sunrise Church

DATE OF SALE: June 3, 2016

DEED REFERENCE: Liber 6782, Folio 001

CONSIDERATION: \$1,500,907

BLDG/SQ. FT.: 56,000 +/- Square Feet

UNIT PRICE: \$26.80 per Square Foot (primary improvements)

BLDG. DESCRIPTION: Age/condition: Circa. 1960 to 2005 – Average
Construction: Various subject to Structures – Mixed Roof Systems
Fit-Out: Office/Research/Warehouse/Multi-Purpose
Description: Multi-structure facility utilized for community service

LAND AREA: 22.19 +/- Acres

LAND TO BLDG: 17.26 : 1

FINANCING: Conventional (\$1,138,719 Bank of Ocean City)

ZONING: M-1/B-2; Industrial and Commercial District

UTILITIES: Private Well and Septic Systems

HISTORY: No Prior transfers within past five years

CONFIRMATION: Listing Realtor, Representative of Grantee, Deed and Assmnt Records

COMMENTS: This is the transfer of a multi-building facility situated to the north of the town of Berlin, Maryland. The space is spread out over a total of nine (9) buildings including small office and storage structures. The main square footage is allocated to five buildings with a total of some 26,000 square feet of office/warehouse/R&D space and 30,000 square feet of warehouse. The additional structure were considered to offer minimal present value to the purchasers. The multiple structures avail to the separation of services by the religious service group. The property was marketed for up to \$2,000,000 over two years prior to consummation of the transfer. This property offers a good alternative to the utility for the subject property.



COMPARABLE BUILDING SALE FIVE

LOCATION: 27120 Ocean Gateway (U.S. Route 50)
South of Memory Gardens Lane
Hebron, Wicomico County, Maryland 21830

TAX MAP: Map 19, Grid 13, Parcel 113

GRANTOR: Machining Technologies, Inc.

GRANTEE: 27120 Ocean Gateway, LLC

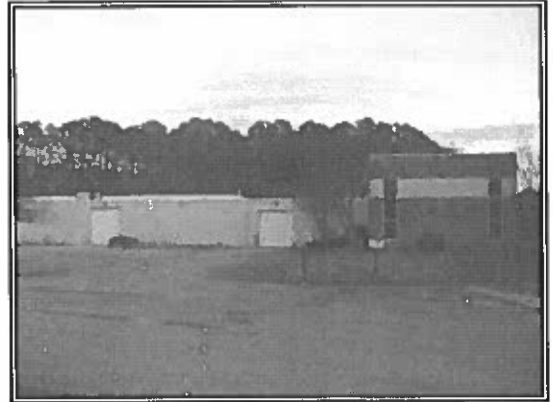
DATE OF SALE: March 31, 2016

DEED REFERENCE: Liber 3985, Folio 314

CONSIDERATION: \$ 950,000

BLDG/SQ. FT.: 43,948 +/- Square Feet

UNIT PRICE: \$21.62 per Square Foot



BLDG. DESCRIPTION: Age/condition: Circa. 1969 to 1975
– Average (Renovated 1996)
Construction: Various subject to Structures – Mixed Roof Systems
Fit-Out: Warehouse, Research, and Office (Multi-Purpose)
Description: Warehouse Office facility acquired for Cannabis Bid Site

LAND AREA: 7.400 +/- Acres

LAND TO BLDG: 7.33 : 1

FINANCING: Cash to Seller (Subsequent Private Lender)

ZONING: A-1; Agricultural District (Special Exception)

UTILITIES: Private Well and Septic Systems

HISTORY: No Prior transfers within past five years
Subsequently re-listed after denial of bid award for production

CONFIRMATION: Listing Realtor, Deed and Assessment Records

COMMENTS: This is the transfer of a warehouse, manufacturing and office facility to the northwest of Salisbury near Hebron, Maryland. The property offers a two story office section with over 5,000 square feet of office/r&d space. The property is cut-up over several structures. The property was marketed for three years at up to \$1,495,000. The property has been recently relisted for sale for \$849,000 to cover the subsequent mortgage obtained for the original purchase. The property has not been contracted to date after 4 months on the market. The overall utility of this property is considered similar to that of the subject in a more rural location and over average utility.

SALES COMPARISON ADJUSTMENT CHART

Subject	Comparable #1	Comparable #2	Comparable #3	Comparable #4	Comparable #5
Warehouse Facility	Prior BASF Facility	Storage Warehouse	HALO Facility	Merial Facility	Office/Warehouse
Location	5363 Snow Hill Road	406 Marvel Road	822 Eastern Shore Dr.	10026 Main Street	27120 Ocean Gtwy
Area	Snow Hill, MD	Salisbury, MD	Salisbury, MD	Berlin, MD	Hebron, MD
Proximity	35 Miles Northwest	17.5 Miles Northwest	16 Miles Northwest	15 Miles Northeast	21.5 Miles Northwest
Site Size (Square Feet)	19,990	3,030	3,735	22,190	7,400
Building Size (GBA)	37,000	58,400	37,950	56,000	43,948
Land to Building Ratio	23.53	2.26	4.29	17.26	7.33
Use/Finish	Warehouse	Warehouse (Shell)	Community Service	R&D Warehouse	Warehouse w/ Office
Date of Sale	12/29/2017	6/2/2017	1/18/2017	6/3/2016	3/31/2016
Sales Price	\$1,125,000	\$950,000	\$1,575,000	\$1,500,907	\$950,000
Sales Price per Sq. Ft.	\$30.41	\$16.27	\$41.50	\$26.80	\$21.62
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional Redevelop	Conventional	Conventional Redevelop	Conventional
Conditions of Sale	Arms-Length	Arms-Length	Arms-Length	Arms-Length	Arms-Length
Expend/Other Improvements	N/A	N/A	N/A	N/A	N/A
Adjusted Sales Price	\$1,125,000	\$950,000	\$1,575,000	\$1,500,907	\$950,000
Price per Sq. Ft.	\$30.41	\$16.27	\$41.50	\$26.80	\$21.62
Market Conditions	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price per Sq. Ft.	\$30.41	\$16.27	\$41.50	\$26.80	\$21.62
Location/Exposure/Access	-5.0%	-5.0%	-15.0%	-5.0%	0.0%
Building Size	0.0%	0.0%	0.0%	0.0%	0.0%
Condition/Construction	-5.0%	5.0%	-5.0%	-5.0%	-5.0%
Finish/Use	-5.0%	5.0%	-5.0%	-5.0%	0.0%
Site Improvements	0.0%	0.0%	-10.0%	0.0%	0.0%
Site Size/Density	-10.0%	5.0%	0.0%	-5.0%	0.0%
Overall Utility/Appeal/2nd Floor	-5.0%	5.0%	-5.0%	-5.0%	0.0%
Net Adjustment	-30.0%	15.0%	-40.0%	-25.0%	-5.0%
Adjusted Sales Price	\$21.28	\$18.71	\$24.90	\$20.10	\$20.54

Calculated Mean of Adjusted Data: \$21.11

Estimate of Market Value: 47,575 Sq. Ft. @ \$21.00 (Rounded) \$999,075

Final Estimate of Fair Market Value: \$1,000,000

SALES COMPARISON APPROACH

The appraiser has researched the immediate market area for comparable sales of improved warehouse use properties of similar size and utility to the subject property. I have analyzed and compared the improved sales to the subject property and have made adjustments for such factors as location, size, condition, construction quality, fit-out, overall utility, and overall economic potential for the properties. No other discernible differences were noted requiring further adjustments. Each of the comparable building sales were analyzed on the price paid per square foot of gross building area. Upward adjustments mean the subject is superior to the comparable, downward adjustments reflect the opposite. The most representative comparable sales available were utilized within this analysis and are considered to be the best sales available in the market area. The chart on the previous page illustrates the adjustments made to the comparable building sales as compared to the subject.

Before adjustment, the comparable sales provide an unadjusted price per square foot between \$16.27 and \$41.50. Given the comparability and utility of each property transfer, the adjusted unit prices indicate a range into which the value of the subject property should fall.

Conditions of Sale/Financing/Expenditures

The comparable sales provide a good range of overall utility for which the existing and potential use of the subject is exhibited. All of the properties sold in fee simple interest or equivalent leased fee interest at market terms with conventional financing or its cash equivalent. Each of the properties were indicated to have sold in arms-length terms between unrelated parties.

While several of the properties were either retrofit of upgraded to accommodate the needs of the new occupant, the subject analysis is performed based on the present condition and interior fit-out reflective of the marketability. No initial adjustment is applied for the data although general construction and fit-out adjustment are applied later herein.

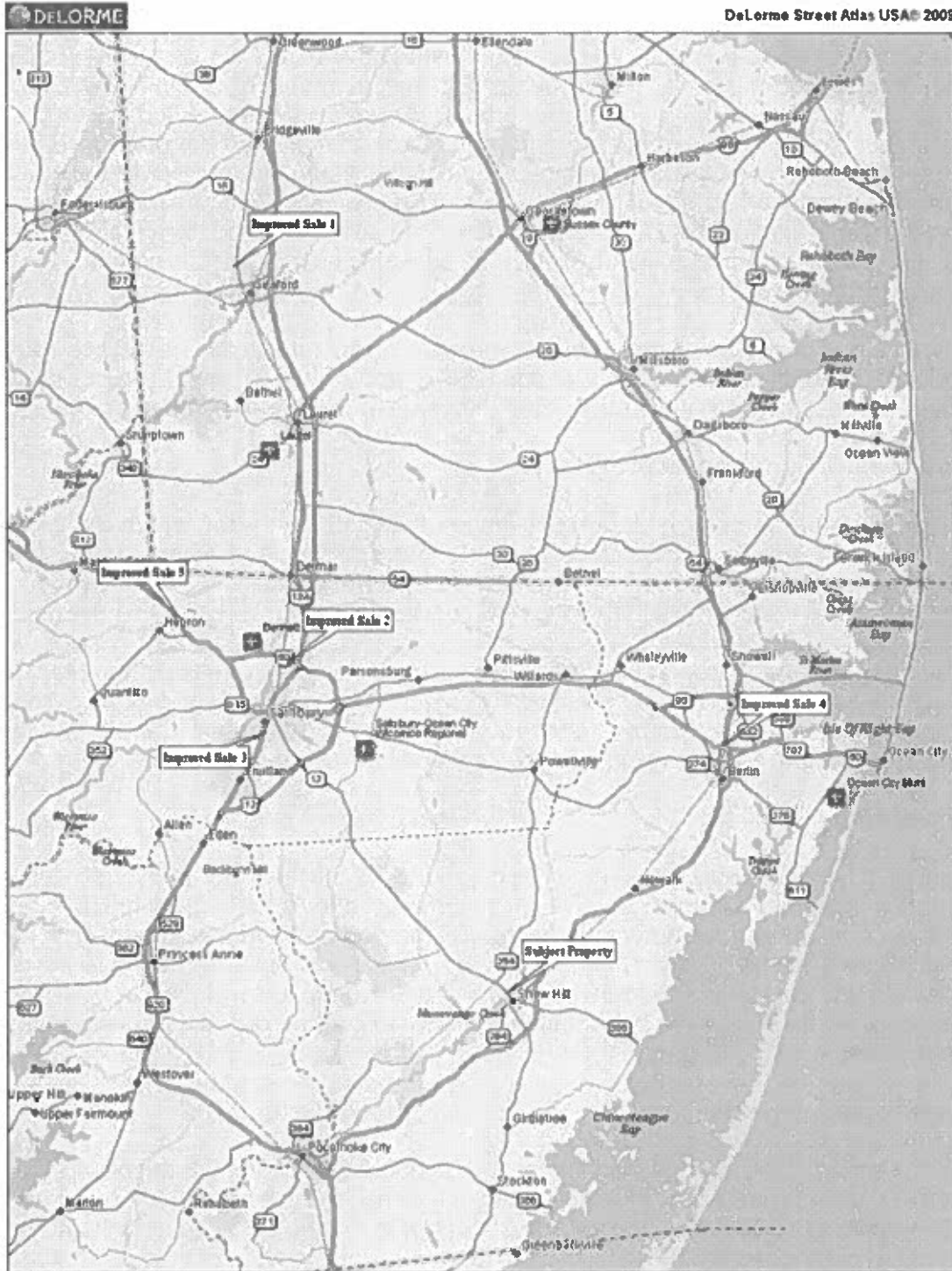
Market Conditions

A market conditions adjustment has been applied to each of the transfers which offer a different market at the time of transfers. The present market allows for some dated transfers which would offer a competitive investment to the subject property. Commercial and industrial land prices have become stabilized over the past two to three years since the national recessionary climate has calmed. Based on the research by the appraiser, the general market has experienced limited activity directly exhibiting accountable decrease in commercial and industrial values over the past two years.

Characteristic Adjustments

A description of the applied adjustments to the comparable sales for the physical attributes is presented in the paragraphs below. Adjustments have been made based on 5% increments based on direct comparability to the subject. Adjustments are based on overall characteristics and scaled/ranked in comparison to the subject. The applied analysis will result in a reliable range of value for a reasonable reconciliation of the approach to value.

COMPARABLE IMPROVED SALES MAP



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Location/Exposure/Access

Initially, a location adjustment was applied to each of the comparable sales offering alternative locations. This adjustment has been based on the average land pricing and respective lease rates for each improved site and demand thereof within each of the competitive markets. Each of the properties are considered to be located in generally superior locations as reflective of primary and secondary markets. Minor adjustments are applied for Sales One, Two and Four for the overall superior locations. A larger adjustment was required for the superior commercial area influences offered by Sale Three and a larger adjustment of 15% is applied.

Building Size

The comparable sales offer a generally narrow range of sizes to bracket the overall size of the subject property. Typically, smaller properties tend to command a higher per unit value than do larger units. The applied adjustments are based on the overall size and configuration of the building in comparison and scaled for adjustment to the subject improvements. Given the narrow range offered by the data, no adjustments were applied for the sales.

Condition/Construction

The Construction adjustment has been applied to those properties with inferior or superior construction quality in comparison to the subject's steel and masonry frame construction. An adjustment for Condition is based on the subject's average construction and below average overall condition. Sales One, Three, Four and Five each offers an overall superior level of construction and/or of a newer construction and is applied a downward adjustment reflective of the overall condition/and construction. Sale Two is of an older construction subject to multiple renovations and present redevelopment. An adjustment of at least 5% upward for the inferior overall condition and multiple construction qualities is required.

Fit-Out/Functional Utility

An additional adjustment has been applied for the amount of finish and overall utility associated with each comparable property. The subject property offers a basic warehouse finish and utility with only standard contribution given to the fit-out awaiting final renovation. Each of the properties tend to offer concentrated warehouse space with between 10% to 15% office finish as commensurate with the market for warehouse uses. office finish inferior to professional office space and more recent medical office finishes. The overall finish of Sales One, Three and Four are considered superior to the subject. Sale Two is inferior as predominantly warehouse and in relative below average condition and requires a slight upward adjustment.

Site Size/Density/Site Improvements

A Site Size, Improvement and Density adjustment has been applied to the sales. Sale Three offers an entire paved site along with security fencing for the site. An adjustment for the superior overall attributes non-typical of warehouse site finish is present on the sale in newer condition. The site density of Sales One and Four is superior and downward adjustments are applied.

Overall Utility/Appeal/Outside Storage

A final adjustment is required for the overall utility and appeal of the space as well as to account for the available outside storage. This adjustment also factors the presence of the flood plain upon the subject property. Most of the adjustments are offset by the superior utility for lack

of the flood plain. Sales One, three and Four each offer an overall superior utility to the subject and require a downward adjustment. Overall utility of Sale Two transferring as a redevelopment property requires an upward adjustment.

Reconciliation and Conclusion

After adjustments, the resulting range in value was calculated to be between \$18.71 and \$24.90 per Square Foot. This range provides the best indication of value for the subject property. Although these sales differ in various aspects including location, occupancy, fit-out and size, they are the most best available comparable improved sales within the surrounding market area over the past two years. The comparable sales analysis presented has been carefully developed from the most reliable data available to the appraiser, and the value of the subject property subject to the proposed renovation should fall within the range provided by the comparable sales. The calculated mean for the adjusted sales is calculated at \$21.11 per square foot.

The appraiser has also considered an array of additional data from the market over the past five years. These transfers for larger facilities ranging from older, larger to newer, smaller facility have commanded between \$12.00 to over \$50.00 per square foot. The concentrated range for similar sized property of newer condition have concentrated over \$30.00 per square foot to nearly \$60.00 for commercial influence. This range indicates over twice the value of the subject directly reflecting the alternative to utilization of an existing facility in exchange for newer construction or acquisition.

Therefore, based on the market sales data available, a price per square foot for the subject property is estimated to be \$21.00 per Square Foot. Applying the Gross Building Area of the subject property of 47,575 +/- Square Feet calculates to a value of \$999,075.

Final Estimate of Value via Sales Comparison Approach

Therefore, the **Prospective Fair Market Value** for the subject *Worcester Liquor Control Warehouse Property* situated at 5363 Snow Hill Road, west of Snow Hill, in Worcester County, Maryland, as of the anticipated completion of the renovation, anticipated within a year, April 16, 2019, in Fee Simple Interest, is (Rounded):

**One Million Dollars
(\$1,000,000)**

In Fee Simple Interest

RECONCILIATION AND FINAL ESTIMATE OF VALUE

Estimate of Value by the Cost Approach:	\$1,425,000
Estimate of Value by the Sales Comparison Approach:	\$1,000,000
Estimate of Value by the Income Capitalization Approach:	See Addendum

The appraiser notes that the approaches to value presented have been carefully developed from the most reliable data available to the appraisers, and it is our opinion that the value of the subject property falls within the range derived through the application of these approaches.

As any prospective owner would consider the construction of a new facility versus buying an existing depreciated structure, the Cost Approach is considered to be an applicable approach to value. Although applicable, the difficulty in accurately estimating costs of individual items and associated levels of depreciation tends to limit the reliability of the approach. However, profit allowances tend to remain constrained during periods of limited new construction and rebounding from the past economic recession. This approach offers an indication of the general value in use reflective of the occupancy and required renovation to the property. The analysis reflects the demands upon the market for sustained occupancy. Therefore, the Cost Approach is considered to offer reliable approach and would appear to reflect the upper end of the anticipated range of value for the subject facility.

Typically, the Sales Comparison Approach would be considered an applicable approach to value as it provides a direct indication of what the market participants would consider in the investment of the property. A selection of data is available and offer a good indication of the range of value anticipated for the subject investment. When aptly adjusted as applied herein, the sales data offers a reasonable range of value for a final value indication for the subject property. The market data available and utilized offer a reliable indication of market value for the subject property. As presented within the analysis, a majority of transfers in the market reflect older and vacated facilities. Both factors directly influence the price paid. Therefore, the Sales Comparison Approach has been applied generally representing the market based alternative indication for the valuation of the subject property.

The application of the Income Capitalization Approach would typically offer a reliable approach for an income producing facility. As this approach is subjective to the application of a final rental as well as market rates of capitalization, the approach offer the basis for analysis. For the purposes of the appraisal, this approach is applied in a cursory level. An income chart is presented at the beginning of the addendum for reference. This analysis generally offers the basis for analysis and is reflective of both a vacant basis. This approach offers a reliable basis to value considering the partial investment opportunity and stabilized owner occupancy.

The Cost Approach reflects an inherent full occupancy within the market as a value in use while the Sales Comparison and Income Capitalization Approach offer considerably more variables reflected in the market activity as a value in exchange. As indicative of the wider range of value offered by the sales data, the cost approach tends to represent the upper end of the range of value. Thereby, considering the transitional nature of the property and proposed renovations, a concluded value within the range and supportive of the encompassing sales comparison analysis is reasonable.

PROSPECTIVE VALUE (W/ CURED DEFERRED MAINTENANCE)

Therefore, based upon my investigation and an analysis of the facts and data as presented within this report, the **“Prospective” Fair Market Value** for the subject **Worcester Liquor Warehouse Property situated at 5363 Snow Hill Road, west of Snow Hill, in Worcester County, Maryland**, as of the anticipated completion of the renovation, anticipated within a year, April 16, 2019, in Fee Simple Interest, is:

**One Million Two Hundred Fifty Thousand Dollars
(\$1,250,000)**

The prospective value conclusion presented herein is subject to curing of the deferred maintenance based on the anticipated cost estimates and schedule plans provided to the appraiser. This valuation is thereby subject to the hypothetical condition that the items of deferred maintenance will be corrected and any repairs or replacements will be compliant to existing zoning requirements and environmental impact studies for the district, constructed of good quality materials and in a good workman like manner consistent with the provided specifications and in accordance with all governmental regulations and codes.

COST TO CURE (DEFERRED MAINTENANCE)

Items of a deferred nature of the improvements were identified by the client and appraiser. These items include a required significant repair to the rear wall structure. The settlement of the wall requires engineering and full replacement for long term structural stability. Additionally, the old septic tank requires proper abandonment and any existing leaks within the facility require repair covering any necessary environmental and health concerns for the facility. Lastly, the exposed painted open storage space has been identified as containing potential lead paint. This area requires proper scraping and painting for abatement to sustain utility as well. As presented by the client representative and included in the addendum to this appraisal, the total costs for these curable items for short term replacement amount to \$260,000.

Deducting the Cost to Cure of \$260,000 for the improvements from the concluded prospective market value of \$1,250,000 results in a final indication of the “As Is” Fair Market Value for the subject property of \$990,000.

“AS IS” FAIR MARKET VALUE

Subsequently, after deducted the estimated “Costs of Cure Deferred Maintenance”, the final estimate of the “As Is” Fair Market Value is concluded. Based upon my investigation and an analysis of the facts and data as presented within this report, the **“As Is” Fair Market Value** for the subject **Worcester Liquor Warehouse Property situated at 5363 Snow Hill Road, west of Snow Hill, in Worcester County, Maryland**, as of March 16, 2018, in Fee Simple Interest, is:

**Nine Hundred Ninety Thousand Dollars
(\$ 990,000)**

ASSUMPTIONS AND LIMITING CONDITIONS

Hypothetical Condition (Subject to Curing Deferred Maintenance)

The prospective value conclusion presented herein is subject to curing of the deferred maintenance based on the anticipated cost estimates and schedule plans provided to the appraiser. This valuation is thereby subject to the hypothetical condition that the items of deferred maintenance will be corrected and any repairs or replacements will be compliant to existing zoning requirements and environmental impact studies for the district, constructed of good quality materials and in a good workman like manner consistent with the provided specifications and in accordance with all governmental regulations and codes.

1. No responsibility is assumed for the legal description or for matters including legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property appears to share some cross access with the adjacent land which is not offered in a recorded easement. While not directly influenced, any easement is a prospective benefit to the respective sites and does not impact the overall utility. Inclusive of any public utility easements of record, no adverse easements, encroachments or encumbrances were noted or discovered by the appraisers during our research. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed. The analysis assumes the continued occupancy of the ownership for the foreseeable future. A value in use is inherent with the occupancy in lieu of an alternative unoccupied facility in the open market which may impact value.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
12. Possession of this report, or a copy thereof, does not carry with in the right of publication.
13. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
14. Neither all or any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers and client.
15. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
16. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field, if desired.
17. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the Americans with Disabilities Act (ADA). It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this could have a negative effect upon the value of the property. This appraisers are not architects or engineers and do not have the expertise to identify potential compliance violations with ADA or the cost to cure. Therefore, we recommend the client obtain the services of an architect or engineer with the necessary expertise to make these determinations. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property. We predicate this appraisal upon review of reports prepared by a qualified architect or engineer if the property is not in compliance.

QUALIFICATIONS OF APPRAISER

William J. Lefort

Candidate for Designation, Appraisal Institute

LICENSE:

Maryland Certified General Appraiser #04-20099
Delaware Certified General Appraiser #X1-0000349

EDUCATION:

The Pennsylvania State University - Bachelor of Science, Business Administration
Concentration: Real Estate (Urban Planning and Feasibility Analysis)
Degree Coursework -Real Estate Valuation, Real Estate Financial Investment,
Real Estate Law, and Seminar in Real Estate Property Rights
Related Coursework - Urban Geography, Urban Economics, Public Finance

The Appraisal Institute - Capitalization Theory and Technique, Part A; September 1992
The Appraisal Institute - Advanced Income Capitalization; March 1993
The Appraisal Institute - Standards of Professional Practice, Parts A and B; June 1993
The Appraisal Institute - Appraisal Procedures; July 1994
The Appraisal Institute - General Applications; February 1995
The Appraisal Institute - Market Analysis and Highest and Best Use; August 1997
The Appraisal Institute - Standards of Professional Practice, Part A; April 1998
The Appraisal Institute - Adv. Sales Comparison and Cost Approaches; March 2001
The Appraisal Institute - Report Writing and Valuation Analysis; September 2003
The Appraisal Institute - Uniform Standards of Federal Land Acquisitions; October 2006
The Appraisal Institute - Advanced Applications; April 2008
The Appraisal Institute - Professional Ethics; October 2007
The Appraisal Institute - Appraising the Appraiser, Appraisal Review – General; April 2013
The Appraisal Institute - Eminent Domain and Condemnation; April 2016
The Appraisal Institute - Uniform Appraisal Standards for Federal Land Acquisitions; June 2017
The Appraisal Institute - Various Seminars (e.g. Commercial Lease Analysis, Subdivision
Analysis, Comparative Analysis, Market Updates, Delaware Law)
USPAP, 7- Hour National Update; October 2017 – April 2015
MNC Financial Inc. - Argus Training, Appraisal Compliance & FIRREA Seminars

PROFESSIONAL EXPERIENCE:

Lefort Appraisal & Consulting, Inc. - President/Commercial Appraiser, January 2006
Mason Appraisals, Inc. - Vice President (Commercial Appraiser), Jan. 1994 to Dec. 2005
MNC Financial, Inc. - Appraisal Officer (Review Appraiser), July 1992 to Dec. 1993

REPRESENTATIVE CLIENTS (partial list):

M & T Bank	U.S. Fish and Wildlife (OVS - DOI)
Maryland Department of Natural Resources	MD Department of General Services
Maryland Counties	The Nature Conservancy
BB&T Company	The Conservation Fund
PNC Bank	Trust for Public Land
Delaware National Bank	DE State Housing Authority
Bank of America	Bank of Delmarva
SunTrust Bank	The Felton Bank

REPRESENTATIVE PROPERTY ASSIGNMENTS:

Conservation Lands, Agricultural Lands, Shopping Centers, Office Buildings, Retail Buildings,
Hotels/Motels, Industrial Buildings, Automobile Facilities, Residential & Commercial Land
Developments, Apartment Buildings, Schools & Day Care Centers, Mixed Use Buildings,
Mobile Home Parks, Health Clubs, Processing Facilities, Special Use Buildings

ADDENDUM

INCOME AND EXPENSE PROJECTION

Worcester County Warehouse Facility

5363 Snow Hill Road, Snow Hill, MD 21863

POTENTIAL GROSS INCOME:				<u>Annual</u> <u>Income</u>
			<u>Monthly</u>	
I) Front Section	12,625 S.F. @	\$4.00 Per SF	\$4,208.33	\$50,500
Rear Section	34,950 S.F. @	\$1.50	\$4,368.75	\$52,425
Total	47,575 S.F.	\$ 2.16 (Average/Sq Ft)		\$102,925
Scheduled Reimbursements	0 Sq. Ft. @	\$0.00 per SF		\$0
TOTAL POTENTIAL GROSS INCOME				<u>\$102,925</u>
Vacancy and Collection: 7.5%				<u>(\$7,719)</u>
TOTAL EFFECTIVE GROSS INCOME:				<u><u>\$95,206</u></u>
Less: Fixed Expenses:				
Real Estate Taxes (pro-rated Tenant)		\$0.00 per SF		\$0
Insurance (Reimbursed)		\$0.00 per SF		\$0
Less: Operating Expenses:				
Management:		3.0% EGI	\$ 2,856	
Maintenance & Repairs:		\$0.00 per SF	\$ -	
Utilities (Paid by Tenant):			\$ -	
Less: Reserves for Replacement		\$0.15 per SF	<u>\$ 7,136</u>	
TOTAL EXPENSES:	10.5%			<u>(\$9,992)</u>
NET OPERATING INCOME:				\$85,213

DIRECT CAPITALIZATION:

Estimated Value via Capitalization Rate

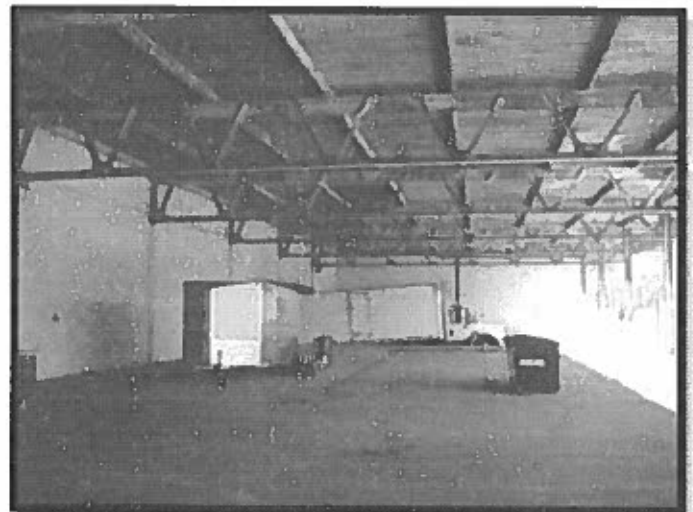
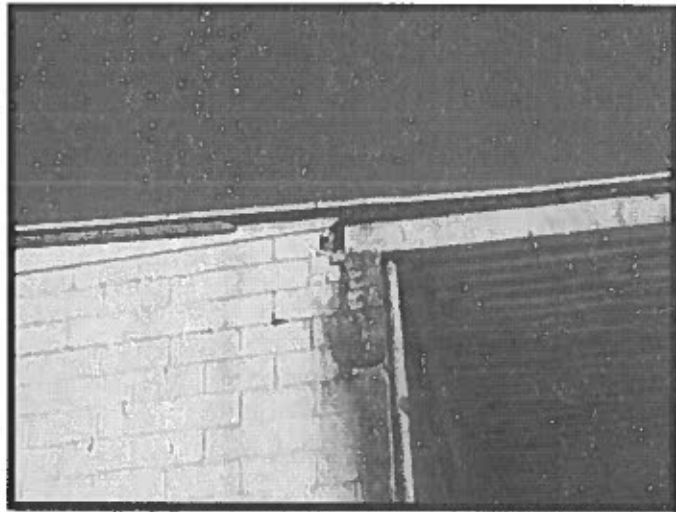
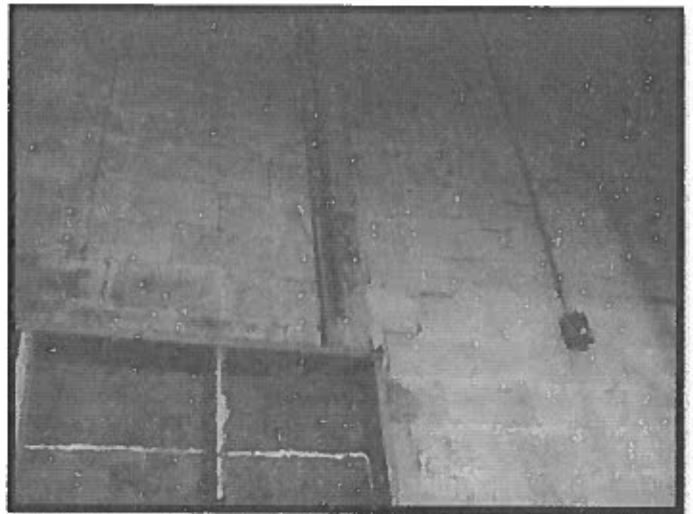
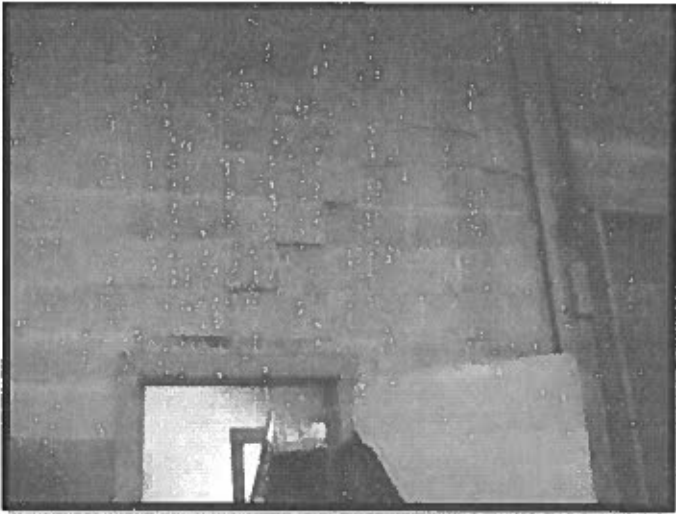
$$\$85,213 \quad / \quad 0.0900 \quad = \quad \$946,813$$

Final Estimate of Value via Income Capitalization Approach: (Rounded) \$950,000

Market Rental Data:

1	Berlin WH Space	\$ 3.71 per Sq. Ft.	13,400 Sq. Ft.
2a	Nanticoke Business Park	\$ 2.10 per Sq. Ft.	40,000 Sq. Ft.
2b	Nanticoke Business Park	\$ 2.56 per Sq. Ft.	75,000 Sq. Ft.
3	Delmar Warehouse	\$ 4.25 per Sq. Ft.	10,000 Sq. Ft.

PHOTOGRAPHS (Items of Deferred Maintenance)





LICENSE • REGISTRATION • CERTIFICATION • PERMIT

STATE OF MARYLAND

DEPARTMENT OF LABOR, LICENSING AND REGULATION

COMMISSION OF RE APPRAISERS & HOME INSPECTORS
CERTIFIES THAT:

WILLIAM J LEFORT

Martin P. Malley
Governor
Anthony G. Brown
Lt. Governor
Leonard J. Howe, III
Secretary

IS AN AUTHORIZED: **04 - CERTIFIED GENERAL**

LIC/REG/CERT
28899

EXPIRATION
4-14-2016

EFFECTIVE
04-14-2013

CONTROL NO
4392718

William J. Lefort
Signature of Bearer

Leonard J. Howe, III
Secretary DLLR

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

LICENSE NO X1-0000349

STATE OF DELAWARE
DIVISION OF PROFESSIONAL REGULATION
881 Silver Lake Blvd
Cannon Building, Suite 203
Dover, DE 19904-2467

NOT TRANSFERABLE

PROFESSION: Certified General Real Property Appraiser

EXPIRATION DATE: 10/31/2017

ISSUED TO: William J. Lefort

MAILING ADDRESS
William J. Lefort
29122 Tanager Way
Eden MD 21822



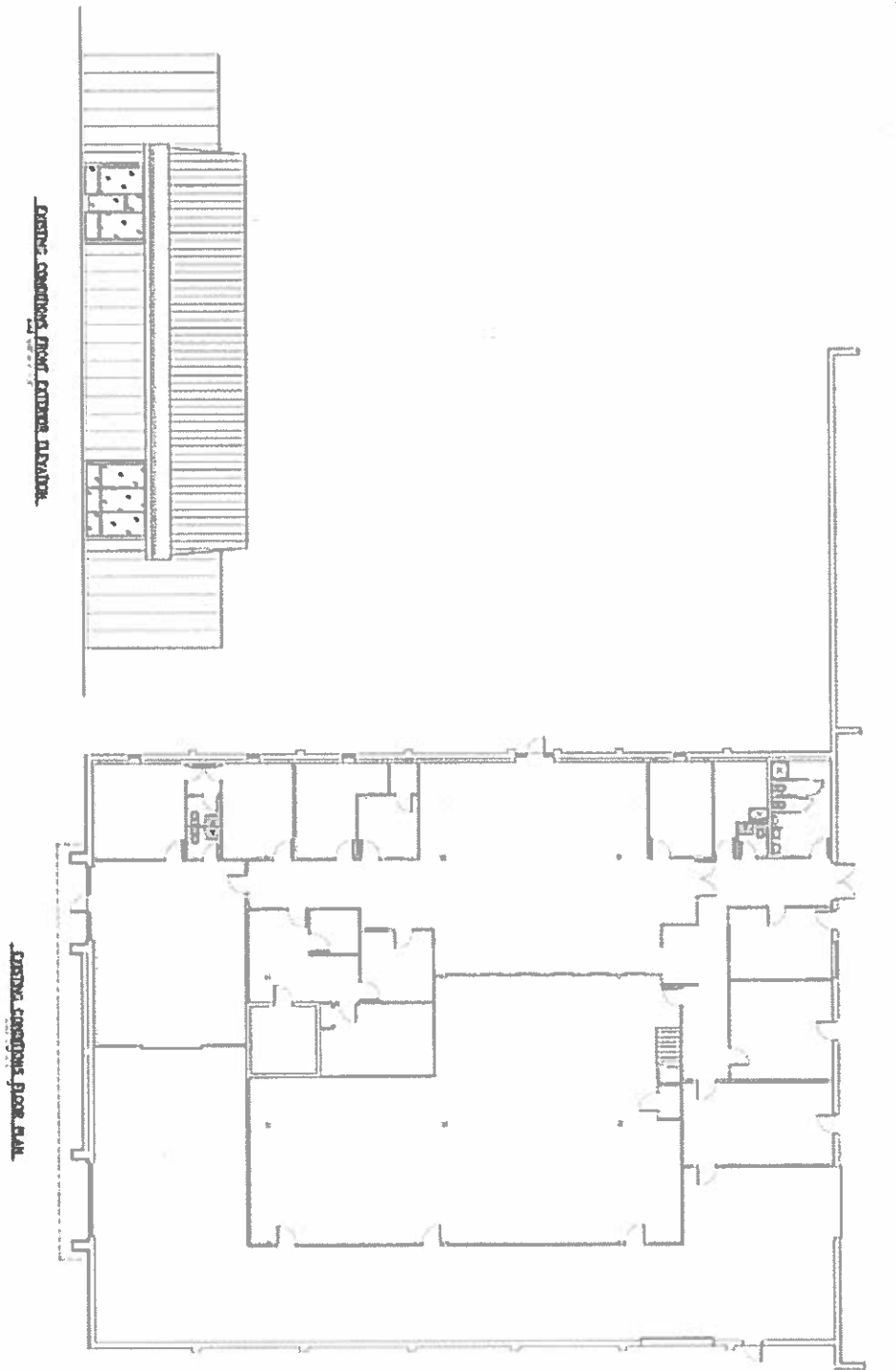
PROFESSIONAL LICENSE

THIS CERTIFIES THAT THE PERSON NAMED IS HEREBY LICENSED TO CONDUCT OR ENGAGE IN THE PROFESSION INDICATED ABOVE. THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF DELAWARE.

William J. Lefort
LICENSEE'S SIGNATURE

434433

1 AUGUST 2013 10:00 AM 10/10/2013, October 2013, 10/13



EXISTING CONDITIONS
 COUNTY LIQUOR CONTROL
 10/13/13



ENGINEER/ARCHITECT
 10/13/13



Real Property Data Search

Search Result for WORCESTER COUNTY

View Map		View GroundRent Redemption			View GroundRent Registration		
Account Identifier:		District - 02 Account Number - 007118					
Owner Information							
Owner Name:	COUNTY COMMISSIONERS OF WORCESTER COUNTY			Use:	EXEMPT COMMERCIAL		
Mailing Address:	ONE WEST MARKET ST RM 1103 SNOW HILL MD 21830-			Principal Residence:	NO		
				Deed Reference:	/05719/ 00448		
Location & Structure Information							
Premises Address:		5383 SNOW HILL RD SNOW HILL 21863-0000			Legal Description:	7.96 ACS S/W SIDE R-12 LDS WO CO LIQ CONTROL BD	
Map:	Grid:	Parcel:	Sub District:	Subdivision:	Section:	Block:	Lot:
0063	0004	0002		0000			
Special Tax Areas:				Town:	NONE		
				Ad Valorem:			
				Tax Class:			
Primary Structure Built		Above Grade Living Area		Finished Basement Area		Property Land Area	County Use
1960		47,286 SF				7.9600 AC	
Stories	Basement	Type	Exterior	Full/Half Bath	Garage	Last Major Renovation	
		DISCOUNT STORE					
Value Information							
		Base Value		Value		Phase-in Assessments	
				As of		As of	
				01/01/2017		07/01/2017	
Land:		157,100		157,100			
Improvements		827,400		808,300			
Total:		984,500		965,400		965,400	
Preferential Land:		0				0	
Transfer Information							
Seller: WORCESTER COUNTY LIQUOR CONTROL BD			Date: 07/22/2011			Price: \$0	
Type: NON-ARMS LENGTH OTHER			Deed1: /05719/ 00448			Deed2:	
Seller: CHAPMAN RALPH LEE			Date: 12/18/2003			Price: \$800,000	
Type: ARMS LENGTH IMPROVED			Deed1: SVH /03968/ 00264			Deed2:	
Seller: CENTRAL IMPLEMENT CO INC			Date: 11/21/2002			Price: \$950,000	
Type: ARMS LENGTH IMPROVED			Deed1: SVH /03502/ 00145			Deed2:	
Exemption Information							
Partial Exempt Assessments:		Class				07/01/2017	07/01/2018
County:		590				965,400.00	965,400.00
State:		590				965,400.00	965,400.00
Municipal:		590				0.00/0.00	0.00/0.00
Tax Exempt:			Special Tax Recapture:				
Exempt Class:			NONE				
Homestead Application Information							
Homestead Application Status: No Application							
Homeowners' Tax Credit Application Information							
Homeowners' Tax Credit Application Status: No Application						Date:	

LIBER 5719 FOLIO 448

WORCESTER COUNTY CIRCUIT COURT (Land Records) SVH 5719, p. 0448, MSA_CE31_5893, Date available 07/25/2011, Printed 11/03/2017.

County Attorney
Worcester County

Return To:

THIS CONFIRMATORY DEED made this 1st day of July, 2011, by the County Commissioners of Worcester County, Maryland, a body politic and corporate of the State of Maryland, successor in interest to the Worcester County Liquor Control Board, Grantor.

WHEREAS, by Act of the General Assembly enrolled as Chapter 304 of the 2011 Acts of Assembly, the Worcester County Liquor Control Board was abolished and the Worcester County Department of Liquor Control was created as a department of the Grantor herein; and

WHEREAS, by Section 2 of said Act of Assembly, title to all real property of the Worcester County Liquor Control Board is continued as the title to all real property of the Worcester County Department of Liquor Control, effective July 1, 2011; and

WHEREAS, title to the Property will, by operation of law become vested in the Worcester County Department of Liquor Control as of the effective date of that Act of Assembly, however the Grantor desires to confirm that it is vested with all right, title, and interest of the Worcester County Liquor Control Board in and to the Property.

NOW, THEREFORE, THIS DEED WITNESSETH, that in consideration of the aforesaid Act of the General Assembly and for no monetary consideration, the said Grantor hereby grants, conveys, assigns and confirms all of its right, title and interest in and to the hereinafter described properties unto the County Commissioners of Worcester County, Maryland, a body politic and corporate of the State of Maryland, its successors and assigns, in fee simple, forever:

ITEM FIRST:

ALL that lot, tract or parcel of land situate, lying and being in the Second Election District of Worcester County and State of Maryland, located on the Southerly side of and binding upon MD State Route 12 (Snow Hill Road) and being more particularly shown and designated as Parcel 2 Remaining Lands of Worcester County Liquor Control Board, on Plat entitled "Subdivision of the Lands of Worcester County Liquor Control Board", made by Wiles Mensch Corporation Atlantic Group, dated May 6, 2004, and recorded among the Land Records of Worcester County, Maryland, in Plat Book S.V.H. No. 194, Folio 67, containing 7.96 acres, more or less.

BEING the residue of the land conveyed unto **WORCESTER COUNTY LIQUOR CONTROL**

FILED
2011 JUL 27 AM 11:33
STEPHEN V. HILES
CLERK, C.I.C.
WOR.C.O.

WORCESTER COUNTY CIRCUIT COURT (Land Records) SVH 5719, p. 0449, MSA_CE31_5893. Date available 07/25/2011. Printed 11/03/2017.

BOARD by Deed from Ralph Lee Chapman, dated November 26, 2003, and recorded among the Land Records of Worcester County, Maryland, in Liber S.V.H. No. 3968, Folio 264.

ITEM SECOND:

ALL that property lying and being situate in the First Election District, Worcester County, Maryland, within the City of Pocomoke, and being more particularly designated and distinguished as Condominium Units 101 and 102, Newtowne Plaza Condominiums in the Newtowne Square Subdivision, together with an undivided percentage interest in the common elements thereof, as established pursuant to a Declaration, together with Bylaws, made by Robert D. Mason, dated February 21, 2007, and recorded among the Land Records of Worcester County, Maryland, in Liber S.V.H. No. 4873, Folio 368, et seq., and pursuant to the plats described therein entitled "NEWTOWNE PLAZA CONDOMINIUMS", dated July 25, 2006, made by George E. Young, III, P.C., and recorded as aforesaid in Plat Book S.V.H. No. 217, Folio 1, et seq.

BEING the same property conveyed unto WORCESTER COUNTY LIQUOR CONTROL BOARD by Deed from Robert D. Mason, dated February 23, 2007, and recorded among the Land Records of Worcester County, Maryland, in Liber S.V.H. No. 4879, Folio 229.

REFERENCE to the aforesaid deeds and plats and the references therein contained is hereby made for a more particular description of the properties hereby conveyed.

TOGETHER with all improvements thereon and all the rights, ways, waters, privileges and appurtenances there unto belonging or in any manner appertaining.

TO HAVE AND TO HOLD the above described properties unto the Grantee as aforesaid, in fee simple, forever.

IN WITNESS WHEREOF, the Grantor has caused this Confirmatory Deed to be executed and delivered by its duly authorized officers, the date first above written.

ATTEST:


Gerald T. Mason
Chief Administrative Officer

COUNTY COMMISSIONERS OF
WORCESTER COUNTY, MARYLAND
By:  (SEAL)
James C. Church, President

**AFFIDAVIT AS TO TOTAL PAYMENT AND RESIDENCE
AND CERTIFICATION OF EXEMPTION**

Under the penalties of perjury, I hereby certify, in accordance with Section 10-912 of the Tax-General Article, Annotated Code of Maryland (herein the "Withholding Law"), that the transferor is a resident entity under §10-912(a)(4) of the Tax-General Article of the Annotated Code of Maryland entitled to claim exemption from the Withholding Law, that I am an agent of the transferor, that I have authority sign this document on the transferor's behalf, and that the "Total Payment" for purposes of the Withholding law is \$-0-.

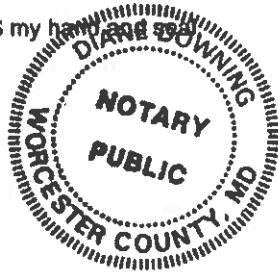
TRANSFEROR:

James C. Church (SEAL)
James C. Church, President

STATE OF MARYLAND, WORCESTER COUNTY TO WITNESS

I HEREBY CERTIFY that on this 18th day of July, 2011, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared James C. Church, who acknowledged himself to be the President of the County Commissioners of Worcester County, Maryland and that he executed the foregoing Confirmatory Deed for the purposes therein contained on behalf of the said Grantor.

AS WITNESS my hand and seal



Diane Downing
Notary Public
My Commission Expires: 9/01/11

This is to certify that the within instrument was prepared by or under the supervision of the undersigned, an attorney duly admitted to the practice of law before the Court of Appeals of Maryland.

John E. Bloxom
John E. Bloxom

JUL 22 2011 The foregoing instrument
filed for record and is accordingly recorded
among the land records of Worcester County,
Maryland.

H:\COATTY\LCB Confirmatory Deed.wpd

Stephen V. Galas Clerk

WORCESTER COUNTY CIRCUIT COURT (Land Records) SVH 5719, p. 0450, MSA_CE31_5893. Date available 07/25/2011. Printed 11/03/2017.

LIBER 5719 FOLD 451

State of Maryland Land Instrument Intake Sheet
 Baltimore City County WORCESTER
Information provided is for the use of the Clerk's Office, State Department of Assessments and Taxation, and County Finance Offices Only.
 (Type or Print in Block Ink Only—All Copies Must Be Legible)

Form Required for Clerk's Office Recording Station

1	Type(s) of Instruments	() Check Box if addendum Intake Form is Attached.						
		<input checked="" type="checkbox"/> Deed	<input type="checkbox"/> Mortgage	<input type="checkbox"/> Other	<input type="checkbox"/> Other			
		<input type="checkbox"/> Deed of Trust	<input type="checkbox"/> Lease	<input type="checkbox"/> Other	<input type="checkbox"/> Other			
2	Conveyance Type Check Box	<input type="checkbox"/> Improved Sale	<input type="checkbox"/> Unimproved Sale	<input type="checkbox"/> Multiple Accounts	<input checked="" type="checkbox"/> Not an Arms-Length Sale (1)			
		Arms-Length (1)	Arms-Length (1)	Arms-Length (1)				
3	Tax Exemptions (if applicable) Cite or Explain Authority	Recording	EXEMPT					
		State Transfer	EXEMPT					
		County Transfer	EXEMPT					
4	Consideration and Tax Calculations	Consideration Amount			Finance Office Use Only Transfer and Recording Tax Consideration			
		Purchase Price/Consideration	\$	0.00	Transfer Tax Consideration	\$		
		Any New Mortgage	\$		X () %	=	\$	
		Balance of Existing Mortgage	\$		Less Exemption Amount	=	\$	
		Other	\$		Total Transfer Tax	=	\$	
		Other	\$		Recording Tax Consideration	=	\$	
		Full Cash Value	\$	X () per \$500	=	\$		
				TOTAL DUE	=	\$		
5	Fees	Amount of Fees		Doc. 1	Doc. 2	Agent		
		Recording Charge	\$	0.00	\$		Tax Bill	
		Surcharge	\$		\$			
		State Registration Tax	\$		\$			
		State Transfer Tax	\$		\$		C.B. Credit	
		County Transfer Tax	\$		\$			
		Other	\$		\$		Ag. Tax/Other	
		Other	\$	\$				
6	Description of Property SDAT requires submission of all applicable information. A maximum of 40 characters will be indexed in accordance with the priority cited in Real Property Article Section 3-104(g)(3)(i)	District	Property Tax ID No. (1)	Greater 12bit/Polin	Map	Parcel No.	Var. LOC	
		02R1	0002110 & 0045237	3909284, 4878228	63, 84	2, 374		(3)
			Subdivision Name	Lot (2a)	Block (2b)	Sec/AR (2c)	Plot Ref.	Sq Ft/Acreage (4)
			Location/Address of Property Being Conveyed (2)					
			3909 SNOW HILL RD. SNOW HILL, MD 21851 & NEWTOWNE SQUARE, POCOMOKE CITY, MD 21851					
			Other Property Identifiers (if applicable)					
			Water Meter Account No.					
			Residential or Non-Residential ()	For Single () or Ground Rent	Amount:			
			Partial Conveyance? Yes () No ()	Description/Act of Sq Ft/Acreage Transferred				
			If Partial Conveyance, List Improvements Conveyed					
7	Transferred From	Doc. 1 - Grantor(s) Name(s)			Doc. 2 - Grantor(s) Name(s)			
		COUNTY COMMISSIONERS OF WORCESTER COUNTY, MD			COUNTY COMMISSIONERS OF WORCESTER COUNTY, MD			
		Doc. 1 - Owner(s) of Record, if Different from Grantor(s)			Doc. 2 - Owner(s) of Record, if Different from Grantor(s)			
		WORCESTER COUNTY LIQUOR CONTROL BOARD			WORCESTER COUNTY LIQUOR CONTROL BOARD			
8	Transferred To	Doc. 1 - Grantee(s) Name(s)			Doc. 2 - Grantee(s) Name(s)			
		COUNTY COMMISSIONERS OF WORCESTER COUNTY, MD			COUNTY COMMISSIONERS OF WORCESTER COUNTY, MD			
		New Owner's (Grantee) Mailing Address						
		ONE W MARKET ST., ROOM 1103, SNOW HILL, MD 21853						
9	Other Names to Be Indexed	Doc. 1 - Additional Names to be Indexed (Optional)			Doc. 2 - Additional Names to be Indexed (Optional)			
10	Contact/Mail Information	Instrument Submitted By or Contact Person				<input checked="" type="checkbox"/> Return to Contact Person		
		Name: JOHN E. SLOXOM, COUNTY ATTORNEY				<input type="checkbox"/> Hold for Pickup		
		Firm: WORCESTER COUNTY, MD				<input type="checkbox"/> Return Address Provided		
		Address: ONE W. MARKET ST., ROOM 1103 SNOW HILL, MD 21853 Phone: (410) 632-1104						
11	Assessment Information	IMPORTANT: BOTH THE ORIGINAL DEED AND A PHOTOCOPY MUST ACCOMPANY EACH TRANSFER						
		Yes () No ()		Will the property being conveyed be the grantor's principal residence?				
		Yes () No ()		Does transfer include personal property? If yes, identify				
		Yes () No ()		Was property surveyed? If yes, attach copy of survey (if recorded, no copy required)				
		Assessment Use Only - Do Not Write Below This Line						
		Terrestrial Verification		Agricultural Verification		Trans Process Verification		
		Transfer Number	Date Received	Whole	Part	Assigned Property No.		
		Year	20	20	Geo.	Map	Sub	
		Land			Zoning	Grid	Lot	
		Buildings			Use	Parcel	Section	
		Total			Town Cd	Ex. Bl	Ex. Cd	
		REMARKS						

WORCESTER COUNTY CIRCUIT COURT (Land Records) SVH 5719, p. 0451, MSA, CE 31, 5693 Date available 07/25/2011. Printed 11/03/2017.

Space Reserved for County Verification

Distribution: Whole - Clerk's Office, Fee - Office of Finance, Copy - SDAT, Settlement - Appraiser, ABC-CC-330 (2/2017)

U.S. DEPARTMENT OF HOMELAND SECURITY
 Federal Emergency Management Agency
 National Flood Insurance Program

OMB No. 1880-0008
 Expiration Date: November 30, 2018

ELEVATION CERTIFICATE

Important: Follow the instructions on pages 1-9.

Copy all pages of this Elevation Certificate and all attachments for (1) community official, (2) insurance agent/company, and (3) building owner.

SECTION A - PROPERTY INFORMATION						FOR INSURANCE COMPANY USE
A1. Building Owner's Name COUNTY COMMISSIONERS OF WORCESTER COUNTY					Policy Number:	
A2. Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No. 5363 SNOW HILL ROAD					Company NAIC Number:	
City SNOW HILL		State Maryland		ZIP Code 21863		
A3. Property Description (Lot and Block Numbers, Tax Parcel Number, Legal Description, etc.) TAX MAP 63, PARCEL 2						
A4. Building Use (e.g., Residential, Non-Residential, Addition, Accessory, etc.) <u>NON-RESIDENTIAL</u>						
A5. Latitude/Longitude: Lat. <u>38.1825 N</u> Long. <u>075.3980 W</u> Horizontal Datum: <input type="checkbox"/> NAD 1927 <input checked="" type="checkbox"/> NAD 1983						
A6. Attach at least 2 photographs of the building if the Certificate is being used to obtain flood insurance.						
A7. Building Diagram Number <u>1A</u>						
A8. For a building with a crawlspace or enclosure(s):						
a) Square footage of crawlspace or enclosure(s) <u>0</u> sq ft						
b) Number of permanent flood openings in the crawlspace or enclosure(s) within 1.0 foot above adjacent grade <u>0</u>						
c) Total net area of flood openings in A8.b <u>0</u> sq in						
d) Engineered flood openings? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
A9. For a building with an attached garage:						
a) Square footage of attached garage <u>0</u> sq ft						
b) Number of permanent flood openings in the attached garage within 1.0 foot above adjacent grade <u>0</u>						
c) Total net area of flood openings in A9.b <u>0</u> sq in						
d) Engineered flood openings? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
SECTION B - FLOOD INSURANCE RATE MAP (FIRM) INFORMATION						
B1. NFIP Community Name & Community Number WORCESTER COUNTY 240083				B2. County Name WORCESTER		B3. State Maryland
B4. Map/Panel Number 24047C0242	B5. Suffix H	B6. FIRM Index Date 07/16/2015	B7. FIRM Panel Effective/ Revised Date 07/16/2015	B8. Flood Zone(s) AE	B9. Base Flood Elevation(s) (Zone AO, use Base Flood Depth) 7.4'	
B10. Indicate the source of the Base Flood Elevation (BFE) data or base flood depth entered in Item B9: <input type="checkbox"/> FIS Profile <input checked="" type="checkbox"/> FIRM <input type="checkbox"/> Community Determined <input type="checkbox"/> Other/Source: _____						
B11. Indicate elevation datum used for BFE in Item B9: <input type="checkbox"/> NGVD 1929 <input checked="" type="checkbox"/> NAVD 1988 <input type="checkbox"/> Other/Source: _____						
B12. Is the building located in a Coastal Barrier Resources System (CBRS) area or Otherwise Protected Area (OPA)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Designation Date: _____ <input type="checkbox"/> CBRS <input type="checkbox"/> OPA						

ELEVATION CERTIFICATE

OMB No. 1680-0008
Expiration Date: November 30, 2018

IMPORTANT: In these spaces, copy the corresponding information from Section A.			FOR INSURANCE COMPANY USE Policy Number:
Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No. 5363 SNOW HILL ROAD			
City SNOW HILL	State Maryland	ZIP Code 21863	Company NAIC Number

SECTION C - BUILDING ELEVATION INFORMATION (SURVEY REQUIRED)

C1. Building elevations are based on: Construction Drawings* Building Under Construction* Finished Construction
*A new Elevation Certificate will be required when construction of the building is complete.

C2. Elevations - Zones A1-A30, AE, AH, A (with BFE), VE, V1-V30, V (with BFE), AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO. Complete items C2.a-h below according to the building diagram specified in item A7. In Puerto Rico only, enter meters.
Benchmark Utilized: WIN AZ MK 2 Vertical Datum: NAVD 1988

Indicate elevation datum used for the elevations in items a) through h) below.

NGVD 1929 NAVD 1988 Other/Source: _____

Datum used for building elevations must be the same as that used for the BFE.

- | | | |
|---|------------|--|
| | | Check the measurement used. |
| a) Top of bottom floor (including basement, crawlspace, or enclosure floor) | <u>5.2</u> | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters |
| b) Top of the next higher floor | <u>N/A</u> | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters |
| c) Bottom of the lowest horizontal structural member (V Zones only) | <u>N/A</u> | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters |
| d) Attached garage (top of slab) | <u>N/A</u> | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters |
| e) Lowest elevation of machinery or equipment servicing the building
(Describe type of equipment and location in Comments) | <u>5.8</u> | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters |
| f) Lowest adjacent (finished) grade next to building (LAG) | <u>4.9</u> | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters |
| g) Highest adjacent (finished) grade next to building (HAG) | <u>5.5</u> | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters |
| h) Lowest adjacent grade at lowest elevation of deck or stairs, including structural support | <u>4.6</u> | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters |

SECTION D - SURVEYOR, ENGINEER, OR ARCHITECT CERTIFICATION

This certification is to be signed and sealed by a land surveyor, engineer, or architect authorized by law to certify elevation information. I certify that the information on this Certificate represents my best efforts to interpret the data available. I understand that any false statement may be punishable by fine or imprisonment under 18 U.S. Code, Section 1001.

Were latitude and longitude in Section A provided by a licensed land surveyor? Yes No Check here if attachments.

Certifier's Name GREGORY P. WILKINS		License Number 21523
Title PRESIDENT		
Company Name GREGORY P. WILKINS SURVEYOR, INC.		
Address 12626 OLD BRIDGE ROAD		
City OCEAN CITY	State Maryland	ZIP Code 21842
Signature <i>Gregory P. Wilkins</i>	Date 10/25/2017	Telephone (410) 213-0222



Copy all pages of this Elevation Certificate and all attachments for (1) community official, (2) insurance agent/company, and (3) building owner.

Comments (including type of equipment and location, per C2(e), if applicable)

1. THIS CERTIFICATE IS FOR A COMMERCIAL BUILDING THAT IS COMPRISED OF 12,713 SQ. FT. OF OFFICE AND 35,228 SQ. FT. OF STORAGE/WAREHOUSE FACILITIES. 2. HVAC EL. (3) = 5.8' NAVD

National Flood Hazard Layer FIRMette



Legend

SEE THIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

Without Base Flood Elevation (BFE)
Zone A, V, X, Y

With BFE or Depth
Regulatory Floodway, Zone AE, A1, A2, AH, VE, X

SPECIAL FLOOD HAZARD AREAS

- 0.2% Annual Chance Flood Hazard, Area of 1% Annual Chance flood with average depth less than one foot or with draining areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee, See Notes, Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS OF FLOOD HAZARD

- Area of Minimal Flood Hazard Zone X
- Effective LOMRFs
- Area of Undetermined Flood Hazard Zone X

OTHER AREAS

- Channel, Culvert, or Storm Sewer Levee, Dike, or Floodwall

GENERAL STRUCTURES

- Cross Sections with 1% Annual Chance
- Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline Profile
- Hydrographic Feature

OTHER FEATURES

- Digital Data Available
- No Digital Data Available
- Unmapped

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The base map shown complies with FEMA's base map accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 4/13/2019 at 2:19:12 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: base map imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.





DEPARTMENT OF
DEVELOPMENT REVIEW AND PERMITTING

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET, ROOM 1201
SNOW HILL, MARYLAND 21883
TEL: 410-632-1200 / FAX: 410-632-3008
www.co.worcester.md.us/drpd/index.htm

ZONING DIVISION
BUILDING DIVISION
DATA RESEARCH DIVISION

ADMINISTRATIVE DIVISION
CUSTOMER SERVICE DIVISION
TECHNICAL SERVICE DIVISION

MEMORANDUM

TO: W. Kelly Shannahan, Assistant Chief Administrative Officer
FROM: Edward A. Tudor, Director *EAT*
DATE: August 25, 2017
RE: General Conditions Survey - Liquor Control Building

Pursuant to your request and with the extensive support of Bill Bradshaw and Ken Whited, I have prepared this general assessment of the Liquor Control Building. We have all visited the building several times during this assessment and have reviewed the various reports and documents we have on this building.

I understand the goal of this assessment is to provide information that will be used to determine the feasibility of using this building for both conditioned and non-conditioned storage space for various County departments and to potentially use the current office space in the building for the Board of Elections. I also understand that you would like a general idea of the amount of any needed repairs to the facility in both the short and long terms. This report excludes routine building maintenance costs.

The following information is provided in order to frame the discussion to follow. The building is approximately 57 years old and was first used as a canning factory. It was later sold and subsequently operated as a farm implement dealership. The building is comprised of approximately 8,750 square feet of conditioned space, approximately 38,500 square feet of unconditioned warehouse space, and 19,500 square feet of covered outdoor storage space. A total of three loading docks service the building, comprised of two covered docks in the fenced-in area on the east side of the building and one elevated dock on the west side of the building which is in poor repair. An automatic fire protection system is not provided within the building. An aging security and fire alarm system is present but is marginally operational and obsolete (must be replaced upon failure). Water and sewer systems are both private and located on the property. Both systems appear to be in working order.

Citizens and Government Working Together

GENERAL BUILDING CONDITIONS

From a regulatory perspective, the building is located in an AE Flood Zone with a base flood elevation requirement of 7.3 feet. Based upon spot elevation data in our GIS system, existing ground elevations adjacent to the building range from 4.7 to 5.37 feet. Since the building is constructed with a slab on grade, it can be safely assumed that the building floor elevations are below the minimum based flood elevation. This is an important fact in that the cost of any improvements to the building that exceed fifty percent of the building's value (land value is not included) prior to the work constitutes a substantial improvement which then requires that the entire building be brought into conformance with the law. Only work required to correct violations of health, sanitary or safety code specifications can be excluded from this calculation. Current SDAT valuation for the building is listed at \$808,000.00. There is also an adjacent building which was originally a vehicle maintenance garage and is now occupied by a tenant operating a landscaping/lawn care business. Maintenance and general upkeep will be required in the future for this structure but it is not included in this report.

The other significant regulatory issue is the lack of an automatic fire suppression system. While it has been previously stated that no change of use of the building is contemplated, it bears repeating from prior discussions that should a change of use occur, in all likelihood a fire sprinkler system will need to be installed. Given the lack of public water availability and the size of the building, this will be a very significant cost.

The building also does not have Americans with Disabilities Act (ADA)-compliant facilities or proper egress illumination. This was identified in prior assessments to install a storefront operation in the building. As a government owned facility, accessible features and safety is of continued concern when or if the building is occupied. As a storage only facility, safety systems need to be reviewed and maintained.

BUILDING EXTERIOR

With regard to the specific building elements you asked to be assessed, I will begin from the top down. Ken Whited contacted the roofing contractor that you referred to in your original e-mail. The contractor originally inspected the building only from the top side of the roof structure. After some discussion all three of us involved in this report felt it best to have him come back and also inspect the roof from the interior of the building. I have attached the report letter from Mr. Timo Rajala of Servicemax of Delmarva. I think you will find it self-explanatory. In summary, he states that the existing roof surface is in fair condition and ten to twenty years old. There appear to be several leaks in the roof that need repair. The report goes on to say that with monitoring and repairs, the roof life could be extended another five to ten years. Probably the most significant item, however, is the fact that the roof is made up of many layers and is showing some deflection from the significant weight of the roof. When it is necessary to replace the roof a total tear off will be necessary. Cost for this work would most likely run \$20 per square foot and could rise if damage is found to the structural elements of the roof after removal. The

approximate area of the roof surface is in excess of 68,500 square feet. This equates to \$1,370,000.00 for roof replacement in today's dollars. This estimate will most likely rise as time goes on.

The walls and siding on the building consist of several different combinations. The vast proportion of the building consists of concrete block walls which are covered on the exterior with metal siding. The largest expanse of this type is found on the west wall of the building. Generally speaking, the metal siding and block walls appear to be in relatively good repair. Evidence of leaks can be found in several areas but are generally attributable to unsealed penetrations in the walls, missing or defective trim and drainage issues on the exterior of the building which I will discuss in greater detail later in this report. The front area of the building closest to MD Route 12 has numerous windows and storefront glass is still in place from when the front of the building served as a showroom for the former Central Implement and housed their administrative offices. The siding and walls in this portion of the building appear to also be in generally good repair. The same drainage issues are present in this area. The walls in the area of the covered outdoor storage area are concrete block as well with no metal siding. They appear to be in generally good condition. The rear wall of the building consists solely of concrete block with no metal siding in place like the eastern side of the building under the covered storage. By far this area of the building is in the worst condition. There is a small addition on the back of the building that originally housed two small bathrooms which have been long abandoned. There is also a portion of a chimney in the middle of the wall. The wall was originally strengthened by several block buttresses spaced evenly across the wall. There is very obvious evidence of significant movement of the wall in this area. In several locations there is a significant gap between the buttress and the actual wall surface. The chimney has also moved away from the wall. It appears that the chimney was stabilized many years ago by means of a cable over corner braces on the chimney which then runs through the wall and is attached to the roof truss. Significant structural cracks are found in the wall as well. When viewed from the inside of the building, undulations in the wall surface plane are evident. Water damage is also evident in a number of mortar joints in the wall and leaks are prevalent at the roof/wall joint from missing fascia and damage from vegetation. Significant defects are also noted where the rear wall meets the covered loading area on the east side of the building. Prior repairs in this area have failed as well. The block walls in this area support the rearmost portion of the roof structure. The general consensus to fix these problems would be to temporarily support the roof structure from the inside, remove the entire block wall, permanently support the roof structure with structural steel columns under the roof point loads and then infill the balance of the wall with steel stud framing and metal siding. Without any engineering it is very difficult to estimate a cost for these repairs. If forced to provide an estimate for the work I think we would be in the range of \$150,000.00 or more.

Drainage issues are apparent around the perimeter of the building. In several areas, particularly in the front of the building, the metal wall panels are below grade. In many areas this is due to mulch heaped up against the building. In other areas the actual ground surface is higher than the siding. In places this is due to tree root growth and in others just poor surface grading.

This poor grading in combination with the vast amounts of water than drain from the roof in rain events may be contributing to water intrusion inside the building at the base of the walls. This will eventually lead to deterioration of the metal siding if left unattended. In some areas this situation will be very difficult to address because of the lack of fall in the ground elevation around the building. Repairs to the numerous downspouts around the building will help as well. This work could most likely be accomplished through normal building grounds and maintenance work. In some areas improvements may be impossible to achieve. Although not a drainage issue per se, we also identified a previously unknown septic tank which has long been out of use on the rear of the building. Apparently it was installed to serve the two bathrooms that were added to the back of the building and described above. This tank will need to be permanently filled and abandoned. No substantive costs are involved in this task.

BUILDING INTERIOR

Turning to the interior of the building, I will first discuss what we refer to as the front of the building, this being all of the area on the north side of the building from the warehouse space in the rear to MD Route 12. As you know, this area of the building houses a number of small offices, bathrooms, storefront, tool rooms, storage areas, lobby area, and break room. Portions of this area are conditioned space while others are not. In 2012 we received the attached report from Joseph M. Zimmer, Inc. On the conditioned portion of the front of the building. This report identified the deficiencies and made four general recommendations. They consisted of relocating the two existing systems to a small area, removing and replacing all of the duct work, adding additional equipment and zones, and incorporating outside air for air quality. Essentially nothing has changed equipment-wise from the date of this report. It assumed that all of the office space and other conditioned areas would be used in the form and function that they existed at the time. No cost estimates were provided or requested with this report. Depending upon what is ultimately decided with regard to the use of this space, this report may or may not still be valid. If there is an intention to locate personnel in the office space and somehow use the remainder of the space for conditioned storage for other departments, decisions will need to be made on just how the various departments' areas will be demarcated and secured. If personnel are placed in the building it would be best to make all necessary corrections and upgrades prior to them moving in. Given the inefficiencies in the system and complaints from past occupants of the building, these upgrades are probably a must-do. Replacing the system with one that meets today's ventilation requirements and performs efficiently to the satisfaction of the occupants will most likely run in the neighborhood \$350,000.00. If it is determined that the goal is to simply provide secure conditioned space for the various departments' long term storage, an entirely different approach may be in order. Certainly the existing rooms could be allocated to the various departments and only efficiency related repairs like replacing missing insulation and replacing broken or leaking duct work could be done at a lesser cost. Problems will continue with the system, however, due to the fact that it is undersized and poorly distributed. Costs for this work would be minimal in terms of the overall building and could be spread over time more as a programmed maintenance effort. If it is the intent to provide only a conditioned storage space and no office use in the

future, a much more radical approach may be in order. To accomplish this goal it may be best to simply demo a large portion of the front building interior and office area to provide for a large central storage area. Steel shelving racks could be moved from the rear of the building and reassembled in the new area. Individual racks or groups of racks could be wrapped in fencing type material to provide for lockable storage cages for each department depending upon their individual needs. Insulation would need to be provided at the roof deck and exposed duct work connected to roof top units could be used to condition the space much like you see in any number of big box stores. Costs for this work and equipment would depend on the amount of demolition area and the amount of work that could be done in house. New climate control equipment for conditioned storage only would cost in the range of \$250,000.00 to \$313,000.00 for this type of system. Costs for interior finish work will vary widely depending upon the amount of office space if personnel are placed in the building. A new security system will also be required for not only this portion but for the entire building.

The remainder or rear portion of the building consists entirely of unconditioned space. With the exception of extensive steel pallet storage racks and other processing equipment, there is nothing else in this portion of the building. Water intrusion into this portion of the building was noted after the recent heavy rains. Most of the water was found in the far rear westerly side of the building. It was difficult to tell if the intrusion was solely through the roof or if a portion of the water came in at the based of the wall as a result of the poor drainage noted previously. A strong musty smell was evident in this area as a result of the leaks. Depending upon what may be stored in this area fresh air ventilation could be added to reduce the odor problem. I expect costs for this to be minimal.

The last area for consideration is the covered outdoor storage area on the east side of the building. Under this roof are two depressed loading docks which serve the rear of the building. The biggest issue with this area is in regard to the underside of the steel roof structure. Currently the paint is peeling and some rusting is evident. Preliminary testing of the paint material indicates the presence of lead paint. This should be addressed so as not to spread any lead contamination.

In summary, the building can probably be categorized as being in generally fair condition for its age and last principal use. It is much larger than necessary for our current storage needs but could be valuable if those needs were to expand in the future. The building does come with certain important limiting factors. Probably the most significant issue is with regard to the floodplain regulations. Since the building is in the floodplain and assumed floor elevations are well below base flood elevation, we know the building is noncompliant and would have to be brought into compliance if the cumulative cost of any improvements exceeds 50 percent of the building's value which today is listed as \$808,000.00. Another limiting factor is the lack of public water and sewer should we ever wish to expand or change the use of the building. Most any change in use would trigger the need for an automatic sprinkler system which without public water may very well be cost prohibitive.

We have attempted to assign costs for the needed improvements without formal outside bids. This is very difficult, however, due to the sheer size of the building. Costs can escalate wildly when dealing with a structure of this size. Based upon all of the above information, our best guess with respect to building repairs and improvements are as follows:

Short term (this year) - Depends heavily on possible use of office space for the Board of Elections:

Engineering for repair to back wall of building	\$40,000.00
Grading and drainage repairs around building exterior, abandonment of old septic tank and seal leaking penetrations	\$30,000.00
Scoping and engineering for HVAC repairs depending upon office space use	\$15,000.00
TOTAL	\$85,000.00

Mid term (next 5 years)

Complete repairs to back wall of building	\$140,000.00
Replace alarm system	\$40,000.00
Upgrade/replace HVAC system	\$250,000.00 to \$350,000.00
Address the lead paint on the underside of the covered exterior storage area	\$50,000.00
Restroom repairs and accessibility	\$30,000.00
TOTAL	\$510,000.00 to \$610,000.00

Long term (5 to 10 years)

Replace roof	\$1,370,000.00
Paint exterior	\$75,000.00
TOTAL	\$1,445,000.00

As stated earlier, only work required to correct violations of the health, sanitary or safety code specifications can be excluded from the floodplain substantial improvement calculation. The only cost contained here that MAY qualify to be excluded would be the repairs to the back wall.

If you need any additional information in the interim, please do not hesitate to ask.

Attachments

**cc: Bill Bradshaw, County Engineer
Ken Whited, Maintenance Superintendent
John Tustin, Public Works Director**



August 18, 2017

Worcester County DPW
6113 Timmons Road
Snow Hill, MD 21863
Attn: Ken Whited

RE: Worcester County Liquor Control Building

Dear Ken,

Thank you for asking Servicemax of Delmarva to inspect the roof at your facility. Our findings and recommendations are as follows:

The roofs at Worcester County Liquor Control Building are PVC over BUR membrane over insulation or plywood. The PVC membrane and the BUR are several years old, visual appearance would indicate 10 to 20 years. The general condition of the PVC overlay is fair. There are very few visible issues with the PVC membrane at this time. The seams are tight and the membrane is flexible and shows no major deterioration.

There are two roof sections on the building the lower front nearest RT 12 and the rear upper roof.

The front lower roof consists of a combination of planks and plywood decking, presumably 3/4" over wood framing. There is then an asphalt base sheet over the plywood followed by three piles of fiberglass felt set in hot asphalt.

The upper rear roof consists of insulation mechanically attached to the original metal roof deck. The roof deck is Type A narrow rib roof deck of an unknown gauge. The purlin spacing is around 8' which is around the maximum for even 18-gauge decking. This is then followed by a four-ply built up roof with a subsequent two ply roof over that.

Both roof sections have a single ply mechanically attached PVC overlay installed over the original BUR roofs.

During a second inspection of the interior of the building several leaks were discovered. Most appear to be on the north end of the large rear section. Several smaller potential leaks were also noted in other locations of the building. Due to the many layers of roof membrane on this building visual inspection of roof damage to find leaks is difficult. It is suggested an infrared

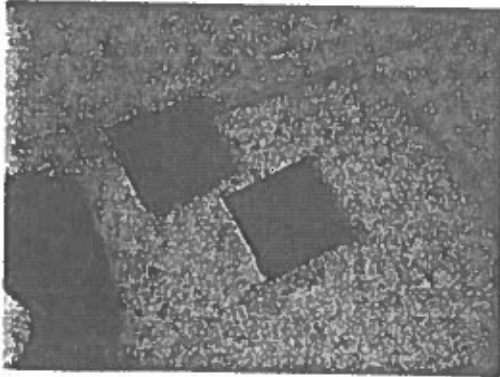
Page 1 of 3
300 Trotter St. STE 1, Salisbury, MD 21804
www.svcmax.com

Worcester County Liquor Control Rev. 8-18-2017
Phone 443-736-7220 Mail PO Box 3556, Salisbury, MD 21802
email info@svcmax.com

scan of the roof be done to determine potential trapped water followed by core samples to verify the presence of moisture.

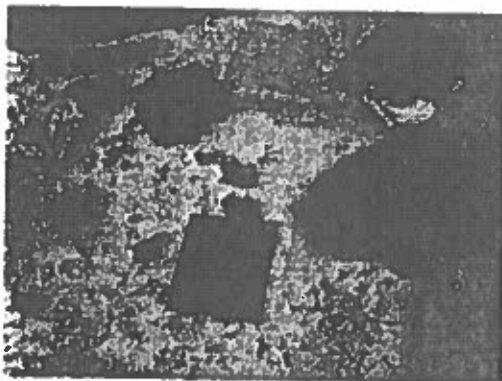
Looking forward, should leak issues persist and membrane deterioration become issues, the roof should be replaced in its entirety. There is a considerable amount of weight on the original structure that is causing some deflection of the roof deck. Estimates of the roof composition currently are as follows:

Lower roof from the top surface:



45 mil PVC Membrane	.23 LB. SF
3 ply BUR with Base sheet and Asphalt	1.28 LBS SF
Total over the wood deck	1.51 LBS SF

Upper roof from the top surface:



45 mil PVC Membrane	.23 LB. SF
2 ply BUR with Base sheet and Asphalt	.89 LB. SF

Page 2 of 3
309 Truitt St. STE 1, Salisbury, MD 21804
www.svcmax.com

Worcester County Liquor Control Rev. 8-18-2017
Phone 443-736-7229
Mail: PO Box 355B, Salisbury, MD 21802
email info@svcmax.com

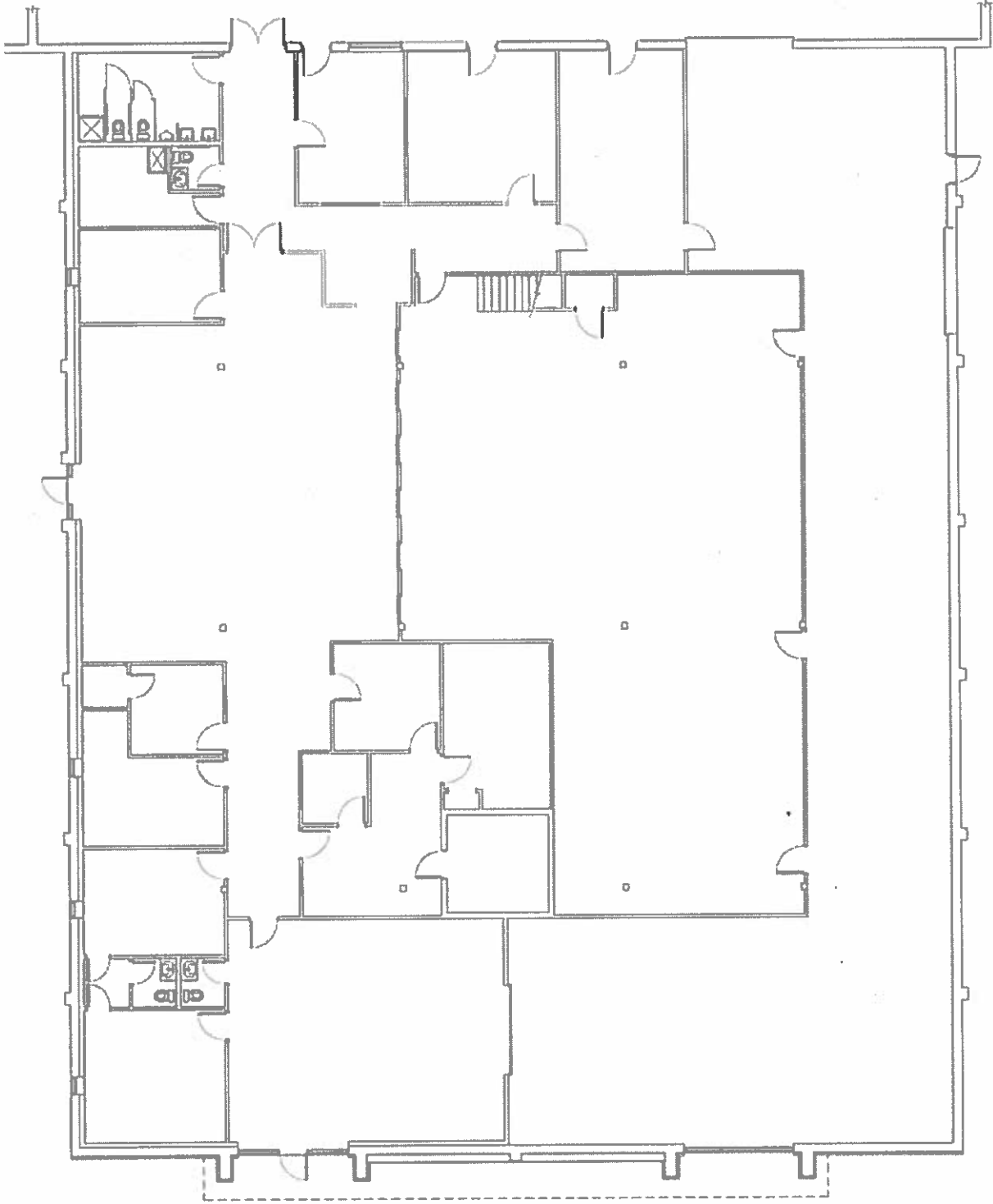
4 ply BUR with Base sheet and Asphalt	1.53 LBS SF
2" Fiberglass insulation	.40 LB. SF
Total over original metal roof deck	3.05 LBS SF

The roof system as it currently is, appears to be serviceable with some inspection and repairs for 5 to 10 more years. It is unknown whether the combined weight of the additional roof systems should be of concern unless structural analysis is done.

Please feel free to contact me if you have any further questions.

Sincerely,

Timo Rajala
Managing Member
Servicemax of Delmarva LLC



EXISTING CONDITIONS FLOOR PLAN

SCALE 1/8" = 1'-0"