



Committee: GO
Committee Review: Completed
Staff: Naeem M. Mia, Legislative Analyst
Purpose: Final action – vote expected
Keywords: Property Disposition, White Flint

AGENDA ITEM #3Q
June 27, 2023
Action

SUBJECT

Declaration of No Further Need – Disposition via Transfer of certain properties in the White Flint area, located in North Bethesda, Maryland, to Stonebridge

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Introduction on November 15, 2022.
- Public Hearing on November 29, 2022.
- A GO worksession was held on June 22, 2023. The Committee approved this disposition, 3-0.

DESCRIPTION/ISSUE

The County Executive requests Council approval of a Declaration of No Further Need (DNFN) to transfer a total of 1.27 acres of County-owned property located in the White Flint area (North Bethesda, Maryland) to the developer Stonebridge.

The properties include:

- a portion of County right of way located on Executive Boulevard, which was abandoned in 2015 under Section 49-62 of the County Code; and
- a portion of the Bethesda North Marriott and Conference Center (“Conference Center”) parking lot property.

The Conference Center, including a portion of the parking lot at issue, was transferred by the Revenue Authority to the County as of April 2023. The portion of the Parking Lot at issue will no longer be needed for public use, as a structured parking garage was built at the Conference Center in 2019 to replace a significant amount of the surface parking. The specific portion of the Parking Lot included in this disposition has not been used for parking for some years, as it was used for staging during the construction of the parking garage.

The disposition of these Properties supports the recommendations of the 2010 White Flint Sector Plan to create a more rectangular block at the intersection of Old Georgetown Road and Executive Boulevard and to support redevelopment.

Stonebridge plans to develop approximately 700,000 square feet in three commercial buildings over three phases, plus a 999-space parking garage. The parking garage will include spaces reserved for public use, including the Kennedy Shriver Aquatic Center and Wall Local Park, the exact number of which will be negotiated in a General Development Agreement (but a minimum of 100 spaces).

The development of this site was originally planned by Gables; Stonebridge is now effectively replacing Gables as the County's development partner. Similar to the previously approved CIP project, Wall Park Garage and Park Improvements (P721801), the County intends to transfer the two properties to the developer at fair market value and, in return, the developer will construct the garage and first life science building. The existing CIP project will require amendment in a future Council action.

The appraised value establishes a fair market value of \$8,270,000 for the entire 1.27 acres of the subject property, totaling 55,143 square feet or a price of \$149.97 per square feet.

The property transfer of this property complies with the requirements established under County Code 11B-45.01 Disposition of Real Property, including:

- This transaction is subject to the Property Disposition process as the subject properties are owned (abandoned portion of Executive Boulevard) or will be owned (Conference Center parking lot) in the near future by the County in fee simple.
- The Executive transmitted to the Council the material terms on October 13, 2022.
- On October 20, 2022, Executive Order 211-22 was published in the County Register to give notice of the County's intent to proceed with disposition to Stonebridge and that there was no further need for public use.
- The Executive transmitted to the Council the Declaration of No Further Need on November 8, 2022.

This report contains:

1. Draft Resolution Approving Transfer
2. Staff Memorandum to GO Committee, dated June 16, 2023

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Pg 1 - ©116

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Resolution No.: _____
Introduced: November 15, 2022
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the request of the County Executive

SUBJECT: Approval of Disposition via Transfer of certain properties in the White Flint area, located in North Bethesda, Maryland, to Stonebridge

Background

1. Montgomery County Code §11B-45 requires the Council to approve a Declaration of No Further Need before the Executive can dispose of real property that has more than nominal value. Prior to seeking Council approval of a Declaration of No Further Need, the Executive must:
 - (a) submit all material terms of the proposed disposition and any appraisal the Executive relied on in setting the property's market value to the Council; and
 - (b) publish a declaration in the County Register and post a notice on the County website that the County has no further need for the property.If the Council, by resolution, approves the Executive's Declaration of No Further Need, the Executive may dispose of the property for fair market value.
2. On October 13, 2022, the Executive transmitted the material terms of the proposed disposition. The Executive recommended the transfer and sale of approximately 1.27 acres of County-owned properties in the White Flint area to Stonebridge to develop approximately 709,000 square feet of research and development (R&D) space as well as a structured parking garage with approximately 999 parking spaces.
3. Stonebridge and the County will enter into an agreement to provide a minimum of 100 parking spaces for public use in the proposed parking garage to serve users of the adjacent Wall Park and Kennedy Shriver Aquatic Center (KSAC) and other public uses. Stonebridge will also provide an access point between the Wall Park/KSAC site and the public use portion of the garage.
4. The sales price of \$8,270,000 is based on an appraisal conducted by JLL and completed in February 2023.

1. On October 20, 2022, Executive Order 211-22 was published in the County Register to give notice of the County's intent to proceed with disposition to Stonebridge and that there was no further need for public use.
2. The Council held a public hearing on this recommended disposition on November 29, 2022. A GO Committee worksession was held on June 22, 2023.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The Declaration of No Further Need for the Transfer of 1.27 acres of County-owned real property located in the White Flint area, in North Bethesda, Maryland is approved, and the property may be disposed of as described in the material terms provided to the Council on October 13, 2022, the memorandum dated November 8, 2022, and in Executive Order 211-22 as published in the County Register on October 20, 2022.

This is a correct copy of Council action.

Sara R. Tenenbaum
Clerk of the Council

MEMORANDUM

June 16, 2023

TO: Government Operations & Fiscal Policy (GO) Committee

FROM: Naeem M. Mia, Legislative Analyst

SUBJECT: **Approval of Executive Order 211-22 - Declaration of No Further Need – Disposition via Transfer of certain properties in the White Flint area, located in North Bethesda, Maryland, to Stonebridge**

PURPOSE: Vote on recommendations for the Council’s consideration

Expected Attendees:

- Greg Ossont, Deputy Director, Department of General Services (DGS)
- Ronnie Warner, Chief, Office of Planning and Development, DGS

Overview

This item was introduced at Council on November 15, 2022, with a public hearing on November 29, 2022 (there were no speakers).¹ On December 13, 2022, the Council approved a resolution extending the time to act on this disposition to February 28, 2023. On February 7, 2023, the Council approved a second extension to March 28, 2023. On March 28, 2023, the Council approved a third extension on the time to act to June 27, 2023.

At this session, the GO Committee will review and make recommendations to the full Council on the County Executive’s proposed disposition of approximately 1.27 acres of County-owned property (“subject properties”) located in the White Flint area of the County to the developer Stonebridge Acquisitions LLC (“Stonebridge”). The transfer will be via a sale of the properties at fair market value.

The properties include:

- a portion of County right-of-way located on Executive Boulevard, which was abandoned in 2015 under Section 49-62 of the County Code and as approved by the Council under Resolution 18-21; and

¹ As of the date of this memo, no written testimony has been received for this disposition.

- a portion of the Bethesda North Marriott and Conference Center (“Conference Center”) parking lot property.

The Conference Center property, including a portion of the parking lot subject to this issue, is currently owned in fee simple by the Montgomery County Revenue Authority (MCRA) and under lease to the County. Under the lease agreement, the County may require that the Conference Center property be deeded back to the County upon repayment of the bonds, expected in April 2023. The transfer of the deed has since been completed as of April 1, 2023. A new Conference Center Parking Garage was completed in 2019, replacing the public surface parking lots on the subject property.

Summary of the Property Disposition Process

The proposed transfer of the two properties is subject to the Property Disposition process as the subject properties are either owned in fee simple (i.e., the abandoned portion of Executive Boulevard) or will be owned (i.e., the Conference Center parking lot) in the near future by the County in fee simple.

The County Executive has complied with the requirements of the Property Disposition process as established under *County Code 11B-45.01 Disposition of Real Property*, including:

- The Executive transmitted to the Council the material terms on October 13, 2022, initiating a 30-day comment period from the Council.
- On October 20, 2022, Executive Order 211-22 was published in the County Register to give notice of the County’s intent to proceed with disposition to Stonebridge and that there was no further need for public use.
- The Executive transmitted to the Council Executive Order 211-22, containing a Declaration of No Further Need on November 8, 2022.

In its material terms or request for Council approval of the Declaration for No Further Need, the Executive branch did not submit an appraisal or other information to establish what the fair market value (FMV) of the subject properties are. Council staff received a copy of the appraisal in March 2023.

The appraisal, conducted by JLL, establishes an FMV of \$8,270,000 for the entire 1.27 acres of the subject property, totaling 55,143 square feet or a price of \$149.97 per square feet. Under the County Code, 25% (or \$2,067,500) of the land sale proceeds will be transferred to the Housing Initiative Fund (HIF) upon settlement of the properties.

Background and Current Development Plans

The 2010 White Flint Sector Plan establishes a framework to create a mixed-use and sustainable downtown in North Bethesda, which is complemented by a new street network, parks and open

spaces, and public facilities. Creating an urban boulevard for Rockville Pike (MD 355) is a major goal of the Sector Plan as well as providing new bikeways and increasing the non-auto driver mode share (NADMS). The Sector Plan also identifies private development (predominately residential based on then-existing market demands) on several key land parcels, including on the subject properties.

Beginning in 2013, Gables began filing development applications with the Planning Board for the entire 5.14 development site, including the subject properties owned by the County which it had not yet purchased. Gables had planned to use the entire site (totaling 5.14 acres) to develop mixed-use residential properties with approximately 450-475 residential units across three separate buildings, 31,000 square feet of retail, and a 900-space parking garage, including 400 spaces reserved for the County to serve the adjacent Wall Park and Kennedy Shriver Aquatic Center (KSAC).² The development would also include privately-built roads for public use, including various internal roads directly servicing the residential and garage buildings. At the time, it was anticipated that the realignment of the intersection would be completed “within a few years” (the realignment was substantially completed and opened for public use in 2022).

In FY18, the County Council approved a supplemental appropriation of \$6.5 million for the Wall Park Garage and Park Improvements CIP (P721801) project to allocate funding for its share of the construction of the parking garage³; it was estimated, at the time, that a private-public partnership for the garage would result in 30 percent lower costs than if the County had constructed the garage on its own. The completion of the garage and its pedestrian links would result in the current surface parking lot at Wall Park/KSAC to be eventually replaced for additional park/recreational uses.⁴

As recently as May 2020, Gables, through its subsidiary, LG Georgetown, LLC, filed a request with the Planning Board to extend the Plan Validity period by two years and Adequate Public Facilities (APF) Validity period by three years, for 490,000 square feet of unbuilt residential development and 31,000 square feet of unbuilt commercial development.⁵ This request was filed due to the then-ongoing (2020) construction of the realignment.

Sometime in 2022, the Bethesda-based developer Stonebridge acquired Gables’ interests LG Georgetown, LLC and took control of the development rights on the entire site. Stonebridge now plans to develop approximately 709,000 square feet in three commercial buildings, plus a parking garage, under the “Evolution Labs” branding. More specifically, Washington Business Journal (WBJ) reported on March 10, 2022⁶:

² <https://tortigallas.com/portfolio/gables-at-white-flint>

³ The County and Gables had planned to share in the cost of the construction of the garage, as well as post-construction maintenance services (utilities, janitorial, security, etc.); the County would own the parking spaces outright through a condominium arrangement.

⁴ <https://www.montgomerycountymd.gov/OMB/Resources/Files/omb/pdfs/fy24/ciprec/P721801.pdf>

⁵ <https://montgomeryplanningboard.org/wp-content/uploads/2020/07/12015001A-Gables-White-Flint-FINAL.pdf>

⁶ Brendel, Dan. (2022 March 10). “Scores of coveted new lab space to come online in Montgomery County.” *Washington Business Journal*. Retrieved: <https://www.bizjournals.com/washington/news/2022/03/10/stonebridge-evolutionlabs-lab-space-montgomery.html>

“The larger Evolution Labs site, which will consist of three buildings totaling 550,000 square feet, will go up in North Bethesda on a present-day parking lot, about a quarter-mile west of the Red Line’s White Flint Metro station, starting in 2024.

Stonebridge has that Bethesda site under contract from LG Georgetown LLC, an affiliate of property management company Gables Residential. Gables had at one time planned residential development on the property but scrapped that project after several years of delays.

Ben Wu, president and CEO of the Montgomery County Economic Development Corp., described Evolution Labs as part of a larger arc of development necessary to meet the industry’s growing demand for lab space in the county — particularly as the current health crisis places a higher premium on drug and vaccine research and development.”

Similar to previous agreements made with Gables, the parking garage will include spaces reserved for public use to serve the adjacent Wall Park, the Kennedy Shriver Aquatic Center (KSAC) and the Josiah Henson Museum. The provision of the public parking will be governed by a General Development Agreement (GDA) currently under negotiation with DGS. The image below shows the complete development site, including adjacent roads and County facilities.

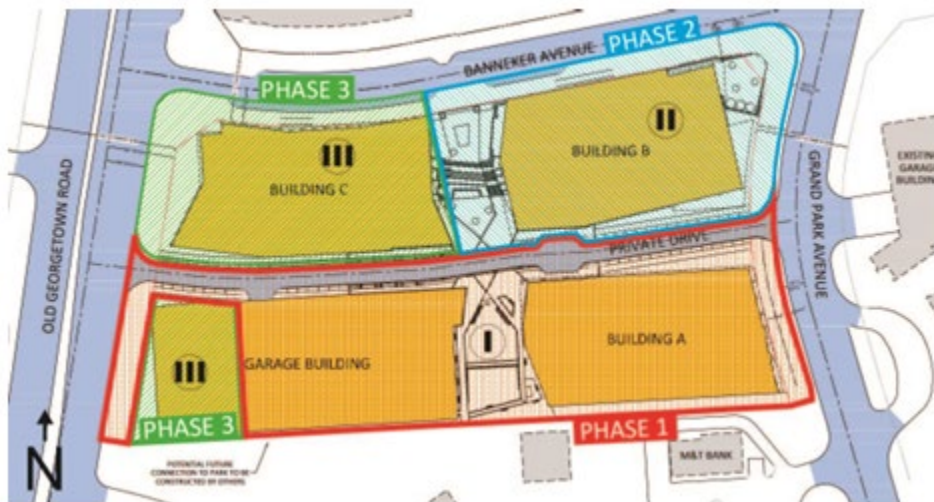


Source: Letter dated April 10, 2020 from developer’s counsel to the Planning Board

On June 1, 2023, the Planning Board reviewed Stonebridge’s applications for sketch plan amendment, preliminary plan, and site plan; the Board approved the applications on June 8, 2023.⁷ The approved plans identify a three-phased development approach of the site, including the leasing “at least 100 parking spaces” to the County (out of a total of 692 spaces) for public use during the first phase of development. Phase 1 also includes constructing 236,466 square feet of office/lab space (“Building A”) and constructing an access point to the public portion of the garage and connecting to the KSAC facility.

⁷<https://montgomeryplanningboard.org/agenda-item/june-01-2023/>

Total development square footage is expected to be approximately 709,396 square feet of research and development (R&D) use at full buildout, including a total of 999 spaces in the structured garage and north-south through-block connector from Wall Park/KSAC to Banneker Avenue. The drawing below indicates the planned components of each development phase:



Future Impacts for Wall Park

Funding for the project has been deferred since FY18 as the larger Gables project has been delayed; the currently approved Capital Improvement Program (CIP) assumes the project will start in FY25 and be completed in FY26; the total cost estimate of \$6.6M has not been updated in several CIP cycles. It is likely that the County's share of construction costs has increased since FY18.

The currently approved CIP also does not include funding for various improvements on the site of Wall Park itself, including costs associated with replacing the surface parking lot with other improvements. In 2016, community groups such as the Friends of White Flint, have advocated for creating a "Great Lawn", a plaza, a splash park, and other new features.⁸

Depending on Stonebridge's development schedule (as noted above in the WBJ article, Stonebridge intends to "start in 2024"), it is anticipated that the County will update its cost, schedule, and scope for this project in the upcoming FY25-30 CIP.

As of the date of this memorandum, DGS and the Office of Management and Budget (OMB) are currently updating the text description of the existing project description form (PDF) and are expected to submit the updated language to the Council as an amendment to the approved FY23-28 CIP in the near future.

⁸ Kraut, Aaron. (2016 January 20). "Friends of White Flint Group Wants Garage For Wall Park in Montgomery County's Capital Budget." *Bethesda Beat*. Retrieved: <https://bethesdamagazine.com/2016/01/20/white-flint-group-wants-garage-for-wall-park-in-montgomery-countys-capital-budget/>

This packet contains:

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Resolution No.: _____
Introduced: November 15, 2022
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the request of the County Executive

SUBJECT: Approval of Disposition via Transfer of certain properties in the White Flint area, located in North Bethesda, Maryland, to Stonebridge

Background

1. Montgomery County Code §11B-45 requires the Council to approve a Declaration of No Further Need before the Executive can dispose of real property that has more than nominal value. Prior to seeking Council approval of a Declaration of No Further Need, the Executive must:
 - (a) submit all material terms of the proposed disposition and any appraisal the Executive relied on in setting the property's market value to the Council; and
 - (b) publish a declaration in the County Register and post a notice on the County website that the County has no further need for the property.If the Council, by resolution, approves the Executive's Declaration of No Further Need, the Executive may dispose of the property for fair market value.
2. On October 13, 2022, the Executive transmitted the material terms of the proposed disposition. The Executive recommended the transfer and sale of approximately 1.27 acres of County-owned properties in the White Flint area to Stonebridge to develop approximately 709,000 square feet of research and development (R&D) space as well as a structured parking garage with approximately 999 parking spaces.
3. Stonebridge and the County will enter into an agreement to provide a minimum of 100 parking spaces for public use in the proposed parking garage to serve users of the adjacent Wall Park and Kennedy Shriver Aquatic Center (KSAC) and other public uses. Stonebridge will also provide an access point between the Wall Park/KSAC site and the public use portion of the garage.
4. The sale price of \$8,270,000 is based on an appraisal conducted by JLL and completed in February 2023.

5. On October 20, 2022, Executive Order 211-22 was published in the County Register to give notice of the County's intent to proceed with disposition to Stonebridge and that there was no further need for public use.
6. The Council held a public hearing on this recommended disposition on November 29, 2022. A GO Committee worksession was held on June 22, 2023.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The Declaration of No Further Need for the Transfer of 1.27 acres of County-owned real property located in the White Flint area in North Bethesda, Maryland is approved, and the property may be disposed of as described in the material terms provided to the Council on October 13, 2022, the memorandum dated November 8, 2022, and in Executive Order 211-22 as published in the County Register on October 20, 2022.

This is a correct copy of Council action.

Sara R. Tenenbaum
Clerk of the Council




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

M E M O R A N D U M

November 8, 2022

TO: Gabe Albornoz, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Declaration of No Further Need – White Flint Remnant Properties Disposition

On October 13, 2022, I transmitted material terms to Council and provided notice that I intend to sell approximately 1.27 acres of County-owned property located in the White Flint area of North Bethesda to Stonebridge.

As required under Section 11B-45 of the Montgomery County Code, an Executive Order must be issued declaring that the County-owned site is no longer needed for public use. Attached please find Executive Order 211-22, published in the *County Register* on October 20, 2022 to give notice of my intent to proceed with the sale to Stonebridge.

The two parcels included in the disposition include 1.) a portion of County right of way located on Executive Boulevard, which was abandoned under Section 49-62 of the County Code (the “ROW”), and 2.) a portion of the Bethesda North Marriott and Conference Center (“Conference Center”) parking lot property (the “Parking Lot”). The ROW and the Parking Lot are jointly referred to as “the Properties”.

The ROW was subject to the Abandonment process in 2015, and the County now owns the fee simple interest in that parcel.

The Conference Center, including a portion of the Parking Lot at issue, is currently owned in fee simple by the Revenue Authority and under lease to the County. Under the lease agreement, the County may require that the Conference Center property be deeded back to the

County upon repayment of the bonds in April 2023. It is expected that the County will request the Conference Center property be deeded to the County immediately upon repayment of the bonds and, in any event, by no later than April 2023. At that time, the portion of the Parking Lot at issue will no longer be needed for public use, as a structured parking garage was built at the Conference Center to replace a significant amount of the surface parking. The specific portion of the Parking Lot included in this disposition has not been used for parking for some years, as it was used for staging during the parking garage construction.

The disposition of these Properties supports the recommendations of the 2010 White Flint Sector Plan to create a more rectangular block at the intersection of Old Georgetown Road and Executive Boulevard and to support redevelopment.

The Properties are included in a development proposal by a private developer, Stonebridge (“Developer”), for a life sciences project. The project is planned to include approximately 675,000 square feet in three commercial buildings, plus a parking garage. The parking garage will include spaces reserved for public use, including the Kennedy Shriver Aquatic Center and Wall Local Park, the exact number of which will be negotiated in a General Development Agreement (“GDA”).

Similar to the previous CIP project (P721801) contemplated with Gables, the County intends to transfer the Properties to the Developer at fair market value and, in return, the Developer will construct the garage and first life science building.

The County intends to work with the Developer through the coming months on the design of the garage, and the specifics of a GDA including the financial terms. Additionally, the current CIP project (P721801) will need to be amended to reflect the agreed upon terms and approved by Council.

I hope this information is helpful. If you have any questions, please contact Greg Ossont, Deputy Director, Department of General Services, at 240.777.6192 or greg.ossont@montgomerycountymd.gov.

Enclosure: Executive Order No. 211-22
 Material Terms Memo dated October 13, 2022

cc: Jennifer Bryant, Director, Office of Management and Budget
 Michael Coveyou, Director, Department of Finance
 David Crow, Acting Controller, Department of Finance
 Pete Fosselman, Director, Bethesda Chevy-Chase Regional Services Center
 David Dise, Director, Department of General Services
 Greg Ossont, Deputy Director, Department of General Services
 Cynthia Brenneman, Division Chief, Department of General Services
 Ronnie Warner, Division Chief, Department of General Services



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Disposition of County Property: White Flint Remnant Properties	Executive Order No. 211-22	Subject Suffix
Montgomery County Department of General Services	Department No.	Effective Date 10-20-22

County Executive Declaration of No Further Need

Recitals

WHEREAS, pursuant Council Resolution 18-21, the County owns, in fee simple, a portion of County right of way located on Executive Boulevard which was abandoned in 2015 under Section 49-62 of the County Code (the "ROW"); and

WHEREAS, the County ground leases the Bethesda North Marriott and Conference Center ("Conference Center"), including the structured parking garage and a surface parking lot; and

WHEREAS, the Conference Center is currently owned in fee simple by the Revenue Authority and under lease to the County; and

WHEREAS, under the lease agreement, the County can require that the Conference Center property be deeded to the County upon repayment of the outstanding bonds secured by the Conference Center, which repayment is expected to occur in April 2023; and

WHEREAS, it is expected that the County will request the Conference Center property be deeded to the County immediately upon repayment of the bonds and, in any event, by no later than May 2023; and

WHEREAS, after the bond are repaid, approximately 22,194 square feet of the Conference Center parking lot (the "Parking Lot") will no longer be needed for public use, as a structured parking garage was built at the Conference Center to replace a significant amount of the surface parking and the Parking Lot has not been used for parking for some years as it was used for construction staging when the Conference Center structured parking garage construction was built; and

WHEREAS, the ROW and the Parking Lot are jointly referred to as "the Properties;" and

WHEREAS, the disposition of these Properties supports the recommendations of the 2010 White Flint Sector Plan to create a more rectangular block at the intersection of Old Georgetown Road and Executive Boulevard and to support redevelopment; and

WHEREAS, the Properties are included in a development proposal by a private developer, Stonebridge ("Developer"), for a life sciences project; and



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Disposition of County Property: White Flint Remnant Properties	Executive Order No. 211-22	Subject Suffix
Montgomery County Department of General Services	Department No.	Effective Date 10-20-22

WHEREAS, the project is planned to include approximately 675,000 square feet in three commercial buildings, plus a parking garage; and

WHEREAS, the parking garage will include spaces reserved for public use, including for use by the patrons of the Kennedy Shriver Aquatic Center and Wall Local Park, and the exact number of spaces reserved for public use will be negotiated in a General Development Agreement ("GDA") between the County and the Developer; and

WHEREAS, the County intends to transfer the Properties to the Developer at fair market value and, in return, the Developer will construct the garage and the first of three life science buildings and provide public parking for the County; and

WHEREAS, the County intends to work with the Developer through the coming months on the design of the garage, as well as the specifics of a GDA, which will include each party's financial contributions to the project and to the public parking space; and

WHEREAS, the County Executive has completed the Preliminary Reuse Review and Reuse Analysis; and

WHEREAS, the material terms of the sale of the Properties are as stated above; and

WHEREAS, in accordance with the provisions of Montgomery County Code Section 11B-45 and COMCOR 11B.45.01.08, Disposition of Real Property, the County Executive must issue an Executive Order declaring that County owned or controlled land is no longer needed for County use.

ACTION

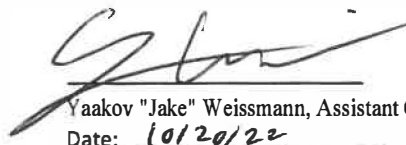
In consideration of the above recitals, the County Executive hereby declares that the County-owned Properties, a portion of County right of way located on Executive Boulevard and a portion of the Bethesda North Marriott and Conference Center parking lot property, are no longer needed for County use and, upon Council approval, the Properties will be disposed of through a sale, at fair market value, to Stonebridge.

Approved as to Form and Legality
Office of the County Attorney

By: 

Date: 10-13-22

APPROVED



Yaakov "Jake" Weissmann, Assistant Chief Administrative Officer
Date: 10/20/22




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

October 13, 2022

TO: Gabe Albornoz, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Material Terms for Proposed Disposition and Development of White Flint
Remnant Properties

In accordance with the provisions of Section 11B-45 of the County Code concerning property disposition, the purpose of this memorandum is to provide the material terms related to the proposed disposition of two parcels of property located in the White Flint District of North Bethesda. One parcel is a portion of County right of way located on Executive Boulevard which was abandoned under Section 49-62 of the County Code (the "ROW"). The second parcel is a portion of the Bethesda North Marriott and Conference Center ("Conference Center") parking lot property (the "Parking Lot"). The ROW and the Parking Lot are jointly referred to as "the Properties".

The ROW was subject to the Abandonment process in 2015, see attached Resolution No. 18-21, and the County now owns the fee simple interest in that parcel.

The Conference Center, including a portion of the Parking Lot at issue, is currently owned in fee simple by the Revenue Authority and under lease to the County. Under the lease agreement, the County may require that the Conference Center property be deeded back to the County upon repayment of the bonds in April 2023. It is expected that the County will request the Conference Center property be deeded to the County immediately upon repayment of the bonds and, in any event by no later than April 2023. At that time, the portion of the Parking Lot at issue will no longer be needed for public use, as a structured parking garage was built at the Conference Center to replace a significant amount of the surface parking. The specific portion of the Parking Lot included in this disposition has not been used for parking for some years, as it was used for staging during the parking garage construction.

The attached Right of Way Plat 1084 shows the approximate areas included in this disposition, including the abandoned right-of-way.

The disposition of these Properties supports the recommendations of the 2010 White Flint Sector Plan to create a more rectangular block at the intersection of Old Georgetown Road and Executive Boulevard and to support redevelopment.

The Properties are included in a development proposal by a private developer, Stonebridge (“Developer”), for a life sciences project. The project is planned to include approximately 675,000 square feet in three commercial buildings, plus a parking garage. The parking garage will include spaces reserved for public use (“Designated Parking”), including the Kennedy Shriver Aquatic Center and Wall Local Park, the exact number of which will be negotiated in a General Development Agreement (“GDA”).

Similar to the previous CIP project (P721801) contemplated with Gables, the County intends to transfer the Properties to the Developer at fair market value and, in return, the Developer will construct the garage and first life science building.

The County intends to work with the Developer through the coming months on the design of the garage, as well as the specifics of a GDA including the financial terms. Additionally, the current CIP project (P721801) will need to be amended to reflect the agreed upon terms and approved by Council.

I hope this information is helpful. If you have any questions, please contact Greg Ossont, Deputy Director, Department of General Services, at 240.777.6192 or greg.ossont@montgomerycountymd.gov.

Enclosures: Resolution No. 18-21, Abandonment Portion of Executive Boulevard
Right of Way Plat 1084

cc: Jennifer Bryant, Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance
David Crow, Acting Controller, Department of Finance
Pete Fosselman, Director, Bethesda Chevy-Chase Regional Services Center
David Dise, Director, Department of General Services
Greg Ossont, Deputy Director, Department of General Services
Cynthia Brenneman, Division Chief, Department of General Services
Ronnie Warner, Division Chief, Department of General Services

Resolution No.: 18-21
Introduced: January 13, 2015
Adopted: January 13, 2015

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By County Council

SUBJECT: DOT Docket No. AB739
Abandonment Portion of Executive Boulevard
White Flint District, North Bethesda

Background

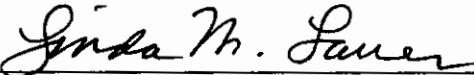
1. By memorandum dated May 27, 2013 from the Director of the Montgomery County Department of Transportation, the Applicant, a request was made for the County to abandon a portion of Executive Boulevard in the White Flint District of North Bethesda. The portion of the right-of-way for which abandonment is sought is owned in fee by the County. Pursuant to the 2010 White Flint Sector Plan this abandonment and associated realignment are recommended.
2. A Public Hearing to consider the abandonment proposal was held on September 18, 2013 by the designee of the County Executive.
3. Verizon indicated that it would require easements and a written statement that the County will pay all costs associated with relocating its facilities.
4. Washington Suburban Sanitary Commission conditioned its approval upon being granted a right-of-way 20 feet wide.
5. Washington Gas did not respond within 60 days and therefore, concurrence is presumed.
6. PEPCO did not respond within 60 days and therefore, concurrence is presumed.
7. The Montgomery County Police Department did not respond within 60 days and therefore, concurrence is presumed.
8. The Montgomery County Planning Board did not respond within 60 days and therefore, concurrence is presumed.
9. The Department of Fire and Rescue Services conditioned its approval provided that the new alignment is in service prior to the closure of the right-of-way.
10. The County Executive recommends approval of the proposed abandonment.

Action

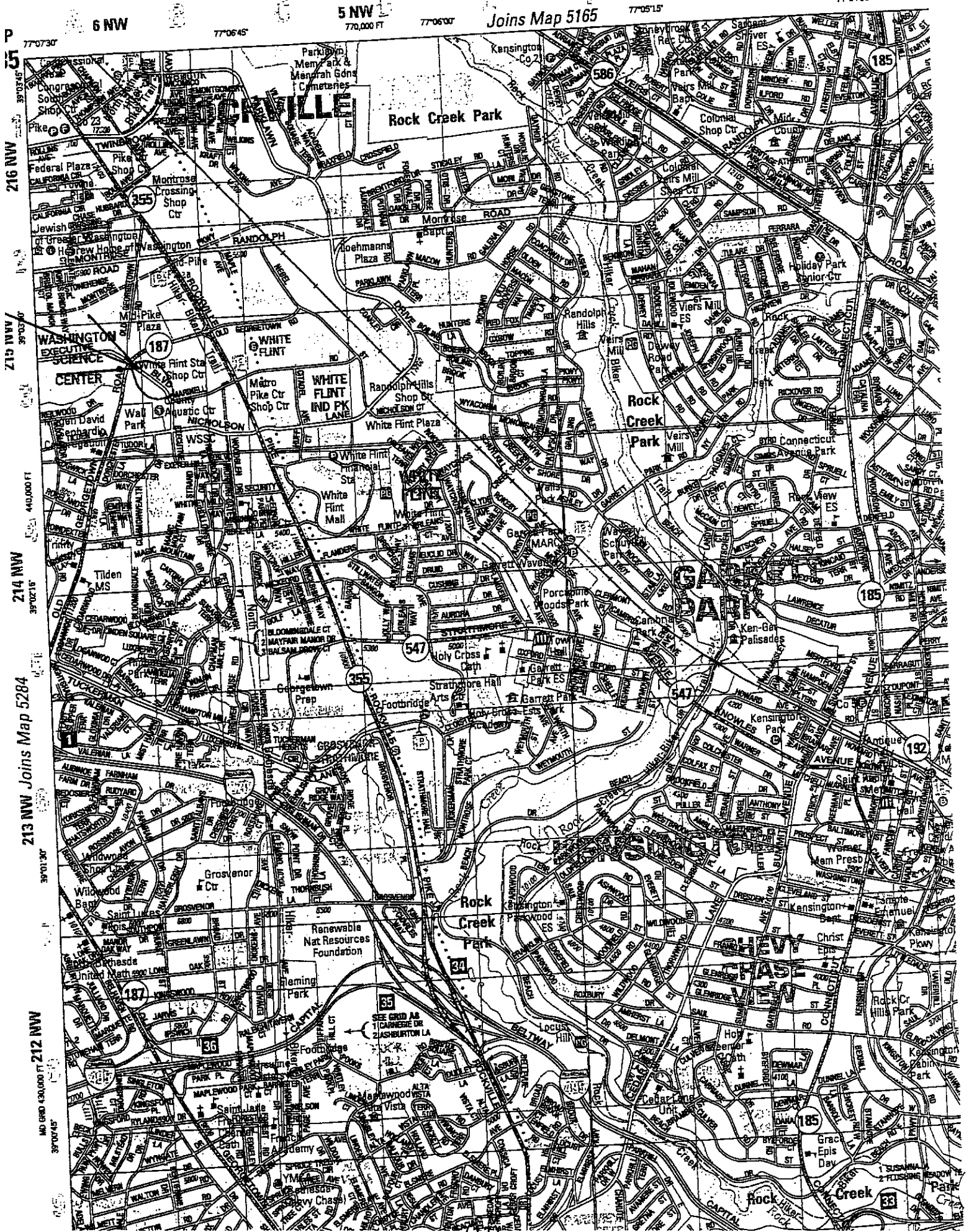
The County Council for Montgomery County, Maryland, finds that a portion of Executive Boulevard in the White Flint District of North Bethesda as shown on the attached drawing is no longer necessary for public use, pursuant to Section 49-63 of the Montgomery County Code, and approves the abandonment subject to the following conditions which must be satisfied at Applicant's sole cost and expense prior to the abandonment becoming effective:

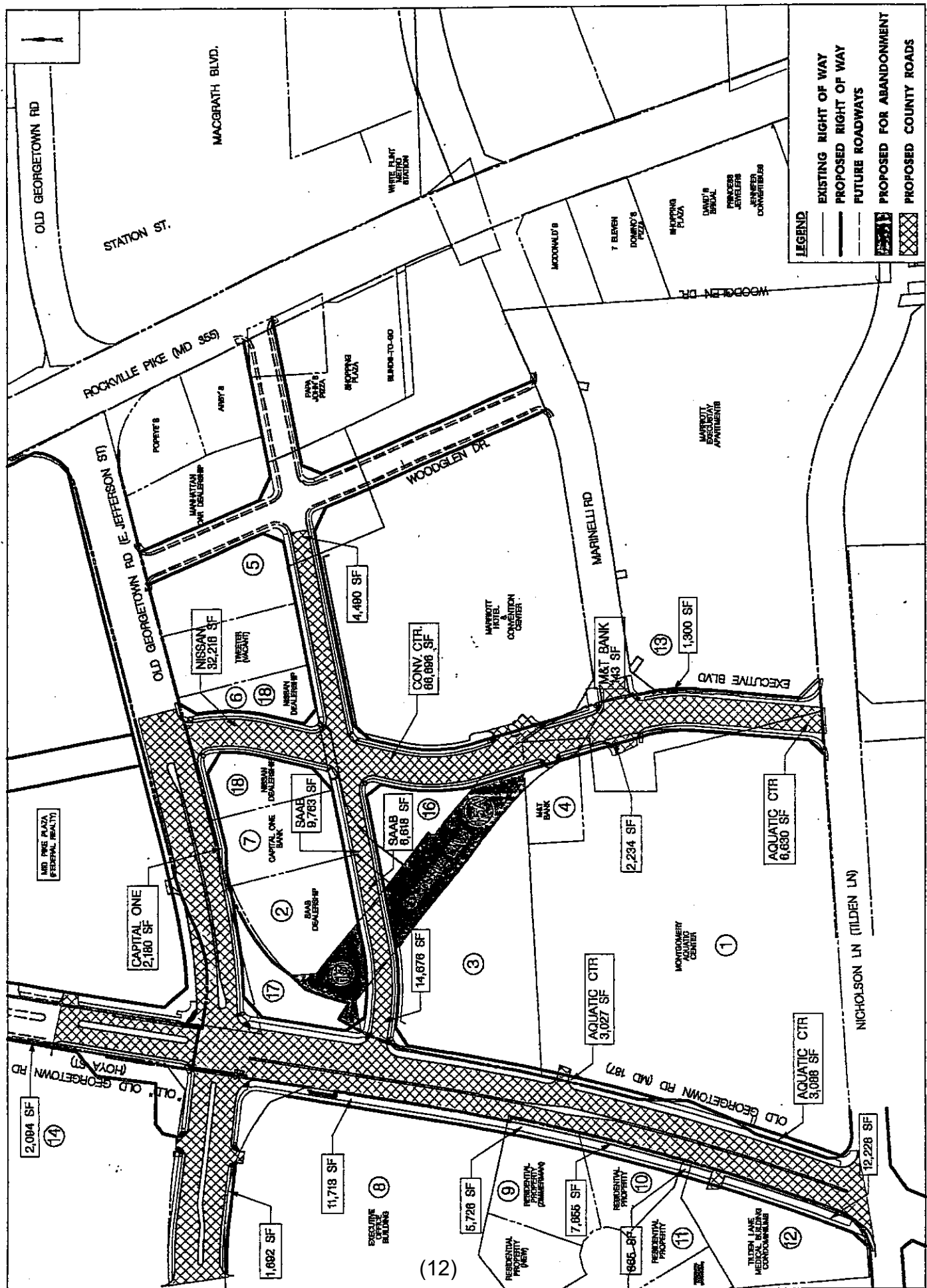
1. The Applicant must grant easements and provide a written statement to Verizon concerning the Applicant's paying all costs associated with relocating Verizon's facilities;
2. The Applicant must grant Washington Suburban Sanitary Commission a right-of-way twenty feet wide;
3. The County Attorney must record among the Land Records of Montgomery County, Maryland, a copy of this Resolution approving the abandonment of the subject area; and
4. Any person aggrieved by the action of the Council for abandonment may appeal to the Circuit Court within 30 days after the date such action is taken by Council.

This is a correct copy of Council Action.



Linda M. Lauer, Clerk of the Council







MARYLAND COORDINATE SYSTEM

NAD 83/91

CURVE #1 (GROUND)
CURVE DATA
Δ = 20°16'19.2"
D = 11°27'30.5"
R = 500.03'
T = 89.99'
L = 176.92'
E = 7.93'

EXISTING MONTGOMERY COUNTY
RIGHT OF WAY LINE

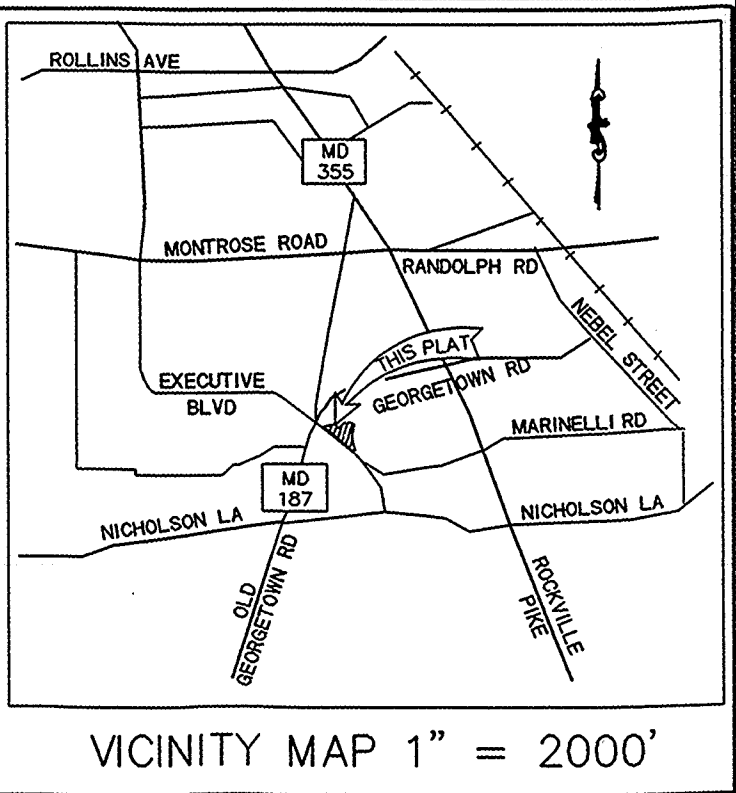
EXISTING MONTGOMERY COUNTY
RIGHT OF WAY LINE

MAIN / MARKET STREET
(FUTURE)
BASE LINE OF RIGHT OF WAY

OLD GEORGETOWN
SAAB PROPERTY, LLC
L. 20858, F. 087
PARCEL 2
TM. G062, P613
04-01736960
5995 EXECUTIVE BLV.

OLD GEORGETOWN
SAAB PROPERTY, LLC
L. 20858, F. 087
PARCEL 5
TM. G062, P614
04-03262913

MONTGOMERY COUNTY
REVENUE AUTHORITY
L. 17247, F. 132
LOT 2, P. N628, PLAT 23738
04-03635503
5701 MARINELLI ROAD



MONTGOMERY COUNTY
REVENUE AUTHORITY
L. 17247, F. 132
LOT 2, P. N628, PLAT 23738
04-03635503
5701 MARINELLI ROAD

CURVE #2 (GROUND)
CURVE DATA
Δ = 29°28'30.0"
D = 16°14'43.2"
R = 352.69'
T = 92.77'
L = 181.43'
E = 12.00'

MONTGOMERY COUNTY, MD EXECUTIVE BOULEVARD					
TM. G062 EXECUTIVE BOULEVARD					
1	R = 391.69'	L=22.02'	7	N 51°04'41" W	149.37'
2	CHD. S 14°48'07" E	22.02'	8	R = 533.03'	L=13.08'
3	S 16°24'45" E	85.64'	9	CHD. N 79°41'02" E	13.08'
4	S 86°36'51" W	32.67'	10	N 78°58'52" E	112.49'
5	R = 437.49'	L=53.89'	11	S 51°04'41" E	156.19'
6	CHD. N 47°32'56" W	53.86'	12	S 38°55'19" W	12.00'
7	R = 6990.41'	L=118.18'		R = 6042.39'	L=138.65'
8	CHD. N 51°33'45" W	118.17'		CHD. S 50°25'14" E	138.66'
9	R = 7010.41'	L=118.51'			
10	CHD. N 51°33'45" W	118.51'			
FEE SIMPLE AREA 34,443 SQ. FT. OR 0.79070 ACRES± SHOWN THUS:					

MONTGOMERY COUNTY, MARYLAND REVENUE AUTHORITY EXCESS			
TM. G062, P. N628, LOT 2 04-03635503			
1	R = 6042.39'	L=138.67'	
2	CHD. N 50°25'14" W	138.66'	
3	N 38°55'19" E	12.00'	
4	N 51°04'41" W	88.75'	
5	N 37°06'33" E	77.34'	
6	N 78°58'52" E	104.41'	
7	S 38°06'29" E	40.38'	
8	S 13°03'44" W	26.07'	
9	R = 391.69'	L=179.47'	
10	CHD. S 00°03'51" E	177.91'	
FEE SIMPLE AREA 22,083 SQ. FT. OR 0.50696 ACRES± SHOWN THUS:			

THIS PLAT IS BASED ON
NAD 83/91 COORDINATES
EXTENDING TRAVERSE FROM
THE FOLLOWING MD SHA
CONTROL MONUMENTS.

TRAVERSE NAD 83/91 - SHA STATIONS
ROC2 506142.431 1278451.400
A37R 503277.302 1280044.176

ALL COMPUTATIONS FOR
THIS PLAT WERE IN MD. GRID.
GROUND COORDINATES WERE
PROJECTED USING A COMBINED
SCALE FACTOR OF 1.00005885
AT 39.00' LEFT
GRID BASELINE STATION 208+22.06
(GROUND BASELINE STATION 208+22.14)
GRID & GROUND COORDINATE:
N) 502781.1660 E) 1279014.7539

RECEIVED

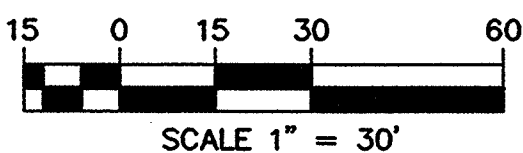
NOV - 7 2016

Clerk of the Circuit Court
Montgomery County, Md.

MONTGOMERY COUNTY DEPARTMENT OF
TRANSPORTATION CERTIFICATE

I HEREBY ADOPT THIS RIGHT OF WAY PLAT AND CERTIFY THAT A
REGISTERED MARYLAND LAND SURVEYOR, IN ACCORDANCE WITH SECTION
50-24(e)(2) OF THE MONTGOMERY COUNTY CODE, WILL BE ENGAGED TO
SET THE RIGHT OF WAY MARKERS SHOWN THUS:

BRUCE E. JOHNSTON
CHIEF, DIVISION OF ENGINEERING SERVICES
DATE 11/4/16



PREPARED FOR
MONTGOMERY COUNTY
DEPARTMENT OF TRANSPORTATION
100 EDISON PARK DRIVE
GAITHERSBURG, MARYLAND 20878
(240) 777-7220

MERCADO
CONSULTANTS, INC.
17830 NEW HAMPSHIRE AVENUE
SUITE 200
ASHTON, MARYLAND 20861
301-260-0090

SHEET 1 OF 3

RIGHT OF WAY PLAT

White Flint West Phase 1

ROCKVILLE (4th) ELECTION DISTRICT - MONTGOMERY COUNTY, MARYLAND
SCALE 1"=30' DATE: NOVEMBER 3, 2016
C.I.P. PROJECT No. 501506, RIGHT OF WAY PLAT No. 1084

TAX MAP
G062

I HEREBY CERTIFY THAT THESE DOCUMENTS WERE PREPARED BY ME OR UNDER MY
RESPONSIBLE CHARGE, AND THAT I AM A DULY LICENSED PROPERTY LINE SURVEYOR
UNDER THE LAWS OF THE STATE OF MARYLAND; THE INFORMATION SHOWN HEREON
IS CORRECT; THAT IT DEPICTS A PLAT OF THE PROPOSED RIGHT OF WAY FOR
MAIN/MARKET STREET ALONG THE EAST SIDE OF EXECUTIVE BLVD & SOUTH SIDE OF
MD 187 (OLD GEORGETOWN RD) IMPROVEMENT; THAT IT IS BASED ON AN ACTUAL FIELD
SURVEY COMPLETED IN JUNE, 2014; AND THAT IT DELINEATES THE LAND TO BE
ACQUIRED BY MONTGOMERY COUNTY IN CONNECTION WITH THIS ROAD IMPROVEMENT.

MERCADO CONSULTANTS, INC.
MARK A. BUSCH
MD. PROF. LAND SURVEYOR No. 508 EXPIRATION DATE: 7/15/2017



SURVEYOR'S CERTIFICATE

5910 EXECUTIVE LLC
L. 35523, F. 646
PARCEL A, BLOCK E
PLAT 19136
TM. G062, P. N723
04-03035197

EXISTING MONTGOMERY COUNTY
RIGHT OF WAY LINE

PC 208+02.31 (GROUND)
N=502,770.8954
E=1,279,057.7929
PC 208+02.23 (GRID)
N=502,770.8960
E=1,279,057.7904

STORMWATER MANAGEMENT
EASEMENT (L. 22204 F. 373)

EXECUTIVE BOULEVARD EXT.
BASE LINE OF RIGHT OF WAY

RIGHT OF WAY LINE

LG GEORGETOWN LLC
L. 9481, F. 172
TM. G062, P665
04-03262913

EXECUTIVE BOULEVARD
PLAT 23738 & 10225

EXISTING MONTGOMERY COUNTY
RIGHT OF WAY LINE

POINT OF
BEGINNING
GRID: S GROUND
N=502781.1660 E=1279014.7539
208+22.14

1" OPEN PIPE FD & HELD
S 21°50'02" W 121.20'
LINE OF DIVISION

207+24.04
70.83'

207+16.67
39'

N 10°24'45" E 389.09'

208+02.31
39'

207+70.07
98.67'

207+70.11
98.68'

209+09.43
128.07'

209+02.59
135.54'

209+18.88
118.41'

210+09.81
39'

304+97.64
28.41'

304+92.52
33.00'

304+96.94
33'

305+96.94
33'

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Wall Park Garage and Park Improvements (P721801)

Category	Culture and Recreation	Date Last Modified	01/12/22
SubCategory	Recreation	Administering Agency	General Services
Planning Area	North Bethesda-Garrett Park	Status	Final Design Stage

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Other	6,612	-	1,106	5,506	-	-	4,400	1,106	-	-	-
TOTAL EXPENDITURES	6,612	-	1,106	5,506	-	-	4,400	1,106	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
G.O. Bonds	6,612	-	1,106	5,506	-	-	4,400	1,106	-	-	-
TOTAL FUNDING SOURCES	6,612	-	1,106	5,506	-	-	4,400	1,106	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 24 Request	-	Year First Appropriation	FY18
Cumulative Appropriation	6,612	Last FY's Cost Estimate	6,612
Expenditure / Encumbrances	-		
Unencumbered Balance	6,612		

PROJECT DESCRIPTION

This project relocates surface parking from the Wall Park and the Kennedy Shriver Aquatic Center (KSAC) to an adjacent parking garage on private property, as suggested in the White Flint Sector Plan. The adjacent property owner, Gables Development, has an approved site plan and is going forward with a larger residential project. As part of their site plan approval, Gables Development is required to reserve space for up to 400 parking spaces to be built and used by the County to serve both KSAC and a possible future expansion for a Regional Recreation Center. As part of the residential project, the developer is building an 850 space garage, with 250 of those spaces owned by the County through a condominium regime. The parking garage will be linked to KSAC through a public drive and pedestrian paths. Space is being reserved for a possible addition of County spaces to the garage if they are needed in the future for an expanded Recreation Center. This space will be reserved for 10 years from the date of Gables' site plan approval. The garage project will allow for the removal of most of the current surface parking in Wall Park and the creation of an interim park with large green spaces and loop trails, with plans for a future urban park with varied amenities.

LOCATION

The project will be located on the Gables residential site which is immediately adjacent to the Kennedy Shriver Aquatic Center (KSAC) at 5900 Executive Boulevard, North Bethesda, MD and will be accessed from KSAC's current entrance on Executive

Boulevard.

ESTIMATED SCHEDULE

Assumes developer implementation delays until FY25.

PROJECT JUSTIFICATION

The White Flint Sector Plan was approved by Council in 2010. This plan allows for significantly higher density than the existing development. Based upon the market, the majority of development planned for the first phase has been multi-family residential. Along with providing a more walkable area through new programmed capital roads, streetscape, and biking facilities projects, there is a great need for open space that can be easily accessed by both the urban dwellers moving into this dense redevelopment area and by the local community. Wall Park could provide that open space now and will eventually provide an urban park with varied amenities, but only if the surface parking is removed. The roads adjacent to this site are currently being reconfigured and facilitation of this project will allow the County to obtain dedicated right of way needed for use in the ongoing White Flint West Workaround road project. As part of the Gables Residential project, there is an opportunity to have the surface parking replaced by a much larger garage. This will take advantage of the economies of scale by providing the development of parking at a lower cost than if the County had to build its own garage and will result in the County ownership of 30% of the garage spaces under a condominium regime.

FISCAL NOTE

FY18 supplemental for Wall Park Garage and Park Improvements approved \$6,582,000 in FY18 appropriation.

COORDINATION

Department of General Services, Department of Transportation, Permitting Services, Department of Recreation and Maryland-National Capital Park and Planning Commission.

FOR THE EXCLUSIVE USE OF
SHIRLEY.UYAKONWU@MONTGOMERYCOUNTYMD.GOV

From the Washington Business Journal:

<https://www.bizjournals.com/washington/news/2022/03/10/stonebridge-evolutionlabs-lab-space-montgomery.html>

SUBSCRIBER CONTENT:

Scores of coveted new lab space to come online in Montgomery County

Mar 10, 2022, 2:20pm EST



Stonebridge

Developers plan a future EvolutionLabs site in Gaithersburg, as part of a multisite endeavor to add to Montgomery County's overall lab inventory.

Developers announced plans Thursday to build a pair of big laboratory facilities, totaling 800,000 square feet, in Montgomery

County, reflecting that municipality's ongoing efforts to remain a magnet for the life sciences and biohealth industries.

The lab sites are collectively branded EvolutionLabs, with their primary driver being Bethesda-based developer Stonebridge. The smaller of the two projects, but the first to get underway, will comprise two buildings, together weighing in at 250,000 square feet. The first building, six stories and 150,000 square feet, is anticipated to break ground this fall, with tenant construction to follow next winter. The second building, at 100,000 square feet, will break ground in 2024.

This first iteration of EvolutionLabs will sit upon vacant land in Gaithersburg that's adjacent to 9711 Washingtonian Blvd., where an office building is occupied by OpenText, a software company, and a parking garage sits. For this portion of the project, Stonebridge has partnered with Principal Real Estate Investors, the site's owner and a commercial real estate company that falls under the umbrella of Iowa-based Principal Global Investors, in turn a member of Principal Financial Group (NASDAQ: PFG).

Because a tenant hasn't been secured yet, the Washingtonian phase of EvolutionLabs won't be able to take advantage of an expedited zoning approval process the county established last month, Stonebridge Principal Keith Marquis told the Washington Business Journal, adding that the firm hopes to partake of that option with future phases. The county council approved the zoning change in order to incentivize the development of biohealth campuses and further boost its treasured biotech industry.

The larger EvolutionLabs site, which will consist of three buildings totaling 550,000 square feet, will go up in North Bethesda on a present-day parking lot, about a quarter-mile west of the Red Line's White Flint Metro station, starting in 2024.

Stonebridge has that Bethesda site under contract from LG Georgetown LLC, an affiliate of property management company Gables Residential. Gables had at one time planned residential development on the property but scrapped that project after several years of delays.

Ben Wu, president and CEO of the Montgomery County Economic Development Corp., described EvolutionLabs as part of a larger arc of development necessary to meet the industry's growing demand

for lab space in the county — particularly as the current health crisis places a higher premium on drug and vaccine research and development.

Wu cited his organization's 2021 Connecting the Dots report, which calls for the county to add 2 million square feet of lab space to its existing stock of roughly 10.6 million square feet. Major providers of lab space currently include Alexandria Real Estate Equities Inc. (NYSE: ARE), a Pasadena, California, company that counts roughly 3.7 million square feet of existing or developing lab space along Montgomery's I-270 corridor, while Boston Properties (NYSE: BXP) is building its Shady Grove Bio+Tech Campus in place of an aging office campus in Rockville.

"We clearly knew that we needed to add more," Wu said, adding that EvolutionLabs "will certainly help hit that mark."



Dan Brendel

Staff Reporter - *Washington Business Journal*

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WASHINGTON BUSINESS JOURNAL

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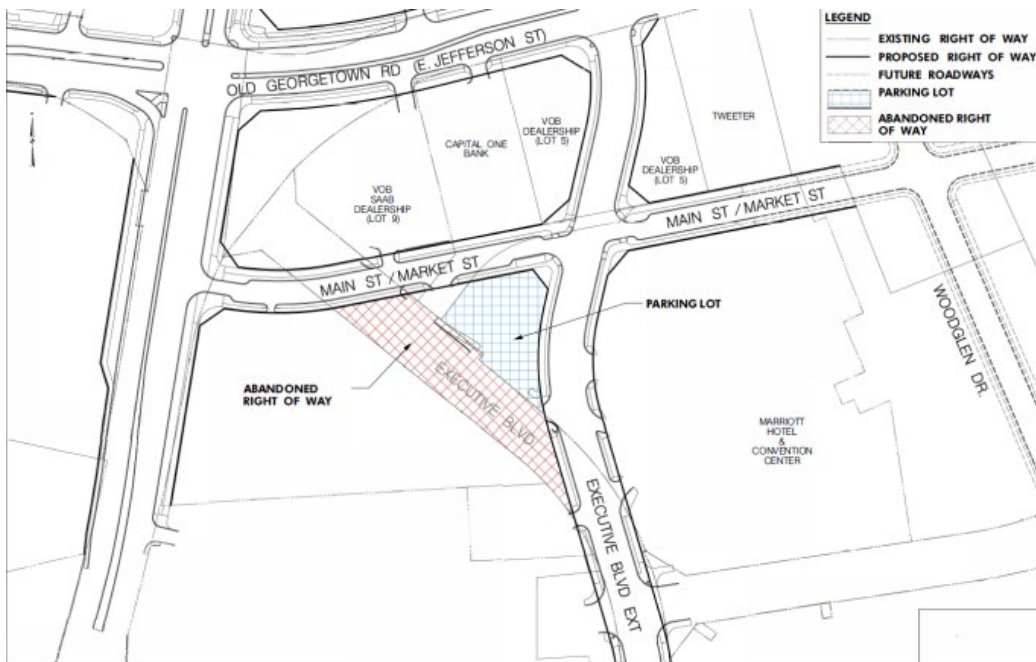


Valuation Advisory

Client: Montgomery County, MD
Property Name: Two Remnant Parcels - White Flint Area
Property Address: 5701 Marinelli Rd, Rockville, MD 20852

Report Date: February 21, 2023

JLL File #: VA-23-240741



Two Remnant Parcels - White Flint Area
 5701 Marinelli Rd
 Rockville, MD 20852



500 E. Pratt Street, Suite 1250
Baltimore, MD 21202

Phone: 443-451-2600
Fax: 443-451-2601

February 21, 2023

Ms. Ronnie Warner
Chief, Office of Planning and Development
Montgomery County, MD
101 Monroe Street, 9th Floor
Rockville, MD 20850

Re: Appraisal

Two Remnant Parcels - White Flint Area
5701 Marinelli Rd
Rockville, Montgomery County, MD 20852

File Number: VA-23-240741

Dear Ms. Warner:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject consists of two parcels of land totaling 1.27 acres or 55,143 square feet. One parcel consists of approximately 22,194 square foot portion of Tax Account Number 04-03635503; 5701 Marinelli Road, while the other portion is approximately 32,949 square foot portion of Montgomery County Right of Way (ROW) located on Executive Boulevard. There are no improvements on either portion of land and for the purposes of this analysis, the site is being valued as if vacant and ready for development.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	January 27, 2023	\$8,270,000

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. The Parking Lot portion of the subject is currently owned by the Montgomery County Revenue Authority. Ownership will revert back to Montgomery County ownership as of April 1, 2023. Our valuation assumes that Montgomery County has effective ownership control over the property.
2. The zoning for the Parking Lot is CR-4.0 C-2.0 R-3.5 H-250. The zoning for the Abandoned ROW is split zoned. As requested by the client, we assume that 17,890 of the 32,949 square feet is zoned CR-4.0 C-2.0 R-3.5 H-250 and 16,417 is zoned CR-3.0 C-1.5 R-2.5 H-70. If the highest and best use is determined to be biohealth as defined in the ZTA, then assume the site has a maximum height 150'.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

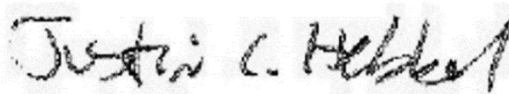
If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

JLL Valuation & Advisory Services, LLC



Jason E. Crump, R/W-AC
Senior Vice President
Certified General Appraiser
MD Certificate #: 34224
Telephone: 713-243-3307
Email: jason.crump@am.jll.com



Justin C. Hebbel
Vice President
Certified General Appraiser
MD Certificate #: 31426
Telephone: 443-931-3355
Email: justin.hebbel@am.jll.com

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- A. Appraiser Qualifications
- B. Definitions
- C. Financials and Property Information
- D. Comparable Data
- E. Engagement Letter

Certification Statement

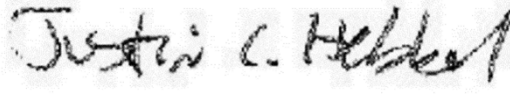
We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. 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.
3. We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported 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.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
11. We have not performed any 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.
12. Jason E. Crump, R/W-AC, has not made a personal inspection of the subject property. Justin C. Hebbel has made a personal inspection of the property.
13. No one provided significant real property appraisal assistance to the persons signing this certification.

14. As of the date of this report, Justin C. Hebbel has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



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Summary of Salient Facts and Conclusions

Property Name	Two Remnant Parcels - White Flint Area
Address	5701 Marinelli Rd Rockville, Montgomery County, Maryland 20852
Property Type	Land
Owner of Record	Montgomery County (Montgomery County Revenue Authority)
Tax IDs	04-03635503 and Abandoned ROW
Land Area	1.27 acres; 55,143 SF
Zoning Designation	CR-4.0 C-2.0 R-3.5 H-250 & CR-3.0 C-1.5 R-2.5 H-70, Commercial Residential
Highest & Best Use - As If Vacant	Multifamily and-or Mixed Use
Highest & Best Use - As Improved	Not Applicable
Exposure Time; Marketing Period	6 to 9 months; 6 to 9 months

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	January 27, 2023	\$8,270,000

The values reported above are subject to definitions, assumptions and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than the client and intended users may use or rely on the information, opinions and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions and limiting conditions contained therein.

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. The Parking Lot portion of the subject is currently owned by the Montgomery County Revenue Authority. Ownership will revert back to Montgomery County ownership as of April 1, 2023. Our valuation assumes that Montgomery County has effective ownership control over the property.
2. The zoning for the Parking Lot is CR-4.0 C-2.0 R-3.5 H-250. The zoning for the Abandoned ROW is split zoned. As requested by the client, we assume that 17,890 of the 32,949 square feet is zoned CR-4.0 C-2.0 R-3.5 H-250 and 16,417 is zoned CR-3.0 C-1.5 R-2.5 H-70. If the highest and best use is determined to be biohealth as defined in the ZTA, then assume the site has a maximum height 150'.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

Introduction

The subject consists of two parcels of land totaling 1.27 acres or 55,143 square feet. One parcel consists of approximately 22,194 square foot portion of Tax Account Number 04-03635503; 5701 Marinelli Road, while the other portion is approximately 32,949 square foot portion of Montgomery County Right of Way (ROW) located on Executive Boulevard. There are no improvements on either portion of land and for the purposes of this analysis, the site is being valued as if vacant and ready for development.

Subject Identification

Name	Two Remnant Parcels - White Flint Area
Address	5701 Marinelli Rd, Rockville, Montgomery County, MD 20852
Tax ID	04-03635503 and Abandoned ROW
Owner of Record	Montgomery County (Montgomery County Revenue Authority)
Legal Description	See Appendix

Ownership and Transaction History

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date. Additionally, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s).

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report.

Summary

Research

- We inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

Client, Intended Use, and User(s)

Client: Montgomery County, MD

Intended Use: The intended use of the appraisal is for internal decision making purposes.

Intended User(s): The intended user(s) of the appraisal is Montgomery County, MD. The appraisal is not intended for any other use or user. No party or parties other than Montgomery County, MD may use or rely on the information, opinions, and conclusions contained in this report.

Purpose of the Appraisal

The purpose of the appraisal is to estimate the Subject's:

Appraisal Premise	Interest Appraised	Date of Value
Market Value As Is	Fee Simple	January 27, 2023

The date of the report is February 21, 2023. The appraisal is valid only as of the stated effective date or dates.

Approaches to Value

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Applicability and utilization of the approaches in this assignment is described as follows.

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Not Applicable	Not Utilized
Sales Comparison (Land Only)	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Not Applicable	Not Utilized

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services.

- We have not performed any 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.

Report Option

Based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this appraisal, an appraisal report format was used, as defined below.

Appraisal Report This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.

Definition of Values

Market Value The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition 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 own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of Property Rights Appraised

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

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Inspection

Jason E. Crump, R/W-AC, has not performed an inspection of the subject. Justin C. Hebbel performed an inspection on January 27, 2023.

Area Demographics and Market Analysis

Washington DC MSA Area Demographics

The subject is located in the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area, hereinafter called the Washington DC MSA, as defined by the U.S. Office of Management and Budget. The Washington DC MSA is 6,569 square miles in size, and is the sixth most populous metropolitan area in the nation.

Population

The Washington DC MSA has an estimated 2022 population of 6,522,851, which represents an average annual 1.1% increase over the 2020 census amount of 6,385,162. Washington DC MSA added an average of 68,845 residents per year over the 2020 - 2022 period, and its annual growth rate is greater than that of the State of Maryland.

Population Trends

Area	2010 Census	2020 Census	Population 2022 Est.	2027 Est.	Compound Ann. % Chng 2020 - 2022	2022 - 2027
1 mi. radius	18,112	23,249	23,775	24,686	1.1%	0.8%
3 mi. radius	144,895	158,292	160,301	162,144	0.6%	0.2%
5 mi. radius	336,019	365,708	370,650	376,102	0.7%	0.3%
Montgomery County	971,777	1,062,061	1,077,335	1,091,971	0.7%	0.3%
Washington DC MSA	5,649,515	6,385,162	6,522,851	6,626,626	1.1%	0.3%
Maryland	5,773,552	6,177,224	6,237,662	6,293,158	0.5%	0.2%
United States	308,745,538	331,449,281	335,707,897	339,902,796	0.6%	0.2%

Source: Esri 2023. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the Washington DC MSA's population is projected to increase at a 0.3% annual rate from 2022 - 2027, equivalent to the addition of an average of 20,755 residents per year. The Washington DC MSA growth rate is expected to exceed that of Maryland, which is projected to be 0.2%.

Employment

The current estimate of total employment in the Washington DC MSA is 3,302,033 jobs. Since 2013, employment grew by 216,467 jobs, equivalent to a 7.0% gain over the entire period. There were gains in employment in eight of the past ten years despite the national economic downturn and slow recovery.

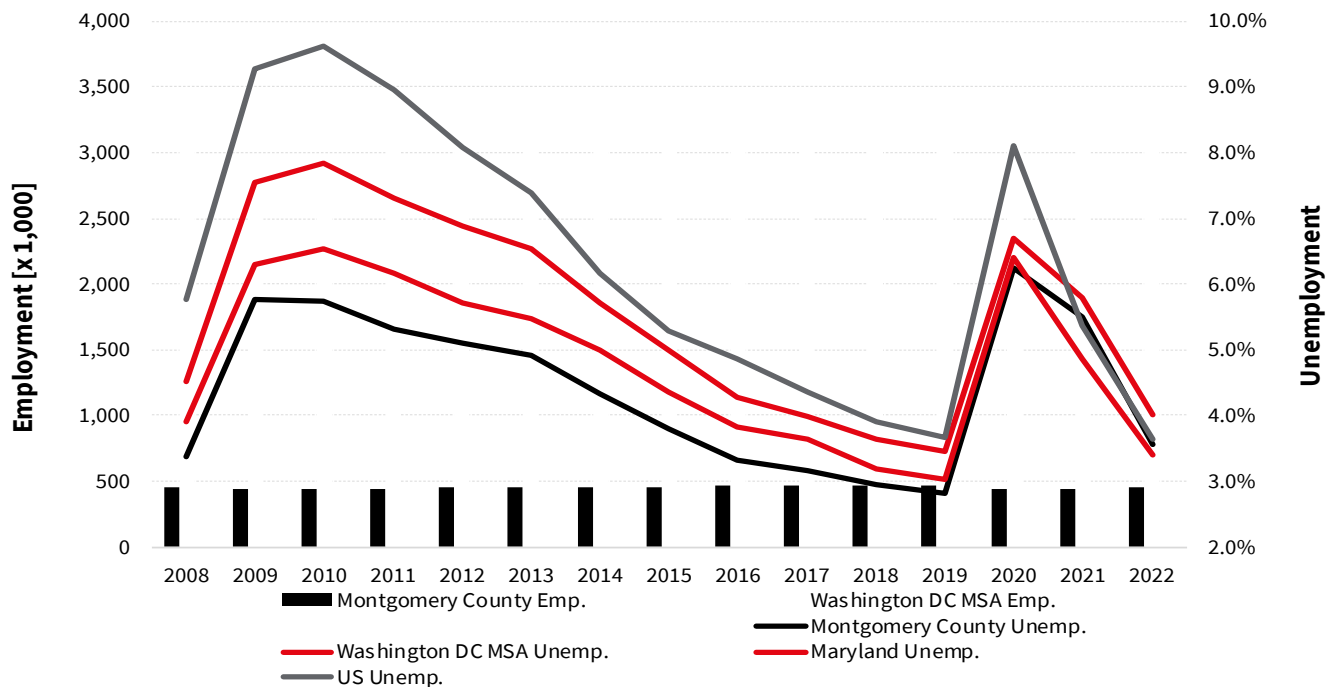
The Washington DC MSA's rate of change in employment outperformed the State of Maryland, which experienced an increase in employment of 4.5% or 117,542 over this period.

Employment Trends

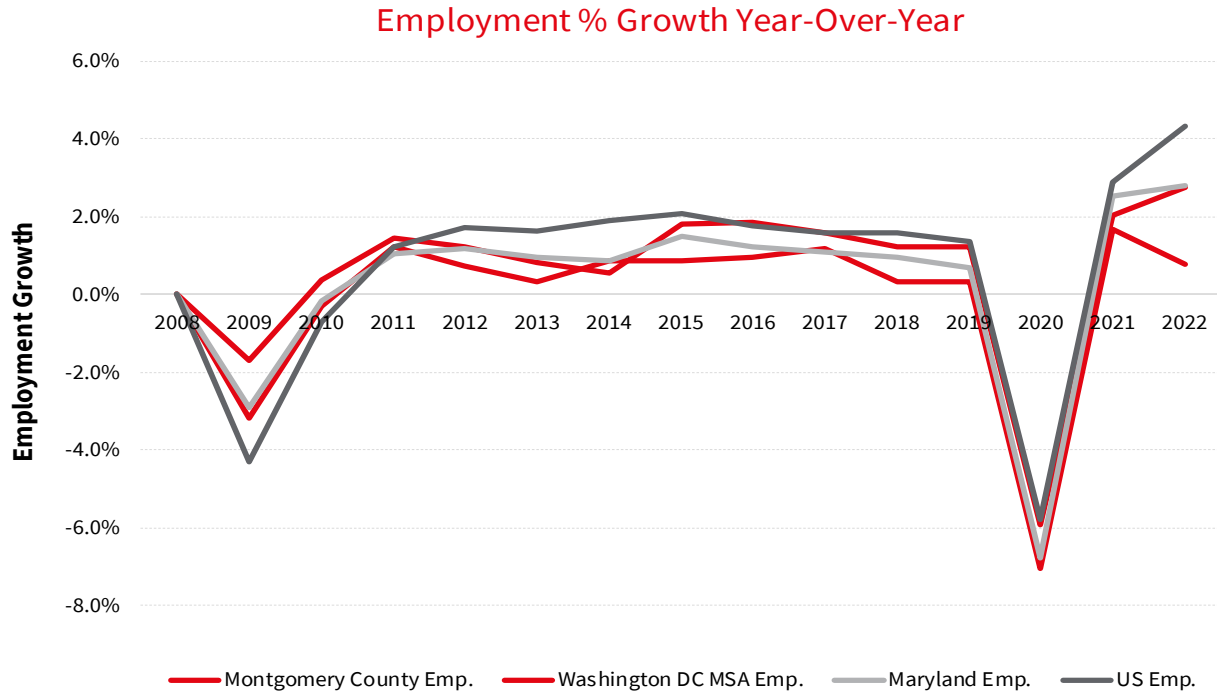
Year	Total Employment (Annual Average)								Unemployment Rate (Ann. Avg.)			
	Montgomery County	Change	Washington DC MSA	Change	Maryland	Change	United States	Change	Montgomery County	Washington DC MSA	Maryland	United States
2008	457,736	-	3,020,292	-	2,602,517	-	137,223,667	-	3.4%	3.9%	4.5%	5.8%
2009	443,185	-3.2%	2,969,342	-1.7%	2,526,408	-2.9%	131,295,833	-4.3%	5.8%	6.3%	7.6%	9.3%
2010	441,887	-0.3%	2,980,408	0.4%	2,521,600	-0.2%	130,344,500	-0.7%	5.8%	6.5%	7.9%	9.6%
2011	447,238	1.2%	3,023,242	1.4%	2,547,708	1.0%	131,914,333	1.2%	5.3%	6.2%	7.3%	9.0%
2012	450,496	0.7%	3,060,392	1.2%	2,578,150	1.2%	134,157,333	1.7%	5.1%	5.7%	6.9%	8.1%
2013	451,869	0.3%	3,085,567	0.8%	2,602,625	0.9%	136,363,250	1.6%	4.9%	5.5%	6.5%	7.4%
2014	455,820	0.9%	3,102,458	0.5%	2,624,725	0.8%	138,939,250	1.9%	4.3%	5.0%	5.7%	6.2%
2015	459,667	0.8%	3,158,333	1.8%	2,664,292	1.5%	141,824,250	2.1%	3.8%	4.4%	5.0%	5.3%
2016	463,967	0.9%	3,217,242	1.9%	2,696,858	1.2%	144,335,333	1.8%	3.3%	3.8%	4.3%	4.9%
2017	469,311	1.2%	3,267,350	1.6%	2,725,958	1.1%	146,606,917	1.6%	3.2%	3.6%	4.0%	4.4%
2018	470,884	0.3%	3,307,558	1.2%	2,751,692	0.9%	148,908,333	1.6%	3.0%	3.2%	3.6%	3.9%
2019	472,495	0.3%	3,347,792	1.2%	2,769,908	0.7%	150,904,333	1.3%	2.8%	3.0%	3.5%	3.7%
2020	439,259	-7.0%	3,149,950	-5.9%	2,581,783	-6.8%	142,185,833	-5.8%	6.3%	6.4%	6.7%	8.1%
2021	446,524	1.7%	3,214,058	2.0%	2,646,800	2.5%	146,284,500	2.9%	5.5%	4.9%	5.8%	5.4%
2022	450,016	0.8%	3,302,033	2.7%	2,720,167	2.8%	152,575,583	4.3%	3.6%	3.4%	4.0%	3.7%
10 Yr Change	-1,853	-0.4%	216,467	7.0%	117,542	4.5%	16,212,333	11.9%				
Avg Unemp. Rate 2013-2022									4.1%	4.3%	4.9%	5.3%
Unemployment Rate - Dec 2022									2.8%	2.8%	3.2%	3.3%

Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.



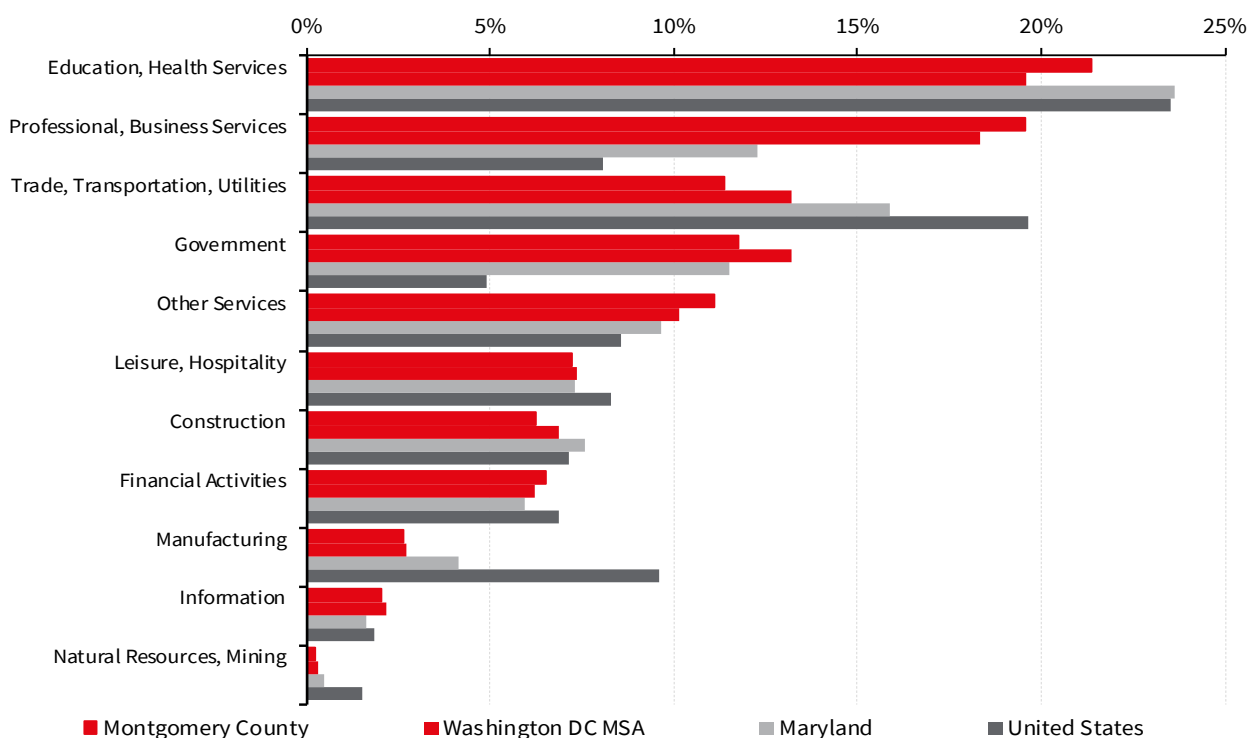
Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Washington DC MSA unemployment rate of 4.3% has been lower than the Maryland rate of 4.9%. In the latter half of the decade that trend has continued, as the Washington DC MSA has consistently overperformed Maryland. Recent data shows that the Washington DC MSA unemployment rate is 2.8%, in comparison to a 3.2% rate for Maryland, a positive sign for the Washington DC MSA economy.

Employment Sectors

The composition of the Washington DC MSA job market is illustrated in the chart below, paired with that of Maryland. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Washington DC MSA jobs in each sector.

Employment Sectors - 2022



Source: Esri 2023. Compiled by JLL Valuation & Advisory Services, LLC.

The Washington DC MSA has a greater percentage employment than Maryland in the following categories:

1. Professional, Business Services - which accounts for 18.3% of Washington DC MSA payroll employment compared to 12.3% for Maryland as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
2. Government - which accounts for 13.2% of Washington DC MSA payroll employment compared to 11.5% for Maryland as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.
3. Other Services - which accounts for 10.1% of Washington DC MSA payroll employment compared to 9.7% for Maryland as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.
4. Financial Activities - which accounts for 6.2% of Washington DC MSA payroll employment compared to 6.0% for Maryland as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

The Washington DC MSA is underrepresented in the following categories:

1. Education, Health Services - which accounts for 19.6% of Washington DC MSA payroll employment compared to 23.6% for Maryland as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

2. Trade, Transportation, Utilities - which accounts for 13.2% of Washington DC MSA payroll employment compared to 15.9% for Maryland as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Manufacturing - which accounts for 2.7% of Washington DC MSA payroll employment compared to 4.1% for Maryland as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
4. Construction - which accounts for 6.8% of Washington DC MSA payroll employment compared to 7.6% for Maryland as a whole. This sector includes construction of buildings, roads, and utility systems.

Major Employers

The table below contains major employers in the Washington DC MSA.

Major Employers - Washington DC MSA

Name	Employees
1 Inova Health System	19,300
2 National Institutes of Health	17,580
3 Food and Drug Administration	13,855
4 Naval Support Activity Bethesda	12,000
5 Fort Detrick Campus	7,800
6 CACI International / Information Manufacturing LLC	7,065
7 Capital One Financial Corp.	7,000
8 Marriott International	5,800
9 Adventist Healthcare Inc.	4,290
10 AstraZeneca PLC	3,500
11 Montgomery College	3,155
12 Giant Food Stores	3,150
13 CGI Group Inc.	3,060
14 National Oceanic and Atmospheric Administration	2,920
15 National Institute of Standards and Technology	2,835
16 Kaiser Foundation Health Plan Medical Services	2,640
17 Frederick Memorial Healthcare System	2,620
18 Nuclear Regulatory Commission	2,340
19 MedImmune Pharmaceuticals R&D	2,320
20 AstraZeneca	2,320

Sources(s): Maryland Department of Commerce, 2018; Biz Journal 2020; Top Work Places, 2017; Top Workplaces 2019; TripSavvy, 2017; Washington Business Book of Lists, 2018; Washington Business Journal Book of Lists, 2017

Gross Domestic Product

Based on Gross Domestic Product (GDP), the Washington DC MSA ranks #5 out of all metropolitan area economies in the nation.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the Washington DC MSA than Maryland overall during the past nine years. The Washington DC MSA has expanded at a 1.5% average annual rate while the State of Maryland has grown at a 1.2% rate. As the national economy improves,

the Washington DC MSA continues to outperform Maryland. GDP for the Washington DC MSA rose by 5.0% in 2021 while Maryland's grew by 4.6%.

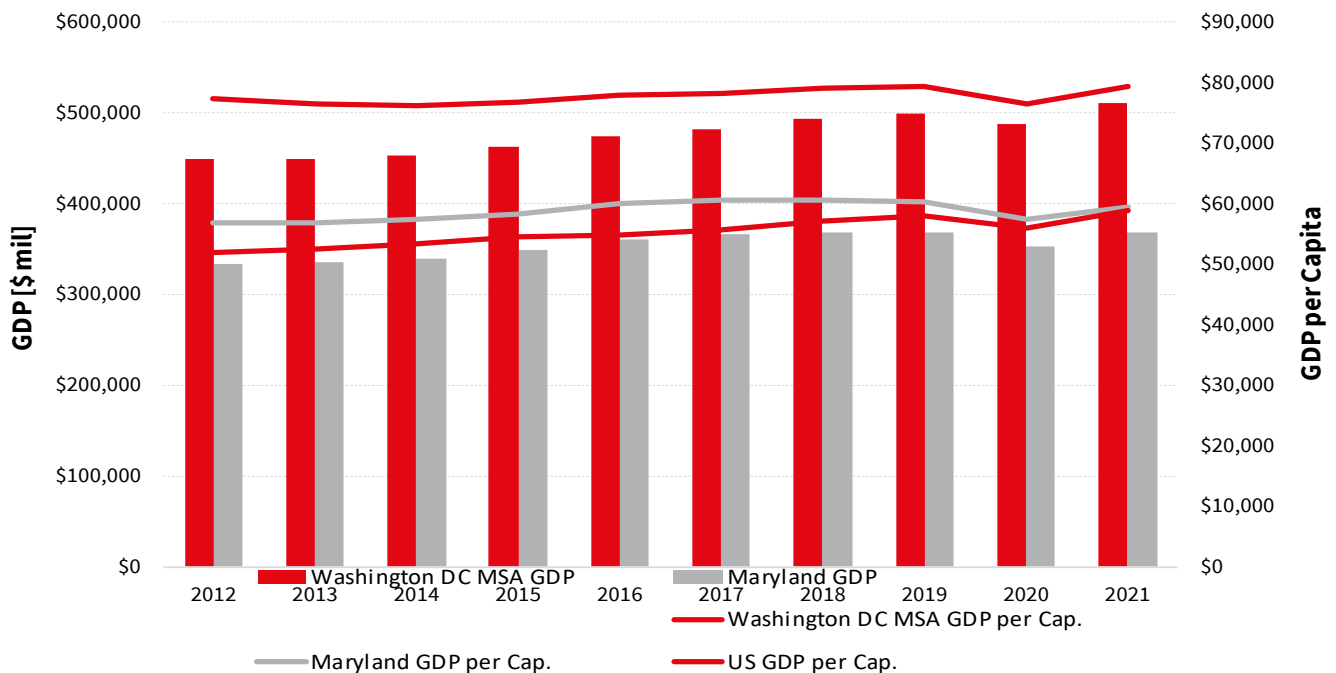
The Washington DC MSA has a per capita GDP of \$79,263, which is 33.0% greater than Maryland's GDP of \$59,457. This means that the Washington DC MSA industries and employers are adding relatively much more value to the economy than their peers in Maryland.

Gross Domestic Product

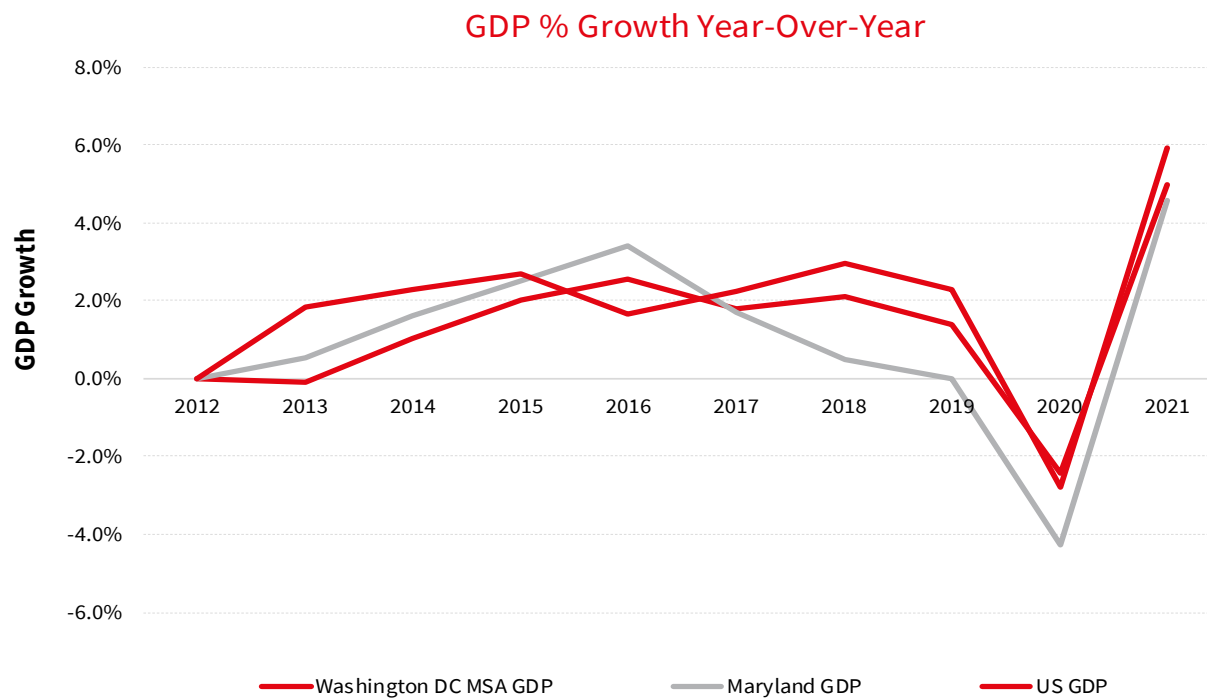
Year	Gross Domestic Product (\$ mil)						GDP per Capita (\$)		
	Washington DC MSA	Change	Maryland	Change	United States	Change	Washington DC MSA	Maryland	United States
2012	\$448,273	-	\$332,523	-	\$16,253,970	-	\$77,354	\$56,833	\$51,890
2013	\$447,824	-0.1%	\$334,269	0.5%	\$16,553,348	1.8%	\$76,318	\$56,756	\$52,469
2014	\$452,421	1.0%	\$339,605	1.6%	\$16,932,051	2.3%	\$76,157	\$57,286	\$53,290
2015	\$461,637	2.0%	\$348,152	2.5%	\$17,390,295	2.7%	\$76,768	\$58,347	\$54,348
2016	\$473,528	2.6%	\$360,082	3.4%	\$17,680,274	1.7%	\$77,804	\$59,958	\$54,869
2017	\$482,039	1.8%	\$366,204	1.7%	\$18,076,651	2.2%	\$78,266	\$60,587	\$55,711
2018	\$492,263	2.1%	\$367,977	0.5%	\$18,609,078	2.9%	\$78,993	\$60,493	\$56,957
2019	\$499,120	1.4%	\$368,056	0.0%	\$19,036,052	2.3%	\$79,169	\$60,124	\$57,866
2020	\$486,968	-2.4%	\$352,384	-4.3%	\$18,509,143	-2.8%	\$76,360	\$57,202	\$55,883
2021	\$511,254	5.0%	\$368,571	4.6%	\$19,609,812	5.9%	\$79,263	\$59,457	\$58,807
10 Yr Change	\$62,981	1.5%	\$36,048	1.2%	\$3,355,842	2.1%	\$1,909	\$2,624	\$6,917

Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the year shown.

Gross Domestic Product Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted “real” GDP stated in 2012 dollars.

Household Income

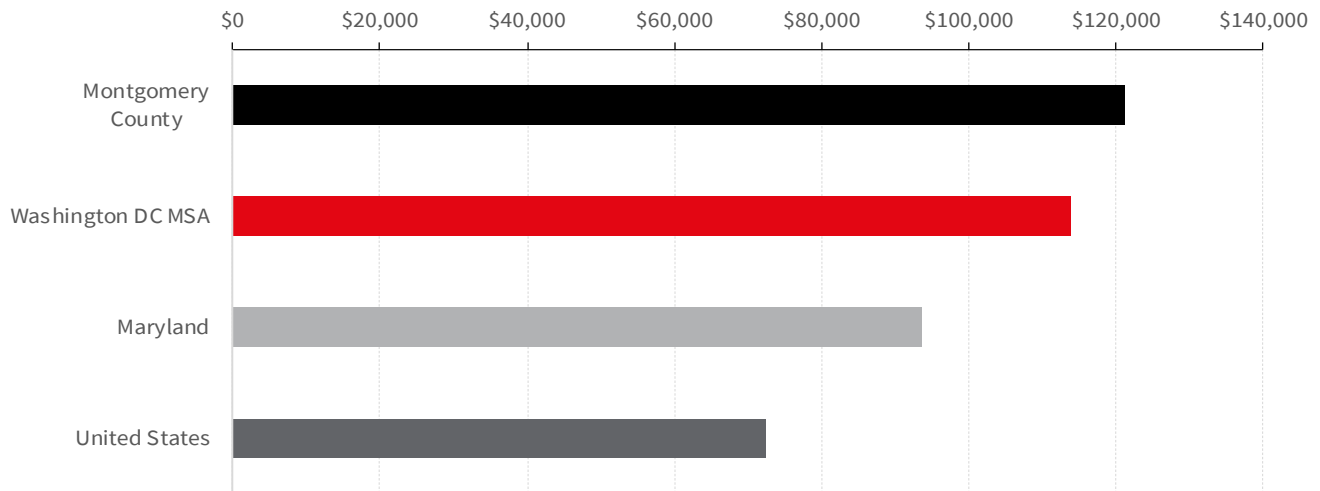
The Washington DC MSA has a much higher level of household income than Maryland. Median household income for the Washington DC MSA is \$113,904, which is 21.7% higher than Maryland.

Median Household Income

Area	Med. Household Income		Compound Ann. % Chng 2022 - 2027
	2022 Est.	2027 Est.	
Montgomery County	\$121,242	\$141,500	3.1%
Washington DC MSA	\$113,904	\$129,911	2.7%
Maryland	\$93,568	\$105,739	2.5%
United States	\$72,414	\$84,445	3.1%

Source: Esri 2023. Compiled by JLL Valuation & Advisory Services, LLC.

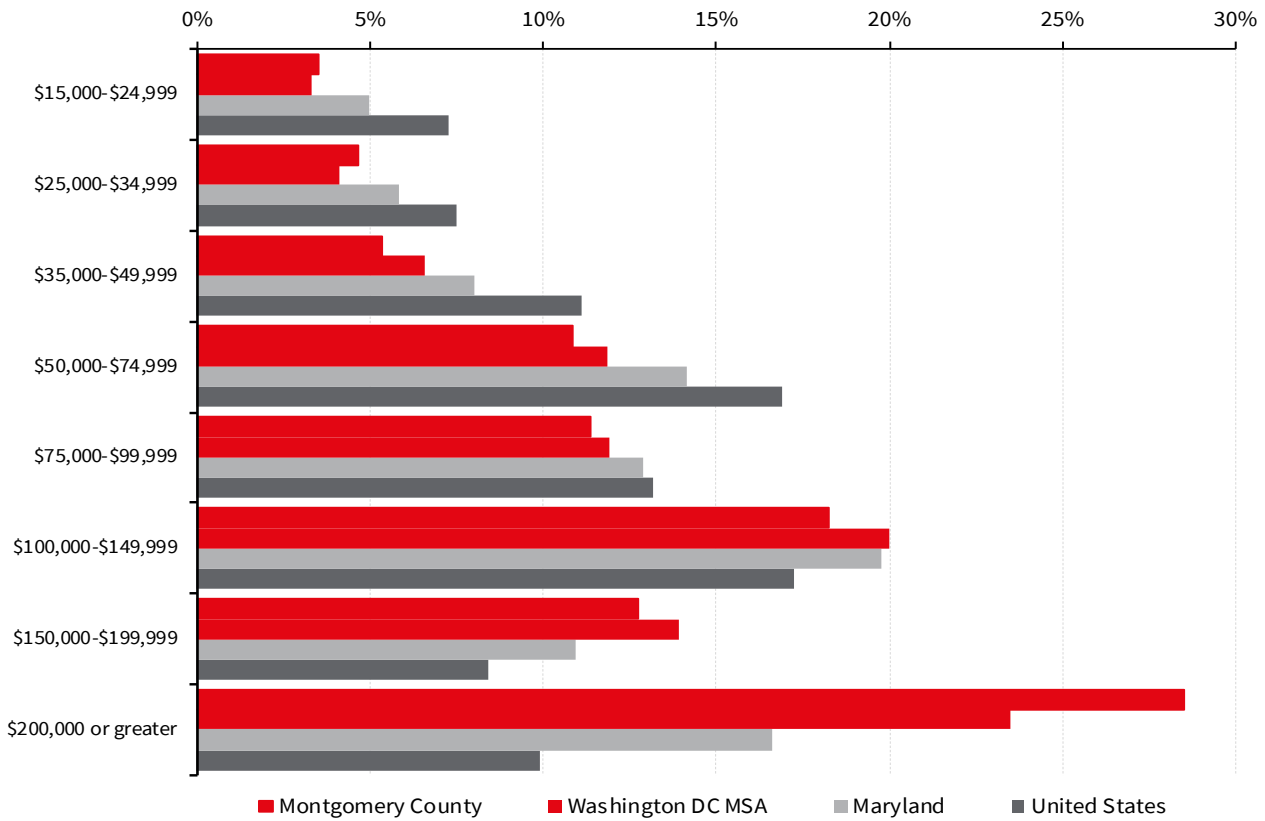
2022 Median Household Income Area Comparison



Source: Esri 2023. Compiled by JLL Valuation & Advisory Services, LLC.

The Washington DC MSA has a smaller concentration of households in the lower income levels than Maryland. Specifically, 12% of the Washington DC MSA households are below the \$35,000 level in household income as compared to 18% of Maryland households. A greater concentration of households exists in the higher income levels, as 69% of the Washington DC MSA households are at the \$75,000 or greater levels in household income versus 60% of Maryland households.

2022 Median Household Income Distribution

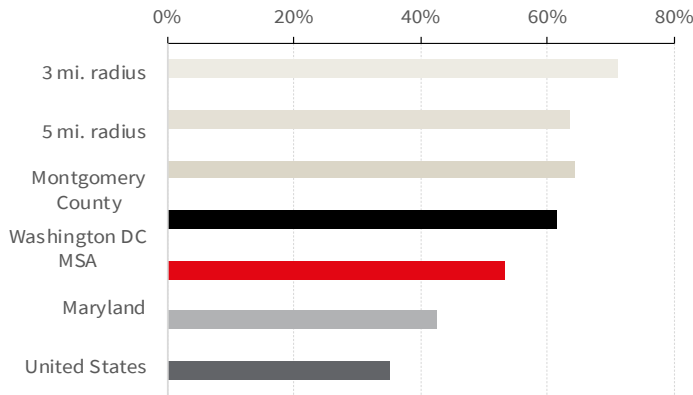


Source: Esri 2023. Compiled by JLL Valuation & Advisory Services, LLC.

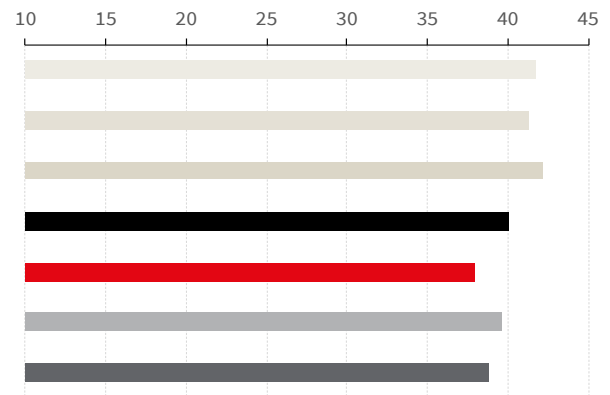
Education and Age

Residents of the Washington DC MSA have a significantly higher level of educational attainment than those in Maryland. An estimated 53.3% of the Washington DC MSA residents are college graduates with four-year degrees or higher, while Maryland residents have an estimated 42.6% with at least a four-year degree. People in the Washington DC MSA are younger than their peers in Maryland. The median age of the Washington DC MSA is 38 years, while Maryland is 40 years.

Population % with at least 4-Year Degree



Median Age

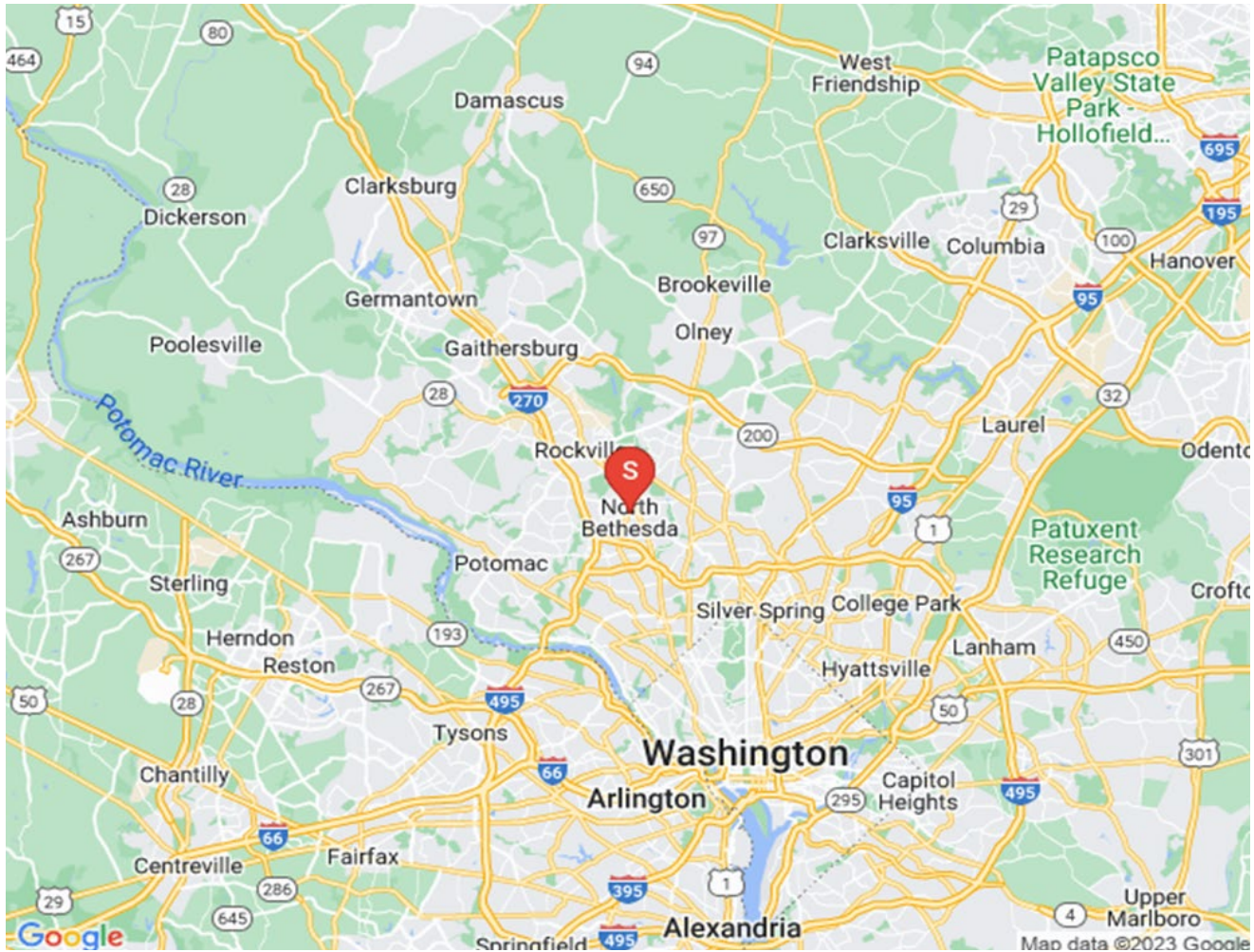


Source: Esri 2023. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

The Washington DC MSA's economy will benefit from a stable to slightly growing population base, and higher income and education levels. The Washington DC MSA saw an increase in the number of jobs in the past 10 years and has maintained a lower unemployment than Maryland during the past decade. Furthermore, the Washington DC MSA is well-positioned from being the sixth most populous metropolitan area in the country and having both a higher rate of GDP growth in the past nine years and a higher level of GDP per capita than Maryland overall. We project that the Washington DC MSA's economy will improve and employment will grow, strengthening the demand for real estate overall.

Area Map



Multi-Family Market Area Analysis

Washington Metro Area Trends and Analysis

The subject is located in the Washington metro area, as defined by CoStar. Supply and demand metrics, including inventory levels, vacancy, completions, absorption, and rental rates for all classes of space are presented in the following table.

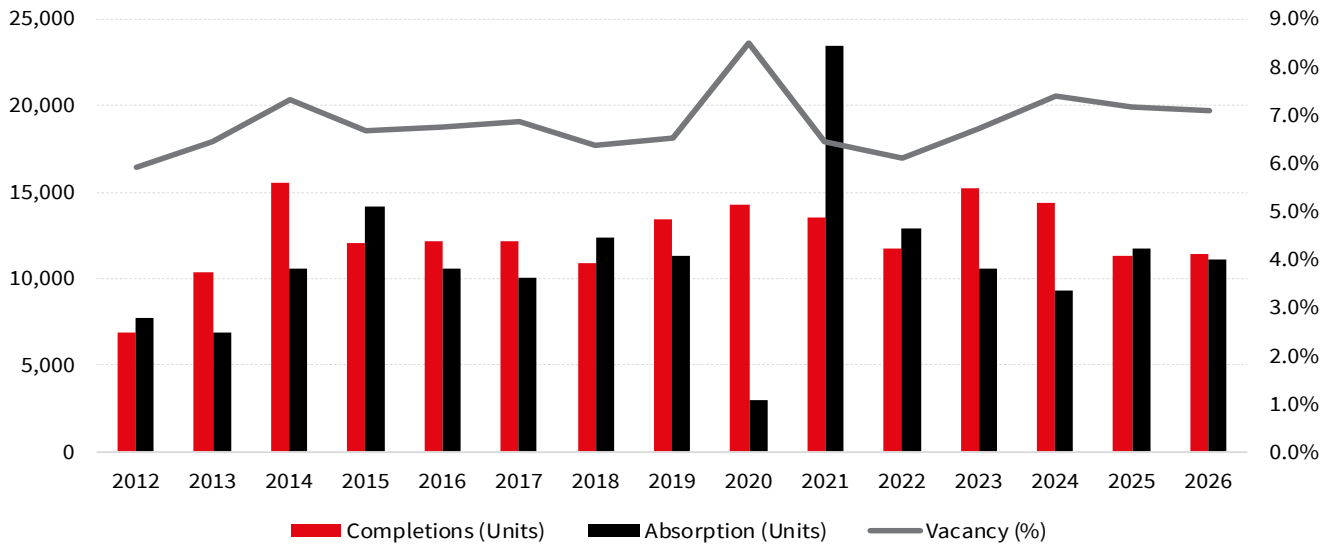
Washington Multi-Family Market Trends (All Classes of Space)

Year	Inventory (Units)	Vacancy (Units)	Vacancy (%)	Completions (Units)	Absorption (Units)	Inventory, Under Cons (Units)	Asking Rent (\$/SF/MO)
2012	425,289	25,107	5.9%	6,923	7,750	23,533	\$129
2013	435,209	28,113	6.5%	10,389	6,921	24,470	\$131
2014	450,933	33,038	7.3%	15,512	10,574	22,703	\$133
2015	462,719	30,873	6.7%	12,101	14,201	22,696	\$136
2016	474,501	32,022	6.7%	12,141	10,628	22,524	\$139
2017	485,881	33,364	6.9%	12,166	10,058	25,647	\$141
2018	496,576	31,702	6.4%	10,891	12,367	28,551	\$144
2019	509,366	33,217	6.5%	13,424	11,274	26,364	\$147
2020	523,650	44,546	8.5%	14,302	2,958	27,029	\$144
2021	537,158	34,664	6.5%	13,523	23,420	28,773	\$157
2022 Q3	545,890	33,645	6.2%	4,337	2,255	35,842	\$165
2022	548,800	33,418	6.1%	11,758	12,901	0	\$163
2023	563,826	37,859	6.7%	15,227	10,623	0	\$168
2024	577,927	42,632	7.4%	14,349	9,323	0	\$171
2025	589,268	42,263	7.2%	11,345	11,712	0	\$174
2026	600,673	42,600	7.1%	11,409	11,070	0	\$177
#REF!	436,480	29,695	6.8%	11,034	10,014	22,935	

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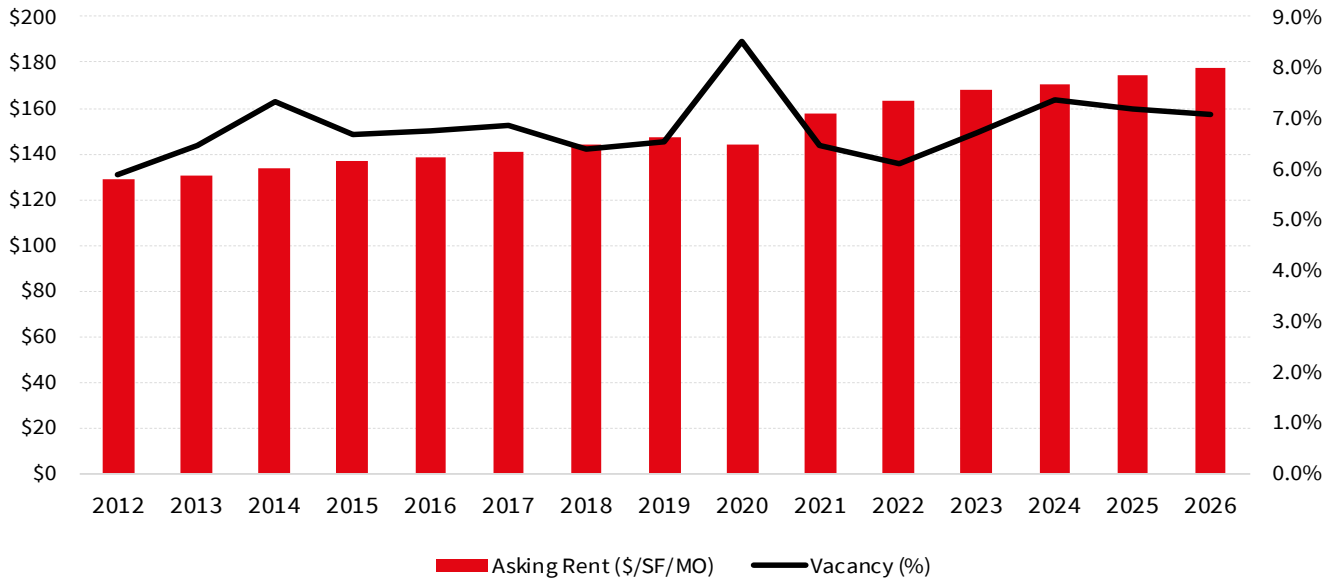
- The most recent data shows 4,337 units were added to the market. On average 11,034 units have been added to the market over the last eleven complete years. During the same period, completions attained a high of 15,512 units in 2014.
- Looking forward, it is expected that in four years completions will show an increase of 3.4% from the 11-year average of 11,034 units, representing a change of 375 units by year-end 2026.
- Looking forward, it is expected that in four years asking rent will show a gain of 7.6% from the present amount of \$165/unit, representing a change of \$13/unit by year-end 2026.

Supply and Demand Trends



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Vacancy Rate vs. Asking Rent



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- Vacancy rates are presently 6.2%. Over the past eleven complete years, vacancy rates had an annual average of 6.8%. During the same period, vacancy rates increased from a low of 5.9% in 2012 and achieved a peak of 8.5% in 2020.
- Projecting four years into the future, vacancy rates will show a gain of 93 bps from the present amount of 6.2%.

- Currently, absorption is 2,255 units. During the past eleven complete years, absorption averaged 10,014 units annually. Over that same time frame, absorption attained a high of 23,420 units in 2021.
- Four-year forecasts demonstrate that absorption will be 11,070 units by the end of 2026, equivalent to a gain of 10.5% compared to the eleven-year average of 10,014 units.

North Bethesda Submarket Synopsis

The subject is located in the North Bethesda submarket, as defined by CoStar. To effectively gauge investor interest in the subject's submarket, we evaluate key supply and demand metrics in comparison to other areas for all classes of space in the following table.

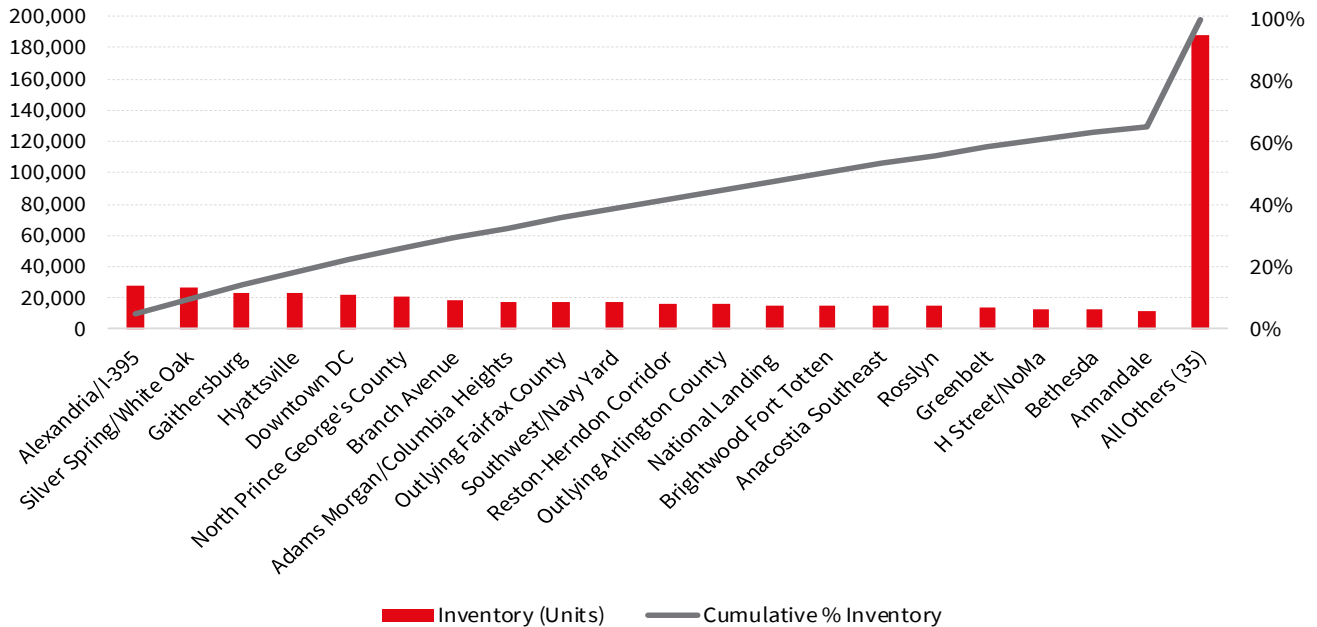
Washington Submarket Overview (All Classes of Space)

Submarket	Inventory (Units)	Asking Rent (\$/Unit)	Vacancy (%)	Vacancy (Units)	Completions (Units)	Absorption (Units)	Inventory, Under Cons (Units)
Alexandria/I-395	27,535	\$1,970	6.8%	1,859	450	949	633
Silver Spring/White Oak	26,284	\$1,809	4.9%	1,291	406	210	375
Gaithersburg	23,331	\$1,900	4.8%	1,129	388	534	456
Hyattsville	22,772	\$1,664	5.1%	1,151	372	117	601
Downtown DC	22,464	\$2,690	4.6%	1,027	14	321	1,032
North Prince George's County	20,367	\$1,751	5.4%	1,106	622	143	820
Branch Avenue	18,627	\$1,545	7.0%	1,310	0	-211	0
Adams Morgan/Columbia Heights	17,494	\$2,202	4.7%	825	85	618	114
Outlying Fairfax County	17,327	\$2,034	3.2%	560	279	39	507
Southwest/Naval Yard	16,942	\$2,901	15.1%	2,566	1,004	1,279	3,321
Reston-Herndon Corridor	16,670	\$2,194	7.1%	1,183	344	869	1,310
Outlying Arlington County	15,961	\$1,941	5.8%	922	0	-212	347
National Landing	15,544	\$2,603	5.0%	773	0	51	2,634
Brightwood Fort Totten	15,514	\$2,031	7.9%	1,222	428	991	1,478
Anacostia Southeast	15,498	\$1,239	6.4%	990	16	8	1,949
Rosslyn	14,708	\$2,671	5.5%	801	263	670	1,446
Greenbelt	14,236	\$1,562	7.3%	1,040	0	486	268
H Street/NoMa	13,091	\$2,665	15.1%	1,982	1,950	1,836	4,860
Bethesda	12,216	\$2,615	6.7%	820	280	640	2,536
Annandale	11,337	\$1,867	4.0%	453	675	158	675
Old Town/Potomac Yard	10,616	\$2,125	6.8%	725	0	661	649
Capitol Heights/Largo	10,166	\$1,809	5.7%	576	0	-56	0
Connecticut Ave Northwest	9,926	\$2,357	3.0%	297	0	59	52
Falls Church/Vienna	9,916	\$2,200	5.0%	498	0	242	350
Manassas/Gainesville	9,824	\$1,820	4.4%	432	0	5	0
Tysons Corner	9,591	\$2,385	9.2%	877	412	275	2,057
Woodbridge/I-95 Corridor	9,485	\$1,864	3.7%	352	0	36	318
Huntington/Springfield	9,444	\$1,983	3.8%	356	350	36	1,116
Frederick County	9,424	\$1,738	3.5%	330	449	23	449
Outlying Montgomery County	9,300	\$1,830	3.1%	290	268	68	268
Ballston	8,781	\$2,634	2.4%	206	0	129	775
Georgetown/Wisconsin Ave	8,371	\$2,471	11.8%	990	998	912	895
Rockville	8,099	\$2,203	6.8%	546	250	62	745
North Bethesda	7,966	\$2,224	7.7%	611	335	119	0
Lower Northeast	6,603	\$1,515	11.7%	770	299	165	629
Ashburn/Sterling	6,104	\$2,120	5.4%	328	0	205	0
South Prince George's County	5,624	\$1,678	7.2%	405	243	82	152
Wheaton/Kensington	5,169	\$1,900	4.4%	225	96	149	189
Fairfax City/Oakton	4,931	\$2,207	10.7%	527	403	213	0
Charles County	4,387	\$1,902	4.6%	202	0	-52	74
Capitol Hill	4,139	\$2,450	6.7%	278	45	169	14
Dulles Greenway	3,624	\$2,168	4.0%	143	0	-11	224
Spotsylvania	3,571	\$1,740	4.4%	157	0	-42	871
Fredericksburg	3,532	\$1,582	4.6%	162	34	-37	24
Stafford County	3,012	\$1,791	4.2%	126	0	-4	0
Outlying South	2,218	\$1,713	4.5%	100	0	-7	0
Leesburg	2,035	\$1,962	3.4%	68	0	13	90
Potomac	817	\$2,820	1.7%	14	0	-4	343
Jefferson County	403	\$1,339	4.0%	16	0	-4	196
McLean/Great Falls	262	\$2,466	4.9%	12	0	-1	0
Fauquier County	224	\$1,638	1.8%	3	0	0	0
Warren County	170	\$899	3.7%	6	0	0	0
Calvert County	152	\$1,557	1.6%	2	0	0	0
Clarke County	67	\$931	8.1%	5	0	0	0
Outlying Loudoun County	19	\$828	2.1%	0	0	0	0
Market Totals/Averages	545,890	\$1,976	6.2%	33,645	11,758	12,901	35,842

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- Over half of the total inventory in the Washington metro area is contained in just the top fourteen of its 55 submarkets. The North Bethesda submarket is ranked number 34 in inventory in the metro area. It contains 7,966 units, which represents 1.5% of the unit inventory.
- The submarket's asking rent is \$2,224/unit, which is 12.5% greater than the metro area average of \$1,976/unit.

Washington Submarket Overview (All Classes of Space)



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- The submarket's vacancy rate is 7.7%, which is greater than the average of 6.2% across the metro area.
- The submarket has vacancy averaging 611 units, which is 1.8% of the metro area total 33,645 units.
- The submarket has completions averaging 335 units, which is 2.8% of the metro area total 11,758 units.
- The submarket has absorption averaging 119 units, which is 0.9% of the metro area total 12,901 units.
- There was no construction in the subject's submarket.

When evaluated in comparison to the other submarkets in the area, North Bethesda receives the following ratings:

North Bethesda Submarket Attribute Ratings

Metric	Rating
Market Size/Stature	Average
Market Demand	Stable
Vacancy Trends	Stable
Threat of New Supply	Average
Rental Trends	Increasing

North Bethesda Submarket Trends and Analysis

Supply and demand statistics, for all classes of space in the North Bethesda submarket are presented in the following table.

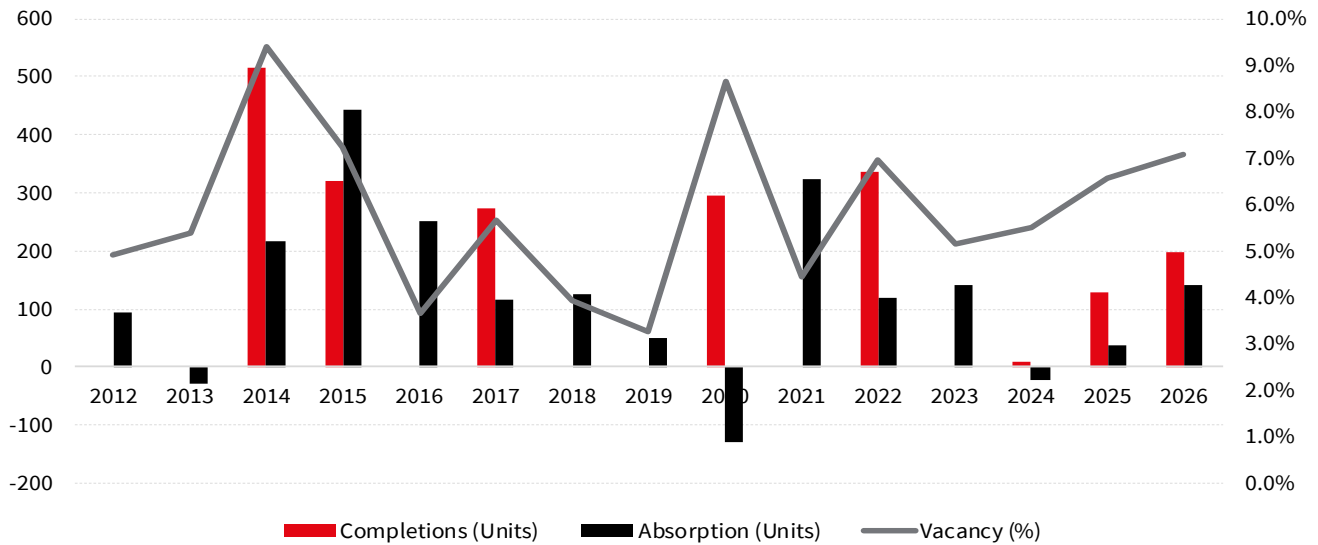
Washington: North Bethesda Submarket Trends (All Classes of Space)

Year	Inventory (Units)	Vacancy (Units)	Vacancy (%)	Completions (Units)	Absorption (Units)	Inventory, Under Cons (Units)	Asking Rent (\$/Unit)
2012	6,231	306	4.9%	0	93	834	\$1,831
2013	6,231	336	5.4%	0	-30	834	\$1,872
2014	6,746	633	9.4%	515	218	319	\$1,889
2015	7,065	510	7.2%	319	442	272	\$1,910
2016	7,065	258	3.7%	0	252	272	\$1,882
2017	7,337	415	5.7%	272	115	0	\$1,876
2018	7,337	289	3.9%	0	126	0	\$1,945
2019	7,337	239	3.3%	0	51	294	\$2,004
2020	7,631	661	8.7%	294	-128	335	\$1,904
2021	7,631	338	4.4%	0	322	335	\$2,138
2022 Q3	7,966	611	7.7%	335	42	0	\$2,224
2022	7,966	555	7.0%	335	119	0	\$2,194
2023	7,960	410	5.2%	0	140	0	\$2,259
2024	7,963	437	5.5%	10	-24	0	\$2,302
2025	8,093	530	6.5%	130	38	0	\$2,347
2026	8,291	588	7.1%	198	140	0	\$2,389
2012 - 2021 Avg.	7,061	399	5.6%	140	146	350	\$1,925

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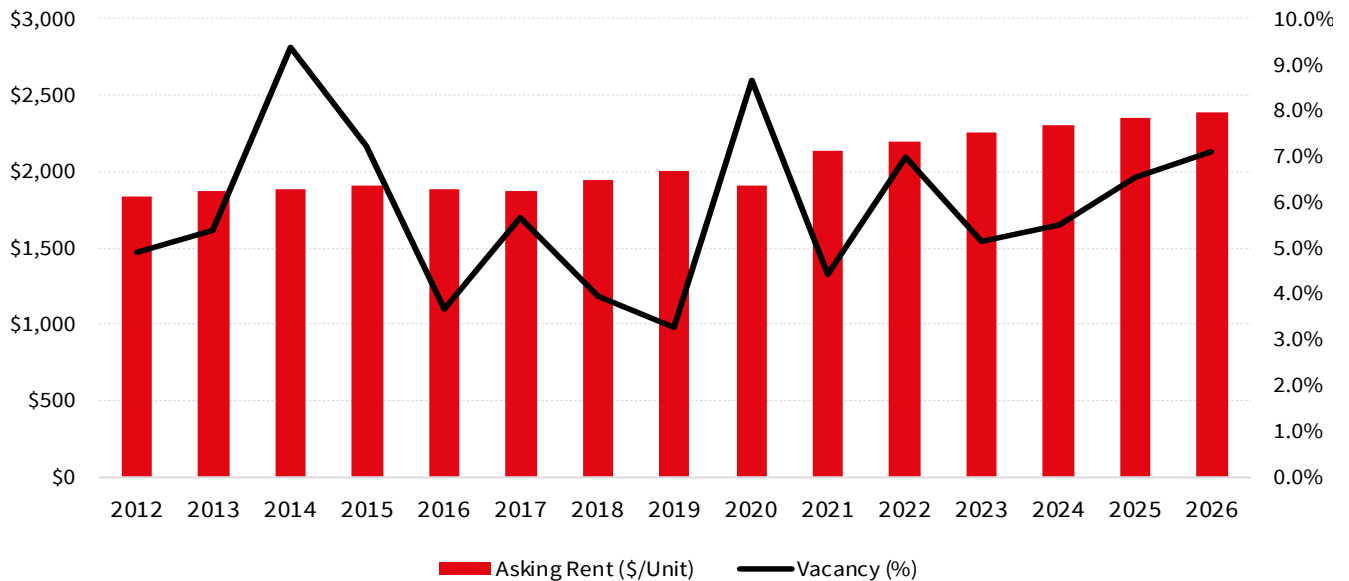
- The most recent data shows 335 units were added to the market. On average 140 units have been added to the market over the last eleven complete years. During the same period, completions achieved a peak of 515 units in 2014.
- Looking forward, it is expected that in four years completions will show an increase of 41.4% from the 11-year average of 140 units, representing a change of 58 units by year-end 2026.

Supply and Demand Trends



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Vacancy Rate vs. Asking Rent



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- Vacancy rates are presently 7.7%. Over the past eleven complete years, vacancy rates had an annual average of 5.6%. During the same period, vacancy rates reached a low of 3.3% in 2019 and experienced a maximum of 9.4% in 2014.
- Projecting four years into the future, vacancy rates will show a decline of 58 bps from the present amount of 7.7%.

- Currently, absorption is 42 units. During the past eleven complete years, absorption averaged 146 units annually. Over that same time frame, absorption reached a low of -128 units in 2020 and experienced a maximum of 442 units in 2015.
- Four-year forecasts demonstrate that absorption will be 140 units by the end of 2026, equivalent to a drop of 4.2% compared to the eleven-year average of 146 units.

Washington Construction Activity

The ensuing table contains a snapshot of proposed, planned, and under construction activity for all multi-family properties in the Washington metro area.

Washington Multi-Family New Construction Overview

	Under Construction			Planned	Proposed	
	Properties	Bldg. SF	Units	Properties	Properties	Bldg. SF
Washington	54	9,267,860	9,457	0	103	27,413,450
Multi-Family	54	9,267,860	9,457	0	103	27,413,450

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- Of these, 54 are under construction and 103 are proposed.
- As a percentage of total new construction units, under construction properties account for 100% and proposed properties account for 0% of the volume in the market.

Washington Construction Activity

The following table shows potential new supply within a radius of 3 miles around the subject property.

Multi-Family New Construction, 3 Mi. Radius Around Subject

Name/Address	City/State	Submarket	Property Subtype	Mi. from Subj.	Units
Under Construction: 5 Properties					1,708
Silverstone - The Pinnacle - Phase III	Rockville, MD	Pike & Rose MF	Multi-Family	0.1	285
Harwood Flats	North Bethesda, MD	Garrett Park MF	Multi-Family	0.7	335
Multifamily Phase 1	Rockville, MD	East Rockville MF	Multi-Family	1.1	460
The Milton at Twinbrook Quarter	Rockville, MD	East Rockville MF	Multi-Family	1.1	285
The Rae at Westlake	Bethesda, MD	West Bethesda MF	Multi-Family	2.0	343
Proposed: 27 Properties					0
VOB Development - Phase I	Rockville, MD	Pike & Rose MF	Multi-Family	0.0	0
VOB Development - Phase II	Rockville, MD	Pike & Rose MF	Multi-Family	0.0	0
Rose Village	North Bethesda, MD	Pike & Rose MF	Multi-Family	0.2	0
Rose Village	Rockville, MD	Pike & Rose MF	Multi-Family	0.2	0
Wilgus	North Bethesda, MD	Pike & Rose MF	Multi-Family	0.3	0
11564 Rockville Pike	Rockville, MD	Pike & Rose MF	Multi-Family	0.3	0
Nebel St	Bethesda, MD	North Bethesda MF	Multi-Family	0.7	0
Twinbrook Commons	Rockville, MD	East Rockville MF	Multi-Family	0.9	0
Multifamily Building 2	Rockville, MD	East Rockville MF	Multi-Family	1.1	0
Multifamily Phase 6	Rockville, MD	East Rockville MF	Multi-Family	1.2	0
Multifamily Phase 4	Rockville, MD	East Rockville MF	Multi-Family	1.2	0
Multifamily Phase 5	Rockville, MD	East Rockville MF	Multi-Family	1.3	0
Strathmore Square Building 1	North Bethesda, MD	North Bethesda MF	Multi-Family	1.5	0
Strathmore Square Building 3-B	North Bethesda, MD	North Bethesda MF	Multi-Family	1.5	0
Strathmore Square Building 5	North Bethesda, MD	North Bethesda MF	Multi-Family	1.5	0
Strathmore Square Building 2	North Bethesda, MD	North Bethesda MF	Multi-Family	1.5	0
The Mercury	Bethesda, MD	Wildwood Manor MF	Multi-Family	1.6	0
Strathmore Square Building 3-A	North Bethesda, MD	North Bethesda MF	Multi-Family	1.6	0
Strathmore Square Building 4	North Bethesda, MD	North Bethesda MF	Multi-Family	1.6	0
Tower Oaks Town Homes	Rockville, MD	Central Rockville MF	Multi-Family	2.0	0
Westlake Ter	Bethesda, MD	West Bethesda MF	Multi-Family	2.0	0
7103 Democracy Blvd	Bethesda, MD	West Bethesda MF	Multi-Family	2.1	0
		Wheaton-Glenmont			
4010 Randolph Rd	Silver Spring, MD	MF	Multi-Family	2.2	0
Astrid/Pooks Hill	Bethesda, MD	Alta Vista MF	Multi-Family	2.3	0
Potomac Woods	Rockville, MD	Potomac MF	Multi-Family	2.4	0
1151 Seven Locks Rd	Rockville, MD	Potomac MF	Multi-Family	2.4	0
Knowles Station Phase 2	Kensington, MD	Kensington MF	Multi-Family	2.5	0
Total Properties: 32				Total Units	1,708

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- There are a total of 32 properties of potential new supply within a 3-mile radius around the subject.
- Of these, 5 are under construction and 27 are proposed, according to CoStar.
- As a percentage of total new construction units, under construction properties account for 100% and proposed properties account for 0% of the volume in a 3-mile radius.

Multi-Family Market Summary and Conclusions

A summary of vacancy rates across various market segments analysed is shown in the ensuing table:

Vacancy Rate Summary

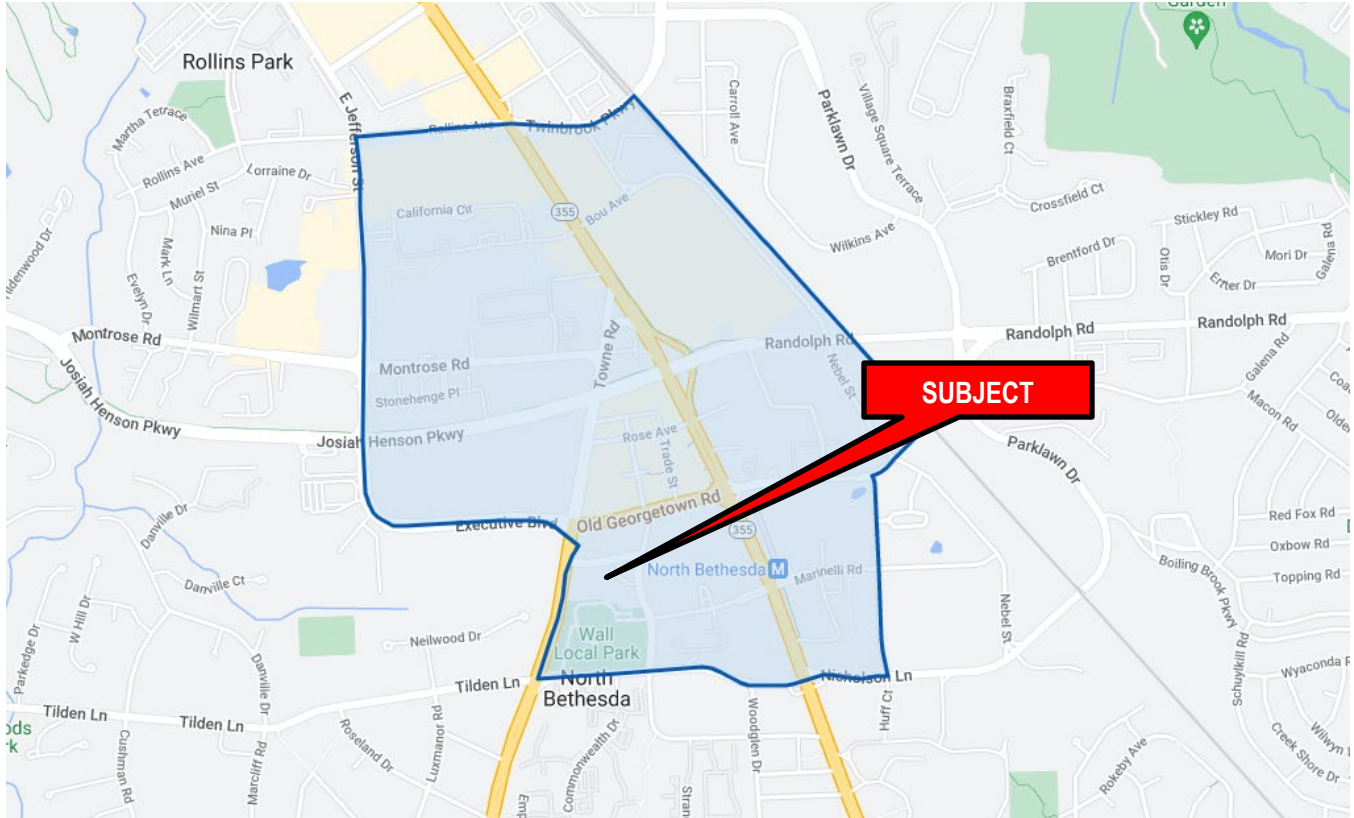
Market Segment	Vacancy Rate
Washington Metro Area	6.2%
North Bethesda Submarket Area	7.7%

Based on influential overall market and submarket area trends, construction outlook, and the performance of competing properties, JLL expects the mix of property fundamentals and economic conditions in the Washington metro area to have a positive impact on the subject property's performance in the near-term.

Surrounding Area Analysis

Boundaries

The subject is located in the Pike and Rose submarket, which is outlined in the following submarket map.



The subject is located at the south-end of the submarket along the east side of Old Georgetown Road and South Side of Banneker Ave.

Surrounding Demographics

A snapshot of the surrounding area demographics, including population, households, and income data, is displayed in the following table.

Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Montgomery County	Washington DC MSA	Maryland	United States
Population							
2010	18,112	144,895	336,019	971,777	5,649,515	5,773,552	308,745,538
2020	23,249	158,292	365,708	1,062,061	6,385,162	6,177,224	331,449,281
2022	23,775	160,301	370,650	1,077,335	6,522,851	6,237,662	335,707,897
2027	24,686	162,144	376,102	1,091,971	6,626,626	6,293,158	339,902,796
Compound Chg 2020 - 2022	1.12%	0.63%	0.67%	0.72%	1.07%	0.49%	0.64%
Compound Chg 2022 - 2027	0.75%	0.23%	0.29%	0.27%	0.32%	0.18%	0.25%
Density	7,574	5,671	4,720	2,193	993	643	95
Households							
2010	8,782	55,302	127,552	357,086	2,099,108	2,156,411	116,716,292
2020	11,450	59,888	136,884	386,931	2,360,771	2,321,208	126,817,580
2022	11,697	60,712	138,785	392,396	2,410,829	2,344,682	128,657,669
2027	12,180	61,475	141,047	397,545	2,454,820	2,366,874	130,651,872
Compound Chg 2020 - 2022	1.07%	0.69%	0.69%	0.70%	1.05%	0.50%	0.72%
Compound Chg 2022 - 2027	0.81%	0.25%	0.32%	0.26%	0.36%	0.19%	0.31%
Other Demographics							
Med. Household Income	\$103,599	\$116,526	\$123,253	\$121,242	\$113,904	\$93,568	\$72,414
Avg. Household Size	2.0	2.6	2.6	2.7	2.7	2.6	2.6
College Graduate %	71.2%	63.5%	64.3%	61.5%	53.3%	42.6%	35.1%
Median Age	42	41	42	40	38	40	39
Owner Occupied %	36%	62%	65%	65%	64%	68%	65%
Renter Occupied %	64%	38%	35%	35%	36%	32%	35%
Med. Home Value	\$591,248	\$538,349	\$583,450	\$550,229	\$482,571	\$371,966	\$283,272

Source: Esri 2023. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 160,301, and the average household size is 2.6. Population in the area has risen since the 2020 census, and this trend is expected to continue in the ensuing five years. The pace of population growth within a three-mile radius is projected to be less than that of the Washington DC MSA overall.

Median household income is \$116,526, which is higher than the household income for the Washington DC MSA as a whole. The populace within a three-mile radius has a notably higher level of formal college education than residents in the Washington DC MSA, and median home values in the area are also substantially higher.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the subject property, as well as its accessibility to public transportation.

Walk, Bike, and Transit Information

Metric	Rating (0-100)	Description
Walk Score	88	Very Walkable
Bike Score	68	Bikeable
Transit Score	61	Good Transit
Mass Transit	Mi. from Subj.	Location
Nearest Rail Stop	0.3	North Bethesda, Red Line Center Platform
Nearest Bus Stop	0.1	Old Georgetown Rd & Grand Park Ave
Summary: 12 nearby routes: 11 bus, 1 rail		

Source: Walkscore.com, updated 02/12/2023. Compiled by JLL Valuation & Advisory Services, LLC.

Demand Generators

Major employers in the area include National Institutes of Health, U.S. Food and Drug Administration, Naval Support Activity Bethesda and Marriott International. The closest major commercial corridors to the subject are Rockville Pike and Old Georgetown Road, providing above average access to job centers and surrounding commercial districts. Development activity in the immediate area has been predominantly of residential and commercial uses. In addition, development has been increasing in the last three years.

Access and Linkages

Interstate 270 and Interstate 495 (Capital Beltway) provide access to the subject from the greater Washington DC metro area. The subject has average access to public transportation including bus and metro. The nearest bus stop is located at Old Georgetown Road and Grand Park Ave, which is located within a two-minute walk time. The nearest metro station is North Bethesda Station, which is located approximately 10-minute walk time of the subject. The subject is most commonly accessed via car.

The nearest commercial airport is Ronald Reagan Washington National Airport and is located within 20 miles of the subject property.

Police/Fire Protection

Police and fire protection is provided by Montgomery County.

Schools

The area is within the Montgomery County Public School District. According to GreatSchools.org., the site is zoned to Luxmanor Elementary School, Tilden Middle School, and Walter Johnson High School.

Shopping

The area is adequately served by a number of shopping centers. The nearest shopping center is Pike and Rose Shopping Center and is within a 2-minute walk from the subject property.

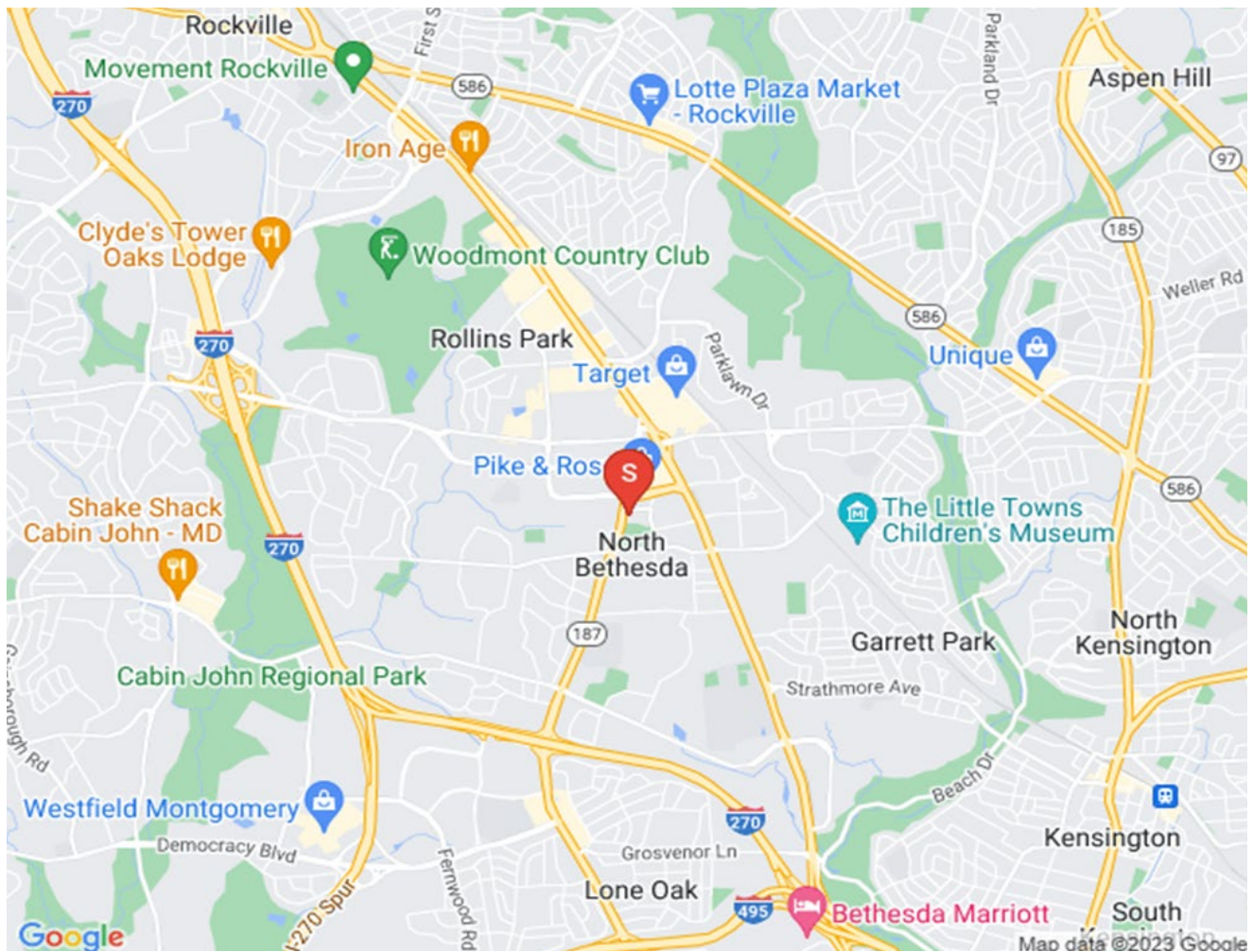
Land Use

The character of the area is suburban and is approximately 85% developed. The predominate age of improvements is 10 to 50 years.

Outlook and Conclusion

The surrounding areas is experiencing moderate population growth and has above average income levels. The area is considered to be in a stage of growth.

Surrounding Area Map

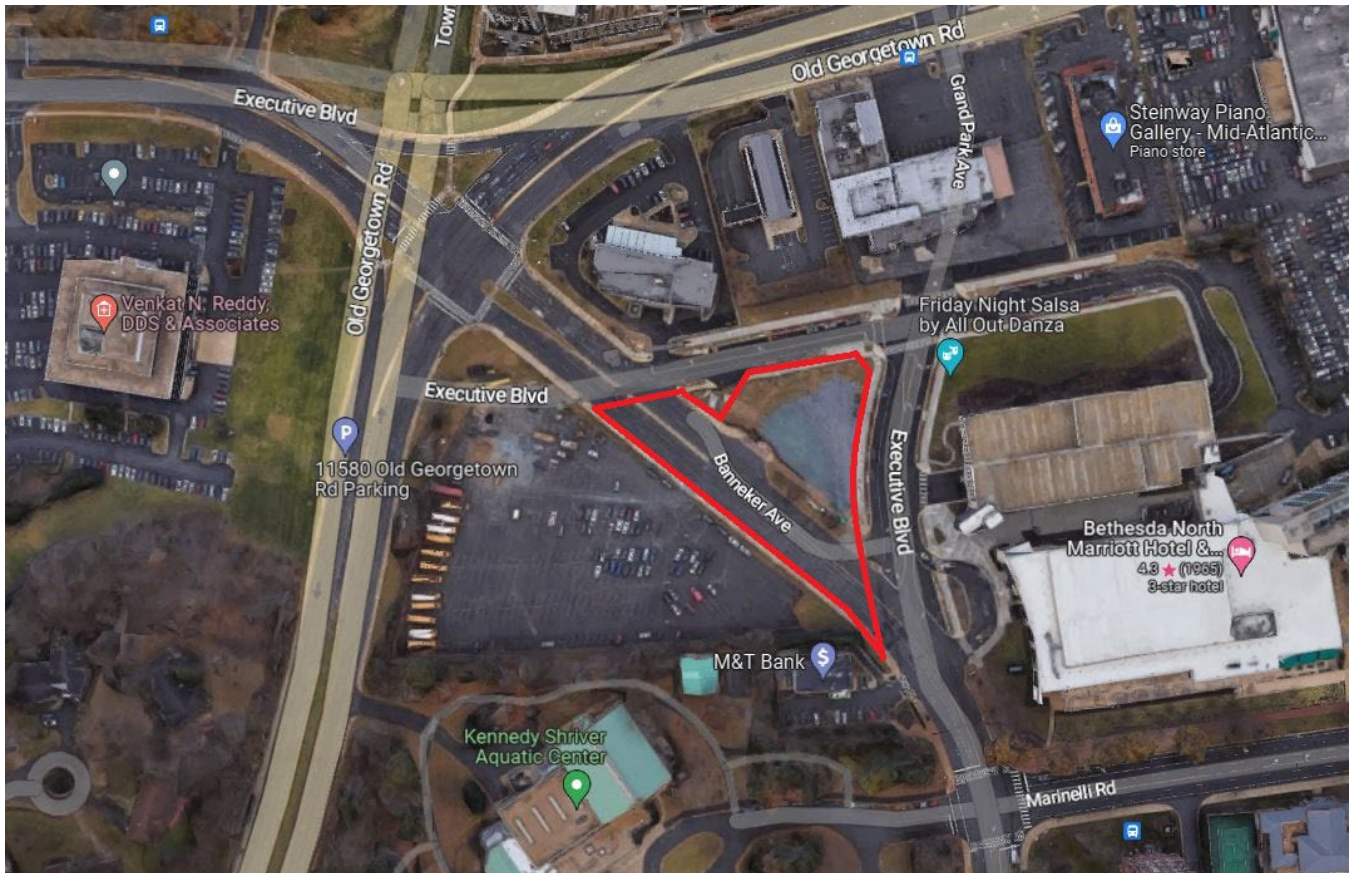


Property Description

Site Description

The subject consists of two parcels of land totaling 1.27 acres or 55,143 square feet. One parcel consists of approximately 22,194 square foot portion of Tax Account Number 04-03635503; 5701 Marinelli Road, while the other portion is approximately 32,949 square foot portion of Montgomery County Right of Way (ROW) located on Executive Boulevard. There are no improvements on either portion of land and for the purposes of this analysis, the site is being valued as if vacant and ready for development.

Aerial Map



The Subject is outlined in red in the aerial above.

Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
04-03635503	0.51	22,194	0.51	22,194	Level	Irregular
Abandoned ROW	0.76	32,949	0.76	32,949	Level	Irregular
Totals	1.27	55,143	1.27	55,143		

Source: Client (Montgomery County)

Land Description

Shape	Irregular
Corner Location	Yes
Primary Street Frontage	Executive Blvd and Main St/Market St
Traffic Volume	50,000 VPD along Old George Town Rd
Access Rating	Average
Visibility Rating	Average
Functional Utility	Average
Topography	The subject has level topography at grade and no areas of wetlands.
Landscaping	The subject has minimal landscaping.
Drainage	No drainage problems were observed or disclosed to us during our inspection. This appraisal assumes that surface water collection is adequate.
Soil Conditions	Adequate for development
Wetlands/Watershed	No wetlands were observed during our site inspection.
Flood Zone Designation	X
Flood Zone	The subject is outside the 500-year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.
FEMA Map Number	24031C0361D
FEMA Map Date	9/29/2006
Utilities	All public utilities are available to the site including public water and sewer, gas, electric, and telephone.
Utilities Adequacy	The subject's utilities are typical and adequate for the market area.

Environmental Hazards

An environmental assessment was not provided for review. No environmental hazards were apparent from inspection and it is assumed the Subject is free and clear of any environmental hazards including, without limitation, hazardous waste, toxic substances and mold.

Zoning Summary

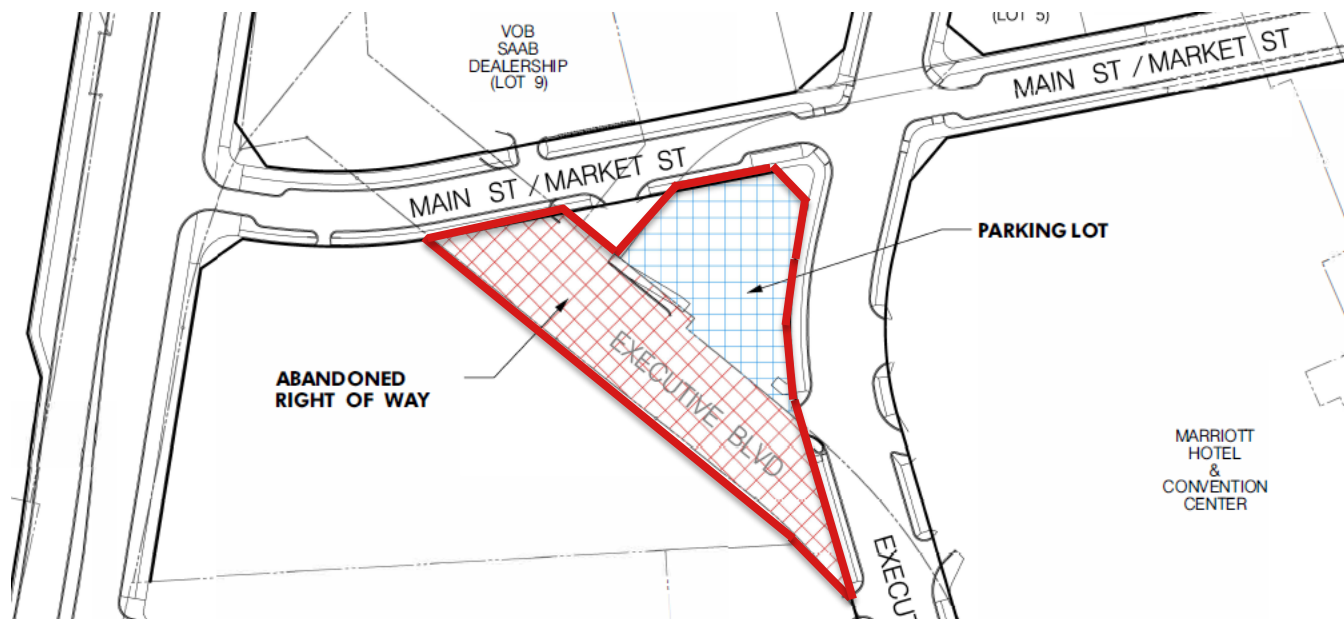
Zoning Jurisdiction	Montgomery County
Zoning Code	CR-4.0 C-2.0 R-3.5 H-250 & CR-3.0 C-1.5 R-2.5 H-70
Zoning Description	Commercial Residential
Permitted Uses	Mixed use, single family, townhouses and multi-family residential, hotels and motels, health clubs, conference centers, structured parking, offices, research and development, medical and dental clinics, and retail/service establishments
Zoning Density/FAR	Commercial - 2.0; Residential 3.5 & Commercial - 1.5; Residential 2.5
Actual Density of Use	0.00
Current Use Legally Conforming	The subject is a legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.
Maximum Building Height	250' & 70'
Maximum Site Coverage	None
Set Back Distance (Feet)	None
Side Yard Distance (Feet)	None
Rear Yard Distance (Feet)	None
Parking Requirement	1 parking space per studio unit, 1.25 spaces per 1-bedroom unit, 1.50 parking spaces per 2-bedroom units, 2.0 parking spaces per 3+ bedroom units.
Other Land Use Regulations	We are not aware of any other land use regulations that would affect the property.
Source	Montgomery County Zoning Map

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legal conforming use.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Encumbrance/Easements/Restrictions

According to drawings and information provided by the client, an approximately 32,949 square foot portion of County right of way located on Executive Boulevard which was abandoned in 2015 under section 49-62 of the County Code ("Abandoned ROW").



We were not provided a current title report to review. We are not aware of any other easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Overall Site Utility

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning.

Subject Photographs



Subject site – parking lot and ROW
(Photo Taken on January 27, 2023)



Subject site - parking lot
(Photo Taken on January 27, 2023)



Subject site
(Photo Taken on January 27, 2023)



Subject site
(Photo Taken on January 27, 2023)



Subject site
(Photo Taken on January 27, 2023)



Subject site – parking lot
(Photo Taken on January 27, 2023)

Assessment and Taxes

Real estate tax assessments are administered by the Maryland Department of Assessments and Taxation and are estimated by jurisdiction on a county basis for the subject. The property is located in Montgomery County. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by 100, then multiplying the estimate by the composite rate. The composite rate is based on a consistent state tax rate throughout this state, in addition to one or more local taxing district rates. The Assessed values are based upon the current conversion assessment rate of 100% of Assessor's market value.

State law requires that all real property be revalued at least every three years. The subject was reviewed to determine a new market value effective January 1, 2021, for the cycle beginning July 1, 2021. The next assessment is scheduled for January 1, 2024. To lessen the impact of increases in value, state law provides that any increase in the new market value over the old market value be phased in during the three-year cycle in equal amounts. A sale of the subject does not trigger an automatic reassessment.

Real Estate Taxes

Taxing Authority	Montgomery County
Assessment Year	2022 (July 1, 2022 – June 30, 2023)

Real estate taxes and assessments for the current tax year are shown in the following table.

Real Estate Assessment and Taxes - 2022

Tax ID	Assessed Value			Tax Rate	Taxes and Assessments		
	Land	Improvements	Total Assessment		Ad Valorem Taxes	Special Assessment	Total Taxes
04-03635503	\$24,857,700	\$122,149,800	\$147,007,500	\$1.2139	\$1,809,783	\$25,259	\$1,809,783
Abandoned ROW	\$0	\$0	\$0	\$1.2139	\$1,809,783	\$0	\$0
Totals	\$24,857,700	\$122,149,800	\$147,007,500	\$1.2139	\$1,809,783	\$25,259	\$1,809,783

We note, the subject of this property is a small portion of undeveloped land of the parcel in the table above. This portion of land does not have separate tax account. In addition, the subject's ROW does not have a Parcel ID number. Therefore, there is no assessed value for this portion of the subject.

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

- **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
- **Physically Possible:** To what use is the site physically adaptable?
- **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
- **Maximally Productive:** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

Legally Permissible

The site is zoned CR-4.0 C-2.0 R-3.5 H-250 & CR-3.0 C-1.5 R-2.5 H-70, Commercial Residential. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only multifamily and-or mixed use is given further consideration in determining highest and best use of the site, as though vacant.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for multifamily and-or mixed use in the subject's area. It appears that a newly developed multifamily and-or mixed use on the site would have a value commensurate with its cost. Therefore, multifamily and-or mixed use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than multifamily and-or mixed use. Accordingly, it is our opinion that multifamily and-or mixed use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

As a test of reasonableness, we have researched comparable land sales, which are proposed for life science buildings. We compared the overall land value of the assembled lots as shown in the following tables.

Land Sale Comparables - Life Science

Location	Acres	Square feet	Buildable SF	Date	Sale Price	\$/SF (Land)	\$/FAR
Traville Gateway Dr	18.17	791,485	530,000	Oct-19	\$25,000,000	\$31.59	\$47
14 Firstfield Rd	9.67	421,225	604,929	Oct-20	\$14,500,000	\$34.42	\$24
5615 Fishers Ln	1.38	59,990	122,000	May-21	\$6,500,000	\$108.35	\$53
Average:							\$41
Concluded Price/FAR:							\$40
Overall Value Developed with 675,000 SF Life Science:							\$27,000,000

Land Sale Comparables - Multifamily

Location	Acres	Square feet	Buildable	Date	Sale Price	\$/Unit
			Units			
8011 Old Georgetown Rd	1.83	79,802	297	Nov-21	\$20,895,350	\$70,355
333 Ellington Blvd	3.32	144,619	244	Nov-21	\$10,100,000	\$41,393
8787 Georgia Ave	3.19	139,000	375	Mar-21	\$17,000,000	\$45,333
4931 Fairmont Ave	0.70	30,625	276	Nov-21	\$25,000,000	\$90,580
Average:						\$61,915
Concluded Price/Unit:						\$60,000
Overall Value Developed with 476 Apartment Units:						\$28,560,000

As shown in the tables above, the overall land value for the property developed for multifamily has a higher land value when compared to the value as proposed for a life science building. Therefore, the highest and best use of the site is assemblage and developed for multifamily use.

Conclusion

Development of the site for multifamily and-or mixed use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

Highest and Best Use as Improved

No improvements are situated on the subject. Therefore, a highest and best analysis as improved is not applicable.

Most Probable Buyer

Taking into account the functional utility of the site and area development trends, the probable buyer is a developer and-or investor.

Valuation Methodology

Three basic approaches may be applicable and utilized, then reconciled to arrive at an estimate of market value. An approach to value is included or eliminated based on its applicability to the property type being valued and the information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers. Applicable approaches and whether or not they were utilized are summarized below:

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciation from physical, functional and external causes. The land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in indication of value.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. A gross income multiplier and / or effective gross income multiplier may also be analyzed. By process of correlation and analysis, a final indicated value is derived.

Income Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using a discount rate or an internal rate of return.

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

Applicability and utilization of the approaches in this assignment is described as follows.

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Not Applicable	Not Utilized
Sales Comparison (Land Only)	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Not Applicable	Not Utilized

Land Valuation

The subject's land value has been developed via the sales comparison approach.

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. This approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

We have researched comparables for this analysis, which are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources and, when possible, verified by a party to the transaction.

We note, despite our search for comparable land sales in the subject's immediate area and submarket, we were unable to find such sales. As such, we expanded our search to include comparables located throughout Montgomery County.

Land Sales Summary

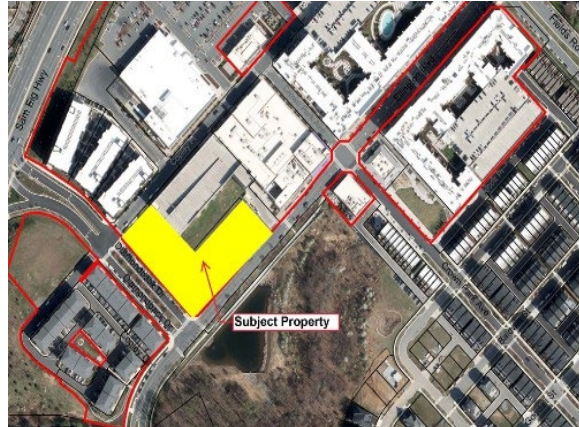
No.	Name; Address	Sale Date; Status; Prop. Rights	Square Feet; Acres	Sale Price	\$/SF; \$/Acre
1	8011 Old Georgetown Rd 8011 Old Georgetown Rd Bethesda, MD 20814	11/19/2021 Closed Sale Fee Simple	79,802 1.83	\$20,895,350	\$261.84 \$11,418,224
<p>Sale Comments: This is the sale of a 1.81 tract of land to a developer for \$20,895,350. At the time of sale the property was improved with a 33,363 square foot church. We estimate approximately \$7/SF or \$235,000 to raze the building. The purchaser razed the building in the Spring of 2022 and is currently redeveloping the property with an 8-story, 297-unit mixed-use (apartments/co-working office space) building. The building will consist of 45 studios, 125 one bedrooms, 73 two bedrooms, 54 three bedrooms, and a small amount of co-working office space. All the units will be market rent and completion is proposed for July 2024. Permitted uses include mixed-use, multifamily, office, retail, educational institutions, restaurants, and hotels/motels.</p>					
2	333 Ellington Blvd 333 Ellington Blvd Gaithersburg, MD 20878	11/19/2021 Closed Sale Fee Simple	144,619 3.32	\$10,100,000	\$69.84 \$3,042,169
<p>Sale Comments: This sale represents a 3.32 acre land parcel. The buyer plans to develop the land into a 244-unit apartment community with a gross building area of 202,222 square feet.</p>					
3	8787 Georgia Ave 8787 Georgia Ave Silver Spring, MD 20910	3/31/2021 Closed Sale Fee Simple	139,000 3.19	\$17,000,000	\$122.30 \$5,329,154
<p>Sale Comments: This sale represents the sale of a vacant land property. The proposed use for the land is a 375-unit mid-rise apartment community set to complete construction in 2024.</p>					
4	3906-3910 Knowles Ave. 3906-3910 Knowles Ave Kensington, MD 20895	7/17/2020 Closed Sale Fee Simple	31,167 0.72	\$3,245,000	\$104.12 \$4,506,944
<p>Sale Comments: The site is improved with two single family residences. The parcels is zoned commercial residential town. The buyer plans to redevelop the property into 111 unit senior housing facility.</p>					
S	Two Remnant Parcels - White Flint Area 5701 Marinelli Rd Rockville, MD 20852		55,143 1.27		

*If applicable, prices per SF/unit and capitalization rates and/or income multipliers based on effective sale price.

Land Sale Comparable Photographs



Land Sale #1
8011 Old Georgetown Rd



Land Sale #2
333 Ellington Blvd

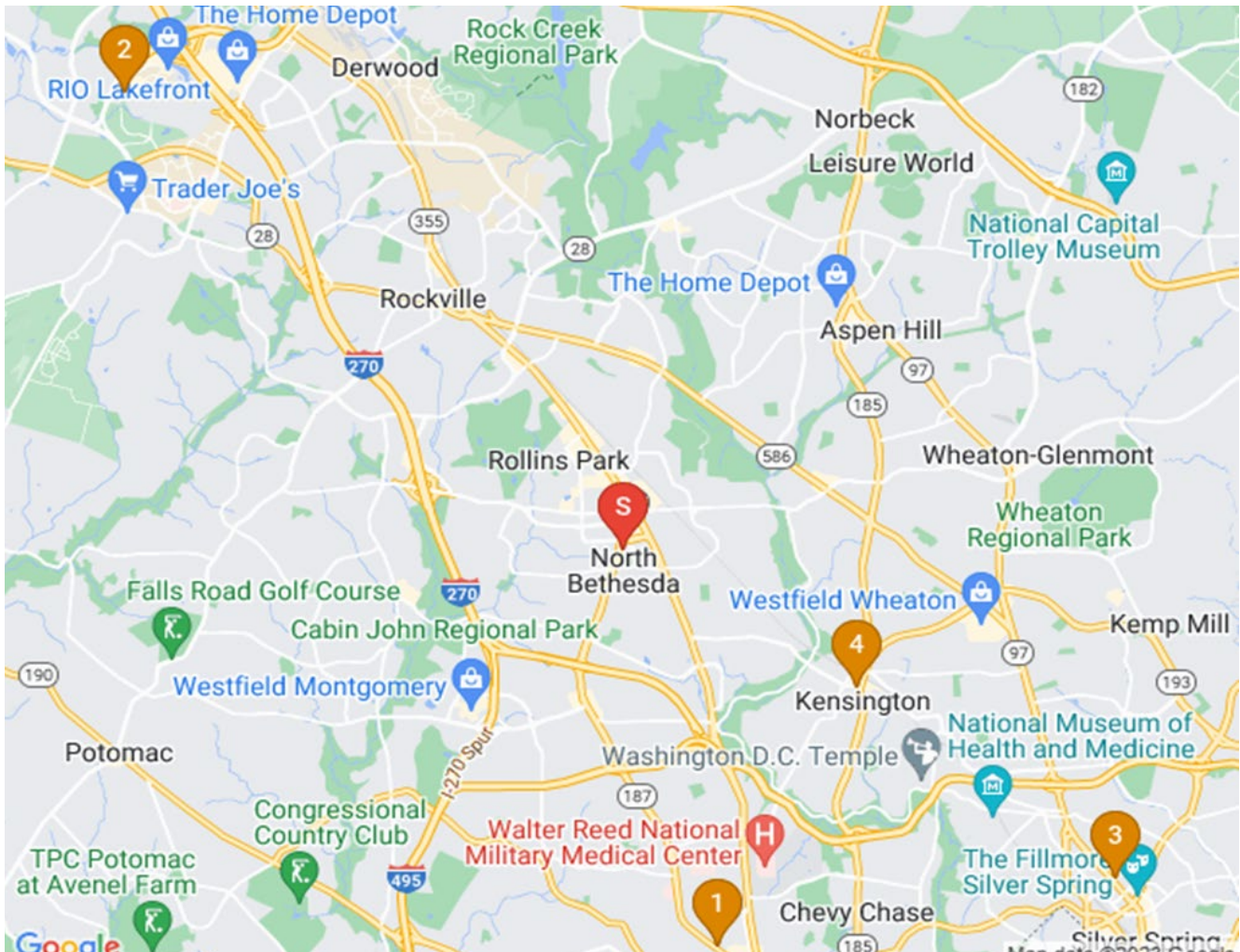


Land Sale #3
8787 Georgia Ave



Land Sale #4
3906-3910 Knowles Ave.

Land Sales Map








No.	Name	Location	Miles From Subject	SF	Price/SF
1	8011 Old Georgetown Rd	Bethesda, MD	9.9	79,802	\$264.78
2	333 Ellington Blvd	Gaithersburg, MD	1.9	144,619	\$69.84
3	8787 Georgia Ave	Silver Spring, MD	11.5	139,000	\$122.30
4	3906-3910 Knowles Ave.	Kensington, MD	8.4	31,167	\$104.12
S	Two Remnant Parcels - White Flint Ar	Rockville, MD		55,143	

Analysis and Adjustment of Sales

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Grid

	Subject	Comp 1	Comp 2	Comp 3	Comp 4
					
Name	Two Remnant Parcels - White	8011 Old Georgetown Rd	333 Ellington Blvd	8787 Georgia Ave	3906-3910 Knowles Ave.
Address	5701 Marinelli Rd	8011 Old Georgetown Rd	333 Ellington Blvd	8787 Georgia Ave	3906-3910 Knowles Ave
City	Rockville	Bethesda	Gaithersburg	Silver Spring	Kensington
County	Montgomery	Montgomery	Montgomery	Montgomery	Montgomery
State	MD	MD	MD	MD	MD
Date	Jan-2023	Nov-2021	Nov-2021	Mar-2021	Jul-2020
Price		\$20,895,350	\$10,100,000	\$17,000,000	\$3,245,000
Price Adjustment		\$235,000	\$0	\$0	\$0
Adjusted Price		\$21,130,350	\$10,100,000	\$17,000,000	\$3,245,000
Acres	1.27	1.83	3.32	3.19	0.72
Land SF	55,143	79,802	144,619	139,000	31,167
Land SF Unit Price		\$264.78	\$69.84	\$122.30	\$104.12
Utilities	All to Site	All to Site	All to Site	All to Site	All to Site
Flood Zone	X	X	X	X	X
Zoning	CR-4.0 C-2.0 R-3.5 H-250 & CR-3.0 C- 1.5 R-2.5 H-70	CR-2.5 C-0.75 R- 1.75 H-120	MXD	C-3.0 R-3.0 H-110	CRT-2.5 C-2.0 R- 2.0 H-75
Shape	Irregular	Irregular	Irregular	Irregular	Rectangular
Topography	Level	Level	Level	Level	Level
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing		Conventional	Conventional	Conventional	Conventional
Conditions of Sale		None Reported	None Reported	None Reported	None Reported
Market Trends Through	Jan-23 3.0%	4%	4%	6%	8%
Adjusted Land SF Unit Price		\$274.26	\$72.34	\$129.09	\$112.21
Location		-10%	10%	-	-
Access/Exposure		-	-	-	-
Size		-	10%	10%	-
Shape/Topography		-	-	-	-
Zoning		5%	5%	-	-
Flood Zone		-	-	-	-
Utilities		-	-	-	-
Entitlements		-	-	-	-
Adjusted Land SF Unit Price		\$260.54	\$90.42	\$142.00	\$112.21
Net Adjustments		-2%	29%	16%	8%
Gross Adjustments		19%	29%	16%	8%
Summary Indicators		Range	Average	Median	
Comparables - Unadjusted		\$69.84 - \$264.78	\$140.26	\$113.21	
Comparables - Adjusted		\$90.42 - \$260.54	\$151.29	\$127.10	
Reconciled Unit Value:			\$150.00		

Comparable Land Sale Adjustments

Property Rights

No adjustments for real property rights were required.

Financing

No adjustments for financing terms were required.

Conditions of Sale

No adjustments for conditions of sale were required.

Expenditures After Sale

No adjustments for expenditures after sale were required.

Economic Trends

The land sales took place from July 2020 to November 2021. Market conditions generally have been strengthening over this period through the effective date of value. As a result, we apply upward adjustments of 3.0% per year to account for this trend.

Location

Comparable 1 has been adjusted downward due to its superior location when compared to the subject property. Comparable 2 has been adjusted upward due to its inferior location when compared to the subject property. Comparables 3 and 4 have not been adjusted.

Access/Exposure

No adjustments for access/exposure were required.

Size

Comparables 2 and 3 have been adjusted upward due to their larger size when compared to the subject property. Comparables 1 and 4 have not been adjusted.

Shape/Topography

No adjustments for shape/topography were required.

Zoning

Comparables 1 and 2 have been adjusted upward due to their inferior zoning when compared to the subject property. Comparables 3 and 4 have not been adjusted.

Flood Zone

No adjustments for flood zone status were required.

Utilities

No adjustments for utilities were required.

Entitlements

No adjustments for entitlements were required.

Land Valuation Conclusion

All of the value indications have been considered, and in the final analysis, we give fairly equal weight to all of the comparables. Our final reconciled value is shown below.

Land Value Reconciliation

Premise	Value
As Is	January 27, 2023
Indicated Value per Land SF	\$150.00
Subject Land SF	55,143
Indicated Value	\$8,271,450
Rounded Value	\$8,270,000

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Value Indications

Summary of Value Indications

	Market Value As Is
Cost Approach	Not Utilized
Sales Comparison Approach	\$8,270,000
Income Capitalization Approach	Not Utilized
Reconciled	\$8,270,000

Cost Approach

As previously discussed, the Cost Approach is judged to be inapplicable and is not utilized.

Sales Comparison Approach

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing. There is a reasonably active market for comparable properties, and this approach most closely reflects buyer behavior. The subject is appraised as vacant land suitable for development; therefore, the sales comparison approach for land is the only applicable approach to value utilized in the value conclusion.

Income Approach

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return. As previously mentioned, the analysis herein pertains to land value only for all six sites that are the subject of this report. Therefore, the income approach is not applicable.

Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), subject to the Limiting Conditions and Assumptions of this appraisal.

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	January 27, 2023	\$8,270,000

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local Land market, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 6 to 9 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. *Given the market uncertainty and volatility, marketing times are currently difficult to predict.* It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6 to 9 months.

Limiting Conditions and Assumptions

1. All reports and work product we deliver to you (collectively called “report”) represent an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies are correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.

10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume 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 report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the ADA. We claim no expertise in ADA issues, and render no opinion regarding compliance of the property with ADA regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume 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 the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value 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.
23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.

26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

Appendix A

Appraiser Qualifications



Jason E. Crump, R/W-AC

Executive Vice President

+1-713-243-3307

jason.crump@am.jll.com

Current responsibilities

Mr. Crump serves as Executive Vice President for JLL Valuation Advisory [1], where his valuation expertise supports infrastructure projects, litigation and eminent domain.

Experience

Prior to joining JLL in late 2016, Mr. Crump joined Integra Realty Resources – Houston in 2007 as an appraiser and analyst where he worked extensively with large infrastructure projects which included the valuation of existing and proposed petroleum and natural gas pipelines, overhead electrical transmission lines, public roadway expansions, and public utility lines. During his time with Integra Realty Resources, Mr. Crump also appraised a variety of property types for banks and lending institutions. After graduating from the University of Houston, Mr. Crump worked in real estate title research and commercial real estate brokerage.

Education

- University of Houston, Bachelor of Business Administration

Affiliations

- International Right of Way Association – Member
- Certified General Real Estate Appraiser in Arkansas, Florida, Kansas, Louisiana, Maryland, Mississippi, New York, Oklahoma, Pennsylvania, Tennessee and Texas

Certified General Real Estate Appraiser:

- | | |
|---------------|----------------|
| • Arkansas | • Oklahoma |
| • Florida | • Pennsylvania |
| • Kansas | • Tennessee |
| • Louisiana | • Texas |
| • Maryland | |
| • Mississippi | |
| • New York | |

04/07/2021

5,669,654

COMMISSION OF RE APPRAISERS & HOME INSPECTORS

10 04 34224
MESSAGE(S):

JASON EARL CRUMP

6280 04-06-2021



LICENSE * REGISTRATION * CERTIFICATION * PERMIT

STATE OF MARYLAND

MARYLAND DEPARTMENT OF LABOR

COMMISSION OF RE APPRAISERS & HOME INSPECTORS
CERTIFIES THAT:

JASON EARL CRUMP

Lawrence J. Hogan, Jr.
Governor

Boyd K. Rutherford
Lt. Governor

Tiffany P. Robinson
Secretary

IS AN AUTHORIZED: 04 - CERTIFIED GENERAL

LIC/REG/CERT
34224

EXPIRATION
04-06-2024

EFFECTIVE
04-06-2021

CONTROL NO
5669654

Signature of Bearer

Secretary

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

10 04 34224

5,669,654

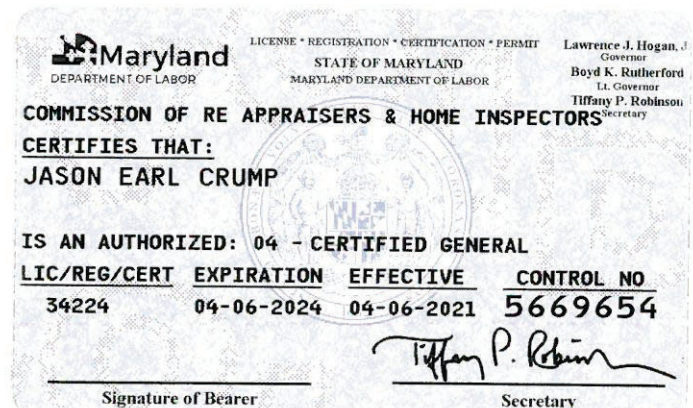
10 04 34224

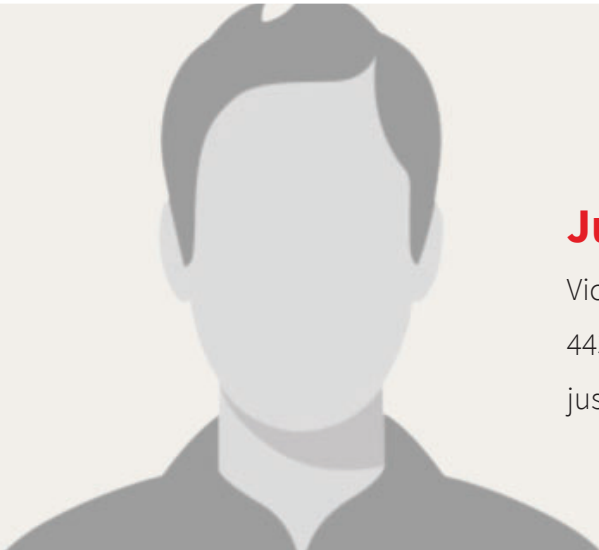
COMMISSION OF RE APPRAISERS & HOME INSPECTORS
500 N. CALVERT STREET
BALTIMORE, MD 21202-3651

JASON EARL CRUMP
5 RIVERWAY, SUITE 200

HOUSTON

TX 77056





Justin C. Hebbel

Vice President, Valuation Advisory

443-931-3355

justin.hebbel@am.jll.com

Current responsibilities

Justin C. Hebbel serves as a Vice President of JLL's Valuation and Advisory Services (VAS) in the United States. Actively engaged in real estate valuation and consulting assignments since 2010, Mr. Hebbel has performed appraisal services consisting of narrative and summary real estate appraisals, and market rent study analyses. All types of real property are encompassed apartments, multi-purpose, high rise and garden office buildings, manufacturing facilities, warehousing and distribution centers, industrial parks, shopping centers, residential subdivisions, mobile home parks, self-storage facilities, religious facilities, commercial and industrial land, and cemeteries. Valuations have been prepared on proposed, partially completed, renovated and existing structures. Appraisals have been made for estates, mortgage financing, equity participation and due diligence support. Clients served include corporations, law firms, financial institutions, investment firms and public/private agencies.

Experience

Prior to joining JLL in late 2018, Mr. Hebbel was with a national valuation firm, where he served as an analyst for the Baltimore office. Prior to employment with this national valuation firm, Mr. Hebbel was an analyst with a regional firm in Salt Lake City, Utah, where he specialized in right-of-way and eminent domain appraisal work.

Education

- University of Utah – Bachelor of Science

Affiliations

- Successfully completed numerous real estate related courses sponsored by the Appraisal Institute

Certified General Real Estate Appraiser:

- District of Columbia
- Maryland
- Pennsylvania
- Virginia
- New Jersey

02/11/2020

5,491,323

COMMISSION OF RE APPRAISERS & HOME INSPECTORS

10 04 31426
MESSAGE(S) :

JUSTIN C HEBBEL

6225 02-10-2020

THIS DOCUMENT IS VOID WITHOUT BLUE BACKGROUND. CONTAINS
COPY VOID FEATURE & ARTIFICIAL WATERMARK ON THE BACK.



LICENSE * REGISTRATION * CERTIFICATION * PERMIT

STATE OF MARYLAND

MARYLAND DEPARTMENT OF LABOR

COMMISSION OF RE APPRAISERS & HOME INSPECTORS
CERTIFIES THAT:

JUSTIN C HEBBEL

Lawrence J. Hogan, Jr.
Governor
Boyd K. Rutherford
Lt. Governor
Tiffany P. Robinson
Secretary

IS AN AUTHORIZED: 04 - CERTIFIED GENERAL

LIC/REG/CERT
31426

EXPIRATION
02-10-2023

EFFECTIVE
02-10-2020

CONTROL NO
5491323

Justin C. Hebbel

Signature of Bearer

Tiffany P. Robinson

Secretary

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

Appendix B

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), unless otherwise noted.

Amenity

A tangible or intangible benefit of real property that enhances its attractiveness or increases the satisfaction of the user. Natural amenities may include a pleasant location near water or a scenic view of the surrounding area; man-made amenities include swimming pools, tennis courts, community buildings, and other recreational facilities.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Class of Apartment Property

For the purposes of comparison, apartment properties are grouped into three classes. These classes represent a subjective quality rating of buildings, which indicates the competitive ability of each building to attract similar types of tenants. Combinations of factors such as rent, building finishes, system standards and efficiency, building amenities, location/accessibility, and market perception are used as relative measures.

Class A apartment properties are the most prestigious properties competing for the premier apartment tenants, with rents above average for the area. Buildings have high-quality standard finishes, architectural appeal, state-of-the-art systems, exceptional accessibility, and a definite market presence.

Class B apartment properties compete for a wide range of users, with rents in the average range for the area. Class B buildings do not compete with Class A buildings at the same price. Building finishes are fair to good for the area, and systems are adequate.

Class C apartment properties compete for tenants requiring functional space at rents below the average for the area. Class C buildings are generally older, and are lower in quality and condition.

(Adapted from “Class of Office Building” in *The Dictionary of Real Estate Appraisal*.)

Deferred Maintenance

Needed repairs or replacement of items that should have taken place during the course of normal maintenance.

Depreciation

A loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Disposition Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time specified by the client.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. 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.
10. This definition can also be modified to provide for valuation with specified financing terms.

Effective Date of Appraisal

The date to which the appraiser's analyses, opinions, and conclusions apply; also referred to as date of value.

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Excess Land; Surplus Land

Excess Land: Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued independently.

Surplus Land: Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

Exposure Time

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Fee Simple Estate

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

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that 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. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Lease

A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

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

Leasehold Interest

The tenant's possessory interest created by a lease.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars, or in terms of financial arrangements comparable thereto.
9. 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.
10. This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Market Rent

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

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Multifamily Property Type

Residential structure containing five or more dwelling units with common areas and facilities. (Source: Appraisal Institute Commercial Data Standards and Glossary of Terms, Chicago, Illinois, 2004 [Appraisal Institute])

Multifamily Classifications

Garden/Low Rise Apartments: A multifamily development of two- or three-story, walk-up structures built in a garden-like setting; customarily a suburban or rural-urban fringe development. (Source: *Appraisal Institute*)

Mid/High-Rise Apartment Building: A multifamily building with four or more stories, typically elevator-served. (Source: Appraisal Institute)

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.

Rentable Floor Area (RFA)

Rentable area shall be computed by measuring inside finish of permanent outer building walls or from the glass line where at least 50% of the outer building wall is glass. Rentable area shall also include all area within outside walls less stairs, elevator shafts, flues, pipe shafts, vertical ducts, air conditioning rooms, fan rooms, janitor closets, electrical closets, balconies and such other rooms not actually available to the tenant for his furnishings and personnel and their enclosing walls. No deductions shall be made for columns and projections unnecessary to the building. (Source: *Income/Expense Analysis, 2013 Edition – Conventional Apartments, Institute of Real Estate Management, Chicago, Illinois*)

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design and layout.

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Room Count

A unit of comparison used primarily in residential appraisal. No national standard exists on what constitutes a room. The generally accepted method is to consider as separate rooms only those rooms that are effectively divided and to exclude bathrooms.

Stabilized Income

Income at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; projected income that is subject to change, but has been adjusted to reflect an equivalent, stable annual income.

Appendix C

Financials and Property Information

Flood Data

Flood Map Type and Color Options

USPS Address:

Type: Aerial

Zone Color: Blue

Community Name: MONTGOMERY COUNTY

Community #: 240049

County:

Census Tract: 7012.16

Flood Zone: X

Map Date: 2006-09-29

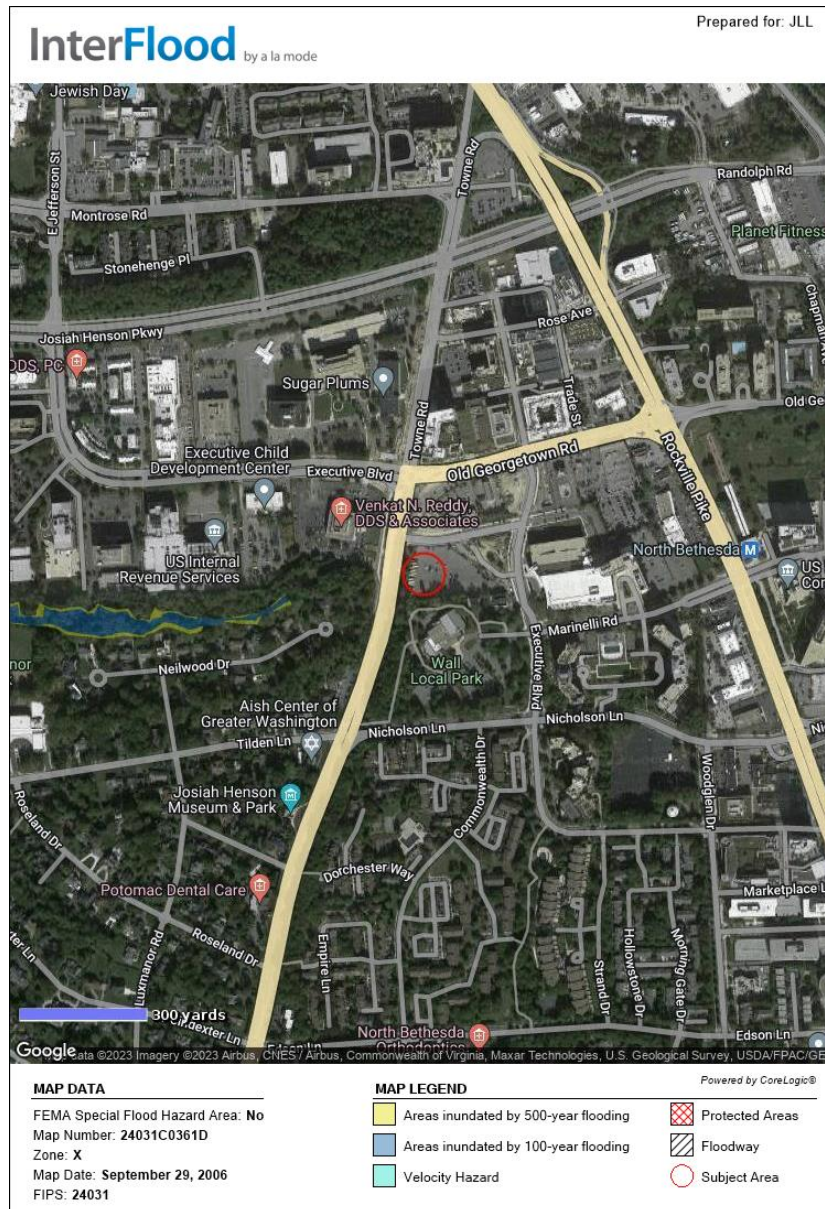


APPLY MAP OPTIONS

Flood Map

To Save your flood map, use your **right** mouse button and **click** directly on it. Then, depending on what you want to do, select:

- **Save Picture As...** to copy the flood map to your hard drive
- **Copy** to place the flood map in Windows memory so you can paste into another program
- **Print Picture ...** to print the flood map immediately



View Map	View GroundRent Redemption	View GroundRent Registration
--------------------------	--	--

Special Tax Recapture: None

Account Identifier: District - 04 **Account Number -** 03635503

Owner Information

Owner Name: MONTGOMERY COUNTY REVENUE AUTH **Use:** COMMERCIAL

Mailing Address: 101 MONROE ST STE 410 **Principal Residence:** NO

ROCKVILLE MD 20850-2503 **Deed Reference:**

Location & Structure Information

Premises Address: 5701 MARINELLI RD **Legal Description:** MONTGOMERY COUNTY
ROCKVILLE 20852-0000 CONFERENCE CENTER

Map: GQ62	Grid: 0000	Parcel: N628	Neighborhood: 30004.16	Subdivision: 0001	Section:	Block:	Lot: 2	Assessment Year: 2021	Plat No: 23738
									Plat Ref:

Town: None

Primary Structure Built 2004	Above Grade Living Area 379,100 SF	Finished Basement Area	Property Land Area 513,892 SF	County Use 151
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Stories	Basement	Type AUDITORIUM	Exterior /	Quality C5	Full/Half Bath	Garage	Last Notice of Major Improvements
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Value Information

	Base Value	Value As of 01/01/2021	Phase-in Assessments As of 07/01/2022 As of 07/01/2023	
Land:	24,857,700	24,857,700		
Improvements	138,732,700	122,149,800		
Total:	163,590,400	147,007,500	147,007,500	147,007,500
Preferential Land:	0	0		

Transfer Information

Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:

Exemption Information

Partial Exempt Assessments:	Class	07/01/2022	07/01/2023
County:	580	78,016,880.00	78,016,880.00
State:	580	78,016,880.00	78,016,880.00
Municipal:	580	0.00 0.00	0.00 0.00

Special Tax Recapture: None

Homestead Application Information

Homestead Application Status: No Application

Homeowners' Tax Credit Application Information

Homeowners' Tax Credit Application Status: No Application **Date:**

Appendix D

Comparable Data

Land Sale Comparables

Land Sale Comparable 1

Property Information

Property Name	8011 Old Georgetown Rd
Property Type	Mixed Use
Address	8011 Old Georgetown Rd
City	Bethesda
State	MD
Zip	20814
ID	457894



Transaction Details

Price	\$20,895,350
Date	11/19/2021
Price Per Acre	\$11,405,759
Price Per Land SF	\$261.84
Price Per Usable Acre	\$11,405,759
Price Per Usable Land SF	\$261.84
Grantor	Christ Evangelical Lutheran Church
Grantee	JLB Georgetown Road LLC
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	None Reported
Transaction Type	Closed Sale
Book/Page or Reference Doc	66069000270

Tax ID	07-00420054, 07-00420021
--------	--------------------------

Site Data

Acres	1.83
Land SF	79,802
Usable Acres	1.83
Usable Land SF	79,802
Land Units	297
Zoning	CR-2.5 C-0.75 R-1.75 H-120
Zoning Type	Commercial/Residential
Topography	Level
Shape	Irregular

Property Information

Operating Data / Key Indicators

Utilities	All Available
-----------	---------------

Comments

This is the sale of a 1.81 tract of land to a developer for \$20,895,350. At the time of sale the property was improved with a 33,363 square foot church. We estimate approximately \$7/SF or \$235,000 to raze the building. The purchaser razed the building in the Spring of 2022 and is currently redeveloping the property with an 8-story, 297-unit mixed-use (apartments/co-working office space) building. The building will consist of 45 studios, 125 one bedrooms, 73 two bedrooms, 54 three bedrooms, and a small amount of co-working office space. All the units will be market rent and completion is proposed for July 2024. Permitted uses include mixed-use, multifamily, office, retail, educational institutions, restaurants, and hotels/motels.

Property Information

Property Name	333 Ellington Blvd
Address	333 Ellington Blvd
City	Gaithersburg
State	MD
Zip	20878
ID	420286

Transaction Details

Price	\$10,100,000
Date	11/19/2021
Price Per Acre	\$3,042,169
Price Per Land SF	\$69.84
Price Per Usable Acre	\$3,042,169
Price Per Usable Land SF	\$69.84
Grantor	Westbrook Partners
Grantee	Fairfield Downtown Crown LLC
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Closed Sale
Book/Page or Reference Doc	64984-0285



Site Data

Acres	3.32
Land SF	144,619
Usable Acres	3.32
Usable Land SF	144,619
Land Units	244
Zoning	MXD
Topography	Level
Shape	Irregular

Operating Data / Key Indicators

Utilities	All available
-----------	---------------

Property Information

Comments

This sale represents a 3.32 acre land parcel. The buyer plans to develop the land into a 244-unit apartment community with a gross building area of 202,222 square feet.

Land Sale Comparable 3

Property Information

Property Name	8787 Georgia Ave
Property Type	Multi-Family
Address	8787 Georgia Ave
City	Silver Spring
State	MD
Zip	20910
ID	420290

Transaction Details

Price	\$17,000,000
Date	3/31/2021
Price Per Acre	\$5,327,484
Price Per Land SF	\$122.30
Price Per Usable Acre	\$5,327,717
Price Per Usable Land SF	\$122.31
Grantor	Maryland National Capital Park & Planning Comm
Grantee	Griffin Realty Trust
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Closed Sale



Site Data

Acres	3.19
Land SF	139,000
Usable Acres	3.19
Usable Land SF	138,994
Land Units	375
Zoning	C-3.0 R-3.0 H-110
Topography	Level
Shape	Irregular

Property Information

Operating Data / Key Indicators

Utilities	All available
-----------	---------------

Comments

This sale represents the sale of a vacant land property. The proposed use for the land is a 375-unit mid-rise apartment community set to complete construction in 2024.

Land Sale Comparable 4

Property Information

Property Name	3906-3910 Knowles Ave.
Property Type	Commercial
Address	3906-3910 Knowles Ave
City	Kensington
State	MD
Zip	20895
Market	SE Montgomery County
ID	302132



Transaction Details

Price	\$3,245,000
Date	7/17/2020
Price Per Acre	\$4,506,944
Price Per Land SF	\$104.12
Price Per Usable Acre	\$4,506,944
Price Per Usable Land SF	\$103.47
Grantor	Robert Moose
Grantee	Knowles Manor Senior Housing LLC
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	None Reported
Transaction Type	Closed Sale

Tax ID	13-01020162
--------	-------------

Site Data

Acres	0.72
Land SF	31,167
Usable Acres	0.72
Usable Land SF	31,363
Land Units	111
Zoning	CRT-2.5 C-2.0 R-2.0 H-75
Topography	Level
Shape	Rectangular

Operating Data / Key Indicators

Utilities	All to site
-----------	-------------

Property Information

Comments

The site is improved with two single family residences. The parcels is zoned commercial residential town. The buyer plans to redevelop the property into 111 unit senior housing facility.

Appendix E

Engagement Letter



*Achieve
Ambitions*

Jason E. Crump, R/W-AC
Executive Vice President
4200 Westheimer, Suite 1400
Houston, TX 77027
+1 713 243 3307
Jason.Crump@jll.com

January 9, 2023

Ms. Ronnie Warner
Chief, Office of Planning and Development
Department of General Services
101 Monroe Street, 9th Floor
Rockville, MD 20850
Ronnie.Warner@montgomerycountymd.gov
240-777-6071

RE: Valuation & Advisory Services for the Property: Two Remnant Parcels, White Flint area

Dear Ms. Warner,

JLL Valuation & Advisory Services, LLC (JLL VA) is pleased to provide this proposal and engagement letter for valuation and advisory services regarding the Property.

PROPERTY IDENTIFICATION: Property in Montgomery County, MD – 22,194 SF of Tax Acct 04-03635503 and 32,949 SF of abandoned ROW on Executive Blvd.

PROPERTY TYPE: Land

INTEREST APPRAISED: Fee Simple, as vacant

INTENDED USERS: Montgomery County, MD [NO OTHER USERS ARE INTENDED BY JLL VALUATION & ADVISORY SERVICES, LLC.]

INTENDED USE: Internal decision making

VALUES PROVIDED: Market Value, as vacant

VALUATION DATE: As of the date of inspection

APPRAISAL STANDARDS: Uniform Standards of Professional Appraisal Practice (USPAP) by the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

PROPERTY INSPECTION: JLL VA will conduct a physical inspection of the Property.

VALUATION APPROACHES: All applicable approaches to value

REPORT OPTION: Appraisal Report

FEE: \$4,500.00

EXPENSES: The fee includes the expenses related to this engagement. There will be no added charges for travel, delivery fees or report production costs.

RETAINER: No Retainer

FINAL PAYMENT: JLL VA will provide a final invoice with the delivery of our first report. The invoice is due and payable within 30 days of delivery. The entirety of our fee is earned upon delivery of the first report.

DELIVERY DATE: 45 days from receiving the executed engagement letter and retainer (if applicable). Delays in obtaining the data needed to complete this assignment



*Achieve
Ambitions*

JLL Valuation & Advisory Services, LLC
Montgomery County, MD | Engagement Letter

DELIVERY METHOD:

(i.e. surveys) or delays in accessing the property for inspection (if applicable) may result in delays in the date our analysis is completed and delivered.
A PDF of the report(s) will be delivered to the client contact identified on this engagement letter. Two hard copies are available at client's request.
Additional copies can be requested at \$250 per copy.

This engagement letter is subject to the General Terms and Conditions attached to this letter as Exhibit A, the Statement of Assumptions and Limiting Conditions attached to this letter as Exhibit B.

Upon your acceptance of this Agreement, we will forward our information request and coordinate a property inspection. We will update you within 48 hours of receiving the signed engagement to confirm our information request was provided and a property inspection is scheduled.

We appreciate the opportunity to be of service. Providing white-glove service and the least amount of disruption at the property is our top priority.

Sincerely,

JLL VALUATION & ADVISORY SERVICES, LLC

Jason E. Crump, R/W-AC
Executive Vice President
+1713 243 3307
Jason.Crump@jll.com

AGREED AND ACCEPTED BY:

<u>Ronnie Warner</u>	<u>1/9/23</u>
Signature	Date
<u>Ronnie Warner</u>	<u>ronnie.warner@montgomerycountymd.gov</u>
Printed Name	Email Address
<u>Chief, Office of Planning and Development, Dept.of General Services</u>	<u>240.483.1147</u>
Title	Phone Number

PROPERTY CONTACT:

<u>Same as above</u>	
Printed Name	Email Address
<u></u>	<u></u>
Company	Phone Number

Exhibit A

Terms and Conditions

1. INTRODUCTION

- 1.1** These Terms and Conditions supplement the proposal, agreement, letter of engagement or email (the “engagement”) between JLL Valuation and Advisory Services, LLC and the Client indicated in the engagement that sets out details of the Services to be provided to the Client. All capitalized terms in this exhibit have the meanings given to them in the engagement unless given a different meaning in this exhibit. These Terms and Conditions, together with the engagement and all other exhibits, schedules and riders to the engagement, are collectively called the “agreement”.

2. SERVICES

- 2.1** We will provide the Services using reasonable care and skill.
- 2.2** We may make changes to the Services if necessary to comply with any law or safety requirement. We will notify you if that happens. Otherwise, JLL and the Client must agree in writing to any changes to the Services, the Fees, or any other provision of the agreement.

3. CLIENT OBLIGATIONS

- 3.1** You agree to give us all documents and other information that we advise you are reasonably necessary for us to provide the Services.
- 3.2** You will maintain adequate property and public liability insurance to reasonably insure property that you own or occupy and any activities on that property. You will obtain all necessary licenses, permissions and consents which may be required to enable us to perform the Services (other than professional licenses that we are required to maintain to perform the Services). You are responsible to keep your property in a safe condition so that we may perform the Services in reasonable safety.
- 3.3** You will notify us promptly if you believe any information you have provided is incomplete or inaccurate.

4. DELAY

We are not responsible for any delay in our performance of the Services if caused by any event beyond our reasonable control, or for any delay caused by your failure to comply with the agreement.

5. FEES, EXPENSES AND PAYMENT

- 5.1** Our fee in its entirety is earned upon delivery of the first report. We will invoice you at time of delivery for any outstanding balance.
- 5.2** You agree that your obligation to pay the Fee is not contingent upon the results, conclusions or recommendations we provide.
- 5.3** If we are asked to invoice any other party, you agree to settle our invoice immediately if the other party does not do so within 30 days of the date of the invoice.
- 5.4** Delinquent payments under the agreement will earn interest at the rate of one and one-half percent (1-1/2%) per month from the date due until paid, or if lower, the maximum rate permitted by law. If the Fee or any part of it remains unpaid 30 days after it was due, you may not use any report or work product we have delivered to you for any reason.
- 5.5** If you terminate this agreement before the Services are completed, you will pay us, no later than the termination date, a reasonable fee proportionate to the part of the Services performed to the date of termination.
- 5.6** Our rights under Section 5.3 and 5.4 are in addition to, and will not limit, our right to pursue any other rights and remedies under the agreement or at law or in equity.

6. INDEMNITY

You agree to indemnify and defend us and hold us harmless from any loss, liability or expense (including attorneys’ fees) arising from a third party action, claim or proceeding (“Loss”) that we suffer arising out of the agreement or the Services, other than Loss that a court of competent jurisdiction has determined was the result of our negligence or willful misconduct. We agree to indemnify and defend you and hold you harmless from any Loss that you suffer arising out of our negligent performance of Services under the

agreement, other than Loss that is found by a court of competent jurisdiction to result from your negligence or willful misconduct.

7. EXCLUSIONS OF, AND LIMITATIONS ON, LIABILITY

- 7.1** EACH OF JLL AND THE CLIENT WAIVES ANY CLAIMS AGAINST EACH OTHER FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THE AGREEMENT. IN NO EVENT SHALL JLL'S LIABILITY IN CONNECTION WITH THE AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.

8. TERMINATION

- 8.1** Either of us may terminate the agreement without reason by giving 30 days' advance written notice to the other.
- 8.2** Either of us may terminate the agreement immediately if the other breaches the agreement and fails to remedy the breach within 10 days of notice by the non-breaching party.
- 8.3** We may terminate the agreement immediately for any of the following reasons:
- (a) We cannot provide any of the Services due to conditions beyond our reasonable control.
 - (b) In our reasonable opinion, there is insufficient information available to provide a report or other work product that meets our standards.
 - (c) A conflict of interest arises which prevents us from acting for you.
 - (d) You have asked us to provide reports or work product that we do not consider to be accurate.

9. ASSUMPTIONS AND LIMITATIONS

- 9.1** Any report or other work product we deliver as part of the Services will be subject to our standard Statement of Assumptions and Limiting Conditions, provided as an exhibit and as part of the agreement, which will be incorporated into the report or work product.
- 9.2** We understand that you may wish to use the report or other work product we deliver as part of the Services to support your Stark law and Anti-Kickback compliance process. Our reports and work product are appraisals prepared

pursuant to Uniform Standards of Professional Appraisal Practice, and do not undertake to evaluate any such compliance. You acknowledge that many factors in addition to property value must be considered to determine Stark or anti-kickback law compliance, and agree that any reports and work product we deliver make no opinion or representation that any transaction involving property we appraise is compliant with Stark law or any anti-kickback law.

10. CONFIDENTIALITY

- 10.1** We each agree to maintain the confidentiality of each other's confidential information and will not disclose any information received in confidence from each other, until two years after termination or expiration of the agreement, except where required to do so by law.
- 10.2** Any report or other work product that we deliver to you in connection with the Services is confidential and may be used by only you, unless we agree otherwise in writing.

11. INTELLECTUAL PROPERTY RIGHTS

- 11.1** We retain all copyright (and other intellectual property rights) in all materials, reports, systems and other deliverables which we produce or develop for the purposes of the agreement, or which we use to provide the Services.
- 11.2** You will not reproduce or copy any part of any report or other work product we produce as part of the Services without our prior written consent.

12. GENERAL

- 12.1** The agreement may be modified only by a written agreement signed by both of us. Liability accruing before the agreement terminates or expires will survive termination or expiration.
- 12.2** The agreement states the entire agreement, and supersedes all prior agreements, between you and JLL with respect to the matters described in the agreement.
- 12.3** If a court determines that any part of the agreement is unenforceable, the remainder of the agreement will remain in effect.
- 12.4** The agreement is governed by the laws of the State of Illinois. Each of us irrevocably submits

to the exclusive jurisdiction of the courts of that State.

- 12.5** The agreement may be executed in multiple counterparts.
- 12.6** No director, officer, agent, employee or representative of either of us has any personal liability in connection with the agreement.
- 12.7** Neither of us may assign or transfer any rights or obligations under the agreement without the prior written approval of the other. We each agree to be reasonable in evaluating such a request for approval.
- 12.8** If there is any conflict between the terms of the letter and this exhibit, the terms of the letter will prevail.
- 12.9** If either of us fails to enforce any provision or exercise any right under the Agreement at any time, that failure will not operate as a waiver to enforce that provision or to exercise that right at any other time.
- 12.10** The agreement does not establish any partnership or joint venture between us, or make either of us the agent of the other.
- 12.11** A person who is not a party to the agreement does not have any rights to enforce its terms unless specifically agreed in writing.
- 12.12** Neither of us may publicize or issue any specific information to the media about the Services or the agreement without the written consent of the other.
- 12.13** Each of us represents to the other that it is not a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action. Each of us agrees to comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption.
- 12.14** If either party does not comply with the obligations under the agreement and legal action is commenced to enforce the rights under the agreement, the losing party will reimburse the prevailing party reasonable costs (including attorneys' fees), associated with such action.
THE PARTIES HEREBY WAIVE TRIAL BY JURY.
- 12.15** Upon request by you, we will provide commercial general liability additional insured coverage to the property owner or its affiliates to

the extent a loss is attributable to JLL VA's negligence.

- 12.16** Sections 5, 6, 7, 10, 11, 12.1, 13, 17 and 18 will survive termination of the agreement.

13. USE OF DATA AND DATA PROTECTION

- 13.1** You agree as follows: (i) The data we collect in connection with the agreement will remain our property. (ii) We and our affiliates may utilize, sell and include data you have provided (either in the aggregate or individually) in the databases of JLL and its affiliates and for use in derivative products. (iii) We may utilize all data already in the public domain on an unrestricted basis.
- 13.2** In order for us to provide the Services, we may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively "Data Subjects"). We may also verify the identity of Data Subjects, which could include carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.
- 13.3** We may use all information that we hold regarding Data Subjects to provide the Services. We may also use and share it with third parties for other purposes as described in our Privacy Statement available at www.jll.com. We may use both commercially available and proprietary software programs to perform the Services (web based and others).

14. SPECIAL EXPERTS

- 14.1** If you request our assistance in hiring a special expert to contribute to any assignment (such as a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), you will perform your own due diligence to qualify the special expert. You will be responsible to pay for the services of the special expert.
- 14.2** We not responsible for the actions and findings of any special expert. You agree to indemnify and defend us and hold us harmless from all damages that may arise out of your reliance on any special expert.

15. CONFLICTS POLICY

JLL adheres to a strict conflict of interest policy. If we learn of a conflict of interest, we will notify you and recommend a course of action to resolve the conflict. If we learn of a conflict that we do not believe can be resolved, we may terminate the agreement without penalty.

16. FIRREA REQUIREMENTS

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, any report produced by JLL under the agreement, if ordered independent of a financial institution or agent, might not be FIRREA compliant or acceptable to a federally regulated financial institution.

17. USPAP REQUIREMENTS

The Ethics Rule of the Uniform Standards of Professional Appraisal Practice ("USPAP") requires us to disclose to you any prior services (appraisal or otherwise) performed within three years prior to the date of this letter by the individual JLL appraiser who will be performing Services for the Property. We represent that to our knowledge, that JLL has not provided prior services within the designated disclosure period, outside of what we have identified.

18. USE OF WORK PRODUCT AND RELIANCE

- 18.1** You agree that any report or other work product we produce in connection with the Services are for your use only, and only for the purpose indicated in the agreement. No person or entity other than the Client may use or rely on any such report or work product unless we consent otherwise in writing, even if such reliance is foreseeable. Any person who receives a copy of any report or other work product we produce as

a consequence of disclosure requirements that apply to the Client, does not become an intended user of this report unless the Client specifically identified them at the time of the engagement.

- 18.2** You will not use any such report or work product in connection with any public documents. You will not refer to JLL in any public documents without our prior written consent. We may give or withhold our consent in our sole discretion for any purpose under this Section 18.
- 18.3** Notwithstanding the foregoing, JLL understands that applicable law in eminent domain proceedings may require you to disclose our reports and work product to landowners and to otherwise make our reports and work product available to the public. To the extent required by applicable law, JLL consents to such disclosure. However, you and only you, and no such landowner or other person or entity, may rely on our reports or our work product.

19. LITIGATION MATTERS

- 19.1** We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in the agreement or otherwise in writing, or if required by law.
- 19.2** If we receive a subpoena or other judicial command to produce documents or to provide testimony in a lawsuit or proceeding regarding the agreement, we will notify you if allowed by law to do so. However, if we are not a party to these proceedings, you agree to compensate us for our professional time at the then prevailing hourly rates of the personnel responding to the subpoena or providing testimony, and to reimburse us for our actual expenses incurred in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred.

v. 10_22_2020

Exhibit B

Statement of Assumptions and Limiting Conditions

1. All reports and work product we deliver to you (collectively called “report”) represents an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume 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 report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to

revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the Americans with Disabilities Act ("ADA"), Stark law or any anti-kickback laws. We claim no expertise in such issues and render no opinion regarding compliance of you or the property with ADA, Stark law or anti-kickback law or regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume 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 the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any

associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value 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.
23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.
26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The report will be subject to those Hypothetical Conditions and Extraordinary Assumptions. Each person that is permitted to use the report agrees to be bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.



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