



311 S. ROYAL OAKS BOULEVARD, SUITE 110
FRANKLIN, TN 37064
615.866.4863
BGJONES@BGJONESCOMPANY.COM
WWW.BGJONESCOMPANY.COM

RESTRICTED USE APPRAISAL REPORT

THE FOLLOWING REPORT IS INTENDED TO COMPLY WITH THE REQUIREMENTS SET FORTH UNDER THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT (FIRREA), THE INTERAGENCY APPRAISAL AND EVALUATION GUIDELINES, EFFECTIVE DECEMBER 10, 2010, AND THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP), EFFECTIVE JANUARY 1, 2014. THIS REPORT IS INTENDED FOR INTERNAL USE ONLY BY THE STATED CLIENT/INTENDED USER. THE APPRAISER'S OPINIONS AND CONCLUSIONS SET FORTH IN THE REPORT MAY NOT BE UNDERSTOOD PROPERLY WITHOUT ADDITIONAL INFORMATION RETAINED IN THE APPRAISER'S WORK FILE. B.G. JONES & COMPANY IS NOT LIABLE FOR ANY UNAUTHORIZED USE OF THIS REPORT.

PROJECT/JOB ID No.	N/a
PROPERTY NAME	City of Franklin Solid Waste Department
PROPERTY ADDRESS	403 & 405 5th Avenue N
CITY/COUNTY	Franklin / Williamson County
STATE	TN
CLIENT/INTENDED USER	City of Franklin
INTENDED USE	Determination of market value for potential sale
PURPOSE OF REPORT	To estimate the as is market value of the subject property.
EFFECTIVE DATE OF VALUATION	5/22/2015
DATE OF REPORT	5/27/2015
PROPERTY RIGHTS APPRAISED	Fee Simple Estate

VALUATION CONCLUSION

AS IS MARKET VALUE AS IF RM-10:	\$1,820,000.00
AS IS MARKET VALUE AS IF RM-20:	\$2,190,000.00
MARKETING TIME:	12 months or less
EXPOSURE TIME:	12 months or less

SCOPE OF WORK

At the request of the client, only the most applicable approach to value was performed. Given the characteristics of the subject property, the sales comparison approach is considered the most applicable approach to value. The quantity and quality of data was sufficient to render a credible value conclusion.

- Performed an inspection of the property
- Performed a level A market analysis
- Gathered & analyzed data to determine the highest & best use of the property, as vacant
- Gathered & analyzed data to determine the highest & best use of the property, as improved
- Gathered sales of comparable properties
- Analyzed any furnished information and data gathered to arrive at a value conclusion of the subject property
- Estimated the marketing time and exposure period

DEFINITION OF MARKET VALUE

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

1. Buyer and seller are typically motivated;
2. Both Parties are well informed or well advised, and acting in what they consider to be their own best interests;
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; and
5. The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.” – Source: 12 CFR 34.42 (g).

ASSIGNMENT CONDITIONS/SIGNIFICANT OBSERVATIONS & LIMITING CONDITIONS

The subject property is currently zoned CI (Civic and Institutional). According to the City of Franklin, the current owner of the property, the property would be rezoned to either RM-10 or RM-20 in the event of a sale. At the request of the city, the property has been appraised under each of the two provided scenarios. The values contained herein are based on the extraordinary assumption that the property could be rezoned to each of the respective zonings.



An interior inspection of Building 1 was unavailable to the appraiser at the time of inspection, though some limited visibility was provided from the exterior windows. This appraisal is subject to the extraordinary assumption that the interior condition of Building 1 is consistent with what was visible from the exterior of the structure.

A survey was not provided of the property. Based on the client's direction, tax records were utilized for the subject's land area.

This report is not subject to any additional extraordinary assumptions or hypothetical conditions. The use of extraordinary assumptions or hypothetical conditions may have an effect on assignment results.

IDENTIFICATION OF REAL ESTATE

Property Name: City of Franklin Solid Waste Department

Address: 403 & 405 5th Avenue N

City: Franklin

County: Williamson

State: TN

Zip: 37064

Map/Parcel: 63N-D/19 & 20.01

Legal Description: N/a

PROPERTY DESCRIPTION

Land Area (Ac.): 5.58

Land Area (SF): 243,025

Source of Land Area: Tax Records

Shape: Irregular

Topography: Mostly level to gently sloping/Steep

Vegetation: Mostly Cleared

Frontage: Primary

Access: Average

Utilities: All available

FEMA Flood Map/Date of Last Revision: 47187C0192F / 9/29/2006

Floodplain Encumbrance: Partial - Slight to Moderate

FEMA Flood Zone Designation(s):

Special Flood Hazard Areas – High Risk

☒ Zone AE, A1-A30 – Areas subject to inundation by the 1-percent-annual change flood event.

Moderate and Minimal Risk Areas

☒ Zone B, X (shaded) – Moderate risk areas within the 0.2-percent-annual-chance floodplain, areas of 1-percent-annual-chance flooding where average depths are less than 1 foot, areas of 1-percent-annual-chance flooding where the contributing drainage area is less than 1 square mile, and areas protected from the 1-percent-annual-chance flood by a levee.

☒ Zone C, X (unshaded) – Minimal risk areas outside the 1-percent and 0.2-percent-annual-chance floodplains.

Other Significant Easements/Encumbrances: N/a

Building Type: Office/Warehouse

Exterior Construction: Corrugated Metal

Building Size (SF): 27,040

Building Year Built: N/a

Secondary Improvements: Approximately 125,000 SF of asphalt paving in need of resurfacing, guard rail fence along 5th Avenue N, and a retaining wall along 5th Avenue N.

Overall Construction Quality: Average

Overall Property Condition: Average

Source of Bldg. Area: Measurement

FAR: 0.11

Current Use: Vacant

Projected Use: Redevelopment

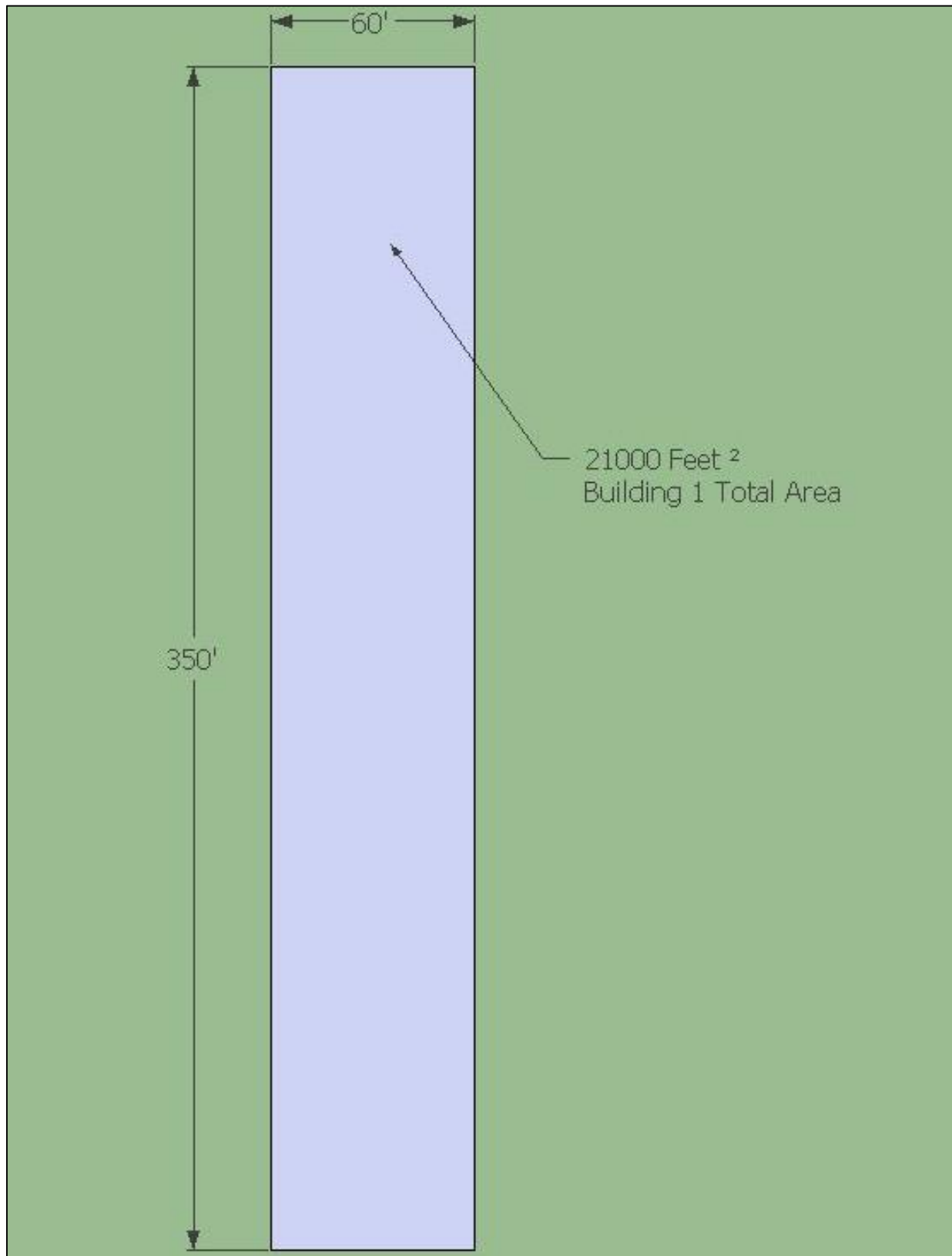
Zoning: CI

Zoning Compliance: Non-Legally Conforming

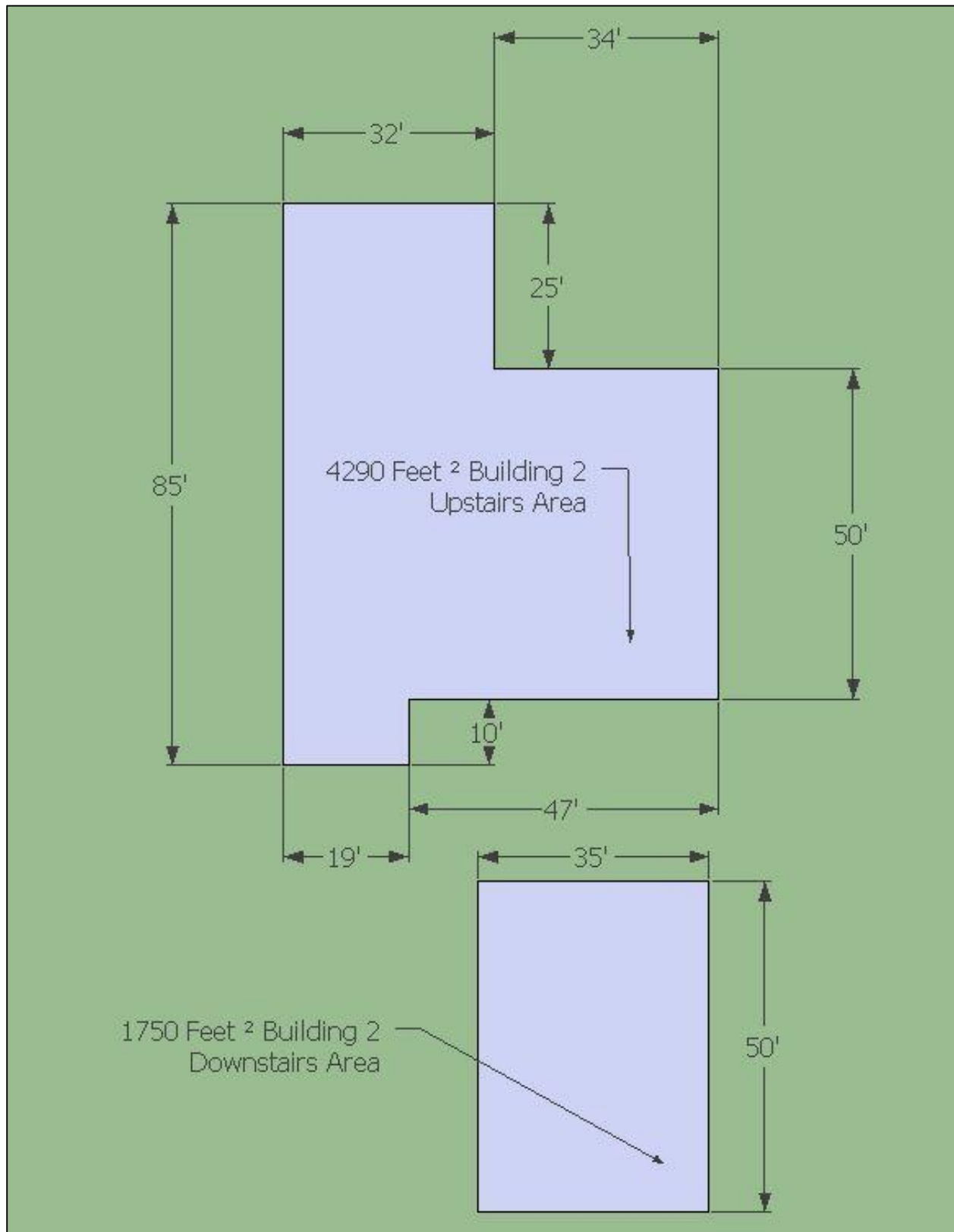
Additional Comments: The subject site is currently improved with two industrial buildings consisting of approximately 27,040 SF of building area. The building finishes consist of corrugated metal ceiling and walls, concrete slab flooring, minimal finished space, and adequate lighting. Building 2 is split level, with access available from an asphalt lot off of 5th Avenue N and from the southeast side of the property on top of the hill. The southeastern corner of the site is at grade with 5th Ave N, rising in elevation moving away from the road frontage along the access drive to an existing ridge, whereby the topography consists of mostly level to gently sloping terrain. The finished area of Building 1 is unknown; however, building two features 190 SF of office space located on the top floor. The buildings are in average condition, given their age. The exact year of completion of each of the improvements is unknown. The eve height of Building 1 is 16 feet. The eve height of Building 2 upstairs is 22' while the downstairs eve height for Building 2 is 19'.

Ancillary site improvements consist of approximately 125,000 SF of asphalt paving that needs to be resurfaced, and a guardrail fence that extends along a retaining wall positioned along the 5th Avenue N road frontage.

BUILDING SKETCH – BUILDING 1



BUILDING SKETCH – BUILDING 2



OWNERSHIP/PREVIOUS SALE DATA

Current Owner: City of Franklin

Prior Sale Date: N/a

Prior Sale Price: N/a

Prior Sale Price/SF: N/a

Is Prior Sale Arm's Length?: N/a

Comments/Other recent sales:

There have been no transfers of the property over the past five years.

PROPERTY TAXES

The subject property is currently tax exempt, and has not been appraised for tax purposes.

LOCATION DESCRIPTION/MARKET ANALYSIS

The subject property is located along the southwestern side of 5th Avenue North (Hillsboro Road) in Franklin, Williamson County, Tennessee. Williamson County is one of thirteen counties that comprise the Nashville-Davidson-Murfreesboro-Franklin metropolitan statistical area (MSA), which is among the largest and fastest-growing in the southeastern United States with nearly 2 million residents. Franklin is the largest city in Williamson County with a 2010 US census population of just over 60,000, and serves as the county seat. Due to an extensive network of linkages traversing the area, particularly Interstate 65, north-central Williamson County is highly accessible from bordering Metropolitan Davidson County, and Franklin is generally described as a satellite city of Nashville. Nashville, the anchor city of the MSA, is a second-tier municipality located at the junction of three major interstates (I-24, I-65, and I-40), and is a significant and rapidly expanding economic hub that is centered on the health care, music, publishing, and financial sectors.

Demographic Study Area/Neighborhood: City of Franklin

Current Population: 69,563

Population Trend: Increasing

Current Median Household Income: \$92,278.00

Household Income Trend: Increasing

Neighborhood Character: Suburban

Neighborhood Life-Cycle Stage: Growth

HIGHEST AND BEST USE CONCLUSION

Highest & Best Use – As Vacant: Multi-Family Development

Highest & Best Use – As Improved: Multi-Family Redevelopment

SALE COMPARABLES

	Comp 1	Comp 2	Comp 3	Comp 4
Address	Newark Lane & Bungalow Drive	2000 Shadow Green Drive	E McEwen Drive & Resource Parkway	Liberty Park
City/County	Thompsons Station/Williamson	Franklin/Williamson	Franklin/Williamson	Franklin/Williamson
State	TN	TN	TN	TN
Map/Parcel	132I-G/20 & part of 132/1	90/26.18 & 26.20	62/14.08, 14.10, 14.11	64L-A/39 & 39.001
Sale Date	4-8/2013	3/29/2012	10/26/2010	6/30/2011
Sale Price	\$1,025,000	\$2,400,000	\$6,420,000	\$2,616,000
Grantor	MBSC TN Homebuilder, LLC	Geoffrey W. Fields, Etux	Crescent Cool Springs Multifamily, LLC	Pinnacle National Bank
Grantee	E. Phillips Development, LLC	SWHR Shadow Green, LLC	Mid-America Apartments, LP	Bell Jamison Partners, LLC
Financing	Typical	Typical	Typical	Typical
Conditions of Sale	Typical	Typical	Typical	REO
Site Area (Acre)	5.76	18.63	38.51	12.81
Site Area (SF)	250,827	811,338	1,677,626	558,047
Floodplain	None	None	None	Partial
Unit Count	51	196	428	218
Density	8.86	10.52	11.11	17.02
Zoning	H	ML	RX	ML
Price per Acre	\$178,007	\$128,824	\$166,697	\$204,200
Price per SF	\$4.09	\$2.96	\$3.83	\$4.69
Price per Unit	\$20,098	\$12,245	\$15,000	\$12,000

	Comp 5	Comp 6	Comp 7
Address	Carothers Parkway	Columbia Park	1340 & 1310 Moher Boulevard and Ambleside Way
City/County	Franklin/Williamson	Thompsons Station/Williamson	Franklin/Williamson
State	TN	TN	TN
Map/Parcel	62/14	Part of 132/1	36/51.08, 51.09, & 51.10 and 53/3.02, 3.03, & part of 3.04
Sale Date	6/28/2013	12/23/2014	10/7/2010
Sale Price	\$5,040,000	\$2,175,000	\$3,514,834
Grantor	Crescent Communities, LLC	MBSC TN Homebuilders, LLC	Gateway Village Development, Inc.
Grantee	GGT Crescent Cool Springs TN Venture, LLC	Vintage Tollgate, LLC	SREP Camden Associates, LLC
Financing	Typical	Typical	Typical
Conditions of Sale	Typical	Typical	Typical
Site Area (Acre)	13.52	9.46	8.80
Site Area (SF)	588,736	411,880	383,389
Floodplain	None	None	None
Unit Count	252	191	186
Density	18.64	20.19	21.14
Zoning	GC	H	ML
Price per Acre	\$372,781	\$229,915	\$399,413
Price per SF	\$8.56	\$5.28	\$9.17
Price per Unit	\$20,000	\$11,387	\$18,897

	Comp 8	Comp 9	Comp 10
Address	300 Centerview Drive	Mack Hatcher Parkway	New Highway 96 W
City/County	Brentwood/Williamson	Franklin/Williamson	Franklin/Williamson
State	TN	TN	TN
Map/Parcel	11/14.11	63/16 & 15.02	64/19
Sale Date	8/30/2011	3/14/2012	6/17/2014
Sale Price	6224950	\$2,500,000	\$1,129,756
Grantor	Sonia Smithson and Brent Campbell	Mack Hatcher Retail Partners, LLC	Franklin Christian Academy, Inc.
Grantee	The Northwestern Mutual Life Insurance Co.	Hearth at Franklin, LLC	Harpeth Medical Investors, LLC
Financing	Typical	Typical	Typical
Conditions of Sale	Typical	Typical	Typical
Site Area (Acre)	7.04	7.80	13.51
Site Area (SF)	306365	339,654	588,459
Floodplain	None	Mostly	None
Unit Count	393	N/a	N/a
Density	55.8	N/a	N/a
Zoning	C-4	GC	CI
Price per Acre	\$884,226	\$320,513	\$83,624
Price per SF	\$20.32	\$7.36	\$1.92
Price per Unit	\$15,840	N/a	N/a

VALUATION ANALYSIS: RM-10
Sales Adjustment Grid – Price per SF Adjustments

	1	2	3	4	5	6	7	8	9	10
\$/Acre	\$178,007	\$128,824	\$166,697	\$204,200	\$372,781	\$229,915	\$399,413	\$884,226	\$320,513	\$83,624
\$/SF	\$4.09	\$2.96	\$3.83	\$4.69	\$8.56	\$5.28	\$9.17	\$20.32	\$7.36	\$1.92
\$/Unit	\$20,098	\$12,245	\$15,000	\$12,000	\$20,000	\$11,387	\$18,897	\$15,840	N/a	N/a
Property Rights										
Financing										
Conditions of Sale				↑						
Expenditures										
Market Conditions	↑	↑	↑	↑	↑		↑	↑	↑	↑
Status										
Location	↑	↑		↑		↑			↑	↑
Size		↑	↑	↑	↑	↑				↑
Shape	↑	↑		↑	↑			↑		
Topo/Site Prep	↓	↓		↓		↓	↓	↓		
Encumbrances	↓		↓		↓	↓		↑	↓	↑
Zoning/Density				↓	↓	↓	↓	↓	↓	
Externalities	↓	↓	↓		↓	↓	↓		↓	↓
Overall	↑	↑	↑	↑	↓	↑	↓	↓	↑	↑
Adj. Sale Price/Acre	\$178,007	\$128,824	\$166,697	\$204,200	\$372,781	\$229,915	\$399,413	\$884,226	\$320,513	\$83,624
Adj. Sale Price/SF	\$4.09	\$2.96	\$3.83	\$4.69	\$8.56	\$5.28	\$9.17	\$20.32	\$7.36	\$1.92
Adj. Sale Price/Unit	\$20,098	\$12,245	\$15,000	\$12,000	\$20,000	\$11,387	\$18,897	\$15,840	N/a	N/a

Green – Upward Adj., Red – Downward Adj., Orange/Blank – Similar / *Note that not all adjustments are equally weighted

Sales Adjustment Grid – Price per Unit Adjustments

	1	2	3	4	5	6	7	8	9	10
\$/Acre	\$178,007	\$128,824	\$166,697	\$204,200	\$372,781	\$229,915	\$399,413	\$884,226	\$320,513	\$83,624
\$/SF	\$4.09	\$2.96	\$3.83	\$4.69	\$8.56	\$5.28	\$9.17	\$20.32	\$7.36	\$1.92
\$/Unit	\$20,098	\$12,245	\$15,000	\$12,000	\$20,000	\$11,387	\$18,897	\$15,840	N/a	N/a
Property Rights										
Financing										
Conditions of Sale				↑						
Expenditures										
Market Conditions	↑	↑	↑	↑	↑		↑	↑	↑	↑
Status										
Location	↑	↑		↑		↑			↑	↑
Size		↑	↑	↑	↑	↑				↑
Shape	↑	↑		↑	↑			↑		
Topo/Site Prep	↓	↓		↓		↓	↓	↓		
Encumbrances	↓		↓		↓	↓		↑	↓	↑
Zoning/Density				↑	↑	↑	↑	↑	↓	
Externalities	↓	↓	↓		↓	↓	↓		↓	↓
Overall	↑	↑	↑	↑	↑	↑	↑	↑		
Adj. Sale Price/Acre	\$178,007	\$128,824	\$166,697	\$204,200	\$372,781	\$229,915	\$399,413	\$884,226	\$320,513	\$83,624
Adj. Sale Price/SF	\$4.09	\$2.96	\$3.83	\$4.69	\$8.56	\$5.28	\$9.17	\$20.32	\$7.36	\$1.92
Adj. Sale Price/Unit	\$20,098	\$12,245	\$15,000	\$12,000	\$20,000	\$11,387	\$18,897	\$15,840	N/a	N/a

Green – Upward Adj., Red – Downward Adj., Orange/Blank – Similar / *Note that not all adjustments are equally weighted

The comparable sales ranged in price per square foot from \$1.92 to \$20.32, with a mean and median of \$6.82 and \$4.99 respectively. Based on the RM-10 zoning, the value of the subject is estimated at \$7.50 per square foot, which equates to a value of \$33,140 per unit. The indicated per unit value falls above the comp set, but is considered reasonable based on the small size of the subject and relatively low density relative to the comparables.

The as is value of the RM-10 zoning of the property is displayed below:

$\$7.50 \text{ per SF} \times 243,025 = \$1,822,688$

Rounded = \$1,820,000

VALUE CONCLUSION: RM-10

\$1,820,000.00

VALUATION ANALYSIS: RM-20
Sales Adjustment Grid – Price per SF Adjustments

	1	2	3	4	5	6	7	8	9	10
\$/Acre	\$178,007	\$128,824	\$166,697	\$204,200	\$372,781	\$229,915	\$399,413	\$884,226	\$320,513	\$83,624
\$/SF	\$4.09	\$2.96	\$3.83	\$4.69	\$8.56	\$5.28	\$9.17	\$20.32	\$7.36	\$1.92
\$/Unit	\$20,098	\$12,245	\$15,000	\$12,000	\$20,000	\$11,387	\$18,897	\$15,840	N/a	N/a
Property Rights										
Financing										
Conditions of Sale				↑						
Expenditures										
Market Conditions	↑	↑	↑	↑	↑		↑	↑	↑	↑
Status										
Location	↑	↑		↑		↑			↑	↑
Size		↑	↑	↑	↑	↑				↑
Shape	↑	↑		↑	↑			↑		
Topo/Site Prep	↓	↓		↓		↓	↓	↓		
Encumbrances	↓		↓		↓	↓		↑	↓	↑
Zoning/Density	↑	↑	↑					↓		
Externalities	↓	↓	↓		↓	↓	↓		↓	↓
Overall	↑	↑	↑	↑	↑	↑	→	↓	↑	↑
Adj. Sale Price/Acre	\$178,007	\$128,824	\$166,697	\$204,200	\$372,781	\$229,915	\$399,413	\$884,226	\$320,513	\$83,624
Adj. Sale Price/SF	\$4.09	\$2.96	\$3.83	\$4.69	\$8.56	\$5.28	\$9.17	\$20.32	\$7.36	\$1.92
Adj. Sale Price/Unit	\$20,098	\$12,245	\$15,000	\$12,000	\$20,000	\$11,387	\$18,897	\$15,840	N/a	N/a

Green – Upward Adj., Red – Downward Adj., Orange/Blank – Similar / *Note that not all adjustments are equally weighted

Sales Adjustment Grid – Price per Unit Adjustments

	1	2	3	4	5	6	7	8	9	10
\$/Acre	\$178,007	\$128,824	\$166,697	\$204,200	\$372,781	\$229,915	\$399,413	\$884,226	\$320,513	\$83,624
\$/SF	\$4.09	\$2.96	\$3.83	\$4.69	\$8.56	\$5.28	\$9.17	\$20.32	\$7.36	\$1.92
\$/Unit	\$20,098	\$12,245	\$15,000	\$12,000	\$20,000	\$11,387	\$18,897	\$15,840	N/a	N/a
Property Rights										
Financing										
Conditions of Sale				↑						
Expenditures										
Market Conditions	↑	↑	↑	↑	↑		↑	↑	↑	↑
Status										
Location	↑	↑		↑		↑			↑	↑
Size		↑	↑	↑	↑	↑				↑
Shape	↑	↑		↑	↑			↑		
Topo/Site Prep	↓	↓		↓		↓	↓	↓		
Encumbrances	↓		↓		↓	↓		↑	↓	↑
Zoning/Density	↓	↓	↓					↑		
Externalities	↓	↓	↓		↓	↓	↓		↓	↓
Overall	→	↑	↑	↑	↑	↑	→	↑	↑	↑
Adj. Sale Price/Acre	\$178,007	\$128,824	\$166,697	\$204,200	\$372,781	\$229,915	\$399,413	\$884,226	\$320,513	\$83,624
Adj. Sale Price/SF	\$4.09	\$2.96	\$3.83	\$4.69	\$8.56	\$5.28	\$9.17	\$20.32	\$7.36	\$1.92
Adj. Sale Price/Unit	\$20,098	\$12,245	\$15,000	\$12,000	\$20,000	\$11,387	\$18,897	\$15,840	N/a	N/a

Green – Upward Adj., Red – Downward Adj., Orange/Blank – Similar / *Note that not all adjustments are equally weighted

The comparable sales ranged in price per square foot from \$1.92 to \$20.32, with a mean and median of \$6.82 and \$4.99 respectively. Based on the RM-20 zoning, the value of the subject is estimated at \$9.00 per square foot, which equates to a value of \$19,705 per unit. The indicated per unit value falls within the range exhibited by the comparables.

The as is value of the RM-20 zoning of the property is displayed below:

$\$9.00 \text{ per SF} \times 243,025 = \$2,187,225$

Rounded = \$2,190,000

VALUE CONCLUSION: RM-20

\$2,190,000.00

MARKETING AND EXPOSURE TIME

MARKETING TIME: 12 months or less

EXPOSURE TIME: 12 months or less

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions and conclusions.
3. I 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.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, Title XI of FIRREA, and the Code of Ethics of the Appraisal Institute.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. Ben G. Jones made a personal inspection of the property that is the subject of this report. Jordan M. Bryant made a personal inspection of the property that is the subject of this report.
10. Jordan M. Bryant, Registered Trainee ID No. 5038, provided significant professional assistance to the person signing this report, including market research and analysis, and report writing, subject to review of the person signing this report.
11. As of the date of this report, I, Ben G. Jones, MAI have completed the requirements of the continuing education program of the Appraisal Institute.
12. Ben G. Jones hereby certifies that he is a Tennessee State Certified General Real Estate Appraiser and his certificate number is CG-3082.
13. Ben G. Jones has not rendered any professional services pertaining to the subject property in the last three years.



Ben G. Jones, MAI, CCIM
Certified General Real Estate Appraiser
License No. 3082
Principal
B.G. Jones & Company

GENERAL ASSUMPTIONS & LIMITING CONDITIONS

This appraisal report and resulting estimate of value is subject to the following assumptions and limiting conditions:

1. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. Therefore, these forecasts are subject to changes in future conditions. Value estimates in this appraisal report are stated in United States currency as of the date of appraisal.
2. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable and in Fee Simple, unless otherwise stated in the report.
3. The property is appraised free and clear of all existing liens and encumbrances, including deed restrictions and developers agreements, unless otherwise stated in this appraisal report.
4. Information furnished by others is believed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser(s).
5. Maps, plats, and exhibits included in this appraisal report are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose. The appraiser(s) has not made a survey of the property, and no responsibility is assumed in connection with such matters.
6. The physical condition of the improvements described herein was based on a visual, walk-through inspection. No liability is assumed for the soundness of structural members, building components, mechanical equipment, plumbing, or electrical components as no professional tests were made of the same. The appraiser(s) assumes that no hidden or unapparent conditions of the property, subsoil, or structures exist, which would render the property more or less valuable. The appraiser(s) assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. The appraiser(s) recommends that the client obtain an opinion from a competent engineering firm.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in this appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate(s) contain in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that no encroachment or trespass exists, unless noted in this appraisal report.
11. Value estimates in this appraisal report apply only to the entire property, and cannot be prorated to individual portions or fractional interests. Any proration or division of interest will invalidate the value estimate(s), unless such proration or division of interests is set forth in this appraisal report.
12. The appraiser(s) is not required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless arrangements have been made previously therefore. The fee charged for this appraisal does not include payment for court testimony or for further consultation.
13. Unless otherwise stated in this appraisal report, the appraiser(s) did not observe the existence of hazardous material, which may or may not be present on the property. The appraiser(s) has no knowledge of the existence of such materials on or in the property. The appraiser(s), however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other

potentially hazardous materials may affect the value of the property. Value estimates within this appraisal report are predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any expertise or engineering knowledge required to discover them. The appraiser(s) recommends that appropriate experts be retained to investigate and determine to what extent, if any, such substances are present and what risks, if any, are involved.

14. The determination concluded in this appraisal, as to whether or not the subject property is located within a Flood Hazard Zone, is based solely on an inspection of available Flood Insurance Rate Map(s) (FIRM) which are distributed by the National Flood Insurance Program (NFIP) and local GIS records (where available). The NFIP maps represent the most recent revisions available after reasonable investigations. Although these maps are the basis for flood hazard determination, the map scale is typically not adequate for accurate comparisons with other maps and/or surveys. Therefore, the determination presented herein regarding location of the subject property outside or within a flood hazard zone should not be construed as a guarantee or certification. Certification of this can only be provided by a qualified engineer and/or surveyor. If there is any possibility that the subject is within an identified flood hazard zone, we recommend that the property should be covered by adequate flood insurance.
15. Unless otherwise noted in this appraisal report, no consideration in the valuation process has been given to subsurface rights (minerals, oil, water, etc.) that may be found on the subject property.
16. Any proposed or incomplete improvements included in this appraisal report are assumed to be completed in accordance with approved plans and specifications and in a workmanlike manner.
17. The appraiser(s) reserves the right to alter opinions of value contained in this appraisal report on the basis of information withheld or not discovered in the normal course of a diligent investigation.
18. The Americans with Disability Act (ADA) became effective July 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis would reveal the need for renovations to comply with that statute. Such a requirement could have an adverse impact on the market value of the property. Because the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible noncompliance with the requirements of the ADA in this report.

QUALIFICATIONS OF BEN G. JONES, MAI, CCIM

Education

University of Tennessee – Knoxville, Tennessee (1996 - 2000)
Bachelor of Science Degree in Finance

Professional Courses & Seminars

Real Estate Appraisal Principles - CLI, 2002
Uniform Standards of Professional Appraisal Practice - CLI, 2002
Appraisal Procedures – Appraisal Institute, 2003
Basic Income Capitalization – Appraisal Institute, 2003
Advanced Income Capitalization – Appraisal Institute, 2003
Advanced Sales & Costs – Appraisal Institute, 2004
Report Writing & Valuation Analysis – Appraisal Institute, 2004
Advanced Applications – Appraisal Institute, 2005
Highest & Best Use and Market Analysis – Appraisal Institute, 2005
Business Practices & Ethics – Appraisal Institute, 2005
Uniform Standards of Professional Appraisal Practice – Appraisal Institute, 2005
USPAP Update Course – Appraisal Institute, 2007, 2009, 2011, 2013
Eminent Domain & Condemnation – Appraisal Institute, 2008
Engineering Plan Development & Application – IRWA, 2008
Federal Agency Update – Appraisal Institute & IRWA, 2009
Understanding 1031 Tax Free Exchanges – GNAR, 2009
Condemnation Appraising: Principles & Applications – Appraisal Institute, 2009
Subdivision Valuation – Appraisal Institute, 2009
Appraising Convenience Stores – Appraisal Institute, 2009
Appraisal Curriculum Overview – Appraisal Institute, 2010
Uniform Appraisal Standards for Federal Land Acquisitions – Appraisal Institute, 2010
Financial Analysis for Commercial Investment Real Estate – CCIM, 2011
Market Analysis for Commercial Investment Real Estate – CCIM, 2012
Realtors Code of Ethics Training – GNAR, 2013
Analyzing Operating Expenses – Appraisal Institute, 2013
Forecasting Revenue – Appraisal Institute, 2013
Investment Analysis for Commercial Investment Real Estate – CCIM, 2013
Commercial Real Estate Negotiations – CCIM, 2013
Advanced Spreadsheet Modeling for Valuation Applications – Appraisal Institute, 2013
User Decision Analysis for Commercial Investment Real Estate – CCIM, 2013

Experience

2007 - Present: Principal, *B.G. Jones & Company, LLC*
2002 - 2007: Commercial Independent Fee Appraiser

Property Types Appraised

- Multi-family Condominiums/Apartments
- Subdivisions/Mixed-Use Projects
- Special Purpose Properties
- Industrial
- Office
- Retail/Restaurants/Convenience Stores
- Agricultural/Rural Land

Professional Affiliation

Tennessee State Certified General Real Estate Appraiser, CG-3082
Member of the Appraisal Institute, No. 12554
Leadership Development Advisory Council Representative - 2006
Real Estate Broker – State of Tennessee – License Number 312995
Member of Greater Nashville Association of Realtors®
Membership Retention Chair – Greater Tennessee Chapter of the Appraisal Institute – 2009-2011
Prequalified Right-of-Way Appraiser for the Tennessee Department of Transportation
Certified Commercial Investment Manager – Member No. 08988151

PHOTOGRAPHS



View facing east towards 5th Avenue N from the subject property



View facing north from the driveway of Building 1



View inside Building 1 taken through a window



View of the roll-up doors for access into the lower end of Building 2



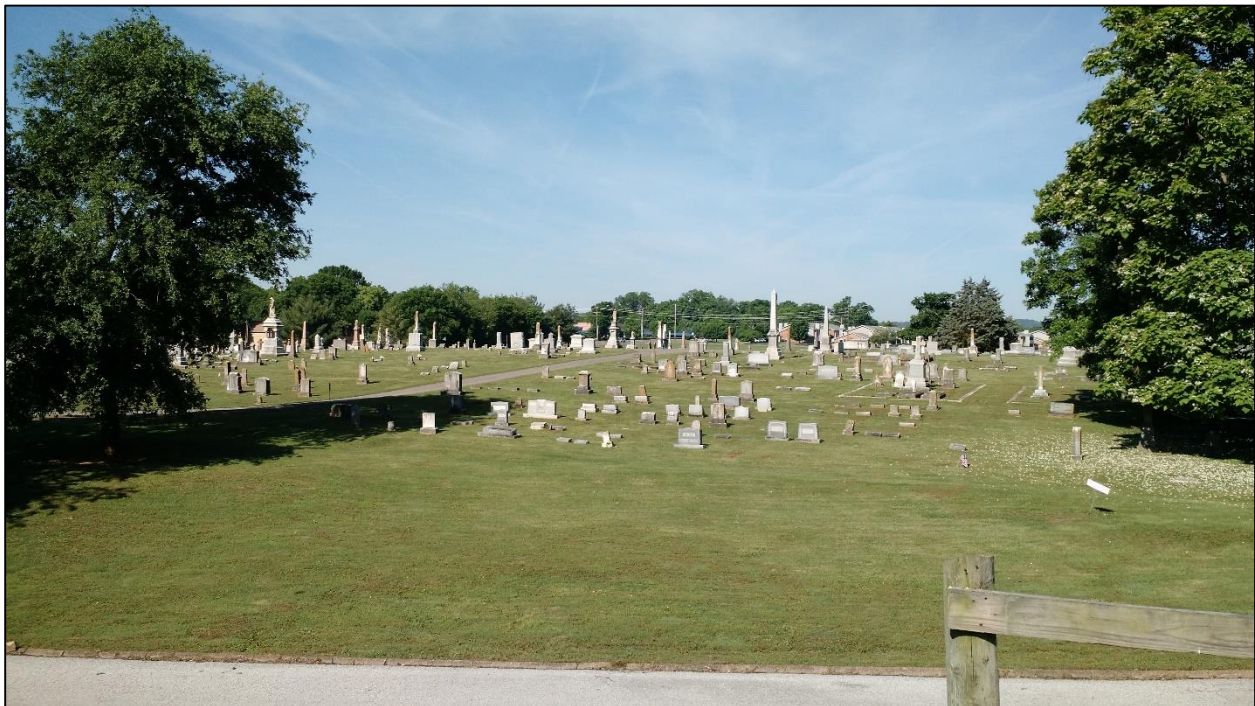
View facing south across the yard along the 5th Avenue N retaining wall



View east of the top portion of Building 2 from the top of the drive



View inside the upstairs portion of Building 2



View facing west from the subject property across Mt. Home Cemetery



View southeast of 5th Avenue N from the retaining wall



View facing north toward the intersection of Del Rio Pike and 5th Avenue N from the yard of the property