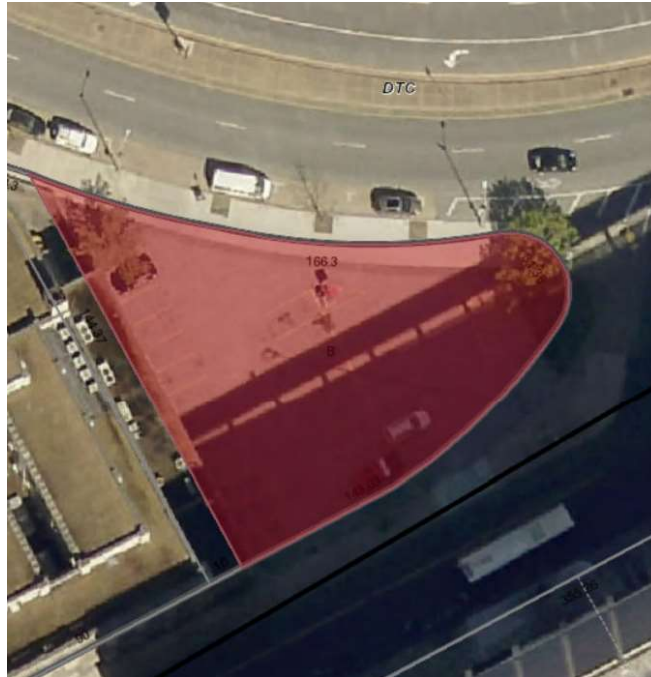


APPRAISAL REPORT
.26 ACRES DTC PROPERTY IMPROVED
WITH AN URBAN SURFACE PARKING LOT



Assessor's Map: 093.02, Parcel 010.00
301 James Robertson Parkway, Nashville, TN 37243

PREPARED FOR:

Steve Berry – Director of Public Property
Department of Finance
Metropolitan Government of Nashville and Davidson County
Howard Office Building
700 2nd Avenue South, Suite 310
Nashville, TN 37210

APPRAISED BY

William J. Neiman, ASA
NEIMAN-ROSS ASSOCIATES, INC.
2816 Azalea Place
Nashville, TN 37204

DATE OF APPRAISAL

October 10, 2018 revision of the September 12, 2018
revision of Restricted Appraisal Report dated November 20, 2017

DATE OF REPORT

October 12, 2018

NEIMAN-ROSS ASSOCIATES, INC.

Appraisal consultants to America's Businesses

2816 Azalea Place
Nashville, TN 37204

Telephone: (615) 292-3606
e-mail: post@Neiman-Ross.com

Steve Berry – Director of Public Property
Department of Finance, Metropolitan Government of Nashville and Davidson County
Howard Office Building, 700 2nd Avenue South, Suite 310
Nashville, TN 37210

October 12, 2018

RE: Appraisal Report of .26 Acres or 11,326 Square Feet DTC Downtown Code District property improved with an urban surface parking lot addressed as 301 James Robertson Parkway Nashville, Davidson County, Tennessee 37243, Davidson County Assessor's Map 093-02, Group 0, Parcel 010.00

Mr. Berry,

In accordance with your request, we had previously appraised the above referenced property comprising the land parcel without improvements and reported our concluded value in a Restricted Appraisal Report format with an effective date of November 8, 2017 and reported to you on November 20, 2017.

This Appraisal Report is a revision of an Appraisal Report as of September 12, 2018 which was a revision of that previous Restricted Appraisal Report and is undertaken to present the valuation conclusion in a more complete report format. This report format is consistent with the definition of an Appraisal Report found in The Uniform Standards of Appraisal Practice (USPAP) Standard Rule 2-2. The Appraisal Report is also intended to be in keeping with Bill BL2018-1282(as amended) which added a new section, Chapter 2.24.225 – Appraisal Report Required for Metropolitan Council Approval, of the Metropolitan Code of Laws.

The purpose of this appraisal is to revise the previous estimate of Current Market Value of the fee simple interest in the subject property “**as vacant**” for redevelopment as of October 10, 2018 and to present the Prospective Value of the interest in real estate after any anticipated changes in entitlements such as zoning classification, use restrictions and deed restrictions.

The intended users of this report are Metropolitan Government of Nashville & Davidson County (METRO) and/or their assigns. It is my understanding that the appraisal report will be used to assist the client in determining a transaction price for a possible acquisition in exchange.

The value opinion determined from our analysis is subject to the general and extraordinary assumptions, limiting and hypothetical conditions set forth in the appraisal report. We particularly note the following:

HYPOTHETICAL CONDITIONS

The Current Value as shown in this appraisal update has been made subject to the following hypothetical conditions:

- 1) The subject potential development site is improved with various site improvements, personal property and equipment. Based on the Scope of Work for this appraisal assignment - **only the land as vacant is appraised**. Any existing improvements, personal property and equipment located on the subject parcels appraised, are not considered.

It is my opinion, in conjunction with the client, that these hypothetical conditions are reasonable and supportable in the context of the appraisal assignment. Use of these hypothetical conditions may have affected the assignment results. We reserve the right to revise the appraisal report should new or additional information become available, which may result in a value change.

Page 2
Steve Berry, Director of Public Property
Department of Finance
Metropolitan Government of Nashville and Davidson County

In complying with the reporting requirements set forth under Bill BL2018-1282(as amended) which added a new section, Chapter 2.24.225 – Appraisal Report Required for Metropolitan Council Approval, of the Metropolitan Code of Laws, to wit:

For transactions involving the sale, purchase ,lease, sublease, or other disposition of real property which requires approval of the metropolitan council, authorizing legislation may not be considered by the council in the absence of an Appraisal Report that includes, without restriction, the following components:

- a. a Current Value; and
- b. a Prospective Value reflecting any anticipated changes in entitlements including, without limitation, changes in zoning classifications, use restrictions, and/or deed restrictions.

For purposes of this section, Restricted Appraisal Reports, Restricted Use Reports, or Summary Appraisal Reports shall not satisfy this requirement.

This report endeavors to present both the Current and the Prospective Value for the subject Parking Lot property. In doing so the current value developed in this report reflects property transactions of comparable properties that have been acquired for redevelopment to a higher and better use than their current use. The anticipated changes necessary to bring these properties to their economic highest and best use are imbodyed in the prices paid to acquire these properties. So, without any foreseeable changes anticipated in zoning, use and/or deed restriction, The Prospective Value would be based upon the same facts and circumstances as use in developing the Current Value.

The person signing this report has the knowledge and experience necessary to complete the assignment competently and is duly licensed by the appropriate state to perform this appraisal under certificate number CG-376.

The value opinion determined from this analysis is subject to the general and extraordinary assumptions, limiting and hypothetical conditions set forth in the appraisal report. Please note that our employment was not conditioned upon providing a specific value and no fees or commissions were paid for procurement of this assignment.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, and Hypothetical Conditions, my opinions of value, of the fee simple interest, as of the effective date of October 10, 2018, of the Parking Lot is as follows:

CURRENT VALUE: THREE MILLION SIX AND EIGHTY THOUSAND DOLLARS
(\$3,680,000)

PROSPECTIVE VALUE: THREE MILLION SIX HUNDRED AND EIGHTY THOUSAND DOLLARS
(\$3,680,000)

Respectfully submitted,



William J. Neiman, ASA
State Certified General Real Estate Appraiser, CG-736

TABLE OF CONTENTS

TABLE OF CONTENTS 1
SUMMARY OF SALIENT FACTS AND CONCLUSIONS 2
SCOPE OF WORK 3
 Reliance on Information 4
 Intended Use and Users 4
PURPOSE OF THE APPRAISAL 4
DEFINITION OF MARKET VALUE 4
PROPERTY RIGHTS APPRAISED 5
REPORT TYPE 5
HYPOTHETICAL CONDITIONS 5
EFFECTIVE DATE OF VALUE 5
DATE OF THE REPORT 5
IDENTIFICATION OF THE PROPERTY 5
 Legal Description 6
OWNERSHIP HISTORY 6
MARKET AREA ANALYSIS 7
 Housing Market Trends 13
 Multi-Family Trends 14
 Office Market Trends 16
 Retail Market Trends 17
NEIGHBORHOOD 19
SITE DATA 21
TAX ASSESSMENT DATA 22
ZONING 22
HIGHEST AND BEST USE 23
 Conclusion 25
APPROACHES TO VALUE 26
 Sales Comparison Approach 26
CURRENT VALUE ANALYSIS 27
 Valuation Analysis 28
 ----Analysis of Adjustments 29
DEMOLITION 31
CURRENT VALUE CONCLUSION 32
PROSPECTIVE VALUE ANALYSIS 32
PROSPECTIVE VALUE CONCLUSION 32
ADDENDA I
REGISTERED DEED SUBJECT PARCEL II
PROPERTY RECORD CARD – SUBJECT PARCEL VII
FEMA FLOODPLAIN– SUBJECT PARCEL IX
 LAND SALE 2c x
 LAND SALE 2d xi
 LAND SALE 2e xii
 LAND SALE 6 xiii
 LAND SALE 7 xiv
CERTIFICATION OF THE APPRAISERS XV
STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS XVI
APPRAISER QUALIFICATIONS XVIII

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

CATEGORIES	DESCRIPTION/COMMENTS
PROPERTY INFORMATION	Surface Parking Lot
Address:	301 James Robertson Parkway, Nashville, Davidson County, TN 37243
Map/ Group/Parcel(s):	093.02-0-010.00
Deed Reference(s):	201412150-1146677
Owner(s) of Record:	301 JRP Partners, LLC
SITE CHARACTERISTICS	
Land Area:	11,326+/- Square Feet (SF) or .26 +/- Acres
Zoning:	DTC, Downtown Code District MDHA- Capitol Hill Development OV-UZO- Urban Zoning Overlay
Flood Zone Information:	FEMA Map 47037C0242H – April 5, 2017 Zone code X – Minimal Flood Risk
Corner/Interior:	Triangular end parcel, following the curvature of the Parkway, between the Parkway and Charlotte Avenue.
Primary Access	Urban, four lane divided city center roadways, James Robertson Parkway and Charlotte Avenue.
HIGHEST & BEST USE	
As Vacant:	Development as Commercial Use consistent with neighbor uses. Commercial Use
As Improved:	
HYPOTHETICAL CONDITIONS EXTRAORDINARY ASSUMPTIONS	None None
APPRAISAL SUMMARY	
Report Type	Appraisal Report
Client	Metropolitan Government of Nashville/Davidson County
Purpose	Estimate Fair Market Value
Intended Use	Acquisition in a Like Kind Exchange
Intender User(s)	Metropolitan Government of Nashville/Davidson County and its assigns
Interest Appraised	Fee Simple
Date of Inspection	September 12, 2018 and October 10, 2018
Effective Date of Value	October 10, 2018
Date of Report	October 12, 2018
VALUE SUMMARY	
Sales Comparison Approach	\$3,680,000.00
Income Approach	Not applicable
Cost Approach	Not applicable
FINAL VALUE OPINION	
Current Market Value	\$ 3,680,000.00
Prospective Market Value	\$ 3,680,000.00
MARKETING EXPOSURE TIME	Twelve months

SCOPE OF WORK

It is the intent of the appraiser that this report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), adopted by the Appraisal Standards Board of the Appraisal Foundation. USPAP requires the appraiser to develop and report a scope of work that results in credible assignment results that are appropriate for the appraisal problem and intended user(s). In doing so, we identified and considered the following:

- Appraisal problem to be solved
- Client and intended users
- Intended use of the report
- Type and definition of value
- Effective date of value
- Subject of the assignment and its relevant characteristics
- Assignment conditions
- Client expectations

It is also the intent of the appraiser that this Appraisal Report is in keeping with Chapter 2.24.225 – Appraisal Report Required for Metropolitan Council Approval, of the Metropolitan Code of Laws, to wit.:

This report provides the current value of the subject property based upon the current facts, conditions and circumstances of the subject parking lot.

This report also provides a prospective value of the subject property based upon the facts, conditions and circumstances of the parking lot with the anticipated changes in entitlements, including the zoning changes and change in plan policy for redevelopment.

The appraiser took the following steps in preparing this appraisal:

1. Reviewed our previous report on the appraisal of the parking lot parcel as of November 8, 2017 and reported to the client on November 20, 2017. Identified the subject property and gathered pertinent data about the property from that appraisal.
2. William Neiman had conducted a physical inspections of the exterior of the subject property on November 8, 2017, September 12, 2018 and October 10, 2018. Photographs were taken.
3. Conducted a search of public records applicable to the subject property including property tax and assessment data, recorded deeds, zoning, history of the property, future land use and strategic plans, etc.
4. Reviewed our previous research of economic, geographic and demographic information for the subject neighborhood and market area. An analysis of current and expected market trends and conditions was conducted.
5. Reviewed our previous research on physically possible, legally permissible, and other feasible uses to estimate the highest and best use of the subject property.
6. Reviewed our research of public records and other sources deemed to be reliable, for sales and listings of comparable vacant land sites for redevelopment in the subject market area. Sources of information included the Davidson County Property Assessor, Costar™, Loopnet™, brokers, agents, internet searches and published articles. Sufficient comparable data was available in the subject's market.
7. Analyzed the property data gathered considering differences such as legal encumbrances, financing terms, conditions of sale, market conditions, location, physical characteristics, availability of utilities, zoning and highest and best use and verified this information where possible.
8. The valuation approaches deemed necessary and applicable to develop a credible market value for the subject property were considered including 1) the Cost Approach, 2) the Sales Comparison Approach and 3) the Income Approach. Each approach was analyzed as to the relevance, utility, applicability

- and available data to form a value opinion for the subject property. Concluded that the Sales Comparison Approach was the most relevant approach for vacant redevelopment land parcel valuation.
9. At the client's request, all zoning and change in plan policy for redevelopment, as shown in Conceptual Plan titled "301 James Apartments, Permanent Supportive Housing", prepared by Swensson Associates, Inc., dated September 12, 2018, will not be considered in this appraisal report.
 10. Reconciled the results of this analysis to determine a final market value opinion for the fee simple interest in the subject property.

Reliance on Information

The appraisal includes value attributed to the land as vacant only. Subject to the hypothetical condition stated earlier, the existing improvements, personal property and/or equipment are not considered. A physical inspection has been made of the subject property and the estimated site area was provided by the Property Tax Assessor's records. A copy of the property tax record is included in the addenda.

Research of private data sources and public records was conducted to locate and confirm information for the subject property and for comparable data. In cases where actual parties or knowledgeable third parties could not be contacted for confirmation, the records of the public Property Assessor's Office and the Register of Deeds Office were relied upon for confirmation. Unverified sales were tested for reasonableness by comparing them to verified transactions. If a sale did not meet the test of reasonableness, it was omitted.

The data presented in this report is factual and accurate to the level obtainable by the above described procedures. The market value estimate determined in this report, assumes that this information is true and correct. The appraisers' professional experiences have also contributed to the interpretation of the data, the analysis of same and the development of the value conclusion.

Intended Use and Users

The intended use of the report is to assist the client in determining a price for acquisition of the subject property. Intended users are the Metropolitan Government of Nashville and Davidson County and their assigns. The appraiser is not responsible for unauthorized use of this report.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide an opinion of the current market value of the fee simple interest in the subject property as vacant, for possible acquisition in a like kind exchange, as of October 10, 2018, the date of my most current inspection of the subject property. No value opinion is provided for the existing improvements, personal property or equipment.

DEFINITION OF MARKET VALUE

For purposes of this appraisal, **market value** is defined by the Federal Financial Institutions Regulatory Boards 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 advised and acting in what they consider their own best interests;*
3. *a reasonable time is allowed for exposure in the open market;*

APPRAISAL REPORT

4. *payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and*
5. *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

PROPERTY RIGHTS APPRAISED

The basic underlying property rights considered herein are those of a 100% ownership position in Fee Simple Interest, which is the maximum value or all of the rights in a parcel of real estate. Fee simple estate as defined in The Dictionary of Real Estate Appraisal, 5th Edition, 2010, page 78, as published by the Appraisal Institute as follows:

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

The appraiser assumes no responsibility as to the legal ownership of said property. The property is assumed to be free and clear of all encumbrances except easements or other restrictions as noted on the title report or during physical inspection of the property and mentioned in this report. All liens have been disregarded.

REPORT TYPE

This is an Appraisal Report as set forth under Standards Rule 2-2(a) of USPAP. This format provides a summary of the appraisal process, subject and market data and valuation analyses. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within this report. The appraiser is not responsible for unauthorized use of this report.

HYPOTHETICAL CONDITIONS

The Current Value as shown in this appraisal update has been made subject to the following hypothetical conditions:

- 1) The subject potential development site is improved with various site improvements, personal property and equipment. Based on the Scope of Work for this appraisal assignment - **only the land as vacant is appraised**. Any existing improvements, personal property and equipment located on the subject parcels appraised, are not considered.

It is my opinion, in conjunction with the client, that this hypothetical condition is reasonable and supportable in the context of the appraisal assignment. Use of these hypothetical conditions may have affected the assignment results. We reserve the right to revise the appraisal report should new or additional information become available, which may result in a value change.

EFFECTIVE DATE OF VALUE

October 10, 2018

DATE OF THE REPORT

October 12, 2018

IDENTIFICATION OF THE PROPERTY

The subject property is a Downtown Code District (DTC) zoned, paved surface park lot located on James Robertson Parkway. The parcels shape suggests that this was a residual parcel left over after the construction of the Parkway. The parking lots total area is .26 acres or 11,326+/- SF located on the south side of the James Robertson Parkway, with access on the north side of Charlotte Avenue. Charlotte Avenue terminates one block to

APPRAISAL REPORT

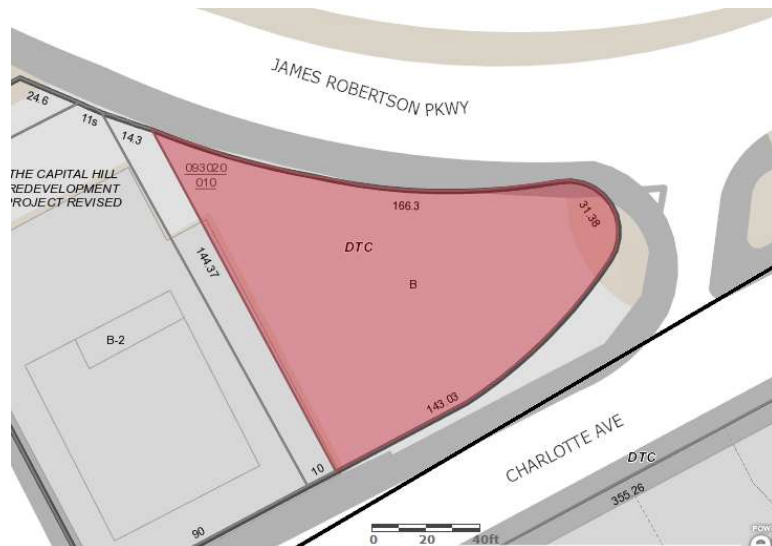
NEIMAN-ROSS

the east of the subject's location. At this point Charlotte Avenue is a narrow two lane urban roadway without curb parking, or turn lanes. The neighborhood is in the northern quadrant of the city's center, one block west of the Metropolitan Nashville/Davidson County Municipal Building/Court House. The area's primary access from the west is Charlotte Avenue and from the north and south by 2nd or 4th . Avenues, North. The parcel shown on the following tax map is triangular shaped.

The property is improved with asphalt paved surface accommodating 34 striped parking spaces, wheel bumper stops and 2 trees. The parking lot is within easy reach of Nashville's political center including the City Council, the mayor's offices, City treasures offices and most of the municipal and district court rooms. There are perimeter pedestrian sidewalks on two sides while the east property line abuts a turnout lane onto the Parkway.

No survey was provided to the appraiser on the subject site. The size of the subject property parcel has been obtained from Davidson County Assessor's record of the property. A copy of the tax map for the subject properties is provided below:

Tax Map 093-02-0-010.00



Legal Description

The subject property as referenced by the Davidson County Tax Assessor's office is included in the Register of Deeds for Davidson County warranty deed number 20141215-0114677. This Warranty Deed describes the subject parcel. No survey was provided to the appraiser on the subject site. The size of the subject property parcel has been obtained from the current tax assessor's record.

OWNERSHIP HISTORY

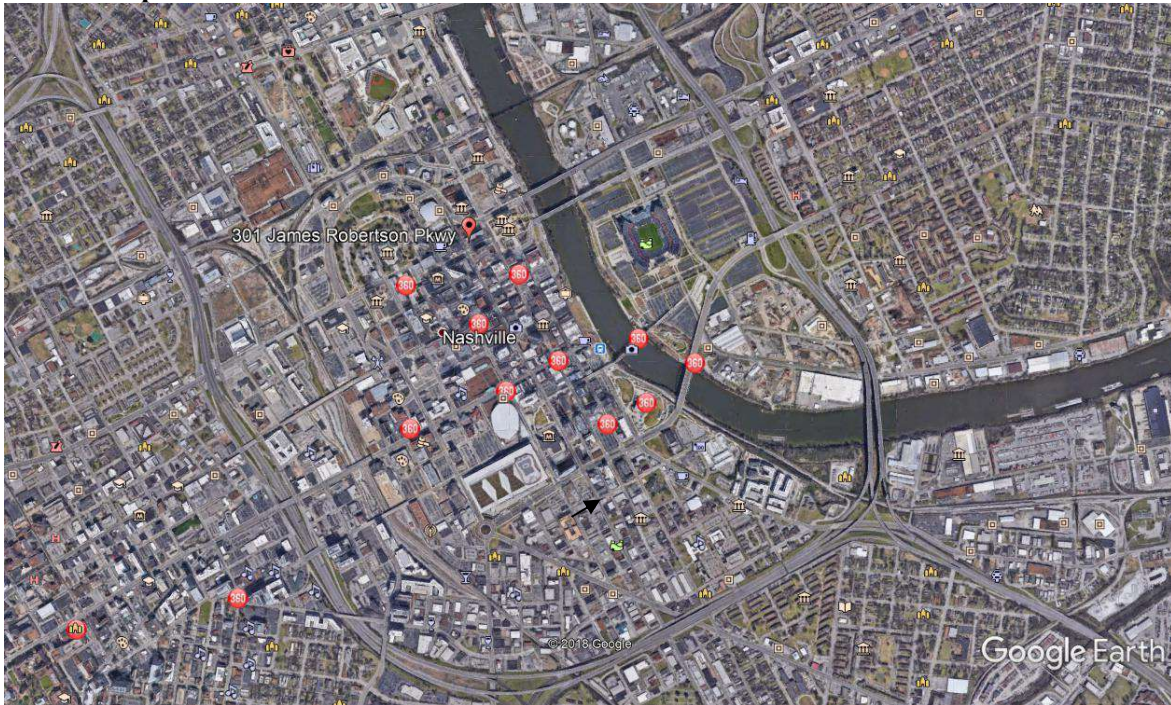
The official records of the Davidson County Register of Deeds' office indicate that the subject property transferred from Charles R. Newold and Larry H. Hagar to the current owner, 301 JRP Partners, LLC on December 11, 2014 in Warranty Deed 20141215-0114677 for a consideration of \$1,350,000.00. Newold and Hagar acquired the property by Warranty Deed John W. Newold III and C.R. Newold, on November 5, 2012 for a recorded consideration of \$217,000, Warranty Deed 20121105-0101915. John W. Newold III and C.R. Newold acquired the parcel on August 24, 1995 by quit claim deed from the State of Tennessee, for a consideration of \$250,000.

APPRAISAL REPORT

MARKET AREA ANALYSIS

The subject property is in the Downtown Center of Nashville about two blocks from the Municipal Courthouse and Public Square in Davidson County. Nashville is the center of the Nashville Metropolitan Statistical Area (MSA) which consists of Nashville/Davidson County and 13 surrounding counties. Nashville and Davidson County comprise a major sector of the MSA.

Market Area Map



Access and Transportation: Downtown Nashville is accessible from Interstates 24, 40, 65 and 440 and from a multitude of primary arterial highway corridors: Interstate 440 is an inner circle bypass connecting I-40, I-65, and I-24 forming the perimeter boundaries of downtown Nashville. The city is served by Nashville International Airport, east of Nashville and less than four miles from the subject property on the south side of Interstate 40. The city is well served by public transportation including passenger train and bus service. Nashville Metropolitan Transit Authority (MTA) stops throughout the city and has its Central Bus Terminal within one block from the subject. With access to the airways, waterways, interstate system, and railroad service of CSX, Nashville provides many services critical to economic development.

Demographic Trends: Population in the Nashville region has grown for several decades. Nashville has recently become the largest city in Tennessee, surpassing Memphis. In 2010, the Nashville MSA had a 10-year growth of 21.2% or 278,100 people. This was 42.3% of the total growth for the state from 2000 to 2010. Per census estimates, the Nashville MSA grew at an average annual rate of 3.3% from 1990 to 2000 with more moderate growth from 2000 to 2010 at an annual average rate of 2.1%. The Nashville MSA's population in 2016 was 1,868,854. This is up 17.5% in the six years since 2010 at an annual average rate of 2.9%. As of the most recent available census, in the 12 months ended July 2017, population in the MSA increased by 34,811 or 1.8%.

On a nominal basis, most of the population growth since 2010 occurred in Davidson County with an increase of 64,562 residents compared to an increase of 54,553 residents in Rutherford County, 43,075 residents in Williamson County and 22,900 in Sumner County during the same period.

Historic population by county in the Nashville MSA is presented in the table below:

Historic Population in the Nashville MSA

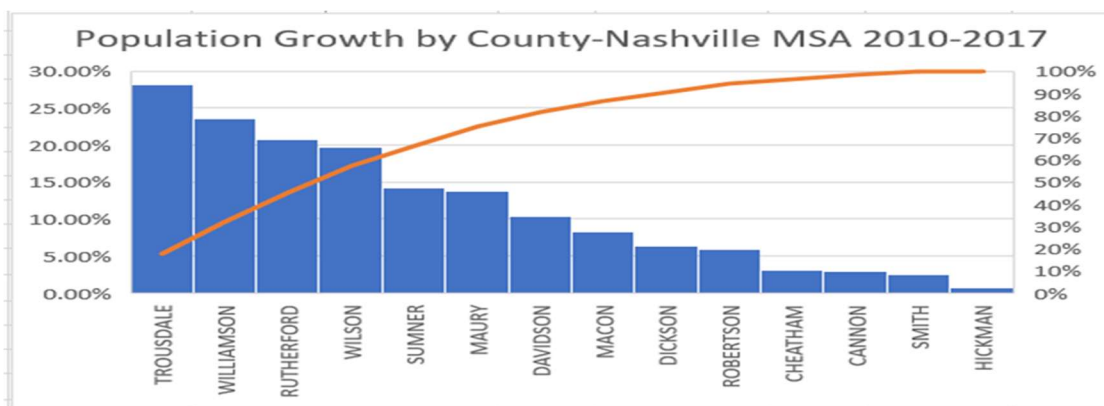
APPRAISAL REPORT

GEOGRAPHIC AREA	1980	1990	Chng %	2000	Chng %	2010	Chng %	2016	Chng %	July-17	YOY Chng
CANNON	10,234	10,467	2.3%	12,826	22.5%	13,801	7.6%	13,907	0.8%	14,216	2.2%
CHEATHAM	21,616	27,140	25.6%	35,912	32.3%	39,105	8.9%	39,728	1.6%	40,330	1.5%
DAVIDSON	477,811	510,784	6.9%	569,891	11.6%	626,681	10.0%	688,901	9.9%	691,243	0.3%
DICKSON	30,037	35,061	16.7%	43,156	23.1%	49,666	15.1%	51,922	4.5%	52,853	1.8%
HICKMAN	15,151	16,754	10.6%	22,295	33.1%	24,690	10.7%	24,649	-0.2%	24,854	0.8%
MACON	15,700	15,906	1.3%	20,386	28.2%	22,248	9.1%	23,455	5.4%	24,079	2.7%
MAURY		54,812		69,498	26.8%	80,956	16.5%	89,588	10.7%	92,163	2.9%
ROBERTSON	37,021	41,494	12.1%	54,433	31.2%	66,283	21.8%	69,177	4.4%	70,177	1.4%
RUTHERFORD	84,058	118,570	41.1%	182,023	53.5%	262,604	44.3%	307,682	17.2%	317,157	3.1%
SMITH	14,935	14,143	-5.3%	17,712	25.2%	19,166	8.2%	19,466	1.6%	19,636	0.9%
SUMNER	85,790	103,281	20.4%	130,449	26.3%	160,645	23.1%	179,108	11.5%	183,545	2.5%
TROUSDALE	6,137	5,920	-3.5%	7,259	22.6%	7,870	8.4%	9,950	26.4%	10,083	1.3%
WILLIAMSON	58,108	81,021	39.4%	126,683	56.4%	183,182	44.6%	218,888	19.5%	226,257	3.4%
WILSON	56,064	67,675	20.7%	88,809	31.2%	113,993	28.4%	132,433	16.2%	136,442	3.0%
NASHVILLE MSA (*)	912,662	985,026	7.9%	1,311,834	33.2%	1,589,934	21.2%	1,868,854	17.5%	1,903,035	1.8%
TENNESSEE	4,591,023	4,877,185	6.2%	5,689,283	16.7%	6,355,882	11.5%	6,649,404	4.6%	6,715,984	1.0%
MSA as a % of TN	19.9%	20.2%		23.1%		25.0%		28.1%		28.3%	
Davidson as a % of MSA	52.4%	51.9%		43.4%		39.4%		36.9%		36.3%	

Source: US Census; Chamber of Commerce; * Macon, Cannon, Smith, Trousdale, Hickman added after 1990 & Maury added after 2010

Nashville and its surrounding areas continue to lead Tennessee in population growth. Population growth in Davidson County is on par with the state, but lower compared to the MSA. This can be attributed to faster growth in suburban areas compared to urban areas in recent years. The 2010 population of Davidson County was 626,681, up 10% or 1.0% on an annual average basis over the 2000 census. In the seven years from 2010 to 2017, population in the county increased by another 10.3% or 1.47% per year.

As of the most recent available census estimate, in the 12 months ended July 2017, population in Davidson County increased by 2,342 or 0.34%. Wilson, Rutherford and Williamson counties reported year to year growth rates of 3.0%, 3.1% and 3.4% respectively during the same period. As you can see, these three counties experienced double digit population growth from 2010 to 2017. Trousdale County had the least total population in 2010 at 7,870 and therefore the addition of 133 new people had a marked effect on its statistics.



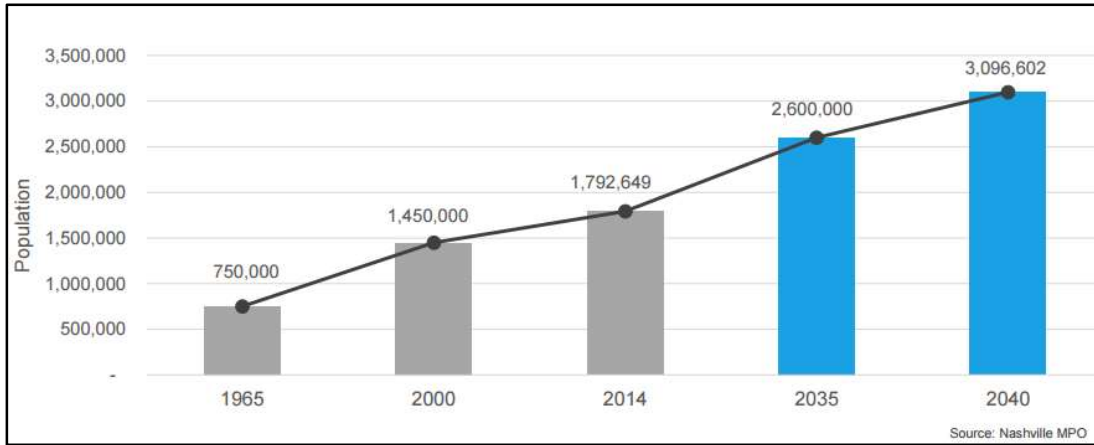
Population Distribution: Based on 2015 Census data, the median age in Nashville is lower compared to the state at 36.5 vs. 38.7 respectively. A majority (33.3%) of the population in Nashville is between 18-44 years of age.¹

The Metro Planning Organization (MPO) reports that the greater Nashville region is poised to “grow by leaps and bounds over the next couple of decades”. The population for the MSA is projected to increase by 10.5% from

¹ Census Bureau, ACS 1-year Estimate, 2015.

1,830,345 in 2015 to 2,021,907 by 2025.² Across the 10-county Cumberland Region around Nashville, the MPO forecasts close to another million people by the year 2040.

Population Growth Forecast – Nashville MSA



Median Household Income

The Census ACS 1-year survey reports that the median household income for the Nashville MSA was \$60,030 in 2016 (2017 number will be our Sept. 2018). This is \$11,483 higher than the median for the State and \$2,413 greater than the nation. 46.28% of the households earn more than the national average each year. Median household income for Nashville-MSA are shown on the right.

Real Median Household Income			
	2016	1 Year Change	3 Year Change
United States	\$57,617	2.01%	7.02%
Tennessee	\$48,547	1.41%	6.36%
Nashville	\$60,030	2.23%	12.04%

Source: Department of Numbers- ACS 1 Yr Survey

Cost of Living: At 98, overall cost of living in Nashville is increasing, but still 2.0% below the national average. The 2015 cost of living index for the Nashville MSA was lower by comparison at 95.2

Cost of Living	Composite Grocery		Housing	Utilities	Transportation	Health Care	Misc. goods and Services
	Index	Items					
Nashville, TN	98	97	95	90	100	82	104

Source: Areavibes.com/nashville-tn/cost-of-living

Economic Climate Economic Climate: Accounting for 36% of the state’s job growth and 69% of the state’s population growth (from 2014 to 2015), Nashville is economic driver for the state of Tennessee. Nashville’s economy also ranks as one of the fastest-growing in the country. The Nashville MSA exhibits a broadly diversified economic base, being a recognized center of publishing and printing, finance and insurance, healthcare, music and transportation. Nashville also has a rapidly expanding hotel industry to accommodate growth in tourism, which currently reaches upwards of 12 million visitors and fuels over \$4.5 billion in revenue per year.

GDP in the MSA rose at a compound annual rate of 7.0% in the five years through 2016, outpacing the national average.

²Nashville Economic Update, May 2016, Judith Hill, VP Economic Development

Current-dollar GDP by metro (millions)						
Metropolitan Area	2016	2015	2014	2013	2012	2011
Nashville MSA	124,243	117,786	107,850	101,187	96,273	87,683
<i>Annual Growth</i>	5.5%	9.2%	6.6%	5.1%	9.8%	6.1%
5 Year CAGR	7.0%					
Source: Bureau of Economic Analysis Regional Data						

As shown in the rankings below³, Nashville and the State of Tennessee has received numerous accolades in recent years regarding growth and market appeal.

- #1 market for job growth and capital investment – December 2016, Atlas Advertising
- #4 City for white collar job growth - July 2015, Forbes
- #4 State for doing business - October 2015, Area Development Magazine
- #5 Metro for job growth over the past five years - February 2016, Brookings Institute
- #5 travel destination (City) based on sights/landmarks, culture, food, friendliness, shopping and value. - Travel and Leisure World’s Best Awards 2016 readers’ survey
- #6 lowest state tax burden - March 2016, Forbes

The Nashville region offers specific advantages for businesses and individuals, with operation costs and the cost of living below the U.S. average, no personal income tax, a prominent healthcare industry, highly skilled workforce, 21 four-year educational institutions, an excellent geographical location, seasonal climate, creative and diverse culture and an abundance of waterways and parks. These advantages have attracted more diverse new businesses from across the country than any other city its size over the past 20 years and have made the region a destination for corporate headquarters for companies such as Nissan North America, Bridgestone Americas, Hospital Corporation of America, Gibson Guitar, Dollar General, Asurion, Caterpillar Financial and Louisiana Pacific.

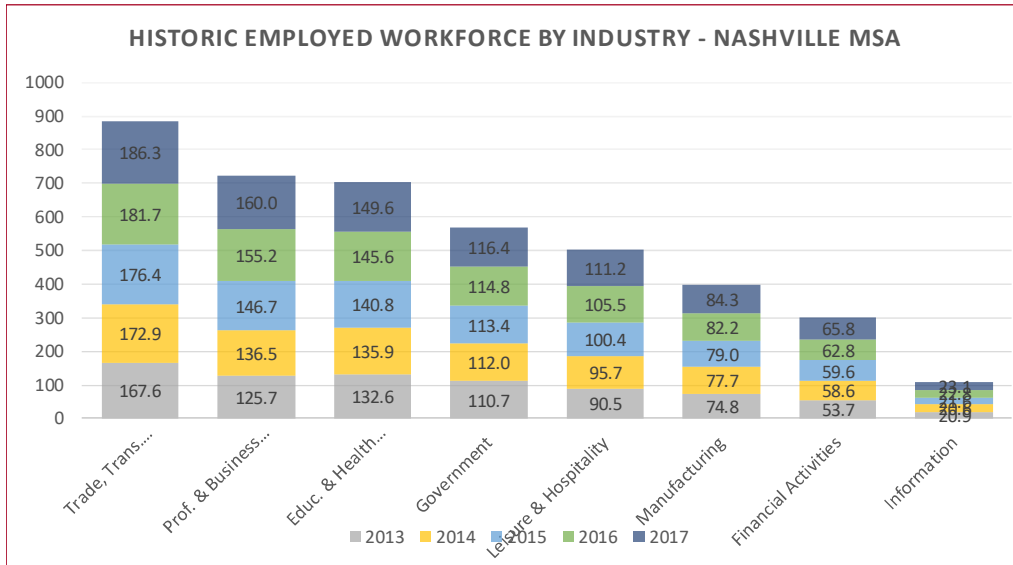
Job Growth: Above Average

Total nonfarm employment for all employees increased by 21.9% in the Nashville MSA from 840,200 in January 2013 to a high of 991,700 December 2017. This represents a CAGR (compound annual growth rate) of 4.5% over the period. Average annual job growth in the five years through December 2017 ranged from 0.8% to 4.8% at a CAGR of 3.1%. Published data supports steady and increasing job growth in the Nashville MSA driven services and trade. Above-average job growth is anticipated.

Non-Farm Employment - Nashville MSA							
	2013	2014	2015	2016	2017	Jun-18	CAGR
Annual Avg.(000)	849.8	863.0	895.0	938.1	982.2	998.4	
Year to Year Growth	0.8%	1.6%	3.7%	4.8%	4.7%		3.1%
January	840.2						
December					991.7		4.5%
Source: U.S. Bureau of Labor Statistics							

As you can see in the area chart below, the leading job sectors by employment in the MSA are Trade, Transportation and Utilities, Professional and Business Services, Education and Health, Government, Leisure and Hospitality. Data published by the TN Department of Labor and Workforce Development shows the Nashville area has experienced growth in every sector of the economy over the recent historic period.

³ Nashville Economic Update, May 2016, Judith Hill, VP Economic Development and Nashville Area Chamber of Commerce



Source: TN Department of Labor and Workforce Development

US Census data breaks it down for Davidson County by category a bit differently, highlighting health care as a driving force in the County with 16.2% of total employment in 2013. However, since that year, Professional & Business Services has surpassed that group in 2017. After Government, Retail trade, food service and accommodation represent the next largest categories of employment at 11.6% and 11.1%` respectively followed by manufacturing at 8.5%.

All these economic segments “import” dollars, which strengthens the local commerce base and helps the local economy to be less affected by swings in the national economy.

Major Employers: The chart below lists some of the largest employers in the Nashville area.

Non-Governmental Employers	Number of Employees		Number of Employees
Vanderbilt University Med. Ctr. & Carell Children's Hospital	20,428	Lowe's Cos., Inc.	2,890
Nissan North America	10,750	Cracker Barrel Old Country Store, Inc.	2,600
HCA Healthcare, Inc.	10,613	Amazon.com	2,500
Vanderbilt University	6,912	Gaylord Opryland Resort & Convention Center	2,500
St. Thomas Health	6,243	AT&T, Inc.	2,250
Community Health Systems, Inc.	4,700	Dollar General	2,219
Randstad	4,557	United HealthCare	2,052
Asurion	3,600	Goodwill Industries of Middle Tennessee, Inc.	2,029
The Kroger Company	3,523	Verizon Wireless	2,025
National HealthCare Corp.	3,250	A.O. Smith Corp.	1,922
Shoney's, Inc.	3,000	Ingram Content Group, Inc.	1,859
Electrolux Home Products, North America	2,900	Tyson Foods, Inc.	1,792
Bridgestone Americas, Inc.	2,897	State Farm Insurance Cos.	1,650

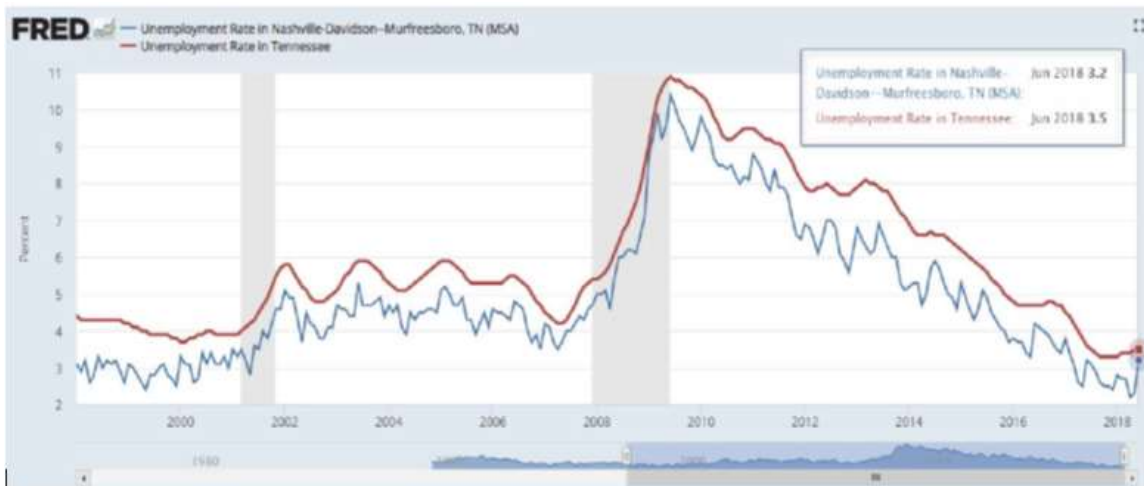
Source: Nashville Business Journal, Book of Lists 2017-18

Overall, Nashville is home to more than 40,000 businesses and numerous colleges and universities. Vanderbilt University Medical Center, metro's largest employer, has played a major role in supporting a growing healthcare and technological industries. Companies within the tech industry will continue to grow, expanding upon the healthcare IT companies, products and services. Per the Nashville Chamber of Commerce, over the past two years, more than 200 companies have either relocated to or expanded in the Metro area, accounting for roughly 25,000 new jobs and 15 million SF of commercial real estate absorption. Nashville has been increasing its appeal which increases potential residents, businesses, and tourists nationwide.

With the commercial and industrial development, South Nashville has a significant economic base and is one of Nashville's major employment concentrations. Employment growth forecasts for Nashville remain positive.

Unemployment: Favorable employment is reflected in a declining unemployment trend.

Historic Unemployment—Davidson County, Nashville MSA & State of Tennessee



Source: Federal Reserve Bank of St. Louis, Economic Research NSA Unemployment for the eighteen years ending June 2018

As of June 2018, the not-seasonally adjusted (NSA) unemployment rate in Davidson County was 3.1%. This is up from a five-year low of 2.1% in May, but lower overall than the last 12 months. Unemployment in the county compares favorably to the MSA and to the State at 3.2% and 3.5% respectively as June 2018. Overall, the unemployment rate in Davidson County is consistently lower than the MSA and the State levels creating a desirable labor force which helps drive the local economy.

Housing Market Trends

New Homes

New Home starts and closing starts are down for the first quarter of 2018 in Nashville, 4.6% and 5.7% YoY respectively. Metrostudy explains this as “..one of the tightest lot supplies in the country is pushing prices higher.” They report that the single family detached new home median price in 1Q2018 was \$349,945, up 9.2% from the same period last year.

Based on a 1Q2018 Report for New Housing in the Nashville MSA by Metrostudy:

- 1,895 new home starts in 1Q2018 represent a 14.0% decrease YoY, however, the 1Q2017 starts was the highest level of 1Q starts in over eight years.
- Annual new home starts in the 12 months through March 2018 were down 4.6% from 1Q2017 at 8,671 units
- New housing units under construction remained relatively flat at 3,869 when compared to 1Q2017 at 3,883 units, which had declined from the past quarter by 230 units
- Total new housing inventory, which combines model homes, units under construction, and finished vacant units, declined by 1.8% year over year from 1Q2017 and is at 5,023 units.
- The total housing inventory has declined 7.4 months to 6.9 months but is up from the 4Q2017 level of 6.7 months. **Equilibrium for the regions is a level of 7 to 8 months.**

The Nashville region continues to suffer from a shortage of vacant developed lots (VDL). 8,973 new lots delivered in the 12 months ended March 2018. This is a slight decrease from the prior 12 month’s deliveries, and at the levels required to meet demand. The VDL count ended 1Q2018 at 9,343 units. The months’ supply of vacant developed lots is strengthening, rising a low of 11.9 months at the end of the last quarter to 12.9 months.. One year ago, the VDL MOS was at 12 and two years ago, it was at 14.3. A normal months’ supply of finished lots for the Nashville region is from 18 to 24.

Metrostudy was tracking over 48,800 potential (Future) lots in various stages of development in 1Q2017, but about 70% were still in the raw land stage. The other 30% were active but the process of getting them delivered and ready to be built-out has been slower than in the past. This is attributed to shortages of skilled labor, municipality issues such as zoning and permitting and higher material costs. Overall, the delivery of additional finished lots is not keeping pace with demand.

Existing Homes Sales Market

July 2018 - Greater Nashville Housing Market Statistics Summary



NEIMAN-ROSS

Sales of existing homes are nearly level with last year, median sales prices are up and interest rates remain relatively low but are on the rise. The Greater Nashville Association of Realtors® (GNAR) reported 11,222 home sales in the 2nd quarter - up 0.6% from 11,155 closings during the same quarter a year ago. However, year-to-date closings for Greater Nashville are down 0.5% with 23,244 closings.

	YTD 2017	YTD 2018	% Chng		7.31.2017	7.31.2018	% Chng
CLOSINGS	23,365	23,244	-0.5%	INVENTORY	9,151	11,671	27.5%
Residential	19,223	19,241	0.1%	Residential	6177	8,323	34.7%
Condominium	2,669	2,545	-4.6%	Condominium	513	927	80.7%
Multi-Family	199	191	-4.0%	Multi-Family	67	91	35.8%
Farms/Land/Lots	1,274	1,267	-0.5%	Farms/Land/Lots	2394	2,330	-2.7%
MEDIAN PRICE	7.31.2017	7.31.2018	% Chng	AVERAGE DOM	7.31.2017	7.31.2018	% Chng
Residential	\$277,642	\$307,000	10.6%	Residential	25	25	0.0%
Condominium	\$208,000	\$222,750	7.1%				

Closings for the month of July were down which is attributable to the general overall economic uncertainty which seem to be overriding the disparity between supply and demand in the market. Some believe that demand continues to outweigh supply but the market does not seem to be reacting as though this is the case.

- As of the end of July the number of existing home sales are down 5.55% from June.
- Median sales price increased 12.9% year over year but that
- Inventory was down 10.4% year over year
- The average Days on Market (DOM) for a single-family home in Nashville is 25 days

Housing permits authorized in the Nashville MSA over the recent historic period reflect continued demand.

New Building Permits

Housing Permits	Total						1 Units					
Area	2013	2014	2015	2016	2017	5 Yr%	2013	2014	2015	2016	2017	5 Yr%
United States	990,822	1,052,124	1,182,582	1,206,642	1,282,000	7.3%	620,802	640,318	695,998	750,796	820,000	8.0%
YoY%		6.2%	12.4%	2.0%	6.2%			3.1%	8.7%	7.9%	9.2%	
Tennessee	23,816	28,263	32,219	36,157	37,912	14.8%	16,548	18,517	21,636	24,551	27,119	16.0%
YoY%		18.7%	14.0%	12.2%	4.9%			11.9%	16.8%	13.5%	10.5%	
Nashville MSA	10,889	15,040	18,291	20,182	20,631	22.4%	7,020	9,171	11,417	12,830	13,650	23.6%
YoY%		38.1%	21.6%	10.3%	2.2%			30.6%	24.5%	12.4%	6.4%	

Source: US Census Data - Seasonally Adjusted

Multi-Family Trends

Due to steady population growth and net in-migration, a strong and diverse economy, and favorable demographic trends, Nashville's multifamily market experienced solid growth in 2016. West End/CBD Submarket are key submarkets; Although, development planned or under construction in Germantown is significant. There were 133,911 existing units in Q4 2016. The Nashville Market absorbed 6,289 units, 28% more than 2015 and the largest volume in over a decade. Annual demand for apartment units is trending up, even as apartment rents and home prices increase. Annual demand is forecast at 6,219 units. The existing inventory of 126,022 units is up 3.3% in the last 12 months and is expected to have increased more by 6.4% through 2016.

Supply: Construction levels have remained strong to accommodate this growth. Supply and vacancy are rapidly increasing. According to Costar™, the Nashville metro has increased its inventory of apartment units by almost 30% over the last five years which is one of the largest expansions in the nation. Colliers International reports total supply of 7,367 units in 2016 with inventory scheduled to increase 9.4% based on construction activity at the end of 4Q 2016. This is up 3,365 units, almost twofold from the same period in 2015 and a multi-decade high.

APPRAISAL REPORT

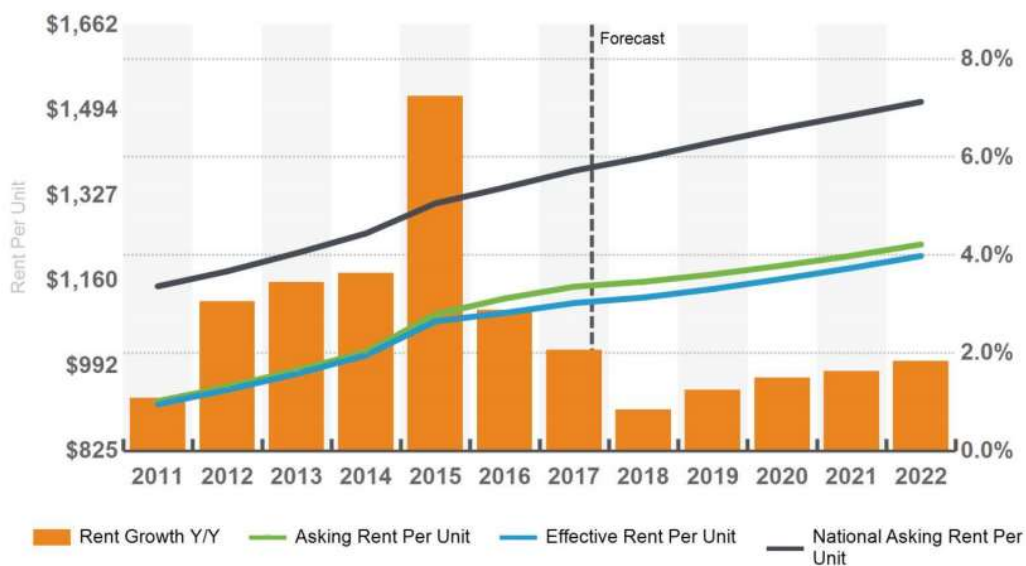
There were 12,596 units under construction at Q4 2016. This is consistent with the 12,282 units under construction during the same period a year ago. 4,994 units or 40% of that total are in Central Nashville. 8,406 units are scheduled for completion in 2017, 3,177 of which or about 38% are in Central Nashville. Mid- and low-rise amenity-rich 4 Star properties comprise most of ongoing construction. Roughly 50% of the units that are under construction in the metro are in the West End/CBD Submarket in 2017. Over 1,300 apartment units are planned or under construction in Germantown.

Rent and Occupancy: Costar™ reports average asking rent Q217 of \$1,145 per month. This is up 2.9% year to year and 1.4% in the last 12 months. Nashville experienced 20-year record high rent growth for all multi-family units in 2016 with peak levels above 7.0% achieved in Q1. With more supply, Nashville’s vacancy rate has reached recessionary highs. At Q217 overall vacancy was reported by Costar™ to be 8.6%. The robust near-term pipeline will likely further raise vacancies, although demand remains robust.

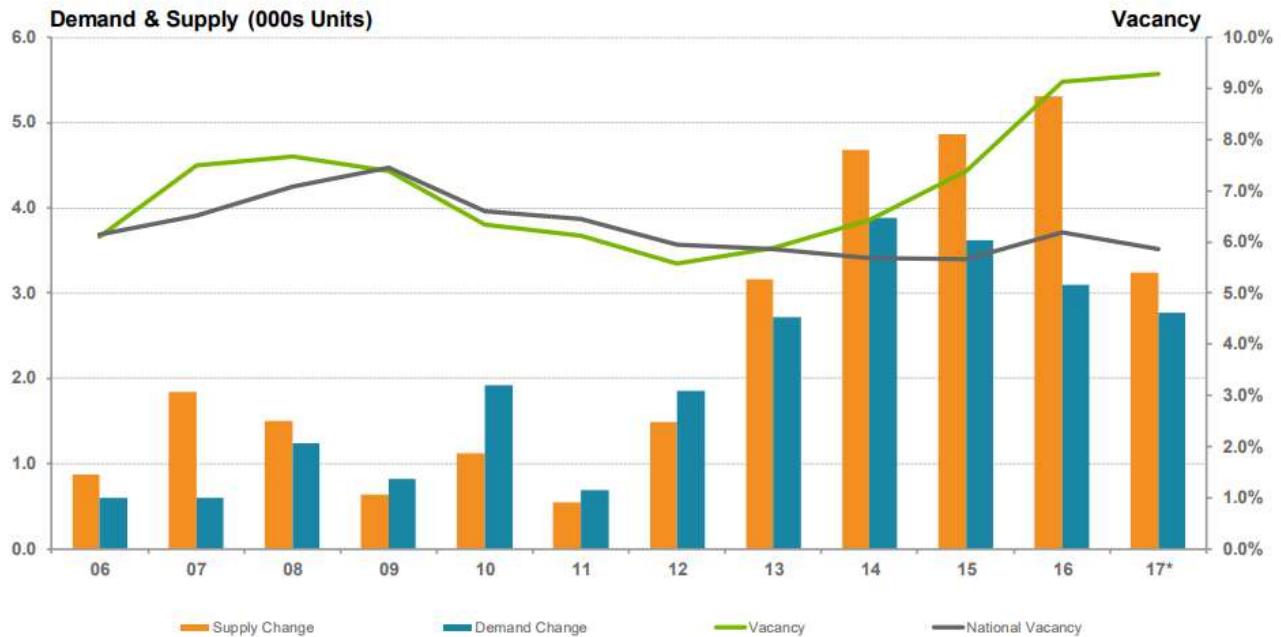
Investment Demand: According to ULI’s Emerging Trends in Real Estate 2017 Survey, Nashville has transitioned to an upper-tier secondary market, with increased investor interest in 2016. According to a Q4 2016 Research and Forecast by Colliers International, total multi-family investment transaction volume for 2016 topped \$1.29 billion with an average cap rate of 6.16%, the third consecutive year exceeding \$1 billion. Costar reports sales activity in 2017 to be maintaining momentum, with close to \$550 million in transactions as of June. From an investment standpoint, cap rates continue to compress into 2017 and are now only typically about 25 basis points higher than the national average.

Forecast Growth: Growth in Nashville’s employment base and population has been a boon to the region’s apartment market, which has led to robust demand and inflated rent growth. Over the next 12 months, new development will come online at some of the highest levels the market has experienced. Analysts expect occupancy to slip slightly and rent growth to slow from current levels. Annual supply is forecast at 8,406 units. Annual demand is forecast at 6,203 units. Current and forecast demand will likely continue to support rent growth although at a slower pace compared to the historic average at or near 1.5%. As supply normalizes, Nashville is expected to be a long-term performer in terms of occupancy and rent growth.

ASKING RENT LEVELS AND ANNUAL GROWTH



Apartment Fundamentals



Source: CoStar Market Analytics
*Year to Date

As of 17Q2

Office Market Trends

Nashville’s economy and office market are among the healthiest in the nation. White-collar job growth, led by healthcare companies and other professional services firms, has fueled absorption and pushed occupancies to high levels. As a result, rents gains have been solid, and more above-average growth is expected.

Costar™ reports the total office market in Nashville in 2nd Q 2017 comprised more than 82 million SF in 4,497 buildings. Nashville has one of the most aggressive near-term supply pipelines in the country with 24 buildings under construction adding 2.55 million SF. Most new construction is focused downtown and in Cool Springs/Brentwood. Strong leasing activity and tenant growth describe the metro and suburban Nashville office market.

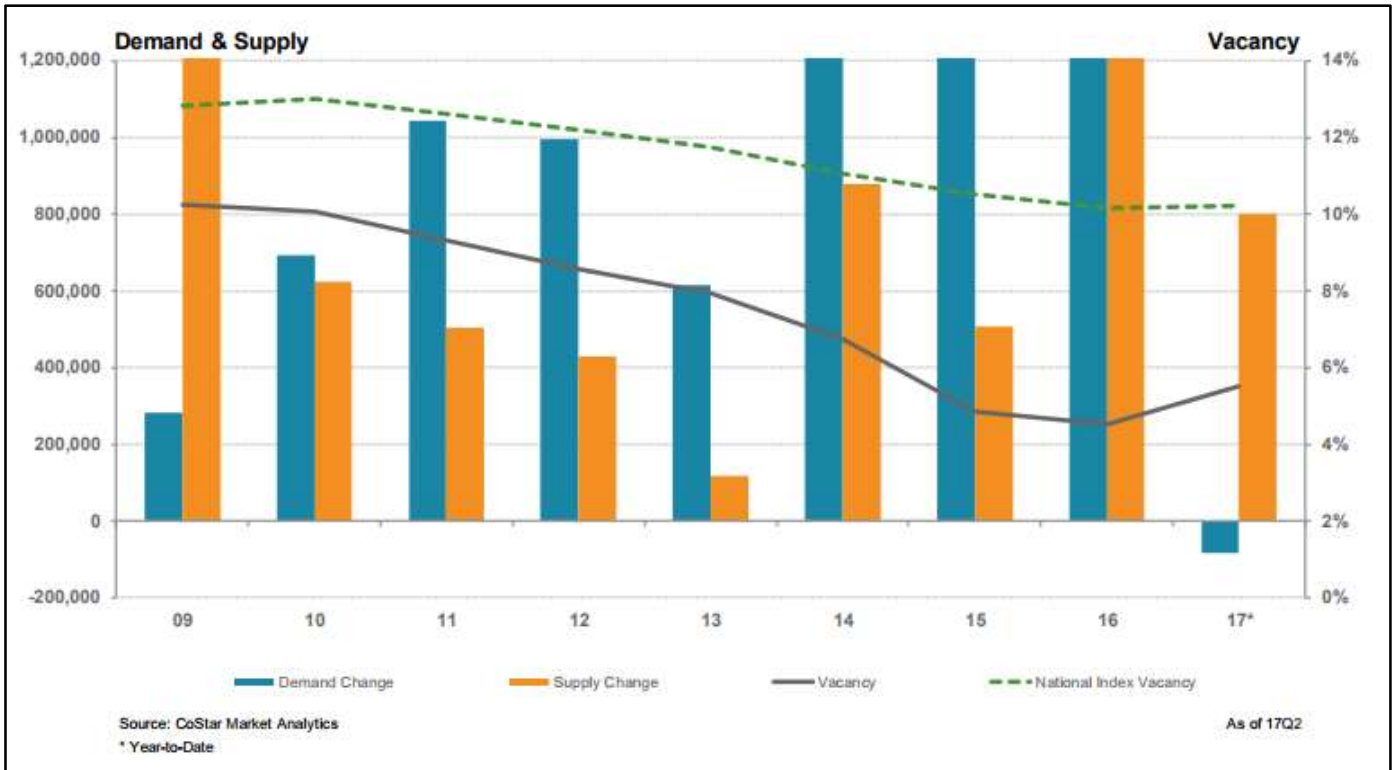
Vacancy: The overall and 4 & 5 Star vacancy rates in Nashville are among the best nationally. Although with delivery of four buildings and 180,471 SF in 1st Q, and vacancy bumped up in 5.7%. Class A vacancy was higher by comparison at 8.5%. Class B and C vacancy was lower at 5.2% and 3.2% respectively. Though vacancies are elevated, occupancy growth over the past two years has been strong and Nashville is better positioned for compression than the major suburban submarkets.

Rents: Rent growth has been positive since 2012, peaking to 9% in 2016. Average overall asking rental rates in 1st Q 2017 were \$25.44/SF. Rents are expected to increase but at a decreasing rate over the next five years. Average overall asking rents by Class in 1st Q 2017 were:

- Class A - \$29.83/SF
- Class B - \$22.86/SF
- Class C - \$18.91/SF

Investment Trends: Investor interest is high. Both in the suburbs and the CBD, relatively new, well-occupied office buildings are achieving prices at or above peak prices in the previous cycle. Overall cap rates for office properties in Nashville were stable year over year in the first half of 2018 at 6.7%. Cap rates are expected to remain stable through 2019 with nominal increases to 6.9% expected in 2021.

APPRAISAL REPORT



Subject Office Submarket: The subject is in the CBD office market area in the heart of downtown. 18% of the market is in the CBD in fewer but larger buildings. The next largest market contender at 11% of the total rentable office area in Nashville is in the Airport South submarket in 729 buildings. Asking office rents bracket the overall average at \$21.01/SF in Airport South and at \$28.69/SF downtown. With more supply and lower demand, overall vacancy is higher.

Total Office Market Statistics						Mid-Year 2017			
Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Totals	4,497	82,105,901	4,265,323	4,680,172	5.7%	(441,989)	779,665	2,550,025	\$25.44
Suburban	4,217	67,428,077	3,360,142	3,686,311	5.5%	(432,693)	779,665	1,227,424	\$24.72
% Total	93.8%	82.1%	78.8%	78.8%	95.9%		100.0%	48.1%	97.2%
CBD	280	14,677,824	905,181	993,861	6.8%	(9,296)	0	1,322,601	\$28.69
% Total	6.2%	17.9%	21.2%	21.2%			0.0%	51.9%	112.7%
Airport South	729	8,748,953	568,136	596,968	6.8%	11,402	186,193	286,121	\$21.01
% Total	16.2%	10.7%	13.3%	12.8%			23.9%	11.2%	82.6%

Source: CoStar Property®

Retail Market Trends

A strong local economy, population and employment growth, increasing personal income and a thriving residential market are all factors that strengthen Nashville’s retail sector. Over the last five years, retail sales in Nashville have grown at an annual rate of 4.8% and 2015’s retail sales reached \$20.60 billion. Nashville’s retail market saw healthy growth in 2016 as several new national retailers moved into the market. Numerous new restaurants and bars opened in Nashville’s neighborhoods. Absorption has settled and empty space has been demolished. Overall vacancy declined and average rents increased across all sub-markets. Many new retail developments are planned to satisfy demand. Retailers are drawn to Nashville for several reasons, including Nashville’s current construction boom as most proposed and under construction office developments include retail space.

Construction and Inventory: Total retail inventory in Nashville was 101.5 million SF in 9,197 buildings at 2nd Q 2017. 3.7% or 3.5 million SF of this total is downtown. In 2nd Q 2017, Nashville had roughly 1.5 million SF in

APPRAISAL REPORT

32 retail buildings under construction. Just under 300,000 SF was delivered in 15 buildings in the quarter. Over the past four quarters, nearly 1.3 million SF of retail space has been constructed. 2.7% SF of this total was in the Downtown retail submarket where 15% of new retail construction is focused now.

Rents and Occupancy: Costar™ reports the retail market has generally improved since 2010. Net retail absorption was strong and positive through Q1 declining a bit in Q2. Overall vacancy bumped up a bit in Q2 to 3.3% from 3.0% in 1st Q 2017. Overall vacancy has been under 5% since 2015. Overall quoted annual rents ended 2nd Q 2017 at \$17.57/SF up 3.4% from Q1 and 6.7% from a year ago. Overall rents have increased by 16% since the previous peak in 2008. Rents are expected to continue to increase at or near the historic average rate of 1.5%.

Most new construction comprises buildings with less than 50,000 SF. A majority are designed for multi-tenant use. All new construction requires some degree of lease up with larger buildings typically requiring a more substantial commitment up front. Most new retail construction is focused south of Nashville in the Cool Springs submarket area;

Subject Retail Submarket: The subject is in the CBD in downtown Nashville where the emphasis is more on office and hospitality development and to a lesser degree on retail other than hospitality. This is evident when compared to the retail submarket area in the competing Southeast Corridor Office market - about two miles south of downtown.

Overall Retail Submarket Statistics									Mid-Year 2017
Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Totals	9,197	101,528,935	3,097,075	3,315,923	3.3%	392,223	700,570	1,484,323	\$17.57
Downtown Ret	340	3,523,852	99,992	107,112	3.0%	55,273	18,659	228,928	\$32.44
% Total	3.7%	3.5%	3.2%	3.2%	93.1%	14.1%	2.7%	15.4%	184.6%
Southeast Corridor Ret	1,190	12,551,670	585,896	624,847	5.0%	(51,174)	15,000	3,940	\$13.90
% Total	12.9%	12.4%	18.9%	18.8%	152.4%	-13.0%	2.1%	0.3%	79.1%

Source: CoStar Property®

Roughly 13% of the total retail area in Nashville is in the Southeast Corridor retail submarket in 1,190 buildings. The downtown retail market has significantly less area in fewer buildings. Overall average asking retail rents in the Southeast Corridor are lower compared to the overall market at \$13.90/SF. With more supply and lower demand, overall vacancy is higher than the overall average. With fewer properties and lower availability, vacancies are lower downtown and average asking rents are much higher.

Summary: For the reasons detailed in our market analysis earlier, market fundamentals look strong for Davidson County and for the Nashville MSA in the future. The area benefits from a growing population, employment growth, low unemployment, increasing personal income, lower costs of living, easy access to transportation and a favorable business climate which spurs investment and expansion. Davidson County is appealing to companies relocating in the US Southeast region and should continue to develop. This drives growth in the sales-tax revenue base with potential for more growth based on an increase in population and/or an improving economy. Area retailers enjoy an expanding customer base, while employers have an educated and trained pool of employees.

With more new jobs on the horizon, the unemployment rate in the Nashville MSA should maintain a level at or below the state and national averages with continued long-term growth potential going forward. The Nashville job sector continues to drive supply and demand in the housing market. Much of the growth has been in the healthcare industry, as Nashville is a regional healthcare center. Nashville’s office market reflected this growth breaking several records in 2015 and in 2016. Added inventory from new construction will continue to drive up the average asking rental rate.

Population and job growth bodes well for residential development and for real estate demand. The real estate trends discussed are reflect continued strong market fundamentals. Current strong job growth, infrastructure projects and new developments support continued growth in Davidson County. More residential, multi-family, office, retail and mixed-use development is anticipated in the near term. The rate at which the region adds jobs and people will be key in determining how quickly space in those buildings is absorbed and ultimately how long

the growth continues. In our opinion, the outlook for the Nashville MSA and for real estate within the market area is strong with continued growth and development likely.

Conclusion: The city of Nashville is undergoing unprecedented growth. The population of the 10-county Cumberland Region is projected to increase by one million people by the year 2035. With that growth, the Fairgrounds is poised for growth as well – capitalizing on new events, increased attendance, and new and renewed community interest. Based on our analysis of supply and demand - a mix of retail and residential development would be supported on the subject sites. Office development is not supported for the subject sites in the current market environment.

NEIGHBORHOOD

Location: City Center - Nashville, Davidson County, Tennessee

This property is in an area of the Nashville City Business Center that has been influenced by the National New Deal incentive in the time of the Great Depression. The present Davidson County Public Building and Court House was constructed in 1938 under the WPA national economic revitalization program. Also in that year the Metropolitan Development and Housing Agency (MDHA) was established to promote the availability of affordable housing in the urban area of Nashville. In fact the geographical area that the subject property resides in is a MDHA development known as the MDHA Capitol Hill Development. The area has developed over the years to be a center for municipal and county administration and justice.

Nashville is presented as the “It City” having a multi-industry economic base offering an ability to attract major corporate interests to the area and thus offering employment opportunities for a diverse population willing to relocate to Nashville. There are also natural incentives for establishing a new homestead here where rivers and rolling hills come together in a natural setting and offering outdoor recreational opportunities within easy reach.

Within the immediate area of the subject, the character of the properties are primarily high rise office, high rise hospitality, municipal court houses and justice centers, with inter-mixed older retail, commercial structures exhibiting the progression in the character of the economy since its original conception. The area is appropriate for high rise residential development but primarily for high rise commercial development.

Boundaries: The subject neighborhood is generally bounded north by James Robertson Parkway, west by the CSX railroad lines, east by the Cumberland River and south by Broadway.

Access and Linkages: The market area, being central commercial in character is experiencing extensive high rise commercial, residential and municipal venue developments. It has a network of roadways making the locale accessible. The primary roadway servicing the subject is James Robertson Parkway which runs east and west and connects the east side of the Cumberland River neighborhoods with the City’s Center by way of the Main Street Bridge. There is I-24 Interstate highway accesses to James Robertson Parkway.

Immediate Area Land Usage



Adjacent Land Use:

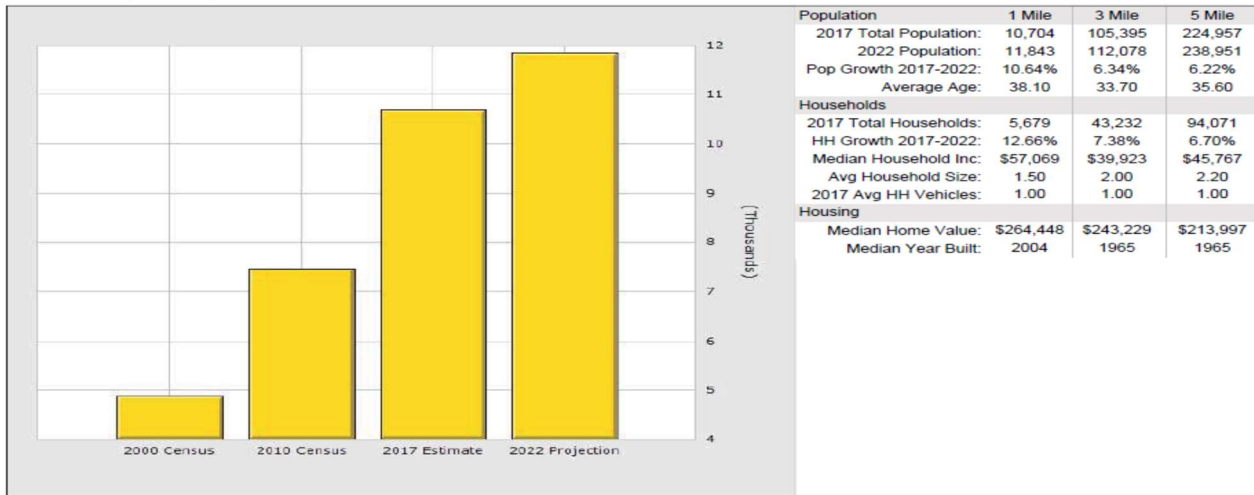
- South – Public Square Garage and Office Building
- West – National Baptist Convention USA, Sunday School Publishing Board
- North – James Robertson Parkway
- East – Metropolitan Public Building and Court House

Demographics

2017 population within the immediate one mile radius of the subject is 10,704. Population is expected to grow 10.6% in the next five years to 11,843 in 2022. According to Costar, there are 5,679 households within this radius with an average size of 1.5 persons and a median household income of \$57,069. This is higher when compared to the Nashville MSA. A demographic summary is presented below:

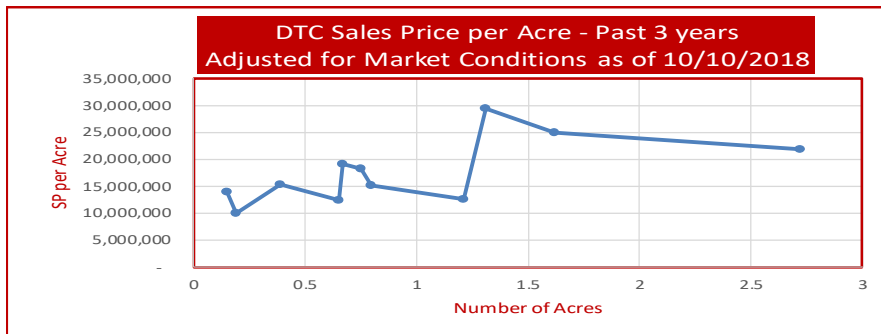
Population within a One, Three and Five-Mile Radius of the Subject Property

Population for 1 Mile Radius
500 Church St, Nashville, TN 37219



Vacant DTC Land Sales in the Subject Market Area

An analysis of land sales (Parking Lot) for vacant Downtown Code District land tracts in the subject market area, between 7/28/2015 and 8/1/2018, reflects 11 sales ranging in size from .15 acres to 2.72 acres with an average tract size of .96 acres with sales prices from \$1,900,000 to \$32,000,000. The sales found had a median sales price of \$9,200,000 and median sales price per acre of \$12,600,000. Based on my research, demand for vacant developable land in the DTC District, as shown in the per acre price appreciation, has been increasing at a 2.88% monthly rate over the time span of the data collected.



Shown in the previous chart, the Market adjusted property sales prices for the eleven (11) DTC sales transactions would now range from \$1,900,000 to \$39,800,000 with a mean sales price per acre of \$16,600,000 and a median sales price per acre of \$15,100,000, considering my analysis of the appreciation in the market,

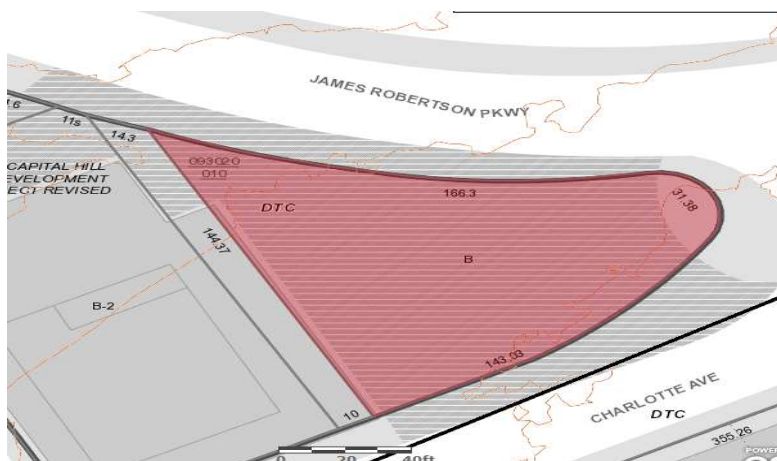
Summary: The subject property is in a high density commercial neighborhood with access to the interstate and to major thoroughfares. The neighborhood is in the stabilized phase of the economic cycle, with older properties being repurposed and/or their improvements demolished to make way for new edifices depicting the improvements in architecture and construction techniques. Absent in the revitalization of the central business core neighborhood is an emphasis on improving transportation and traffic corridors to accommodate the population growth.

SITE DATA

Land Area:	11,326+/-SF or .26 acres +/-
Site dimensions:	166.30' North, 31.38' East, 143.03' South and 144.37' West.
Shape:	Triangular
Topography:	The parcel is level with a slight decline to the western line.
Zoning:	DTC Downtown Code District.
Flood Hazard:	The subject property is in an area of minimal flood hazard, zone X.
Utilities:	Water, sewer, electric, and communications are available at the street.
Site Improvements:	Public parking lot asphalt paving, minimal landscaping, curbs and sidewalks
Location:	301 James Robertson Parkway, Nashville, TN
Street Type/Lanes:	Fronts on Charlotte Avenue, a narrow two lane paved urban roadway.
Frontage:	1143.03' on the north side of Charlotte Avenue
Ingress/Egress:	Vehicular access and egress from both Charlotte Avenue and James Robertson Parkway.
Access:	Good /No limiting factors noted.
Visibility:	Good /No limiting factors noted
Subsoil Conditions/Drainage:	Unknown. This appraisal is assuming NO contamination.
Environmental:	No adverse site conditions or external factors were apparent.
Hazardous Substances:	None noted.
Easements/Encroachments:	There are no known encroachments or easements.

Note: An accurate survey is recommended to determine exact measurements and easements.

Subject Topographical Map



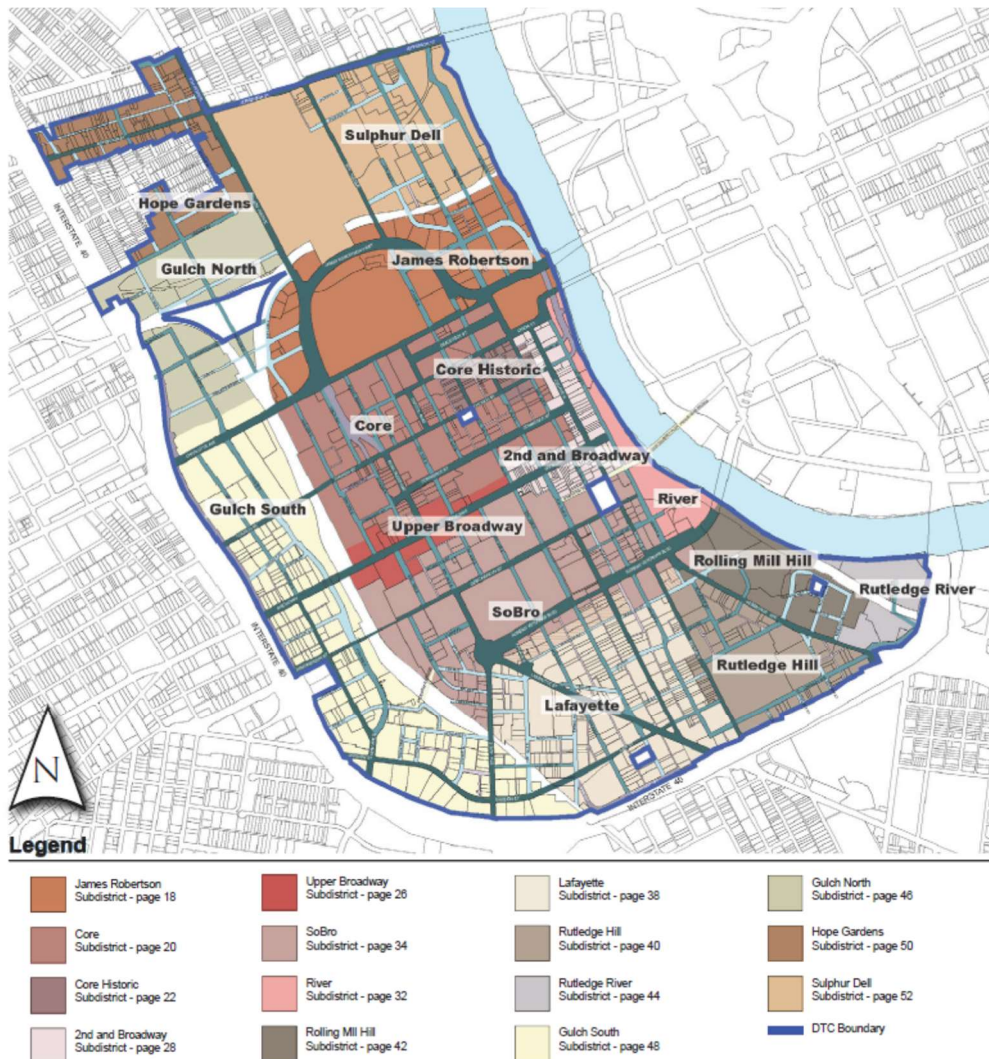
As shown on the topo map, Charlotte Avenue is at 468' above sea level, and James Robertson Parkway appears to be at the same level. The ever so slight a slop is from south to north but appears to be indiscernible.

TAX ASSESSMENT DATA

Map 093-02, Group 0, Parcel 010.00	As of 2018	
Land:	\$1,303,000.00	
Improvements:	\$17,100.00	
Assessment Ratio:	<u>X</u> .40	
Assessed Value:	\$528,040.00	
Tax Rate:	<u>X</u> 0.03155	
Total 2018 Taxes:	\$16,659.66	

This tax is the tax due on the subject property for the year 2018.

ZONING



Downtown Code District (DTC) As shown on the preceding map, there are fifteen (15) neighborhoods which comprise the Downtown Code District (DTC) of Nashville. These neighborhoods were established by the Downtown Community Plan, recognizing that each of these neighborhoods had unique characteristics contributing to the make-up of the overall ambience the Central Business Center of Nashville. Each neighborhood has differing development/redevelopment guidance and regulations. The intent of the DTC is to insure that.. “all new construction makes a positive contribution to the public realm - streets and open space -and that all investments are held to the same standard.”⁴

MDHA Capitol Hill The subject parking lot is located in the James Robertson neighborhood of the DTC and also carries the Capitol Code (CP) sub-district designation for its location being close to the State of Tennessee Capitol Building. It is also within the MDHA Capitol Hill Redevelopment jurisdiction, which was the first such urban renewal effort in Nashville. This redevelopment district is no longer active and new Tax Incremental Financing (TIF) is not presently available.

Urban Zoning Overlay (UZO) - The subject is subject to an urban zoning overlay district intended to preserve and protect existing development patterns in older portions of the city. The UZO also promotes reinvestment in areas originally developed before the mid-1950s by modifying development standards that could add unnecessary expense without improving the safety or compatibility of resulting development.

Note: Based on the scope of work for this assignment, only the land as vacant is appraised. Any existing improvements, personal property and equipment are not considered. This is a hypothetical condition of this appraisal. This appraisal is also subject to the extraordinary assumption that demolition of any existing improvements on the subject development sites will be approved by ordinance so that the subject sites can be redeveloped, for any feasible use deemed the highest and best, to a maximum allowable density.

In accordance with long terms plan for future land use in the neighborhood, DTC zoning for the subject parcel supports high intensity mixed-use development with a wide range of high rise residential and commercial uses. The planning board is appreciative of developers with specific plans that follow the character model of the community and will support projects meeting those area character goals. There is residential, commercial and mixed-use development of various densities within the Downtown Community as described earlier. Adjacent land uses are changing their original use and being repurposed thus revitalizing the neighborhoods.

HIGHEST AND BEST USE

Highest and Best Use is defined in The Dictionary of Real Estate Appraisal, 5th Edition (Chicago: Appraisal Institute, ©2010) as: “*The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.*”

The definition immediately above applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue; however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. In the context of market value, another appropriate term to reflect highest and best use would be most probable use.

Highest and best use refers to the optimum use to which a property can be put. This use is subject to the following four criteria:

⁴ Nashville Downtown Code – Sec1 – Introduction, pg. 6

- Physically possible – To what use is the site physically adaptable?
- Legally permissible – What uses are permitted by zoning and other legal restrictions?
- Financially feasible – Which possible and permissible use will produce any net return to the owner of the site.
- Maximally productive – What feasible use will produce the highest net return?

Because land use can be limited by the presence of improvements, highest and best use is determined separately for the land or site as though vacant and available for its highest and best use, and for the property as improved. *Based on the scope of work for this assignment, only the land as vacant is appraised. Any existing improvements, personal property and equipment located on the parcels appraised are not considered. This is a hypothetical condition of this appraisal. This appraisal is also subject to the extraordinary assumption that demolition of any existing improvements on the subject development sites will be approved by ordinance so that the subject sites can be redeveloped, for any feasible use deemed the highest and best, to a maximum allowable density.*

Therefore, to determine the highest and best use of the site, we have considered the physically possible, legally permitted, economically feasible and maximally productive uses of the subject parcel as vacant.

Highest and Best Use “As Vacant”: Highest and best use of land or a site as though vacant is defined in the Dictionary of Real Estate Appraisal, 5th Edition (Chicago: Appraisal Institute, ©2010) as: *“Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”*

- 1) **Legally Permissible:** The legally permissible uses were discussed in the Site Analysis and Zoning Sections. In accordance with long terms plan for future land use in the neighborhood, DTC zoning for the subject parcel supports aggressive intensity mixed-use development with a wide range of commercial and residential uses and emphasizes the multi-story residential family uses . T6 Downtown Transect with the sub-transect CP Capitol plan supports a wide range of uses and does not negatively impact marketability. This appraisal assumes that there are no undue limitations restricting development of the subject parcels. Within the DTC zoning change in plan policy for redevelopment would not be required for an acquisition of the site for any feasible use other than the existing use.
- 2) **Physically Possible:** The Site Description analysis indicates that the current utility is good for the subject parcel considering that it is triangularly shaped and limiting is area, at .26 acres. Discussion with the owner enforces the physical possibility that the site can overcome its limitations and achieve its highest and best use.

This appraisal assumes adequate and appropriate access and circulation will be maintained within the DTC and that the subject under the jurisdiction of the City of Nashville and County of Davidson is and will be provided all municipal services, including police and fire protection. All utilities are in place and connected to the site.

The site is in an established and increasingly desirable community within the downtown center allowing access to popular Nashville venues, universities and neighborhoods. The physical characteristics of the subject is suited for a variety of uses conducive to almost any type of development consistent with the land use policies in place. Location in the City Center is appealing and enhances the property’s marketability.

- 3) **Financially Feasible:** The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally permissible and physically possible land uses versus the cost to create the uses. The most economically feasible use is that use which provides the greatest return to the land and is the most reasonably probable use in the subject market.

The subject site has good location within an increasingly desirable neighborhood in the established governmental and judicially focused area of the Capitol Hill district of the James Robertson neighborhood. Accessible from the interstate and from primary neighborhood arteries, the site is a focal point in the

Downtown Center. As noted, surrounding land use is primarily multi-story offices and high rise residential with supporting retail at street level. Nashville is undergoing unprecedented growth. With that, the Downtown Center is experiencing exceptional growth – capitalizing on new events, increased attendance, and new and renewed community interest. New hotel and supporting venues are extending the City Center’s hours of activity past the traditional end of work commuting day.

Significant new development is occurring in Nashville as of the appraisal date. A number of developments including some multi-family residential, retail, and mixed development uses are currently under construction and or recently approved for the DTC. Low interest rates and higher relative rents enhance investment return. Given these factors, it is apparent that market participants consider commercial or mixed-use development to be feasible for similarly sized sites.

The subject’s location and current and expected demand in the market area bode well for development. Land value is driven by utility, scarcity and desirability. Analysis of the strengths and weaknesses of the subject sites, supply and demand in the market area indicates that residential development would be supported on the subject sites. Commercial uses such as office development could also be supported but to a lesser degree to multi-family residential. Due to the subject’s limited area, Hotel or hospitality development is not supported for the subject sites in the current market environment.

4) Maximally Productive: The maximally productive use is that which produces the highest residual land value, and is consistent with the market’s acceptance of risk and rates of return for a particular use. Based on my research, the subject location, demographics and current market conditions support current and future demand for continued growth and development. The vacant land surrounding the subject site is suitable for a higher intensity residential development. However, larger sites are in demand. Since land is fixed in supply, land value increases proportionally with demand.

Multi-family high rise residential use meets the previous tests of highest and best use. Higher intensity development typically returns the highest net profit to the developer. Recent developments in the immediate area are supporting mixed-use development to a maximum allowable height and density. With the subject being a surface parking lot serving the Downtown Business District, it is proving to be productive while awaiting the development that will bring it to its potential highest and best use.

Conclusion

Based on the physical characteristics, legal, social, economic and maximally productive uses for the subject development sites, it is concluded that **the highest and best use of the subject “as-vacant” would be for commercial development at an allowable density** with the ideal improvement being exclusively residential in nature, with units sized to meet the affordability issue in the Central Business District residential marketplace. Our analysis of the subject parcel appraised and its market characteristics indicate the most likely buyer, as vacant, would be an investment group or a prominent developer.

Highest and Best Use “As Improved”

Given the existing improvements, current location and population utilization, it is apparent there is a demand for the facility as it is configured and located. While the determination of the economic practicality of the enterprise is not a consideration of this appraisal, the current demand for public access parking implies that the community is supportive of the undertaking.

In considering the property as if improved with the existing improvements, the highest and best use takes on a different analysis. With the subject being appraised as improved with the public parking lot amenities, the highest and best use analysis will consider these improvements.

When analyzing improved property such as the subject, demand for this usage must be considered. However, other support pertaining to highest and best use must also be considered such as the contribution to the community, wealth maximization for property owners, the most probable use, and the most profitable use.

Given prevailing land use patterns in the area, and recognizing the principle of conformity, I considered development as commercial use to be the highest and best use for the valuation purpose of the subject site “as is”. For this reason it is my opinion that the highest and best use for the subject property is **continued use as a public surface parking lot awaiting development.**

APPROACHES TO VALUE

In the real estate appraisal process, there are three basic approaches to an estimate of value. These approaches are briefly defined as:

1. **Sales Comparison Approach** - This method develops a value estimate by the direct comparison of the subject of the appraisal with properties that are similar in nature which have recently sold or which are listed for sale in the open market under competitive conditions.
2. **Income Approach** - In this approach the value of the property is derived by the conversion of an anticipated income stream generated from the property reflecting typical investor terms and return requirements.
3. **Cost Approach** - In this approach the indication of value is derived by estimating the value of the land based on sales of similar sites, and adding to this value the replacement cost of improvement less accrued depreciation.

The most pertinent approach to estimate the fee simple value of the subject as vacant land is by direct comparison to sales or to listings of similar properties. This is an active market and adequate data was available. Therefore, the Sales Comparison Approach is relied upon to estimate the current market value of the subject site in its highest and best use as vacant. The Cost Approach and the Income Approach are not applicable for the site as vacant as these approaches do not accurately reflect the actions of market participants.

Sales Comparison Approach

The Sales Comparison Approach is the process by which a market value estimate is derived by analyzing the market for similar properties which have recently sold and comparing these properties to the subject property. This approach is based on the principle of substitution, which states that the prudent and knowledgeable buyer will pay no more for a property than it would cost to acquire an equally desirable alternate property.

Demographics, location, supply, and use potential are all factors that drive land value. Therefore, direct comparisons are made with similar development land sites that have sold or are actively listed in the market in which the subject competes. In the analysis of the subject property, we conducted a search in the subject neighborhood for recent sales or listings of vacant land acquired or intended for residential development consistent with the highest and best use for the subject property.

The following steps describe the process applied in analysis by this approach:

- 1) The market in which the subject competes is investigated; recent comparable sales, contracts for sale and current offerings are reviewed.
- 2) The most pertinent data is further analyzed and the quality of the transaction is determined.
- 3) The most meaningful unit of value for the subject property is determined.
- 4) A comparative analysis is performed with a focus on similarities and differences that affect value.
- 5) The comparable sales are adjusted as appropriate to bring them into parity with the appraisal subject property.
- 6) The value indicated by each comparable sale is analyzed and the data is reconciled to determine a final value indication for the subject property.

Search Parameters: Consistent with the highest and best use for the subject for development/redevelopment parcels, comparable sales of land purchased for a mix of residential and commercial development were selected for comparison with the subject property. I searched for recent sales and listings of vacant developable land with

similar size, location, physical characteristics and planned intensity relative to the subject site. An effort was made to find cleared lots with comparable development potential; however, three comparable sales did not sell as vacant. Since the motivation for the sales used was for redevelopment, this is a dissimilarity between the subject and the other two transactions considered to be comparable to the subject.

Units of Comparison: In the subject market area, comparable sites are typically valued based on price per square foot (SF) of area based on current zoning in place. Since no approved specific plan is in place for the subject, we made comparisons based on price/SF.

Availability of Data: Consistent with market trends for the MSA, this is an active redevelopment market. An ample number of sales were found within the last three years. Of the sixty-seven (67) Vacant Commercial and Parking Lots transacted sales in the time period, in the DTC neighborhood five (5) met the T6 (Downtown Use) character standard important to the anticipated potential use to which the subject could be put to in achieving its highest and best use.

Comparable Sales #2c, #2d and #2e are within a one block area that in conjunction with Comparable #2a and #2b will make up the development site for the multi-use office and hospitality complex to be known as Gulch Union. The three phase mixed use development began construction with the ground breaking in August of 2018 and will be developed over the next two to three years.

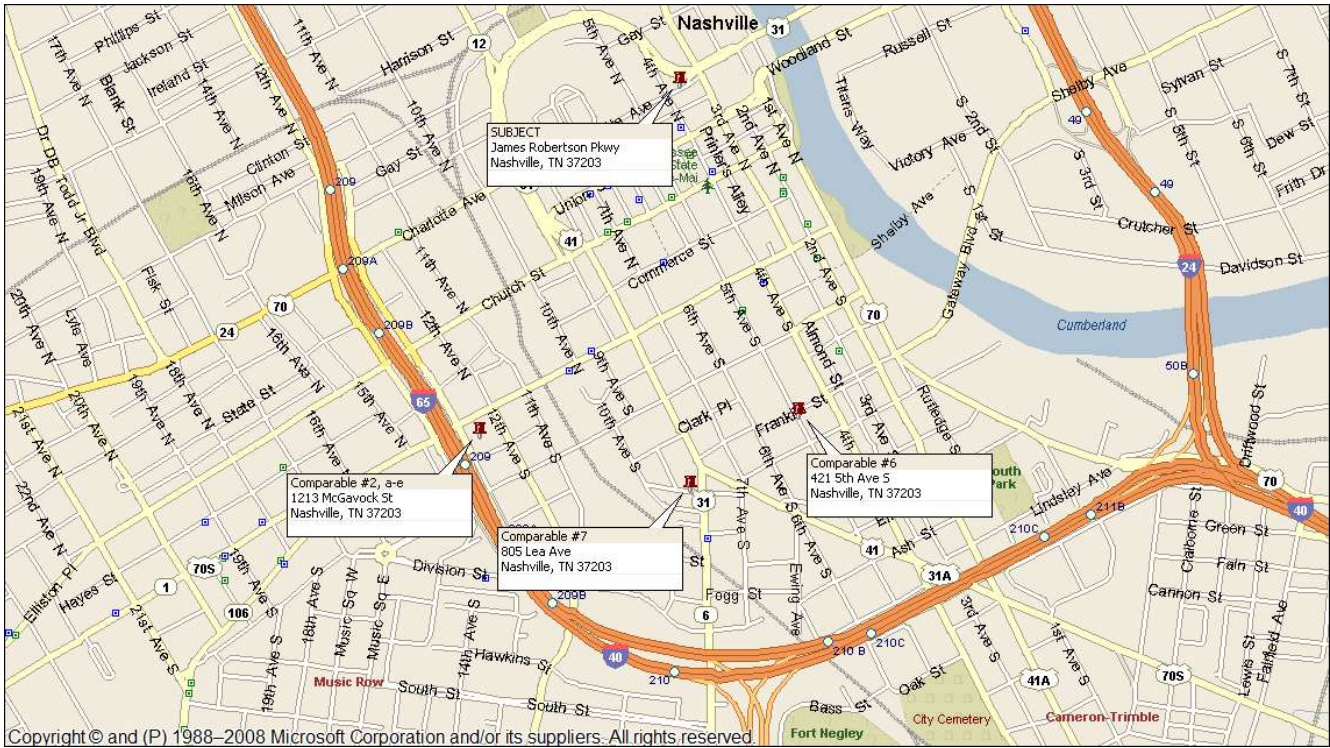
Comparable Sale #6 is the land acquisition in the lower Downtown Core to be the home of a Margaritaville Hotel just off the Korean Veteran's Blvd. This project is in hard construction with three floors above ground as of the date of this report.

Comparable #7 is a parking lot identified as the site of a yet to be named 35 story residential tower with 30 floors of living area and five floors of structured parking. The property still functions as a surface parking lot as of the date of this appraisal report.

CURRENT VALUE ANALYSIS

The five comparable sales selected ranged in size from 0.15 acres to .79 acres or 6,534 SF to 34,412 SF. Per square foot sales price before adjustments ranged from \$229.57/SF to \$353.18/SF. The selected comparable sales were within a radius of less than one mile from the subject. A location map and summary of the selected sales is presented below:

Comparable Sales Map



Prior Sales History: None of the sales used have transferred in the 12 months prior to the sale date.

As with most major development of multiple uses, the time frame from the purchase of the first parcel to the completion and opening on the finished product is quite extended. Five of the comparable properties are currently under construction but, as of the date of this report, none are fully completed. Development plans have been submitted and/or approved for all the comparable sales used.

The intent of this appraisal is to determine the market value for the subject property as of the effective appraisal date. To this end, the analysis of the comparable land sales transactions will look to the amount of land acquired in the sales transactions and to the plans for the development of those land areas. Generally, these plans address the maximum allowable development based upon conditions to be met and incentives to meeting these conditions.

With this in mind, our value analysis looked to the proposed development mix contained in the plans of the comparable properties and established a potential mix for the subject property’s area. This would place our hypothetical development at the maximum, as it is based on the maximums of the comparable developments.

Valuation Analysis

The Market Data Grid (MDG) shown below is an organized depiction of the adjustments made the relevant comparable sales compared to the subject parcel’s characteristics. This MDG is followed by a discussion of the various elements of comparison and brief descriptions of the adjustments considered or made. Summary data pages for each comparable sale are included in the addenda for reference.

Name: 301 James Robertson Pkwy		Comparables Properties: Land Parcels				
City: NASHVILLE, TN						
	Subject	#2c	#2d	#2e	#6	#7
Sale Date		8/1/2018	8/1/2018	8/1/2018	6/29/2018	11/14/2016
Land Use	Surface Parking Lot	Office & Warehouse	Parking Lot	Office & Warehouse	Office & Warehouse	Parking Lot
Address	310 James Robertson	125 12th Ave., S	1201 McGavock St.	1207 McGovock St.	421 & 425 5th Ave., S	805 Lea Ave.
		Nashville, TN 37203	Nashville, TN 37203	Nashville, TN 37203	Nashville, TN 37203	Nashville, TN 37203
Map/Parcel	093-02-0-010.00	093-09-0-238.00	093-09-0-229.00	093-09-0-228.00	093-10-0-259.00 093-10-0-260.00	093-10-0-040.00
Sale Price		\$6,000,000	\$1,900,000	\$2,100,000	\$8,250,000	\$8,100,000
Prop Rights Convyd		\$0	\$0	\$0	\$0	\$0
Adjusted Price.....		\$6,000,000	\$1,900,000	\$2,100,000	\$8,250,000	\$8,100,000
Land Area /Square Feet	0.26	0.39	0.19	0.15	0.79	0.65
LandArea /Sq. Ft.	11,326	16,988	8,276	6,534	34,412	28,314
Sales Price per Sq Ft		\$353.18	\$229.57	\$321.40	\$239.74	\$286.08
Financing Terms	Cash	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Condition of Sale	Market	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Sales Price per Sq. Ft.		\$353.18	\$229.57	\$321.40	\$239.74	\$286.08
Market Conditions	Current	\$0.00	\$0.00	\$0.00	\$0.00	\$181.26
Location	DTC	DTC	DTC	DTC	DTC	DTC
Demolition of Improvements	Parking Lot	Office & Whse 8,000sf	Parking Lot	Office & Whse 8,400sf	Office & Whse 8,000sf	Parking Lot
Demo Cost	\$17,000	\$48,000	\$12,000	\$50,400	\$48,000	\$28,000
Adjustment for Improvements		1.82	(0.60)	5.11	0.90	0.39
Total Adjustments per Sq. Ft.		\$1.82	(\$0.60)	\$5.11	\$0.90	\$181.65
Net % Adjusted		0.52%	-0.26%	1.59%	0.38%	63.50%
Adjusted Sales Price per Sq. Ft.		\$355.01	\$228.96	\$326.51	\$240.64	\$467.72
Weighting		20%	20%	20%	20%	20%
Weighted Contribution to Sales Price		\$71.00	\$45.79	\$65.30	\$48.13	\$93.54
Total Of Weighted Contribution	\$325.00					
Indicated Value of Subject	\$3,680,000.00					

-----Analysis of Adjustments

Elements of Comparison Related to the Transaction: The first elements to be compared are rights conveyed, terms and conditions of sale, expenditures after the sale, improvements and changes in market conditions. Available market data reflects that it is typical for comparable land sales to transact in fee simple estate. Since this is the circumstance for the subject parcel, no property rights adjustment is required. All comparable sales were cash equivalent, arm’s length, market transactions between knowledgeable buyers and sellers in an active, open and competitive market. Therefore, no adjustments were required. The financing terms did not have a significant impact on prices for the selected comparable sales and listing. No adjustments were made for these elements of comparison.

Market Conditions: As discussed in the market data section, economic indicators and demographic trends within the subject market are positive and increasing. Market values have generally increased in recent years as the available supply of substitute properties has decreased and the number of investors and developers has increased. In the analysis of an applicable adjustment for market conditions, I relied on the development land sales transactions in Metropolitan Nashville/Davidson County zip code 37203 from January 2012 until the study date in the Court House Retrieval System (CRS), of August 15, 2018.

Since the beginning of 2012 to August 2018 the average of all vacant commercial land and parking lot sales in the zip code 37203 has increased by a composite overall monthly rate of 2.88%. However, the difference by year appreciation is more indefinite. This is shown in the following table:

Year	Sales		Gross Sales	Sales Price	Sales Price
	Transactions	Acres		per Acre	Appreciation
2012	22	9.85	\$79,597,513	\$8,080,966	71.47%
2013	12	3.05	\$17,541,000	\$5,751,148	140.94%
2014	27	15.34	\$65,307,885	\$4,257,359	225.48%
2015	27	32.46	\$243,922,414	\$7,514,554	84.40%
2016	26	8.61	\$107,423,833	\$12,476,636	11.06%
2017	20	11.56	\$114,772,800	\$9,928,443	39.57%
2018	21	11.87	\$164,478,957	\$13,856,694	0.00%

That being said, the approach to the Composite Monthly Average Appreciation Rate gives the analysis a smoothed rate over the six years of the study. This is demonstrated in the following table:

2012-2018	22	71.47%	
Months of study	67.5	1.06%	1.06%
2013-2018	12	140.94%	
Months of study	55.5	2.54%	2.54%
2014-2018	27	225.48%	
Months of study	43.5	5.18%	5.18%
2015-2018	27	84.40%	
Months of study	31.5	2.68%	2.68%
2016-2018	26	11.06%	
Months of study	19.5	0.57%	0.57%
2017-2018	20	39.57%	
Months of study	7.5	5.28%	5.28%
Composite Monthly Average Appreciation Rate			2.88%

Elements of Comparison Related to Physical Characteristics: Site characteristics that influence land value include: location, site area, shape/configuration, topography, utility/corner/interior lot, access, visibility, road frontage, zoning, utilities, easements and improvements. As emphasized throughout this report, in the analysis of the subject parcel, the primary physical elements of comparison that had the most significant impact on value was the cost associated with preparing the land to a buildable state. This cost is generally the cost to demolish the improvements on the site.

Land Area: The subject’s land areas of .26 of an acre was bracketed by the comparable properties of from .15 acres to .79 acres.

The development sales analyzed did not exhibit the generally accepted rule that there is an inverse relationship between the size of a property and the price per land area unit.

DEMOLITION

Demolition of Existing Structures: The scope of work agreed upon was that the subject parcels would be vacant and available for development and that all structures were removed. This condition was true for all the comparable sales used except for Comparable #2c, #2e and #6 which contained office/Warehouse structures of some age and were considered to be either shell usable or easy takedowns. The following table is the appraiser’s file on demolition costs of various structures and circumstances:

Supporting Data for Demolition and Abatement Costs				Cost /SF		
Address	Location	Type	Size (SF)	Demo	Abatement	Source
PNC Bank	Gainesville, GA	Retail	9,948	\$ 4.02	NA	HT Demo Contractors
700 Division St.	Nashville, TN	Office/Bsmt	10,480	\$ 4.48	NA	Appraiser's Files, Metro Nashville
2STY Brick	Callahan FL	Commercial	12,000	\$ 4.00	NA	HT Demo Contractors
803 Division St.	Nashville, TN	Auto WH	13,200	\$ 3.03	NA	Includes Abatement
1304 Katie Ave.	Nashville, TN	Nursing Home	17,711	\$ 4.94	\$ 1.69	Appraiser's Files, Dem Tec
349 21 st Ave N.	Nashville, TN	Firehouse	20,036	NA	\$ 1.69	Appraiser's Files, Metro Nashville
1077 E Trinity Ln	Nashville, TN	Church	21,802	\$ 1.15	NA	Metro Nashville
641 Division St.	Nashville, TN	RTL/WH /1977	34,680	\$ 1.53	NA	Appraiser's Files, Metro Nashville
Municipal Bldg	Comparable	High School	> 200,000 SF	\$ 8.00	NA	Metro Nashville *Includes demolition, abatement & disposal of structures & site improvements
6215 Hickory Valley	Nashville, TN	Brk High School	224,106	\$ 4.82	NA	Patriot Demolition, LLC * Prelim. Est. Incl. demo & disposal of structure and site improvements
(*) Includes asbestos abatement and hauling of debris.	Mean		40,440	\$ 4.00	\$ 1.69	\$ 5.69
	Median		17,711	\$ 4.02	\$ 1.69	\$ 5.71
			224,106	\$ 4.87	\$ 1.13	\$ 6.00

To determine the market value of the subject site and those of the comparable sales properties, in an as vacant condition , I considered the costs associated with demolition and disposal as follows:

- 1) Demolishing the existing building improvements;
- 2) Abatement activities for most of the structure;
- 3) Demolishing and disposing of the site improvements to include asphalt, parking areas, curbs, sidewalks, etc.

Discussions with local contractors reflect an approximate demolition cost for structures of comparable size and age from \$1.53/SF – \$8.00/gross SF. The cost for demolishing the site improvements and disposing of the material is estimated in the trade by the cubic yard. However, my analysis converted this cubic yard estimate to a generalized per square foot standard of comparison as shown in the table above.

Based on this market sourced cost for structure demolition, an adjustment was made to those properties which had improvements at the time of the sales transaction at the \$6.00 per square foot of the structural improvements. Parking lot paving, fencing and other improvements were estimated based upon depreciated cost to construct.

CURRENT VALUE CONCLUSION

The fee simple land value for the subject property is based on the highest and best use determined earlier. After adjustments, sales price per SF ranged from \$228.96/SF to \$467.72/SF with an average adjusted sales price per SF of \$323.77/SF and a median of \$326.51/SF. The subject has a prime location and triangular shape on a level building site on a very busy four lane city center roadway in the “Governmental” center of the city.

With land parcels within the DTC being actively developed, the market demand appears to be well disbursed throughout the area within the interstate highway beltline. This lead me to believe that there is no discernable price differential within this geographical area. For that reason, I have treated all of the comparable sale as contributing to the subject’s value in an equal amount. Therefore I weighted each comparable at 20% contribution to the subject’s value.

Based on my analysis, considering current market trends and the subject’s physical characteristics a market value of \$325.00/SF (rounded) is concluded for the subject parking lot, which is valued in total as of October 10, 2018 at:

THREE MILLION SIX HUNDRED EIGHTY THOUSAND DOLLARS
(\$3,680,000)

PROSPECTIVE VALUE ANALYSIS

Prospective Value Analysis, in consideration of the guidance in Chapter 2.24.225 – Appraisal Report Required for Metropolitan Council Approval, of the Metropolitan Code of Laws, is based upon anticipated changes in entitlements including, changes in zoning, changes in use restrictions and any and all changes in deed restriction. Generally such an analysis looked to the Developable Unit Method within the Sales Comparison Approach for properties that would be expected to seek such changes in entitlement. In this procedure a number of recent and near recent sales transactions of land parcels suitable for development under the guideline of the Community Plan for the DTC district would be sought. Generally properties acquired for these characteristics also seek the Specific Plan considerations in going forward in their development. What is important to the purchaser/developer is the density of the development.

This Developable Unit Method within the Sales Comparison Approach to Value requires that the subject property also have identifiable development plans delineating the number of Dwelling Units and other elements to be constructed on the premises . This is required for comparison to those element of measurement within the comparable properties. In this instance, based upon the client requested addition to the Scope of Work (see page 5 of this report), the Current Value analysis was anticipatory of changes in zoning considerations allowing potential development of the subject property to its highest and best use but without any specific plan in mind.

Therefore, it is my opinion that the Prospective Value, based upon any anticipated changes imbodyed in land use policy, follows the definitions, procedures and valuation methodology use in the development of the Current Value as contained in this report.

PROSPECTIVE VALUE CONCLUSION

As shown in the above Current Value Market Data Grid, the concluded value per square foot is \$325.00 (rounded).. When applied to the calculated number of square feet of area found in the subject’s parcel, the overall value is \$3,680,000.

Based on my analysis, considering current market trends and the subject’s physical characteristics and development potential, with emphasis on the upper range of per square foot value supported by the quantitative analysis, the Prospective Market Value of \$325.00 per square foot is concluded. The fee simple ownership of the subject’s land parcel is valued in total as of October 10, 2018 as follows:

THREE MILLION SIX HUNDRED AND EIGHTY THOUSAND DOLLARS
(\$3,680,000)

ADDENDA

REGISTERED DEED SUBJECT PARCEL

This instrument prepared by:
 Kay B. Housch, Esq. BPR #010995
 Kay B. Housch, P.C.
 Suite 310, 222 Second Avenue North
 Nashville, Tennessee 37201

Davidson County	DEEDWARRSP
Recvd: 12/15/14 16:23	8 pgs
Fees:33.00	Taxes:4995.00
20141215-0114677	

FILE NO: 2014-215

SPECIAL WARRANTY DEED

Address New Owner(s) as follows:	Send Tax Bills To:	Map Parcel Numbers
(NAME) 301 JRP Partners, LLC	(NAME) Same as new owner	Map and Parcel No.
(STREET ADDRESS) 421 Church Street	(STREET ADDRESS)	09302001000
(CITY) (STATE) (ZIP) Nashville TN 37219-2501	(CITY) (STATE) (ZIP)	

FOR AND IN CONSIDERATION of the sum of Ten dollars and no/100 (\$10.00), cash in hand paid by the Grantee and other good and valuable consideration accepted as cash, the receipt and sufficiency of which is hereby acknowledged, **Charles R. Niewold, Larry H. Hagar, George H. Nolan, Susan Nolan Lubow, Jennifer Nolan Diamond and Marilyn Starr Bright Nolan**, collectively Grantor, have this day bargained and sold, and do hereby transfer and convey unto the said **301 JRP Partners, LLC, a Tennessee limited liability company**, the Grantee herein, its successors and assigns, certain real estate in Davidson County, Tennessee, as follows:

Land located in the Urban Services District of the City of Nashville, Davidson County, Tennessee, being Parcel "B" as shown on the revised subdivision plat of the Capitol Hill Redevelopment Project, UR TENN 2-1 of record in Plat Book 2663, pages 120 & 121, Register's Office, Davidson County, Tennessee, and being more particularly described in Exhibit "A" attached hereto.

Being the same property conveyed to John W. Nolan, III, Charles R. Niewold, and Larry H. Hagar, by Quitclaim Deed from the State of Tennessee, of record in Book 9795, page 245, Register's Office, Davidson County, Tennessee, and being the same property conveyed to George H. Nolan, Susan Nolan Lubow, Jennifer Nolan Diamond and Marilyn Starr Bright Nolan in equal shares, as tenants in common, by Executor's Deed from George H. Nolan, Executor of the Estate of John W. Nolan III, of record in Instrument #20121105-0101915, Register's Office, Davidson County, Tennessee.

STATE OF TENNESSEE COUNTY OF DAVIDSON	
The actual consideration or value whichever is greater, for this transfer is \$1,350,000.00 Subscribed and sworn to before me this the <u>15th</u> day of December, 2014. My commission expires: <u>7-2-2018</u> (Affix Seal)	
_____ Affiant	_____ Notary Public

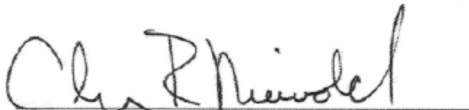
This is unimproved property known as 301 James Robertson Parkway, Nashville, Tn. 37201

TO HAVE AND TO HOLD said real estate, with the appurtenance, estate, title and interest thereto belonging, to the Grantee, its successors, heirs and assigns forever I covenant that I am lawfully seized and possessed of said real estate in fee simple, have a good right to convey it, and that the same is unencumbered, except for those encumbrances set forth hereinafter.

I further covenant and bind myself, my heirs and representatives, to warrant and forever defend the title to said real estate to said Grantee, its successors, heirs and assigns, against the lawful claims of all persons, CLAIMING BY, THROUGH, OR UNDER GRANTOR HEREIN, BUT NO FURTHER OR OTHERWISE.

Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall be applicable to all genders. This instrument may be executed in one or more counterparts, each of which shall be deemed an original, all of which together constitute the same instrument.

Witness my hand this _____ day of December, 2014, the corporate party, if any, having caused its name to be signed hereto by its duly authorized officers on said day and date.



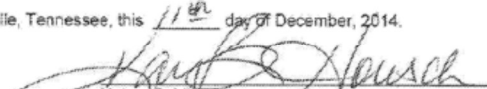
Charles R. Niewold




STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, **Charles R. Niewold**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand and official seal at Nashville, Tennessee, this 11th day of December, 2014.



Notary Public
My Commission Expires: 7/31/2017



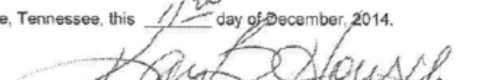
Larry H. Hagar



STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, **Larry H. Hagar**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand and official seal at Nashville, Tennessee, this 11th day of December, 2014.



Notary Public
My Commission Expires: 7/31/2017

George H. Nolan
George H. Nolan



STATE OF TENNESSEE
COUNTY OF DAVIDSON
Personally appeared before me, the undersigned, a Notary Public in and for said County and State,
George H. Nolan, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and
who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand and official seal at Nashville, Tennessee, this 15th day of December, 2014.

Kay B. Housch
Notary Public
My Commission Expires: 7/3/2017

Susan Nolan Lubow by George H. Nolan, Attorney in Fact

Susan Nolan Lubow by George H. Nolan, Attorney in Fact
Power of Attorney recorded in Instrument No. 20141215-0114676
Davidson County, Tennessee



STATE OF TENNESSEE
COUNTY OF DAVIDSON
Personally appeared before me, the undersigned, a Notary Public in and for said County and State,
George H. Nolan, Attorney in Fact for Susan Nolan Lubow, the within named bargainer, with whom I am personally
acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within
instrument for the purposes therein contained by signing the name of **Susan Nolan Lubow** as **Attorney in Fact**.

Witness my hand and official seal at Nashville, Tennessee, this 15th day of December, 2014.

Kay B. Housch
Notary Public
My Commission Expires: 7/3/2017

Jennifer Nolan Diamond by George H. Nolan, Attorney in Fact

Jennifer Nolan Diamond by George H. Nolan, Attorney in Fact
Power of Attorney recorded in Instrument No. 20141215-0114674
Davidson County, Tennessee



STATE OF TENNESSEE
COUNTY OF DAVIDSON
Personally appeared before me, the undersigned, a Notary Public in and for said County and State,
George H. Nolan, Attorney in Fact for Jennifer Nolan Diamond, the within named bargainer, with whom I am personally
acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed
the within instrument for the purposes therein contained by signing the name of **Jennifer Nolan Diamond** as **Attorney
in Fact**.

Witness my hand and official seal at Nashville, Tennessee, this 15th day of December, 2014.

Kay B. Housch
Notary Public
My Commission Expires: 7/3/2017

Marilyn Starr Bright Nolan by George H. Nolan, Attorney in Fact

Marilyn Starr Bright Nolan by George H. Nolan, Attorney in Fact

Power of Attorney recorded in Instrument No. Davidson County, Tennessee

20141215-0114675

Register's Office of

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, **George H. Nolan, Attorney in Fact for Marilyn Starr Bright Nolan**, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged the within instrument for the purposes therein contained by signing the name of **Marilyn Starr Bright Nolan** as **Attorney in Fact**.



Witness my hand and official seal at Nashville, Tennessee, this 15th day of December, 2014.

Kay B. Housch
Notary Public
My Commission Expires: 7/3/2017

ENCUMBRANCES:

1. 2015 and subsequent years real property taxes are a lien, but not yet due and payable.
2. Subject to all matters shown on plan of record in Plat Book 2663, pages 120 and 121, Register's Office, Davidson County, Tennessee.
3. Subject to terms and conditions of Ground Lease dated August 20, 1998, evidenced by Memorandum of Lease of record in Book 11075, page 765, Register's Office, Davidson County, Tennessee.
4. Subject to Restrictive Covenants of Capitol Hill Redevelopment Project of record in Book 2735, page 473, Register's Office, Davidson County, Tennessee; amended by First Amendment to Restrictive Covenants Running With the Land of the Nashville Housing Authority in the Capitol Hill Redevelopment Project, of record in Instrument #20070122-0008939, said Register's Office.
5. Subject to the following matters shown on ALTA/ASCM Land Title Survey dated December 11, 2014, by Barge Waggoner Sumner & Cannon, Job No. 360010: encroachment of 2-story building and 12" stone wall on adjoining property over westerly property line.

EXHIBIT A

(Legal Description)

Land situated in Davidson County, Tennessee, and being more particularly described as follows:

BEGINNING at the point in the northerly boundary of Charlotte Avenue, said point of beginning being North 62 degrees 33 minutes East, a distance of 10 feet from the southeast corner of the property owned by the Southern Baptist Convention of U.S.A., said corner being referenced by a monument, said monument being offset at a 90 degree angle 8.92 feet and located at coordinates North 6848.8 East 9649.9; said point being further described as approximately 101.6 feet North 62 degrees 33 minutes East of the intersection of the easterly line of 4th Avenue North and the northerly line of Charlotte Avenue; thence proceeding North 62 degrees 33 minutes East, 62.3 feet with the northerly line of Charlotte Avenue; thence with a curve to the left having a radius of 134.6 feet and a central angle of 32 degrees 14 minutes a distance of 75.7 feet; thence, proceeding with a curve to the left having a radius of 15.0 feet and a central angle of 119 degrees 52 minutes a distance of 31.4 feet; thence, with the southerly line of James Robertson Parkway North 89 degrees 33 minutes West, 33.9 feet; thence, continuing with the southerly line of James Robertson Parkway and a curve to the right having a radius of 325.0 feet and a central angle of 11 degrees 07 minutes a distance 63.1 feet; thence, continuing with said southerly line of James Robertson Parkway and a curve to the right having a radius of 525.0 feet and a central angle of 7 degrees 34 minutes, a distance of 69.3 feet; thence South 27 degrees 31 minutes East, 144.4 feet to the point of beginning, and containing 11,535 square feet, and further being Parcel "B" on the revised plat of the Capital Hill Redevelopment Project of record in Book 2663, page 120 and 121, Register's Office of Davidson County, Tennessee.

PROPERTY RECORD CARD – SUBJECT PARCEL

CRS Data

Sunday, September 23, 2018

LOCATION

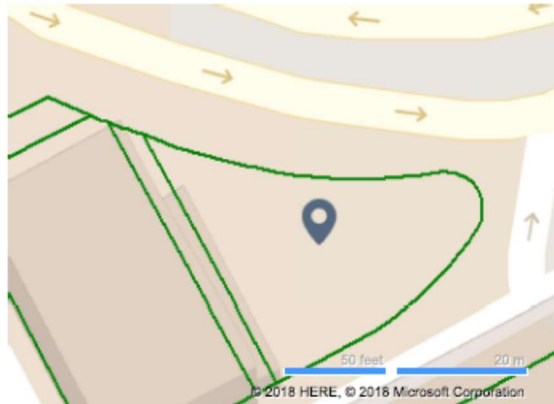
Property Address	301 James Robertson Pkwy Nashville, TN 37243-9001
Subdivision	Capitol Hill Redevelopment
County	Davidson County, TN

PROPERTY SUMMARY

Property Type	Residential
Land Use	Parking Lot
Improvement Type	
Square Feet	

GENERAL PARCEL INFORMATION

Parcel ID/Tax ID	093-02-0-010,00
Alternate Parcel ID	
Account Number	
District/Ward	USD
2010 Census Trct/Blk	195/4
Assessor Roll Year	2017



CURRENT OWNER

Name	301 Jrp Partners LLC
Mailing Address	421 Church St Nashville, TN 37219-2501

SALES HISTORY THROUGH 08/24/2018

Date	Amount	Buyer/Owners	Buyer/Owners 2	Instrument	No. Parcels	Book/Page Or Document#
12/11/2014	\$1,350,000	301 Jrp Partners LLC		Warranty Deed		201412150114677
11/5/2012	\$217,000	Niewold Charles R & Hagar Larry H Et Al		Warranty Deed		201211050101915
8/24/1995	\$250,000	NoJan John W III & Niewold C R Et Al		Quit Claim Deed		9795/245
3/7/1958		State Of Tenn		Warranty Deed		2740/624

TAX ASSESSMENT

Appraisal	Amount	Assessment	Amount	Jurisdiction	Rate
Appraisal Year	2017	Assessment Year	2017		
Appraised Land	\$1,303,000	Assessed Land	\$521,200	General Services District 2,755	
Appraised Improvements	\$17,100	Assessed Improvements	\$6,840		
Total Tax Appraisal	\$1,320,100	Total Assessment	\$528,040		
		Exempt Amount			
		Exempt Reason			

TAXES

Tax Year	City Taxes	County Taxes	Total Taxes
2017	\$2,112.16	\$14,547.50	\$16,659.66
2016	\$1,316.37	\$8,725.41	\$10,041.78
2015	\$1,316.37	\$8,725.41	\$10,041.78
2014	\$1,316.37	\$8,725.41	\$10,041.78
2013	\$1,316.37	\$8,725.41	\$10,041.78

MORTGAGE HISTORY

Date	Loan Amount	Borrower	Lender	Book/Page or Document#	Assignments/ Releases
12/15/2014	\$1,012,500	301 Jrp Partners LLC	Capstar Bank	201412150114678	

NEIMAN-ROSS

PROPERTY CHARACTERISTICS: BUILDING

No Buildings were found for this parcel.

PROPERTY CHARACTERISTICS: EXTRA FEATURES

Feature	Size or Description	Year Built	Condition
Asp Paving	10500		

PROPERTY CHARACTERISTICS: LOT

Land Use	Parking Lot	Lot Dimensions	166 X 144
Block/Lot	/B	Lot Square Feet	11,326
Latitude/Longitude	36.166789°/-86.780283°	Acreage	0.26

PROPERTY CHARACTERISTICS: UTILITIES/AREA

Gas Source		Road Type	
Electric Source		Topography	
Water Source		District Trend	
Sewer Source		Special School District 1	
Zoning Code	Multi-Zone: Multi-Zone / Multi-Ovly: Multi-Ovly	Special School District 2	
Owner Type			

LEGAL DESCRIPTION

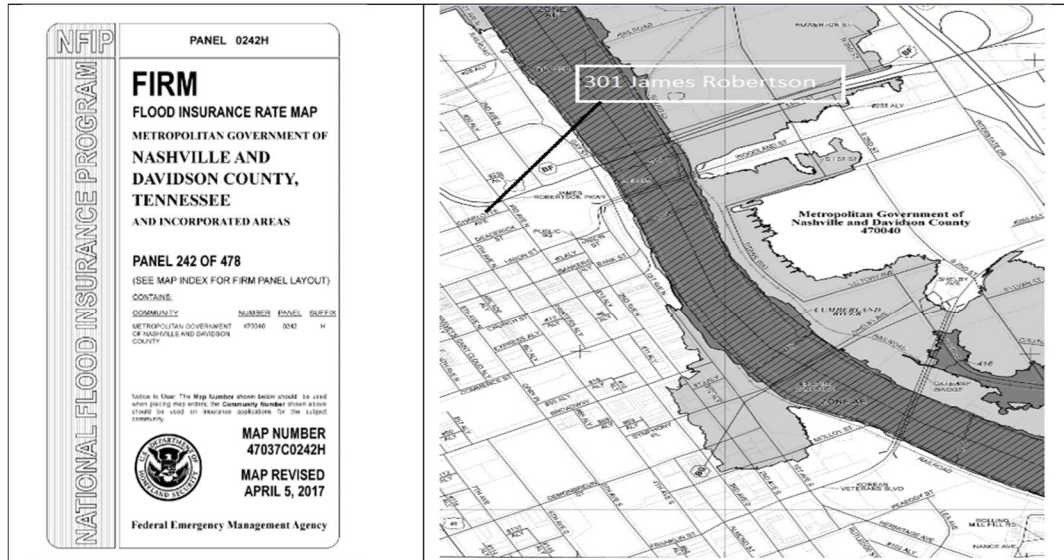
Subdivision	Capitol Hill Redevelopment	Plat Book/Page	
Block/Lot	/B	District/Ward	USD
Description	Lot B Capitol Hill, Redevelopment Project / Neighborhood Code And Name: 0711 Central Business District		

FLOOD ZONE INFORMATION

Zone Code	Flood Risk	BFE	Description	FIRM Panel ID	FIRM Panel Eff. Date
X	Minimal		Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.	47037C0242H	04/05/2017


© 2018 Courthouse Retrieval System, All Rights Reserved.
Information Deemed Reliable But Not Guaranteed.

FEMA FLOODPLAIN- SUBJECT PARCEL



LAND SALE 2c




Assessor's Aerial View, Photo Date 2/27/2018	
Location:	125 12 th Ave. S, Nashville, TN 37203
Development Name:	The Gulch Union Office Tower, 13 th & Demonbreun
Grantor:	Cabar, LLC
Grantee:	12D Nashville Land Partners, LP
Sale Date:	August 1, 2018
Consideration:	\$2,100,000
Land Area:	.17 Acres, or 7,405+/- SF
Shape of Tract:	Rectangular
Topography:	Relatively Level
Zoning Classification:	DTC, MDHA-AC, OV-UZO, OV-ADE
Deed Reference:	20180802-0075845
Map/Parcel:	093-09-0-238.00
Verified By:	Register of Deeds – Davidson County
Units of Comparison	
Selling Price per Sq. Ft.	\$283.59/SF
Gross Building Area:	8,000 Sq. Ft. in 2 stories
	<p>This entire block contained 13 separate assessor identified parcels of which 6 had improvements on them at the time of the sale. All will be demolished to make way for a multi-use office tower development.</p> <p>Photo taken September 12, 2018</p>


LAND SALE 2d



Assessor's Aerial View, Photo Date 2/27/2018

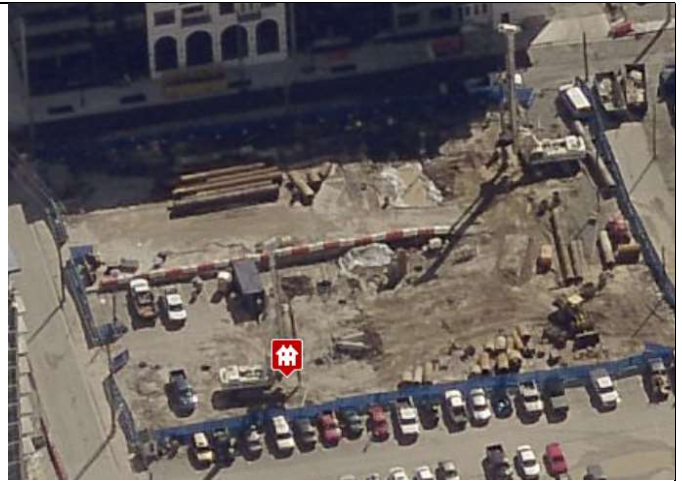
Location:	1201 McGavock St., Nashville, TN 37203
Development Name: Grantor:	The Gulch Union Office Tower, 13 th & Demonbreun David S. Cohen
Grantee:	12D Nashville Land Partners, LP
Sale Date:	August 1, 2018
Consideration:	\$1,900,000
Land Area: Shape of Tract:	.19 Acres, or 8,400+/- SF Rectangular
Topography: Zoning Classification:	Relatively Level DTC, MDHA-AC, OV-UZO, OV-ADE
Deed Reference:	20180802-0075847
Map/Parcel:	093-09-0-229.00
Verified By:	Register of Deeds – Davidson County
Selling Price per Sq. Ft. Gross Building Area:	\$226.19/SF Parking lot Improvements only
	This entire block contained 13 separate assessor identified parcels of which 6 had improvements on them at the time of the sale. All will be demolished to make way for a multi-use office tower development. Photo taken September 12, 2018



Assessor's Aerial View, Photo Date 2/27/2018	
Location:	1207 McGavock St., Nashville, TN 37203
Development Name:	The Gulch Union Office Tower, 13 th & Demonbreun
Grantor:	David S. Cohen
Grantee:	12D Nashville Land Partners, LP
Sale Date:	August 1, 2018
Consideration:	\$6,000,000
Land Area:	.39 Acres, or 16,988+/- SF
Shape of Tract:	Rectangular
Topography:	Relatively Level
Zoning Classification:	DTC, MDHA-AC, OV-UZO, OV-ADE
Deed Reference:	20180802-0075844
Map/Parcel:	093-09-0-228.00
Verified By:	Register of Deeds – Davidson County
Units of Comparison	
Selling Price per Sq. Ft.	\$353.18/SF
Gross Building Area:	8,400 Sq. Ft. in 2 stories
	<p>This entire block contained 13 separate assessor identified parcels of which 6 had improvements on them at the time of the sale. All will be demolished to make way for a multi-use office tower development.</p> <p>Photo taken September 12, 2018</p>



Overall Development Plan View

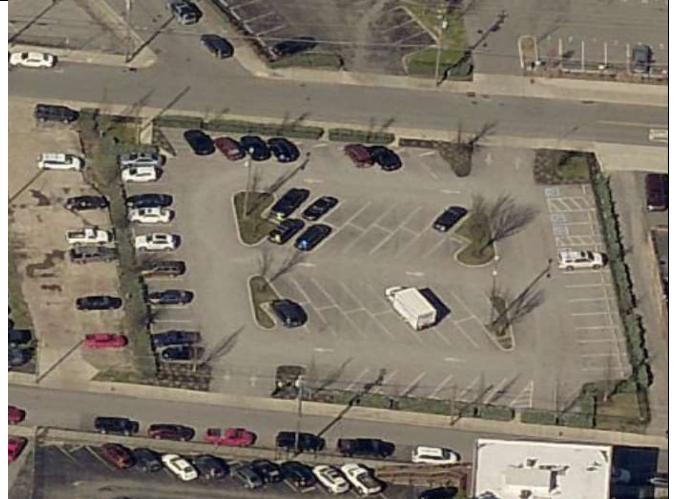


Assessor's Aerial View 2/26/2018

Location:	421 & 425 5th Ave., S., Nashville, TN 37203
Development Name:	Margaritaville Hotel
Grantor:	Alpha Development, LLC
Grantee:	Jimmy's Last Laugh, LLC
Sale Date:	November 14, 2016
Consideration:	\$8,250,000
Land Area:	.79 Acres, or 34,412+/- SF
Shape of Tract:	Rectangular
Topography:	Relatively Level
Zoning Classification:	DTC, MDHA-CM, CF, OV-ADE, OV-UDO, OV-UZO
Deed Reference:	20161116-0120915
Map/Parcel:	093-10-0-259.00 & 260.00
Verified By:	Register of Deeds – Davidson County
Units of Comparison Selling Price per Sq. Ft. Unit density per acre:	\$239.74/SF 200 room (est.) full-service hotel
<p>This property is currently under construction having reached the third floor in pouring of the concrete. The anticipated completion date is estimated to be in 2019. The hotel facility will be a four/five star establishment in keeping with the others in the Margaritaville chain. The transaction was at market without concessions.</p> <p>Photo to the right is the extent of the construction as of September 12, 2018. The hotel is described as having 14 stories at the time of completion.</p>	



Overall Development Plan View



Assessor's Aerial View 2/26/2018

Location:	805 Lea Ave., Nashville, TN 37203
Development Name:	No given name to this development
Grantor:	MLG Properties, LLC
Grantee:	AMG 805 Lea, LLC
Sale Date:	June 29, 2018
Consideration:	\$8,100,000
Land Area:	.65 Acres, or 28,314 +/- SF
Shape of Tract:	Irregular Rectangular
Topography:	Relatively Level
Zoning Classification:	DTC, MDHA-AC, CF, OV-ADE, OV-UZO
Deed Reference:	20180629-0063471
Map/Parcel:	093-10-0-040.00
Verified By:	Register of Deeds – Davidson County
Units of Comparison	
Selling Price per Sq. Ft.	\$286.08/SF
Unit density per acre:	Unknown at this time

This property is currently in the planning/approval stage. Construction has not begun and the property is still being operated in its interim use as a Central Business District public parking lot. The transaction was at market without concessions.

Photo to the right was taken as of September 12, 2018.



NEIMAN-ROSS
CERTIFICATION OF THE APPRAISERS

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

1. We have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. The statements of fact contained in this report are true and correct.
3. The appraisers have no present or contemplated future interest in the property analyzed; and neither the employment to make the analysis, nor the compensation for it, is contingent upon the conclusions determined.
4. The appraisers have no personal interest in or bias with respect to the subject matter of the analysis report. The "Conclusions Determined" in the analysis report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property analyzed, or upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property analyzed.
1. The appraiser's have performed no other appraisal services as appraiser or in any other capacity, regarding the property that is the subject of this report within the last three-period immediately preceding acceptance of this assignment.
5. This analysis assignment was not based on a requested minimum conclusion, a specific conclusion or the approval of a determined conclusion.
6. 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. All contingent and limiting conditions are contained, herein (imposed by the terms of the assignment or by the conclusions contained in the report). The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, extraordinary assumption and hypothetical conditions and is our personal unbiased professional analyses, opinions and conclusions.
8. This analysis report has been made in conformity with and is subject to the requirements of the Uniform Standards of Professional Appraisal Practice.
9. William Neiman conducted a physical inspection of the exterior of the subject property on September 12, 2018 and October 10, 2018. This analysis report has been prepared by the Certification signatory. No other supporting appraisal personnel have contributed to the preparation of the information presented therein.
10. No change of any item in the analysis report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, William Neiman has completed the continuing education program and the Standards and Ethics Education Requirement for Designated Members of the Appraisal Institute.

Date: October 12, 2018



William J. Neiman, ASA
State Certified General
Real Estate Appraiser, CG-736

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

1. The appraiser assumes no responsibility for legal matters. The subject site is assumed to be free and clear of encumbrances, except as otherwise noted, and title is assumed to be marketable.
2. Maps, plats, illustrative materials 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 has not made a survey of the property, and no responsibility is assumed about such matters.
3. All information as found in data furnished is deemed to be reliable. If any errors are found, the right is reserved to modify the conclusion reached. All facts and data set forth in this report are true and accurate to the best of the appraiser's knowledge and belief but the appraiser does not warrant the accuracy of such information.
4. Unless otherwise noted in the report, the appraiser did not find any evidence that hazardous materials exist on the property. The estimate of value is based on the assumption that there are no such materials on the property; however, the appraiser is not qualified to detect these substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge that is required to discover these substances.
5. It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for any such conditions, or for arranging engineering studies to discover them.
6. It is assumed that the property complies with all applicable zoning requirements, use regulations, and other restrictions, unless a lack of conformity has been stated, defined, and considered in the appraisal report.
7. The subject parcel was inspected from the ground. Some physical features are assumed based on conversations with those knowledgeable about the area and interpretation of existing maps and aerials. The appraiser reserves the right to modify the value conclusions if a variation in site features from those assumed in this report is revealed.
8. While various "approaches to value" and various mathematical calculations have been used in estimating value, these are but aids to the formulation of the opinion of value expressed by the appraisers in this report. In these calculations, certain arithmetical figures are rounded off to the nearest significant amount.
9. Where the value of improvement is shown separately, the value of each is segregated only as an aid to better estimating the value of the whole; and the value shown for either may, or may not, be its correct value.
10. The data and conclusions in this report are a part of the whole valuation. Each part of this report is only part of the evidence upon which the final judgment is based. Therefore, no part should be used out of context and by itself alone.
11. The appraisal has been completed without regard to race, color, religion, national origin, sex, marital status or any other prohibited basis, and does not contain references which could be regarded as discriminatory.
12. The fee for this appraisal report is not contingent upon the value reported herein or any other limiting factor.
13. The appraiser has no personal current or tentative financial interest in the subject property.

14. The appraisers, by reason of this appraisal, are not required to give further consultation or testimony, or be in attendance in court with reference to the property in question unless arrangements have been made in advance.
15. In the event that this appraisal is used as a basis for a selling price determination, no responsibility is assumed by the appraiser for the seller's inability to obtain a purchaser at the value reported herein.
16. This appraisal is made in accordance with the standards of the American Society of Appraisers and the Uniform Standards of Professional Appraisal Practice.
17. Disclosure of all or any part of the contents of this report (especially any conclusion as to value, the identity of the appraiser or firm with which he is connected, or any reference to the American Society of Appraisers) shall not be disseminated to the public through advertising media or any other public means of communication, without the prior written consent and approval of the author.
18. Disclosure of the contents of the appraisal report is governed by the Code of Professional Ethics of the Appraisal Institute and is subject to peer review.
19. Acceptance and/or use of this appraisal report by the client or any third party constitutes acceptance of the previously stated assumptions and limiting conditions. My liability extends only to the stated client, not to subsequent parties or uses of the report.
20. The Americans with Disabilities Act (" ADA ") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property is not in compliance with one or more of the requirements of that Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

APPRAISER QUALIFICATIONS

BIOGRAPHY

MR. WILLIAM J. NEIMAN, ASA

Mr. Neiman is co-founder, President, and the executive officer for business and tax related valuation services at Neiman-Ross Associates, Inc. of Nashville, Tennessee. Neiman-Ross Associates is a valuation consulting firm with expertise in the full range of property appraisals, valuation of the business enterprise and the analysis of corporate acquisition/divestiture transactions with emphasis on the underlying assets.

Mr. Neiman's experience spans a number of disciplines including, business enterprise and equity-holdings valuation, merger & acquisition guidance, commercial real estate valuation, tax and reimbursement related valuations, construction cost segregation, and property tax assessment.

Prior to founding Neiman-Ross Associates, Inc. in July of 1985, Mr. Neiman was Vice President-National Director of Tax Services and a member of the Senior Professional Panel at Valuation Research Corporation. In his ten years with this firm, Mr. Neiman was instrumental in the development of the firm's healthcare and tax services practice.

Mr. Neiman began his career in August 1962 as a financial analyst with the industry's largest firm, the American Appraisal Company. During his thirteen years with American Appraisal, Mr. Neiman received training through numerous assignments as a staff appraiser, which covered a wide variety of industries and appraisal circumstances. He was subsequently appointed Supervisor in the property record automation department and in that position, he managed multi-property clients in establishing property records, conversion to automated recordkeeping systems and established the basis for third party reimbursements.

Attending Whitewater State College in Whitewater, Wisconsin (1961 to 1962) and Oakland University (1970-1971) in Rochester, Michigan, Mr. Neiman pursued a major in accounting and business administration. He is a Senior Member of the American Society of Appraisers and holds the ASA professional designation in Technical Valuation, Machinery & Equipment, Cost Survey. Mr. Neiman is a Certified General Real Estate Appraiser, Tennessee License #CG-736.

