CHANEY & ASSOCIATES
Commercial Real Estate and Business Valuation

An Appraisal of:

Panthera Training Center
2506 Fish Pond Road, Old Fields, West Virginia 26845

Subject Property

Prepared for:

Jeremy Tatge
Access National Bank
1800 Robert Fulton Drive, Suite 310
Reston, Virginia 20191

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May 25th, 2015

Jeremy Tatge
Access National Bank
1800 Robert Fulton Drive, Suite 310
Reston, VA 20191

Re: *Panthera Training Center* – 2506 Fish Pond Road, Old Fields, WV 26845

Dear Mr. Tatge:

In response to your April 17th, 2015 request for an appraisal (utilizing all applicable approaches) of the above captioned property, reported in conformance with the 2014-2015 Edition of the *Uniform Standards of Professional Appraisal Practice* (USPAP), Title XI of the *Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989* (FIRREA), revised June 7th, 1994, and amendments thereto; and the requirements detailed in our engagement (see addenda).

The referenced subject consists of ±747.49 acres of Agricultural zoned land, improved with multiple structures and site improvements supportive of a specialized sustainment training facility. These include multiple firing ranges, a live-fire shoot house, high-speed road track, an off-road rally track, mock town for combat simulations, wet/dry skid pad, obstacle course, classroom/administrative trailers (leased), shooting/repelling tower, multiple structures for general operations, paved roads, gravel roads, and many other site improvements. The facility was started operations in October 2009 (leased by a different operator until 2011). The highest and best use as improved is continuation of the current use.

The purpose of this appraisal is to provide the subject's *market value as is* of the fee simple estate. In concluding to the value opinion we have considered the pertinent market data and the actions of market participants knowledgeable of comparable properties. Based upon the analyses, assumptions, and limiting conditions of this report, the subject's *market value as is* of the fee simple estate is **$15,050,000** as of April 29th, 2015 (the most comprehensive inspection). Attached hereto is the analyses and reasoning for the opinion of value. Any separation of the signature pages from the balance of the report invalidates the conclusion.

Respectfully submitted,

Digitally signed by Mark A. Chaney
DN: cn=Mark A. Chaney, o=Chaney & Associates, Inc., ou=President, email=Mark.Chaney@CAI-value.com, c=US
Date: 2015.05.25 16:56:14 -04'00'

Mark A. Chaney, MAI

Richard H. Hayes

CHANEY & ASSOCIATES
Commercial Real Estate and Business Valuation

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Scope of the Appraisal:

Engagement -	To provide the subject's *market value as is* via an appraisal (utilizing all applicable approaches) prepared in conformance with the 2014-2015 Edition of the USPAP; Title XI of the FIRREA, revised June 7th, 1994, and amendments thereto; and the requirements detailed in our engagement (see addenda).
Period Data Was Investigated -	4/17/15 to the report date.
Date of Last Physical Inspection -	4/29/15.
Geographical Markets Researched -	The subject's competitive market and surrounding regional area.
Sources Used to Collect and Verify Data -	Site inspection, ownership, *CoStar*, *MRIS*, *STDB*, public records and officials, developers, broker/agents, lending institutions, attorneys, various published data pertinent to the subject's real estate market, and our files.
Valuation Approaches Utilized -	Cost, supported by the income capitalization. Sales comparison cannot be applied given the unique use of the subject, though efforts were made to obtain comparables nationally.

Identification of the Property:

Property Name -	*Panthera Training Center.*
Address -	2506 Fish Pond Road, Old Fields, WV 26845.
Taxation Identification -	District 3, Map 203, Parcel 8; and District 3, Map 203, Parcel 5.
Personal Property and Other Items -	None associated with our value opinion.

Ownership and History of the Property:

Current Ownership -	*TenX Group, LLC.*
Acquisition Date -	8/21/13 for $6,283,608 from William Renick. Ownership reportedly leased the subject from 2011 until purchase. A different operator,

Moorefield Training Center (MTC) started the operations in 2009 after obtaining necessary approvals from Hardy County. At the time MTC leased the property from William Renick, and in 2011 MTC left and the current operator subleased and continued the operation. Though we were not provided with specifics, it was reported that while MTC was obtaining county approvals and negotiating the land lease with William Renick, they also agreed on a purchase option which would allow for a very favorable acquisition price.

Prior Sales -	None known within the past 3 years.
Pending Sale Price -	None known.
Contracts, Options, Listings -	None known.
Recent Changes in the Operating Profile -	None known.

Purpose, Use, and User of the Appraisal:

Value Requested -	*Market as is.*
Intended Use -	To assist client and intended users in making a lending decision.
Intended User -	Access National Bank and The U.S. Small Business Administration (SBA).

Property Rights Appraised:

Interest Valued -	Fee simple estate.
Encumbrances / Legal Constraints -	None adverse known.

Date of Value Estimate:

Market As Is -	4/29/15 (the most comprehensive inspection).

Definitions:

Market Value [1]

The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.

3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

    - Buyer and seller are typically motivated;
    - Both parties are well informed or well advised, and acting in what they consider their best interests;
    - A reasonable time is allowed for exposure in the open market;
    - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
    - The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994)

Only that applicable to the subject is provided.

As Is Market Value [2]

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

Fee Simple Estate [3]

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.

Furniture, Fixtures, and Equipment (FF&E) [4]

Business trade fixtures and personal property, exclusive of inventory.

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[1] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.
[2] Ibid.
[3] Ibid.
[4] Ibid.

Business Enterprise Value (BEV) [5]

The value contribution of the total intangible assets of a continuing business enterprise such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases, customer base, and operating agreements.

Assumptions and Limiting Conditions:

- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
- It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described, and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
- It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the subject described and that there is no encroachment or trespass unless noted in the report.
- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed. We have no knowledge of the existence of such materials on or in the property. We, 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 discovering them. The intended user is urged to retain an expert in this field, if desired.
- Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication.
- We, by reason of this appraisal, are not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which they 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.
- Any opinions of value provided in the report apply to the entire property and any prorating or division of the total into fractional interests will invalidate the opinion of value, unless such prorating or division of interests has been set forth.
- If only preliminary plans and specifications were available for use in the preparation of this appraisal; the analysis is subject to a review of the final plans and specifications when available and arrangements have been previously made.
- We assume that the user of this report has been provided with copies of available building plans and all leases and amendments, if any, that encumbers the property.

[5] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

- The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- The Americans with Disabilities Act (ADA) became effective January 26th, 1992. We have not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would 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 impact upon the value of the property. Since we have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

National Economy:

The Conference Board's[6] Leading Economic Index (LEI) for the U.S. increased 0.7%, the Coincident Economic Index (CEI) increased 0.2% and the Lagging Economic Index (LAG) increased 0.1% in April.

- The LEI for the U.S. increased again in April, with building permits and the yield spread making large positive contributions. In the 6-month period ending 4/15, the LEI increased 2.0% (±4.0% annual rate), considerably slower than the growth of 3.5% (±7.2% annual rate) during the previous 6 months. However, the strengths among the leading indicators remain more widespread than the weaknesses.

- The CEI for the U.S., a measure of current economic activity, increased in April. The CEI rose 1.3% (±2.5% annual rate) between 10/14 and 4/15, about the same pace as for the previous 6 months. In addition, the strengths among the coincident indicators have remained very widespread. The LAG increased at a slightly slower pace than the CEI; as a result, the coincident-to-lagging ratio rose marginally. Real GDP expanded at a 0.2% annual rate in 1Q'15, after increasing 2.2% (annual rate) in the final quarter of last year.

- The LEI for the U.S. continued to increase through April, but its 6-month growth rate has moderated somewhat in recent months. Meanwhile, the CEI for the U.S. increased slightly, and its 6-month growth rate is virtually unchanged compared to 6 months ago. Taken together, the current behavior of the composite indexes and their components suggest that the expansion in economic activity should continue, but the pace of growth is not likely to significantly strengthen in the months ahead.

Seven of the 10 indicators that make up the LEI for the U.S. increased in April. The positive contributors – beginning with the largest positive contributor – were building permits, the interest rate spread, the Leading Credit Index (inverted), average weekly initial claims for unemployment insurance (inverted), average consumer expectations for business conditions, manufacturers' new

[6] The Conference Board is the premier business membership and research network founded in 1916. It disseminates knowledge about management and the marketplace to help businesses strengthen their performance and better serve society. Working as a global, independent membership organization in the public interest, they conduct research, convene conferences, make forecasts, assess trends, publish information and analysis, and bring executives together to learn from one another. The Conference Board is a not-for-profit organization and holds 501 (c) (3) tax-exempt status in the United States.

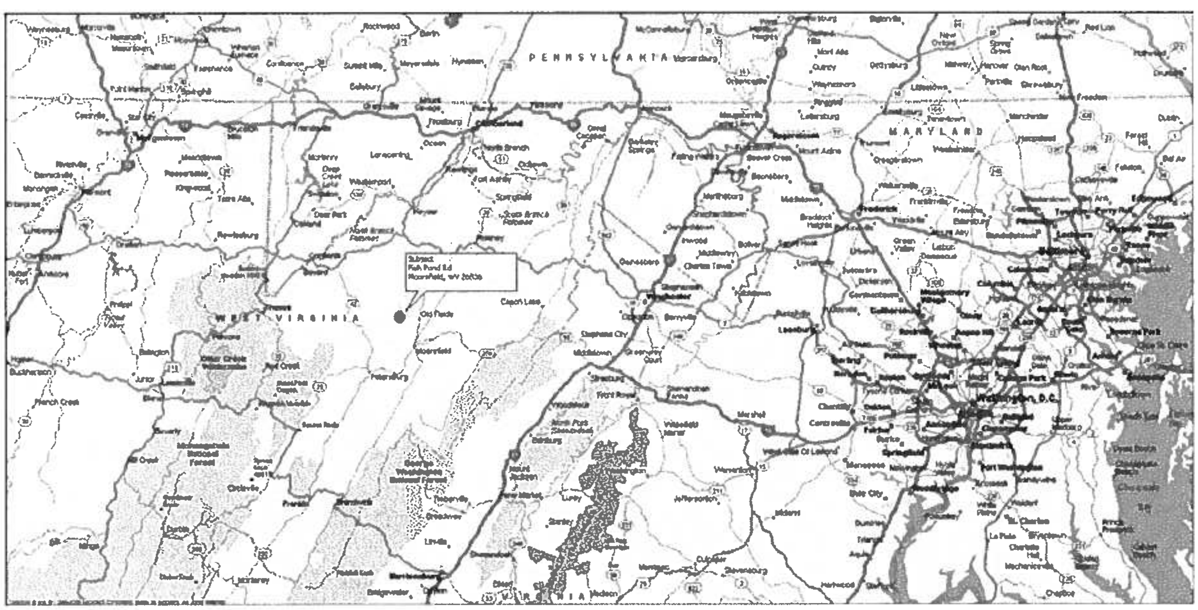
orders for non-defense capital goods excluding aircraft, and stock prices. The ISM new orders index declined, while average weekly manufacturing hours and manufacturers' new orders for consumer goods and materials were unchanged in April. The LEI for the U.S. now stands at 122.3 (2010=100). Based on revised data, this index increased 0.4% in March and decreased 0.2% in February. Over the 6-month span through April, the LEI increased 2.0%, with 7 out of 10 components advancing (diffusion index, 6-month span equals 70.0%).

Three of the 4 indicators that make up the CEI for the U.S. increased in April. The positive contributors to the index – beginning with the largest positive contributor – were employees on non-agricultural payrolls, personal income less transfer payments, and manufacturing and trade sales. Industrial production declined in April. The CEI now stands at 112.0 (2010=100). Based on revised data, this index decreased 0.1% in March and increased 0.2% in February. During the 6-month period through April, the CEI increased 1.3%, with 3 out of 4 components advancing (diffusion index, 6-month span equals 87.5%).

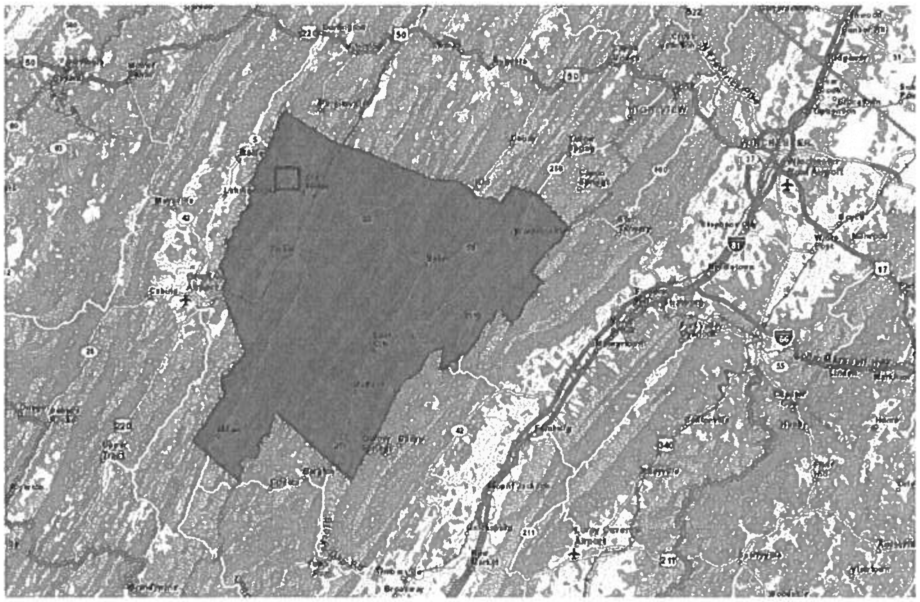
The LAG for the U.S. stands at 116.6 (2010=100) in April, with 2 of its 7 components advancing. The positive contributors to the index – beginning with the largest positive contributor – were the ratio of consumer installment credit outstanding to personal income and the ratio of manufacturing and trade inventories to sales. The negative contributors – beginning with the largest negative contributor – were change in the index of labor cost per unit of output, manufacturing and the average duration of unemployment (inverted). The average prime rate charged by banks, commercial and industrial loans outstanding, and the change in CPI for services held steady in April. Based on revised data, the LAG increased 0.5% in March and increased 0.2% in February.

Regional Data:

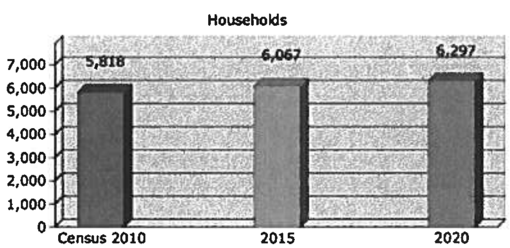
The subject is located in Hardy County, WV, as depicted below.

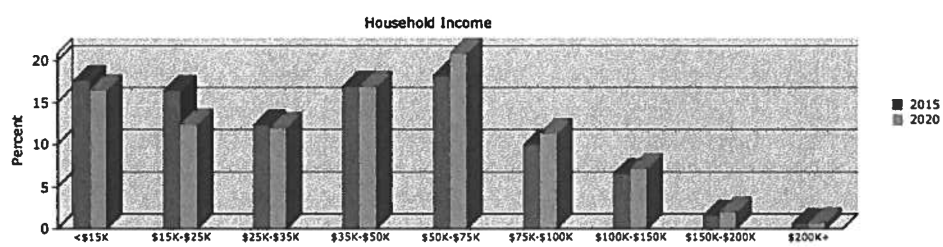


Hardy County has a rural, rolling landscape, with much of the land covered with farms, forests, state parks, and residences on large parcels. It also contains about 10 small communities and 2 small towns of Moorefield and Wardensville. Commercial development occurs primarily on the main transportation corridors, State Route 55 and 259 and US Route 220, as well as in the towns. Public facilities such as schools and medical facilities are also predominantly located in the same places as commercial development and near community centers. There is a small amount of industrial land use and there are few manufacturing businesses in the County. Hardy County as a whole is depicted as follows.

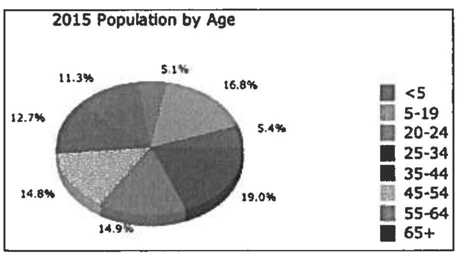


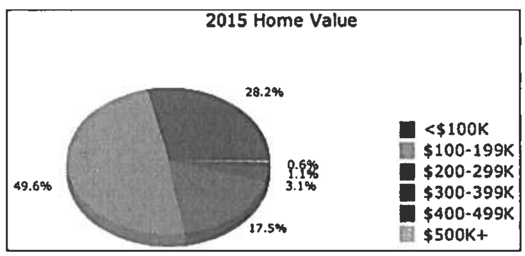
Hardy County's demographic profile follows:





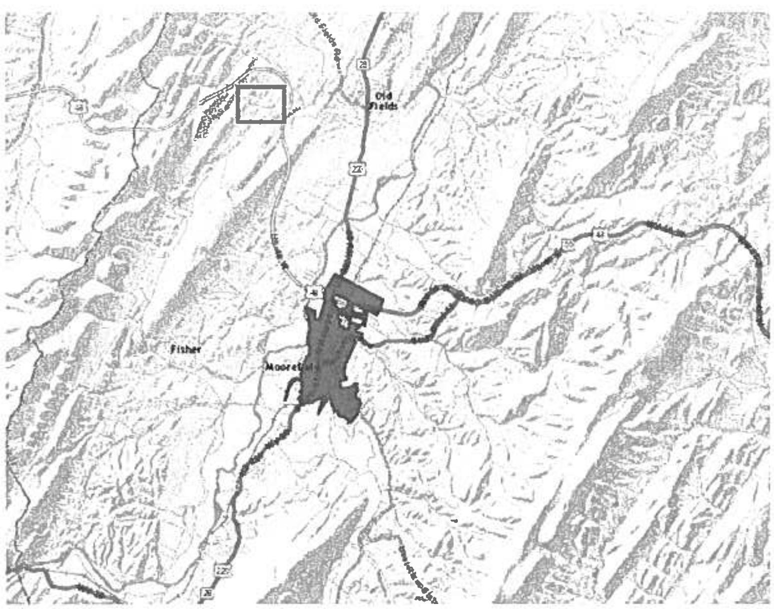
Population Summary	
2000 Total Population	12,669
2010 Total Population	14,025
2015 Total Population	14,563
2015 Group Quarters	58
2020 Total Population	15,103
2015-2020 Annual Rate	0.73%
Household Summary	
2000 Households	5,204
2000 Average Household Size	2.42
2010 Households	5,818
2010 Average Household Size	2.40
2015 Households	6,067
2015 Average Household Size	2.39
2020 Households	6,297
2020 Average Household Size	2.39
2015-2020 Annual Rate	0.75%
2010 Families	3,900
2010 Average Family Size	2.86
2015 Families	4,037
2015 Average Family Size	2.85
2020 Families	4,173
2020 Average Family Size	2.84
2015-2020 Annual Rate	0.66%
Housing Unit Summary	
2000 Housing Units	7,115
Owner Occupied Housing Units	58.9%
Renter Occupied Housing Units	14.3%
Vacant Housing Units	26.9%
2010 Housing Units	8,078
Owner Occupied Housing Units	55.2%
Renter Occupied Housing Units	16.9%
Vacant Housing Units	28.0%
2015 Housing Units	8,453
Owner Occupied Housing Units	52.8%
Renter Occupied Housing Units	19.0%
Vacant Housing Units	28.2%
2020 Housing Units	8,820
Owner Occupied Housing Units	52.4%
Renter Occupied Housing Units	18.9%
Vacant Housing Units	28.6%
Median Household Income	
2015	$37,506
2020	$41,723
Median Home Value	
2015	$138,428
2020	$148,854
Per Capita Income	
2015	$19,987
2020	$22,236
Median Age	
2010	42.7
2015	44.0
2020	45.7





2015 Households by Income	
Household Income Base	6,067
<$15,000	17.6%
$15,000 - $24,999	16.3%
$25,000 - $34,999	12.3%
$35,000 - $49,999	16.9%
$50,000 - $74,999	18.2%
$75,000 - $99,999	10.0%
$100,000 - $149,999	6.6%
$150,000 - $199,999	1.5%
$200,000+	0.6%
Average Household Income	$47,940
2020 Households by Income	
Household Income Base	6,297
<$15,000	16.5%
$15,000 - $24,999	12.4%
$25,000 - $34,999	12.0%
$35,000 - $49,999	16.9%
$50,000 - $74,999	20.9%
$75,000 - $99,999	11.4%
$100,000 - $149,999	7.2%
$150,000 - $199,999	2.0%
$200,000+	0.7%
Average Household Income	$53,296
2015 Owner Occupied Housing Units by Value	
Total	4,464
<$50,000	4.8%
$50,000 - $99,999	23.4%
$100,000 - $149,999	28.4%
$150,000 - $199,999	21.2%
$200,000 - $249,999	13.7%
$250,000 - $299,999	3.8%
$300,000 - $399,999	3.1%
$400,000 - $499,999	1.1%
$500,000 - $749,999	0.4%
$750,000 - $999,999	0.1%
$1,000,000 +	0.0%
Average Home Value	$152,223
2020 Owner Occupied Housing Units by Value	
Total	4,626
<$50,000	2.8%
$50,000 - $99,999	19.5%
$100,000 - $149,999	28.3%
$150,000 - $199,999	27.2%
$200,000 - $249,999	14.6%
$250,000 - $299,999	3.5%
$300,000 - $399,999	2.8%
$400,000 - $499,999	0.8%
$500,000 - $749,999	0.4%
$750,000 - $999,999	0.1%
$1,000,000 +	0.0%
Average Home Value	$157,766

Within Hardy County, the subject is just outside Moorefield, as depicted below.

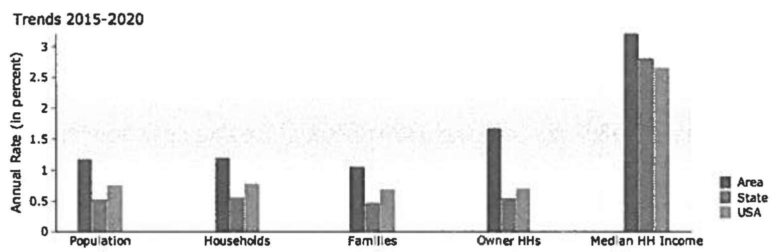


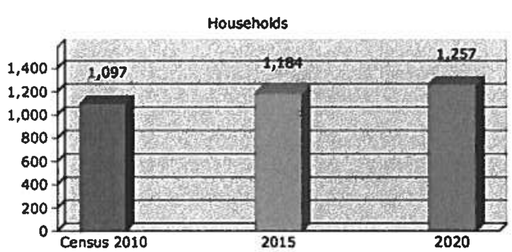
Moorefield's demographic profile follows:

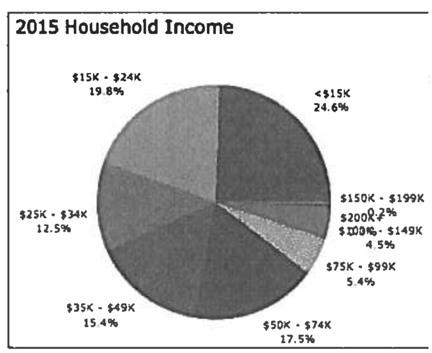
Summary	Census 2010	2015	2020
Population	2,544	2,742	2,906
Households	1,097	1,184	1,257
Families	624	688	725
Average Household Size	2.32	2.32	2.31
Owner Occupied Housing Units	577	615	668
Renter Occupied Housing Units	520	569	590
Median Age	40.1	41.3	42.0
Trends: 2015 - 2020 Annual Rate	**Area**	**State**	**National**
Population	1.17%	0.52%	0.75%
Households	1.20%	0.55%	0.77%
Families	1.05%	0.46%	0.69%
Owner HHs	1.67%	0.54%	0.70%
Median Household Income	3.21%	2.81%	2.66%

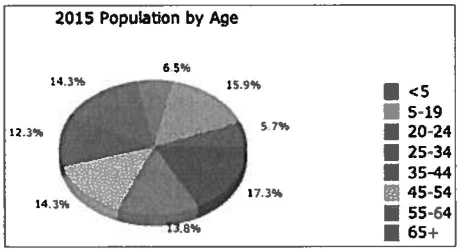
	2015		2020	
Households by Income	Number	Percent	Number	Percent
<$15,000	291	24.6%	295	23.5%
$15,000 - $24,999	234	19.8%	192	15.3%
$25,000 - $34,999	148	12.5%	157	12.5%
$35,000 - $49,999	182	15.4%	199	15.8%
$50,000 - $74,999	207	17.5%	267	21.2%
$75,000 - $99,999	64	5.4%	77	6.1%
$100,000 - $149,999	53	4.5%	63	5.0%
$150,000 - $199,999	2	0.2%	3	0.2%
$200,000+	3	0.3%	4	0.3%
Median Household Income	$28,810		$33,734	
Average Household Income	$38,297		$42,651	
Per Capita Income	$16,398		$18,299	

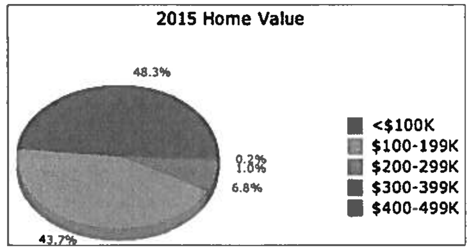
	Census 2010		2015		2020	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	161	6.3%	157	5.7%	165	5.7%
5 - 9	137	5.4%	158	5.8%	166	5.7%
10 - 14	121	4.8%	146	5.3%	172	5.9%
15 - 19	166	6.5%	131	4.8%	152	5.2%
20 - 24	169	6.6%	177	6.5%	139	4.8%
25 - 34	357	14.0%	392	14.3%	395	13.6%
35 - 44	336	13.2%	336	12.3%	369	12.7%
45 - 54	351	13.8%	391	14.3%	366	12.6%
55 - 64	329	12.9%	379	13.8%	424	14.6%
65 - 74	203	8.0%	258	9.4%	330	11.4%
75 - 84	173	6.8%	158	5.8%	162	5.6%
85+	41	1.6%	59	2.2%	64	2.2%







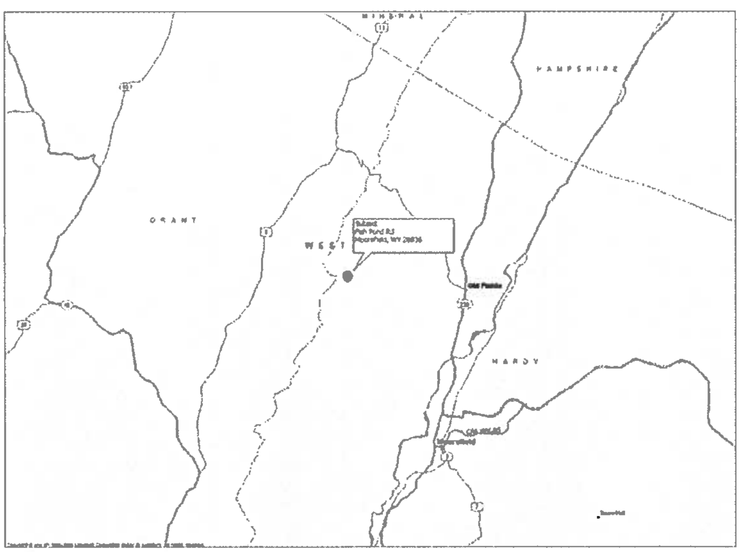




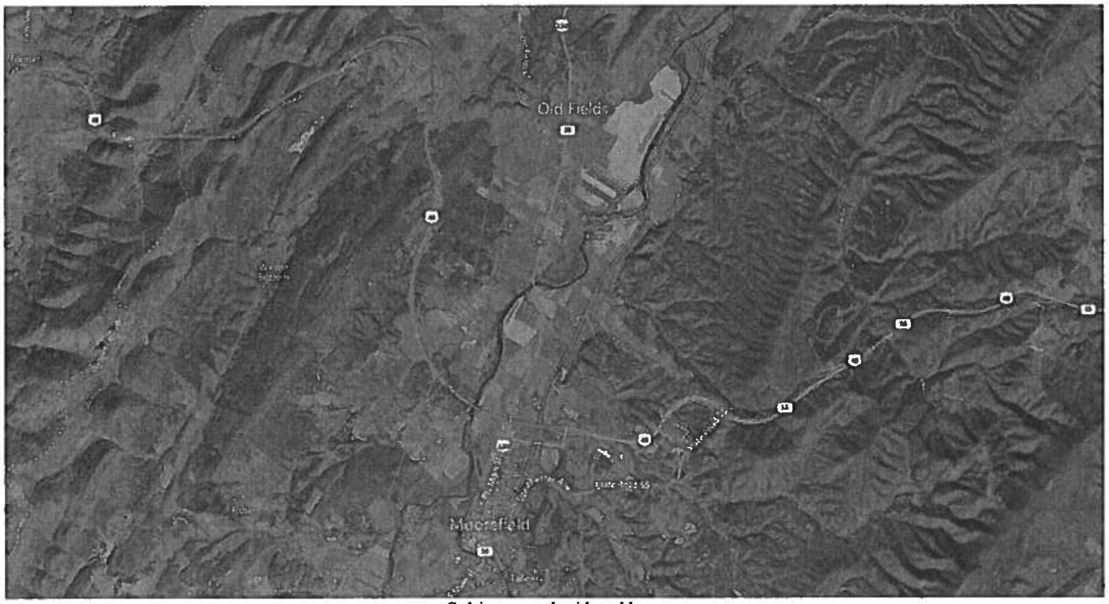
Leading industries and products in Hardy County include poultry, wood and value-added products, hay and grain, and livestock. Poultry is the major leading industry and accounts for over half of its employment. Wood and wood products account for approximately one quarter. Schools, government, agricultural, and service-related employment account for the balance of employment. Not included in these estimates are self-employed persons or agricultural employment (which predominates). Hardy County, along with the rest of the counties of this region of West Virginia, will continue to have economic growth opportunities, including retention of the existing jobs, new job creations including more highly skilled jobs, business diversifications, tourism related developments, new residents - especially those commuters from adjacent out-of-state areas and in-state residents in neighboring counties. Overall, the surrounding area is considered to have the stability to support the subject's current use.

Neighborhood Analysis:

Boundaries - The subject is situated ±5 miles northwest of the small town of Moorefield. The general neighborhood is within a valley generally bound by north-south running mountain ridges to the east and west, lower lying hills and the county border ±5 miles to the north, and the South Branch Potomac River to the south. The area is depicted below.



Land Uses - The neighborhood consists of forested land and large acreage agricultural land with single-family residences embedded within a valley between mountain ridges to the east and west. The small town of Moorefield to the southeast of the subject provides local residents with basic retail and commercial needs. New development has been limited in Moorefield.



Subject noted with red box

Accessibility - The subject is located within rural lands with limited access given the surrounding mountain ridgelines running north-south. The closest area with a moderate degree of development is Winchester, VA, which is ±60 miles to the east. However, the town of Moorefield is located at the intersection of U.S. Route 220 (running north-south) and U.S. Route 48 (running east-west). Each of these provide access to other areas of West Virginia, Virginia to the east and Maryland to the north.

Growth Rate - Forecasts are for ±0.6% per annum to 2019 for the 10-mile radius. Within this radius the current population is 10,529.

Typical Property Condition - Average rural product.

Predominant Occupancy -

2014 Occupancy - *STDB*			
	1-Mile	5-Mile	10-Mile
# Units	5	1,200	5,297
Owner	60.0%	56.9%	56.6%
Renter	0.0%	20.6%	23.3%
Vacant	40.0%	22.5%	20.1%
2019 Forecasted Occupancy			
# Units	5	1,259	5,531
Owner	60.0%	56.6%	56.2%
Renter	20.0%	20.4%	22.7%
Vacant	20.0%	23.0%	21.1%

Evidence of Declining Occupancy - None, though given the rural nature of the overall area, growth is modest.

Prevalent Market Trend - Relative stability.

Overall Real Estate Values - Reportedly residential resale values have been fairly stable over the past year.

Uses Adjacent to Subject - The subject is surrounded by raw forested land to the south and west, and agricultural land to the north and east.

Market Analysis:

The subject's current use is one that is fairly unique with limited competition. The subject is a sustainment training facility that offers customized training packages to the U.S. Department of Defense, U.S. Department of State, various government agencies, and local law enforcement teams who operate in sensitive environments worldwide. The subject offers scenario-based training in a private venue, and provides sophisticated scenarios to meet customized training requirements. Ground, aviation and intelligence training is merged in a single exercise to enable the client to train like they fight. Some of the tactical training courses consist of the following:

- Firearms – Basic to advanced small to medium arms training.
- Driving – Security driving, convoy operations, advanced vehicle control and technical driving, and evasive maneuvers.
- Special Tactics – Simulations of urban warfare and close quarter battles.
- Executive Protection – Mission planning, venue security, escape routes, hand-to-hand tactics, formations and perimeter security, and use of force.
- Situational Awareness and Survivability – Surveillance detection, combat medicine and operational planning.

Reportedly the competition comes on a national scope from 4 companies – *BSR*, *Academi*, *Raytheon*, and *Dyncorp*. *Academi* has 3 locations, North Carolina, California and Connecticut; their flagship location is in Moyock, NC and is a 7,000-acre facility that includes several tactical ranges, 5 ballistic houses, scenario facilities, airfields, drop-zones, tactical driving tracks, and classrooms. *BSR* is a facility located in Summit Point, WV, though is focused on the aspect of evasive driving curriculum. They have various courses such as high-speed road courses, off-road courses, and skid pads. There are firing ranges as well, but their core focus is on various driving courses. *Raytheon* and *Dyncorp* offer various military training programs as well, reportedly in Texas and Georgia, though public information on their programs is difficult to obtain.

As will be discussed within our *Zoning Analysis*, the subject received approval to allow for the current use, one that allows for live-fire 24 hours/7 days a week. The subject land is Agriculturally zoned. Without the subject's special zoning approval, agricultural use is most likely, as development within the county is virtually non-existent. According to the Hardy County Assessor, there have only been 2 large acreage sales since the economic downturn started in 2007 (we analyze both in our land valuation). The Hardy County Planner stated there has been no development in recent years, and there does not appear to be any development in the near term since there are not many employment opportunities outside of the agricultural industry to support significant development. Given the subject's location outside of Moorefield in very rural lands, residential subdivision development is unlikely.

Site Description:

Location -	2506 Fish Pond Road, Old Fields, WV 26845. The Census Tract is 9701.00.
Tax Identification -	District 3, Map 203, Parcel 8 and District 3, Map 203, Parcel 5.
Size -	689.40 acres (Parcel 8) and 58.09 acres (Parcel 5), for a total of 747.49 acres.
Shape -	Irregular.
Access -	Fish Pond Road is a gravel road that is accessed from U.S. Routes 220 and 48.
Topography -	Varying from lightly rolling to steep mountainous terrain. Vegetation ranges from clear open pastures to heavily wooded forests.
Visibility -	Poor, which is advantageous for a use that has many clients seeking secrecy.
Drainage -	Facilitated by natural means.
Flood Zone -	According to *FEMA* map 54031C0050G effective 9/2/09, the subject is in Zone X, an area of minimal risk.
Soil Condition -	We were provided with a soil sampling report dated 10/2/14. The purpose of this report was over concerns of storm water runoff into ditches

below the firing ranges on site. These ranges have been utilized in the past few years as training areas for military and security personnel. Lead is utilized in the ammunition rounds, hence the cause for concern, though measures are taken to capture spent rounds. Based on the results of the sampling, human or environmental risks were not identified related to the runoff from the firing ranges. All results were well below the stringent limits used as clearance levels by HUD and the EPA.

Environmental Hazards - We were provided with a Phase I Environmental Site Assessment dated 8/1/11. No Recognized Environmental Conditions were identified, and no additional investigations were warranted.

Utilities - Electricity, telephone, well and septic.

Easements / Encroachments - None adverse assumed.

Detrimental Influences - None significant noted.

Site Improvements - A network of roads connects the various sections of the training facility. There are paved asphalt roads that are 18'-wide and span 2,162'. There are gravel roads that are 18'-wide and span 10,560'.

Along the side of a steeply sloped hill is a concrete road course for training drivers in evasive high speed, tightly turning, and steeply sloped conditions. This course is 36'-wide and spans 13,460'.

A large Skid Pad exists for various automotive training exercises. This paved square surface is 400' × 400', or 160,000 SF.

A 2.6-mile dirt rally track with tightly winding curves is in-place just south of the wet/dry skid pad area.

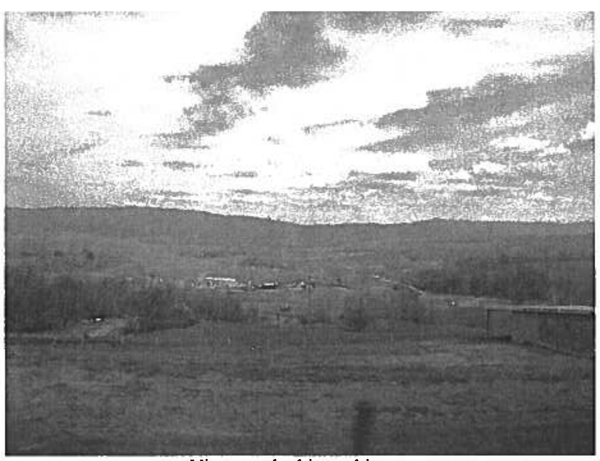
There are 5 open-space shooting ranges, which are graded and graveled. Each of the ranges have the following dimensions – 90' × 350'; 90' × 350'; 90' × 620'; 90' × 900'; 150' × 95'. The total size of these ranges equates to 214,050 SF.

For safety purposes there are large berms surrounding the firing ranges, the Live Fire Shoot House and the canopy covered shooting range (Range Cover 5). There is also a 360° shooting range that is comprised of a berm surrounding a center area for training drills. As construction has taken place throughout the facility much of the dirt has been hauled to these areas to build-up the berms, and there have also been arrangements with other local projects to acquire soil for relatively inexpensive amounts.

It was reported that subject ownership has continued to perform infrastructure upgrades to enhance business operations. Such upgrades within the past couple years include ±3,000' of water/sewer lines, ±3,700' of underground power lines, additional gravel roads, and other miscellaneous site work such as irrigation systems. However, we were not provided with a detailed breakout of the costs incurred.

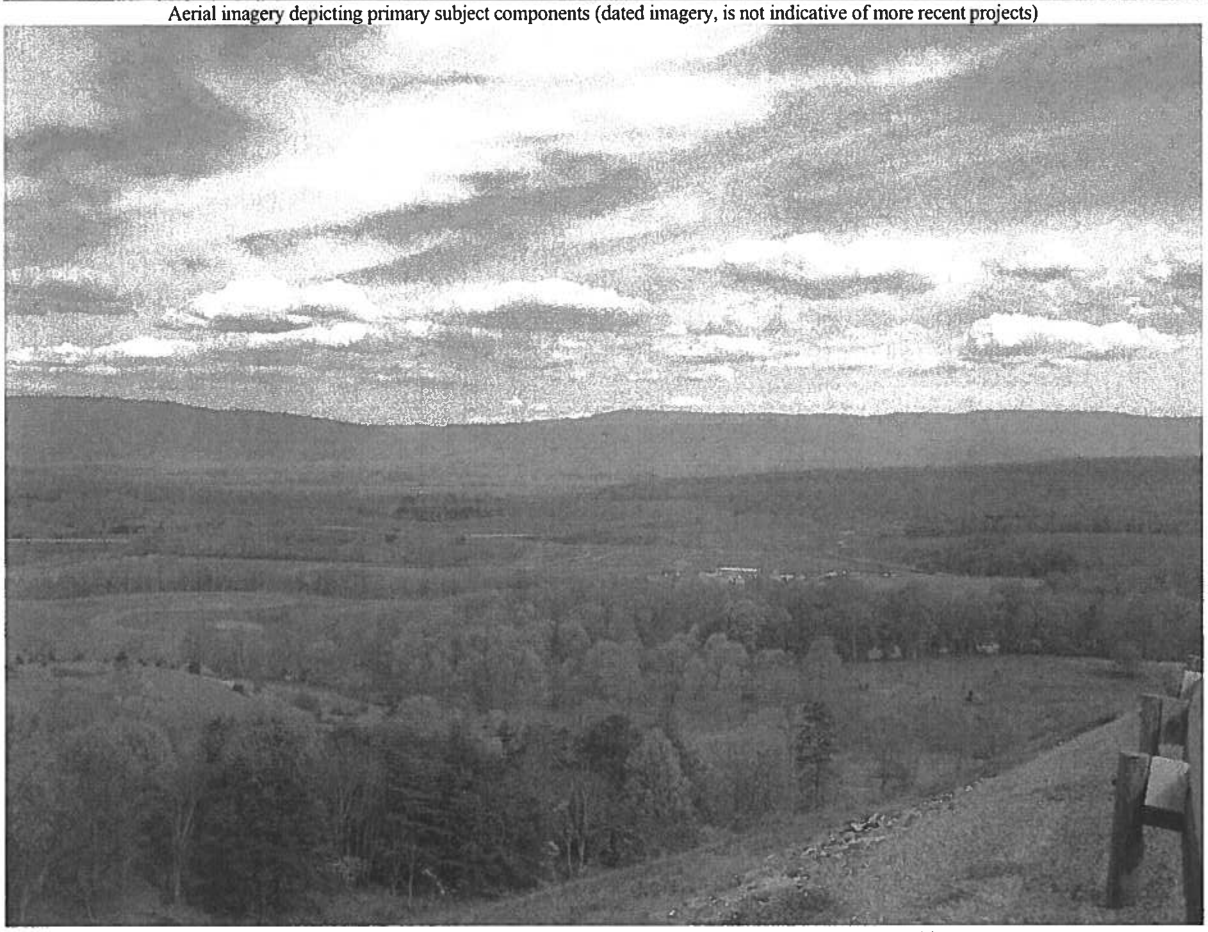
Off-Site Improvements - Minimal, as access to the site is via a gravel road (Fish Pond Road).

Conclusion - The site is assumed physically capable of supporting legally permissible uses, including the existing.

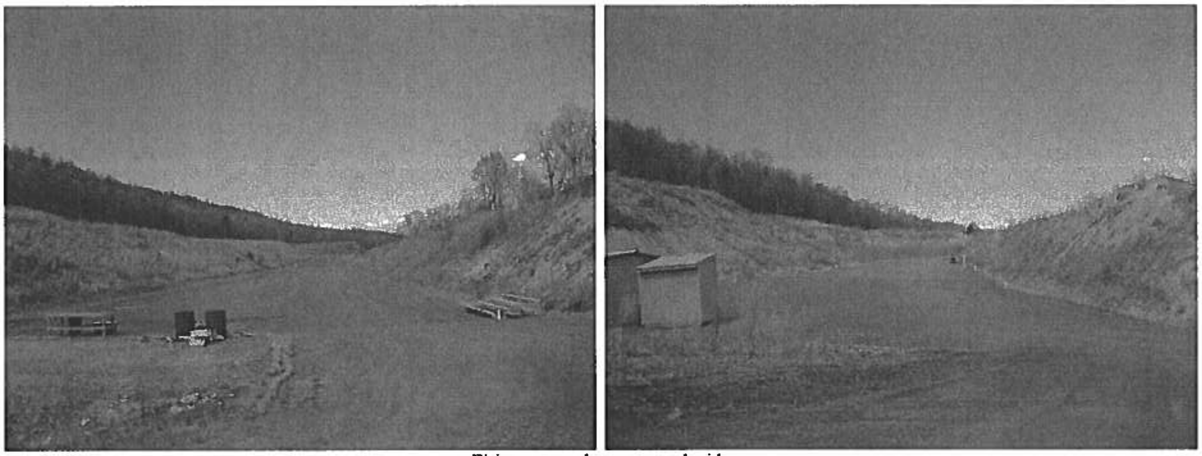

View overlooking subject


View toward off-road trails

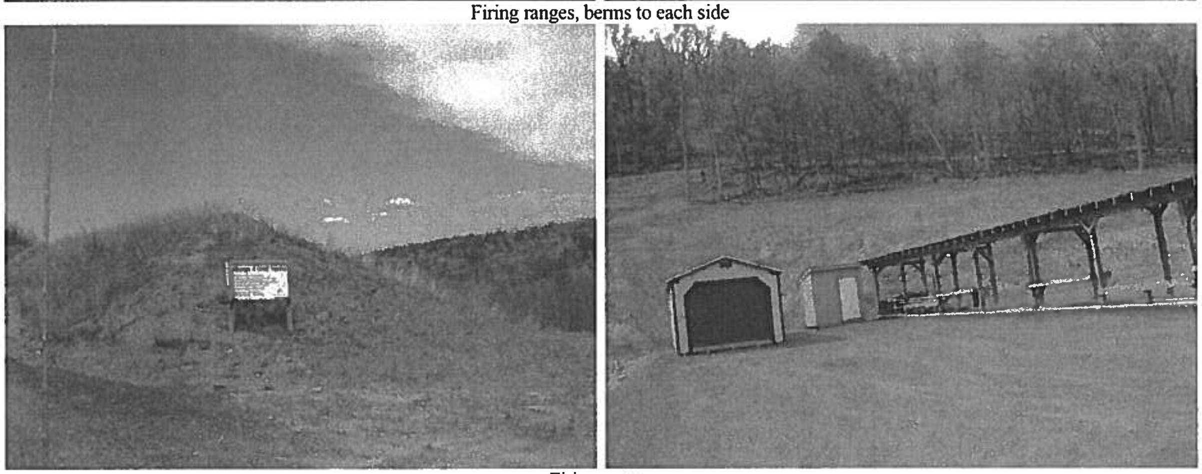
Aerial imagery depicting primary subject components (dated imagery, is not indicative of more recent projects)



View from subject's high-ground gravel road depicting various components of the subject



Firing ranges, berms to each side



Firing ranges

Gravel road, berm in background

Gravel road to rear entrance of facility

Zoning Analysis:

Type - Agricultural (A) District – This comprises the residual unincorporated lands in the county after the other zoning districts and the floodplain areas have been designated. It is recognized that some land in the county must be available for innovative ideas and less restrictive uses, which the "A" District provides.

Permitted Uses - Agricultural is encouraged, but the following are also permitted: Single- and 2-family dwellings, churches, private recreation areas, wildlife preserves, commercial green houses, cemeteries, kennels, and historical sites.

The following conditional uses may be authorized with approval of the Zoning Appeals Board: hospitals and institutions for human care, motels, gun clubs and trap-shooting ranges, camp grounds, correctional institutions, landing fields, and scrap/salvage yards.

On 5/28/09, a Conditional Use Permit was granted by the Hardy County Board of Zoning Appeals for the purpose of building a Sustainment Training Facility. This zoning approval letter was for the *Moorefield Training Center, Inc.* the entity which developed the subject in 2009. The conditional use transferred with the land. The conditions of this permit allowed for obtaining building permits for the facility, and states that the planned facility's operations comply with the zoning ordinance. Most notable was the granting of live-fire 24 hours/ 7 days per week, to simulate nighttime missions. We spoke with the head of the Planning and Zoning Department of Hardy County to get an idea on the difficulty of obtaining such a zoning appeal. It was her opinion that it is simply impossible to predict the likelihood of another similar use being approved within the county as there are simply so many factors that go into the zoning board voting for such exceptions. It really depends on who is on the board at that time and a multitude of factors.

She did state that, "…anything that may bring significant jobs to the area would perk anybody's ears up around there." Her opinion was that given the subject's adjacency to an abundance of forested and mountainous land, along with virtually no residences within ear-shot of the facility, that granting such approval may not have been overly difficult.

Bulk Regulations -

Minimum Lot Area:	3 acres
Minimum Lot Width:	200'
Minimum Side Yard:	30'
Minimum Front Yard:	40'
Minimum Rear Yard:	50'
Maximum Height:	3 stories or 40'

Conformance - The subject appears legal.

Possibility of Zoning Change - Minimal.

Improvements Description:

Overview - The subject is a sustainment training facility that offers customized training packages to the U.S. Department of Defense, U.S. Department of State, various government agencies, and local law enforcement teams who operate in sensitive environments worldwide. The subject offers scenario-based training in a private venue, and provides sophisticated scenarios to meet customized training requirements. Ground, aviation and intelligence training is merged in a single exercise to enable the client to train like they fight. Some of the tactical training courses consist of the following:

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- Situational Awareness and Survivability – Surveillance detection, combat medicine and operational planning.

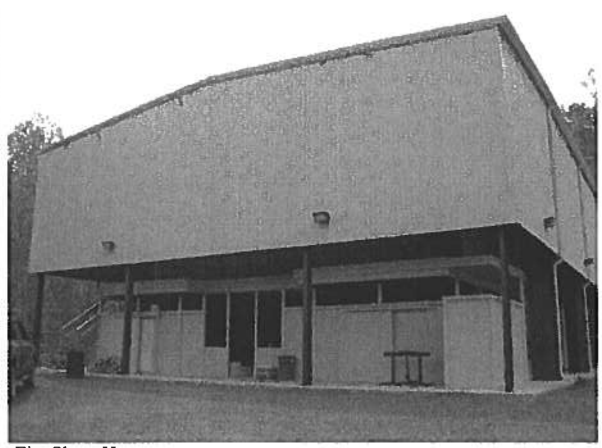
Many of the subject's qualities that add value to the current use simply lie within the land itself. Many of the training operations greatly benefit from the subject's terrain; this varies from wooded mountainous land to rolling open pastures. Throughout the land are obstacle course trails, off-road trails for vehicle training, and even old farm buildings that assist in recreating countryside environments that soldiers may encounter in real-life conflicts. Also of benefit to the subject is the changing of seasons (i.e. simulations done in snow covered mountain terrain), and the fact that live-fire is allowed 24 hours/7 days per week for providing nighttime training missions.

The subject is a highly specialized use, and thus many of the improvements are very unique to this use. The following summarizes the improvements throughout the site, followed by descriptions of FF&E.

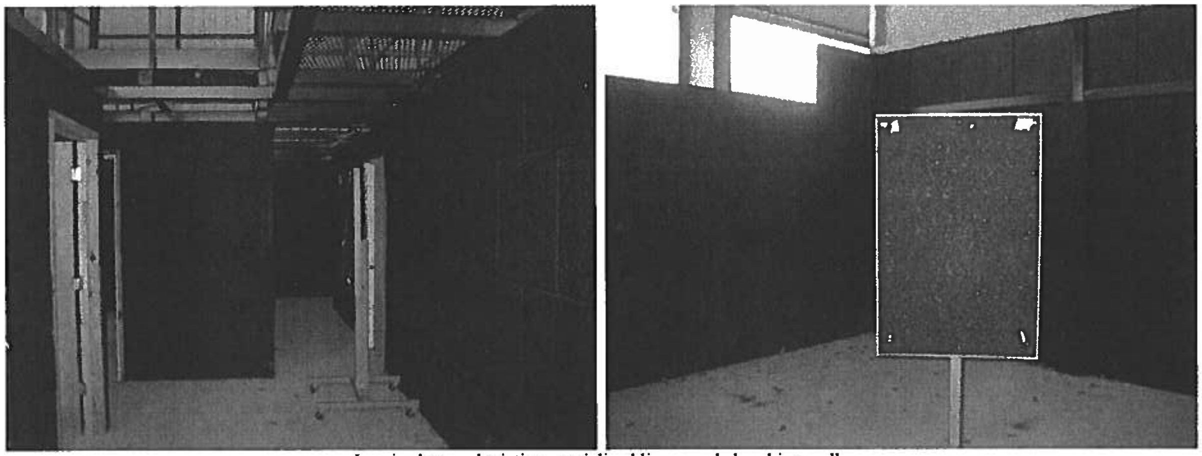
Live-Fire Shoot House

Product - A specialized facility that allows for live-fire combat simulations within a closed structure. The facility is essentially a *Class S* warehouse shell building with the lower portion of the exterior wall removed. Reportedly the exterior metal wall is of thicker material to handle any stray rounds going through. Within the interior of the warehouse-like structure is a highly specialized build-out. On the ground level is a series of hallways and rooms in which all of the walls are a costly composite material that absorbs live rounds. This allows for combat simulations with live-fire in which the rounds do not riccochet. These walls and rooms can be configured to simulate the layout of a building that a special-operations team will be infiltrating in real scenarios. Above the ground level's layout is an intricate network of steel fabricated cat walks, stairs and multiple levels for observations of the training squads on the ground level and for exercises on the cat walk levels as well. Reportedly this custom fabricated steel structure, the specialized round absorbing walls, the high impact exterior metal walls, and the building itself had a construction cost of ±$2,000,000. Another contractor that specializes in build-outs like this provided a bid that was well over $3,000,000.

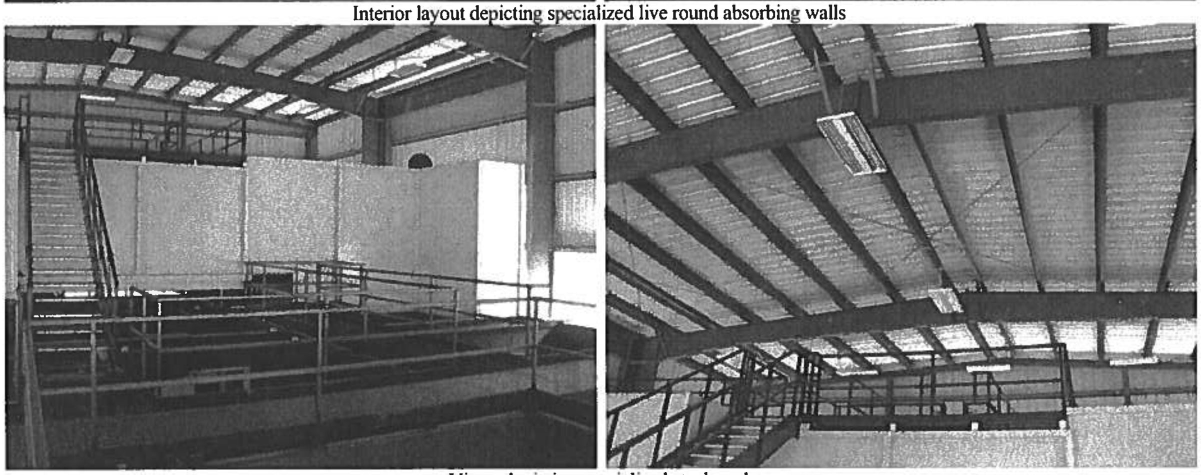
Size -	8,712 SF.
Year Built / Effective Age -	2013 / ±2 years.
Condition -	Excellent.
Remaining Economic Life -	±33 years.
Foundation -	Concrete slab.
Frame -	Steel.
Floor Cover -	Concrete slab.
Exterior Walls -	Metal.
Interior Partitions -	Wood stud and specialized round absorbing composite material.
Roof Cover/Support -	Metal cover, steel truss.
Electrical -	Assumed adequate.
Functional Adequacy -	Adequate for the given use.

Front views of Live-Fire Shoot House



Interior layout depicting specialized live round absorbing walls

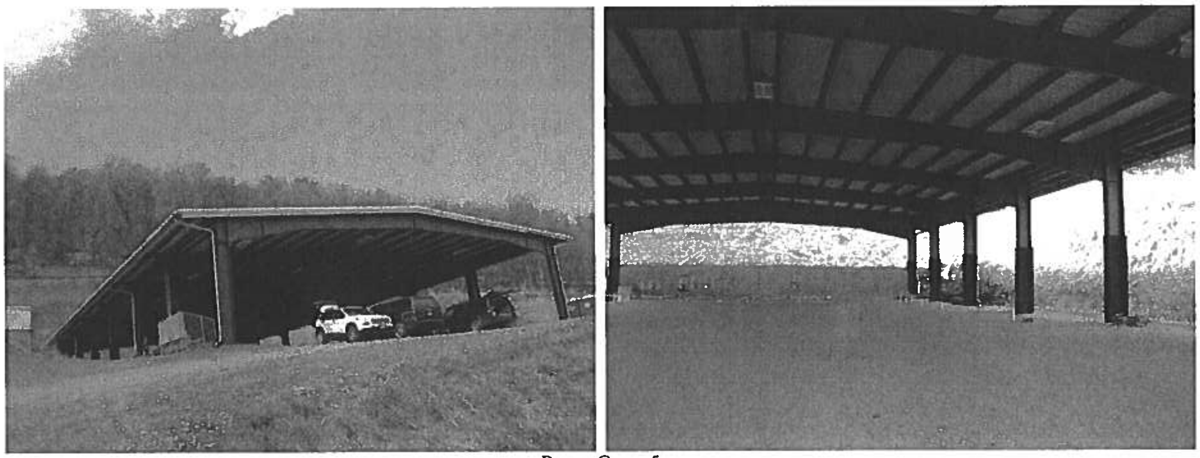


Views depicting specialized steel work

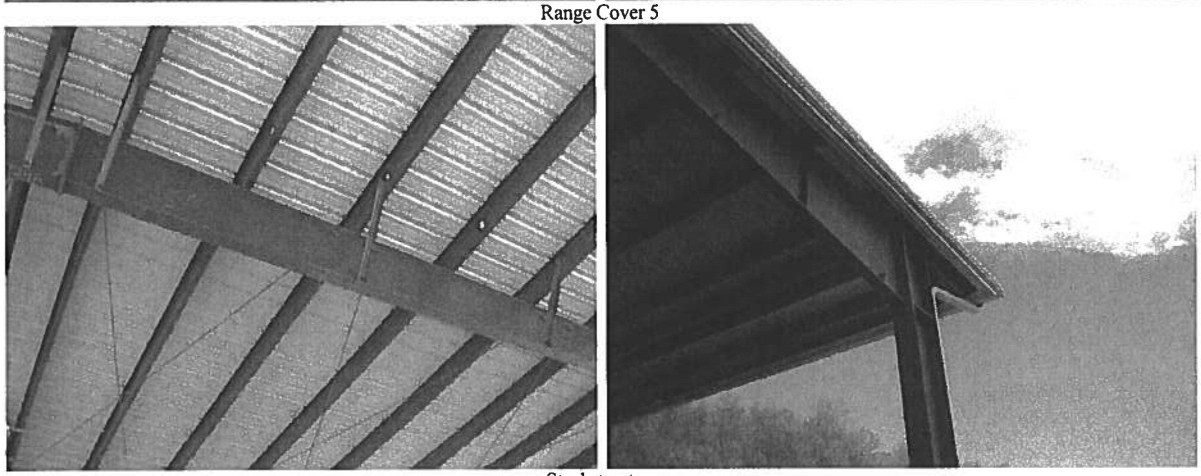
Range Cover 5

Product -	A covered open-air shooting range.
Size -	162' × 89', 14,418 SF.
Year Built / Effective Age -	2013 / ±2 years.
Condition -	Excellent.
Remaining Economic Life -	±23 years.
Foundation -	Gravel.
Frame -	Steel.
Roof Cover/Support -	Metal over steel support.
Electrical -	Assumed adequate.

Functional Adequacy - Adequate for the given use.



Range Cover 5



Steel structure

Sim 1 & Sim 2

Product - Two-story structures located within the *Combat Town* section, they are utilized as "Sim Houses" to assist in combat simulations.

Size - 3,812 SF and 1,476 SF.

Year Built / Effective Age - 2009 / ±5 years.

Condition - Very good.

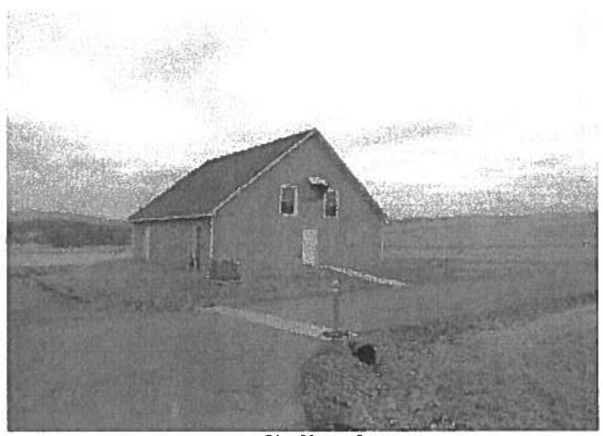
Remaining Economic Life - ±25 years.

Foundation - Concrete slab.

Frame - Wood.

Floor Cover -	Wood floor.
Exterior Walls -	Stucco.
Interior Partitions -	Painted drywall over wood.
Roof Cover/Support -	Asphalt shingles, wood truss.
Electrical -	Assumed adequate.
Fire Protection -	Smoke detectors assumed.
Plumbing -	Adequate.
Heating -	Electric heat.
Functional Adequacy -	Adequate for the given use.


Sim House 1


Sim House 2

Shop

Product -	One-story structure used as a maintenance shop.
Size -	960 SF.
Year Built / Effective Age -	2009 / ±5 years.
Condition -	Very good.
Remaining Economic Life -	±25 years.
Foundation -	Concrete slab.

Frame -	Wood.
Floor Cover -	Concrete slab.
Exterior Walls -	Stucco.
Roof Cover/Support -	Asphalt shingles, wood truss.
Electrical -	Assumed adequate.
Fire Protection -	Smoke detectors assumed.
Plumbing -	Adequate.
Heating -	Electric heat.
Functional Adequacy -	Adequate for the given use.

Shop

Track Cover Briefing for Wet/Dry Skid Pad

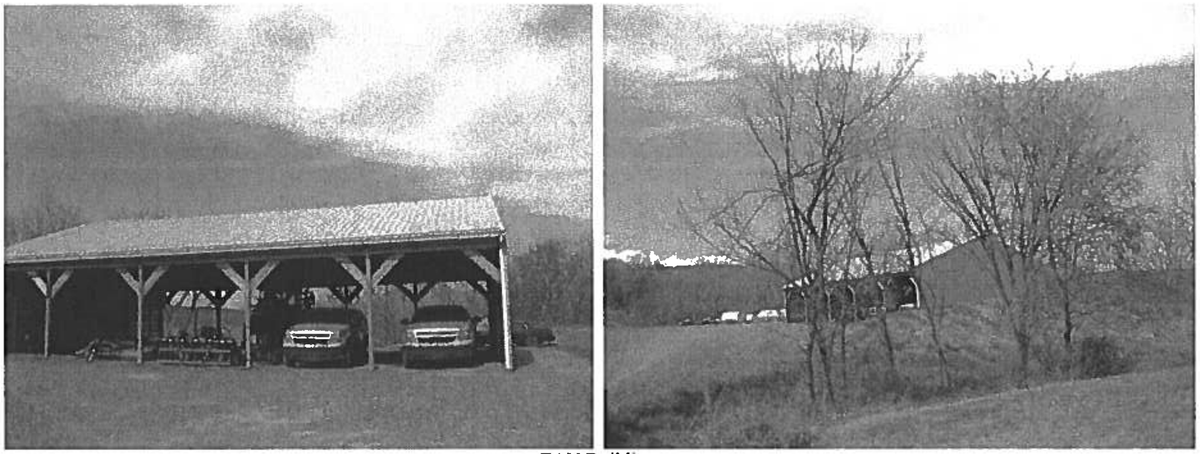
Product -	A pavilion to provide vehicle shelter and a covered briefing area for training courses on the wet/dry skid pad.
Size -	1,960 SF
Year Built / Effective Age -	2009 / ±5 years.
Condition -	Good.
Remaining Economic Life -	±20 years.

Foundation -	Gravel.
Frame -	Open-air, wood post.
Roof Cover/Support -	Wood truss, asphalt shingle.
Electrical -	None.
Functional Adequacy -	Adequate for the given use.


Track Cover Briefing Pavilion

FAV Building

Product -	A pavilion to provide armored vehicle shelter.
Size -	3,000 SF.
Year Built / Effective Age -	2009 / ±5 years.
Condition -	Good.
Remaining Economic Life -	±20 years.
Foundation -	Gravel.
Frame -	Open-air, wood post.
Roof Cover/Support -	Wood truss, metal cover.
Electrical -	Assumed adequate.
Functional Adequacy -	Adequate for the given use.



FAV Building

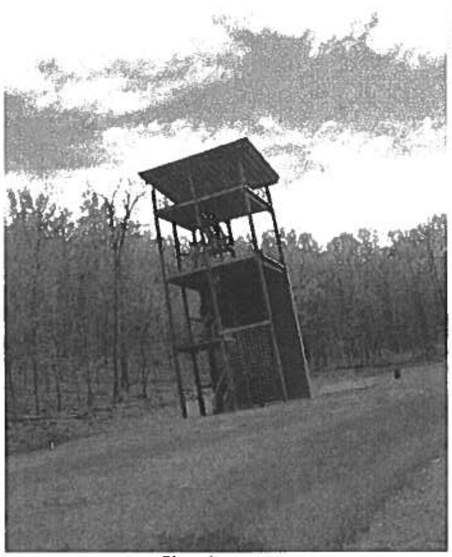
Armory

Product -	Two-story structure near the administrative trailers and utilized as weaponry storage.
Size -	1,836 SF.
Year Built / Effective Age -	2009 / ±5 years.
Condition -	Very good.
Remaining Economic Life -	±25 years.
Foundation -	Concrete slab.
Frame -	Wood.
Floor Cover -	Wood floor.
Exterior Walls -	Stucco.
Interior Partitions -	Painted drywall over wood.
Roof Cover/Support -	Asphalt shingles, wood truss.
Electrical -	Assumed adequate.
Heating -	Electric heat.
Functional Adequacy -	Adequate for the given use.

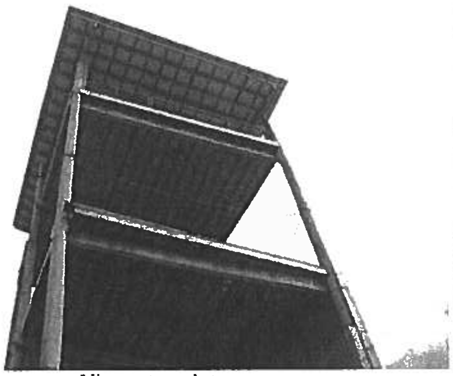

Armory

Shooting & Repelling Tower

Overview - This is a 60' tower that is utilized for long-range shooting and repelling exercises. It is primarily constructed of wood, has multiple levels and features a rock-climbing wall. The structure was constructed in 2009 and is in very good condition.


Shooting tower


Rock climbing wall next to stairwell


View to tower's top


View of cleared shooting range in front of tower

Block House

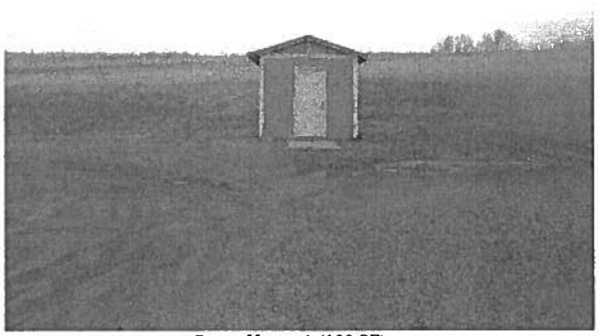
Product -	One-story structure utilized as the medical triage training facility.
Size -	800 SF.
Year Built / Effective Age -	2009 / ±5 years.
Condition -	Good.
Remaining Economic Life -	±30 years.
Foundation -	Concrete slab.
Frame -	Concrete masonry units (CMU).
Floor Cover -	Concrete slab.
Exterior Walls -	Painted CMU.
Interior Partitions -	None.
Roof Cover/Support -	Metal roof cover, wood truss.
Electrical -	Assumed adequate.
Fire Protection -	Smoke detectors assumed.
Plumbing -	Adequate.
Heating -	Gas heat.

Functional Adequacy - Adequate for the given use.

Block House (Medical Triage Training)

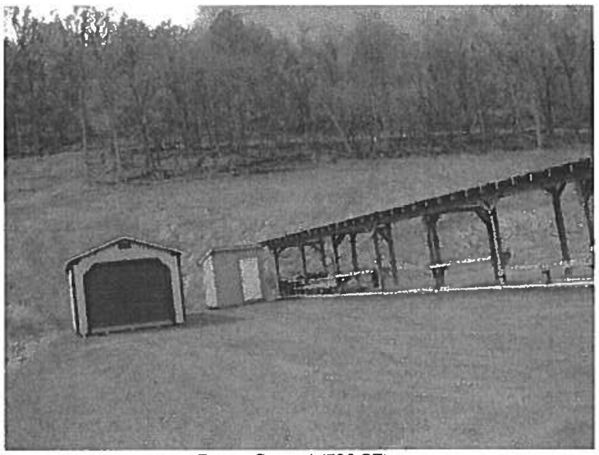
Minor Miscellaneous Improvements

Overview - The following are small improvements that are in good condition and built in 2009; 2 pump houses (100 SF and 64 SF), and 2 pavilions (720 and 240 SF) to provide coverage on the shooting ranges.



Pump House 1 (100 SF)

Pump House 2 (64 SF)



Range Cover 4 (720 SF)

Range Cover 6 (240 SF)

Furniture, Fixtures & Equipment

Overview - The following depreciation schedule was provided by the borrower and includes computers, equipment, vehicles, leasehold improvements, small structures used in the mock towns, manufacturing equipment, software, etc.

PTC Panthera Training Center, LLC
61-1705095
FYE: 12/31/2013

Tax Asset Detail 1/01/13 - 12/31/13

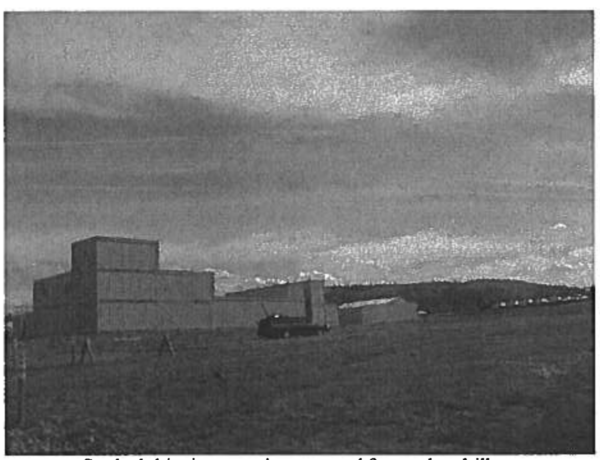
04/28/2015 9:24 AM
Page 1

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Type: Equipment												
3		Clyde Armory Weapons	9/08/13	5,194.00	0.00c	0.00	0.00	742.00	742.00	4,452.00	200DB	7.0
4		Vehicle Diagnostic Computer	9/09/13	4,128.70	0.00c	0.00	0.00	825.74	825.74	3,302.96	200DB	5.0
5		Vehicle-Town of Moorefield	10/28/13	1,000.00	0.00c	0.00	0.00	200.00	200.00	800.00	200DB	5.0
7		Explosive Simulations Electronic E	10/03/13	8,114.00	0.00c	0.00	0.00	1,159.14	1,159.14	6,954.86	200DB	7.0
8		Target System	12/26/13	500.00	0.00c	0.00	0.00	71.43	71.43	428.57	200DB	7.0
14		PSI Radio	3/01/13	711.63	0.00c	0.00	0.00	142.33	142.33	569.30	200DB	5.0
15		Furniture Team House	3/01/13	1,096.81	0.00c	0.00	0.00	156.69	156.69	940.12	200DB	7.0
16		Stein House Furniture	3/01/13	1,533.76	0.00c	0.00	0.00	219.11	219.11	1,314.65	200DB	7.0
17		Copier Machine	3/01/13	1,669.89	0.00c	0.00	0.00	333.98	333.98	1,335.91	200DB	5.0
18		Phone System	3/01/13	1,994.82	0.00c	0.00	0.00	398.96	398.96	1,595.86	200DB	5.0
19		Kitchen Startup Costs	3/01/13	2,868.80	0.00c	0.00	0.00	409.83	409.83	2,458.97	200DB	7.0
20		Office Products Inc	3/01/13	8,432.58	0.00c	0.00	0.00	1,686.52	1,686.52	6,746.06	200DB	5.0
22		Snap On Transmission Flush Machi	3/01/13	818.54	0.00c	0.00	0.00	116.93	116.93	701.61	200DB	7.0
23		Snap On Balancer Tire Machine	3/01/13	1,106.69	0.00c	0.00	0.00	158.10	158.10	948.59	200DB	7.0
25		MTC Diverse Item move from Joel I	3/01/13	7,810.44	0.00c	0.00	0.00	1,115.78	1,115.78	6,694.66	200DB	7.0
26		K & K Steel Containers	3/01/13	501.64	0.00c	0.00	0.00	71.66	71.66	429.98	200DB	7.0
27		Action Target	3/01/13	598.61	0.00c	0.00	0.00	85.52	85.52	513.09	200DB	7.0
28		ALS - Shooting Ranges	3/01/13	1,315.16	0.00c	0.00	0.00	187.88	187.88	1,127.28	200DB	7.0
29		US Explosive MagLoc Model ML2'	3/01/13	2,510.25	0.00c	0.00	0.00	358.61	358.61	2,151.64	200DB	7.0
30		Clyde Armory Cold LE 6921	3/01/13	5,696.80	0.00c	0.00	0.00	813.83	813.83	4,882.97	200DB	7.0
31		Clyde Armory Cold LE 6921	3/01/13	6,312.33	0.00c	0.00	0.00	901.76	901.76	5,410.57	200DB	7.0
32		Mountineer 40 Rifles	3/01/13	7,656.20	0.00c	0.00	0.00	1,093.74	1,093.74	6,562.46	200DB	7.0
			Equipment	71,571.65	0.00c	0.00	0.00	11,249.54	11,249.54	60,322.11		
Type: Leasehold Improvements												
1		Electric and water line to the buildi	3/01/13	681.50	0.00c	0.00	0.00	14.56	14.56	666.94	S/L	39.0
2		Personal Office Building for Dave I	3/01/13	688.67	0.00c	0.00	0.00	14.72	14.72	673.95	S/L	39.0
9		Toilette Stalls HQ & Client Office	3/01/13	719.79	0.00c	0.00	0.00	15.38	15.38	704.41	S/L	39.0
10		Classroom Remodel	3/01/13	1,504.26	0.00c	0.00	0.00	32.14	32.14	1,472.12	S/L	39.0
11		Water Works Water treatment Syste	3/01/13	1,811.89	0.00c	0.00	0.00	38.72	38.72	1,773.17	S/L	39.0
12		Well Drilling Head Quarter	3/01/13	2,126.17	0.00c	0.00	0.00	45.43	45.43	2,080.74	S/L	39.0
13		Building Improvement	3/01/13	226,180.20	0.00c	0.00	0.00	4,832.91	4,832.91	221,347.29	S/L	39.0
21		Air Heating System New Shop Sha	3/01/13	554.33	0.00c	0.00	0.00	11.84	11.84	542.49	S/L	39.0
24		Carport	3/01/13	1,246.84	0.00c	0.00	0.00	26.64	26.64	1,220.20	S/L	39.0
33		Armory 2nd Floor	3/01/13	727.43	0.00c	0.00	0.00	15.54	15.54	711.89	S/L	39.0
34		Mock Up	3/01/13	1,420.59	0.00c	0.00	0.00	78.92	78.92	1,341.67	S/L	15.0
35		Shooting Range/Range Cover	3/01/13	4,044.74	0.00c	0.00	0.00	86.43	86.43	3,958.31	S/L	39.0
36		Armory Final Construction Cost	3/01/13	4,192.67	0.00c	0.00	0.00	89.59	89.59	4,103.08	S/L	39.0
37		Sniper Range Final Construction Cc	3/01/13	7,436.54	0.00c	0.00	0.00	413.14	413.14	7,023.40	S/L	15.0
38		Fox's Towe	3/01/13	16,024.02	0.00c	0.00	0.00	890.22	890.22	15,133.80	S/L	15.0
39		800m Demo Shooting Range	3/01/13	16,565.97	0.00c	0.00	0.00	920.33	920.33	15,645.64	S/L	15.0
40		PTC Land Improvements Startup Cc	3/01/13	30,082.91	0.00c	0.00	0.00	1,671.27	1,671.27	28,411.64	S/L	15.0
41		Off-Road Startup Construction	3/01/13	120,100.83	0.00c	0.00	0.00	6,672.27	6,672.27	113,428.56	S/L	15.0
42		Shooting Range Improvement	3/01/13	225,104.98	0.00c	0.00	0.00	12,505.83	12,505.83	212,599.15	S/L	15.0
43		Mid Atlantic Irrigation System	3/01/13	1,968.71	0.00c	0.00	0.00	109.37	109.37	1,859.34	S/L	15.0
44		Skid Pad and MTC Shop for Junker	3/01/13	13,083.65	0.00c	0.00	0.00	726.87	726.87	12,356.78	S/L	15.0
45		Startup Construction	3/01/13	344,871.05	0.00c	0.00	0.00	19,159.50	19,159.50	325,711.55	S/L	15.0

Asset	dt	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Type: Leasehold Improvements (continued)												
			Leasehold Improvements	1,021,137.74	0.00c	0.00	0.00	48,371.62	48,371.62	972,766.12		
Type: Vehicles												
46		Woodyard CV 05 2FAHP71W65X1	3/01/13	502.15	0.00c	0.00	0.00	100.43	100.43	401.72	200DB	5.0
47		2000 Silver Lexus LS400 #6467	3/01/13	502.15	0.00c	0.00	0.00	100.43	100.43	401.72	200DB	5.0
48		T & G Sales Flatbed	3/01/13	573.84	0.00c	0.00	0.00	114.77	114.77	459.07	200DB	5.0
49		Black Dodge Pickup	3/01/13	602.58	0.00c	0.00	0.00	120.52	120.52	482.06	200DB	5.0
50		3 Jeep Cherokee	3/01/13	744.77	0.00c	0.00	0.00	148.95	148.95	595.82	200DB	5.0
51		Woodyard 05 CV Black 43084	3/01/13	803.44	0.00c	0.00	0.00	160.69	160.69	642.75	200DB	5.0
52		Crown Vic 2004 Gold	3/01/13	808.46	0.00c	0.00	0.00	161.69	161.69	646.77	200DB	5.0
53		Woodyard 03 Chevy Tahoe 98899 +	3/01/13	834.72	0.00c	0.00	0.00	166.94	166.94	667.78	200DB	5.0
54		Rollback - Woodyard Autosales	3/01/13	903.87	0.00c	0.00	0.00	180.77	180.77	723.10	200DB	5.0
55		Woodyard 05 CV White 3051	3/01/13	903.87	0.00c	0.00	0.00	180.77	180.77	723.10	200DB	5.0
56		Woodyard Chevy Tahoe 97755	3/01/13	903.87	0.00c	0.00	0.00	180.77	180.77	723.10	200DB	5.0
57		Woodyard CV 04 White 2FAFP71V	3/01/13	903.87	0.00c	0.00	0.00	180.77	180.77	723.10	200DB	5.0
58		Woodyard CV 08 White 2FAHP71\	3/01/13	954.08	0.00c	0.00	0.00	190.82	190.82	763.26	200DB	5.0
59		Chevy SUV Tahoe GNEK13V43J2(	3/01/13	1,004.30	0.00c	0.00	0.00	200.86	200.86	803.44	200DB	5.0
60		Woodyard CV 07 White 2FAHP71\	3/01/13	1,004.30	0.00c	0.00	0.00	200.86	200.86	803.44	200DB	5.0
61		Woodyard CV 07 White 2FAHP71\	3/01/13	1,004.30	0.00c	0.00	0.00	200.86	200.86	803.44	200DB	5.0
62		Woodyard 2001 Ford F550 #8944	3/01/13	1,009.32	0.00c	0.00	0.00	201.86	201.86	807.46	200DB	5.0
63		Woodyard CV 05 White 2FAHP71\	3/01/13	1,054.51	0.00c	0.00	0.00	210.90	210.90	843.61	200DB	5.0
64		Crown Vic 2005 VIN 2FAFP71W2.	3/01/13	1,104.73	0.00c	0.00	0.00	220.95	220.95	883.78	200DB	5.0
65		Jeep Cherokee 2000 1J4FN28SIYL:	3/01/13	1,104.73	0.00c	0.00	0.00	220.95	220.95	883.78	200DB	5.0
66		Woodyard CV 07 White 2FAHP71\	3/01/13	1,104.73	0.00c	0.00	0.00	220.95	220.95	883.78	200DB	5.0
67		Chevy Sub Tan 3GNGK26U03G28(	3/01/13	1,205.16	0.00c	0.00	0.00	241.03	241.03	964.13	200DB	5.0
68		Chevy SUV Tahoe 1GNEK13Z45J:	3/01/13	1,205.16	0.00c	0.00	0.00	241.03	241.03	964.13	200DB	5.0
69		Woodyard Chevy SUV Gray 1GNE	3/01/13	1,205.16	0.00c	0.00	0.00	241.03	241.03	964.13	200DB	5.0
70		Woodyard CV 07 White 2FAHP71\	3/01/13	1,205.16	0.00c	0.00	0.00	241.03	241.03	964.13	200DB	5.0
71		James Tractor	3/01/13	1,205.16	0.00c	0.00	0.00	241.03	241.03	964.13	200DB	5.0
72		TSC Chevy Sub Blue 3FNGK26U7.	3/01/13	1,255.37	0.00c	0.00	0.00	251.07	251.07	1,004.30	200DB	5.0
73		TSC Chevy Sub Pewter 3GNGK26I	3/01/13	1,255.37	0.00c	0.00	0.00	251.07	251.07	1,004.30	200DB	5.0
74		TSC Chevy Sub Charcoal 2NGK26I	3/01/13	1,255.37	0.00c	0.00	0.00	251.07	251.07	1,004.30	200DB	5.0
75		TSC Chevy Sub Black 3GNK26U6	3/01/13	1,255.37	0.00c	0.00	0.00	251.07	251.07	1,004.30	200DB	5.0
76		Chevy Tahoe Gray 36114	3/01/13	1,320.65	0.00c	0.00	0.00	264.13	264.13	1,056.52	200DB	5.0
77		Woodyard 2 Crown Victoria & 1 Je	3/01/13	1,325.67	0.00c	0.00	0.00	265.13	265.13	1,060.54	200DB	5.0
78		Chevy SUV Tahoe 1GEK13Z55J22	3/01/13	1,355.80	0.00c	0.00	0.00	271.16	271.16	1,084.64	200DB	5.0
79		3 ATV's	3/01/13	1,374.68	0.00c	0.00	0.00	274.94	274.94	1,099.74	200DB	5.0
80		Woodyard purchased 1GNEK13Z7(	3/01/13	1,406.02	0.00c	0.00	0.00	281.20	281.20	1,124.82	200DB	5.0
81		Woodyard Fort F150 2 vehicles	3/01/13	1,539.05	0.00c	0.00	0.00	307.81	307.81	1,231.24	200DB	5.0
82		Toyota 4Runner	3/01/13	1,546.62	0.00c	0.00	0.00	309.32	309.32	1,237.30	200DB	5.0
83		Crown Vic 2 vehicles	3/01/13	1,576.75	0.00c	0.00	0.00	315.35	315.35	1,261.40	200DB	5.0
84		Woodyard 06 Chevy 4Dr Tahoe 187	3/01/13	1,606.88	0.00c	0.00	0.00	321.38	321.38	1,285.50	200DB	5.0
85		Woodyard 2 Crown Victoria	3/01/13	1,707.31	0.00c	0.00	0.00	341.46	341.46	1,365.85	200DB	5.0
86		3 Chevy Tahoe	3/01/13	1,878.04	0.00c	0.00	0.00	375.61	375.61	1,502.43	200DB	5.0
87		2006 Chevy Suburban	3/01/13	2,209.46	0.00c	0.00	0.00	441.89	441.89	1,767.57	200DB	5.0
88		6 Crown Victoria	3/01/13	2,801.99	0.00c	0.00	0.00	560.40	560.40	2,241.59	200DB	5.0
89		Chevy Yukon Black 2011 Ally Loa	3/01/13	4,663.81	0.00c	0.00	0.00	932.76	932.76	3,731.05	200DB	5.0
Asset	dt	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Type: Vehicles (continued)												
90		2011 Chevy Sub (Bank Loan Ally) !	3/01/13	4,780.31	0.00c	0.00	0.00	956.06	956.06	3,824.25	200DB	5.0
91		Chevy Sub Black 2011 23207 BB&	3/01/13	5,406.89	0.00c	0.00	0.00	1,081.38	1,081.38	4,325.51	200DB	5.0
92		Woodyard 4 Chevy & 3 CV (49500	3/01/13	7,632.67	0.00c	0.00	0.00	1,526.53	1,526.53	6,106.14	200DB	5.0
93		42 Foot Intercepter Boat	3/01/13	25,864.82	0.00c	0.00	0.00	5,172.96	5,172.96	20,691.86	200DB	5.0
			Vehicles	99,377.29	0.00c	0.00	0.00	19,875.41	19,875.41	79,501.88		
			Grand Total	1,192,086.68	0.00c	0.00	0.00	79,496.57	79,496.57	1,112,590.11		

The borrower's total costs for FF&E equate to $1,192,087. The total calculated depreciation is $79,497, and therefore the total depreciated FF&E is $1,112,590.

The following pictures depict some of the FF&E pertinent to the training offerings to clients.



Stacked shipping containers created for combat drills

Wood structures at gated entry for simulation drills

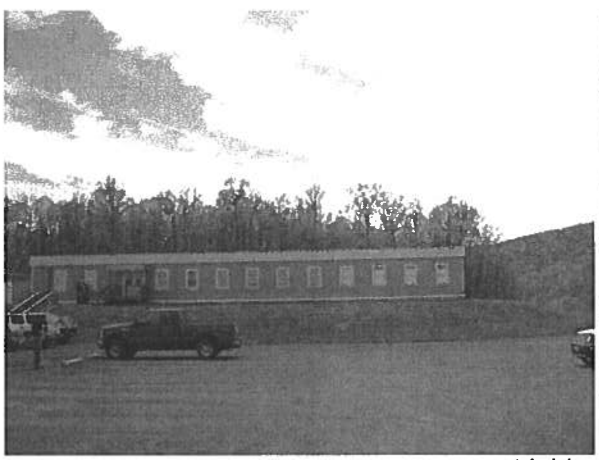

Automobile assets for wet/dry skid pad training


Wood structures within '*Combat Town*'

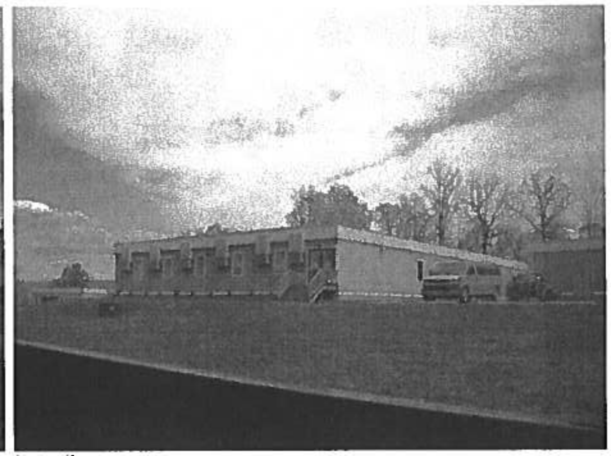
Leasehold Improvements

Overview -

The subject has a number of leased trailers that were brought on-site for administrative operations, a kitchen, and multiple classrooms. These trailers are located at various locations. The following depict some of these leased trailers.




Administrative trailers

Administrative trailers

Miscellaneous Structures

Overview - The following pictures depict very old structures that were utilized for the prior agricultural use of the land. These buildings are extremely worn and dated and thus past their agricultural useful lives; however, they do play a useful role for the subject's current use. In certain combat simulations these buildings are effective "set props" in recreating conflict environments. It was stated that given the location of these buildings in an open pasture next to a wooded hillside, this creates an excellent set for recreating missions that take place in rural areas of some countries, such as those of the Eastern Bloc. Reenactments here and within the *Combat Town* (where shipping containers and small wooden huts are built) are very extensive, reportedly often *movie set* like. Villages are created, complete with distractions such as burning vehicles, local citizens creating crowded market areas, etc. Actors are hired to play the local citizens that may be packing a central market area or as farmers on the countryside. These hired actors are individuals originally from the countries that are being recreated and speak the languages of these countries; all of this is in an effort to recreate the environments that soldiers may encounter in an upcoming mission in which they are training for.


Old farmhouse


Old barns

Tax and Assessment Data:

Identification - District 3, Map 203, Parcel 8 and District 3, Map 203, Parcel 5.

Assessed Value -

Parcel	8	5
Land	$1,193,570	$16,800
Improvement	$13,800	$1,500
Total	$1,207,370	$18,300

Tax Rate -

State	$0.0100
County	$0.5720
School Fund	$0.7760
School Bond	$0.2112
Total	**$1.5692***

* Per $100 of assessed value

Current Annual Tax Burden - $19,233.

Assessment Trends - Stable.

Prospective Changes in Tax Rates - None known.

Adequacy of Tax Burden - Appears reasonable for agricultural land.

Highest and Best Use:

"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 productivity." [7]

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[7] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2002), 135.

As If Vacant

Physically Possible -	Reasonably expected legally permissible uses.
Legally Permissible -	Agricultural uses are encouraged, but also permitted is single- and 2-family dwellings, churches, private recreation areas, wildlife preserves, commercial green houses, and historical sites.
Financially Feasible -	Current market conditions are not supportive of speculative development.
Maximally Productive -	Hold for agricultural or residential development. Special purpose facilities, such as the subject, are an alternative highest and best use.

As Improved

Physically Possible -	The current use.
Legally Permissible -	The current use.
Financially Feasible -	The current use.
Maximally Productive -	The current use.

Valuation Process:

There are three valuation approaches common to appraisal, "In the sales comparison approach, properties similar to the subject property that have been sold recently or for which listing prices or offers are known are compared to the subject. Data from generally comparable properties is used, and comparisons are made to demonstrate a probable price at which the subject property would sell if offered on the market.

In the cost approach, an estimated reproduction or replacement cost of the building and site improvements as of the date of appraisal is developed (including an estimate of entrepreneurial profit or incentive), and an estimate of the losses in value (depreciation) that have taken place due to wear and tear, design and plan deficiencies, or external influences is subtracted. An estimate of the value of the land is then added to this depreciated building cost estimate. The total represents the value indicated by the cost approach.

In the income capitalization approach, the potential income of the property is calculated and deductions are made for vacancy and collection loss and expenses. The prospective net operating income of the property is then estimated. To support this estimate, operating statements for the subject property in previous years and for comparable properties are reviewed. An applicable capitalization method and appropriate capitalization rates are developed and used in calculations that lead to an indication of value."[8]

The valuation of the subject was accomplished primarily by the cost approach, and supported by the income capitalization approach. The sales comparison approach cannot be applied given the unique use of the subject, though efforts were made to obtain comparable sales nationally.

Cost Approach:

The land sales that follow are considered the best available concerning comparable properties to the subject. Due to the subject's rural nature we increased our search area to include a much broader area.

Comparable Sale # 1

Location: 487 General Andrews Drive, Kabletown, WV 25414

Sale Data

Grantor:	Avon Woods Inc.
Grantee:	Crawford and Keller
Identification:	00015741
Sale Date:	10/17/14
Consideration:	$2,500,000
Rights Conveyed:	Fee simple
Financing Terms:	Cash equivalent
Site Area:	397 Acres
Site Characteristics:	Generally cleared agricultural land
Zoning:	Agricultural
Price/Acre:	$6,297

Verification: *CoStar* / public records / Jerry Derr, *Snyder Bailey & Associates*

Comments: This is the sale of agricultural farmland ±10 miles south of Charles Town, WV. According to the listing agent the buyer acquired the property to continue use as farmland.

[8] Appraisal Institute, *The Appraisal of Real Estate*, 14th ed. (Chicago: Appraisal Institute, 2013), 669.

Comparable Sale # 2

Location: West and east side of State Route 48 (west of South Branch River), Moorefield, WV 26836

Sale Data

Grantor:	TR Barbara Crites
Grantee:	Rural Development Authority
Identification:	District 03, Map 263, Parcels 6 and 6.2
Sale Date:	4/13
Consideration:	$1,800,000
Rights Conveyed:	Fee simple
Terms of Sale:	Cash equivalent
Zoning:	Agricultural
Site Area:	213 Acres
Site Characteristics:	Partially cleared and rolling agricultural land
Price/Acre:	$8,451

Verification: Public records / Jim Wratchford, Hardy County Assessor

Comments: This property was acquired with the intention of developing it for light industrial uses as it lies just outside the town of Moorefield along the recently extended State Route 48. Development has yet to occur. The land was previously utilized as agricultural land for livestock and located ±4 miles south of the subject.

Comparable Sale # 3

Location: West side of US Route 220 near Wright Farm Road, Old Fields, WV 26836

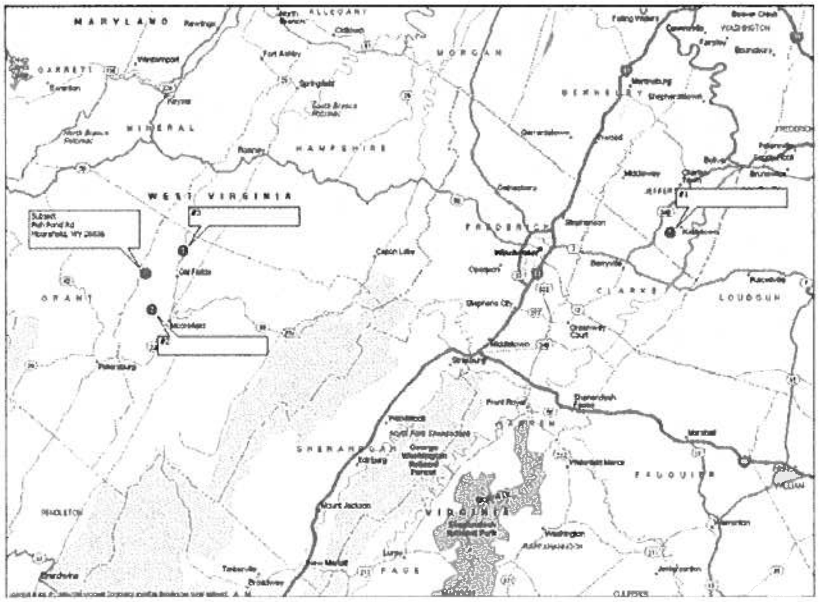
Sale Data

Grantor:	Wilt Farm Inc.
Grantee:	Path West Virginia Transmission Company, LLC
Identification:	Deed Book 311, Page 775
Sale Date:	9/9/09
Consideration:	$5,800,000
Rights Conveyed:	Fee simple
Financing Terms:	Cash equivalent
Site Area:	515 Acres
Site Characteristics:	Rolling and generally clear agricultural land
Zoning:	Agricultural
Price/Acre:	$11,262

Verification: Public records / Jim Wratchford, Hardy County Assessor

Comments: This farmland was purchased for the development of an electrical substation. The site is located ±5 miles north of the subject.

The following map depicts the previous sale data relative to the subject:



The comparables are adjusted as follows:

Comparable	Sale #1	Sale #2	Sale #3
Price/Acre	$6,297	$8,451	$11,262
Property Rights Conveyed	0%	0%	0%
Adjusted Price	$6,297	$8,451	$11,262
Financing Terms	0%	0%	0%
Adjusted Price	$6,297	$8,451	$11,262
Conditions of Sale	0%	0%	0%
Adjusted Price	$6,297	$8,451	$11,262
Expenditures After Purchase	0%	0%	0%
Adjusted Price	$6,297	$8,451	$11,262
Market Conditions	0%	0%	-20%
Adjusted Price	$6,297	$8,451	$9,010
Location	0%	0%	0%
Physical Characteristics	10%	5%	10%
Economic Characteristics	0%	0%	0%
Zoning/Use	5%	5%	5%
Non-Realty Components	0%	0%	0%
sub-total adjustments	15%	10%	15%
Final Adjusted Price	$7,242	$9,296	$10,361
Mean	$8,966		
Median	$9,296		

Based on our analysis, the subject land is estimated to have a market value of $9,000/acre, with its overall site value calculated as (747.49 acres × $9,000) $6,727,410 as of 4/29/15.

The next step in this cost approach to value is to estimate the depreciated value of the subject building improvements. This is undertaken by estimating the replacement cost of the improvements and deducting the estimated depreciation from all sources.

The subject buildings fall under several classifications in *Marshall Valuation Service* (*MVS*), a widely recognized authority on costs. *MVS* provides the appraisal industry with the most current and qualified building cost data available. On a daily basis, an expert research team monitors the costs of labor and materials throughout the United States and Canada, keeping all published data consistent with the latest market trends and conditions. The cost estimates for the subject follow.

Shop	
Building Type:	Commercial Equipment Shed
Construction Class:	D
Building Quality:	Average
Year Built:	2009
# of Stories:	1
Base SF Cost:	$20.64
Refinements	
# of Stories Multiplier:	1.000
Height per Story Multiplier:	1.000
Area Multiplier:	1.110
Refined SF Cost:	$22.91
Current Cost Multiplier:	1.06
Local Multiplier:	1.07
Final SF Cost:	$25.98
GBA SF:	960
Hard Costs:	$24,946
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$1,247
Total Hard/Soft Costs	**$26,193**

Sim 1	
Building Type:	Shed Office Structures
Construction Class:	D
Building Quality:	Low Cost
Year Built:	2009
# of Stories:	2
Base SF Cost:	$36.48
# of Stories Multiplier:	1.000
Height per Story Multiplier:	1.000
Area Multiplier:	0.977
Refined SF Cost:	$35.64
Current Cost Multiplier:	1.06
Local Multiplier:	1.07
Final SF Cost:	$40.42
GBA SF:	3,812
Hard Costs:	$154,096
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$7,705
Total Hard/Soft Costs	**$161,801**

Sim 2	
Building Type:	Shed Office Structures
Construction Class:	D
Building Quality:	Low Cost
Year Built:	2009
# of Stories:	2
Base SF Cost:	$36.48
# of Stories Multiplier:	1.000
Height per Story Multiplier:	1.000
Area Multiplier:	1.044
Refined SF Cost:	$38.09
Current Cost Multiplier:	1.06
Local Multiplier:	1.07
Final SF Cost:	$43.20
GBA SF:	1,476
Hard Costs:	$63,758
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$3,188
Total Hard/Soft Costs	**$66,945**

Track Cover Briefing Pavilion	
Building Type:	Pavilions
Construction Class:	D
Building Quality:	Cheap
Year Built:	2009
Base SF Cost:	$35.76
Height per Story Multiplier:	1.000
Area Multiplier:	1.117
Refined SF Cost:	$39.94
Current Cost Multiplier:	1.06
Local Multiplier:	1.07
Final SF Cost:	$45.30
GBA SF:	1,960
Hard Costs:	$88,797
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$4,440
Total Hard/Soft Costs	**$93,236**

FAV Building	
Building Type:	Pavilions
Construction Class:	D
Building Quality:	Cheap
Year Built:	2009
Base SF Cost:	$35.76
Height per Story Multiplier:	1.000
Area Multiplier:	1.071
Refined SF Cost:	$38.30
Current Cost Multiplier:	1.06
Local Multiplier:	1.07
Final SF Cost:	$43.44
GBA SF:	3,000
Hard Costs:	$130,316
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$6,516
Total Hard/Soft Costs	**$136,832**

Armory	
Building Type:	Shed Office Structure
Construction Class:	D
Building Quality:	Low Cost
Year Built:	2009
# of Stories:	2
Base SF Cost:	$36.48
# of Stories Multiplier:	1.000
Height per Story Multiplier:	1.000
Area Multiplier:	1.110
Refined SF Cost:	$40.49
Current Cost Multiplier:	1.06
Local Multiplier:	1.07
Final SF Cost:	$45.93
GBA SF:	1,836
Hard Costs:	$84,322
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$4,216
Total Hard/Soft Costs	**$88,538**

Range Cover 4	
Building Type:	Pavilions
Construction Class:	D
Building Quality:	Cheap
Year Built:	2009
Base SF Cost:	$35.76
Current Cost Multiplier:	1.06
Local Multiplier:	1.07
Final SF Cost:	$40.56
GBA SF:	720
Hard Costs:	$29,202
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$1,460
Total Hard/Soft Costs	**$30,663**

Range Cover 5	
Building Type:	Material Commodity Shelter
Construction Class:	S
Building Quality:	Very Good
Year Built:	2013
Base SF Cost:	$17.64
Height per Story Multiplier:	1.077
Refined SF Cost:	$19.00
Current Cost Multiplier:	1.04
Local Multiplier:	1.07
Final SF Cost:	$21.14
GBA SF:	14,418
Hard Costs:	$304,815
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$15,241
Total Hard/Soft Costs	**$320,056**

Range Cover 6	
Building Type:	Pavilions
Construction Class:	D
Building Quality:	Cheap
Year Built:	2009
Base SF Cost:	$35.76
Current Cost Multiplier:	1.06
Local Multiplier:	1.07
Final SF Cost:	$40.56
GBA SF:	240
Hard Costs:	$9,734
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$487
Total Hard/Soft Costs	**$10,221**

Block House	
Building Type:	Commercial Utility Building
Construction Class:	C
Building Quality:	Average
Year Built:	2009
# of Stories:	1
Base SF Cost:	$24.29
# of Stories Multiplier:	1.000
Height per Story Multiplier:	1.000
Area Multiplier:	1.133
Refined SF Cost:	$27.52
Current Cost Multiplier:	1.08
Local Multiplier:	1.06
Final SF Cost:	$31.51
GBA SF:	800
Hard Costs:	$25,204
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$1,260
Total Hard/Soft Costs	**$26,465**

Pump House 1	
Building Type	Toolshed Building
Construction Class:	D
Building Quality:	Low Cost
Year Built	2009
Base SF Cost:	$7.38
Current Cost Multiplier:	1.06
Local Multiplier:	1.07
Final SF Cost:	$8.37
GBA SF:	100
Hard Costs:	**$837**
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$42
Total Hard/Soft Costs	**$879**

Pump House 2	
Building Type:	Toolshed Building
Construction Class:	D
Building Quality:	Low Cost
Year Built:	2009
Base SF Cost:	$7.38
Current Cost Multiplier:	1.06
Local Multiplier:	1.07
Final SF Cost:	$8.37
GBA SF:	64
Construction Costs	$536
Hard Costs:	$536
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$27
Total Hard/Soft Costs	**$562**

Live Fire Shoot House	
Building Type:	Warehouse Shell Building
Construction Class:	S
Building Quality:	Good
Year Built:	2013
Base SF Cost:	$56.01
Area Multiplier:	1.013
Refined SF Cost:	$56.74
Current Cost Multiplier:	1.03
Local Multiplier:	1.07
Final SF Cost:	$62.53
GBA SF:	8,712
Construction Costs:	$544,748
Custom Build-out and Iron Work Lump Sum:	$1,500,000
Hard Costs:	$2,044,748
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$102,237
Total Hard/Soft Costs	**$2,146,985**

Shooting/Repelling Tower	
Building Type:	Training Towers
Year Built:	2009
Cost Per Cubic Foot of Tower Structure:	$3.29
Cubic Feet (23' × 23' × 60'):	31,740
Hard Costs:	$104,425
Indirect Costs (Legal, Accounting, Loan Fee): 5%	$5,221
Total Hard/Soft Costs	**$109,646**

Utilizing *MVS*, the physical depreciation percentage for the subject buildings are calculated below:

Building	Actual Age*	Effective Age*	Economic Life*	Depreciation
Shop	6	5	30	9%
Sim 1	6	5	30	9%
Sim 2	6	5	30	9%
Track Cover & Briefing	6	5	25	13%
FAV Building	6	5	25	13%
Armory	6	5	30	9%
Range Cover 5	2	2	25	5%
Block House	6	5	35	6%
Pump House 1	6	5	25	13%
Pump House 2	6	5	25	13%
Live Fire Shoot House	2	2	35	2%
Shooting & Repelling Tower	6	5	25	13%

* Years

We do not estimate any functional or external obsolescence for the buildings. The calculations for the physical depreciation of the improvements follow:

Shop	
Replacement Cost:	$26,193
Depreciation Percentage:	9%
Depreciation Amount:	$2,357
Depreciated Cost:	$23,835
Sim 1	
Replacement Cost:	$161,801
Depreciation Percentage:	9%
Depreciation Amount:	$14,562
Depreciated Cost:	$147,239
Sim 2	
Replacement Cost:	$66,945
Depreciation Percentage:	9%
Depreciation Amount:	$6,025
Depreciated Cost:	$60,920
Track Cover & Briefing	
Replacement Cost:	$93,236
Depreciation Percentage:	13%
Depreciation Amount:	$12,121
Depreciated Cost:	$81,116
FAV Building	
Replacement Cost:	$136,832
Depreciation Percentage:	13%
Depreciation Amount:	$17,788
Depreciated Cost:	$119,044
Armory	
Replacement Cost:	$88,538
Depreciation Percentage:	9%
Depreciation Amount:	$7,968
Depreciated Cost:	$80,570

Range Cover 5	
Replacement Cost:	$320,056
Depreciation Percentage:	5%
Depreciation Amount:	$16,003
Depreciated Cost:	$304,053
Block House	
Replacement Cost:	$26,465
Depreciation Percentage:	6%
Depreciation Amount:	$1,588
Depreciated Cost:	$24,877
Pump House 1	
Replacement Cost:	$879
Depreciation Percentage:	13%
Depreciation Amount:	$114
Depreciated Cost:	$765
Pump House 2	
Replacement Cost:	$562
Depreciation Percentage:	13%
Depreciation Amount:	$73
Depreciated Cost:	$489
Live Fire Shoot House	
Replacement Cost:	$2,146,985
Depreciation Percentage:	2%
Depreciation Amount:	$42,940
Depreciated Cost:	$2,104,045
Shooting & Repelling Tower	
Replacement Cost:	$109,646
Depreciation Percentage:	13%
Depreciation Amount:	$14,254
Depreciated Cost:	$95,392

Overall, the depreciated value of the subject buildings is estimated at $3,042,345.

We have considered the contributing value of the on-site improvements. These depreciate at a faster rate than many building components, and we have estimated their contributing value, including depreciation, below:

Site Improvements	
Skid Pad - 160,000 SF @ $4.23/SF, depreciated 15%	$575,280
Track 2.5 miles - 484,560 SF @ $5.82/SF, depreciated 15%	$2,397,118
Paved Roads - 38,916 SF @ $4.23/SF, depreciated 15%	$139,922
Gravel Roads - 190,080 SF @ $1.24/SF, depreciated 10%	$212,129
Gravel Shooting Ranges - 214,050 SF @ $1.24/SF, depreciated 10%	$238,880
Dirt Rally Course 2.6 miles - 343,200 SF @ $0.55/SF, depreciated 10%	$169,884
Shooting Range Berms - 468,000 Cubic Yards @ $2.92/CY	$1,366,560
Recent Underground Electrical Install - 3,700' @ $22.41/foot	$82,917
Recent Water/Sewer Lines Install - 3,000' @ $31.49/foot	$94,470
Total Depreciated Value of Site Improvements	**$5,277,161**

The total depreciated value of the buildings and site improvements, plus the value of the land follow.

Summary of Depreciated Cost Estimates	
Shop	$23,835
Sim 1	$147,239
Sim 2	$60,920
Track Cover & Briefing	$81,116
FAV Building	$119,044
Armory	$80,570
Range Cover 5	$304,053
Block House	$24,877
Pump House 1	$765
Pump House 2	$489
Live Fire Shoot House	$2,104,045
Shooting & Repelling Tower	$95,392
Subtotal	*$3,042,345*
Site Improvements	$5,277,161
Land	$6,727,410
Total	**$15,046,915**

Based on our analysis, the *market value as is* as of 4/29/15 is **$15,050,000** rounded. The *marketing period* is estimated to be less than 12 months. Similarly, the *exposure time* is estimated to be less than 12 months. The most likely purchaser is opined to be a owner userbased on the subject's characteristics.

As previously mentioned, the subject has an extremely unique use with very little competition. Because of this there are no sales to reliably perform a sales comparison approach. We did utilize *CoStar's* database to search for any possible comparable property sales that may have occurred throughout the country. We did identify one property sale that had some similarities to the subject, and this transaction follows.

Address:	1 Northrup Place, Perry, GA 31069
Grantor:	American Real Estate Investment Co.
Grantee:	Guardian Centers of Georgia LLC
Tax ID:	0P38A0005000
Sale Date:	12/2/11
Sale Price:	$12,760,000
Acres:	827
$/Acre:	$15,429

This is the sale of a former *Northrup Grumman* cruise missile manufacturing facility. The property consisted of 18 buildings totaling 750,000 SF that were constructed during the 1980s; however, the buyer simply purchased it for land value, planning to convert the property into a Homeland Security and emergency management training facility that will be used for the training of first responders to disasters along with some military training programs. Some of the buildings were to remain on-site and require extensive rehabilitation, though many were to be razed. The plan was to utilize much of the land for outdoor training programs while also developing several new improvements. Considering this property was purchased for land value, on a price/acre basis, it does offer some degree of support to our land value – albeit slightly higher given that the new owner did have some use for the old warehouse buildings on site. However, this sale did of course take place before improvements were made to convert it into a training facility, and therefore it is difficult to compare this to the improved value from our *Cost Approach*.

Income Capitalization Approach:

The subject is an operating sustainment training facility with several offerings to various clients as previously discussed. This broad offering has resulted in a solid income stream in a fairly short time since operations commenced, and it is expected to continue growth into the future. However, applying a typical analysis to the subject's income is difficult for a multitude of reasons. First, there is no industry standard to compare and contrast the subject's income and expense operations, thus creating a baseline for determining reasonableness of the subject's income and expenses is extremely subjective. Second, the subject's operations are essentially just beginning to come out of their infancy. Much of 2011 and into 2013 involved heavy investment and implementing strategies into the subject operations, with the official land acquisition occurring mid-2013. Income and expense operations were still minimal during this time, and 2014 was the 1st full year when the government contracts really started occurring to get the program offerings up and running; projections for 2015 and 2016 continue a steep trend upward. A third issue complicating detailed analysis of the operations is the structure of the ownership group. *TenX Group* is the parent company with subsidiaries operating within it. Each of these subsidiary companies (*Blue Force Technologies, Panthera Worldwide, Panthera Training Center,* and *Night Eagle Aviation*) have significant operations tied directly into the subject; however; some of the operations that impact the income and expenses do occur off-site, yet are included within the income and expense statements that the subject utilizes. Most notably, *Blue Force Technologies* has an office in Durham (NC) and the expenses (and income) from this office are rolled into the income and expense data. Reportedly, *Panthera Worldwide* and *Panthera Training Center* is for the most part tied into the subject land, but overall the operations of this conglomerate takes on a more holistic perspective that simply cannot be directed specifically toward the subject property alone. Another item that complicates matters is the recently updated lease between *Panthera* and *TenX Group*, one that is 15 years for $2,656,800 annually. Again, due to corporate structuring this lease simply is not considered *arm's-length*, and the borrower representation agreed that it is difficult to apply this to a business enterprise valuation when it is income that is simply showing up elsewhere for *TenX Group*. These are the most notable complications in applying an income capitalization approach, though there are others. However, it is worth depicting a high level overview of the subject's operations in an effort to provide some degree of evidence to supporting our *Cost Approach* value estimate, as a buyer for the subject would likely continue current operations.

Historic and Projected Income and Expenses

Following is the historic income and expense data for the subject's 2014 calendar year only. As stated, in prior years the subject was investing in infrastructure, and programming and securing government contracts. Given the multitude of complications discussed, and based on conversations with borrower representation, the following income and expense figures are the sum total for *Panthera Worldwide* and *Panthera Training Center* only. *Blue Force Technologies* was not included due to their off-site activities (though they do generate revenue at the subject), *Night Eagle Aviation* was not included, and figures for *TenX Group* were kept out as well. Additionally, the lease between *Panthera* and *TenX Group* was not included – it should be noted that within the consolidated operating statements that this lease shows as an expense for *Panthera*, yet shows as revenue for *TenX Group*.

Income & Expenses - 2014	Panthera Worldwide	Panthera Training	Panthera Total
Revenue	$2,738,571	$5,062,463	$7,801,034
Cost of Sales			
Direct Labor	$684,823	$532,848	$1,217,671
Direct Materials	-	$1,165	$1,165
Direct Travel	$184,419	$290,011	$474,430
Subcontractors	$536,925	$1,323,284	$1,860,209
Other Direct Costs	$396,722	$116,698	$513,420
Total Cost of Sales	*$1,802,889*	*$2,264,006*	*$4,066,895*
Gross Profit	$935,682	$2,798,457	$3,734,139
Operating Expenses			
Payroll and Related Expenses	$101,045	$176,047	$277,092
Professional Fees	$117,299	$217,251	$334,550
Rent	$60,000	$60,000	$120,000
Indirect Materials & Supplies	-	$5,199	$5,199
Other Indirect Costs	-	$10,615	$10,615
Travel	$64,030	$36,561	$100,591
Training Expenses	-	$125,778	$125,778
General and Administration	$17,475	$387,223	$404,698
Management Fee	$371,986	$628,098	$1,000,084
Total	*$731,835*	*$1,646,772*	*$2,378,607*
EBITDA	**$203,847**	**$1,151,685**	**$1,355,532**

Next is the subject's projected income and expenses through 2016. However, these projections are based on the holistic viewpoint of the *TenX Group*, and thus isolation of any of the subsidiaries was not possible with the information at hand. As discussed, items such as the *Panthera* lease agreement may be included as an expense item that then shows up as a revenue item for *TenX Group*.

Income & Expense Projections for *TenX Group*	2015	2016
Revenue	$20,875,000	$23,220,000
Cost of Sales		
Direct Labor	$3,419,300	$3,874,300
Other Direct Costs	$3,409,700	$3,467,700
Total Cost of Sales	*$6,829,000*	*$7,342,000*
Gross Profit	$14,046,000	$15,878,000
Operating Expenses		
Payroll and Related Expenses	$2,315,000	$3,080,000
Professional Fees	$1,135,000	$964,000
Rent	$3,024,000	$3,024,000
Facility, Tools, & Equipment	$362,000	$376,000
Indirect Materials & Other	$467,000	$480,000
Travel	$487,000	$595,000
Vehicle	$28,000	$28,000
General and Administration	$513,000	$540,000
Total	*$8,331,000*	*$9,087,000*
EBITDA	**$5,715,000**	**$6,791,000**

As can be seen, regardless of the many complications of analyzing the subject's operating income, it is projected to continue the steep growth trend. However, we did not have access to analyzing any government contracts that have been secured to verify the income projections going forward (nor did we have access to past contracts). Even though we cannot reasonably apply baseline measurements to the subject's 2014 financials, the EBITDA does appear to be on a healthy upward trend. Capitalizing the EBITDA is of course highly subjective with an extremely unique property type that is rarely traded, if ever. Capitalizing 2014's figures at a rate of 9.0% equates to a value of $15,061,000, a figure that is in-line with our *Cost Approach* value estimate. But the subject's growth trend appears steep, which muddies any efforts to capitalize EBITDA. Also, as referenced within our *Improvements Description*, the subject reported a depreciated FF&E figure of $1,112,590.

Certification:

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have performed 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- We made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- As of the date of this report, Richard H. Hayes has completed the Standards and Ethics Education Requirement of members of the Appraisal Institute's Candidate for Designation program.
- As of the date of this report, Mark A. Chaney has completed the continuing education program of the Appraisal Institute.

Furthermore, Mark A. Chaney is appropriately certified within the State of West Virginia to appraise the subject property.

In concluding to the value opinion we have considered the pertinent market data and the actions of market participants knowledgeable of comparable properties. Based upon the analyses, assumptions, and limiting conditions of this report, the subject's *market value as is* of the fee simple estate is **$15,050,000** as of April 29th, 2015 (the most comprehensive inspection). Attached hereto is the analyses and reasoning for the opinion of value. Any separation of the signature pages from the balance of the report invalidates the conclusion.

Respectfully submitted,

Digitally signed by Mark A. Chaney
DN: cn=Mark A. Chaney, o=Chaney & Associates, Inc., ou=President, email=Mark.Chaney@CAI-value.com, c=US
Date: 2015.05.25 16:55:47 -04'00'

Mark A. Chaney, MAI

Richard H. Hayes