

**A Real Estate Appraisal Report**

**Of:**

**3.85 acres**

**Located At:**

**393 Lawrence St., Charles Town, WV**

**Reportedly Owned By:**

**American Public University System Inc.**

**Located Within:**

**Charles Town & Ranson Corporation, Jefferson County,  
West Virginia**

**Effective Date of Appraisal: February 22, 2025**

**Date of Report: March 4, 2025**

**Prepared For:**

**County Commission of Jefferson County, WV**

**128 Industrial Blvd**

**Kearneysville, WV 25430**

**Prepared By:**

**Jennifer O. Aaron**

**Sirna Appraisal & Nat. Res.**

**P.O. Box 12**

**Bunker Hill, WV 25413**

**(304)229-0900**

**WV CGRA # 412**

## LETTER OF TRANSMITTAL

March 4, 2025

County Commission of Jefferson County WV  
128 Industrial Blvd  
Kearneysville, WV 25430

Re: Real Estate Appraisal Report of 3.85 acres located  
at 393 Lawrence St., Charles Town, WV

Dear County Commission of Jefferson County WV:

Pursuant to your request, we have made a market value appraisal of the above referenced property. The following report details how the final opinion of value estimate was reached including any limiting conditions and assumptions utilized. It is our professional opinion that as of February 22, 2025, the market value of this property AS IS, AS IF STABILIZED, REAL ESTATE ONLY was:

**Seventeen Million Dollars**  
**(\$17,000,000)**

(This is assuming a marketing time of between six and twelve months and an exposure time of twelve to eighteen months.)

This report has been prepared to comply with our understanding of the requirements of the Uniform Standards of Professional Appraisal Practice.

If you have any questions please do not hesitate to call.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jennifer O. Aaron".

Jennifer O. Aaron  
WV CGRA #412

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## **STATEMENT OF LIMITING CONDITIONS & APPRAISERS' CERTIFICATION**

**CONTINGENT AND LIMITING CONDITIONS:** The appraisers' certification that appears in the appraisal report is subject to the following conditions:

1. The appraisers will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraisers assume that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraisers have provided a sketch in the appraisal report to assist the reader of the report in visualizing the property and understanding the appraisers' determination of its size.
3. The appraisers have examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and have noted in the appraisal report whether the subject site appears to be located in an identified Special Flood Hazard Area. Because the appraisers are not surveyors, they make no guarantees, express or implied, regarding this determination.
4. The appraisers will not give testimony or appear in court because they made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. All three approaches to value have been considered. The cost approach was deemed not appropriate due to the age of the improvements.
6. The appraisers have noted in the appraisal report any adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that they became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraisers have no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied, regarding the condition of the property. The appraisers will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraisers are not experts in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraisers obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that they consider to be reliable and believe them to be true and correct. The appraisers do not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraisers will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.



**APPRAISERS' CERTIFICATION:** The Appraisers certify and agree that:

1. We have researched the subject market area and have selected three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the anticipated market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, we have made a negative adjustment to reduce the adjusted sales price of the comparable and if a significant item in a comparable property is inferior to, or less favorable than the subject property, we have made a positive adjustment to increase the adjusted sales price of the comparable.
2. We have taken into consideration the factors that have an impact on value in our development of the estimate of market value in the appraisal report. We have not knowingly withheld any significant information from the appraisal report and we believe, to the best of our knowledge, that all statements and information in the appraisal report are true and correct.
3. We stated in the appraisal report only our own personal, impartial, and unbiased, professional analyses, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this report. We certify that, to the best of our knowledge and belief: The statements of fact contained in this report are true and correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial, and unbiased professional analyses, opinions and conclusions.
4. We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. We did not base, either partially or completely, our analyses and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or the present owners or occupants of the properties in the vicinity of the subject property.
5. We have no present or contemplated future interest in the subject property, and neither our current or future employment nor our compensation for performing this appraisal is contingent on the appraised value of the property.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice in place as of the effective date of this appraisal. We acknowledge that an estimate of reasonable time for exposure in the open market is a condition in the definition of the market value and the estimate we developed is consistent with the marketing time noted in the neighborhood section of this report, unless we have otherwise stated in the reconciliation section.

8. We have made a personal inspection of the property that is the subject of this report. We further certify that we have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which we are aware and have made adjustments for these adverse conditions in our analysis of the property value to the extent that we had market evidence to support them. We have also commented about the effect of the adverse conditions on the marketability of the subject property.

9. No one provided significant professional assistance to us. If we relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, we have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. We certify that any individual so named is qualified to perform the tasks. We have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, we will take no responsibility for it.

10. I have not performed any appraisal services for the subject property in the past.

**ADDRESS OF PROPERTY APPRAISED:** 393 Lawrence St., Charles Town, WV  
**APPRAISED VALUE:** \$17,000,000

**APPRAISER:**



Signature: \_\_\_\_\_  
Name: Jennifer O. Aaron  
Date Signed: 03/04/25  
State Certification #: 412  
Apprentice License #: \_\_\_\_\_  
State: West Virginia  
Exp. Date of Certification/License 09/30/25

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

<b>Identification</b>	<u>PT Blk 74 Viener, Blk 75 (1.33 AC) Plant, PT Blk 74 Assembly Plant</u>
<b>TMS</b>	<u>Charles Town Corporation of Jefferson County, WV, Map 2, Parcel 1; Ranson Corporation of Jefferson County, WV, Map 6, Parcels 48 &amp; 129</u>
<b>Owners of Record</b>	<u>American Public University System Inc.</u>
<b>Date of Value</b>	<u>February 22, 2025</u>
<b>Prospective Date</b>	<u>Not Applicable</u>
<b>Purpose</b>	<u>Form Opinion of Market Value</u>
<b>Zoning</b>	<u>Old Town Mixed Use Commercial</u>
<b>Highest and Best Use</b>	<u>Retail/professional office space</u>
<b>Site Size</b>	<u>3.85 Acres by Assessor</u>
<b>Indicated Values:</b>	
<b>“As Is”</b>	<u>\$17,000,000</u>
<b>Sales Comparison Approach</b>	<u>\$17,012,000</u>
<b>Cost Approach</b>	<u>N/A</u>
<b>Income Approach</b>	<u>\$16,471,000</u>

SUBJECT PHOTOS









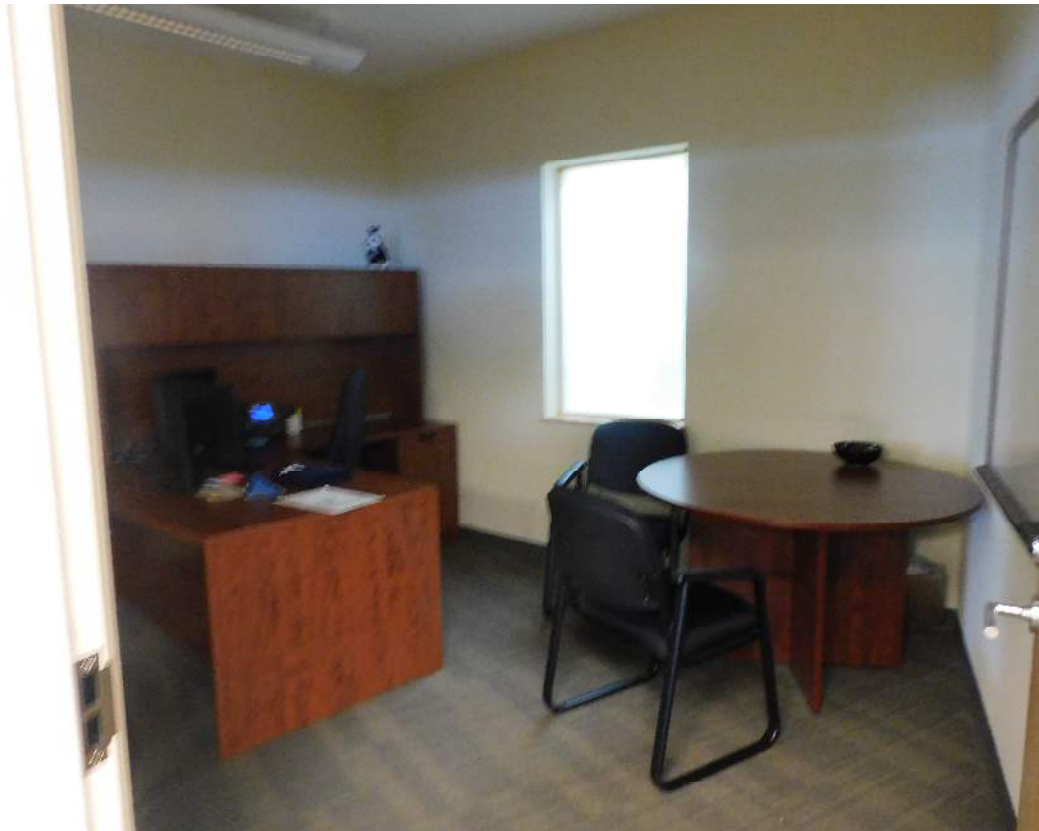
























































Interactive Property Viewer - Explore Tax Maps and Property Boundaries in West Virginia

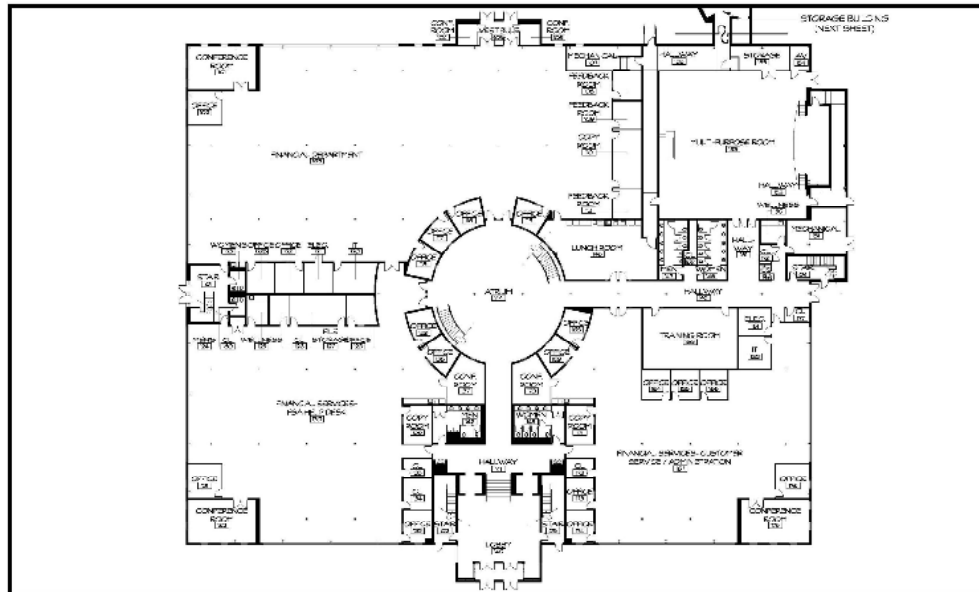
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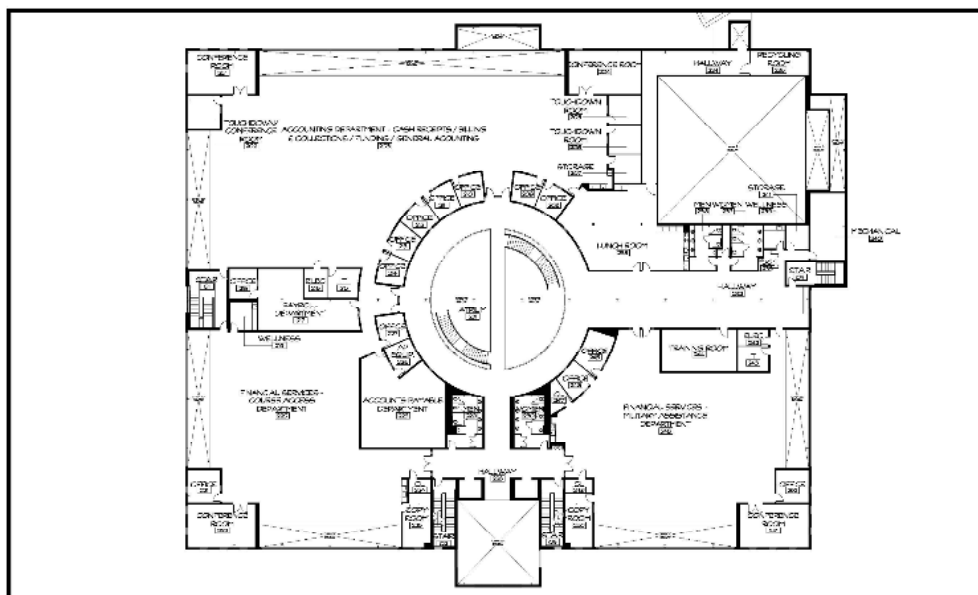
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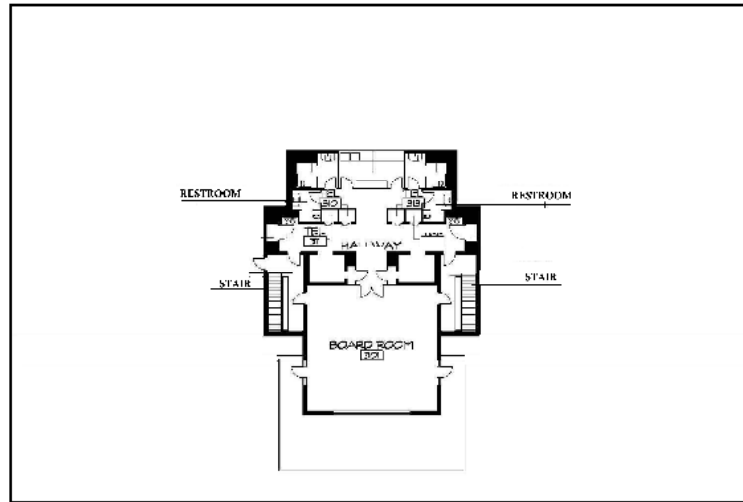


AMERICAN PUBLIC UNIVERSITY SYSTEM - FINANCE CENTER  
First Floor Plan  
August 9, 2012

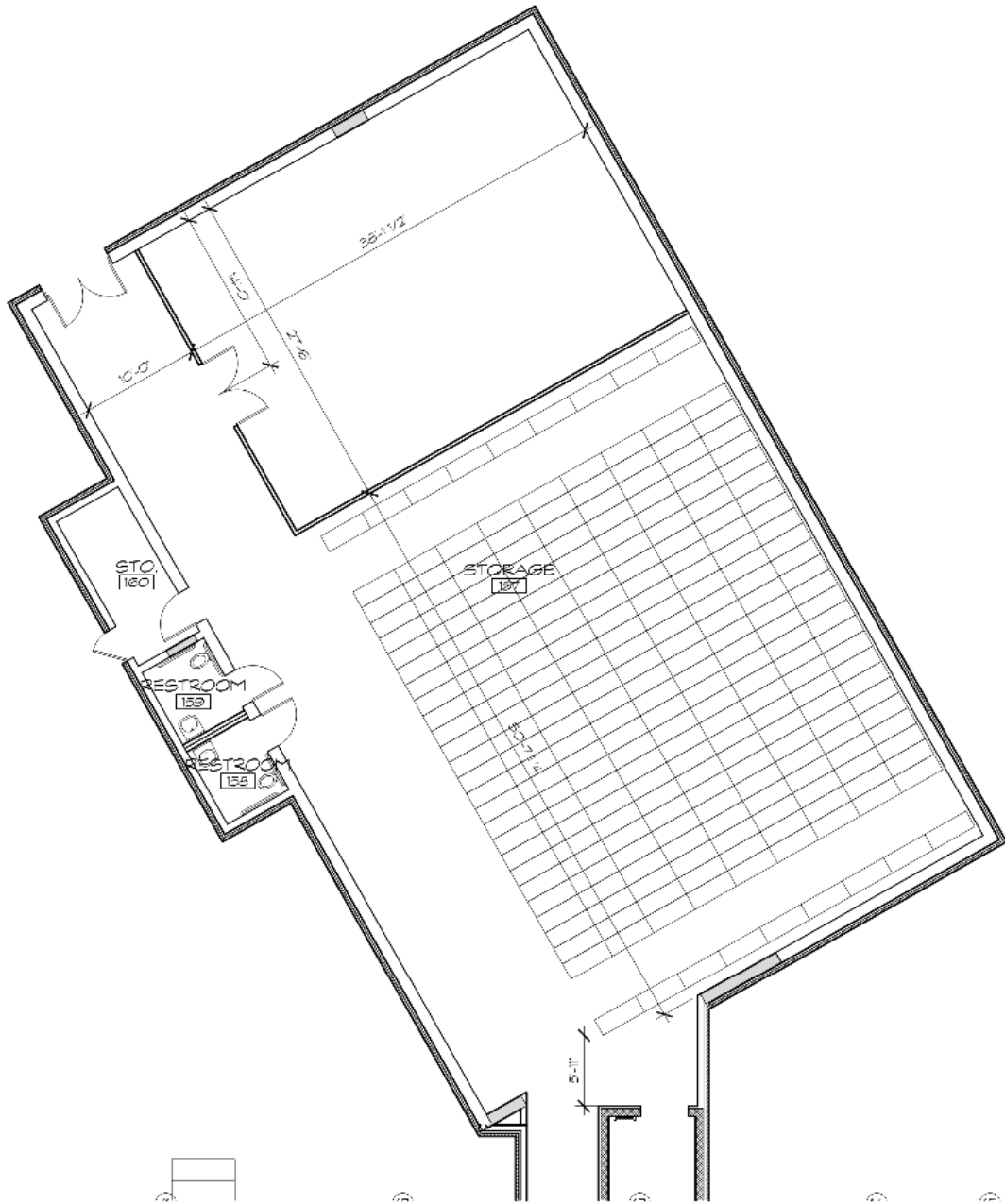
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AMERICAN PUBLIC UNIVERSITY SYSTEM - FINANCE CENTER  
Second Floor Plan  
August 9, 2012



AMERICAN PUBLIC UNIVERSITY SYSTEM - FINANCE CENTER  
Third Floor Par  
Aug. 15, 9, 2012



## **APPRAISAL REPORT**

### **NATURE & DESCRIPTION OF ASSIGNMENT**

#### **Location Of Subject Property**

The subject property is located in the Charles Town Corporation and Ranson Corporation of Jefferson County, West Virginia, at 393 Lawrence St.. A more complete description of the general area is contained in the section on Regional Data and the Location Map in the appendix.

#### **Description Of Subject Property And Current Use**

The subject property is described in the Jefferson County Assessor's office as being in Charles Town Corporation, Map 2, Parcel 1, Ranson Corporation Map 6, Parcels 48 and 129 and further described in deed book 1066 at page 450. Parcel 1 is described as being 1.62 acres and is relatively rectangular in shape with largely level topography. The parcel has direct frontage on N. Lawrence Street and the railroad. Parcel 129 is described as being 0.90 acre and is rectangular in shape with largely level topography. The parcel is bounded by W. 2<sup>nd</sup> Avenue along its northern property line and N. Lawrence Street along its western property line. These two parcels are adjacent. A 105,415 sq. ft. two story commercial building with an attached 4,000 sq. ft. single story storage building. The building was originally constructed in 1943 for industrial use and was completely renovated in 2011 to be professional office space. The building is brick construction on slab with flat roof. The interior finish is class A professional office space with a partial third floor. The first and second floors are separated into quarters with a shared lobby and center atrium. The third floor is a single boardroom with restrooms. The building is served by three elevators. The building is LEEDS certified for maximum energy efficiency. The property has on site parking for approximately 50 vehicles. Parcel 48 is described as 1.33 acres that is triangular in shape with level topography. The parcel is located on the west side of N. Lawrence Street across from the other two parcels. The parcel is improved by an asphalt paved parking lot with a solar array and EV chargers to support the improvements on the other two parcels. The solar array consists of 1,650 panels with no on site batteries and an output of 400 kw. The solar array began production in 2011. There are 14 30 amp EV chargers. The recent historic use of the property is professional office space for an educational provider. Surrounding property uses include older established downtown residential uses and retail spaces. WVU Medicine at Jefferson Memorial is located in the near vicinity.

#### **Accessibility**

Accessibility is good from W. 2<sup>nd</sup> Avenue and N. Lawrence Street. Both streets are public streets connecting downtown Charles Town Corporation and Ranson Corporation. See comments above.

#### **Effective Date Of Appraisal**

The effective date of this appraisal is February 22, 2025, which is the date of the last inspection. The date of this report is March 4, 2025.

**Client**

The client is the County Commission of Jefferson County, West Virginia.

**User & Intended Use Of This Appraisal**

This appraisal report was prepared for the County Commission of Jefferson County, West Virginia for consideration of purchasing the subject property.

**Property Rights Being Appraised**

The properties are being appraised as if Fee Simple. Encumbrances other than normal utility easements were not noted, nor was a title examination provided. This appraisal report will detail our opinion of the market value as if a complete and unencumbered transfer of the real property will take place. The full definition of market value is given later in this report.

**Legal Description**

See deed book 1086, page 450 for a complete legal description.

**Prior Sales Of Subject**

The property last transferred on November 3, 2010 from AG/IRG WPM Ranson, LLC to American Public University System, Inc. for a consideration of \$1,100,000 in an apparent arms length transaction. The subject property is the subject of a real estate sales agreement between American Public University System, Inc. (seller) and County Commission of Jefferson County, West Virginia (buyer) for a consideration of \$16,600,000 or \$157.47/sq. ft. This sales agreement appears to represent an arms length transaction. The subject property has not been advertised in a typical fashion.

**Site Description**

**ZONING:** The subject property is zoned Old Town Mixed Use Commercial by Charles Town Corporation Planning & Zoning. This zoning allows for most commercial uses including retail, professional office space, religious, medical, and educational uses.

**REAL ESTATE TAXES:** \$187,901 for 2024

**TOPOGRAPHY:** Topography is level to gently sloping.

**SOILS/DRAINAGE:** Since the site is served by public sewer, restrictions due to soils are minimal. The soils appear to support the current improvements and traffic. Drainage appears adequate.

**FLOOD ZONE:** None of the site appears to be in the 100 year flood zone. (See attached Flood Map).

**UTILITIES:** Electric, telephone, cable, public water, and public sewer.

ENVIRONMENTAL HAZARDS: *The value estimated is based on the assumption that the property is not negatively affected by* the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraisers are not experts in the identification of hazardous substances or detrimental environmental conditions. Other apparent significant hazardous substance or detrimental environmental conditions which would affect the property negatively were not observed. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of other hazardous substance or detrimental environmental conditions around the property that would negatively affect its value. As stated previously, the assumption is made that there are no environmental hazards present which would affect the market value of the subject property other than what is indicated above.

EASEMENTS & RIGHTS OF WAY: It is assumed that only normal utility and road rights of ways and easements exist. A title examination was not provided.

#### **Highest And Best Use (HBU)**

The Highest and Best Use (HBU) is the reasonable and probable use that results in the highest net present value of the land after considering all *legally permissible*, *physically possible*, and *economically feasible* uses. Capitalization rates or discount rates for each feasible use should reflect typical returns expected in the market.

The current or interim use as stated for the subject property is as an educational organization professional office building. *Economic Feasibility*: The area immediately around the subject property is a mix of commercial and residential. There is increased pressure in the immediate vicinity as well as surrounding area for commercial properties to support the needs of the rapid population increase as well as the race track and video lottery expansion. The economic feasibility is evidenced by the demand and prices paid for scarce commercial sites. The sales comparison approach to value demonstrates this demand. *Legally permissible*: The subject property is zoned commercial. There are no apparent legal obstacles to prohibit the current and proposed uses. *Physically possible*: The terrain, access and soils all support the existing commercial structures and traffic. *Maximally productive*: The improvement size appears to be on the upper end of what is typical for professional office space range in the subject market area. Assessment records for the subject market area show a range of approximately 400 sq. ft. to 129,000 sq. ft. of professional office space properties in the subject market area. However, the building is currently set up for a maximum of eight sectors, with each sector measuring approximately 12,000 sq. ft. and sharing the lobby, atrium and elevator spaces. There would be significantly more demand for this size office space. Therefore, it is our opinion that the HBU for the subject property is as a professional office space commercial property.

## **Marketing Time**

The comparable sales sited had an average of 7.5 months of market exposure. The current estimated marketing time is between six and twelve months. The estimated exposure time is between twelve and eighteen months.

## **NEIGHBORHOOD ANALYSIS**

The neighborhood is defined as those areas of Jefferson County and surrounding counties zoned commercial or approved for commercial activity.

## **DEFINITION OF MARKET VALUE**

The definition of Market Value is defined as “the most probable price, which a property should bring in a competitive, and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (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 interest; (3) a reasonable time is allowed for exposure to the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; (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.”<sup>1</sup>

## **SCOPE, EXTENT AND SOURCE OF DATA COLLECTION**

In general, the first step in an appraisal assignment is to identify and examine the subject property, photographs were taken as well. The second step is to locate sales of comparable properties and visit the three most like the subject. Information was confirmed from the public records and interviews with some of the parties involved. The Metropolitan Regional Information Systems, Inc. was used in locating and compiling similar sales. Data was obtained from real estate brokers, agents, property managers and other appraisers. The public records were also reviewed for verification of data. In our opinion, this level of investigation is necessary and adequate to produce a credible appraisal and report considering the complexity of this assignment.

## **REGIONAL DATA**

The subject property is located at 393 N. Lawrence Street, Charles Town in Jefferson County in the Eastern Panhandle of West Virginia. The Eastern Panhandle remains

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<sup>1</sup> Appraisal Foundation, Uniform Standard of Professional Appraisal Practice, as promulgated by the Appraisal Standard Board of the Appraisal Foundation, December 2004, 2005 Edition, pg 210.

one of the state's strongest economic regions. Employment rebounded at a healthy pace after the Great Recession, adding approximately 7,000 jobs since late 2010, which is a 16% increase since the region emerged from the recession. Among the three counties in the region, Berkeley County has seen the strongest employment growth, with Jefferson County contributing significantly in the past two years. Trade, transportation, and utilities sectors have shown the strongest employment growth. Unemployment is significantly lower than the state average (3.7% versus 6.0%). The Eastern Panhandle has posted by far the largest population growth increase of any region in the state with an increase of 55% over the past twenty years.

The outlook for the Eastern Panhandle region calls for the region to gain jobs through 2021 at a rate of 1.0% per year, which is higher than the expected job growth for the state and the nation. Most job growth during the next five years is expected to come from the manufacturing sectors.<sup>2</sup>

Jefferson County is bordered by the Potomac River and Washington County, Maryland on the northeast, Loudon County, Virginia on the southeast, Clark County, Virginia on the southwest, and Berkeley County, West Virginia on the northwest. Jefferson County accounts for approximately 31% of the Eastern Panhandle's population with an estimated 50,443 residents as of 2006. Jefferson County has the lowest median age (35.8) of the three counties as well as the highest level of educational attainment (21.6% Bachelor Degree or higher). It also boasts the highest per capita income (\$27,957) of the region as well as the highest median household income (\$44,374). The area is supplied transportation by railroad systems, regional and national airports, over 30 motor freight lines, bus services and is approximately 85 miles from the Port of Baltimore. Jefferson County is served by the major highways of WV Rt. 9, US Rt. 340, WV Rt. 45, WV Rt. 51, and Interstates 70 and 270 in Frederick, Maryland, approximately 20 miles to the north along US Rt. 340. Jefferson County is also part of the Washington-Arlington-Alexandria MSA according to the U.S. Bureau of Labor & Statistics. The economic indicators provided by these statistics are very similar to those calculated by the WVU Bureau of Business & Economic Research.

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<sup>2</sup> Taken from Eastern Panhandle Region Outlook Published by WVU Bureau of Business & Economic Research, October 2017



## APPRAISAL PROCESS

Following are the three standard approaches to estimating value.

### 1. SALES COMPARISON

In the *Sales Comparison Approach to Value*, the subject property is compared to similar properties that have been sold recently or for which listing prices or offering figures are known. Data for comparable properties are used, and comparisons are made to demonstrate a probable price at which the subject property would be sold if offered on the market. A major premise of this approach is that the market value of a property is directly related to the prices of comparable properties (the principle of *Substitution*).

This method is usually thought to be the preferred valuation method when truly “comparable sales” are available to choose from, and where there is a minimal need for making adjustments to the comparable sale data to best fit the characteristics of the subject. There have been several sales of similar properties within the subject’s market region consummated recently. Their component characteristics, while diverse, are very similar to those of the subject property.

### 2. COST

This approach is used when appraising parcels with improvements such as buildings and facilities. The cost to replace the improvement new is estimated and then reduced by physical, functional and environmental depreciation. The effective age, economic life and condition of the improvements is considered in estimating the depreciated value of the improvements. This depreciated value of the improvement is then added to the bare land value at its highest and best use.

### 3. INCOME APPROACH

When adequate data is available, the annual net operating income is divided by an appropriate capitalization rate to yield the estimated value. The income approach is applicable in most commercial properties. The net operating income is what is left after subtracting an allowance for vacancy, taxes, insurance and basic maintenance and replacement for the year from gross income. The overall capitalization rate is extracted from actual sales and also from surveys of investors, lending institutions, appraisers and real estate professionals. The indicated value can be calculated by dividing the net operating income by the capitalization rate.

## COMPARABLE SALES APPROACH AS IF VACANT

Following are the attributes considered in selecting and adjusting the comparable sales:

Date of Sale: In general, real estate values have stabilized since the beginning of 2012. The average sales price for commercial properties is relatively erratic due to few listed sales. Time adjustments at the rate of negative 5% per year were deemed appropriate until the beginning of 2012. Until more data is available, in our opinion, this is the most prudent approach. We used all the data and tools available and made a judgment call to help fill the gap. Our assumptions are reasonable and based on the available data. Data was obtained from the Metropolitan Regional Information

<u>Sales Concessions:</u>	Market reaction when appropriate
<u>Visibility:</u>	Visible from public road
<u>Access:</u>	Directly from public road & suitable for truck traffic more desirable
<u>Size:</u>	All adequate for current commercial use
<u>Public Water and Sewer:</u>	Selected sales with water and sewer present or available

The subject property has good visibility, access and traffic count and is considered a desirable location for commercial real estate.

## **LAND SALE # 1**

**LOCATION:** Lot 1 Hope Drive, Winchester, VA 22601

**GRANTOR:** Direct Partners LLC

**GRANTEE:** Winchester Acquisition Partners LLC

**DATE OF SETTLEMENT:** 01/31/24 **RECORDATION:** 2024/176

**CONSIDERATION:** \$975,000 or \$369,318/acre

**SITE:** 2.64 acres

**ZONING:** B2

**DESCRIPTION:** Vacant lot located in downtown Winchester.  
Rectangular lot with level topography. Listed on local MLS at for 633 days  
before being placed under contract.



## **LAND SALE # 2**

**LOCATION: 601 W. Jubal Early Drive, Winchester, VA 22601**

**GRANTOR: Melco Inc.**

**GRANTEE: Abrams Crossing LLC**

**DATE OF SETTLEMENT: 07/01/23 RECORDATION: 2023/2269**

**CONSIDERATION: \$650,000 or \$342,105/acre**

**SITE: 1.9 acres**

**ZONING: PC**

**DESCRIPTION: Vacant lot located Jubal Early Drive. Rectangular in shape with level topography. Listed on local MLS at for 318 days before being placed under contract.**



### **LAND SALE # 3**

**LOCATION: 3131 Valley Ave, Winchester, VA 22601**

**GRANTOR: Oakcrest Builders Inc.**

**GRANTEE: DRB Group Mid-Atlantic, LLC**

**DATE OF SETTLEMENT: 08/12/22 RECORDATION: 2022/1940**

**CONSIDERATION: \$1,500,000 or \$337,838/acre**

**SITE: 4.44 acres**

**ZONING: B2**

**DESCRIPTION: Vacant lot located on Valley Avenue near the southern extent of City of Winchester. Rectangular in shape with level topography. Not listed on local MLS.**



### **SALES COMPARISON ANALYSIS AS IF VACANT**

Sale one is the most recent sale found. Sale one is considered slightly superior in location and inferior in size. Sale two was considered overall inferior due to smaller site size. Sale three is the oldest sale selected but is most similar in size. Sale three was considered overall superior in location and was given the most weighting. After considering the above sales adjustments and weighting, it is our professional opinion that the indicated value the subject property by the

**SALES COMPARISON APPROACH IS: \$1,200,000**

## COMPARABLE SALES APPROACH AS IMPROVED

Following are the attributes considered in selecting and adjusting the comparable sales:

Date of Sale: In general, real estate values have stabilized since the beginning of 2012. The average sales price for commercial properties is relatively erratic due to few listed sales. Time adjustments at the rate of negative 5% per year were deemed appropriate until the beginning of 2012. Until more data is available, in our opinion, this is the most prudent approach. We used all the data and tools available and made a judgment call to help fill the gap. Our assumptions are reasonable and based on the available data. Data was obtained from the Metropolitan Regional Information

<u>Sales Concessions:</u>	Market reaction when appropriate
<u>Visibility:</u>	Visible from public road
<u>Access:</u>	Directly from public road & suitable for truck traffic more desirable
<u>Size:</u>	All adequate for current commercial use
<u>Public Water and Sewer:</u>	Selected sales with water and sewer present or available
<u>Improvements:</u>	Mixed use commercial properties considered similar. Adjustments will be made on the square footage of usable space. Finished commercial space considered superior to residential space. The subject property ratio of commercial space is approximately 40% of the square footage with the balance being

The subject property has good visibility, access and traffic count and is considered a desirable location for commercial real estate.



**SALE # 1**

**LOCATION: 202 N. Loudoun St., Winchester, VA 22601**

**GRANTOR: Bank of Clarke County**

**GRANTEE: Dave Holliday Rentals LLC**

**DATE OF SETTLEMENT: 12/19/24 RECORDATION: 2024/2507**

**CONSIDERATION: \$8,000,000 or \$230.62/sq. ft.**

**SITE: 0.72 acres**

**ZONING: B1**

**DESCRIPTION: 34,688 sq. ft. professional office space building located in downtown Winchester reportedly built in 1986. Leased to a credit tenant for a period of 10 years in an absolute net rent of \$520,320 per year or \$15.00/sq. ft. Listed on local MLS for 162 days, initially at \$8,672,000. On site parking for 25. Cap rate of 6.5%.**



**SALE #2**

**LOCATION: 8490 Progress Drive, Frederick, MD 21703**

**GRANTOR: RIV Five LLC**

**GRANTEE: L S S Riversidefive LLC**

**DATE OF SETTLEMENT: 09/18/24 RECORDATION: 17033/306**

**CONSIDERATION: \$18,000,000 or \$136,23/sq. ft.**

**SITE: 9.66 acres**

**ZONING: Agricultural**

**DESCRIPTION: Four story professional office building located in nearby Frederick, Maryland. The building is approximately 132,134 sq. ft. and was reportedly built in 2008. Key Attributes Include:**

- **Approximately 126,151 SF**
- **Two-story lobby with first-class finishes**
- **Large and efficient foot floor plates**
- **Adjacent to the 177-acre Riverside Research Park, Frederick's first research park**
- **Green construction elements to reduce operating costs and increase employee productivity**
- **Direct access to I-70, I-270, and downtown Frederick**
- **Connected to more than 40 miles of Frederick bicycling and jogging paths**
- **9.65 acres park like setting along the banks of the Monocacy River**
- **Abundant free parking at 4.0/1,000 sq. ft. leased**
- **Adjacent to a 4.5 acre amenity park featuring a pond, fountains, walking paths, seating areas, and a covered pavilion**
- **Neighbors with Wells Fargo Home Mortgage Regional Headquarters**
- **Close to Clustered Spires Golf Course**





**SALE #3**

**LOCATION:** 64 Thomas Johnson Drive, Frederick, MD 21702

**GRANTOR:** Thomas Johnson Drive LLV 64

**GRANTEE:** Monocacy Montessori Communities, Inc.

**SETTLEMENT DATE:** 07/12/23 **RECORDATION:** 16515/423

**CONSIDERATION:** \$7,500,000 or \$125.63 sq. ft.

**VERIFICATION:** Broker

**SITE:** 4.86 acres

**ZONING:** General Commercial

**DESCRIPTION:** 59,700 sq. ft. commercial building located in downtown Frederick. Reportedly built in 2003, three story building located near medical corridor. 210 parking spaces. Listed on local MLS for 240 days before being placed under contract.



## COMPARABLE SALES AND ADJUSTMENTS AS IS

	SUBJECT	SALE 1		SALE 2		SALE 3	
SALE PRICE	\$16,600,000	\$8,000,000		\$18,000,000		\$7,500,000	
PRICE/SQ. FT.	\$157.47	\$230.62		\$136.23		\$125.63	
DATE		12/19/24		09/18/24		07/11/23	
TIME ADJ		-0%	-\$0	0	0	0%	-\$0
ADJUSTED PRICE/SQ.FT.		\$230.62		\$136.23		\$125.63	
SITE SIZE	3.85 AC.	0.72		9.66 AC.		4.86 AC.	
ADJUSTMENT		Inferior	+\$25.95	Superior	-\$13.62	Similar	0
LOCATION	393 Lawrence St., Charles Town, WV	202 N. Loudoun St., Winchester, VA 22601		8490 Progress Drive, Frederick, MD		64 Thomas Johnson Dr, Frederick, MD	
ADJUSTMENT		Superior	-\$46.12	Similar	0	Similar	0
YEAR BUILT	1943/remodeled 2011	1986		2008		2003	
ADJUSTMENT		Similar	0	Similar	0	Similar	0
ABOVE GRADE SQ. FT.	105,415	34,688	Superior	132,134	Inferior	59,700	Superior
ADJUSTMENT			-\$46.12		+\$13.62		-\$12.56
QUALITY/CONDITION	Very Good	Very Good		Very Good		Good	
ADJUSTMENT		Similar	0	Similar	0	Inferior	+\$25.13
PARKING/AMENITIES	On site, solar array, ev chargers	On site		On site		On site	
ADJUSTMENT		Inferior	+\$11.53	Inferior	+\$6.81	Inferior	+\$12.56
TOTAL ADJUSTMENTS		-\$54.76		+\$6.81		+\$25.13	
INDICATED VALUE		\$175.86		\$143.04		\$150.76	

## **SALES COMPARISON ANALYSIS**

Sale one is the most recent sale of a professional office building similar to the subject. Sale one was considered overall superior due to superior location and improvement size on a per sq. ft. basis. Sale two was considered overall inferior due to inferior due to improvement size on a per sq. ft. basis and inferior amenities. Sale three was considered overall inferior due to inferior quality of construction and inferior amenities. Sale one is the most recent sale and is located nearest the subject property and was given the most weighting in determining the value of the subject property by sales comparison. After considering the above sales adjustments and weighting, it is our professional opinion that the indicated value the subject property by the

**SALES COMPARISON APPROACH IS: \$161.38/sq. ft. or \$17,012,000 rounded**

## **COST APPROACH**

In the cost approach, the indication of value is derived by the following steps:

- 1) Estimate the value of the site as if vacant and available for its highest and best use;
- 2) Estimate the reproduction or replacement cost of all of the improvements;
- 3) Estimate the accrued depreciation from all causes and deduct the total accrued depreciation from the cost new of the improvements;
- 4) Add the site (land) value to the depreciated value of the improvements to arrive at an indication of value via the Cost Approach.

This approach is used when appraising improvements such as buildings and facilities and then added to the bare land value with appropriate site improvements. The effective age, economic life and condition of the improvements are considered in estimating the depreciated value of the improvements.

Due to the primary age of the improvements, the cost approach was deemed not appropriate because it may be misleading.

## **INCOME APPROACH**

One form of the income approach is the Discounted Cash Flow Approach. In this approach to value, the anticipated future income and expenses are discounted back to the present at an appropriate discount rate. The result is referred to as the Net Present Value of a specific string of cash flows which may be generated under the scenario being examined. Another approach is the Direct Capitalization Rate Method, which can be used when adequate data is available. The annual net operating income is divided by an appropriate capitalization rate to yield the estimated value. This form of the income approach is applicable in most commercial properties.

The subject property is currently owner occupied with no available rental data. Therefore, market rent will be considered.

Comparable rentals

- A. 202 N. Loudoun St., Winchester, VA 34,688 sq. ft. leased for \$15/sq. ft./yr. absolute net
- B. 130 E. Burr Blvd, Kearneysville, WV 6,000 sq. ft. leased for \$12.00/sq. ft./yr absolute net
- C. 629 Suite C3 Cedar Creek Grade, Winchester, VA 4,321 sq. ft. leased for \$17.00/sq. ft./yr net
- D. 19415 Deerfield Ave #304, Leesburg, VA 20176 2,989 sq. ft. leased for \$18.00/sq. ft./yr triple net

#### Commercial rental analysis

Rental A is most similar to the subject property in location and use. Rental B is located nearest the subject property but is inferior in quality of construction and location. Rentals B and C are considered superior in rental location. Rentals A and C were given more weighting than rentals B and D. After considering these rates, the market rent is estimated at \$15.00/sq. ft./yr absolute net.

#### GRM COMPARABLES

1. LOCATION: 114 W. German St., Shepherdstown, WV  
 DATE OF SETTLEMENT: 10/19/23 RECORDATION: 1311/627  
 CONSIDERATION: \$500,000 or \$136.91/sq. ft.  
 SITE: 0.12 acres  
 ZONING: RC

DESCRIPTION: Mixed use commercial property located on W. German Street. Two story building reportedly built in 1900 and measuring 3,652 sq. ft. above grade with first floor retail space and second floor 1 BR/1 Bath apartments (2). Well maintained with periodic renovations. Three on site parking spots. Completely leased at the time of sale with annual income of \$43,200, yielding GRM of 138.88. Listed on local MLS for 132 days with an initial asking price of \$630,000.

2. LOCATION: 104 E. German St., Shepherdstown, WV  
 DATE OF SETTLEMENT: 02/01/22 RECORDATION: 1275/274  
 CONSIDERATION: \$535,000 or \$124.42/sq. ft.  
 SITE: 0.09 acres  
 ZONING: RC

DESCRIPTION: Mixed use commercial building located on E. German Street approximately one block from the subject property. The building was reportedly built in 1850 and measures 3,800 total sq. ft. above grade. Two story building with first floor retail and second floor 1 BR/1 Bath apartments (3) as well as a 1 BR/1 Bath cottage in rear. Completely rented at the time of sale with reported annual income of \$75,000, yielding a GRM of 85.56. Listed on local MLS for 50 days, initially at \$599,900 before being placed under contract.

3. LOCATION: 204-206 W Washington St., Charles Town, WV  
 DATE OF SETTLEMENT: 12/31/23 RECORDATION: 1275/274  
 CONSIDERATION: \$349,900 or \$56.03/sq. ft.  
 SITE: 0.1 acres



ZONING: HC

DESCRIPTION: Mixed use commercial building located on main street in downtown Charles Town. The building was reportedly built in 1900 and measures 6,245 total sq. ft. above grade. Three story building with first floor retail and second and third floor apartments (2) Completely rented at the time of sale with reported annual income of \$37,440, yielding a GRM of 112.2. Listed on local MLS for 17 days before being placed under contract.

4. LOCATION: 34 Jefferson Avenue, Charles Town, WV

DATE OF SETTLEMENT: 10/30/23 RECORDATION: 1312/376

CONSIDERATION: \$1,031,000 or \$82.48/sq. ft.

SITE: 0.8 acres

ZONING: Commercial

DESCRIPTION: Retail property located on Jefferson Avenue reportedly built in 1994. Steel pole building with brick front that reportedly measures 12,500 sq. ft. above grade on slab foundation. Single unit used for retail purposes leased to long term tenant for \$9,000/month at time of sale. GRM of 114.6. Listed on local MLS for 322 days, initially at \$1,250,000. Sale terms were cash.

GRM for local retail properties range from 5.00 to 15.00. Published capitalization rates for mixed use properties from RealtyRates.com for third quarter 2024 range from 87.6-226.8. Since the subject property is relatively larger scale and located in a growing, primary shopping area, it was deemed prudent to reconcile on the lower end of the range at 125.0.

Potential Gross Income

$\$15.00 \times 105,415 = \$1,581,225$

PGI	\$131,769
GRM	125.0
INCOME	\$16,471,125

<b>INCOME VALUE ROUNDED</b>	<b>\$16,471,000</b>
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## FINAL RECONCILIATION IN APPROACHES TO VALUE

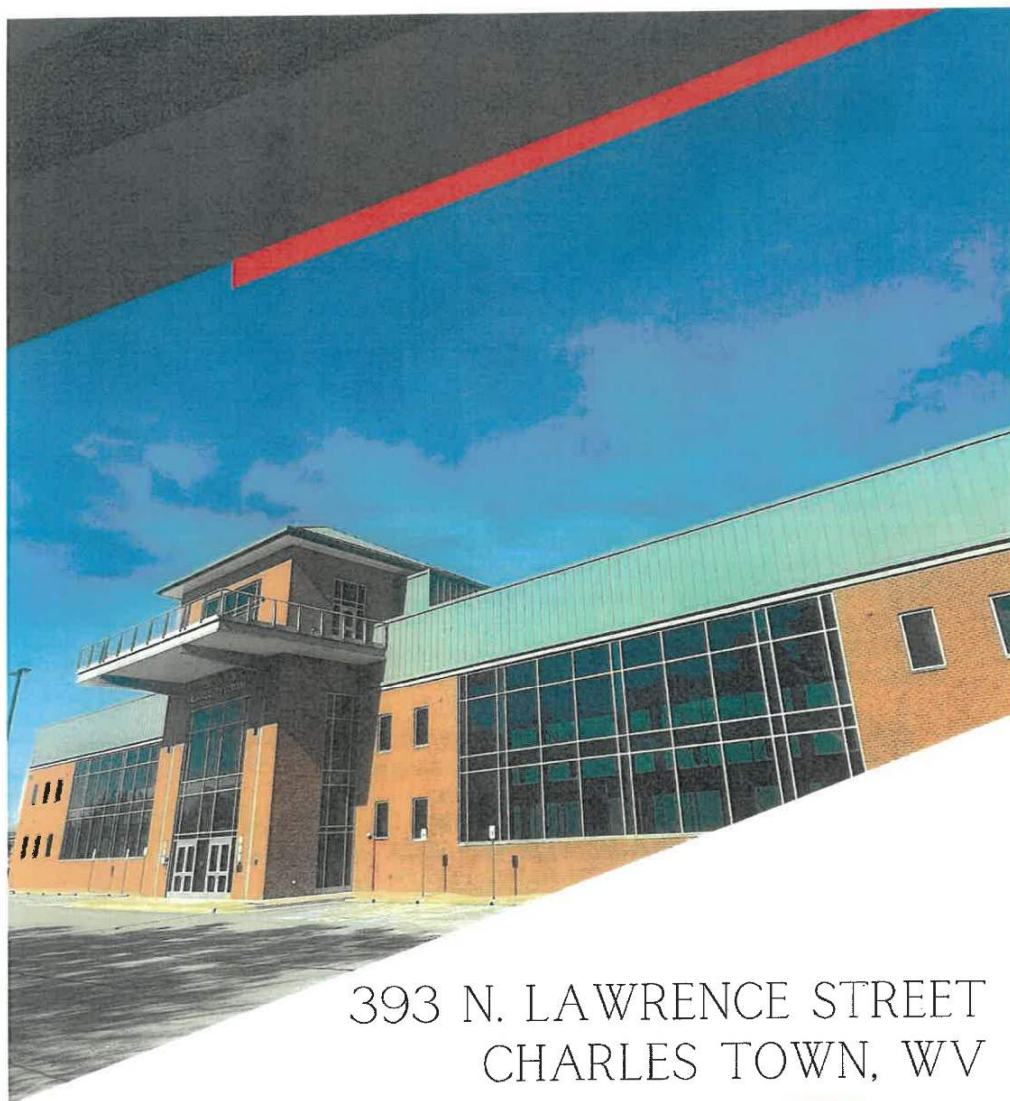
<b>SALES COMPARISON</b>	<b>\$17,012,000</b>
<b>COST APPROACH</b>	<b>N/A</b>
<b>INCOME APPROACH</b>	<b>\$16,471,000</b>

All three approaches to value have been considered. The cost approach was considered not appropriate due to the age of the improvements. Typically the sales comparison and income approaches are considered the most applicable for income producing properties. Due to the larger scale of the improvements and lack of availability of rental data of the same size, the sales comparison approach was given the most weighting. After considering the above data, analysis and weighting, it is our professional opinion that the market value for the subject AS IS, AS IF STABILIZED REAL ESTATE ONLY was:

**Seventeen Million Dollars**  
**(\$17,000,000)**

as of February 22, 2025, with an estimated marketing time of six to twelve months.

## **APPENDIX**



393 N. LAWRENCE STREET  
CHARLES TOWN, WV





# ENHANCING CONSTITUENT ACCESS, CUTTING COSTS, AND MODERNIZING OPERATIONS

For over a decade, Jefferson County officials have grappled with the challenges of balancing constituent access, space, aging buildings, and operational efficiency. The Commission has addressed these issues approving the purchase and sale agreement of 393 N. Lawrence Street as the future home of County operations under one, modern roof.

In our current buildings, with dozens of unsecured access points, the County has closed access to non-county staff.

The high energy costs of operating in aging, historic buildings have unduly used county resources - compounded by the burden of significantly deferred maintenance.

The need for a sustainable solution has become even more urgent with the pressing requirement to relocate the Tax Office to accommodate a new magistrate in the court building.

In response, the County's purchase of a new facility promises to address these long-standing concerns by streamlining and ensuring access, enhancing safety, significantly reducing operating costs, and modernizing operations to reduce operational and maintenance costs.



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Addressing the  
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Consideration  
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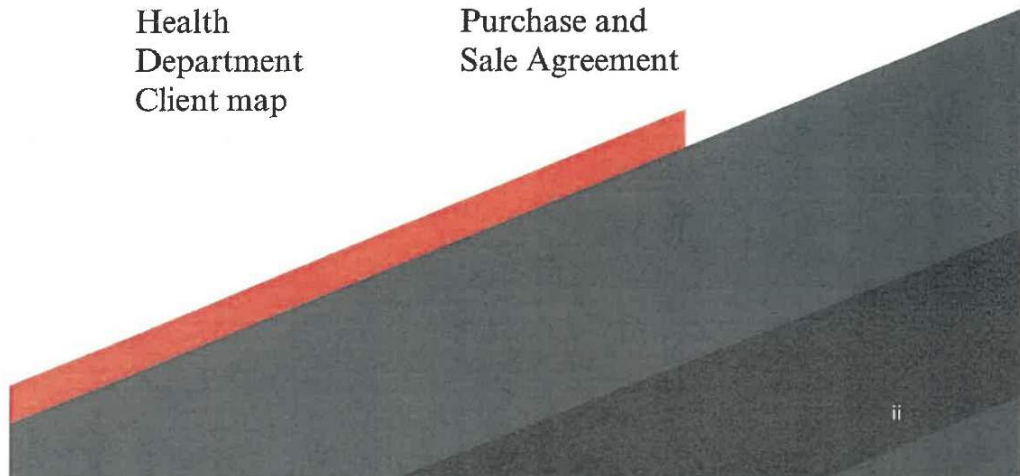
Draft Building  
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Health  
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Purchase and  
Sale Agreement



ii

# ADDRESSING THE CONCERNS

## 01 » SPACE

The new facility will address critical space limitations, providing adequate room for staff and services to better meet constituent needs. Current square footage- 70,000 / 91,600 future square footage.

## 03 » ACCESS

By consolidating entry points, the new building will enhance secure and efficient access for both staff and constituents. Current access points/ future access points.

## 02 » COST

The move will significantly reduce energy and repair costs associated with maintaining outdated and historic buildings. Estimated annual energy and operating costs savings- \$145,000.

## 04 » MODERNIZATION

The new facility will modernize county operations, fostering a more professional environment with updated infrastructure and technology to enhance efficiency and service delivery.

01

## CONCERN: SPACE

As the county has expanded in square footage over the years, it has done so without a strategic plan, resulting in a patchwork of scattered buildings poorly suited for county operations. For example, the Tax Office has been located in the court building, which created complications as the number of magistrates increased. The Commission was only able to secure a temporary approval while searching for a permanent solution to relocate the Tax Office.

Additionally, for decades, the Commission has relied on renting ad hoc meeting spaces. In 2024 alone, the Commission has had to open overflow meeting space or rent larger venues six times due to the current facility being too small to meet constituent access needs.

The capacity in the current Commission meeting room is under 100. The capacity of largest meeting room in the 393 building is over 300.



▲▲ +30%  
The 393 Building is 30% larger (square footage) than the current County Complex.

▲▲ +342%  
The current county commission meeting room is 1000 square feet. The 393 meeting room is 4425 square feet. Costly lease and rental space will be eliminated.

▲▲ +20%  
Increase of 875 sq feet of space for magistrate offices/ 20%.

02



## CONCERN: COST

The 393 building is a more cost-effective and space-efficient option for the County. The current buildings, totaling 70,000 square feet, face imminent expenses of approximately \$1,000,000 for major repairs and replacements to components like HVAC systems, roofs, and windows within the next five to ten years. Frequent “churn,” involving continuous office rearrangements and minor renovations to “band aid” space issues, leads to inefficient HVAC operations, costly utilities, frequent networking and electrical reconfigurations, and disruptions that lower productivity. The current facilities also have higher utility and operating costs, averaging \$0.79 per square foot per month, leading to an annual expense of \$663,600. The 393 building, despite being larger at 91,600 square feet, boasts a more efficient utility and operating cost of \$0.47 per square foot per month, totaling \$516,624 annually. The estimated annual energy and operating costs savings is \$145,000.

The 393 building is **LEED Certified Platinum**, the highest level in the globally recognized Leadership in Energy and Environmental Design (LEED) system, developed by the U.S. Green Building Council. Platinum certification reflects superior sustainability through energy and water efficiency, high indoor environmental quality, use of sustainable materials, and smart site development. This certification ensures reduced environmental impact, energy savings, and healthier indoor spaces that enhance occupant well-being.



-22%

The 393 building, although larger, has an annual cost savings of **\$145,000** for energy and operating costs



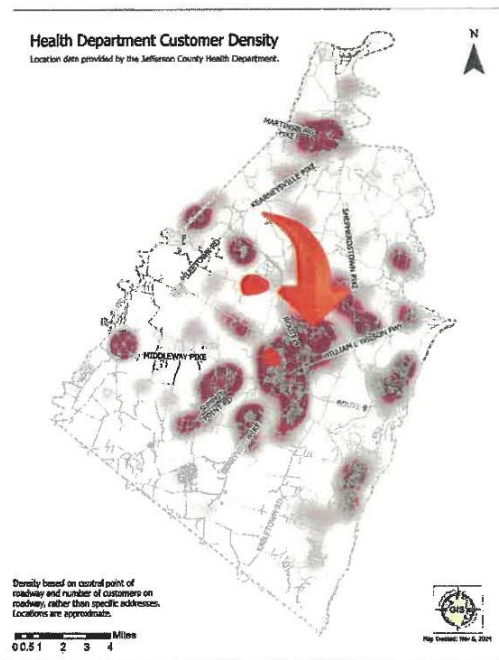
-\$1,000,000

Cost savings on deferred maintenance.

03

## CONCERN: ACCESS

Multiple entry points to county government and court buildings cause confusion, accessibility issues, security concerns, and inefficiencies in service delivery. Visitors often face navigational challenges due to scattered entrances, leading to frustration and difficulty completing transactions across dispersed offices, particularly for older adults and individuals with disabilities. Limited connectivity between departments exacerbates these challenges, requiring multiple trips between offices. Not all entry points are equipped with necessary accessibility features like ramps or automatic doors, restricting access for those with mobility issues. The Jefferson County Health Department's remote location and lack of public transportation further hinder access for disadvantaged individuals needing health services. Streamlining entry points and improving accessibility are crucial for enhancing public experience and equitable service access.



100%

Departments and elected accessible through one entry point.



+300%

Increase in residents able to attend in-person Commission meetings due to increased meeting space.



+226%

Increased parking to ensure access.

04

## CONCERN: MODERNIZATION

The 393 building stands out as a superior, modern facility compared to the current aging and historic county buildings. Unlike the older structures that face limitations due to outdated infrastructure and design constraints, the 393 building incorporates contemporary features that support efficient operations, flexibility, and adaptability. Its advanced HVAC systems, energy-efficient lighting, and modern building materials contribute to better environmental control, lower utility costs, and improved occupant comfort. Additionally, the 393 building's layout supports modern workspaces, allowing for seamless reconfigurations and future technological upgrades without the challenges posed by retrofitting historic buildings. This modernization ensures enhanced productivity, operational efficiency, and a more sustainable future for county services.



05

# CONSIDERATION OF OPTIONS- BUY VS. REBUILD

In the early phases of planning, consideration was given to building a new administrative complex between the Courthouse and the Hunter House on East Washington Street. The buildings between would be demolished to provide space for the new construction. Construction Costs for new construction of a mid-rise commercial building, range from \$330-\$870 per square foot. The mid-range of \$600 per square foot was used for this construction cost estimate.

The estimated new construction cost of a 90,000 square foot building would be \$54,000,000.

Other expenses to consider with new Construction:

During construction, county departments would need to be relocated. Unless there is another alternative, locally, temporary office trailers would need to be leased. This also presents a challenge in finding a suitable location to place the trailers.

At least ten doublewide trailers for one year with 2500 square feet of space each would be needed.



-69%



-4 YEARS



-2 YEARS

Purchasing 393 represents a 69% cost savings over reconstruction.

Reconstruction would put departments in upheaval for four years, significantly reducing departmental efficiency. In comparison, purchasing 393 offers a four-year savings over the costs and disruptions associated with reconstruction.

The Commission has received "temporary approval" from the WV Supreme Court. The Commission meets final approval 2 years early.



# REVIEW TIMELINE

PAGE 1 OF 6  
(1990- 2016)

2019- 2024



1990-2016

Expansion of the Charles Town campus begins.

- All buildings within the 100 block of East Washington Street are acquired and occupied by County departments.
- St. Margaret's Judicial Building opens.
- The Old County Jail was renovated for court and office space.
- The Sheriff's office relocates to Bardane.
- The Gray Building was acquired for the Prosecuting Attorney's office.
- Expansions are limited to those immediately necessary- no strategic planning for future needs.

2019

The County Commission identifies need for significant building improvements to meet code, access, and space needs. The Commission approves first space study to ascertain needs and understand options.

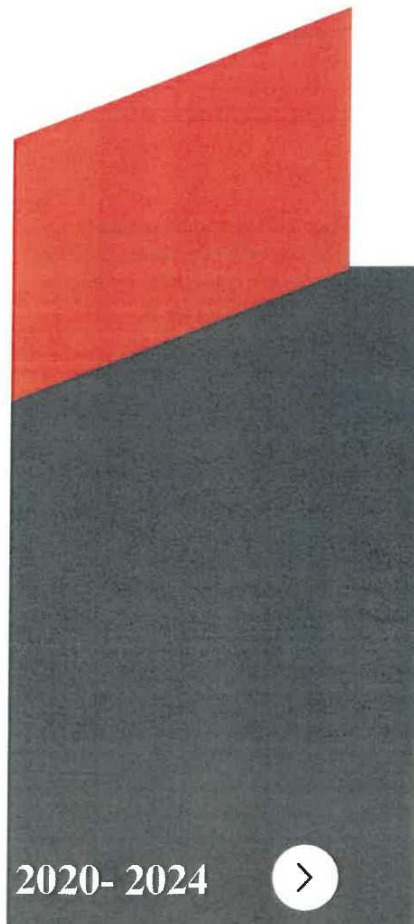
MAY 2019.

Planning began regarding a new County administrative building. A working group was formed, including the county administrator, county engineer, finance director, facilities director, and County Commission President. The proposed location was East Washington Street, between the Courthouse and the Hunter House.

07

# REVIEW TIMELINE

PAGE 2 OF 6  
(2019-2020)



## > AUGUST 2019

The County Commission approved releasing a Request for Qualifications (RFQ) to select professional architectural and engineering firms for a space feasibility study and design work for the new facility.

## > OCTOBER 2019

RFQs were received, evaluated, and shortlisted by the working group.

## > NOVEMBER 2019

Shortlisted professional architectural and engineering firms present their proposals to the working group.

## > DECEMBER 2019

Contract negotiations begin with professional architectural and engineering firms for a space feasibility study and design work for the new facility

## > 2020- 2024

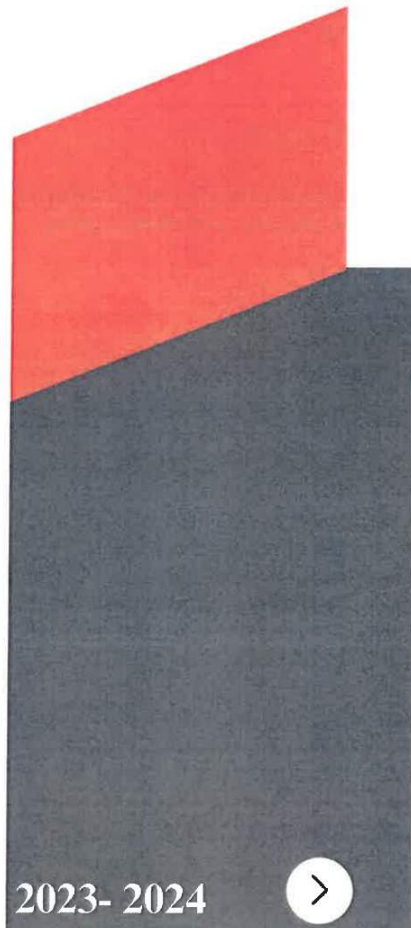
Space and building issues compound:

- Parking becomes progressively an issue including staff returning home because they are unable to park near the Charles Town campus.
- Constituents became increasingly upset about issues navigating the Charles Town campus and access to buildings and seating at Commission meetings.
- Staff often have to relocate because of sensitivity to mold or Sick Building Syndrome (SBS).

08

# REVIEW TIMELINE

PAGE 3 OF 6  
(2020-2023)



## JANUARY 2020

The County Commission approved the contract with ZMM Architects & Engineers.

## MARCH 2020

The plans to construct a new courthouse ended due to the COVID-19 pandemic.

## JUNE 2022

The Director of Fleet & Facilities Management (FFM) began discussions with magistrates regarding courtroom space needs, anticipating the addition of a fourth magistrate in Jefferson County.

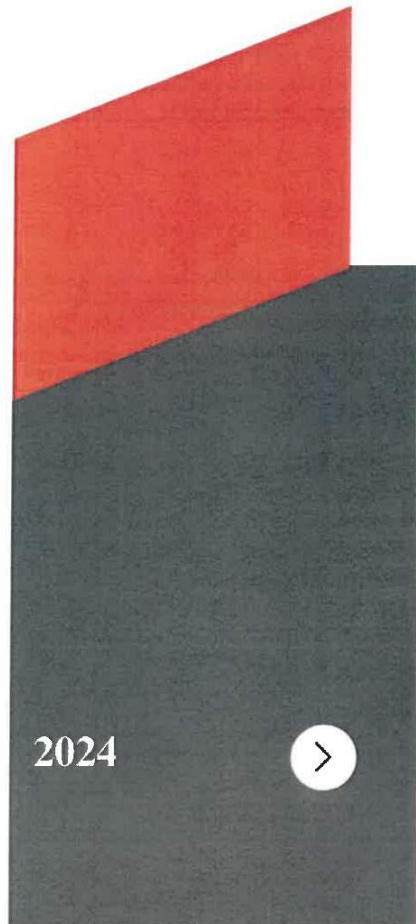
## JANUARY 2023

The West Virginia Supreme Court's administrative offices conducted a study to assess court space needs. Pending Supreme Court approval, a fourth magistrate would appear on the 2024 ballot.

09

# REVIEW TIMELINE

PAGE 4 OF 6  
(2023)



## MARCH 2023

The FFM Director revisited the 2020 contract with ZMM. ZMM agreed to honor the original contract pricing and amended the contract to explore the option of purchasing an existing building rather than constructing a new one. This was approved for the FY24 budget deliberations, set to begin in July 2023.

## APRIL 2023

Official approval was granted for a fourth magistrate in Jefferson County by the West Virginia Supreme Court. Office space would be needed for the new magistrate and assistant by January 2025.

## JULY 2023

A space feasibility study kick-off meeting took place between ZMM and county staff.

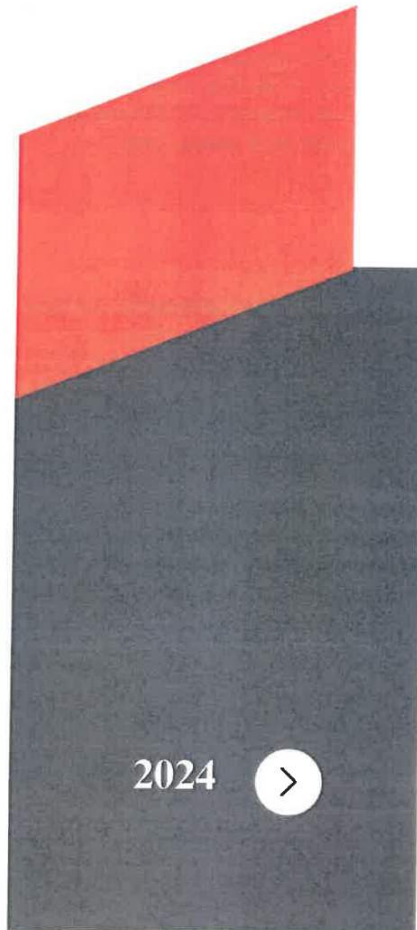
## SEPTEMBER 2023

County departments and elected officials were interviewed regarding their space needs at the Charles Town campus. Tours of downtown buildings and a potential space at 330 North George Street (330) were conducted.



# REVIEW TIMELINE

PAGE 5 OF 6  
(2024)



## FEBRUARY 2024

The architect submitted a block space plan for the 330 building. It was determined that this building did not meet current space needs or allow for future growth.



## MARCH 2024

Discussions continued with ZMM to reassess space issues, and temporary solutions for the fourth magistrate were explored in coordination with the WV Supreme Court and magistrates.



## APRIL 2024

County staff conducted a walkthrough and explored the option of purchasing a larger building at 393 North Lawrence Street (393).



## MAY 2024

Commission staff meet with representatives of Charles Town NOW and Charles Town staff regarding the future (generally) of the the Charles Town Commission campus.

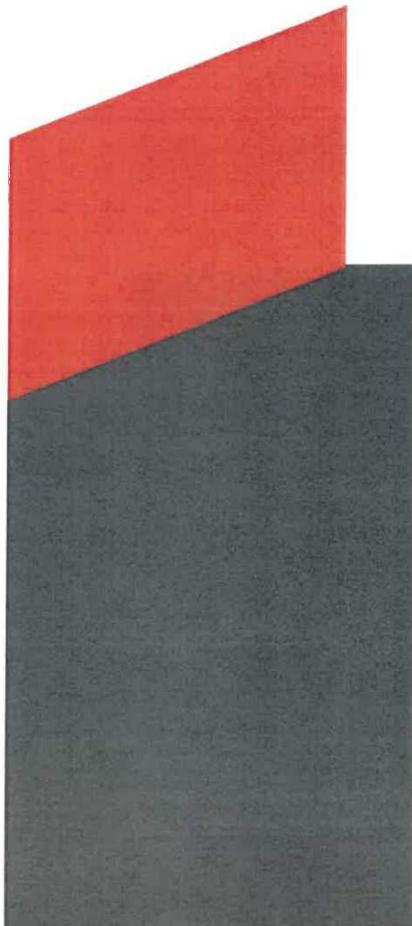


## JUNE 2024

The FFM Director presented the county's office building and space needs challenges to the County Commission at their June 27th meeting.

# REVIEW TIMELINE

PAGE 6 OF 6  
(2024)



## JULY 2024

Another walkthrough of the 393 building was conducted with ZMM.

## AUGUST 2024

ZMM provided a space block plan for the 393 building. The County Administrator and FFM Director met with elected officials, who approved minor revisions, agreeing that the plan met their space needs.

The County Commission reviewed the space block plan for the 393 building in executive session.

Minor renovations were completed at St. Margaret's Judicial Center to temporarily accommodate the fourth magistrate and assistant. The Supreme Court approves these renovations as temporary until non-court staff can be relocated.

## OCTOBER 2024

Additional walkthroughs of the 393 building were conducted by County staff.

## NOVEMBER 2024

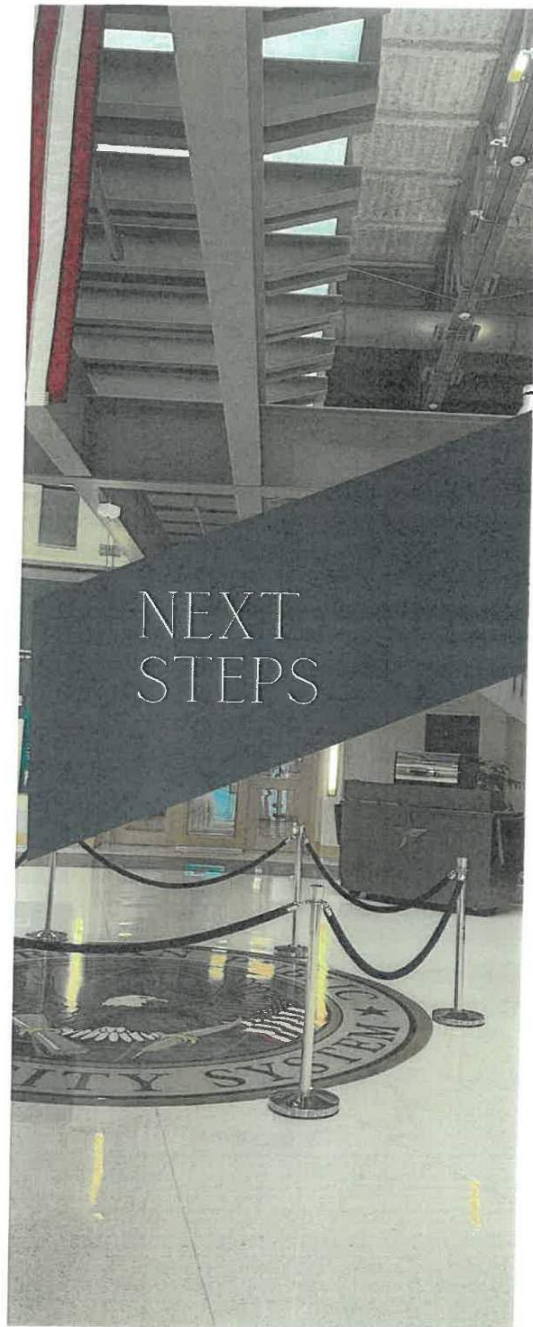
Building walkthrough to evaluate information technology infrastructure.

Walkthrough with elected officials who approved of the building and plans for their offices.

# OUR INVESTMENT

Building Purchase	Status	Total
Down payment	<u>Estimated</u>	\$10 million
Financing	<u>Estimated</u>	\$6.6 million
Agreed upon price	Final	\$16.6 million

Sources	Status	Annual	10 year
Amount saved for the future building (Capital Outlay)	Actual	Current: \$17,741,088	Current: \$17,741,088
Annual Repair Savings	<u>Estimated</u>	\$100,000	\$1,000,000
Annual Energy & Operational Savings	<u>Estimated</u>	\$146,976	\$1,469,760
Additional impact fees collected specially for the building repayment	<u>Estimated</u>	\$1,000,000	\$10,000,000



Signing the Purchase and Sale Agreement is just the initial step toward acquiring the new building. Now begins the critical due diligence period, during which the Commission has 120 days, until March 7th, to complete essential tasks such as securing financing, conducting ordinance reviews by the Building Commission, and performing thorough building and land inspections.

Should the purchase proceed, the next phase will involve finalizing build-out plans, relocating departments into the new facility, and collaborating with Charles Town to develop a comprehensive plan for the current Charles Town campus.

The Commission has already taken a proactive step by designating the Bardane campus as the strategic site for Jefferson County's first-of-its-kind Public Safety Center.

#### MAY 6, 2025

Possible closing on the building after due diligence

#### MAY 2025- JUNE 2026, EST.

Building build out and department move.

Commission works with Charles Town regarding strategic plans for previous campus.



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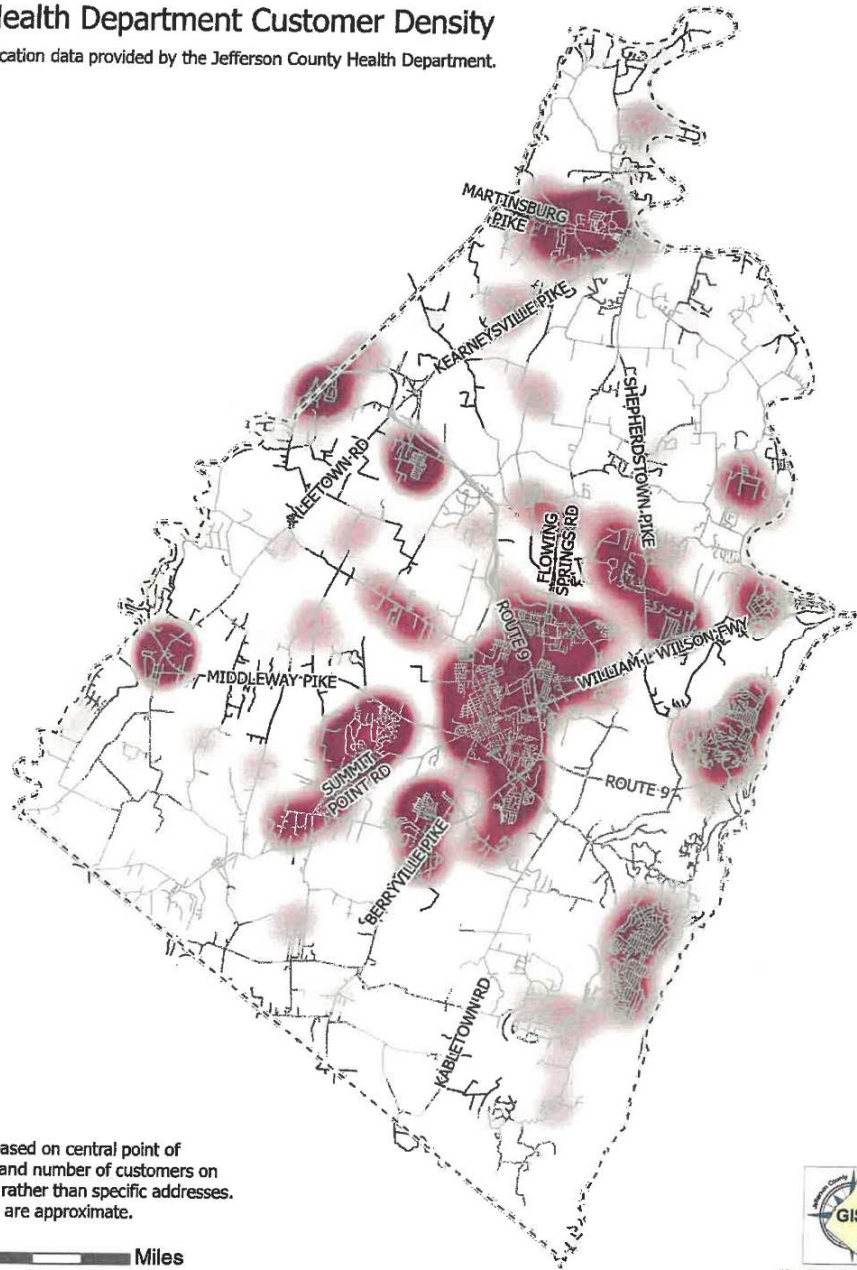
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# Health Department Customer Density

Location data provided by the Jefferson County Health Department.



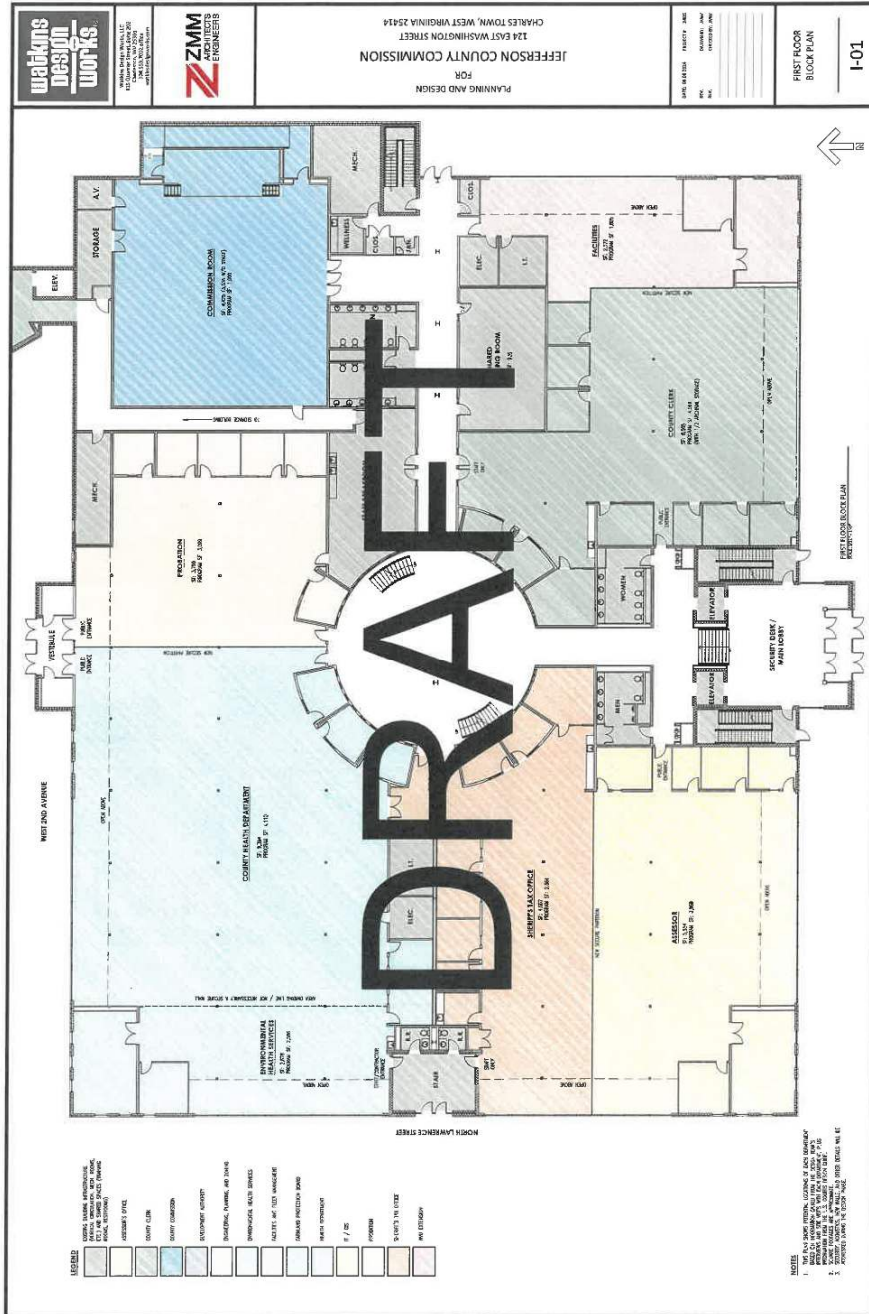
Density based on central point of roadway and number of customers on roadway, rather than specific addresses. Locations are approximate.

0 0.5 1 2 3 4 Miles



Map Created: Nov 6, 2024













Execution Counterpart

#### PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made as of November 7, 2024, by and between AMERICAN PUBLIC UNIVERSITY SYSTEM, INC., a West Virginia corporation ("Seller") and COUNTY COMMISSION OF JEFFERSON COUNTY, WEST VIRGINIA, a duly organized county under the applicable laws of the State of West Virginia ("Buyer").

#### RECITALS:

1. Seller owns certain improved real estate and related personal property in Charles Town, West Virginia, as more particularly described in this Agreement.
2. Seller desires to sell and Buyer desires to purchase the aforementioned property from Seller, subject to and in accordance with the terms and provisions of this Agreement.

#### AGREEMENT:

In consideration of the mutual agreements and undertakings this Agreement describes, Seller and Buyer acknowledge and agree as follows:

1. **Sale of Subject Property.** Seller will sell to Buyer, and Buyer will purchase from Seller, all of the following property (collectively, "Subject Property"):

1.1 **Real Property.** Fee simple interest in and to that certain parcel of real estate that is commonly known as 393 North Lawrence Street, Charles Town, West Virginia and is legally described in Exhibit A attached hereto and made a part hereof ("Land"), together with the following:

1.1.1 **Building and Improvements.** All building structures, improvements and fixtures located on the Land ("Improvements"), which Improvements include, without limitation, an office building that contains approximately 105,000 square feet ("Building") and that certain solar power array that provides power to the Building, including, without limitation, any solar panels, cabling and wiring, transformers, batteries and other equipment that are part of the solar power system for the Building associated with that solar array (collectively, "Solar Array").

1.1.2 **Appurtenant Rights.** all rights, privileges, servitudes, appurtenances thereunto and easements belonging or appertaining (collectively, "Appurtenant Rights" and collectively with the Land and the Improvements, the "Real Property").

1.2 **Personal Property.** All of the equipment and personal property owned by Seller located at or installed on the Real Property and used solely in the operation of the Real Property, (but specifically excluding equipment or personal property described on Exhibit D hereto) to the extent the same are assignable (collectively, "Personal Property").

1.3 **Permits.** Seller's interest in and to the licenses, permits, and certificates of occupancy associated with the ownership and operation of the Real Property, including, without limitation the Solar Array, to the extent the same are assignable without cost to Seller ("Permits").

2. **Closing.**

2.1 **Closing.** The closing of the purchase and sale of the Subject Property ("**Closing**") will occur on the sixtieth (60<sup>th</sup>) day after the Contingency Date (defined below) or on such other earlier or later date as Buyer and Seller may agree in writing (the "**Closing Date**") unless this Agreement is earlier terminated as provided herein.

3. **Purchase Price.** Buyer will pay to Seller, as consideration for the purchase of the Subject Property, the sum ("**Purchase Price**") of SIXTEEN MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS (\$16,600,000.00) as the same may be adjusted as provided below. The Purchase Price will be payable as follows:

3.1 **Earnest Money.** Within five (5) Business Days (defined below) after the date of execution and delivery of this Agreement by both Buyer and Seller ("**Effective Date**"), Buyer will deposit in the form of cash (by wire transfer) the sum of Three Hundred Forty-Five Thousand and No/100 Dollars (\$345,000.00) (the "**Earnest Money**") with Conrad Luttrell, LLP ("**Escrow Agent**").

3.2 **Purchase Price.** At the Closing, the Purchase Price, plus or minus prorations and other adjustments, if any, will be paid by Buyer into the Escrow Agent's escrow account by wire transfer of immediately available funds and be paid to Seller upon the Closing.

4. **Escrow Provisions Regarding Earnest Money.**

4.1 Escrow Agent will hold the Earnest Money and make delivery of the Earnest Money solely to the party entitled thereto under the terms of this Agreement. Escrow Agent will deposit the Earnest Money in a segregated client funds account at an FDIC insured financial institution.

4.2 Escrow Agent will hold the Earnest Money until the earlier occurrence of (a) the Closing Date, at which time the Earnest Money will be applied against the Purchase Price and payment of expenses hereunder, or (b) the date on which Escrow Agent will be authorized to disburse the Earnest Money as set forth in Section 4.3 below, or (c) Buyer's termination of the Agreement on or before the Contingency Date as provided in Section 5.7, at which time the Earnest Money will be disbursed in accordance with the terms thereof.

4.3 If the Earnest Money has not been released earlier in accordance with Section 4.2 above, and either party makes a written demand upon Escrow Agent for payment of the Earnest Money or any portion thereof, Escrow Agent will give written notice to the other party of such demand. Escrow Agent will continue to hold such amount until otherwise directed by written instructions from both parties to this Agreement or a final judgment or arbitrator's decision. If both parties cannot agree on the disposition of the Earnest Money after such written demand, Escrow Agent will have the right at any time to deposit or interplead the Earnest Money with a court of competent jurisdiction in the state in which the Real Property is located. Escrow Agent will give written notice of such deposit to Seller and Buyer. Upon such deposit, Escrow Agent will be relieved and discharged of all further obligations and responsibilities hereunder.

4.4 The parties will deliver to Escrow Agent an executed copy of this Agreement, which will constitute the sole instructions to Escrow Agent. Escrow Agent will execute the signature page for Escrow Agent attached hereto with respect to the provisions of this Section;



provided, however, that (a) Escrow Agent's signature hereon will not be a prerequisite to the binding nature of this Agreement on Buyer and Seller, and this Agreement will become fully effective upon execution by Buyer and Seller, and (b) the signature of Escrow Agent will not be necessary to amend any provision of this Agreement other than this Section. The provisions of this Section will survive termination of this Agreement.

5. **Inspections; Due Diligence; Buyer Termination Rights.**

5.1 **Title and Title Documents.** Within one hundred twenty (120) days after the Effective Date, Buyer will obtain (and deliver a copy thereof to Seller) a standard form commitment for title insurance ("**Commitment**") for the Real Property in an amount equal to the Purchase Price from a title insurance company selected by Buyer in its sole discretion (the "**Title Company**") for an owner's title insurance policy ("**Title Policy**") on the most recent standard American Land Title Association form, together with copies of all recorded instruments identified as exceptions therein (together with the Commitment, referred to herein as the "**Title Documents**").

5.2 **Survey.** Within one hundred twenty (120) days after the Effective Date, Buyer may obtain, at Buyer's sole cost and expense, a current ALTA survey of the Real Property (the "**Survey**") made by a reputable registered surveyor of its choosing. A counterpart of the Survey will be delivered by Buyer to Seller prior to the Title Notice Date (defined below).

5.3 **Title Objection and Response Process.** If the Survey discloses survey defects or if the Commitment shows exceptions or other obligations that are not acceptable to Buyer (collectively, the "**Unpermitted Encumbrances**"), then Buyer will notify Seller, in writing, not less than fifteen (15) Business Days before the Contingency Date (the "**Title Notice Date**"), specifying the Unpermitted Encumbrances. Any encumbrances shown on the Commitment or the Survey to which Buyer has not objected on or prior to the Title Notice Date will be deemed "**Permitted Encumbrances**" from and after the Title Notice Date. Seller will respond to Buyer, in writing within five (5) Business Days after delivery of Buyer's title objection notice stating which, if any, of the Unpermitted Encumbrances described therein that Seller intends to cure on or before the Closing and the manner in which Seller intends to effect any such cure. Seller's failure to timely deliver such a response will be deemed to be Seller's election not to cure any such Unpermitted Encumbrances. Notwithstanding anything herein to the contrary, (a) all mortgages, deeds of trust, deeds to secure debt, assignments of leases and rents, security agreements, financing statements, other financing-related liens and tax liens on the Subject Property (other than the lien of real property taxes not yet due and payable) created by the acts of Seller, will conclusively be deemed to be Unpermitted Encumbrances and will be removed (or insured over in a manner reasonably acceptable to Buyer) at or prior to the Closing (such obligation of Seller to cause the removal or insuring over of such items is herein called "**Seller's Mandatory Cure Obligation**"), and (b) except for Seller's Mandatory Cure Obligation and to the extent otherwise agreed by Seller in writing, Seller will have no obligation to correct, cure or remove any Unpermitted Encumbrances. Buyer will determine, on or prior to the Contingency Date, whether Buyer is satisfied with the status of title. If Buyer is not satisfied with the status of title in Buyer's sole discretion, Buyer may terminate this Agreement by written notice to Seller delivered on or before the Contingency Date. If Seller has not expressly agreed in writing that Seller will remove (or cause the Title Company to endorse over in a manner reasonably acceptable to Buyer) any encumbrances to which Buyer has objected, as provided above, and Buyer has not otherwise terminated this Agreement as permitted above in this Section, such encumbrances (other than Seller's Mandatory Cure Obligation and other Unpermitted Encumbrances Seller has agreed, in writing, to cause to be removed or insured over) will be deemed "Permitted Encumbrances" (and will no longer be Unpermitted Encumbrances).

from and after the Contingency Date. In the event of any termination of this Agreement by Buyer under this Section 5.3, all of the Earnest Money will be returned to Buyer.

**5.4 Due Diligence Materials.** Within five (5) Business Days after the Effective Date Seller will provide Buyer with copies of the due diligence materials listed on Schedule 1 attached hereto ("**Due Diligence Materials**"). Seller will have no obligation to deliver additional materials beyond the items listed on Schedule 1. Notwithstanding anything in this Section 5.4 to the contrary, Seller will provide Buyer all of the reports and inspections that, to Seller's knowledge (defined below) are within Seller's possession and control regarding the existence of Hazardous Materials at the Subject Property. In addition, if Seller has knowledge of other reports and inspections regarding the existence of Hazardous Materials at the Subject Property that are not within Seller's possession or control, Seller will request that the possessor of those reports and inspections release same to Buyer and will provide Buyer with copies of any such requests.

**5.5 Inspections.** Upon not less than two (2) Business Days' prior written notice to Seller (but subject to this Section 5.5), beginning on the Effective Date and, if this Agreement is not otherwise terminated by Buyer, through the Closing Date, Seller will allow Buyer and its employees, agents, contractors and representatives access, during normal business hours, to access the Real Property, without charge, for the purpose of making such inspections, tests, studies and investigations with respect to the Subject Property as Buyer reasonably deems necessary in connection with Buyer's purchase of the Subject Property (collectively, "**Inspections**"); provided, however, that Buyer will not be entitled to conduct any invasive engineering, soils, environmental or other Inspections with respect to the Subject Property (collectively, "**Invasive Tests**") without Seller's prior written consent, which will not be unreasonably withheld, conditioned or delayed. Seller agrees to respond to Buyer's request for consent to an Invasive Test within five (5) Business Days after delivery to Seller of a written request for such consent accompanied by a reasonably detailed scope of work describing, in part, the number and location of any such tests and the substances being tested for. Seller's failure to timely respond to such a request as provided above will not be a default by Seller under this Agreement but will be deemed to be Seller's approval of the applicable request. Buyer will keep the results of all Inspections confidential, except as the same may be disclosed to Seller or Seller's representatives hereunder or to Buyer's employees, agents, attorneys, accountants, architects and engineers and potential lenders who have a need to know such information (collectively, "**Recipients**") or as disclosure of the same may be mandated by applicable law (but Buyer will give prompt written notice to Seller of any such legally-mandated disclosure). Buyer will cause the Recipients to also keep that information confidential in accordance with the requirements of this Agreement. Buyer will be solely responsible for, and will promptly pay, all costs and expenses of the Inspections, and will indemnify, defend and hold harmless Seller, and its officers, directors, shareholders, members, managers, employees, contractors and agents, and the Subject Property, from and against any and all loss, cost, damage, lien, liability, settlement, cause of action or threat thereof, or expense (including, without limitation, reasonable attorneys' fees and costs) arising from or relating to the following matters pertaining to the activities of Buyer or Buyer's employees, agents, contractors and representatives at the Subject Property under this Section 5.5 (a) third party claims for death, personal injury or property damage, (b) mechanics' or materialmen's liens, (c) violations of applicable law, and (d) Buyer's failure to restore damage to the Subject Property as required under this Section 5.5. Prior to any entry onto the Subject Property, Buyer will provide to Seller a certificate of insurance showing that Buyer (or the contractor or consultant entering the Subject Property on behalf of Buyer) maintains in full force and effect, a policy of commercial general liability insurance (1) covering its activities (including, without limitation, the activities of its employees, independent contractors and agents) in connection with the Inspections; (2) in an amount of not less than Two Million and 00/100ths Dollars (\$2,000,000.00) combined single limit per occurrence from a company of recognized

responsibility, authorized to do business in West Virginia with a financial rating of at least a Class A- status, as rated in the most recent edition of Best's Insurance Reports; and (3) naming Seller as an additional insured. Such insurance will insure against any and all claims for bodily injury, including, without limitation, death resulting therefrom, and damage to or destruction of property arising from the Inspections performed by Buyer, by any of its contractors or subcontractors, or by any other person so authorized by Buyer. Buyer will promptly repair and restore any damage to the Subject Property attributable to the conduct of the Inspections, and will promptly return the Subject Property to substantially the same condition as existed prior to the conduct of the Inspections. All Inspections will be conducted in such a manner so as to minimize interference with the operation of the Subject Property and Seller's activities thereon. At Seller's sole option, any such Inspections will be performed in the presence of a representative of Seller. Should Seller require the presence of a representative at any Inspections, Seller agrees to make the representative available upon three (3) Business Day's advance written notice or waive the requirement of a representative at the Inspection so as not to materially delay Buyer. Upon Seller's written request, Buyer will promptly deliver to Seller copies of the written results of all Inspections. Anything in this Agreement to the contrary notwithstanding, (a) the confidentiality and restoration obligations of Buyer under this Section 5.5 will survive any termination of this Agreement and (b) the indemnification obligations of Buyer under this Section 5.5 will survive Closing and any termination of this Agreement for a period of two (2) years; provided; however, if a claim for indemnification is delivered to Buyer on behalf of Seller during that two (2) year period, then Buyer's indemnification obligations under this Section 5.5 will continue until that claim has been resolved and Buyer's obligations with respect thereto fulfilled.

**5.6 Contingency Date.** The Contingency Date will be 5:00 p.m., Eastern Standard Time, on the date that is one hundred twenty (120) days after the Effective Date (the "**Contingency Date**"). If a Contingency Date does not fall on a business day, then that Contingency Date will be the next Business Day thereafter.

**5.7 Buyer's Right to Terminate Before Contingency Date.** Anything in this Agreement to the contrary notwithstanding, Buyer may, in its sole and absolute discretion, and for any reason or reasons or for no reason whatsoever, terminate this Agreement by delivering written notice of such termination to Seller at any time on or before the Contingency Date. In the event of any termination under this Section 5.7 on or before the Contingency Date, all of the Earnest Money and all of the interest accrued thereon will be promptly paid to Buyer. Upon any such termination, neither party will have any further rights or obligations under this Agreement (other than Buyer's obligations under Sections 4.4, 5.5, 7.4, 15, 16, 25, 26, 28, 33, 34, 35, 36 and 37 that specifically survive any such termination and Seller's obligations under Sections 4.4, 7.4, 15, 16, 25, 26, 28, 33, 35 and 37 that specifically survive any such termination (collectively, "**Surviving Obligations**"), which obligations will survive any such termination). If Seller does not timely receive written notice of termination from Buyer under this Section 5.7, Buyer will be deemed to have waived its right to terminate this Agreement under this Section 5.7.

**6. Covenants by Seller.** Seller covenants and agrees with Buyer that from the Effective Date until the Closing Date, Seller will conduct its business involving the Subject Property as follows, and during such period will (except as specifically provided to the contrary herein):

**6.1 Conveyances; Easements.** Refrain from conveying the Subject Property or creating on the Real Property, as applicable, any easements affecting the Real Property, without Buyer's prior written consent, which consent will not be unreasonably withheld conditioned or delayed.

6.2 **Contracts.** Refrain from entering into or amending any contracts or other agreements that would bind the Subject Property after Closing without the prior written consent of Buyer, which consent will not be unreasonably withheld, conditioned or delayed.

6.3 **Operation of Subject Property.** Operate, maintain, repair and insure the Subject Property in a manner consistent with the existing operation, maintenance, repair and insurance of the Subject Property.

7. **Representations and Warranties.**

7.1 **By Seller.** For purposes of this Section 5.1, "Seller's Knowledge" or words of similar import means the actual knowledge of Richard Sunderland, as Executive Vice President, Chief Financial Officer of Seller, Thomas Beckett, as Vice President and General Counsel of Seller or Christopher Lowe, as Vice President of Real Estate of Seller, without any duty of inquiry or investigation. Seller represents and warrants to Buyer that the foregoing individuals (together with their respective successors) are the employees of Seller with the primary responsibility for making decisions regarding the Subject Property. Seller represents and warrants to Buyer that:

7.1.1 **Authority.** (a) Seller is a corporation duly organized and validly existing and in good standing under the laws of the State of West Virginia; (b) Seller has the requisite power and authority to execute this Agreement, Seller's Closing Documents (as described in Section 9.1) and the Joint Closing Documents (as described in Section 9.3) (collectively, "Seller Documents") and to perform its obligations under the Seller Documents; (c) the person executing the Seller Documents on Seller's behalf has the requisite power and authority to do so; and (d) Seller's execution and delivery of, and performance of its obligations under the Seller Documents will not conflict with or violate any of Seller's organizational documents, any agreement to which Seller is a party or any judgment, order or decree of any court or arbiter to which Seller is a party.

7.1.2 **Hazardous Materials.**

7.1.2.1 **Definitions.** For purposes of this Agreement, (a) "Hazardous Materials" means any of the following, in any amount: (i) any petroleum or petroleum product, asbestos in any form, urea formaldehyde and polychlorinated biphenyls; (ii) any radioactive substance; (iii) any toxic, infectious, reactive, corrosive, ignitable or flammable chemical or chemical compound; and (iv) any chemical, material or substance, whether solid, liquid or gas, defined as or included in the definitions of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," or words of similar import in any existing federal, state or local statute, law, ordinance or regulation, as the same may be interpreted by government offices and agencies, and (b) "Hazardous Materials Laws" means any existing federal, state or local statutes, laws, ordinances, or regulations that control, classify, regulate, list or define Hazardous Materials or require remediation of Hazardous Materials contamination.

7.1.2.2 **Representations and Warranties.** To Seller's Knowledge, except as may have been disclosed in writing to Buyer and except as shown in the environmental report(s) listed on Schedule 1 attached hereto (the "Reports"), (a) Seller has not used or permitted the Real Property to be used, and the Real Property has not been, during Seller's period of ownership, used for generating, transporting,

treating, storing, manufacturing, emitting or disposing any reportable quantities of Hazardous Materials, except as permitted by Hazardous Materials Laws; (b) Seller has not received written notice during its period of ownership of any investigation of or report from or by any governmental authority, respecting the Real Property with respect to any actual or alleged violations of Hazardous Materials Laws; (c) during Seller's period of ownership, there have not been any actions, suits, or proceedings or settlements related to the presence of Hazardous Materials on the Real Property; and (d) to Seller's Knowledge except as shown on the Reports, the Real Property has not been used for generating, transporting, treating, storing, manufacturing, emitting or disposing any reportable quantities of Hazardous Materials in violation of Hazardous Materials Laws.

Notwithstanding anything in this Section 7.1.2 to the contrary, Seller has advised Buyer that to Seller's Knowledge and as more particularly described in the Due Diligence Documents, prior to Seller's period of ownership, the Real Property was subject to releases of Hazardous Materials.

**7.1.3 Proceedings.** To Seller's Knowledge, there is no action, litigation, condemnation or any legal proceeding of any kind pending or threatened, against the Real Property, or Seller in connection with the Real Property that would affect the value of the Real Property or the Seller's ability to perform its obligations under this Agreement.

**7.1.4 Condemnation.** Seller has not received any written notice of any pending, and to Seller's knowledge there are no contemplated, condemnation proceedings affecting all or any part of the Real Property

**7.1.5 FIRPTA.** Seller is not a "foreign person," "foreign partnership," "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.

**7.1.6 Leases.** There are no parties in possession of any portion of the Real Property pursuant to lease agreements.

**7.1.7 Blocked Persons.** Seller has not received written notice that Seller is:

(i) listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 Sept. 25, 2001 (the "Order") and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable orders (such lists are collectively referred to as the "Lists");

(ii) a person who has been determined by competent authority to be subject to the prohibitions contained in the Order;

(iii) owned or controlled by, and does not act for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Order.

**7.2 By Buyer.** Buyer represents and warrants to Seller that:



7.2.1 **Authority.** (a) Buyer is a county duly organized and validly existing and in good standing under the laws of the State of West Virginia; (b) Buyer has the requisite power and authority to execute this Agreement, Buyer's Closing Documents (as described in Section 8.2) and the Joint Closing Documents (as described in Section 8.3) (collectively, "Buyer Documents") and to perform its obligations under the Buyer Documents; (c) the person executing the Buyer Documents on Buyer's behalf has the requisite power and authority to do so; and (d) Buyer's execution, delivery and performance of its obligations under the Buyer Documents will not conflict with or violate any of Buyer's organizational documents, any agreement to which Buyer is a party or any judgment, order or decree of any court or arbiter to which Buyer is a party.

7.2.2 **Blocked Persons.** Buyer has not received written notice that Buyer is:

(i) listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 Sept. 25, 2001 (the "Order") and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable orders (such lists are collectively referred to as the "Lists");

(ii) a person who has been determined by competent authority to be subject to the prohibitions contained in the Order;

(iii) owned or controlled by, and does not act for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Order.

7.3 **Representation and Warranty Becoming Untrue.** Seller's representations and warranties under Section 7.1 and Buyer's representations and warranties under Section 7.2 will each be true and correct in all material respects as of the Effective Date and the Closing Date with respect to the Real Property. In the event that, between the Effective Date and the Closing Date, Seller becomes aware that any of the representations and warranties of Seller in Section 7.1 is no longer true and correct in any material respect, Seller will promptly notify Buyer thereof in writing. Within thirty (30) days after Seller's delivery of such initial written notice (such thirty (30)-day period being sometimes herein called the "Warranty Cure Period"), Seller will notify Buyer further in writing that either (i) Seller will not cure such then-incorrect representations and warranties, or (ii) Seller will use reasonable efforts (but without being required to expend any funds) to cure any such then-incorrect representations and warranties, and, in the event Seller so elects to try to cure, the Closing will be delayed in accordance with this Section 5.3 while Seller undertakes such efforts. If Seller notifies Buyer that Seller will not attempt to cure or if, after using such reasonable efforts, Seller cannot effect such cure on or before the expiration of the Warranty Cure Period, Buyer will, within ten (10) Business Days following the earlier of the delivery of Seller's notice that Seller will not cure or the expiration of the Warranty Cure Period, elect either (i) to terminate this Agreement (other than the Surviving Obligations which will survive any such termination), or (ii) to waive any such incorrect representations and warranties of Seller and to proceed hereunder. Failure of Buyer to notify Seller within the aforesaid ten (10)-Business Day period will constitute Buyer's irrevocable election to waive any such incorrect representations and warranties of Seller and proceed under clause (ii) of the immediately preceding sentence. If Buyer terminates this Agreement as provided in clause (i) above, the Earnest Money will be promptly returned to Buyer. Notwithstanding the foregoing, if the date by which Buyer must either terminate

this Agreement or waive an incorrect representation or warranty, as provided above is after the scheduled Closing Date, then the Closing Date will be extended to a date that is two (2) Business Days after the date that Buyer must make such election.

**7.4 Survival/Liability Limitations.** Seller's and Buyer's representations and warranties in Section 7 of this Agreement survive the Closing for one (1) year unless Buyer or Seller delivers to the other a notice of misrepresentation or breach of warranty within such one (1) year period (in which event any claim that is the subject of the notice survives until such time as the claim is finally resolved). Seller's total liability in connection with any breach or breaches of its representations and warranties in this Agreement or the Seller Documents will be limited to the aggregate amount of \$750,000.00. Seller is not liable to Buyer with respect to the breach by Seller of any particular representation or warranty in this Agreement if, prior to the Closing, Buyer obtains knowledge of a fact or circumstance, the existence of which would constitute a breach of such Seller's representation or warranty under this Agreement and Buyer does not terminate this Agreement under Section 7.3. For purposes of this Agreement, Buyer is deemed to have knowledge of all facts and circumstances described in any document Buyer received in connection with the due diligence described in Section 5 of this Agreement, and the warranties and representations herein contained will be deemed modified to the extent any document delivered to Buyer is inconsistent with the matters covered herein.

**8. Closing.**

**8.1 Closing Date.** The Closing will occur on or prior to the Closing Date at the office of, or by mail through escrow with, the Escrow Agent or at such other time and place as the parties may mutually agree in writing.

**8.2 Buyer's Closing Conditions Precedent.** Buyer's obligation to consummate the transaction contemplated by this Agreement will be subject to satisfaction or waiver in writing of each of the following conditions ("**Buyer's Closing Conditions Precedent**") in connection with the Subject Property; provided, however that Buyer will have the unilateral right to waive any Buyer's Closing Conditions Precedent, in whole or in part, by written notice to Seller:

- (i) The representations in Section 7.1 of Seller hereof will be, in all material respects, true and complete.
- (ii) Seller will have performed all of the obligations required to be performed by Seller under this Agreement, as and when required by this Agreement, in all material respects, subject to the notice and cure in Section 11.1.

**8.3 Seller's Conditions Precedent.** Seller's obligation to consummate the transaction contemplated by this Agreement will be subject to satisfaction or waiver in writing of each of the following conditions ("**Seller's Closing Conditions Precedent**") in connection with the Subject Property but Seller will have the unilateral right to waive, in whole or in part, any Seller's Closing Conditions Precedent by written notice to Buyer:

- (i) The representations in Section 7.2 of Buyer hereof will be, in all material respects, true and complete.
- (ii) Buyer will have performed all of the obligations required to be performed by Buyer under this Agreement, as and when required by this Agreement, in all material respects, subject to the notice and cure in Section 11.2.

(iii) The Deed (defined below) will convey the Real Property to Buyer free and clear of all encumbrances other than the Permitted Encumbrances.

If Buyer's Closing Conditions Precedent or Seller's Closing Conditions Precedent, as the case may be, have not been satisfied or waived as of the scheduled Closing Date and provided the failure to satisfy or waive any such condition is not attributable to a breach or default of this Agreement by Seller or Buyer, as the case may be, Buyer or Seller, as the case may be, will have the right to terminate this Agreement by written notice to the other delivered on or before the scheduled Closing Date. Upon delivery of such notice, this Agreement will terminate (other than the Surviving Obligations, which obligations will survive any such termination); provided, however, upon such termination both Buyer and Seller will execute a document evidencing such termination. Upon such termination for a Buyer's Closing Condition Precedent, the Earnest Money will be promptly returned to Buyer. Upon such termination for a Seller's Closing Condition Precedent, the Earnest Money will be promptly paid to Seller. Upon any such termination, neither party will have any further rights or obligations (other than the Surviving Obligations which will survive any such termination) regarding this Agreement or the Subject Property.

9. **Closing Deliveries.**

9.1 **Seller's Closing Documents.** At Closing, Seller will deliver:

9.1.1 **Deed.** A Special Warranty Deed ("Deed"), in the form attached as **Exhibit B** hereto, conveying the Real Property to Buyer free and clear of all encumbrances other than Permitted Encumbrances.

9.1.2 **Bill of Sale.** A Bill of Sale, in commercially reasonable form substantially similar to that attached hereto as **Exhibit D**, transferring the Personal Property (including, without limitation, the Solar Array) and any Off-Site Property (defined below) to Buyer.

9.1.3 **Authorization Documents.** Evidence reasonably satisfactory to the Title Company that Seller is duly authorized and has full power and authority to convey title to the Subject Property to Buyer in the conditions required by this Agreement and to perform and consummate the obligations of Seller described herein.

9.1.4 **FIRPTA Certificate.** A certificate containing the information required by Section 1445 (b) (2) of the Internal Revenue Code and its corresponding regulations.

9.1.5 **Title Documents.** An owner's affidavit in substantially the form attached hereto as **Exhibit C** together with such other documents as may be reasonably required by Title Company and otherwise approved by Seller in writing prior to the Contingency Date.

9.1.6 **Miscellaneous.** Such other documents reasonably required to consummate the transaction this Agreement contemplates, in form reasonably acceptable to Seller and Buyer.

9.2 **Buyer's Closing Documents.**

9.2.1 **Purchase Price.** The balance of the Purchase Price (*i.e.*, after taking into account applicable credits for the Earnest Money), plus or minus prorations, by wire transfer or otherwise in immediately available funds.

9.2.2 **Authorization Documents.** Evidence satisfactory to the Title Company that Buyer is duly authorized and has full power and authority to acquire title to the Subject Property and to perform and consummate the obligations of Buyer described herein.

9.2.3 **Miscellaneous.** Such other documents reasonably required to consummate the transaction this Agreement contemplates, in form reasonably acceptable to Seller and Buyer.

9.3 **Joint Closing Documents.**

9.3.1 **Closing Statement.** A closing statement showing the Purchase Price and all prorations, adjustments, credits and debits this Agreement describes.

9.3.2 **Reciprocal Access Easement Agreement.** A fully executed original of the Reciprocal Access Easement Agreement (defined below).

9.3.3 **Real Estate Transfer Declarations.** To the extent applicable, any real estate transfer disclosures required by applicable law.

9.3.4 **Miscellaneous.** Other documents reasonably required to consummate the transaction this Agreement contemplates, in form reasonably acceptable to Seller and Buyer.

10. **Adjustment and Prorations.** For purposes of calculating prorations, Buyer will be deemed to be in title to the Subject Property, and therefore entitled to the income therefrom and responsible for the expenses thereof, for the entire day upon which the Closing occurs. All such prorations will be made on the basis of the actual number of days of the year and month that will have elapsed as of the Closing Date. Real estate taxes and operating expenses (if any) will each be prorated on a cash basis and except as specifically provided otherwise herein, items of income and expense for the period prior to the Closing Date will be for the account of Seller and items of income and expense for the period on and after the Closing Date will be for the account of Buyer. All prorations hereunder will be final.

10.1 **Title Insurance.** Buyer will pay all costs and fees associated with any Title Insurance Policy obtained by Buyer and for all costs and fees of any lender's title insurance policy.

10.2 **Survey Costs.** Buyer will pay all costs of the ALTA Survey described in Section 5.2. Seller will pay all costs associated with preparation of any plat of easement, easement legal description or plat approval required in connection with the Reciprocal Access Easement Agreement.

10.3 **Closing Fee.** Seller and Buyer will each pay one-half of the reasonable and customary closing fees or escrow fees Escrow Agent charges; provided, however, that Seller's share of such fees will not exceed \$1,500.00. Buyer will pay for all costs for any money lender's closing escrows.

10.4 **Transfer Tax.** State and County documentary stamp and transfer taxes payable (if any) in connection with the transfer of the Real Property will be paid by Seller.

10.5 **Recording Costs.** Buyer will pay the cost of recording the Deed and of recording of any documents required by any lender providing financing associated with Buyer's acquisition of the Real Property. Seller will pay the cost of recording any survey reasonably required by the

Title Company to describe the Real Property or to correct title defects, as well as any lien releases or other documents required to resolve any Seller Mandatory Cure Obligations or other Unpermitted Exceptions Seller is otherwise obligated to resolve under Section 5.3.

**10.6 Other Costs.** All other costs will be allocated in accordance with the customs prevailing in similar transactions in Jefferson County, West Virginia where the Real Property is located.

**10.7 Real Property Taxes and Assessments.** General ad valorem property taxes and any special assessments that are certified, confirmed, or ratified by the taxing authority (collectively, "Taxes"), in each case payable in the year of Closing, will be pro-rated as of the Closing Date, with due allowance for maximum available discount for early payment. Any Taxes that are due and payable on the Closing Date will be paid at that Closing by Seller if not previously paid. If the Closing will occur before the tax rate or the assessed valuation of the Subject Property is fixed for the year of that Closing, then the apportionment of taxes will be upon the basis of 100% of the most recently ascertainable real estate taxes for the Subject Property, with maximum available discount applied.

Except as otherwise expressly provided otherwise in this Agreement, all prorations provided for herein will be final.

**11. Default/Remedies.**

**11.1 DEFAULT BY SELLER.** IF SELLER DEFAULTS IN THE PERFORMANCE OF ITS OBLIGATION TO CLOSE THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, AND SELLER FAILS TO CURE THE DEFAULT WITHIN TEN (10) BUSINESS DAYS AFTER RECEIPT OF WRITTEN NOTICE THEREOF FROM BUYER, BUYER WILL BE DAMAGED AND BUYER'S SOLE AND EXCLUSIVE REMEDY FOR SUCH DEFAULT WILL BE TO ELECT ONE, AND ONLY ONE, OF THE FOLLOWING REMEDIES, AS FOLLOWS: (A) TO TERMINATE THIS AGREEMENT BY WRITTEN NOTICE DELIVERED TO SELLER AND ESCROW AGENT AND TO RECOVER THE EARNEST MONEY AND PAYMENT FROM SELLER FOR BUYER'S REASONABLE OUT-OF-POCKET EXPENSES IN CONNECTION WITH THE INSPECTIONS AND THE NEGOTIATION OF THIS AGREEMENT, NOT TO EXCEED \$50,000.00, OR (B) TO SPECIFICALLY ENFORCE (WHICH ACTION FOR SPECIFIC PERFORMANCE MUST BE FILED AND SERVED UPON SELLER WITHIN ONE HUNDRED TWENTY (120) DAYS AFTER THE EXPIRATION OF THE 10-DAY PERIOD TO CURE DESCRIBED IN THIS SENTENCE, OR SUCH RIGHT WILL BE DEEMED WAIVED) SELLER'S OBLIGATION TO CLOSE THE TRANSACTION, EXECUTE AND DELIVER THE DEED AND OTHER CLOSING DOCUMENTS AND TO CONVEY THE SUBJECT PROPERTY TO BUYER IN ACCORDANCE WITH THIS AGREEMENT.

**11.2 DEFAULT BY BUYER.** IF BUYER DEFAULTS IN THE PERFORMANCE OF ITS OBLIGATION TO CLOSE THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, AND BUYER FAILS TO CURE THE DEFAULT WITHIN TEN (10) BUSINESS DAYS AFTER RECEIPT OF WRITTEN NOTICE THEREOF FROM SELLER, SELLER WILL BE DAMAGED AND SELLER'S SOLE AND EXCLUSIVE REMEDY FOR SUCH DEFAULT WILL BE TO RECOVER THE EARNEST MONEY AS LIQUIDATED DAMAGES. IT IS HEREBY AGREED THAT SELLER'S DAMAGES IN THE EVENT OF A DEFAULT BY BUYER HEREUNDER ARE UNCERTAIN AND DIFFICULT TO ASCERTAIN, AND THAT THE EARNEST MONEY CONSTITUTES A REASONABLE LIQUIDATION OF



SUCH DAMAGES AND IS INTENDED NOT AS A PENALTY, BUT AS FULL LIQUIDATED DAMAGES. BUYER COVENANTS NOT TO BRING ANY ACTION OR SUIT CHALLENGING THE AMOUNT OF LIQUIDATED DAMAGES PROVIDED HEREUNDER IN THE EVENT OF SUCH DEFAULT. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 11.2, SELLER WILL NOT HAVE THE RIGHT TO RECOVER DAMAGES OF ANY KIND OR TO OBTAIN OTHER EQUITABLE RELIEF, INCLUDING, WITHOUT LIMITATION, ANY EQUITABLE ADJUSTMENT TO THE TERMS OF THE SALE OF THE SUBJECT PROPERTY.

12. **Condemnation.** If, prior to the Closing Date, eminent domain proceedings are commenced against all or any material part of the Real Property, Seller will promptly give notice to Buyer of such fact and, at Buyer's option (to be exercised within fifteen (15) days after Seller's notice), this Agreement will terminate. Upon any such termination, neither party will have further obligations under this Agreement (other than the Surviving Obligations, which obligations will survive any such termination), except that Buyer will, at the request of Seller, execute any document reasonably requested by Seller to evidence such termination. If Buyer fails to elect to terminate this Agreement in the manner provided in this Section 12, or the eminent domain proceeding relates to less than a material portion of the Real Property, then there will be no reduction in the Purchase Price, and Seller will assign to Buyer at the Closing Date all of Seller's right, title and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing Date (but after the Contingency Date), Seller will not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Buyer's prior written consent, which consent will not be unreasonably withheld or delayed; provided, however, that if any action is necessary with respect to such proceeding to avoid any forfeiture or material prejudice, Seller will be entitled to take such action as and to the extent necessary without obtaining Buyer's prior written consent. For purposes of this Section 12, the words "material part" with respect to eminent domain proceedings means that the portion of the Real Property to be so taken is valued in excess of \$345,000.00.

13. **Damage.** If, prior to the Closing Date, all or any material part of the Improvements is materially damaged by fire or other casualty, Seller will promptly give notice to Buyer of such fact. Thereafter, at Buyer's option (to be exercised by Buyer's written notice to Seller given within fifteen (15) days after Seller's initial notice to Buyer), this Agreement will terminate. In the event of any such termination of this Agreement, neither party will have any further obligations under this Agreement (other than the Surviving Obligations, which obligations will survive any such termination), and the Earnest Money will be refunded to Buyer. If Buyer fails to elect to terminate (in the manner provided in this Section 13) despite such damage, or if the Improvements are damaged but not materially, Seller will promptly commence to repair such damage or destruction and to return the Improvements to substantially their condition prior to such damage. If the repair of such damage is completed prior to the Closing Date, then there will be no reduction in the Purchase Price, and Seller will retain the proceeds of all insurance related to such damage. If the repair of such damage is not completed prior to the then-scheduled Closing Date, but Seller is diligently proceeding to repair, then Seller will complete the repair and the Closing Date will be extended for the period of time needed to complete the repair and Seller will be entitled to receive the proceeds of all insurance related to such damage. For purposes of this Section 13, the words "materially damaged" mean damage that would cost \$345,000.00 or more to repair.

14. **Reciprocal Access Easement Agreement.** Seller and Buyer will negotiate in good faith the terms of a mutually agreeable form of reciprocal access easement agreement (the "Reciprocal Access Easement Agreement") to be recorded at Closing pursuant to which (a) the owner of the Real Property will be granted a permanent, irrevocable easement (for the benefit of the Real Property) for vehicular and pedestrian access between the Real Property and George Street over a portion of the drive aisles constructed on the neighboring parcel of property commonly known as 330 North George Street, Charles Town, WV ("George Street Parcel"), (b) the owner of George Street Parcel will be granted a permanent, irrevocable

easement (for the benefit of the George Street Parcel), for vehicular and pedestrian access between the George Street Parcel and North Lawrence Street over a portion of the drive aisles constructed on the Real Property, and (c) the owner of each of the Real Property and the George Street Parcel will maintain the easement areas on their respective parcels at their own cost and expense. If the Reciprocal Access Easement Agreement has not been agreed upon between Buyer and Seller before the Contingency Date, either Buyer or Seller may terminate this Agreement by written notice to the other delivered within ten (10) business days after the Contingency Date. Upon any such termination, the Earnest Money will be disbursed to Buyer in full.

15. **Broker's Commissions.** Seller and Buyer each represent and warrant to the other that in connection with the transaction contemplated hereby, no third-party broker or finder other than CBRE ("Broker"), has been engaged or consulted by Seller or Buyer or is entitled to compensation or commission in connection herewith as a result of acts of Seller or Buyer or their respective agents, employees or representatives. At Closing, Seller will pay Broker a commission in accordance with a separate agreement between Seller and Broker. Seller and Buyer will each indemnify, defend and hold harmless the other, and its respective employees, contractors and agents, from and against any and all loss, cost, damage, liability, settlement, cause of action or threat thereof, or expense (including, without limitation, reasonable attorneys' fees and costs) arising from or relating to claims of any brokers, finders or any like third parties (other than Broker), for any commission or compensation resulting from any acts of the indemnifying party or its agents, employees or representatives in connection herewith. The terms of this Section will survive the Closing and any termination of this Agreement.

16. **Environmental Disclosure.** Seller hereby discloses that the Subject Property contains or contained such hazardous materials (if any) as described in the environmental reports listed on Schedule 1 hereto (the "Reports"). Seller has delivered the Reports to Buyer as of the Effective Date and Buyer hereby acknowledges receipt of the Reports. Buyer acknowledges and agrees that the Reports are provided by Seller for informational purposes only and that Seller makes no representations or warranties as to the accuracy or completeness of the Reports. Buyer will conduct its own investigations and studies of the Subject Property as it deems necessary or appropriate in order to determine the presence or absence of hazardous materials on or within the Subject Property. Buyer hereby (a) agrees that Buyer is relying solely on the representations of Seller in this Agreement and Buyer's own investigation, if any, of the Subject Property covering the effect of any hazardous materials that may be on about or within the Subject Property, whether disclosed by such investigations or not (collectively, the "Hazardous Materials Effect"), (b) assumes the risk of any and all liabilities, claims, demands, suits, judgments, losses, damages, expenses (including, without limitation, attorney's fees) and other obligations arising out of or incurred in connection with the Hazardous Materials Effect, if any, and (c) except as otherwise expressly provided in this Agreement (including Section 7 regarding Seller's representations and warranties), waives and releases Seller from all liabilities, claims, demands, suits, judgments, losses, damages, and expenses relating to the Hazardous Materials Effect. Notwithstanding the foregoing, Purchaser does not waive and shall not be construed to have waived any right Purchaser otherwise may have in the event of an action by an unrelated third party to seek contribution against or indemnification from Seller for tort claims arising out of Seller's actions that accrued on or before the Closing Date. The terms of this Section will survive the Closing.

17. **Notices.** Any notice or other communication in connection with this Agreement will be in writing and will be sent by nationally recognized overnight courier guaranteed next business day delivery, by email transmission (provided that such notice sent by email is also sent via nationally recognized overnight courier for guaranteed next business day delivery), or by personal delivery, properly addressed as follows:

If to Seller: American Public University System, Inc.  
c/o American Public Education, Inc.  
303 West 3<sup>rd</sup> Avenue  
Ranson, WV 25438  
Attention: Vice President of Real Estate  
E-Mail: [realstate@apei.com](mailto:realstate@apei.com)

With a copy to: American Public University System, Inc.  
c/o American Public Education, Inc.  
303 West 3<sup>rd</sup> Avenue  
Ranson, WV 25438  
Attention: Legal Department  
E-Mail: [legal@apus.edu](mailto:legal@apus.edu)

And with a copy to: O'Rourke, Hogan, Fowler and Dwyer, LLC  
10 South LaSalle Street, Suite 3700  
Chicago, Illinois 60603  
Attention: Howard I. Goldblatt  
E-Mail: [hgoldblatt@ohfclaw.com](mailto:hgoldblatt@ohfclaw.com)

If to Buyer: Jefferson County Commission  
124 East Washington Street  
Charles Town, WV 25414  
Attn: Nathan P. Cochran, Esquire  
Jefferson County Prosecuting Attorney's Office  
E-Mail: [ncochran@jcpawv.org](mailto:ncochran@jcpawv.org)

With a copy to: Jefferson County Commission  
124 East Washington Street  
Charles Town, WV 2541  
Attn: Edwina Benites, County Administrator  
E-Mail: [ebenites@jeffersoncountywv.org](mailto:ebenites@jeffersoncountywv.org)

And with a copy to: Conrad Luttrell, LLP  
158 Crimson Circle  
Martinsburg, WV 25403  
Attn: Kanette Petry, Esquire  
E-Mail: [petry@conradluttrell.com](mailto:petry@conradluttrell.com)

All notices will be deemed given one (1) Business Day following deposit if delivered to an overnight courier guaranteeing next day delivery and on the same day if sent by personal delivery or by e-mail transmission (provided that proof of transmission is necessary for notices sent by email) between 8:00 a.m. and 5:00 p.m. (eastern time). Attorneys for each party will be authorized to give notices for each such party. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified.

18. **Captions.** The section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

19. **Entire Agreement; Modification.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter herein contained, and all prior negotiations, discussions, writings and agreements between the parties with respect to the subject matter herein contained are superseded and of no further force and effect. This Agreement may be amended only by a written instrument executed by Seller and Buyer. No covenant, term or condition of this Agreement will be deemed to have been waived by either party, unless such waiver is in writing signed by the party charged with such waiver.
20. **Binding Effect.** This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.
21. **Controlling Law.** This Agreement will be governed by and construed in accordance with the laws of the State of West Virginia. Any litigation between Buyer and Seller arising out of this Agreement will be commenced in a court of competent jurisdiction in the county in which the Subject Property is located, and both Buyer and Seller waive venue outside such county.
22. **Severability.** The unenforceability or invalidity of any provisions hereof will not render any other provision herein contained unenforceable or invalid.
23. **Time of Essence.** Time is of the essence in the performance of obligations under this Agreement.
24. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which is deemed an original, but all of which together constitute one and the same instrument.
25. **Consequential/Punitive Damages.** Neither party to this Agreement is liable to the other for any consequential, special or punitive damages under this Agreement, including, without limitation, lost profits. The terms of this Section will survive the Closing and any termination of this Agreement.
26. **Attorneys' Fees.** In the event of any litigation between the parties with respect to this Agreement or any document executed pursuant to this Agreement, the non-prevailing party in such action will pay the reasonable attorneys' fees, paralegals' fees and court costs of the prevailing party. The terms of this Section will survive the Closing and any termination of this Agreement.
27. **Electronic Signatures.** Signatures transmitted by electronic mail in so-called "PDF" format to this Agreement or any amendment thereto will be valid and enforceable as original signatures. In addition, electronic signatures to this Agreement, whether digital, via DocuSign or other digital signature program, will be as valid as original manual signatures and will be effective to bind the parties and have the same force and effect as manual signatures.
28. **Waiver of Jury Trial.** EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING AND COUNTERCLAIM BROUGHT BY ANY PARTY HERETO ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS AGREEMENT AND WILL SURVIVE THE CLOSING AND ANY TERMINATION OF THIS AGREEMENT.
29. **Calculation of Days.** Unless otherwise specified herein, where the terms of this Agreement require the calculation of days to determine performance hereunder, the days will be calendar days. If the day calculated is not a Business Day, the next Business Day will be the date for performance. "Business Day," for purposes of this Agreement, means any day of the week other than (i) Saturday and

Sunday, (ii) a day on which the banking institutions in the State of West Virginia are obligated to be closed to the transaction of normal banking business, or (iii) a day on which the banking institutions in the State of West Virginia are interrupted because of extraordinary events including hurricanes, power outages, and acts of terrorism.

30. **Interpretation.** In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

31. **Assignment.** Neither Seller nor Buyer may assign its rights under this Agreement; provided, however, that Buyer may assign its rights and obligations under this Agreement to a person or entity that controls, is controlled by or is under common control with Buyer, upon at least five (5) Business Days' prior written notice to Seller; and provided further, however, that in the event of any such assignment, Buyer will remain liable to Seller for all obligations under this Agreement, as a principal and not as a surety.

32. **Non-Solicitation.** Beginning on the Effective Date and, if this Agreement is not otherwise terminated, through the Closing Date, Seller will not solicit or accept any offers for or engage in any discussion concerning the sale of the Subject Property, and Seller will cease all marketing efforts and negotiations with respect to the sale of the Subject Property, other than the transaction contemplated herein.

33. **Limitations.** In no event will the provisions of Sections 11.1 and 11.2 limit the damages recoverable by either party against the other party due to the other party's obligation to indemnify such party in accordance with this Agreement or affect the rights or obligations of the parties to this Agreement under Section 26. This Section will survive Closing or the earlier termination of this Agreement.

34. **No Personal Liability.** Notwithstanding anything in this Agreement or any of the documents executed by Seller pursuant hereto or in connection herewith, the liability of Seller will be limited to Seller's interest in the Real Property (including, without limitation, any net insurance or sales proceeds arising therefrom), and in no event will Buyer be entitled to or seek satisfaction for any such liability from any of Seller's partners, members, affiliates and subsidiaries, and their respective members, stockholders, directors, officers, participants, employees, consultants, brokers and agents. This Section will survive the Closing or earlier termination of this Agreement.

35. **No Reliance on Documents.** Except for Seller's express representations and warranties in this Agreement, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered or given by Seller or its brokers or agents to Buyer in connection with the transaction contemplated hereby and any such representations and warranties are hereby excluded and disclaimed. Buyer acknowledges and agrees that (a) all materials, data and information delivered or given by Seller to Buyer in connection with the transaction contemplated hereby are provided to Buyer as a convenience only in Buyer's own examination and determination as to whether or not it wishes to purchase the Subject Property and (b) any reliance on or use of such materials, data or information by Buyer will be at the sole risk of Buyer. Neither Seller, nor any affiliate of Seller, nor the person or entity which prepared any report or reports delivered by Seller to Buyer will have any liability to Buyer for any inaccuracy in or omission from any such reports. Buyer will rely exclusively on its own independent investigation and evaluation of every aspect of the Subject Property and on the express representations of Seller contained herein and not on any materials supplied by Seller.

36. **AS-IS SALE: DISCLAIMERS.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE DEED, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF



ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE SUBJECT PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO THE PHYSICAL, STRUCTURAL OR ENVIRONMENTAL CONDITION OF THE SUBJECT PROPERTY OR ITS COMPLIANCE WITH LAWS.

BUYER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER WILL SELL AND CONVEY TO BUYER AND BUYER WILL ACCEPT THE SUBJECT PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS", EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT AND IN THE DEED. BUYER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE SUBJECT PROPERTY OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, OFFERING PACKAGES DISTRIBUTED WITH RESPECT TO THE SUBJECT PROPERTY) MADE OR FURNISHED BY SELLER, THE MANAGERS OF THE SUBJECT PROPERTY, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT.

BUYER REPRESENTS TO SELLER THAT BUYER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE SUBJECT PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BUYER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE SUBJECT PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE SUBJECT PROPERTY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT. UPON CLOSING, BUYER WILL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INVESTIGATIONS, AND BUYER, UPON CLOSING, WILL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER (AND SELLER'S MEMBERS, MANAGERS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH BUYER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER (AND SELLER'S MEMBERS, MANAGERS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF THE PHYSICAL AND ENVIRONMENTAL CONDITIONS OF THE LAND OR ANY IMPROVEMENTS THEREON, ANY LATENT OR PATENT CONSTRUCTION DEFECTS, VIOLATIONS OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE SUBJECT PROPERTY.

The provisions of Section 35 and Section 36, respectively, will survive Closing or any termination of this Agreement.

37. **Confidentiality; Press Releases.** Except as specifically permitted by this Section 37, neither Seller nor Buyer will release or cause or permit to be released any press notices, or publicity (oral or written) or advertising promotion relating to, or will otherwise announce or disclose or cause or permit to be announced

or disclosed, in any manner whatsoever, the terms, conditions or substance of this Agreement, without first obtaining the written consent of the other party. The foregoing will not preclude either party from discussing the substance or any relevant details of this transaction with any of its attorneys, accountants, professional consultants, lenders, partners, investors, or any prospective lender, partner or investor, as the case may be, or prevent either party from complying with laws, rules, regulations and court orders, including, without limitation, governmental regulatory, disclosure, tax and reporting requirements. In addition to any other remedies available to a party, each party shall have the right to seek equitable relief, including, without limitation, injunctive relief or specific performance, against the other party in order to enforce the provisions of this Section 37. The provisions of this Section 37 will survive the Closing, delivery of the Deed and any termination of this Agreement. Notwithstanding anything herein to the contrary, Seller and Buyer shall each have the right to issue a press release concerning the transaction set forth herein after Closing, provided the other party has approved such press release, which approval shall not be unreasonably withheld or delayed, and further provided that in no event shall any such press release or public disclosure specify the Purchase Price or terms and conditions of this Agreement.

38. **Removal of Excluded Personal Property.** Seller will repair any damage to the Subject Property caused by the removal of the personal property excluded from the Personal Property and described on Exhibit D hereto and restore the Subject Property to a substantially similar condition to the condition existing prior to such removal, reasonable wear and tear excepted; provided, however, that Buyer and Seller agree that the restoration of the floor of the Building lobby after removal of the APUS seal will be limited to installation of replacement tile that is reasonably consistent with the surrounding tile.

39. **Off-Site Personal Property.** Seller has advised Buyer that Seller has removed from the Building and stored in a nearby warehouse located at 406 South Buchannon, Ranson, West Virginia ("Warehouse") approximately seventy-two (72) workstations and four (4) glass cubicles ("Off-Site Property") and that Seller is willing to convey the Off-Site Property to Buyer at Closing at no additional cost, subject to and in accordance with the terms of this paragraph. If Buyer wishes to acquire all or any portion of the Off-Site Property, Buyer must deliver written notice of such election on or before the Contingency Date, which notice must identify which portion of the Off-Site Property Buyer has elected to acquire at Closing. Buyer's failure to timely deliver such notice will be deemed to be Buyer's election not to acquire any of the Off-Site Property and any of the Off-Site Property not identified in an election notice timely delivered will be deemed to be excluded from the Off-Site Property to be conveyed to Buyer at Closing. Buyer will not be entitled to any of the Off-Site Property unless Buyer also acquires the Subject Property at Closing. Buyer agrees that the Off-Site Property is being conveyed to Buyer in "AS-IS" condition and subject to Section 36 and Buyer acknowledges that the Off-Site Property may require assembly and that some of the work stations and cubicles that comprise the Off-Site Property may not be complete. Buyer will have thirty (30) days after Closing to cause any Off-Site Property acquired by Buyer to be removed from the Warehouse. Buyer's access to the Warehouse for such purpose will be limited to inspection and removal of the Off-Site Property and will be subject to the terms and conditions of Section 5.4 above. Any Off-Site Property conveyed to Buyer at Closing not removed from the Warehouse within that period will be deemed to have been abandoned by Buyer and Seller may dispose of any such Off-Site Property in Seller's sole discretion without compensation to Buyer. Buyer waives any and all claims against Seller and any affiliates of Seller for any theft of or damage to the Off-Site Property.

40. **Schedule and Exhibits.** The following schedule and exhibits are made a part hereof, with the same force and effect as if specifically set forth herein:

Schedule 1	-	Due Diligence Materials
Exhibit A	-	Legal Description
Exhibit B	-	Form of Special Warranty Deed
Exhibit C	-	Form of Owner's Affidavit


Exhibit D - Schedule of Excluded Personal Property  
Exhibit E - Form of Bill of Sale

[Signature Pages Follow]

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the day and year first above written.

**SELLER:**

AMERICAN PUBLIC UNIVERSITY SYSTEM,  
INC., a West Virginia corporation

By:   
Name: Nuno Fernandes  
Its: President

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the day and year first above written.

**BUYER:**

COUNTY COMMISSION OF JEFFERSON  
COUNTY WEST VIRGINIA, a duly organized  
county under the laws of the State of West Virginia

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**SCHEDULE 1**

**List of Due Diligence Materials**

Folder/Document
Floor & Site Plans
1st Floor - Plan
2nd Floor - Plan
3rd Floor - Plan
1st Floor - Interior Build Out
2nd Floor - Interior Build Out
3rd Floor - Interior Build Out
Storage Building A - Plan
Storage Building B - Plan
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Phase II ESA dated 12/7/2007 Prepared by CDM for WPM Properties**
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Fidelity Power Systems
Fire Safety Equipment Supply
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Sprinkler System
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2022 - 393 - 2
2023 - 393 - 1
2023 - 393 - 2
2024 - 393 - 1
2024 - 393 - 2
Electric Invoices

2019 Invoices

\*Report referenced additional environmental reports that Seller has not yet found. Seller will forward those reports to Buyer if Seller determines that those reports are in Seller's possession or control.

\*\*Not prepared for Seller. May pertain to adjacent property.

**Exhibit A-1**

**Legal Description**

**Tract I:**

Beginning at (246) a P-K Nail (in block wall) found, corner to 111 West Congress, LLC (D.B. 1066 P. 247) and in the northern right-of-way limits of The Winchester and Potomac Railroad Company; thence with said Railroad Company, North 77°10'48" West 221.87-feet to (245) a Mag Nail (in block wall) found, in the eastern right-of-way limits of Buchanan Street a 60' R/W; thence with said Buchanan Street, North 5°16'10" East passing (244) a 5/8-inch Rebar (Dewberry) found, at 190.48-feet, in all 319.58-feet to (431) a Drill Hole, set, in the southern right-of-way limits of 2nd Avenue, R/W width Varies; thence with said 2nd Avenue, North 73°37'49" East 282.65-feet to (255) a Point, corner to Northern Virginia Power Co. (D.B. 184 P. 117); thence with said Northern Virginia Power Co. for the next two lines, South 16°17'26" East passing (89) a 1-1/4" Iron Pipe with bronze disk, found at 1.77-feet, in all 152.25-feet to (254) a 5/8" Rebar (Dewberry) found; thence, North 73°37'49" East 25.35-feet to (253) a 5/8" Rebar (no cap) found, corner to McKinney (D.B. 958 P. 27); thence with said McKinney, South 26°52'52" West 164.30-feet to (250) a Railroad Spike, found, in the western right-of-way limits of Old Bridge Road; thence with said Old Bridge Road for the next two lines, South 27°34'45" West 51.64-feet to (249) a 5/8" Rebar (Dewberry) cap, found; thence, South 36°08'59" West 41.00-feet to (248) a 5/8" Rebar (Dewberry) cap, found, corner to said 111 West Congress, LLC; thence with said 111 West Congress, LLC for the next two lines, South 29°08'59" West 52.00-feet to (247) a 5/8" Rebar (Dewberry) cap, found; thence, South 5°23'59" West 37.46-feet to the place of beginning, containing 2.5224 acres, more or less, as shown upon that certain Plat of Survey prepared by Appalachian Surveys, PLLC, dated 29 September 2010, and recorded in the office of the Clerk of the County Commission of Jefferson County, West Virginia, in Plat Book 25, at page 259;

AND BEING part of the same real estate conveyed to American Public University System, Inc. from AG/IRG WPM Ranson, L.L.C., by deed dated November 3, 2010, and recorded in the aforesaid Clerk's Office in Deed Book No. 1086, at page 450.

**Tract II:**

Beginning at (239) a P-K Nail, found, corner to Railroad Avenue, a 50' R/W, and in the western right-of-way limits of Buchanan Street a 60' R/W; thence with said Railroad Avenue for the next two lines, North 77°10'48" West 206.39-feet to (238) a Mag Nail, found; thence, South 73°37'48" West 102.52-feet to (237) a Mag Nail, (in a railroad tie) found, in the northern right-of-way limits of The Winchester and Potomac Railroad Company; thence with said Railroad Company, North 77°10'48" West 76.47-feet to (261) a Railroad Spike (in wood deck) found, corner to City of Ranson Building Commission (D.B. 1064 P. 518); thence with said City of Ranson Building Commission for the next two lines, North 12°14'07" East 97.37-feet to (1078) a Chainlink Fence Post; thence, North 74°11'58" East 279.69-feet to (252) a Point, in the southern right-of-way limits of 2<sup>nd</sup> Avenue, R/W width Varies; thence with said 2<sup>nd</sup> Avenue, North 73°37'49" East 110.71-feet to (251) a Mag Nail, set, in the western right-of-way limits of said Buchanan Street; thence with said Buchanan Street, South 5°16'10" West passing (243) a 5/8-inch Rebar (Dewberry) found, at 129.10-feet, in all 237.39-feet to the place of beginning, containing 1.3302 acres, more or less, as shown upon that certain Plat of Survey prepared by Appalachian Surveys, PLLC, dated 29 September 2010, and recorded in the office of the Clerk of the County Commission of Jefferson County, West Virginia, in Plat Book 25, at page 259;

AND BEING part of the same real estate conveyed to American Public University System, Inc. from AG/IRG WPM Ranson, L.L.C., by deed dated November 3, 2010, and recorded in the aforesaid Clerk's Office in Deed Book No. 1086, at page 450.

Exhibit A-2  
General Depiction of Property



B-1

**Exhibit B**

**Form of Special Warranty Deed**

THIS INSTRUMENT PREPARED BY:

O'Rourke, Hogan, Fowler & Dwyer, LLC  
10 S. LaSalle St., Suite 3700  
Chicago, Illinois 60603

**RECORDER'S STAMP**

**SPECIAL WARRANTY DEED**

AMERICAN PUBLIC UNIVERSITY SYSTEM, INC., a West Virginia corporation, whose address is c/o American Public Education, Inc., 303 West 3<sup>rd</sup> Avenue, Ranson, West Virginia 25438 ("Grantor"), for and in consideration of the sum of Ten and 00/100 Dollars and other good and valuable consideration in hand paid by \_\_\_\_\_, whose address is \_\_\_\_\_ ("Grantee"), receipt of which is hereby acknowledged, hereby GRANTS, BARGAINS, SELLS, REMISES, RELEASES, ALIENS and CONVEYS to Grantee the real property situated in the City of Charles Town, County of Jefferson, State of West Virginia and described in Exhibit A attached hereto and made a part hereof, together with all of Grantor's right, title and interest, if any, in and to all rights-of-way, easement rights, access rights, privileges, hereditaments and appurtenances appertaining to such real property (the "Property").

And the Grantor, for itself, and its successors and assigns, does covenant, promise and agree, to and with the Grantee, its successors and assigns, that during the period that Grantor has owned title to the Property, it has not done or suffered to be done anything whereby the Property hereby granted are, or may be, in any manner encumbered or charged, except as set forth on Exhibit B attached hereto and made a part hereof; and that the Grantor will warrant and forever defend the Property against all persons lawfully claiming by, through or under the Grantor, but not otherwise.

PROPERTY ADDRESS: The Property is part of property commonly known as 393 North Lawrence Avenue, Charles Town, West Virginia.

TO HAVE AND TO HOLD the Property unto Grantee, its successors and assigns, forever.

B-1



DECLARATION OF CONSIDERATION OR VALUE: The Grantors hereby declare that the total consideration paid for the property transferred by this Deed is SIXTEEN MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS (\$16,600,000.00).

DECLARATION OF EXEMPTION FROM WITHHOLDING UPON DISPOSITION OF WEST VIRGINIA REAL ESTATE: The Grantor hereby claims exemption from the tax withholding requirements of West Virginia Code § 11-21-71b because it is a resident entity of the State of West Virginia.

IN WITNESS WHEREOF, Grantor has caused this Special Warranty Deed to be duly executed as of the day and year written below.

AMERICAN PUBLIC UNIVERSITY  
SYSTEM, INC., a West Virginia  
corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, the \_\_\_\_\_ of AMERICAN PUBLIC UNIVERSITY SYSTEM, INC., a West Virginia corporation, on behalf of the company.

\_\_\_\_\_  
Notary Public

Serial Number, if any: \_\_\_\_\_

My commission expires on: \_\_\_\_\_

[SEAL]

NAME & ADDRESS OF TAXPAYER:

WHEN RECORDED MAIL TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B-2

Exhibit A  
Legal Description

B-3

**Exhibit B**  
**Permitted Encumbrances**

**B-4**

**Exhibit C**

**Form of Owner's Affidavit**

**OWNER'S AFFIDAVIT**

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) SS.

The undersigned, being duly sworn according to law, deposes and says, not personally but on behalf of \_\_\_\_\_ (the "Company"), based on the actual knowledge of the undersigned, as follows:

1. The Company owns the real property ("Property") described in the \_\_\_\_\_ Title Insurance Company Title Commitment for Title Insurance No. \_\_\_\_\_ (the "Commitment"), and legally described on Exhibit "A" attached hereto.
2. All bills for labor and services performed at, or materials furnished and delivered to, the Property, during the past one hundred twenty (120) days, at the request of or on behalf of the Company, have been or will be paid in the ordinary course of the Company's business. No work has been done at the Property by or on behalf of the Company in the last one hundred twenty (120) days.
3. Except for the Company, no person occupies, or has a right to possess, any portion of the Property, except those persons listed on Exhibit "B," and any persons claiming by or through the persons listed on Exhibit "B." None of the persons described on Exhibit "B" hold a right of first refusal, option or other right to purchase the Property, except as otherwise described on Exhibit "B".
4. There are no unrecorded mortgages, leases (other than those listed on Exhibit "B"), easements or other documents made or entered into by the Company affecting title to the Property, nor any pending claim or dispute involving a boundary line, setback, or encroachment.
5. No proceeding in bankruptcy has been instituted by or against the Company, nor has the Company made an assignment for the benefit of creditors.
6. The Company has not commenced, and has not received written notice of, any action or proceeding relating to the Property in any state or federal court in the United States, nor are there any unrecorded state or federal judgements or liens against the Company which constitute a lien or charge upon the Property, except statutory liens to secure the payment of taxes.
7. The Company has not received any written notice of taxes or special assessments affecting the Property which remain unpaid, other than those shown in the Commitment.
8. No property manager is employed to manage the Property.

9. The undersigned is familiar with the management and operation of the Property, including the existence of any tenancies, leases, parties in possession and other occupancies, and payment of taxes and assessments in connection herewith.
10. Company's enjoyment of the Property has been peaceful and undisturbed and the title to the Property has never been disputed or questioned to the undersigned's knowledge, nor does the undersigned know of any facts by reason of which title to or possession of the Property might be disputed or questioned, or by reason of which any claim to the Property or any portion thereof might be adversely asserted.
11. The undersigned has received no written notice of any violation of any covenants, conditions or restrictions, if any, affecting the Property.
12. There are no defects, liens, encumbrances, adverse claims or other matters arising from the acts of Company first appearing in the public records or attaching subsequent to \_\_\_\_\_, but prior to the date the proposed insured acquires for value of record the estate interest thereon covered by the above commitment.

This Affidavit is given to induce \_\_\_\_\_ Title Insurance Company to issue its policies of title insurance including endorsements knowing that it will be relying upon the accuracy of same. The Owner agrees to indemnify and hold harmless \_\_\_\_\_ from any loss, claim, costs or expenses, including reasonable attorneys' fees, arising because of title insurance protection provided a purchaser or lender in reliance in whole or in part on the completeness and correctness of the representations or attestations made herein.

For purposes of this Owner's Affidavit, "actual knowledge of the undersigned" or words of similar import means the actual knowledge of Richard Sunderland, as Executive Vice President, Chief Financial Officer of the undersigned, Thomas Beckett, as Vice President and General Counsel of the undersigned or Christopher Lowe, as Vice President of Real Estate of the undersigned, without any duty of inquiry or investigation.

\_\_\_\_\_  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Its: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_ of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
 Notary Public  
 My Commission Expires:



EXHIBIT "A"

Tax Parcel Nos.:

Parcel No. \_\_\_\_\_

Commonly known as:

\_\_\_\_\_

EXHIBIT A – Page 1

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EXHIBIT "B"

EXHIBIT B - PAGE 1

**EXHIBIT D**

**EXCLUDED PERSONAL PROPERTY**

1. Intellectual property (including, without limitation, trademarks, patents and rights associated with the name “American Public University System” and of any of its parents, affiliates and subsidiaries).
2. Branded materials and other personal property branded with the name “American Public University System” or of any of its parents, affiliates or subsidiaries.
3. Computer and other IT equipment, including, without limitation, laptops, PC’s, Mac’s, peripherals, telephone handsets, head-end network gear and software (peripherals, such as wireless access points, and televisions and other audio-visual equipment will remain as Personal Property).
4. Artwork.
5. Office and cleaning equipment and supplies, including, without limitation, copiers.
6. Water coolers, coffee makers, and other small kitchen appliances and food and beverages for Seller’s employees and visitors (major appliances, such as refrigerators and dishwashers will remain as Personal Property).

D-1

EXHIBIT E

FORM OF BILL OF SALE

Bill of Sale

THIS BILL OF SALE ("Agreement") is made as of \_\_\_\_\_, 2025 ("Effective Date"), by American Public University System, Inc., a West Virginia corporation ("Seller") in favor of the County Commission of Jefferson County, West Virginia, a duly organized county under the applicable laws of the State of West Virginia ("Buyer").

RECITALS:

A. Contemporaneously with the execution and delivery of this Agreement, Seller has sold and conveyed to Buyer, all of its right, title and interest in and to that certain real property, and any improvements situated thereon owned by Seller, more particularly described on Exhibit "A" attached hereto ("Property") pursuant to a Purchase and Sale Agreement dated as of \_\_\_\_\_, 2024, by and between Seller and Buyer (as amended, the "Purchase Agreement"). Terms that are capitalized but not defined in this Agreement that are defined in the Purchase Agreement will have the same meaning in this Agreement as in the Purchase Agreement.

B. In connection with the conveyance of the Property, Seller and Buyer intend and agree that Seller will assign and transfer to Buyer, Seller's rights to the Personal Property, subject to and in accordance with the terms and provisions of this Agreement.

AGREEMENT:

In consideration of the foregoing recitals and other good and valuable consideration, Seller and Buyer agree as follows:

1. **Conveyance.** Seller hereby transfers to Buyer and its successors and assigns, all of Seller's right, title and interest (if any) in and to the Personal Property without representation or warranty, except as specifically set forth in this Agreement.

**Seller's Warranties.** Seller has not previously conveyed the Personal Property (other than by granting a security interest in the Personal Property as security for a financing that will be paid in full at or before Closing) and that Seller has the right to sell and convey the Personal Property to Buyer. Except as expressly set forth herein or in the Purchase Agreement, Seller makes no warranties or representations as to the interests being transferred hereunder. *AMONG OTHER THINGS, ALL WARRANTIES OF QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY ARE HEREBY EXPRESSLY DISCLAIMED AND EXCLUDED.*

**Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of West Virginia.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the Effective Date.

SELLER:

AMERICAN PUBLIC UNIVERSITY SYSTEM, INC.,  
a West Virginia corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

E-2

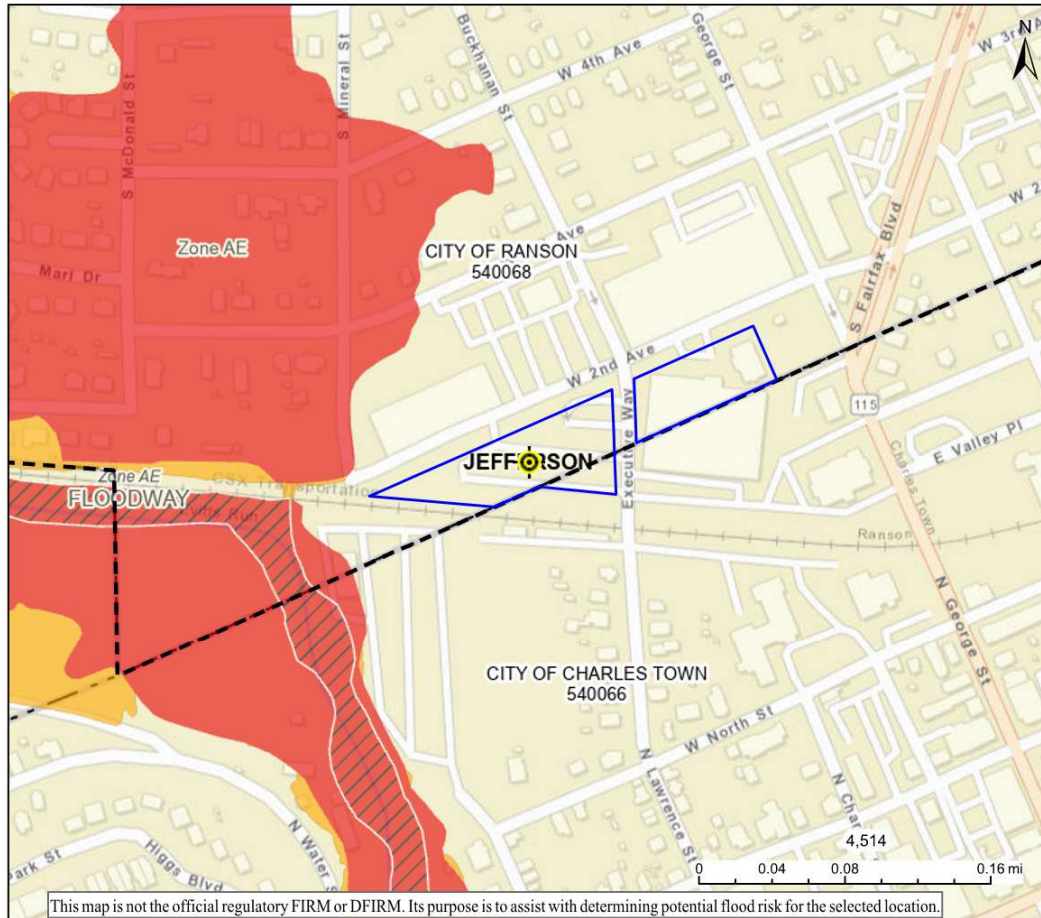
EXHIBIT A  
(Legal Description)

4883-8738-9161, v. 8






E-3



## WV Flood Map



This map is not the official regulatory FIRM or DFIRM. Its purpose is to assist with determining potential flood risk for the selected location.

<p><b>H I G H R I S K</b></p> <p> Regulatory Floodway</p> <p> 1-Percent-Annual-Chance Flood Hazard Area <b>With Base Flood Elevation (BFE)</b></p> <p> 1-Percent-Annual-Chance Flood Hazard Area <b>Without BFE</b> (may have Advisory Flood Heights)</p> <p> 1-Percent-Annual-Chance Future Conditions (High Risk Advisory Flood Zones)</p> <p>Download the Full Legend for all flood tool symbols  <a href="https://www.mapwv.gov/flood/map/docs/wv_flood_tool_legend.pdf">https://www.mapwv.gov/flood/map/docs/wv_flood_tool_legend.pdf</a></p> <p><b>Disclaimer:</b>  The online map is for use in administering the National Flood Insurance Program. It does not necessarily identify all areas subject to flooding, particularly from local drainage sources of small size. Refer to the official Flood Insurance Study (FIS) for detailed flood elevation data in flood profiles and data tables. WV Flood Tool (<a href="https://www.MapWV.gov/flood">https://www.MapWV.gov/flood</a>) is supported by FEMA, WV NFIP Office, and WV GIS Technical Center.</p>	<p> Flood Info Location <span style="float: right;">Map created on 3/4/2025</span></p> <p><b>User Notes</b></p> <table border="1"> <tr> <td><b>Flood Hazard Area</b></td><td>Location is <b>NOT WITHIN</b> any identified flood hazard area. Unmapped flood hazard areas may be present.</td></tr> <tr> <td><b>Flood Zone</b></td><td>Out of Flood Zone</td></tr> <tr> <td><b>Stream</b></td><td></td></tr> <tr> <td><b>Watershed (HUC8)</b></td><td>Shenandoah (2070007)</td></tr> <tr> <td><b>Flood Height</b></td><td></td></tr> <tr> <td><b>Water Depth</b></td><td></td></tr> <tr> <td><b>Elevation</b></td><td>514.4 ft (Source: FEMA 2012) (NAVD88)</td></tr> <tr> <td><b>Community &amp; ID</b></td><td>City of Ranson (ID: 540068)</td></tr> <tr> <td><b>FEMA Map &amp; Date</b></td><td>54037C0136E; Effective Date: 12/18/2009</td></tr> <tr> <td><b>Location (lat, long)</b></td><td>(39.291646, -77.864251) (WGS84)</td></tr> <tr> <td><b>Parcel ID</b></td><td>19-08-0006-0048-0000</td></tr> <tr> <td><b>E-911 Address</b></td><td></td></tr> </table>	<b>Flood Hazard Area</b>	Location is <b>NOT WITHIN</b> any identified flood hazard area. Unmapped flood hazard areas may be present.	<b>Flood Zone</b>	Out of Flood Zone	<b>Stream</b>		<b>Watershed (HUC8)</b>	Shenandoah (2070007)	<b>Flood Height</b>		<b>Water Depth</b>		<b>Elevation</b>	514.4 ft (Source: FEMA 2012) (NAVD88)	<b>Community &amp; ID</b>	City of Ranson (ID: 540068)	<b>FEMA Map &amp; Date</b>	54037C0136E; Effective Date: 12/18/2009	<b>Location (lat, long)</b>	(39.291646, -77.864251) (WGS84)	<b>Parcel ID</b>	19-08-0006-0048-0000	<b>E-911 Address</b>	
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# THE EASTERN PANHANDLE ECONOMIC OUTLOOK 2022-2026



Eastern Panhandle Economic Outlook

2022-2026 is published by:

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John Chambers College of Business & Economics  
(304) 293-7831 | [bebureau@mail.wvu.edu](mailto:bebureau@mail.wvu.edu)  
[business.wvu.edu/bber](http://business.wvu.edu/bber)

Joshua Hall, Ph.D., Milan Puskar Dean

Written by:

John Deskins, Ph.D.

Director  
Bureau of Business & Economic Research

Brian Lego

Research Assistant Professor  
Bureau of Business & Economic Research

 West Virginia University  
JOHN CHAMBERS COLLEGE OF  
BUSINESS AND ECONOMICS

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## Executive Summary

West Virginia's Eastern Panhandle (EPH) has been the state's strongest economic region for well over a decade, experiencing sustained growth in population, employment, income and a host of other major economic indicators. The three-county area has recovered nearly all the jobs lost during the COVID-19 recession and has seen its workforce return to pre-pandemic levels. In this report, we present a detailed discussion of the current state of the EPH economy along with our forecast for the likely path of economic activity over the next five years.

Several key facts behind the recent economic performance of the Eastern Panhandle Region are as follows:

- **The EPH lost nearly 6,900 jobs during the COVID-19 recession, but strong job growth over the course of 2021 has lifted area employment to be nearly on par with pre-pandemic levels.**
- **Since the beginning of 2010, employers in the EPH have added nearly 9,000 jobs while payrolls in the state's other 52 counties declined by more than 32,000 over the same time period.**
- **Berkeley County has enjoyed the strongest rate of job growth over the long term and has seen the strongest rebound from the COVID-19 recession.** Growth has been more subdued in Jefferson and Morgan counties over the past several years.
- **Manufacturing and the trade, transportation, and utilities sectors have accounted for most of the region's employment growth in recent years,** driven in large part by the openings of the Procter & Gamble manufacturing facility and Macy's fulfillment center.
- **Leisure & hospitality, healthcare and other services have endured the most significant negative impacts from the COVID-19 pandemic and have struggled with unfilled job openings.**
- **Unemployment in the region has fallen sharply over the past 18 months or so and is on track to register its lowest annual average on record in 2021.**
- **Labor force participation rates exceed the overall statewide average and Jefferson, and Berkeley**

**counties have workforce participation rates above the national average.**

- **The EPH has posted by far the largest population increase of any region in the state in recent decades.** Over the past 20 years, the EPH has gained 64,000 residents, helping to offset a large portion of the losses that have occurred in other regions of West Virginia.
- **EPH's population is younger and has a larger share of college-educated residents than the overall state.**

Our forecast calls for the EPH to recover further from the COVID-19 pandemic and register above average growth over the entire outlook period. Key aspects of our EPH forecast are as follows:

- **We expect employment to grow at an average annual rate of just above 1.7 percent per year in the EPH through 2026.** This rate will surpass both the state and national average.
- **Job growth over the near term could be weaker than expected due to the anticipated winter surge in covid cases and hospitalizations linked to the Delta and Omicron variants.**
- **Leisure and hospitality will lead in terms of job growth, largely reflecting the ability of restaurants and other similar consumer-facing businesses to rebuild staffing levels as the pandemic wanes.**
- **Manufacturing activity will continue to grow in the EPH thanks to future growth at Procter & Gamble, expanding capacity at Rockwool's new facility and the 2022 opening of Clorox's new plant.**
- **Unemployment is expected to remain incredibly low in the region throughout the entire outlook period.**
- **Strong increases in wages and salaries from local workers and commuters to the Greater DC Area, along with investment income, will drive healthy growth in personal income for the EPH in coming years.**
- **The EPH population is expected to grow at a rate of 1.2 to 1.3 percent annually in the coming years, led mostly by gains in Berkeley County's population.**



## Recent Economic Performance

The Eastern Panhandle Area<sup>1</sup> remains West Virginia's strongest economic region. While the three-county region struggled during the initial public health response to the COVID-19 pandemic, losing nearly 13 percent of total employment (or 6,900 jobs) in the span of less than two months, the Eastern Panhandle has staged the strongest rebound of any economic region in the state since mid-2020. Indeed, employers in the area have added nearly 5,000 jobs since mid-2020, leaving overall employment just 1.4 percent below pre-pandemic levels versus a 3.6 percent deficit for the state's remaining 52 counties combined.

Even prior to the pandemic, the Eastern Panhandle was home to the fastest rate of growth for any economic region in West Virginia. For example, while total statewide employment recorded a slight decline between 2009 and 2019, the three-county area saw payrolls increase by 20 percent during this time period. The area saw growth pick up noticeably between 2017 and 2019 as the initial opening and progressive expansion of production capacity at Procter & Gamble's manufacturing plant added nearly 1,500 jobs and fostered the co-location of several hundred new jobs in packaging, logistics and other supporting businesses at the facility's Martinsburg-area campus. More recently, the region received an additional boost in payrolls following the mid-2021 opening of Rockwool's insulation materials operation in Jefferson County.<sup>2</sup>

**PERFORMANCE BY COUNTY** While the region posted strong job growth through much of the 2010s and has rebounded strongly from the COVID-19 recession, each of the three counties have experienced appreciably different paths of economic activity over this time frame. With two-thirds of the region's jobs, along with its central location on the I-81 corridor between Hagerstown and Winchester and proximity to other major transportation networks such as I-70, Berkeley County is regarded as the Eastern Panhandle Region's economic center. In addition, Berkeley County has established itself as the leading county

in the state in terms of absolute job growth over the past decade or so. Even including the turbulent period of the COVID-19 recession and recovery, Berkeley County has seen local payroll employment increase by 8,000 since the beginning of 2010 while the balance of the state lost 31,000 jobs. Most of the county's job growth can be linked to major new openings such as the Macy's fulfillment center and Procter & Gamble, but a wide cross section of sectors has posted appreciable job growth over the past decade. Berkeley County's performance during the pandemic has also been unique. Initially, the county was

Figure 1: Total Employment

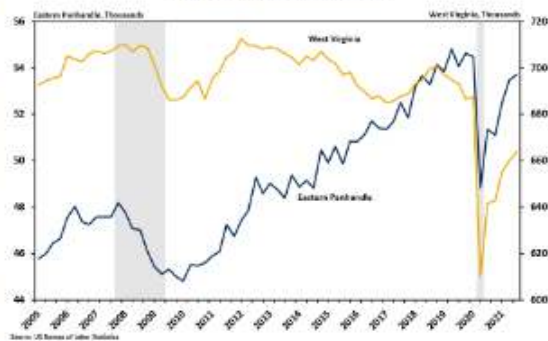
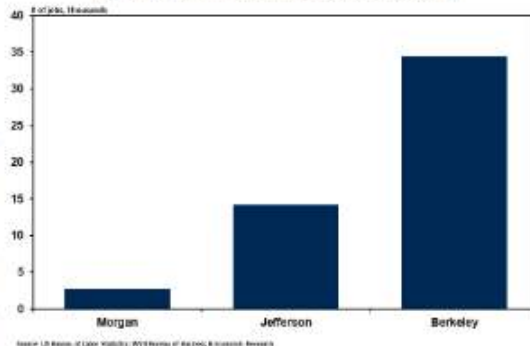


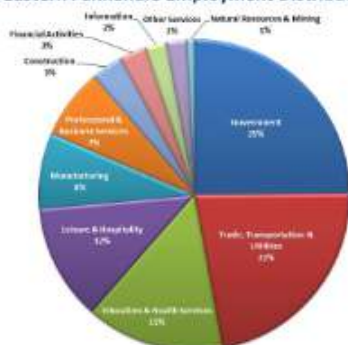
Figure 2: Total Employment by County (2020)



<sup>1</sup> For the purposes of this report, The Eastern Panhandle is comprised of Berkeley, Jefferson and Morgan counties.

<sup>2</sup> Sources for data are noted in each figure.

**Figure 3: Eastern Panhandle Employment Distribution by Sector**



Source: US Bureau of Labor Statistics, 2020 data.

the hardest hit in terms of percentage job losses and experienced a slower pace of recovery into the Fall/Winter 2020 surge in COVID-19 cases and hospitalizations as business activity for consumer-based service sectors remained depressed. Hiring activity accelerated rapidly over the course of 2021 as increased vaccine uptake and relaxed public health restrictions boosted economic activity. Some sectors have had difficulty filling job openings over the past several months, but even given these labor supply issues, the county's current level of employment is less than 1 percent below its pre-pandemic level.

Jefferson County, which contains 28 percent of the region's jobs, experienced relatively little net job growth over several years leading up to the pandemic. Just like Berkeley County, Jefferson County saw a large percentage drop-off in payrolls during the COVID-19 recession as its second-largest employer (Hollywood Casino) struggled amid pandemic capacity restrictions and ongoing fears of virus exposure by visitors. The county's pace of recovery from the COVID-19 recession largely mirrors that as the overall state, as payrolls have returned to roughly 3 percent of pre-pandemic levels.

After seeing a steady erosion in local payrolls between 2005 and 2015, Morgan County has seen modest job growth over the past several years. Pandemic-related restrictions and the broader drop-off in economic activity that occurred in other areas did affect Morgan County businesses, but payrolls have rebounded to the point that

they are roughly on par with pre-pandemic levels as of the third quarter of 2021.

**COMMUTER JOBS** Although the Eastern Panhandle has enjoyed strong payroll growth from within the region in recent years, as signified by the Macy's fulfillment center, Procter & Gamble's facility and the recent addition of Rockwool's operation, the region remains highly reliant upon economic activity in larger population centers in adjacent states. Indeed, more than 40 percent of the Eastern Panhandle's workforce holds a job in places such as Northern Virginia, Suburban Maryland or downtown Washington DC.

The COVID-19 pandemic has likely provided a moderate boost to population growth to commuters as well as those who telecommute to their jobs in the Greater DC Area or possibly other metro areas. Indeed, the Eastern Panhandle's location on the exurban fringe of high-wage employment centers, along with its lower cost of living, has enabled it to add more than 13,000 employed residents on net between 2013 and 2021. The COVID-19 recession did cause the region to experience an abrupt loss for 14,000 residents but as of the third quarter of 2021, the three-county area had already registered a full recovery in the household-based measure of employment.

**TRADE SECTOR** Even though many sectors have contributed to the Eastern Panhandle's gains over the past several years, a large chunk of the jobs created in the three-county area have come from a handful of sources. Over the past decade or so, the trade, transportation and utilities sector enjoyed one of the fastest rates of growth in the region and registered the largest absolute increase in payrolls, largely as a result of the Macy's fulfillment center in Martinsburg. Year-round staffing levels for the facility total roughly 2,300 workers, but annual averages are significantly higher as several thousand more full- and part-time workers are hired on a temporary basis to meet demand for winter holiday shopping seasons. The facility has been affected by outbreaks of COVID-19 infections and has dealt with labor supply issues related directly to worker pandemic appears to have only accelerated the retailer's emphasis on fulfillment centers that had already been occurring in recent years as Macy's was closing or downsizing its brick-and-mortar locations.

Figure 4: Unemployment Rate



**EDUCATION AND HEALTH** The education and health services sector has accounted for a large portion of jobs added in the region in recent years. Despite an extended period in 2012 and 2013 when no new jobs were added, the sector has seen a net increase of roughly 2,000 workers since 2010. Of course, the sector has faced significant strain as a result of the COVID-19 pandemic, particularly during the late-fall/winter surge in 2020 as well as during the late-summer 2021 surge in hospitalizations due to the Delta variant.

While healthcare resource capacity utilization has fallen from the peak levels observed in September and October, ICU capacity by COVID-19 patients remains high throughout West Virginia and the recent emergence of the highly infectious Omicron variant along with the widespread Delta strain suggests hospital capacity could remain under pressure for several months. In addition, the healthcare sector's workforce has endured significant strain over the course of the COVID-19 pandemic and labor supply issues have become an issue for many healthcare providers as quit rates among healthcare workers have risen appreciably over the past year and the rate of unfilled job openings has increased, especially for CNAs and licensed nurses.

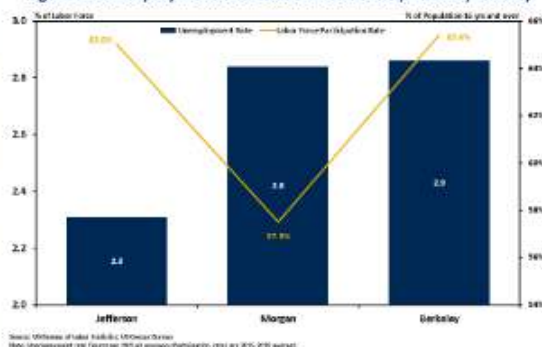
**PUBLIC SECTOR** While many residents commute into Maryland, Northern Virginia or Washington DC to work for federal agencies, the public sector also has a large presence in the Eastern Panhandle—accounting for more than 1 in 4 jobs in the three-county area. Aside from state and local government offices, the

US federal government has a sizable presence, with offices and various facilities for Treasury, Veterans Affairs, Customs, the National Parks Service and other agencies employing nearly 4,800 workers. Total public sector employment in the region has increased slightly since 2010 and the gains have been evenly split for the most part across all levels of government.

**AGRICULTURE** While the Eastern Panhandle contains a limited amount of mining operations, mostly related to sand, gravel and aggregate operations, the three-county area is one of the few regions in the state that contains an appreciable level of agricultural activity. The Eastern Panhandle contains about 1,300 farming operations, with cattle, horses and apple orchards constituting most of the area's farming activities.

Preliminary data indicate gross cash sales of crops and livestock by local farms totaled more than \$68 million in 2020. This represents a structurally higher level of sales compared to what local farm operations earned on average during the late 2000s, as well as an 8 percent increase in gross sales for area farms during 2019. Nonetheless, local agribusiness and farm operations saw the nominal level of sales peak in 2014 at \$74 million as the pricing environment for several major cash crops sold in the area has become less favorable.

Figure 5: Unemployment and Labor Force Participation by County



**UNEMPLOYMENT** The Eastern Panhandle has consistently had one of the lowest unemployment rates of any economic region in West Virginia. Prior to the pandemic,



Figure 6: Per Capita Personal Income

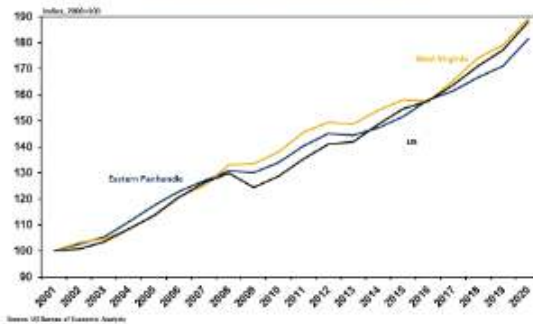
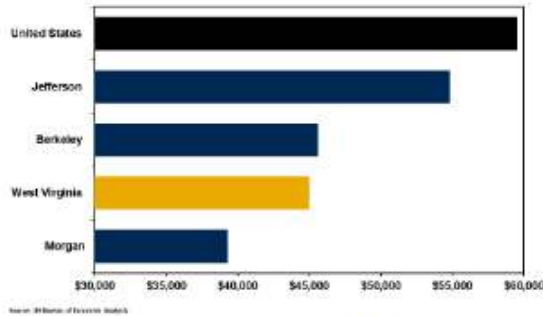


Figure 7: Per Capita Personal Income by Area (2020)



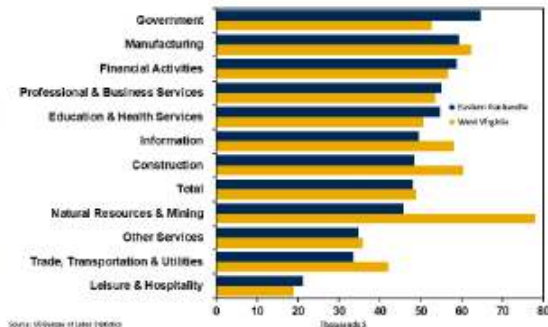
the three-county area saw its jobless rate bottom out at 3 percent, more than two full percentage points below the statewide average. At the onset of the COVID-19 recession, the regional unemployment rate increased sharply to 11.6 percent in April 2020, which was still several percentage points lower than the statewide and national average. Unemployment has fallen rapidly in the region over the past 18 months or so, even faster than has occurred at the state and national levels. Indeed, the Eastern Panhandle's jobless rate averaged 2.7 percent during the third quarter of 2021, the lowest level ever recorded for the region. Each of the region's three counties have exceptionally low unemployment rates, with Jefferson County notching the lowest in the region during at 2.3 percent as of the third quarter.

**LABOR FORCE** While segments of the Eastern Panhandle's labor market are dealing with high levels of unfilled job openings, the region's labor force has fully recovered from the losses that occurred during the initial phases of the COVID-19 pandemic. Indeed, the region has seen its labor force return to its pre-pandemic size and has gained more than 11,000 people since 2015.

In terms of official workforce participation, the region has nearly two-thirds of its residents aged 16 years and older working or actively looking for work, surpassing both statewide and national averages. Morgan County contains a larger proportion of retirement-age residents, so its labor force participation is much lower overall, but among the prime-age working population (25-54 years of age), Morgan County's workforce participation rate exceeds the statewide average by a healthy margin.

**INCOME** Per capita personal income in the Eastern Panhandle was estimated at nearly \$47,700 during calendar year 2020, a 6 percent gain over 2019 (without adjusting for inflation). Overall growth in the region's per capita income levels since 2013 has lagged both state and national averages, though this can be attributed in part to healthy population growth not fundamental weakness in the underlying economy, as average household income is measurably higher than the statewide figure.

Figure 8: Average Annual Salary by Major Sector (2020)



Of the three counties in the Eastern Panhandle region, residents in Jefferson County have the highest per capita income at roughly \$55,000, putting it nearly \$10,000 above the statewide average and ranking second overall among West Virginia's 55 counties. Per capita income levels in Berkeley and Morgan counties were lower at \$45,600 and \$39,300.

**POPULATION** The Eastern Panhandle has consistently ranked as West Virginia's fastest-growing region for the past two decades or so. Between 2000 and 2020, Berkeley, Jefferson and Morgan counties combined to add nearly 64,000 residents, offsetting a substantial portion of the 85,000+ decline in residents observed from the balance of the state's other counties. Population growth in the Eastern Panhandle has decelerated in comparison to its performance in the early- to mid-2000s, but gains have begun to pick back up over the past five years (1.3 percent annually) thanks to improving job prospects locally and more affordable housing prices compared to neighboring markets.

**DEMOGRAPHICS** The Eastern Panhandle's population tends to resemble the US rather than what is observed for populations other parts of West Virginia. Indeed, the region's age distribution and above-replacement birth rate allow the region to gain residents via natural increase.

The local population also tends to possess higher levels of educational attainment. Nearly 24 percent of the region's population aged 25 years and older held at least a bachelor's degree during 2016. Jefferson County contained the highest share of college graduates in the

region, with more than one in four of the county's residents aged 25 years and older possessing a bachelor's degree or higher.

**Figure 9: Summary Population Profiles**

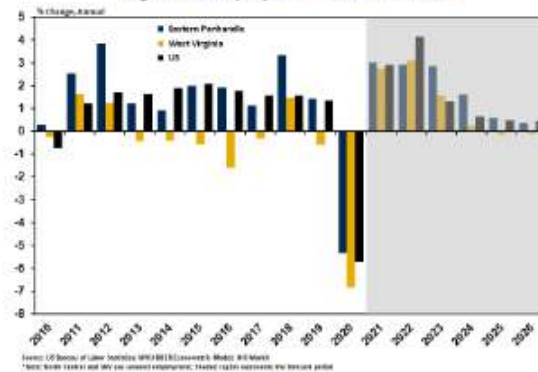
	EPH	West Virginia	United States
Total Population (2020)	197,484	1,784,787	329,484,123
% Population Under 18 (2020)	22.0%	20.0%	22.1%
% Population 65 Years + (2020)	16.8%	22.6%	16.9%
Population with Less than High School Diploma (2019, 25 yrs. +)	11.0%	12.9%	11.4%
Population with High School Diploma, No College (2019, 25 yrs. +)	35.9%	40.2%	26.9%
Population with Some College (2019, 25 yrs. +)	29.1%	25.8%	28.6%
Population with Bachelor's Degree or Higher (2019, 25 yrs. +)	23.9%	21.1%	33.1%
Median Age (2020)	40.7	43.0	38.6
Mean Household Income (2019)	\$81,193	\$65,842	\$92,324
Average Household Size (2020)	2.73	2.40	2.61

Source: US Census Bureau

## Economic Outlook

Expectations for the US economy, and to a lesser extent the West Virginia economy, during the forecast horizon will have a significant impact on the Eastern Panhandle's economic performance.<sup>3</sup> In addition, the trajectory of the COVID-19 pandemic over next several months will have an influence on the near-term performance of the region's economy, especially as several key sectors will be directly affected by any significant increases in cases and hospitalizations related to the Delta and Omicron variants. The forecast calls for the region to recover further from the COVID-19 pandemic at a healthy pace over the course of 2022 and 2023. The area is expected to record growth over the next five years that easily surpasses the statewide average and beats the nation by a slight margin.

Figure 10: Employment Growth Forecast



**EMPLOYMENT OUTLOOK** We anticipate total employment in the three-county region will increase at a rate of more than 1.7 percent per year through 2026. This represents a somewhat slower pace of growth for the region compared to its performance over the previous decade; however, growth will be strong enough such that the Eastern Panhandle will rank as the state's fastest-growing economic region going forward. While the recorded rate of growth during 2021 will be the strongest of any year during the forecast horizon, most of this will reflect a favorable comparison to the first half of 2020 when a large

amount of economic activity was paused due to shelter-in-place orders and public-health restrictions on businesses.

At the same time, growth will remain well above the statewide average by a healthy margin over the remainder of the outlook period thanks to continued growth in manufacturing activity (P&G, Rockwool and Clorox), transportation and logistics, high-tech business services and the widespread deployment of vaccines help to end the COVID-19 pandemic and enable consumer service-based industries return closer to normal. In addition, in-migration is expected to boost local growth as the area's ties to the Greater DC economy will attract remote workers and commuters.

**COUNTY FORECAST** Berkeley County's economy will enjoy job gains of nearly 2 percent per year through 2026. Additional growth at the P&G facility, both in terms of production and expansion of co-located packaging and logistics firms, will boost payrolls while the Clorox cat litter facility's construction and opening in 2022 is expected to lift local job growth.

Jefferson County is expected to enjoy an above-average strongest rate of growth over the next five years, with employment expected to increase more than 1.5 percent annually through 2026. Most of the county's growth will occur over the course of the next two years as Rockwool fills job openings as it ramps up production capacity and the COVID-19 wanes further and allows consumer-based service sector companies to ramp up hiring as labor supply conditions normalize.

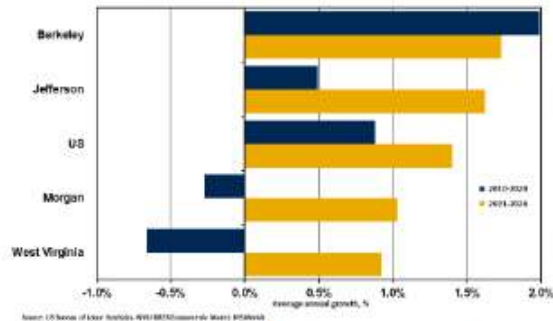
Morgan County will lag broader regional growth but should outpace broader statewide job gains with an expected increase of 1 percent annually through 2026. Most of the growth will be linked to in-migration of high-income residents as well as an improved backdrop for tourism and other consumer services activity as the COVID-19 pandemic subsides.

**LEADING SECTORS** The forecast calls for the leisure and hospitality sector to see an average annual increase of 5-6

<sup>3</sup> All forecast estimates presented herein are derived from the West Virginia University Bureau of Business & Economic Research Econometric Model unless otherwise noted.



Figure 11: Employment Growth Forecast by Area



percent during the outlook period. Most of this growth will occur during the first half of the forecast horizon as the Hollywood Casino, restaurants, hotels and other indoor 8 consumer-facing businesses should begin to benefit from rising consumer confidence and spending activity thanks to the increased availability of testing, therapeutics and COVID-19 vaccines. Also, the waning impacts of the pandemic and rising wage rates should encourage workers no longer in the labor force to re-enter and bolster the labor supply for these sectors.

Longer term, however, the Eastern Panhandle's gaming industry continues to face many of the same risks as it did prior to the pandemic – namely, competition from newer, larger venues such as the MGM National Harbor in Prince George's County, Maryland. Although sportsbook services offer Hollywood Casino an advantage over the short term, these services are becoming available in more states via apps and in-house terminals.

Professional and business services will register strong growth ranging between 3 and 4 percent on an average annual basis through 2026. Of course, growth will be concentrated over the first couple of years during the outlook period as tightening labor markets cause companies to hire temporary contract labor to fill vacant positions. In addition, the Eastern Panhandle's proximity to and economic ties with the DC Beltway economy should drive opportunities for a range of high-tech and front-office jobs in defense and non-defense federal contracting as well as the private sector. Moreover, the Eastern Panhandle is expected to serve as a target for federal agencies to expand operations outside of the Beltway.

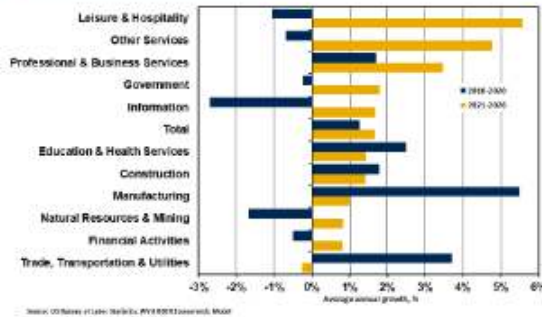
The public sector will likely see job growth of 1.8 percent annually over the next five years. Although most of this is expected to occur at the local government level, the federal and state levels should contribute to the topline gain as well. High income levels and projected gains in population will likely create the demand for new school facilities and the expanded provisions of other local services. In addition, the Infrastructure Investment and Jobs Act will provide significant increases in numerous forms of infrastructure development, including water and sewer systems, while ongoing spend out of American Rescue Plan funds will boost public sector service personnel and program expenditures. Finally, the Build Back Better budget reconciliation plan for FY22 has the potential to add billions to state and local government budgets over the next decade, though the ultimate impact of the bill remains unclear at present since the dollar amount of the legislation has changed significantly since it was introduced, and its passage faces hurdles due to policy differences within the Democratic caucus.

Federal employment in the region should see some growth as well as agencies diversify central offices and auxiliary operations toward areas outside the Beltway but within the broader DC region. Moreover, the agencies already located in the three-county area could be tasked for staffing increases, particularly the IRS data center operations.

**MANUFACTURING** The Eastern Panhandle's manufacturing sector is expected to record additional job growth over the next five years, expanding at a rate of 1 percent per year. The bulk of this growth will be accounted for by expanding production activity at Procter & Gamble's facility in Berkeley County, but gains at other major operations will boost the sector's performance as well. For example, Rockwool's insulation materials plant is expected to ramp up production further over the next few quarters, adding 50 more employees to its current 110-person workforce. In addition, the Clorox plant, which will produce Fresh Step and Scoop Away litter brands, will add 100 or so new jobs upon its opening in 2022.

**OTHER SECTORS** Private education and health services within the Eastern Panhandle are expected to increase payrolls at an average annual rate of 1.4 percent through 2025. The forecast calls for this growth to be focused

Figure 12: Eastern Panhandle Employment Growth Forecast by Sector



Source: US Bureau of Labor Statistics, BLS-90000 Economic Model

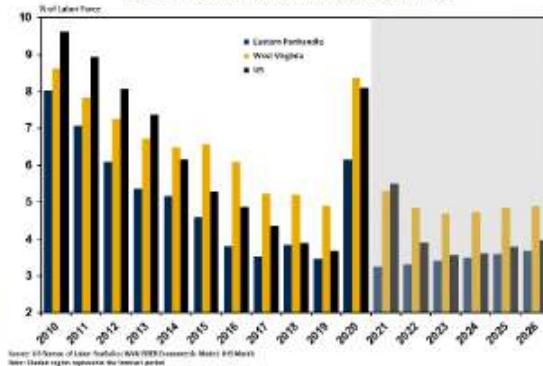
entirely largely within the healthcare sector. Over the near term, we expect regional healthcare systems to remain resource constrained as the highly transmissible Delta and Omicron variants likely prompt a rising level of cases and hospitalizations during the winter season. Hospitals and other medical facilities are expected to divert capacity to ICU and critical care capacity and delay some nonemergent care and routine appointments. Longer term, however, we anticipate steady growth in healthcare sector employment as demographics point to rising healthcare demand. The area's private education sector is subject to some downside risk going forward. President Biden has signaled some intent to scrutinize the cost structure and outcome measures of private for-profit colleges such as American Public University System (APUS), which could create some potential for regulatory changes that lead to falling enrollment and significant operational changes.

Employment in the region's trade, transportation and utilities sector is projected to contract slightly over next five years. Despite the positive outlook for regional population and income growth and rising household wealth created by house price appreciation and equity market increases, local retail activity will be limited by structural changes that are affecting the sector in most of the US and were in fact accelerated by the COVID-19 pandemic. Indeed, the evolution of Amazon and other internet-based retailing venues into more areas of daily consumer spending decisions is only expected to continue during the outlook period. While this will not harm all traditional brick-and-

mortar retailers to the same degree and stands to help one major employer in the region (Macy's), it will likely lead to broader restructuring for the sector that, along with pushes for higher federal- and state-level minimum wages, will weigh on future job growth.

The transportation and warehousing segment will be a stronger performer than the rest of the sector over the next five years. The structural changes that are affecting brick-and-mortar retailers will benefit this segment since many stores are expected to emphasize online operations and fulfillment centers, such as the Macy's center in Martinsburg. In addition, the P&G facility is expected to foster more growth opportunities for logistics operations centers beyond the current companies that have already co-located in the region. Indeed, the region's direct access to the I-70/I-81 corridor and proximity to major Eastern US markets should provide a significant competitive advantage going forward and could lead to the development of a larger logistics hub in the three-county area

Figure 13: Unemployment Rate Forecast



Source: US Bureau of Labor Statistics, BLS-90000 Economic Model, BLS Maps  
Note: Eastern region represents the forecast period

**UNEMPLOYMENT OUTLOOK** The COVID-19 pandemic has had a significant impact on the reported unemployment rate, and large revisions to historical data in March 2022 could lead to a significantly different assessment in the Eastern Panhandle's jobless rate. Furthermore, shifting demographic trends such as unanticipated changes in the labor force participation rate could cause further deviations in the three-county area's unemployment



forecast. With that said, the forecast calls for the regional unemployment rate to continue falling over the remainder of 2021 and into 2022; however, wage pressures and the waning of the COVID-19 pandemic will cause residents currently on the sidelines (school, retirement, etc) to re-enter the workforce. This will ultimately put upward pressure on the unemployment rate during the medium and long term.

Overall, the region's unemployment rate is expected to average just over 3 percent in 2021, falling below the all-time low observed during the late 1990s. The unemployment rate should rise in 2022 and beyond as healthy demographic trends and wage growth foster labor force gains.

Jefferson County is expected to have the lowest unemployment rate throughout the forecast horizon, falling to the upper 2.0- to lower-3.0-percent range. Morgan County's jobless rate will likely be the highest among the three counties in the region, but due to demographic factors it should still fall in the upper-3.0-percent range over the longer term.

**LABOR FORCE GROWTH** Unlike many other parts of West Virginia, the Eastern Panhandle should continue to see solid and consistent growth in the size of its labor force through 2026. In addition to positive in-migration flows for the region, the absolute size of the under-18 population will only bolster the local workforce over the longer term, as some of these residents will enter the work force as they graduate from high school and positive prospects for the regional economy will encourage others to return to the area once they finish college. Morgan County will be the exception as its labor force will remain steady in size as entrants to the workforce are offset by older residents exiting the labor force for retirement.

**INCOME** Given the substantial impact federal government transfers had on personal income levels during the first quarter of 2021, the Eastern Panhandle is expected to see inflation-adjusted per capita (and total) income decline slightly in 2022. Nonetheless, strong local job growth in a few high-wage sectors along with rising earnings from commuters (and remote workers) traveling into the DC Beltway will play a major role in boosting local income

levels. Healthy equity market returns and rising home prices will boost investment income and overall wealth.

**POPULATION** The Eastern Panhandle's total resident population is expected to grow by 1.2 to 1.3 percent annually between 2021 and 2026. While an appreciably slower rate of growth for the region compared to the 1990s and 2000s, it represents a dramatic departure from nearly all of West Virginia's other economic regions. The forecast calls for Berkeley County to account for most of the area's population growth during the outlook period, with average annual increases of 1.6 percent through 2026. Jefferson and Morgan counties will easily outpace the state's performance in terms of population growth but will see appreciably slower increases in residents at a rate of 0.5 and 0.3 percent, respectively. The region could enjoy even stronger population growth over the long term thanks to explicit efforts to attract teleworkers from other states or the continued addition of new major employers like P&G and Clorox.

Figure 14: Population Forecast







Appraisal & Natural Resources, LLC

304-229-0900 Office

304-229-1200 Fax

P.O. Box 12

Bunker Hill, WV 25413

**INVOICE**

March 4, 2025

County Commission of Jefferson County, WV

Re: Real Estate Appraisal Report of 393 Lawrence St., Charles Town, WV

**TOTAL AMOUNT DUE:**

**\$3,000.00**