

PROPERTY IMPROVEMENT AND LEASE AGREEMENT

This PROPERTY IMPROVEMENT AND LEASE AGREEMENT (the “**Agreement**”) is made and entered into this ___ day of _____, 2025, by and among The Metropolitan Government of Nashville and Davidson County acting by and through the Metropolitan Board of Parks and Recreation (“**Metro**”), and PNH Properties, LLC, a Tennessee limited liability company (“**PNH**”).

RECITALS:

WHEREAS, Metro desires to provide for improvements to the facilities it owns in Nashville, Tennessee, generally known as Commerce Center Park, containing approximately 0.304 acres (the “**Premises**”), more fully described in Exhibit A to this Agreement; and

WHEREAS, the Premises is a portion of the building located at 211 Commerce Street, Nashville, Tennessee 37201, which is owned by PNH and is more fully described in Exhibit B to this Agreement (the “**Building**”); and

WHEREAS, PNH desires to develop the portion of the Building not subject to this Agreement for hotel, parking and a museum (the “**Museum**”); and

WHEREAS, PNH desires to utilize approximately 997 square feet of the Premises for a gift shop located in the Building (the “**Gift Shop Space**”) in the location shown on Exhibit C.1 and to pay for the design and construction of improvements to the Gift Shop Space (the “**Gift Shop Improvements**”), as shown on Exhibit C.2; and

WHEREAS, PNH desires to utilize approximately 246 square feet of the Premises for an elevator enclosure space for an elevator to facilitate transportation between the Museum and the Premises (the “**Elevator Enclosure Space**”), in the location shown on Exhibit D.1 and to pay for the design and construction of improvements to the Elevator Enclosure Space (the “**Elevator Space Improvements**”), as shown on Exhibit D.2; and

WHEREAS, PNH desires to utilize approximately 605 square feet of the Premises for an elevator vestibule to connect the Elevator Enclosure Space to the Premises (the “**Elevator Vestibule Space**”) in the location shown on Exhibit E.1 and to pay for the design and construction of improvements to the Elevator Vestibule Space (the “**Elevator Vestibule Improvements**”), as shown on Exhibit E.2; and

WHEREAS, PNH desires to utilize approximately 3,685 square feet of the Premises for an event space (the “**Event Space**”) in the location shown on Exhibit F.1 and to pay for the design and construction of improvements to the Event Space (the “**Event Space Improvements**”), as shown on Exhibit F.2; and

WHEREAS, PNH desires to utilize approximately 5,505 square feet of the outdoor plaza of the Building for park purposes (the “**Park Space**”), in the location shown on Exhibit G.1 and to pay for the design and construction of improvements to the Park Space (the “**Park Space Improvements**”), and collectively with the Gift Shop Improvements, Elevator Enclosure

Improvements, Elevator Vestibule Improvements and Event Space Improvements, the “**Improvements**”), as shown on Exhibit G.2; and

WHEREAS, Metro has concluded that the proposed redevelopment of the Premises proposed by PNH will enhance the Premises and make it more available for use by members of the public.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the parties mutually agree and covenant as follows:

1. **Lease.** In consideration of the obligations assumed hereunder as well as those reflected in the Recitals by PNH, Metro hereby leases to PNH to have and to hold the Premises for the contemplated use, upon the terms, conditions, covenants and undertakings, and to the extent set forth in this Agreement (the “**Lease**”). No part of the Premises or the Improvements shall be sold or conveyed by PNH or Metro to any other entity, nor mortgaged, pledged or used to secure any obligation of PNH or Metro. In the event any lien of any kind shall be filed or asserted against the Premises or the Improvements as a result of the actions or inactions of PNH, PNH shall promptly cause an appropriate bond to be filed and said lien transferred to the bond.

2. **Term.** This Agreement shall become effective upon execution by PNH, approval by the Metropolitan Council and upon the date of its filing with the Metropolitan Clerk (the “**Commencement Date**”). The term (“**Initial Term**”) of this Agreement shall commence on the Commencement Date and, unless earlier terminated as provided herein, shall end on the last day of the month which is the three hundred sixtieth (360) month following the Commencement Date. At the conclusion of the three hundred sixty (360) month Initial Term, PNH shall have the option to extend this Agreement for two (2) additional ten (10) year terms (each an “**Extension Term**,” together with the Initial Term and all applicable Extension Terms referred to herein as the “**Term**”). PNH shall provide written notice to Metro pursuant to Section 23 at least one-hundred eighty (180) days prior to the expiration of the then current Term of its intent to extend the Term.

3. **Rent.** The consideration for the Agreement is PNH executing a [Lease Agreement] at or around the date of the Agreement whereby PNH agrees to lease a portion of the Building to The Metropolitan Government of Nashville and Davidson County for use as a fire station. For clarification purposes, no rent or monetary payments shall be owed to Metro from PNH as consideration for this Agreement.

4. **Design and Construction of the Improvements.** PNH shall be responsible for the design and construction of the Improvements. The preliminary concept plan for the Improvements is attached hereto as Exhibit C.2, Exhibit D.2, Exhibit E.2, Exhibit F.2 and Exhibit G.2. Prior to July 1, 2025, PNH will submit the construction plans for the Improvements (the “**Plans**”) to the Director of the Metropolitan Board of Parks and Recreation (the “**Director**”) and the Metropolitan Department and Housing Agency Design Review Committee (the “**MDHA Committee**”) for each entity’s approval, such approval not to be unreasonably withheld conditioned or denied. If the Plans have not been approved by the Director and the MDHA

Committee in writing within sixty (60) days of the submittal to the Director, they shall be deemed approved. Following the approval of the Plans by the Director and the MDHA Committee, PNH will commence the construction of the Improvements pursuant to the Plans and diligently pursue the completion of the construction of the Improvements. PNH warrants that all of the completed Improvements will fully comply with all of the Metropolitan Board of Parks and Recreation's (the "**Board**") regulations, attached hereto as Exhibit H, and other applicable codes, rules, laws, ordinances and regulations, including, without limitation, the Americans With Disabilities Act.

5. **Performance and Payment Bond.** Until such time as the Improvements are completed, PNH shall provide or cause to be provided and maintained in full force and effect a performance bond and a labor and material payment bond in the full amount of the lump sum or guaranteed maximum price payable for the Improvements under any contract issued or executed by PNH for construction of the Improvements. Such bonds shall be in form and substance and issued by a corporate surety as approved in writing by the Director or their designee. Each bond shall name Metro as an obligee and shall conform in all respects to all requirements imposed by applicable law. PNH shall pay all premiums for such bonds.

6. **Use of Premises.** Following the completion of the Improvements, PNH shall use the Premises in accordance with the following terms:

a. **Gift Shop:** PNH shall be permitted to utilize the Gift Shop Space for the operation of a gift shop selling books, candy, gum, snacks, beverages, flowers, decorations, knick-knacks, clothing and other incidental items in connection with the operation of the Museum.

b. **Elevator Vestibule:** PNH shall obtain all required state and local permits for the operation of an elevator within the Elevator Vestibule Space at PNH's sole cost.

c. **Operation Hours:** PNH shall establish the hours of operation for the Premises in its sole discretion.

d. **Alcohol Sales:** Alcoholic beverage sales within the Premises shall be permitted provided that all state and local licenses for the sale of alcoholic beverages have been obtained.

e. **Park Space Use:** PNH shall operate the Park Space, as public space open to the public. PNH shall operate quarterly programming of activities on the Park Space to activate the public use of the Park Space (the "**PNH Programming**"). The substance, scheduling and advertising of the PNH Programming shall be at the sole discretion of PNH .

f. **Event Space Use:** The Event Space and the Park Space may be used by PNH or third-parties permitted by PNH as an event space for private events (the "**Private Events**"). The Private Events shall be permitted consistent with the Board's regulations attached as Exhibit I, provided no approval from the Board or Metro shall be required. Such Private Events shall be in compliance with the Board's regulations attached as Exhibit I. Metro shall be permitted to use the Event Space for public non-revenue producing events conducted by the Metropolitan Government of Nashville and Davidson County departments, boards, commissions or agencies (each a "**Metro Event**"). Except as otherwise provided herein, Metro will provide PNH sixty (60) days written notice of a proposed Metro Event. PNH may reject the proposed Metro Event within

ten (10) days of receipt from Metro of the notice of the Metro Event if PNH has already scheduled the Event Space. Such rejection by PNH shall be accompanied by an alternative date within two (2) months of the proposed date. Prior to the first day of each month during the Initial Term and any Extension Term, PNH shall provide to Metro an updated schedule of events for that month. Metro shall be permitted to schedule Metro Events on any date when PNH does not have a previously scheduled event by providing at least seven days' written notice to PNH. Any event conducted by or on behalf of any private persons or any for-profit or not-for-profit agency other than a Metropolitan Government of Nashville and Davidson County departments, boards, commissions or agencies shall not be considered a Metro Event and shall be conducted as a Private Event. Provided, however, that an event conducted by a non-profit organization for the benefit of the Metropolitan Government Department of Parks and Recreation shall be considered a Metro Event.

7. **Revenue.** PNH shall be entitled to all revenue generated by the Premises.

8. **Repairs, Maintenance and Utilities.**

a. Except as provided in subsection (b), at all times during the Term of this Agreement, and at its sole cost and expense, PNH shall be responsible for maintenance, cleaning and upkeep necessary to keep the Improvements in good order, repair and condition suitable for their intended uses. Such maintenance, cleaning and upkeep shall include but not be limited to provision of janitorial and housekeeping services and supplies necessary to keep and maintain the Improvements in a clean, sanitary and safe condition. PNH shall also repair any damage to the Improvements caused by weather, vandalism, ordinary wear and tear, or malfunction of structures and equipment. Nothing herein shall be construed to require PNH to maintain the Improvements to any higher standard than applies to any other Metro parks facility.

b. PNH shall not be responsible for providing any janitorial and housekeeping services or any maintenance, cleaning, or repair of damage to the Event Space resulting from the use of the Event Space for a Metro Event. Metro is responsible for removing from the Event Space any waste generated by the Metro Event and repairing any damage to the Event Space resulting from the Metro Event.

c. PNH shall bear the cost of all utilities ("**Utilities**"), including without limitation, water, electricity and natural gas, consumed in connection with use or maintenance of the Improvements.

9. **Event of Default.** It shall constitute a "**Default**" under this Agreement if either party shall fail to observe or perform one or more of the provisions of this Agreement or any representation set forth in this Agreement. It shall constitute an "**Event of Default**" if such Default continues for a period of thirty (30) calendar days after written notice by a party to the defaulting party specifying such failure (unless such failure or misrepresentation requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature reasonably be performed, done or removed, as the case may be, within such thirty-day period, in which case no Event of Default shall be deemed to exist as long as the defaulting party shall have commenced curing the same within such thirty-day period and shall diligently prosecute the same to completion).

10. **Termination of Agreement in Event of Default.** If an Event of Default shall occur, the non-defaulting party at any time thereafter, at its option, may give written notice to defaulting party stating that this Agreement shall expire and terminate on the date specified in such notice, which date shall be not less than thirty (30) calendar days after the giving of such notice with respect to any Event of Default. Thereafter, if the default is uncured, this Agreement and all rights of the defaulting party under this Agreement shall expire and terminate on the date specified in the notice as if that date were the date definitely fixed in this Agreement for the expiration of the Initial Term; provided that upon any such termination by PNH in connection with a default by Metro, Metro shall make a payment (the "**Termination Payment**") to PNH in an amount equal to the lesser of (X) \$2,000,000 or (Y) the product of (i) the documented reasonable cost of the Improvements and (ii) a fraction, the numerator of which is the number of full years remaining until the expiration of the Initial Term and the denominator of which is 30. Metro shall not be liable to pay a Termination Payment to PNH if this Agreement is terminated by Metro in connection with a default by PNH.

11. **Annual Monitoring.** PNH shall prepare an annual report to provide to the Board by August 1st of each year during the Term. The monitoring report shall provide information on the following:

- a. Construction and upgrades to the Premises;
- b. Maintenance expenditures and activities conducted by PNH at the Premises; and
- c. Utility payments made by PNH for the Premises.

12. **Alternate Remedies.** In the event of any Event of Default or threatened breach of any of the provisions of this Agreement, the non-breaching party shall be entitled to enjoin such Event of Default or threatened breach and shall have the right to invoke any rights and remedies allowed at law or in equity (including specific performance) or by statute or otherwise.

13. **Rights and Remedies are Cumulative.** Each right and remedy of Metro and PNH provided for in this Agreement shall be cumulative and not exclusive and shall be in addition to every other right or remedy provided for in this Agreement or now or hereafter existing at law or in equity (including specific performance) or by statute or otherwise. The exercise or beginning of the exercise by Metro or PNH of any one or more of the rights or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Metro or PNH of any or all other rights or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise.

14. **Alterations and Improvements.** Following the Completion Date, PNH may make repairs to Improvements that restore the Improvements to their original condition without prior approval of the Board. Any other alteration or improvement inconsistent with the Plans and valued at more than the Improvement Amount is subject to the prior written approval of the Director or its designee, not to be unreasonably withheld. The "**Improvement Amount**" for the Initial Term

shall be \$15,000.00. On each anniversary of the Completion Date, the Improvement Amount will increase by two percent (2%).

15. **Insurance.** During the entire Term of this Agreement, PNH shall provide and keep in force a policy of insurance covering builders risk and property damage at the full replacement value of the Improvements, which shall be issued by a corporation authorized to do business in Tennessee, financially sound and generally recognized, selected by PNH and with the approval of Metro, not to be unreasonably withheld. Further, PNH shall, throughout the Term of the Agreement maintain policies of insurance, naming Metro as an additional insured, for general liability, premises and operations liability, and automobile liability, each providing coverage for both bodily injury and property damage with a limit of not less than \$2,000,000 per occurrence.

16. **Indemnity.** PNH shall protect, indemnify and hold harmless Metro and its directors, employees, agents, and representatives from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits or actions and reasonable attorneys' fees, and will defend such parties in any suit, including appeals, for personal injury to, or death of, any person, loss or damage to property or violation of any law, ordinance, statute or rule, to the extent of any negligent acts or omissions of PNH or any of its officers, members, employees, agents, students or representatives in connection with PNH's obligations, rights or performance under this Agreement or failure to comply with any applicable law, statute, ordinance, rule or regulation, including, without limitation, the Americans with Disabilities Act.

17. **Casualty Loss.** If the Improvements shall be partially or totally damaged or destroyed by fire or other casualty, PNH at PNH's expense, shall repair the damage out of the proceeds of insurance provided pursuant to Section 15.

18. **Condemnation.** If all or any portion of the Improvements are taken by right of eminent domain and such taking renders the Improvements unfit or unusable for the uses permitted in Section 6 and/or Section 6.d, then this Agreement shall terminate and expire on the date of such taking. In addition, PNH shall share in a pro rata portion of any award granted with respect to such taking or shall have the independent right to make a claim. For purposes of this section, the "**date of taking**" means the date title to the Improvement or the material portion taken is permanently vested in the governmental entity.

19. **Assignment and Delegation.** Neither party may assign its rights or delegate its obligations under the Agreement in whole or in part without the prior written consent of the other. Any such sale, assignment or conveyance shall be subject to this Agreement and other rights of PNH provided in this Agreement.

20. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and the permitted successors and assigns of the parties. The covenants and restrictions in this Agreement shall constitute covenants which run with the land and, without action or instrument, shall be binding upon and inure to the benefit of the successor owner(s) of the Building, the Premises and or the Improvements.

21. **Cooperative Efforts.** This Agreement shall be liberally construed in order to promote a harmonious relationship among the Parties with regard to the construction, occupancy

and use of the Improvements. The Board accepts the relationship of trust and confidence established between Metro and PNH by this Agreement. PNH covenants with Metro to furnish its best skill and judgment and to fully and effectively cooperate with Metro to accomplish the purposes and objectives of this Agreement. If a problem arises that this Agreement does not directly or indirectly address, Metro and PNH agree to work with one another to determine a mutually satisfactory solution. Metro and PNH agree to meet from time to time during the Term upon written request of either party to review the provisions of this Agreement.

22. **Relationship of Parties.** Nothing in this Agreement is intended or shall be interpreted to create a joint venture or partnership between Metro and PNH or make Metro the partner of PNH or constitute either the agent of the other; or make either party in any way responsible for the debts, losses, duties, obligations, responsibilities or liabilities of the other party. Without limiting the generality of the foregoing, Metro and PNH agree that in respect to the use and occupancy of the Premises by PNH and all other activities and services of PNH pursuant to this Agreement, PNH shall be acting as a lessee on Metro's behalf. PNH agrees that it will not represent to anyone that its relationship to Metro under this Agreement is other than as a lessee.

23. **Notices.** All notices and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by Federal Express (or by nationally recognized courier service); or (b) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses, and addressed to the attention of the person designated below (or to such other address or person as a party to this Agreement may designate by notice to the other parties):

If to PNH: PNH Properties, LLC
Attention: Steve Earnest, Chief Legal Officer
155 Technology Parkway, Suite 100
Peachtree Corners, GA 30092

With a copy to: Bradley Arant Boult Cummings LLP
Attention: Jim Murphy
1200 Broadway, Suite 2400.
Nashville, TN 37203

If to Metro: Director, Metropolitan Department of Parks and Recreation
Centennial Park Office
Park Plaza at Oman Street
Nashville, TN 37201

With a copy to: Director, Metropolitan Department of Law
108 Metropolitan Courthouse
Nashville, TN 37201

24. **No Waiver.** Neither any failure nor any delay by any party in exercising any right, power or privilege under this Agreement will operate as a waiver of such right, power or privilege,

and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of the same.

25. **Choice of Law.** The Agreement shall be construed and enforced in accordance with the laws of the State of Tennessee. Any action arising from this Agreement shall be brought in the Circuit or Chancery Courts of Davidson County, Tennessee.

26. **Captions.** The captions appearing in the Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of any sections.

27. **Integration; Amendment.** This Agreement is fully integrated and sets forth all of the understandings of the parties. The Agreement shall not be modified or amended except by an instrument in writing signed by the parties hereto.

28. **Exhibits.** Metro and PNH hereby acknowledge and agree that all exhibits referenced in this Agreement are attached hereto and incorporated herein.

29. **Counterparts, Signatures and Delivery.** This Agreement may be executed in separate counterparts and it shall be fully executed when each party whose signature is required has signed at least one (1) counterpart, even though no one (1) counterpart contains the signatures of all of the parties to this Agreement. Electronic signatures shall be valid and sufficient to bind any party to this Agreement. Signatures to this Agreement transmitted by facsimile, email or other electronic transmission (for example, through the use of a Portable Document Format or PDF file) shall be valid and effective to bind the party so signing. The exchange of copies of this Agreement and of signature pages by electronic mail or other means of electronic transmission (including, without limitation, pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will constitute effective execution, delivery, and performance of this Agreement as to the parties. Signatures of the parties transmitted by electronic mail or other means of electronic transmission (including, without limitation, pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will be deemed to be their original signatures for all purposes.

30. **Disposition of Improvements at end of Term.** Ninety (90) days prior to the expiration of the Term, Metro shall provide confirmation to PNH whether the Improvements remain at the Premises or whether PNH shall remove the Improvements from the Premises at the expiration of the Term.

[Signatures on following page]

Exhibit A

Description of the Premises

Being a parcel of land located in the First Civil District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located on the easterly right-of-way of Third Avenue North and Lot No. 2 on the recorded subdivision plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee.

Being the same property conveyed to The Metropolitan Government of Nashville and Davidson County by deed of record at Instrument No. 20030723-0103194 Register's Office for Davidson County, Tennessee.

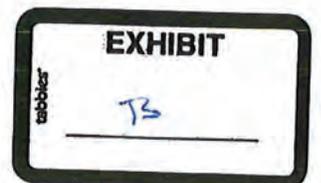
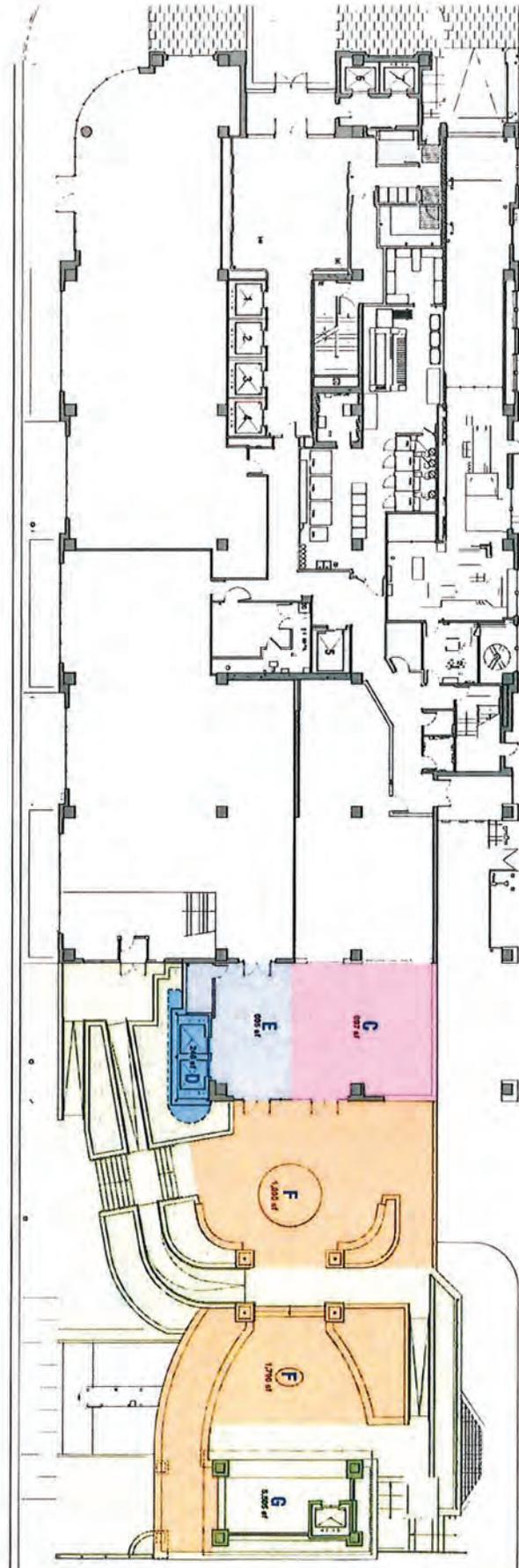
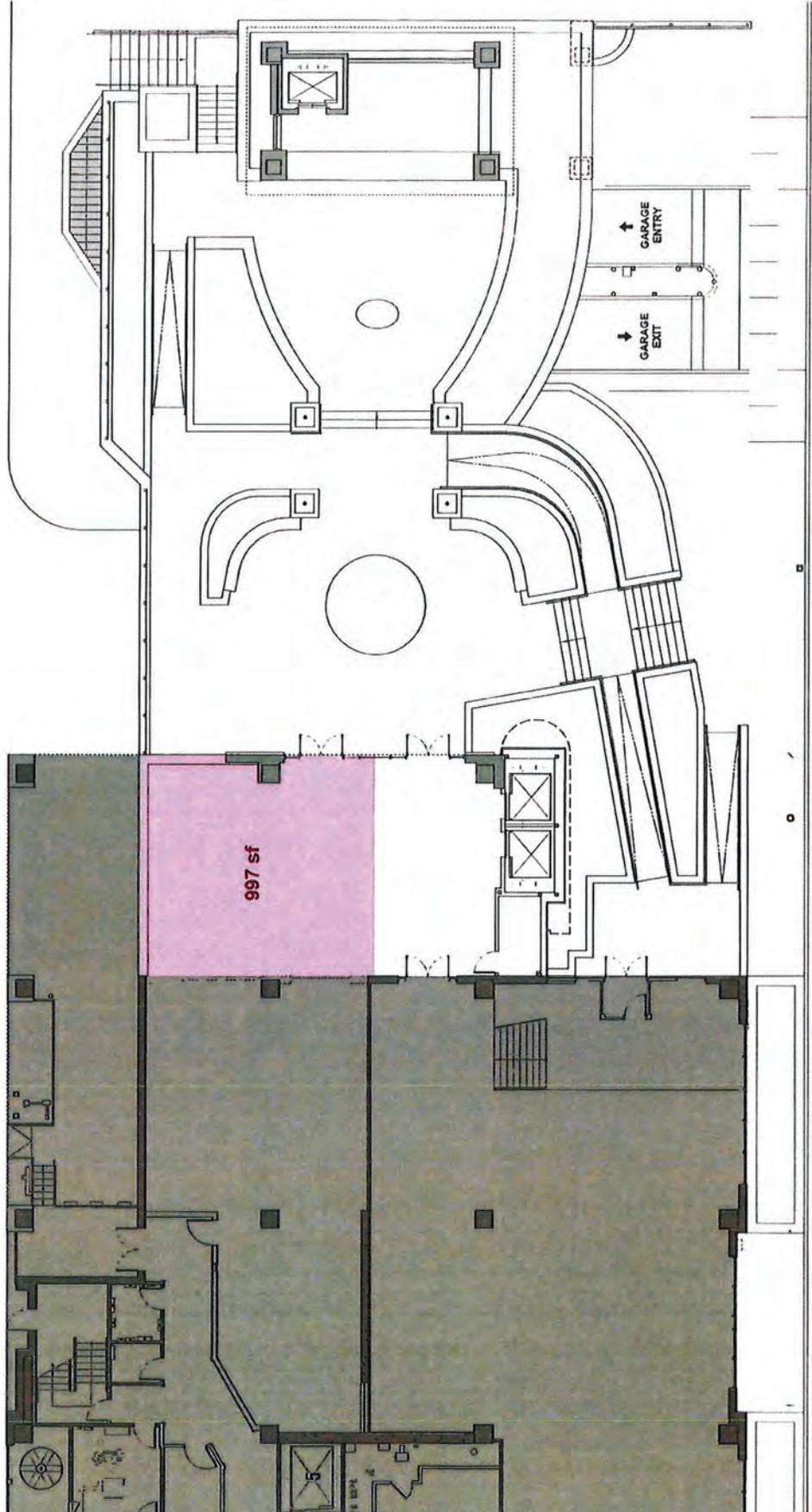


EXHIBIT C.1



3rd Street

EXHIBIT C.2

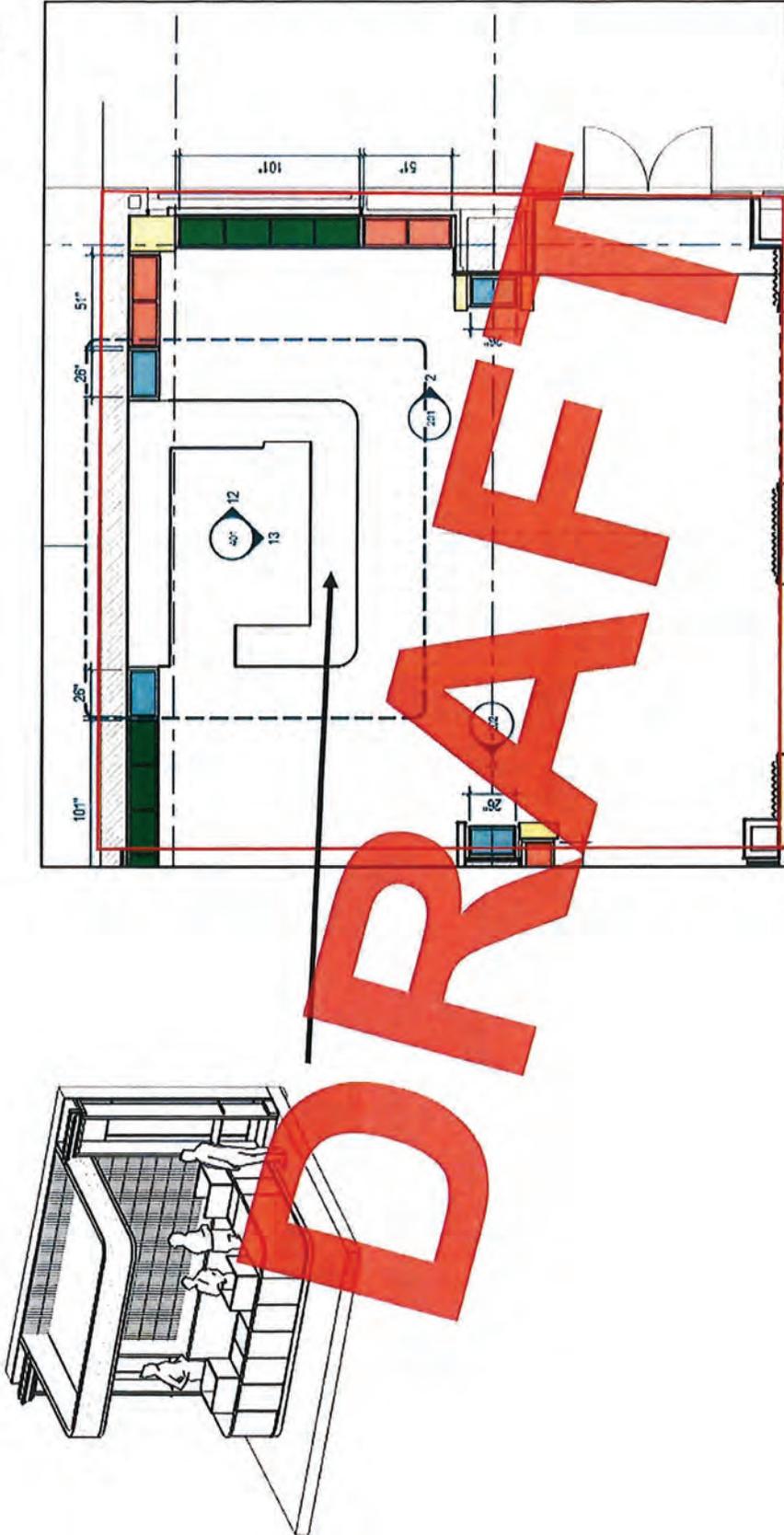
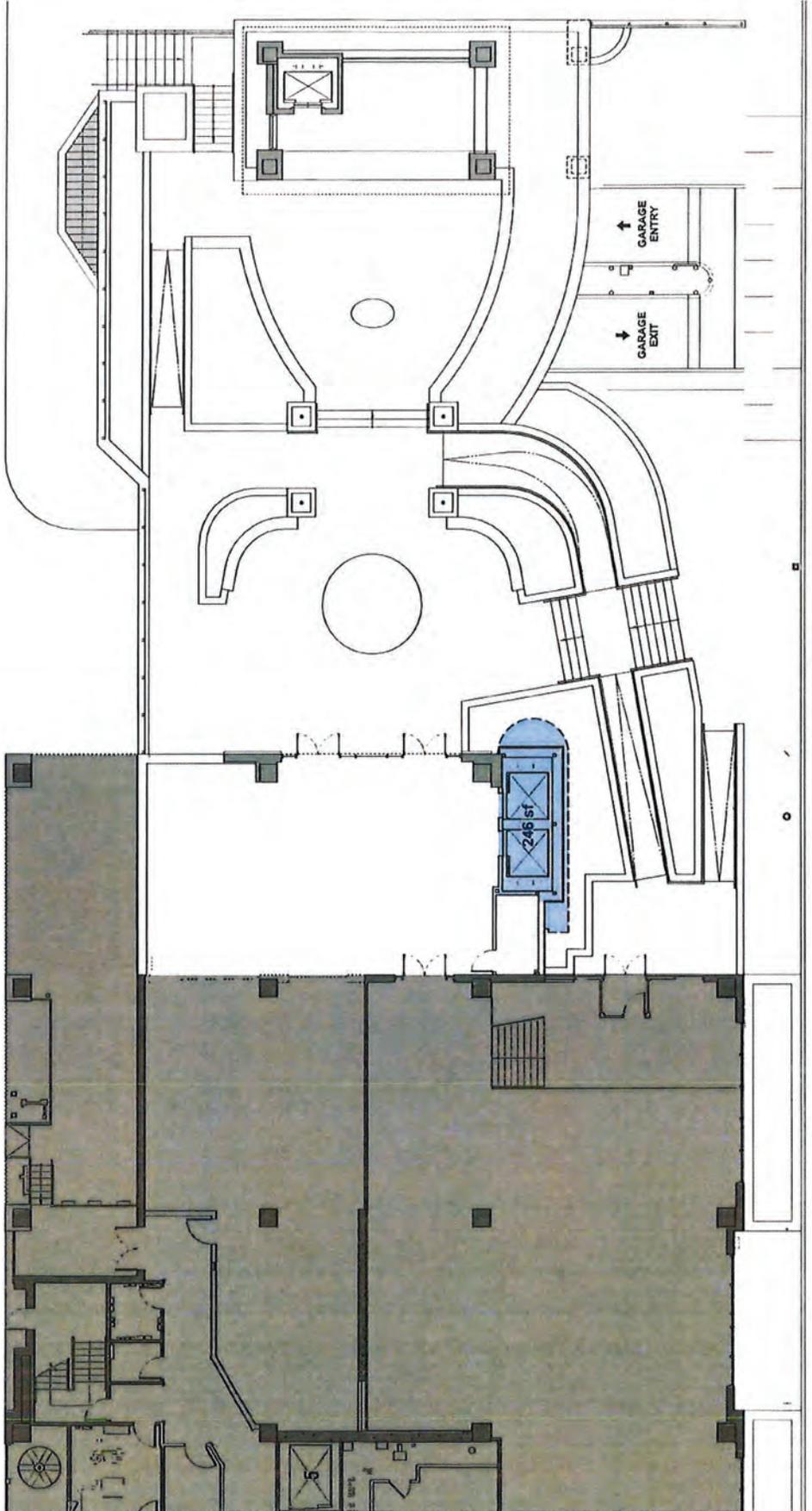


EXHIBIT D.1



3rd Street

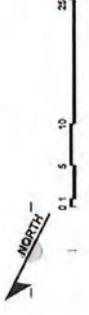
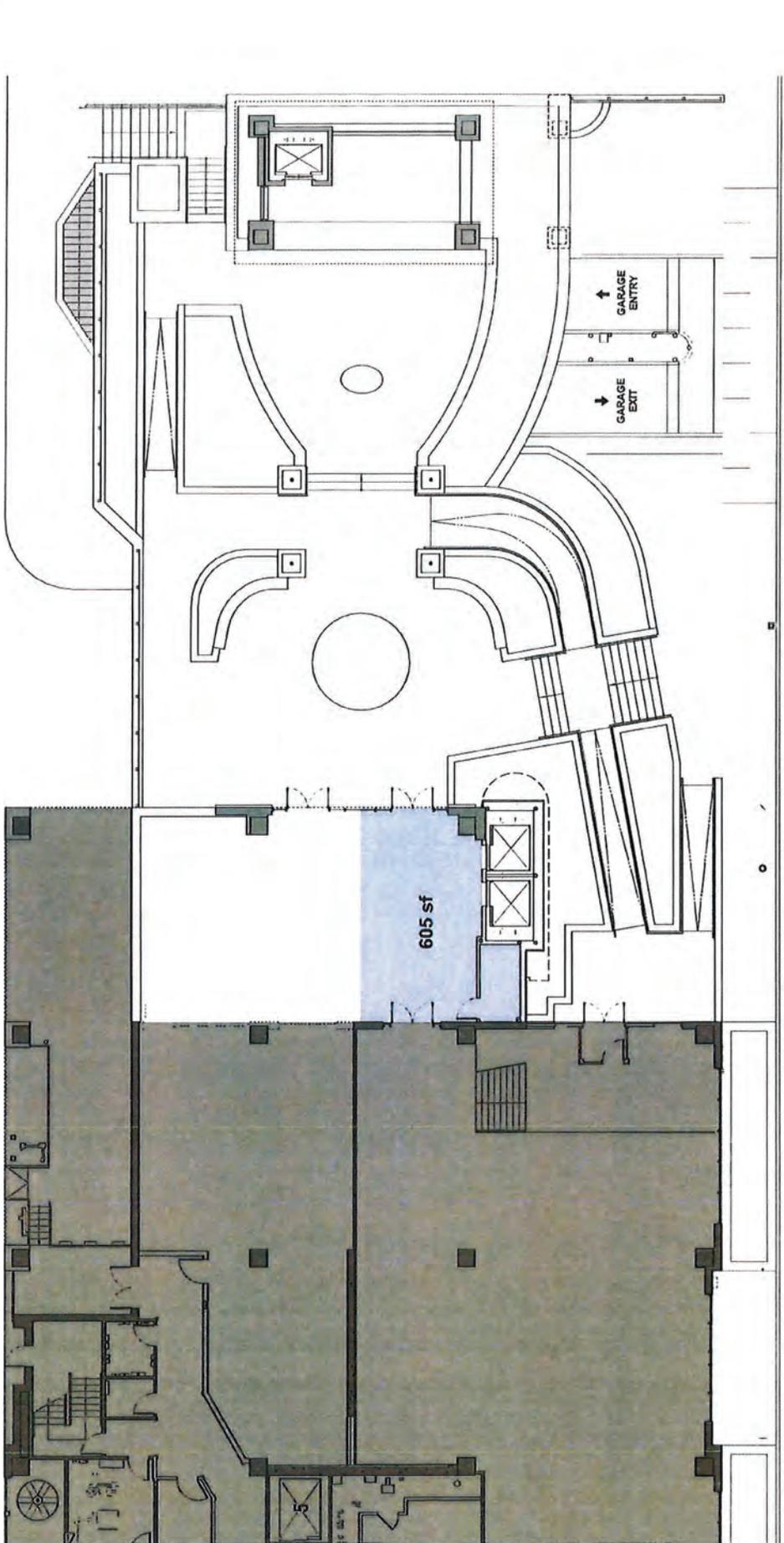


EXHIBIT D.2



EXHIBIT E.1



3rd Street



EXHIBIT E.2

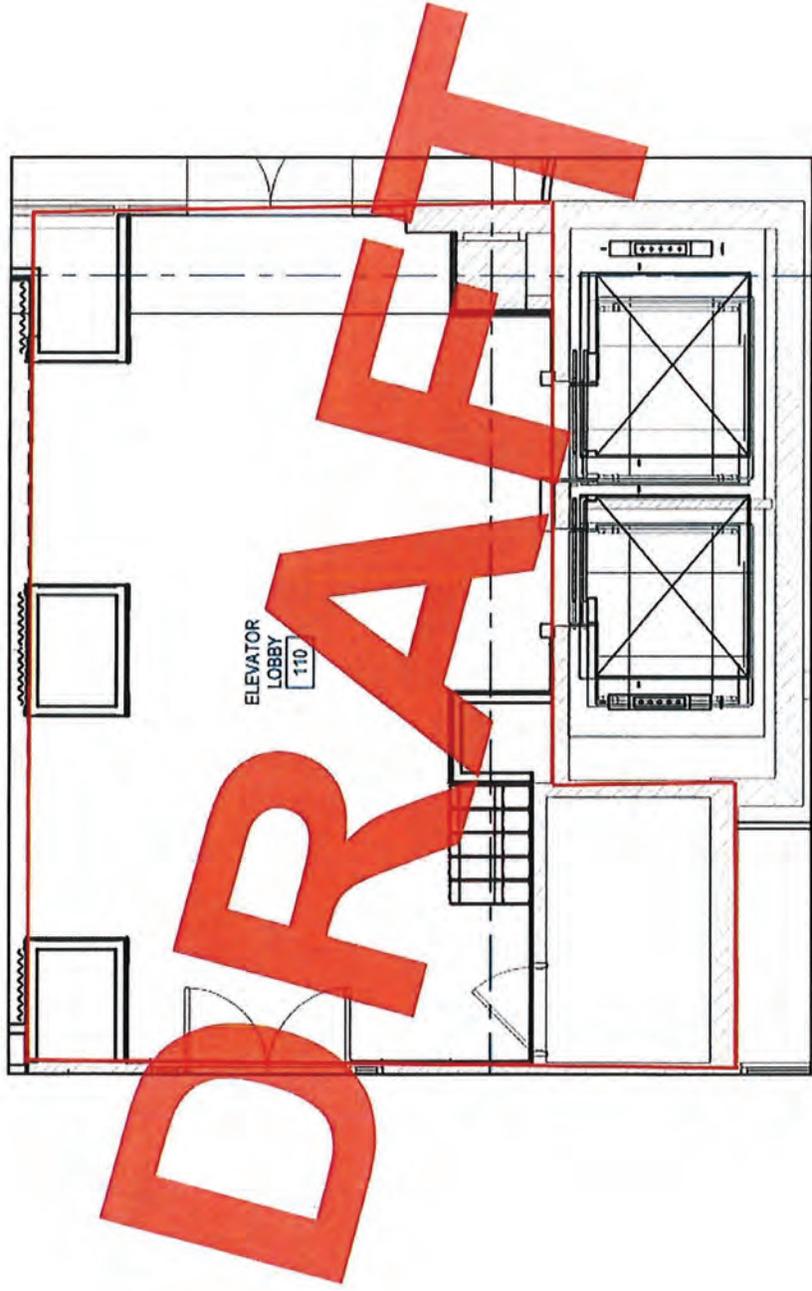


EXHIBIT F.1

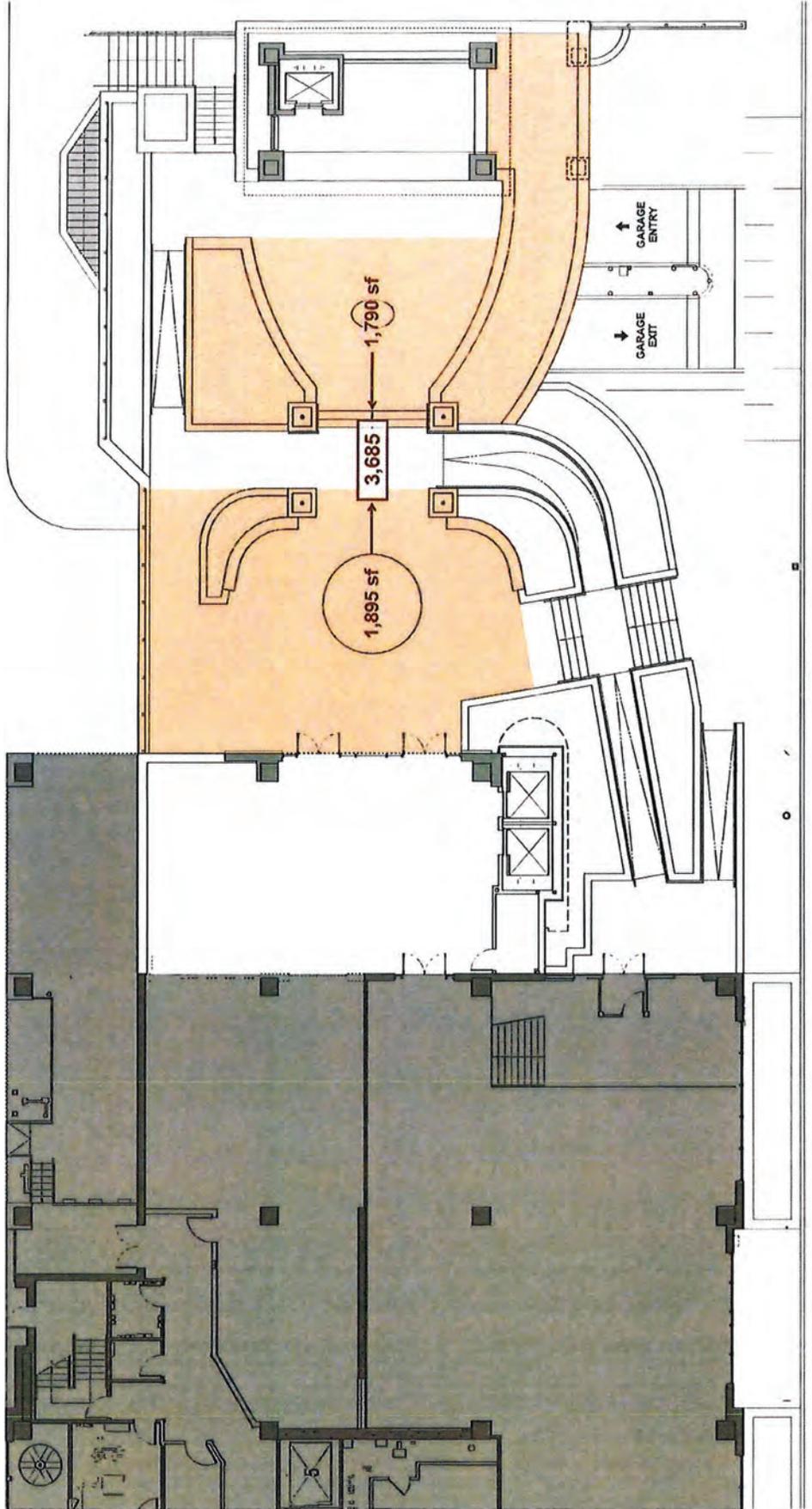


EXHIBIT F.2

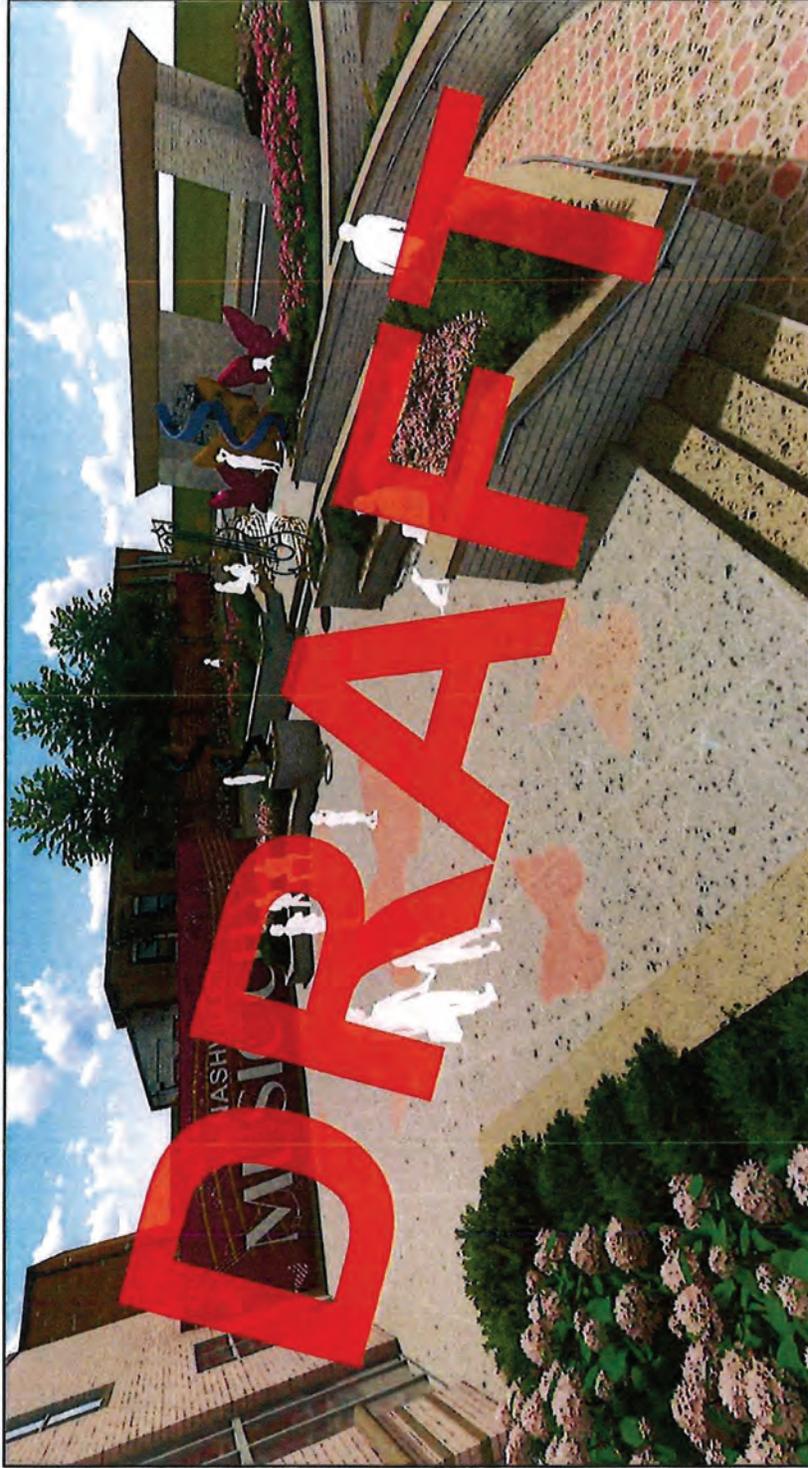
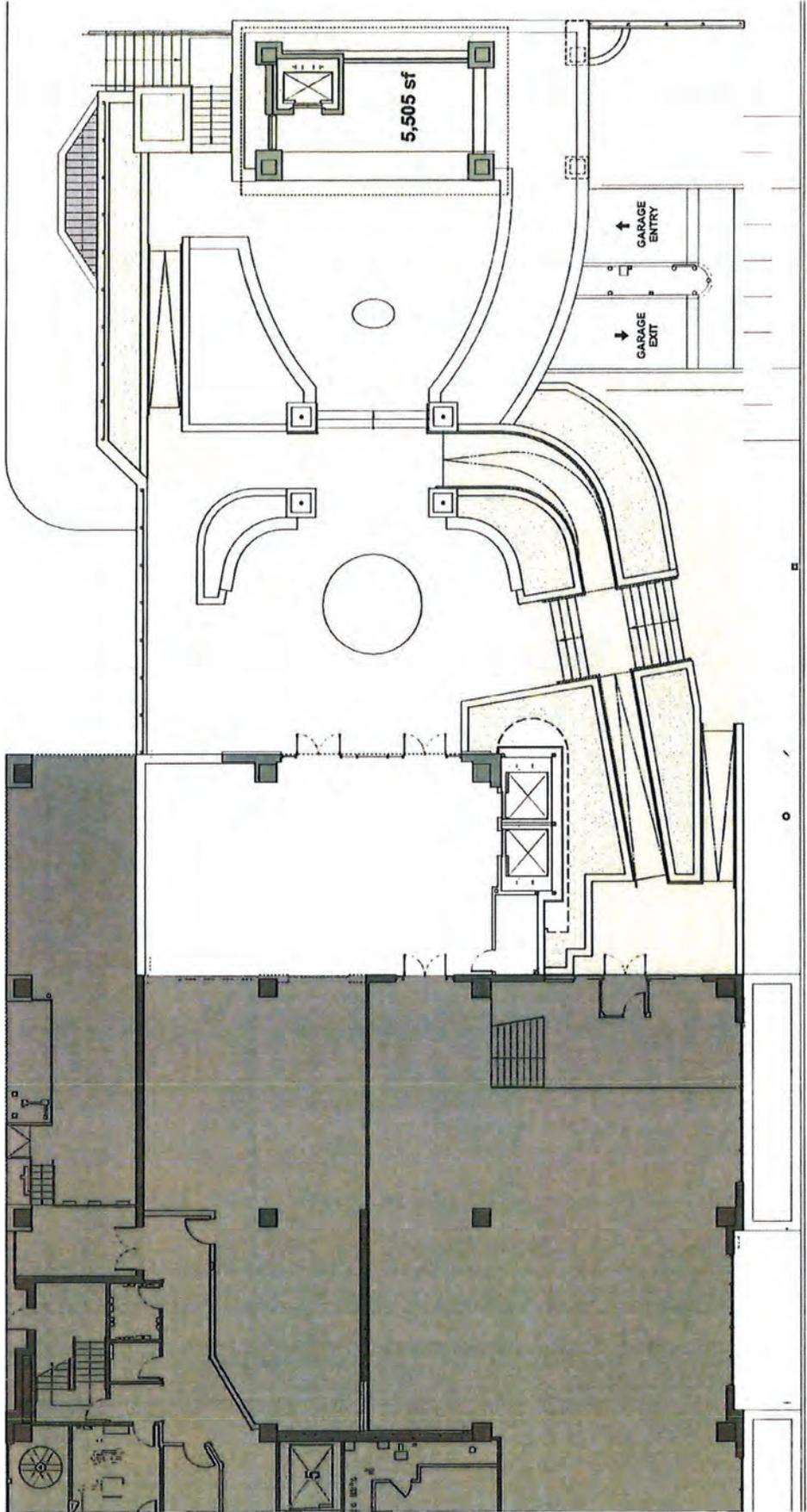


EXHIBIT G.1



3rd Street

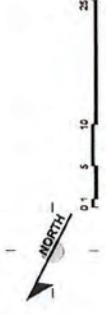
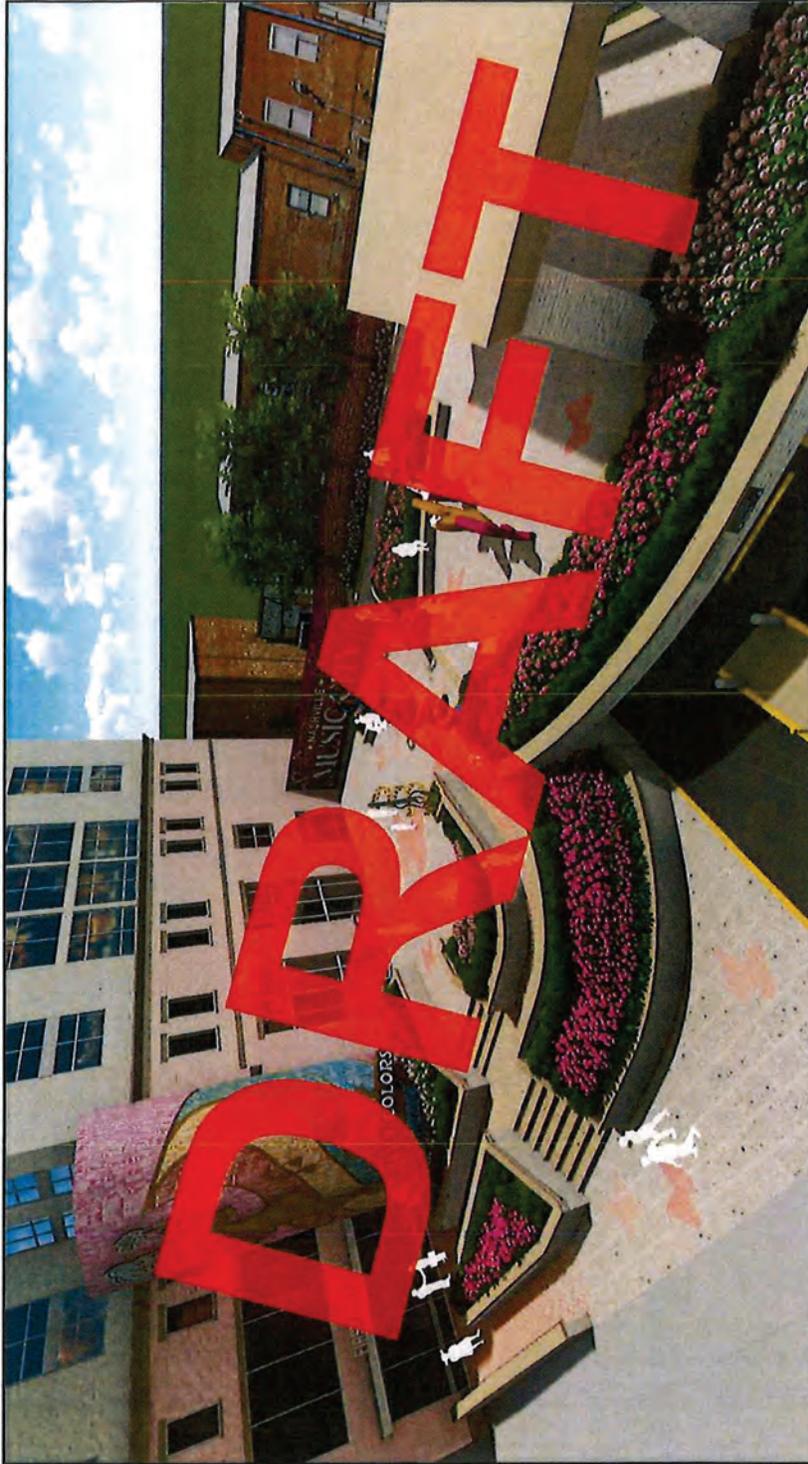


EXHIBIT G.2



This Instrument Was Prepared By:
James L. Murphy III
Bradley Arant Boult Cummings
1221 Broadway, Suite 2400
Nashville, Tennessee 37203

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "**Agreement**") made this _____ day of _____, 2025 (the "**Effective Date**"), by and between THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE, a governmental and public corporation of the State of Tennessee ("**Metro**") and PNH Properties, LLC, a Tennessee limited liability company ("**Company**").

WITNESSETH:

WHEREAS, Company is the owner of that certain property located at 211 Commerce Street, Nashville, Davidson County, Tennessee 37201 (the "**Company Property**") which property is more particularly described on Exhibit A attached hereto and made a part hereof; and

WHEREAS, Company and Metro have executed on or about the Effective Date that certain Property Improvement and Lease Agreement whereby Metro leased certain property to Company that is contiguous to the Company Property (the "**Company Lease**"); and

WHEREAS, Metro desires to utilize approximately 2,900 square feet of the interior space in the garage of the building located on the Company Property for the operation of a Fire Department station (the "**Premises**") in the location shown on Exhibit B and Company has agreed to pay for the design and construction of improvements to the Premises (the "**Improvements**"), as shown on Exhibit B; and

NOW, THEREFORE, in consideration of the above and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Term and Consideration. In consideration of the obligations assumed hereunder as well as those reflected in the Recitals, Company hereby leases to Metro to have and to hold the Premises for the contemplated use, upon the terms, conditions, covenants and undertakings, and to the extent set forth in this Agreement. No part of the Premises or the Improvements shall be sold or conveyed by Metro or Company to any other entity, nor mortgaged, pledged or used to secure any obligation of Metro or Company. In the event any lien of any kind shall be filed or asserted against the Premises or the Improvements as a result of the actions or inactions of Metro, Metro shall promptly cause an appropriate bond to be filed and said lien transferred to the Board.

In consideration for the rights granted hereby to Metro, Metro executed the Company Lease. Metro and Company agree that each party has received good and valuable consideration in connection with this Agreement.

2. Term. This Agreement shall become effective upon execution by Company, approval by the Metropolitan Council and upon the date of its filing with the Metropolitan Clerk (the "**Commencement Date**"). The term ("**Initial Term**") of this Agreement shall commence on the Commencement Date and, unless earlier terminated as provided herein, shall end on the last day of the month which is the three hundred sixtieth (360) month following the Commencement Date. At the conclusion of the three hundred sixty (360) month Initial Term, Metro shall have the option to extend this Agreement for two (2) additional ten (10) year terms (each an "**Extension Term**," with the Initial Term and all applicable Extension Terms referred to herein as the "**Term**"). Metro shall provide written notice to Company at least one-hundred eighty (180) days prior to the expiration of the then current Term of its intent to extend the Term.

3. Improvements to the Premises. The preliminary concept plan for the Improvements is attached hereto as Exhibit B. Prior to the commencement of construction of the Improvements, Company will submit the construction plans for the Improvements to the Metro Mayor, or his/her designees, for approval, such approval not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Metro Mayor, or his/her designee, may not withhold approval of the construction plans if the construction plans provide for substantially the same Improvements as shown on Exhibit B. The Improvements shall be a "vanilla shell" that will include drywall with a coat of white primer or paint, finished ceiling (typically a drop ceiling), basic lighting (overhead fluorescent or LED), HVAC (installed and operational), electrical panel and outlets (minimum code-compliant), restroom (finished and code-compliant, if required), and concrete floor (either bare or sealed at Metro's option). Metro will be responsible for any build out beyond the "vanilla shell." Company agrees to commence the construction of the Improvements on or before the day that is sixty (60) days after the issuance of all permits required for the construction of the Improvements. Company agrees to diligently pursue the Improvements to completion. All costs related to the construction of the Improvements shall be paid in full by Company. Company will also pay to have the utilities for the Premises separately metered or sub-metered. Company shall deliver the Premises to Metro on the Commencement Date in the Delivery Condition. "Delivery Condition" shall mean that the Premises are broom-clean, free of occupants and occupancy rights, in compliance with applicable laws and the utilities are in good working order. Any other personal property used by Metro other than as provided herein shall be at the cost of Metro. Company shall have the right to make alterations to the Improvements from time to time so long as such alterations do not materially adversely affect the rights of Metro to use the Premises.

4. Use of the Improvements. Metro shall have the right to use the Premises as an office, locker room and meeting space for Metro Fire Department personnel (the "**Permitted Use**"). Metro may expand or alter the Permitted Use with Company's prior written consent, such consent not to be unreasonably withheld. In using the Improvements, Metro and Company shall each use reasonable efforts to minimize interference with the use and activities of the other party utilizing the Company Property. If requested by Metro, Metro and Company will work together in good faith to determine where Metro can install signs, at Metro's expense, related to its use of the Premises. Metro agrees to comply with all commercially reasonable rules and regulations imposed

by Company with respect to the use and occupancy of the Premises, provided that such rules and regulations shall not materially interfere with Metro's use of the Premises for the purposes permitted in this Agreement. Such rules and regulations are attached hereto as Exhibit C. Metro shall be liable for any damage or loss to Company, or its property caused by the act, fault or neglect of Metro, or Metro's employees, invitees, licensees or agents. Company shall not be liable for any damage to property of Metro nor for the loss of property of Metro by theft or otherwise unless such damage or loss is caused by the act, fault or neglect of Company, or Company's employees, invitees, licensees or agents.

5. Parking. A portion of the Company Property is operated by Company as a parking garage (the "**Parking Garage**"). Company hereby leases to Metro four parking spaces in the Parking Garage in the portion of the Parking Garage shown on Exhibit B. Metro agrees to comply with all reasonable rules and regulations now or hereafter established by Company relating to the use of the Parking Garage by parking patrons, which such existing rules and regulations are attached hereto as Exhibit C. A condition of any parking shall be compliance by the parking patron with rules and regulations relating to the use of the Parking Garage, including any sticker or other identification system established by Company. Company may remove any vehicles in violation of the rules and regulations relating to the use of the Parking Garage.

6. Duties to Repair, Maintain and Replace the Improvements. Metro agrees to maintain the Premises in clean and orderly condition at Metro's expense. Notwithstanding the foregoing, any repairs by Metro to the Premises exceeding \$15,000.00 (the "**Repair Amount**") requires the prior written consent of Company, which consent shall not be unreasonably withheld, conditioned or delayed. On each anniversary of the Commencement Date, the Repair Amount will increase by two percent (2%). Company agrees to maintain, repair and replace as needed the walls, plumbing, structural elements, HVAC, electricity, roof, and other portions of the Improvements. Notwithstanding the foregoing, Metro, at Metro's expense, will be required to repair or replace damage caused by the negligence or intentional act of Metro, its employees, agents, guests, vendors or other such parties.

7. Utilities; Taxes; Insurance. Metro agrees to pay the cost of all utilities related to the Improvements to the Premises. In the event the cost of the utilities related to the Improvements to the Premises is billed to Company, Metro agrees to pay Company for such utility usage based upon Metro's allocation of the cost of such utility usage. In the event Metro fails to pay any utility bill within ten (10) days after the due date. Company may but shall not be obligated to pay such bills (without any duty to investigate the validity thereof), in which event Metro shall immediately reimburse Company for the amount paid by Company. Company agrees to pay the cost of all real estate taxes and insurance related to the Improvements to the Premises. Company agrees to carry insurance on the improvements to the Premises and general liability insurance.

8. Casualty. If all or a part of the Improvements is damaged, Company shall have the right to receive all insurance proceeds payable as a result of such damage or casualty. After such a casualty event, Company shall construct improvements in the Premises comparable or better than the Improvements that were damaged or destroyed by the casualty as soon as reasonably possible. In such an event, Company shall prepare plans showing the new improvements, which plans shall be subject to the approval of the Metro Mayor, of his/her designees, not to be unreasonably

withheld, conditioned or delayed. Metro shall cooperate with Company and facilitate the approval and permitting related to such new improvements.

9. Access Easement. Company retains a permanent pedestrian access easement through the Premises to permit Company to access the 211 Commerce Data and Demarcation Room shown on Exhibit B (the "Access Easement"). Company shall have the right to utilize the Access Easement to access the 211 Commerce Data and Demarcation Room 24 hours a day, 365 days a year. Company shall utilize the Access Easement in such a manner as to reasonably minimize the disruption of the use of the Premises by Metro.

10. Default. Upon the occurrence of any event of default by either Metro or Company related to this Agreement, the non-defaulting party shall provide written notice to the other party and a reasonable opportunity to cure such default. If such default continues beyond the applicable notice and cure periods provided for herein, the non-defaulting party shall have the option, without any further notice to the defaulting party (except as expressly required under applicable law) to bring an action in a court with jurisdiction over such matter in Davidson County, Tennessee to enforce such party's rights.

11. Run With the Land; Successors. The rights, duties and obligations of the parties under this Agreement shall run with the Premises and be binding on the owner thereof. This Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto, their respective heirs, successors, permitted assigns, beneficial owners and representatives. The rights, duties and obligations of Company under this Agreement shall be transferable or assignable by Company, in whole or part, without Metro's prior consent. The rights, duties and obligations of Metro under this Agreement shall not be transferable or assignable by Metro, in whole or part.

12. Force Majeure. For the purposes of any of the provisions of this Agreement, neither party hereto, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, the obligations thereof with respect to this Agreement in the event of enforced delay in the performance of or inability to perform such obligations due to unforeseeable causes beyond the control and without the fault or negligence thereof ("**Force Majeure**"), including, but not restricted to, acts of God, acts of the public enemy, acts of the Federal, state or local government, acts of the other party, fires, floods, epidemics, pandemics, quarantine restrictions, government-enforced business shut-downs, strikes, freight embargoes, and unusually severe weather or delays of the contractor or subcontractors due to such causes; it being the purpose and intent of this Section that in the event of the occurrences of any such enforced delay, the time or times for performance of the obligations of either party hereto, as the case may be, with respect to this Agreement shall be extended for the period of the enforced delay; provided, that the party seeking the benefit of the provisions of this Section shall be obligated to remedy a failure to perform caused by Force Majeure in a diligent manner in order to avail themselves of this form of relief.

13. Severability. If any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not affect any other provision herein contained or render any other provision invalid or unenforceable to any extent whatsoever.

14. Counterparts. This Agreement may be executed in separate counterparts and it shall

be fully executed when each party whose signature is required has signed at least one (1) counterpart, even though no one (1) counterpart contains the signatures of all of the parties to this Agreement. Electronic signatures shall be valid and sufficient to bind any party to this Agreement. Signatures to this Agreement transmitted by facsimile, email or other electronic transmission (for example, through the use of a Portable Document Format or PDF file) shall be valid and effective to bind the party so signing. The exchange of copies of this Agreement and of signature pages by electronic mail or other means of electronic transmission (including, without limitation, pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docuSign.com) will constitute effective execution, delivery, and performance of this Agreement as to the parties. Signatures of the parties transmitted by electronic mail or other means of electronic transmission (including, without limitation, pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docuSign.com) will be deemed to be their original signatures for all purposes.

15. Governing Law. This Agreement shall be governed by and construed as a contract negotiated, entered into and performed in, and in accordance with the laws of the State of Tennessee without regard to principles of conflicts of laws. Each party irrevocably consents to the exclusive jurisdiction of the Courts of the State of Tennessee located in Davidson County in any and all actions and proceedings under this Agreement.

16. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered thereby. All prior negotiations, representatives and agreements with respect thereto not incorporated in this Agreement are hereby cancelled.

17. Further Assurances. The parties shall execute such additional documents and do such other acts as may be reasonably required to carry out the intent of this Agreement. Without limitation, each party shall make available resolutions, certificate, and such other documents as may be required to evidence such party's power and authority to carry out this Agreement.

18. Time of the Essence. Time is of the essence with respect to the performance of each of the covenants and agreements under this Agreement.

19. Exhibits. Metro and Company hereby acknowledge and agree that all exhibits referenced in this Agreement are attached hereto and incorporated herein.

20. Captions. The captions appearing in the Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of any sections.

21. No Waiver. Neither any failure nor any delay by any party in exercising any right, power or privilege under this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of the same.

22. Notices. All notices and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by Federal Express (or by courier service); or (b) received or rejected by the

addressee, if sent by certified mail, return receipt requested, in each case to the following addresses, and addressed to the attention of the person designated below (or to such other address or person as a party to this Agreement may designate by notice to the other parties):

If to Company: PNH Properties, LLC
Attention: **STEVE EARNEST**
155 TECHNOLOGY PARKWAY, SUITE 100
DECATUR CORNERS, GA 30092

With a copy to: Bradley Arant Boult Cummings LLP
Attention: Jim Murphy
1200 Broadway, Suite 2400.
Nashville, TN 37203

If to Metro: Director, Metropolitan Department of Parks and Recreation
Centennial Park Office
Park Plaza at Oman Street
Nashville, TN 37201

With a copy to: Director, Metropolitan Department of Law
108 Metropolitan Courthouse
Nashville, TN 37201

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this ____ day of _____, 2025.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE, a municipality and public corporation of the State of Tennessee.

DocuSigned by:
By: Abraham Wescott
Its: Public Property Director
Date: 8/18/2025

PNH PROPERTIES, LLC, a Tennessee limited liability company

By: *A Wexler*
Name: ANDREW WEXLER
Title: PRESIDENT



EXHIBIT A

Company Property

Tract 1

Being a tract of land in the Urban Services District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located in the southeast quadrant of the intersection of Commerce Street and Third Avenue North, being Lot No. 1 of the First Revision, A Portion of Tract 76A, Capitol Mall Redevelopment Plan, as of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

BEGINNING at a point in the easterly right-of-way of Third Avenue North at the intersection of the southerly right-of-way of Commerce Street, said point being the northwesterly corner of the subject property;

THENCE, with said southerly right-of-way of Commerce Street, N 59° 46' 37" E, 104.46 feet to a point in the Westerly right-of-way of Alley No. 11;

THENCE, with said westerly right-of-way of Alley No. 11, S 30° 02' 00" E, 187.45 feet to a point;

THENCE, continuing with said westerly right-of-way of Alley No. 11, S 29° 44' 48" E, 47.55 feet to a point at the northeast corner of the property conveyed to Metro Government of Nashville by deed of record as Instrument No. 20030723-0103194, Register's Office for Davidson County, Tennessee;

THENCE, with the northerly line of said Metro Government property the following calls:

S 59° 58' 00" W, 18.93 feet to a point;

N 30° 02' 00" W, 30.83 feet to a point;

S 59° 58' 00" W, 85.29 feet to a point in the east margin of Third Avenue North;

THENCE, with said easterly right-of-way line of Third Avenue North, N 30° 02' 00" W, 203.83 feet to the point of beginning.

Tract 2

Air Space Parcel

Being a parcel of land located in the Urban Services District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located on the easterly right-of-way of Third Avenue North and being a portion of Lot No. 2 on the recorded subdivision plat of First Revision Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the First Revision Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said easterly right-of-way of Third Avenue North, S 30° 02' 00" E, 203.83 feet to the common line of Lot Nos. 1 and 2 of said Capitol Mall Redevelopment Plan;

THENCE, leaving said right-of-way with the common line of Lots Nos. 1 and 2, N 59° 58' 00" E, 34.00 feet to the true point of beginning;

THENCE, continuing with said common lot line the following calls:

N 59° 58' 00" E, 51.29 feet to a point;

S 30° 02' 00" E, 30.83 feet to a point;

THENCE, leaving said common lot line S 59° 58' 00" W, 51.29 feet to a point;

THENCE, N 30° 02' 00" W, 30.83 feet to the point of beginning.

The above description applies to air space between elevation 448.5' and above.

TOGETHER with a perpetual easement for building columns to be constructed and maintained with air space between elevation 436.5' and 448.5' within the above legal description.

Tract 3

Ingress-Egress Easement

Being a perpetual easement for ingress and egress over a parcel of land located in the Urban Services District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located on the easterly right-of-way of Third Avenue North and being a portion of Lot No. 2 on the recorded subdivision plat of First Revision Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the First Revision Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said easterly right-of-way of Third Avenue North, S 30° 02' 00" E, 286.33 feet to the true point of beginning;

THENCE, leaving said right-of-way, N 59° 58' 00" E, 38.17 feet to a point;

THENCE, S 30° 02' 00" E, 44.00 feet to a point;

THENCE, S 59° 58' 00" W, 38.17 feet to a point in the easterly right-of-way of Third Avenue North;

THENCE, with said easterly right-of-way, N 30° 02' 00" W, 44.00 feet to the point of beginning.

Tract 4

Fire Stairs, Elevator Shaft, Elevator Equipment Room, and Mechanical Housing Air Space Parcel

Being a parcel of land located in the Urban Services District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located in the easterly right-of-way of Third Avenue North and being a portion of Lot No. 2 on the recorded subdivision plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said easterly right-of-way of Third Avenue North, S 30° 02' 00" E, 337.07 feet to a point;

THENCE, leaving said right-of-way with the northerly boundary of property conveyed to The Lin Family Limited Partnership of record in Book 11274, page 97, Register's Office for Davidson County, Tennessee, corrected as to Tract No. 4 Instrument No. 19991215-0303492, Register's Office for Davidson County, Tennessee, N 59° 45' 54" E, 37.67 feet to the true point of beginning;

THENCE, leaving said northerly boundary of property, N 30° 02' 00" W, 20.61 feet to a point;

THENCE, N 59° 58' 00" E, 28.52 feet to a point;

THENCE, S 30° 02' 00" E, 20.51 feet to a point in the northerly boundary of aforementioned Lin Family Limited Partnership;

THENCE, with said northerly boundary S 59° 45' 54" W, 28.52 feet to the point of beginning.

The above description applies to air space between elevation 425.0' and above.

Tract 5

Non-Exclusive Ingress-Egress Easement

Being a perpetual non-exclusive easement for ingress and egress over a parcel of land located in the Urban Services District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located on the easterly right-of-way of Third Avenue North and being a portion of Lot No. 2 on the recorded subdivision plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said southerly right-of-way of Commerce Street N 59° 46' 37" E, 104.46 feet to the westerly right-of-way of Alley No. 11;

THENCE, leaving said southerly right-of-way of Commerce Street with the westerly right-of-way of Alley No. 11, the following calls:

S 30° 02' 00" E, 187.45 feet to a point;

S 29° 44' 48" E, 47.55 feet to the common line between Lot Nos. 1 and 2 of said plat and the true point of beginning;

THENCE, continuing with said right-of-way of said Alley No. 11, S 29° 44' 48" E, 90.50 feet to a point;

THENCE, leaving said right-of-way S 59° 58' 00" W, 20.35 feet to a point;

THENCE, N 30° 02' 00" W, 90.50 feet to a point in the common line of Lots Nos. 1 and 2 of said recorded plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said common line, N 59° 58' 00" E, 20.80 feet to the point of beginning.

Containing 1,862 square feet or 0.04 acres, more or less.

Tract 6

Exhaust Chase Air Space Parcel

Being a parcel of land located in the Urban Services District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located on the easterly right-of-way of Third Avenue North and being a portion of Lot No. 2 on the recorded subdivision plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said southerly right-of-way of Commerce Street, N 59° 46' 37" E, 104.46 feet to the westerly right-of-way of Alley No. 11;

THENCE, leaving said southerly right-of-way of Commerce Street with the westerly right-of-way of Alley No. 11, the following calls:

S 30° 02' 00" E, 187.45 feet to a point;

S 29° 44' 48" E, 149.60 feet to the northerly boundary line of The Lin Family Limited Partnership of record in Book 11274, page 97, Register's Office for Davidson County, Tennessee, corrected as to Tract No. 4 Instrument No. 19991215-0303492, Register's Office for Davidson County, Tennessee, and the true point of beginning;

THENCE, with said northerly boundary line S 59° 45' 54" W, 14.29 feet to a point;

THENCE, leaving said boundary line, N 30° 02' 00" W, 32.90 feet to a point;

THENCE, N 59° 58' 00" E, 14.46 feet to a point in the westerly right-of-way of Alley No. 11;

THENCE, with said westerly right-of-way, S 29° 44' 48" E, 32.85 feet to the point of beginning.

The above description applies to air space between elevation 426.0' and above.

Tract 7

Sub-Surface Parcel

Being all of the area located below the surface of a parcel of land located in the Urban Services District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located on the easterly right-of-way of Third Avenue North, said parcel of land being Lot No. 2 on the recorded subdivision on plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, at elevation 425.0' extending down to elevation 351.0' and the perpetual right to maintain any and all portions of the structure, mechanical and electrical systems of the garage to be constructed below the surface of said Lot No. 2 at any elevation higher than 425.0'. Said Lot No. 2 being more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said easterly right-of-way of Third Avenue North, S 30° 02' 00" E, 203.83 feet to the true point of beginning;

THENCE, leaving said right-of-way with the common line between Lot Nos. 1 and 2 the following calls:

N 59° 58' 00" E, 85.29 feet to a point;

N 30° 02' 00" E, 30.83 feet to a point;

N 59° 58' 00" E, 18.93 feet to a point in the westerly right-of-way line of Alley No. 11;

THENCE, with said westerly right-of-way of Alley No. 11, S 29° 44' 48" E, 102.05 feet to a point in the northwest corner of the property conveyed to The Lin Family Limited Partnership of record in Book 11274, page 97, Register's Office for Davidson County, Tennessee, corrected as to Tract No. 4 Instrument No. 19991215-0303492, Register's Office for Davidson County, Tennessee;

THENCE, with said northerly line in said Lin Property, S 59° 45' 54" W, 103.71 feet to a point in the easterly right-of-way of Third Avenue North;

THENCE, with said easterly right-of-way, N 30° 02' 00" W, 133.24 feet to the point of beginning.

Tract 8

Ingress/Egress Easement

Being a non-exclusive perpetual easement for ingress and egress over and across Lot No. 2, First Revision, Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, as provided in Book 11268, page 281, and amended in Instrument No. 20010426-0042178, Register's Office for Davidson County, Tennessee, and in Instrument No. 20100902-0069927,

Register's Office for Davidson County, Tennessee.

Tract 9

Subsurface of Alley No. 11

Being the right to encroach upon and maintain a garage under the westerly six (6) feet of Alley No. 11 as shown on the First Revision of a portion of Tract 76A Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, as permitted by Metropolitan Ordinance No. 097-692.

ALSO DESCRIBED AS:

Tract 1

Lot No. 1 as shown on the First Revision, A Portion of Tract 76A, Capitol Mall Redevelopment Plan, of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, which plat is incorporated herein by reference and to which plat reference is hereby made for a more particular description.

Tract 2

Air Space Parcel

Being a parcel of land located in the First Civil District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located on the easterly right-of-way of Third Avenue North and being a portion of Lot No. 2 on the recorded subdivision plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee.

THENCE, with said easterly right-of-way of Third Avenue North, S 30° 02' 00" E, 203.83 feet to the common line of Lot Nos. 1 and 2 of said Capitol Mall Redevelopment Plan;

THENCE, leaving said right-of-way with the common line of Lots Nos. 1 and 2, N 59° 58' 00" E, 34.00 feet to the true point of beginning;

THENCE, continuing with said common lot line the following calls:

N 59° 58' 00" E, 51.29 feet to a point;

S 30° 02' 00" E, 30.83 feet to a point;

THENCE, leaving said common lot line S 59° 58' 00" W, 51.29 feet to a point;

THENCE, N 30° 02' 00" W, 30.83 feet to the point of beginning.

The above description applies to air space between elevation 448.5' and above.

TOGETHER with a perpetual easement for building columns to be constructed and maintained with air space between elevation 436.5' and 448.5' within the above legal description.

Tract 3

Ingress-Egress Easement

Being a perpetual easement for ingress and egress over a parcel of land located in the First Civil District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located on the easterly right-of-way of Third Avenue North and being a portion of Lot No. 2 on the recorded subdivision plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said easterly right-of-way of Third Avenue North, S 30° 02' 00" E, 286.33 feet to the true point of beginning;

THENCE, leaving said right-of-way, N 59° 58' 00" E, 38.17 feet to a point;

THENCE, S 30° 02' 00" E, 44.00 feet to a point;

THENCE, S 59° 58' 00" W, 38.17 feet to a point in the easterly right-of-way of Third Avenue North;

THENCE, with said easterly right-of-way, N 30° 02' 00" W, 44.00 feet to the point of beginning.

Tract 4

Fire Stairs, Elevator Shaft, Elevator Equipment Room, and Mechanical Housing Air Space Parcel

Being a parcel of land located in the First Civil District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located in the easterly right-of-way of Third Avenue North and being a portion of Lot No. 2 on the recorded subdivision plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said easterly right-of-way of Third Avenue North, S 30° 02' 00" E, 337.07 feet to a point;

THENCE, leaving said right-of-way with the northerly boundary of property conveyed to Weng-Teh Lin

and wife, Keco Lin, of record in Book 10410, page 761, Register's Office for Davidson County, Tennessee, N 59° 45' 54" E, 37.67 feet to the true point of beginning.

THENCE, leaving said northerly boundary of property, N 30° 02' 00" W, 20.61 feet to a point;

THENCE, N 59° 58' 00" E, 28.52 feet to a point;

THENCE, S 30° 02' 00" E, 20.51 feet to a point in the northerly boundary of property conveyed to Weng-Teh Lin and wife, Keco Lin, of record in Book 10410, page 761, Register's Office for Davidson County, Tennessee;

THENCE, with said northerly boundary S 59° 45' 54" W, 28.52 feet to the point of beginning.

The above description applies to air space between elevation 425.0' and above.

Tract 5

Non-Exclusive Ingress-Egress Easement

Being a perpetual non-exclusive easement for ingress and egress over a parcel of land located in the First Civil District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located on the easterly right-of-way of Third Avenue North and being a portion of Lot No. 2 on the recorded subdivision plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said southerly right-of-way of Commerce Street N 59° 46' 37" E, 104.46 feet to the westerly right-of-way of Alley No. 11;

THENCE, leaving said southerly right-of-way of Commerce Street with the westerly right-of-way of Alley No. 11, the following calls:

S 30° 02' 00" E, 187.45 feet to a point;

S 29° 44' 48" E, 47.55 feet to the common line between Lot Nos. 1 and 2 of said plat and the true point of beginning;

THENCE, with said right-of-way of said Alley No. 11, S 29° 44' 48" E, 90.50 feet to a point;

THENCE, leaving said right-of-way S 59° 58' 00" W, 20.35 feet to a point;

THENCE, N 30° 02' 00" W, 90.50 feet to a point in the common line of Lots Nos. 1 and 2 of said recorded plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said common line, N 59° 58' 00" E, 20.80 feet to the point of beginning.

Containing 1,862 square feet or 0.04 acres, more or less.

Tract 6

Exhaust Chase Air Space Parcel

Being a parcel of land located in the First Civil District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located on the easterly right-of-way of Third Avenue North and being a portion of Lot No. 2 on the recorded subdivision plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said southerly right-of-way of Commerce Street, N 59° 46' 37" E, 104.46 feet to the westerly right-of-way of Alley No. 11;

THENCE, leaving said southerly right-of-way of Commerce Street with the westerly right-of-way of Alley No. 11, the following calls:

S 30° 02' 00" E, 187.45 feet to a point;

S 29° 44' 48" E, 149.60 feet to the northerly boundary line of Weng-Teh Lin and wife, Keco Lin, of record in Book 10410, page 761, Register's Office for Davidson County, Tennessee, and the true point of beginning;

THENCE, with said northerly boundary line S 59° 45' 54" W, 14.29 feet to a point;

THENCE, leaving said boundary line, N 30° 02' 00" W, 32.90 feet to a point;

THENCE, N 59° 58' 00" E, 14.46 feet to a point in the southerly right-of-way of Alley No. 11;

THENCE, with said southerly right-of-way, S 29° 44' 48" E, 32.85 feet to the point of beginning.

The above description applies to air space between elevation 426.0' and above.

Tract 7

Sub-Surface Parcel

Being all of the area located below the surface of a parcel of land located in the First Civil District, Nineteenth Councilmanic District, Nashville, Davidson County, Tennessee, located on the easterly right-of-way of Third Avenue North, said parcel of land being Lot No. 2 on the recorded subdivision on plat of Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, at elevation 425.0' extending down to elevation 351.0' and the perpetual right to maintain any and all portions of the structure, mechanical and electrical systems of the garage to be constructed below the surface of said Lot No. 2 at any elevation higher than 425.0'. Said Lot No. 2 being

more particularly described as follows:

COMMENCING at the intersection of the southerly right-of-way of Commerce Street and the easterly right-of-way of Third Avenue North, said point also being the northwest corner of Lot No. 1 of the Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee;

THENCE, with said easterly right-of-way of Third Avenue North, S 30° 02' 00" E, 203.83 feet to the true point of beginning;

THENCE, leaving said right-of-way with the common line between Lot Nos. 1 and 2 the following calls:

N 59° 58' 00" E, 85.29 feet to a point;

N 30° 02' 00" E, 30.83 feet to a point;

N 59° 58' 00" E, 18.93 feet to a point in the westerly right-of-way line of Alley No. 11;

THENCE, with said westerly right-of-way of Alley No. 11, S 29° 44' 48" E, 102.05 feet to a point in the northwest corner of the property conveyed to Weng-Teh Lin, et ux. by deed of record in Book 10410, page 761, Register's Office for Davidson County, Tennessee;

THENCE, with said northerly line in said Weng-Teh Lin property, S 59° 45' 54" W, 103.71 feet to a point in the easterly right-of-way of Third Avenue North;

THENCE, with said easterly right-of-way, N 30° 02' 00" W, 133.24 feet to the point of beginning.

Tract 8

Ingress/Egress Easement

Being a non-exclusive perpetual easement for ingress and egress over and across Lot No. 2, First Revision, Capitol Mall Redevelopment Plan of record in Book 9700, page 706, Register's Office for Davidson County, Tennessee, as provided in Book 11268, page 281, and amended in Instrument No. 20010426-0042178, Register's Office for Davidson County, Tennessee, and in Instrument No. 20100902-0069927, Register's Office for Davidson County, Tennessee.

Tract 9

Subsurface of Alley No. 11

Being the right to encroach upon and maintain a garage under the westerly six (6) feet of Alley No. 11 as shown on the First Revision of a portion of Tract 76A Capitol Mall Redevelopment Plan of record in Book 9700, Page 706, Register's Office for Davidson County, Tennessee, as permitted by Metropolitan Ordinance No. 097-692.

Being the same property conveyed to PNH Properties, LLC, a Tennessee limited liability company, by deed of record at Instrument No. 20231130-0092640, Register's Office for Davidson County, Tennessee.

EXHIBIT B

Drawing of Premises and Improvements

EXHIBIT C

Rules and Regulations

211 Commerce Building Rules

1. Sidewalks, doorways, vestibules, halls, stairways, elevator lobbies and other similar areas in the common areas of the Property shall not be used for the storage of materials or disposal of trash, obstructed by tenants or others, or used by tenants or others for any purpose other than entrance to and exit from tenant premises.

2. Plumbing fixtures shall be used only for the purposes for which they are designed, and no sweepings, rubbish, rags, or other unsuitable materials shall be disposed into them. Damage resulting to any such fixtures from misuse by a tenant shall be the liability of said tenant.

3. Movement in or out of the Building of furniture, equipment, or any other bulky or heavy materials shall be restricted to such hours as Landlord's property manager shall reasonably designate. Landlord's property manager will determine the method and routing of the movement of said items so as to ensure the safety of all persons and property concerned, and Tenant shall be responsible for all costs and expenses associated therewith. Advance written notice of intent to move such items must be made to Landlord's property manager at least twenty-four (24) hours before the time of such move.

4. All deliveries (including messenger deliveries but excluding deliveries of small hand carried parcels) to a tenant's premises shall be made through loading docks or service entrances, following routes and movement instructions within the Building as directed by Landlord's property manager. Delivery vehicles shall be permitted only in such areas as are designated by Landlord for deliveries to the Building. Absolutely no carts or dollies shall be allowed through the main entrances of the Building or on passenger elevators without the prior written consent of Landlord's property manager.

5. Landlord's property manager shall have the authority to approve the proposed weight and location of any safes and heavy furniture and equipment, which shall if determined to be necessary by Landlord's property manager, stand on supporting devices approved by Landlord's property manager in order to distribute the weight.

6. Corridor doors that lead to common areas of the Building (other than doors opening into the elevator lobby on floors leased entirely to a tenant) shall be kept closed at all times.

7. Each tenant shall cooperate with Landlord's property manager in keeping its premises neat and clean. No tenant shall employ any person for the purpose of such cleaning other than the Building's cleaning and maintenance personnel without prior approval of Landlord's property manager;

8. All freight elevator lobbies are to be kept neat and clean. The disposal of trash or storage of materials in these areas is prohibited.

9. No birds, fish or other animals shall be brought into or kept in, on or about the Building (except for seeing-eye dogs).

10. Tenants shall not tamper with or attempt to adjust temperature control thermostats in their premises. Landlord's property manager shall adjust thermostats as required to maintain, the Building standard temperature.

11. Each tenant shall comply with all security procedures (if any) both during business hours and after hours and on weekends. Landlord's property manager will provide each tenant with prior notice of any such security procedures and any changes thereto promptly.

12. Tenants shall lock all office doors leading to corridors and turn out all lights at the close of their working day; provided, however, that no tenant shall be responsible to ensure that Landlord's cleaning contractor locks doors and turns out lights after cleaning the tenant's premises.

13. All requests for overtime air conditioning or heating must be submitted in writing to Landlord's property manager by an authorize representative of the tenant. A list of persons authorize to request such overtime services must be furnished by the tenant to Landlord's property manager, and Landlord shall be entitled to rely thereon. Any such request must be made by 2:00 p.m. on the day desired for weekday requests, by 2:00 p.m. Friday for weekend requests, and by 2:00 p.m. on the preceding business day for holiday requests. Requests made after that time may result in an additional charge to such tenant, if acted upon by Landlord, but Landlord is in no event obligated to act on untimely requests.

14. No flammable or explosive fluids or materials shall be kept or used within the Building except in areas approved by Landlord, and each tenant shall comply with all applicable building and fire codes relating thereto.

15. No vending machines of any type shall be allowed in tenant space without the prior written consent of Landlord's property manager.

16. All locks for doors in each tenant's premises shall be Building Standard except as otherwise permitted by Landlord and no tenant shall place any additional lock or locks on any door in its premises without Landlord's property manager's written consent. All requests for duplicate keys shall be made to Landlord's property manager.

17. No machinery of any kind other than normal office equipment shall be operated by any tenant in its premises without the prior written consent of Landlord's property manager.

18. Canvassing, peddling, soliciting and distribution of hand bills on the Property (except for activities within a tenant's premises that involve only such tenant's employees) is prohibited. Each tenant is requested to notify Landlord (or Landlord's property manager) if such activities occur.

19. Prior approval from Landlord's property manager will be required for (a) access to Building mechanical, telephone or electrical rooms, (b) after-hours freight elevator use, (c) after-hours Building access by tenant's contractors, or (d) access to the roof of the Building by any person. No penetration of the roof of the Building shall be allowed in any

circumstances. The tenant will be responsible for contacting Landlord's property manager in advance for clearance of such tenant contractors. All tenants shall refer all contractors, contractors' representatives, and installation technicians rendering any service to them to Landlord for Landlord's supervision, approval, and control.

20. Each tenant and their contractors are responsible for removal of trash resulting from large deliveries or move-ins. Such trash must be removed from the Building and Building facilities may not be used for dumping. If such trash is not promptly removed, Landlord (or Landlord's property manager) may cause such trash to be removed at the tenant's sole cost and expense plus a reasonable additional charge to be determined by Landlord to cover Landlord's administrative costs in connection with such removal.

21. Tenants may not install, leave or store equipment, supplies, furniture or trash in the common areas of the Property.

22. Each tenant shall provide Landlord's property manager with names and telephone numbers of individuals who should be contacted in an emergency.

23. To insure orderly operation of the Building, no ice, mineral or other water, towels, newspapers, etc., shall be delivered to any premises except by persons appointed or approved by Landlord in writing

24. Electric current shall not be used for space heaters, cooking or heating devices or similar-appliances without Landlord's prior written permission

25. Nothing shall be swept or thrown into the corridors, halls, elevator shafts or stairways.

26. No portion of any tenant's premises shall at any time be used or occupied as sleeping or lodging quarters, nor shall personnel occupancy loads exceed limits reasonably established by Landlord for the Building.

27. No vehicles shall be parked except in designated areas. No vehicles may be stored or abandoned on the Property. All loading and unloading shall occur only at designated loading docks or areas. All persons on the property shall comply with traffic control and parking signs.

28. No antennas (including microwave or satellite dish antennas) shall be placed on the roof of the Building or elsewhere on the Property without the prior written consent of Landlord

Landlord reserves the right to amend and add to these rules as Landlord considers appropriate for the safety, care, maintenance, operation, and cleanliness of the Building, and for the preservation of good order therein. If any of these rules directly contradicts the other terms of the Lease, such other terms shall prevail.

Valuation & Advisory Services



Commerce Street Fire Department Station and Park

211 Commerce Street & 120 3rd Avenue N
Nashville, Tennessee 37201

MARKET STUDY

Date of Report: June 30, 2025
Colliers File Number: BNA250477

Prepared for

Bill R. Doyle III
Senior Vice President, Resorts & Lodging
PNH Properties, LLC a TN Limited Liability Company
Herschend Enterprises

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Letter of Transmittal



June 30, 2025

Bill R. Doyle III
Senior Vice President, Resorts & Lodging
PNH Properties, LLC a TN Limited Liability
Company
Herschend Enterprises

RE: Commerce Street Fire Department Station and Park
211 Commerce Street & 120 3rd Avenue N
Nashville, Tennessee 37201

Colliers File #: BNA250477

Mr. Doyle:

This market study report satisfies the scope of work and requirements agreed upon by PNH Properties, LLC a TN Limited Liability Company and Colliers Valuation & Advisory Services. The purpose of this consulting assignment is to provide a market study to assist the client in negotiating a lease with Metropolitan Board of Parks and Recreation.

The subject is Commerce Street Fire Department Station a 2,155 SF office suite located at 211 Commerce Street and Commerce Street Park located at 120 3rd Avenue N in Nashville, Davidson County, Tennessee.

Colliers International was provided with a draft lease whereby PNH Properties, LLC would lease Commerce Street Park for a term of 30 years with two additional 10-year renewal options pushing the maximum term of this lease agreement to 50 years. As part of the lease, PNH Properties would renovate the park at their sole cost and also be able to construct a gift shop and additional elevator. No monetary payments are proposed for this lease but PNH Properties will lease a 2,155 square foot portion of the adjacent building along with 6 parking spaces rent free to Metro Nashville for use as fire station. The fire station space would also be leased with a term of 30 years with two additional 10-year renewal options similar to the park lease. Design and construction of the fire station space would be the sole responsibility of PHN Properties.

In order to compare the positions being exchanged in the provided draft lease agreement, we have analyzed the 50-year leasehold positions of the Commerce Street Park as well as the completed Fire Station Space in the ensuing analysis. The leasehold position of the Commerce Street Park is the benefit to PNH Properties while the leasehold position of the Fire Station Space is the benefit to Metro Nashville.

PHN Properties will also be responsible for the buildout of the Fire Department Station space which is currently shell condition in the parking garage. Buildout costs are currently budgeted at approximately \$1,000,000 for this space. The space will be built out according to the design plan shown in this report to warm, lit, vanilla box condition. In addition, PHN properties will completely renovate the Commerce Street Park with new landscaping, pavers, lighting, cameras and sidewalks. Budgeted renovation costs for the park are currently estimated at \$2,000,000 to \$2,500,000. The following chart shows the net position to each party of this proposed lease agreement incorporating the costs to be paid by PHN Properties and the benefit of each party's leasehold position.

Net Position		
Entity	PHN Properties	Metro Nashville
<i>Commerce Street Park</i>		
Benefit	\$210,000	\$0
Cost	(\$2,250,000)	\$0
<i>Fire Department Station</i>		
Benefit	\$0	\$1,170,000
Cost	(\$1,000,000)	\$0
Net Position	(\$3,040,000)	\$1,170,000

The analyses, opinions and conclusions communicated within this report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. USPAP defines an Extraordinary Assumption as, “an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions”. USPAP defines a Hypothetical Condition as, “that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis”.

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the report process to arrive at our opinions are fully discussed below. We advise the client to consider these issues carefully given the intended use of this report, as their use might have affected the assignment results.

Extraordinary Assumptions

This report is not contingent on any extraordinary assumptions.

Hypothetical Conditions

The hypothetical leasehold position involves the use of a hypothetical condition that the ground lease is executed according to the draft provided to us and described throughout this report. The hypothetical leasehold position of the fire station suite also involves the use of a hypothetical condition that the suite has been constructed according to the layout and preliminary plan provided to us and described throughout this report, when in fact it has not.

Reliance Language

The report is for the sole use of the Client; however, Client may provide only complete, final copies of the report in its entirety (but not component parts) to third parties who shall review such reports in connection with the intended use. Colliers Valuation & Advisory Services is not required to explain or testify as to results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the report prepared by Colliers Valuation & Advisory Services or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers Valuation & Advisory Services, by a party satisfactory to Colliers Valuation & Advisory Services. Colliers Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

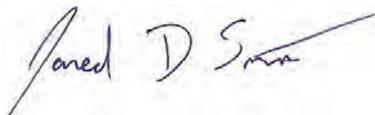
Colliers Valuation & Advisory Services hereby expressly grants to Client the right to copy the report and distribute it to other parties in the transaction for which the report has been prepared, if any.

Our opinion reflects current conditions and the likely actions of market participants. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on our conclusions.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the report. If you have any specific questions or concerns regarding the attached report, or if Colliers Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

Colliers Valuation & Advisory Services



Jared Smith, MAI
Valuation Services Director
Certified General Real Estate Appraiser
State of Tennessee License #3556
+1 615 850 3215
jared.smith@colliers.com



J. Patrick Gibson, MAI, CCIM
Executive Managing Director | Mid-South Region
Certified General Real Estate Appraiser
State of Tennessee License #4183
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Report Organization

Property and Assignment Overview

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Certification

Assumptions & Limiting Conditions

Addenda

- Engagement Letter
- Valuation Glossary
- Qualifications of Appraisers
- Qualifications of Colliers International Valuation & Advisory Services

Executive Summary

General Information

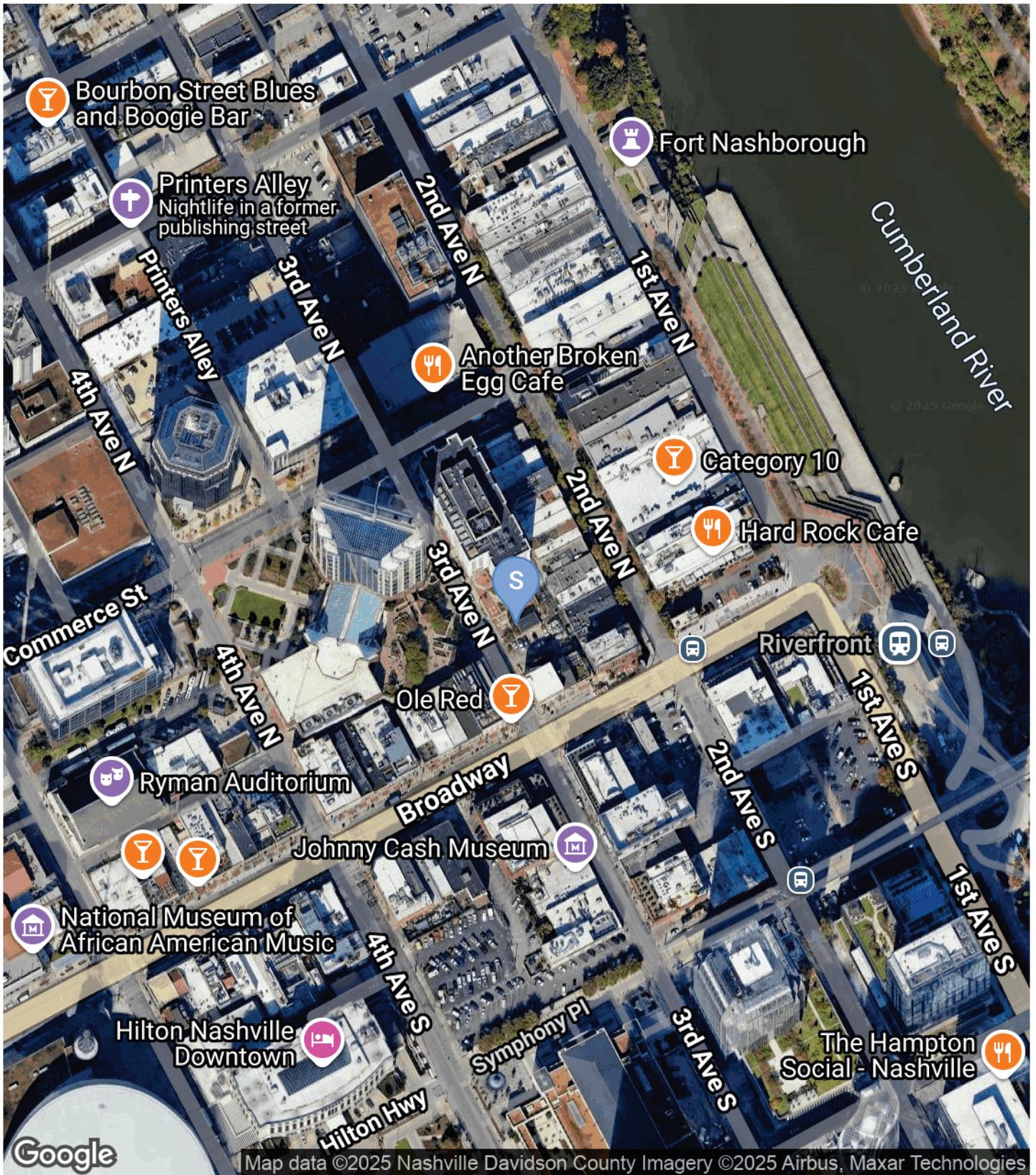
Property Name	Commerce Street Fire Department Station and Park
Property Type	Office - Mixed Use Office
Address	211 Commerce Street & 120 3rd Avenue N
City	Nashville
State	Tennessee
Zip Code	37201
County	Davidson
Core Based Statistical Area (CBSA)	Nashville-Davidson--Murfreesboro--Franklin, TN
Market	Nashville
Submarket	Downtown
Latitude	36.162107
Longitude	-86.776103
Number Of Parcels	2
Assessor Parcels	P/O 093-06-2-034.00 and 093-06-2-037.00
Total Taxable Value	\$20,074,000
Census Tract Number	195.03

Site Information

Land Area	Acres	Square Feet
211 Commerce Street	0.50	21,780
Unusable	0.00	0
120 3rd Avenue North	0.30	13,068
Surplus	0.00	0
Total	0.80	34,848
Topography	Level at street grade	
Shape	Irregular	
Access	Good	
Exposure	Good	
Current Zoning	Downtown Code District (DTC)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	Medium Risk	

Improvement Information

Fire Station SF (GBA)	2,155 SF
Fire Station SF (NRA)	2,155 SF
Parking Type	Garage
Number of Parking Spaces	6
Parking Ratio (Spaces/1,000SF NRA)	2.8/1,000 SF NRA





211 Commerce Exterior



211 Commerce Exterior



211 Commerce Exterior



211 Commerce Exterior



3rd Avenue North



3rd Avenue North



Commerce Street



Commerce Street



Fire Department Station Space



Fire Department Station Space



Fire Department Station Parking Spaces



Fire Department Station Parking Spaces



Commerce Street Park Plaza



Commerce Street Park Plaza



Commerce Street Park Plaza



Commerce Street Park Plaza



Commerce Street Park Plaza



Commerce Street Park Plaza

Property Identification

The subject is Commerce Street Fire Department Station a 2,155 SF office suite located at 211 Commerce Street and Commerce Street Park located at 120 3rd Avenue N in Nashville, Davidson County, Tennessee. The assessor's parcel numbers are: P/O 093-06-2-034.00 and 093-06-2-037.00.

A detailed legal description was not provided.

Sources of Information

The following sources were contacted to obtain relevant information:

Sources of Information	
Item	Source
Tax Information	Davidson County Tax Assessor
Zoning Information	City of Nashville Zoning Code
Site Size Information	Davidson County Tax Assessor
Fire Station Space Size Information	Design Development Drawing
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Draft Lease Agreements	Bill Doyle III - Herschend Enterprises
Fire Station Design Drawing	Bill Doyle III - Herschend Enterprises

Subject Property Inspection

The following table illustrates the Colliers International professionals involved with this report and their status related to the property inspection.

Subject Property Inspection			
Appraiser	Inspected	Extent	Date of Inspection
Jared Smith, MAI	Yes	Interior/Exterior	June 25, 2025
J. Patrick Gibson, MAI, CCIM	No	-	-

Client Identification

The client of this specific assignment is PNH Properties, LLC a TN Limited Liability Company.

Purpose

The purpose of this market study to develop an opinion of the net positions of each party in the proposed lease agreement for the fire department station suite and Commerce street Park.

Intended Use

The intended use of this report is to assist the client in making internal decisions making - to assist the client in negotiating a lease with Metro Nashville.

Intended Users

Intended users of this report include PNH Properties, LLC a TN Limited Liability Company and Herschend Enterprises. Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the report conclusions. Unless approval is provided by the authors no portion of the report stands alone.

Assignment Dates

Date of Report	June 30, 2025
Date of Inspection	June 25, 2025
Valuation Date - As-Is	June 25, 2025

Personal Intangible Property

No personal property or intangible items are included in this valuation.

Property and Sales History

Current Owner

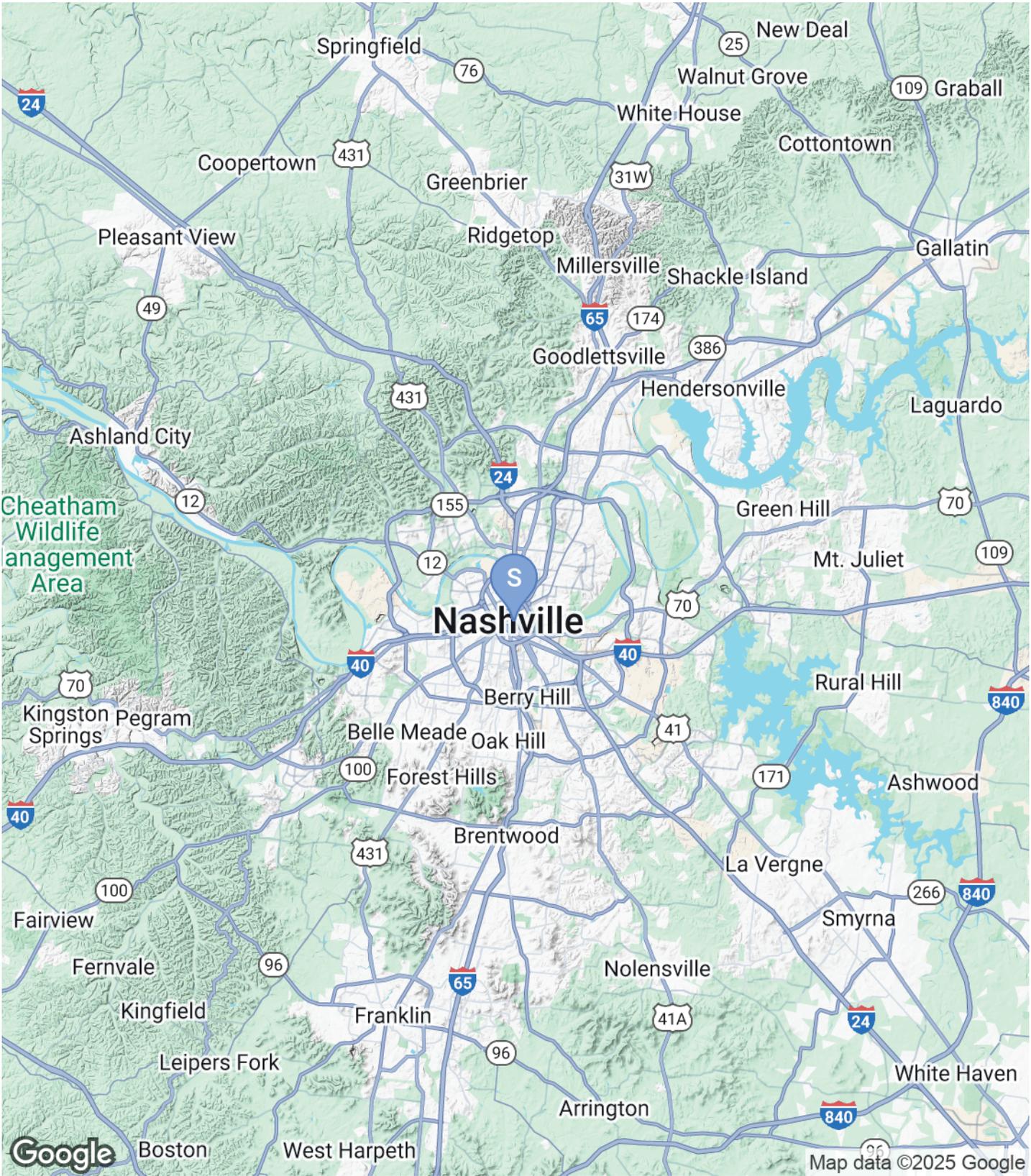
The subject title for Parcel 034.00 is currently recorded in the name of Pnh Properties LLC who acquired title to the property on November 30, 2023 as improved for \$75,000,000, as recorded in Document #202311300092640 of the Davidson County Deed Records. The subject title for Parcel 037.00 is currently recorded in the name of Metropolitan Development and Housing Agency, who acquired title to the property on September 24, 1991 as land for \$195,000, as recorded in document number 00008449-0000055 of the Davidson County Deed Records.

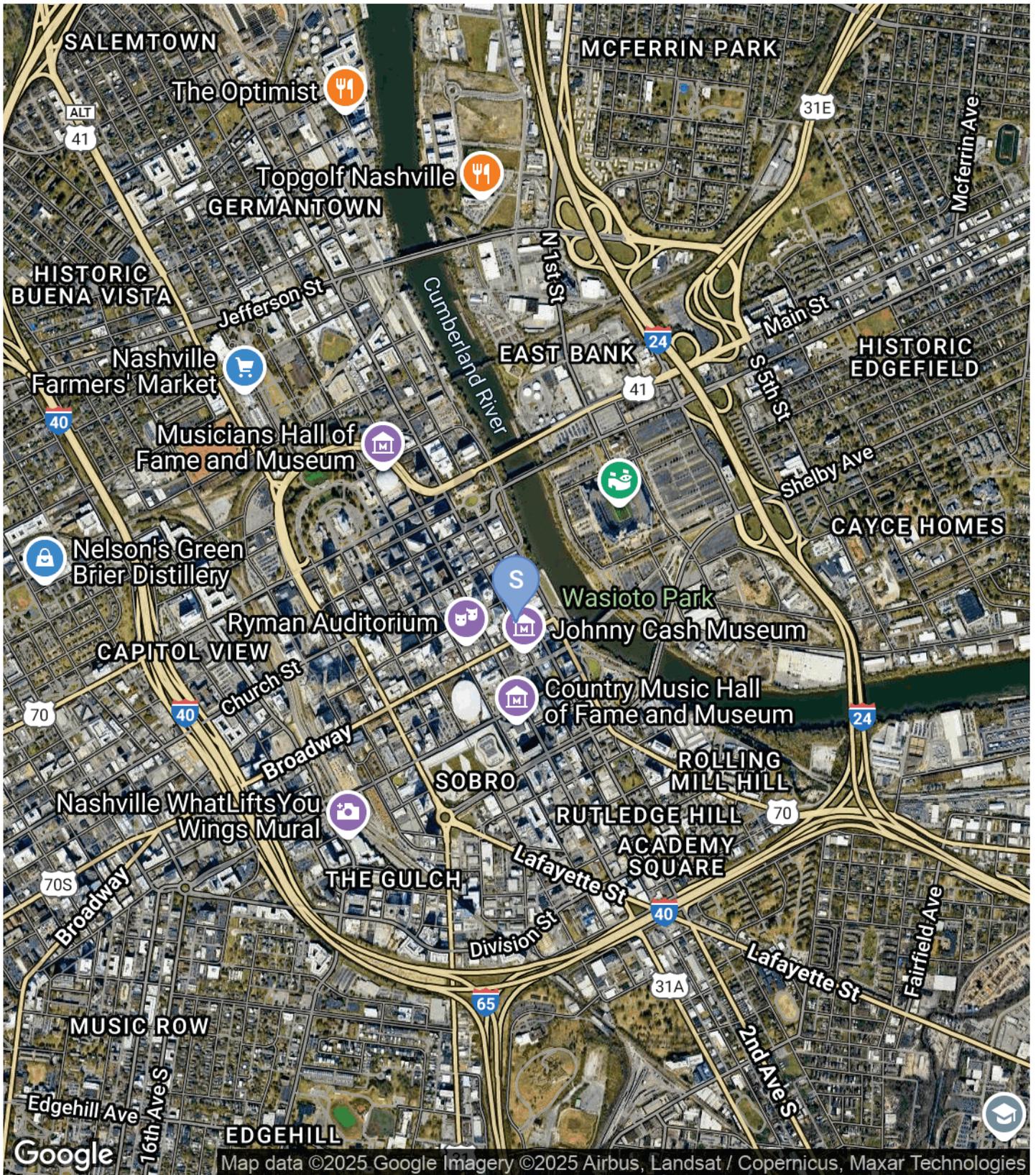
Three-Year Sales History

Parcel 034.00 in its entirety previously sold for \$75,000,000 on November 30, 2023. Based on discussions with the current owner and/or broker and a review of public records and private data services, the prior sale appears to have been an arm's-length transaction and was not impacted by any concessions.

Subject Sale Status

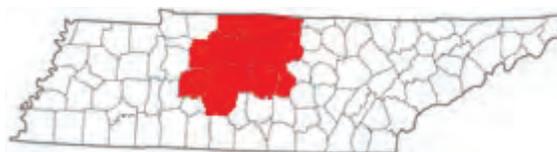
Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property is not under a current agreement of sale or option and is not currently offered for sale on the open market.





Regional Analysis

The Nashville-Davidson-Murfreesboro-Franklin, TN Metropolitan Statistical Area comprises 13 counties in north-central Tennessee. The MSA is anchored by the city of Nashville. Nashville is among the largest cities in Tennessee. The area is the 36th largest metropolitan area in the nation and the largest in the state, with a population of 1,989,519 at the 2020 census. The area is home to a diverse cluster of healthcare, publishing, banking, and transportation industries. Nashville is renowned as a music recording center and tourist destination, and its largest industry is healthcare. Real estate has become a significant engine for the area's economy. The state's two most important revenue sources are sales and property taxes.



Demographic Analysis

The following is a demographic study of the region sourced by Esri ArcGIS®, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

Regional Area Demographics							
Description	US	TN	Cbsa	Description	US	TN	Cbsa
Population				Housing Units			
2020 Population	331,839,624	6,924,826	2,023,966	Owner Occupied	84,133,084	1,935,051	556,639
2024 Population	338,440,954	7,204,409	2,189,414	Renter Occupied	46,583,487	951,230	298,850
2029 Population	344,873,411	7,465,737	2,359,959	Home Values			
2020-2024 CAGR	0.49%	0.99%	1.98%	Average	\$459,105	\$380,950	\$533,441
2024-2029 CAGR	0.38%	0.72%	1.51%	Median	\$355,577	\$313,673	\$432,404
Population Density				Average Household Income			
2024 Per Square Mile	95.8	174.7	347.4	2024	\$113,185	\$96,677	\$116,349
2029 Per Square Mile	97.6	181.1	374.5	2029	\$130,581	\$112,755	\$133,533
Number of Households				2024-2029 CAGR	2.90%	3.12%	2.79%
2024 Households	130,716,571	2,886,281	855,489	Median Household Income			
2029 Households	134,930,577	3,022,849	929,591	2024	\$79,068	\$69,015	\$83,639
2024-2029 CAGR	0.64%	0.93%	1.68%	2029	\$91,442	\$81,637	\$97,329
Average Household Size				2024-2029 CAGR	2.95%	3.42%	3.08%
2024	2.53	2.45	2.51	Per Capita Income			
2029	2.50	2.42	2.50	2024	\$43,829	\$38,807	\$45,561
2024-2029 CAGR	(0.24%)	(0.25%)	(0.08%)	2029	\$51,203	\$45,727	\$52,690
				2024-2029 CAGR	3.16%	3.34%	2.95%

Source: Esri ArcGIS®

Population

According to Esri ArcGIS®, a Geographic Information System (GIS) Company, the Nashville-Davidson-Murfreesboro-Franklin metropolitan area had a 2024 population of 2,189,414 and experienced an annual growth rate of 2.0%, which was higher than the Tennessee annual growth rate of 1.0%. The metropolitan area accounted for 30.4% of the total Tennessee population (7,204,409). Within the metropolitan area the population density was 347.4 people per square

mile compared to the lower Tennessee population density of 174.7 people per square mile and the lower United States population density of 95.8 people per square mile.

Education

The Nashville-Davidson-Murfreesboro-Franklin, TN MSA is served by several universities and colleges, including Middle Tennessee State University, Vanderbilt University and Tennessee State University. Middle Tennessee State University (MTSU) is a comprehensive coeducational public university in Murfreesboro. MTSU consists of eight undergraduate colleges and a college of graduate studies, offering approximately 80 majors and degree programs. The institution is accredited by the Southern Association of Colleges and Schools Commission on Colleges and has an annual enrollment of approximately 22,700 students.

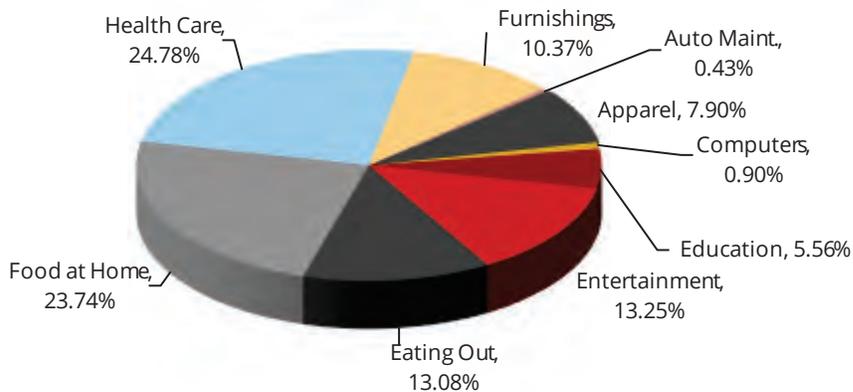
Household Trends

The 2024 Households number of households in the metropolitan area was 855,489. The number of households in the metropolitan area is projected to grow by 1.7% annually, increasing the number of households to 929,591 by 2029 Households. The 2024 average household size for the metropolitan area was 2.51, which was -0.79% smaller than the United States average household size of 2.53 for 2024. The average household size in the metropolitan area is anticipated to retract by 0.08% annually, reducing the average household size to 2.5 by 2029. The Nashville-Davidson-Murfreesboro-Franklin metropolitan area had 34.93% renter occupied units, compared to the lower 32.96% in Tennessee and the higher 35.64% in the United States.

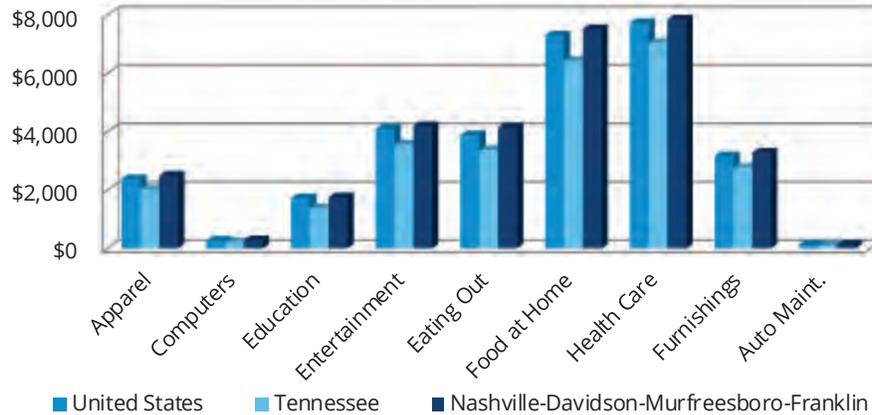
Income Trends

The 2024 median household income for the metropolitan area was \$83,639, which was 5.78% higher than the United States median household income of \$79,068. The median household income for the metropolitan area is projected to grow by 3.08% annually, increasing the median household income to \$97,329 by 2029. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Nashville-Davidson--Murfreesboro--Franklin, TN MSA's cost of living is 98.8 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

Consumer Spending Nashville-Davidson-Murfreesboro-Franklin



Consumer Spending Comparison Average Household



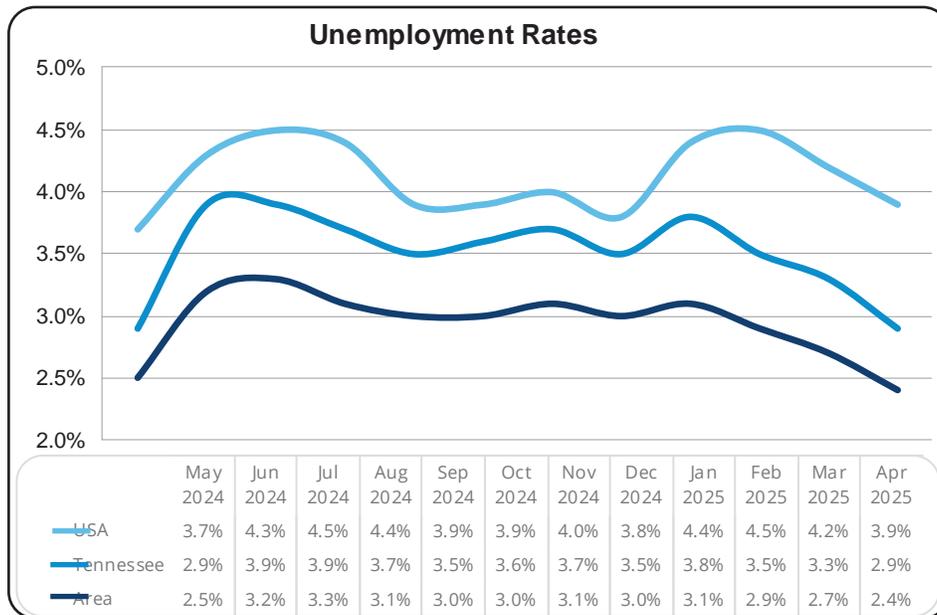
Employment

Total employment has increased annually over the past decade in the state of Tennessee by 1.4% and increased annually by 2.5% in the area. From 2023 to 2024 unemployment increased in Tennessee by 0.2% and increased by 0.2% in the area. In the state of Tennessee unemployment has decreased over the previous month by 0.4% and decreased by 0.3% in the area.

Employment & Unemployment Statistics 2015 - 2024

Year	Total Employment				Unemployment Rate		
	Tennessee		Nashville-Davidson--Murfreesboro--Franklin, TN Metropolitan Area		United States*	Tennessee	Nashville-Davidson--Murfreesboro--Franklin, TN Metropolitan
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2015	2,907,967	1.9%	900,389	3.3%	5.3%	5.5%	4.5%
2016	2,987,176	2.7%	935,633	3.9%	4.9%	4.7%	3.8%
2017	3,068,306	2.7%	978,438	4.6%	4.4%	3.7%	3.0%
2018	3,136,967	2.2%	1,015,776	3.8%	3.9%	3.5%	2.7%
2019	3,218,077	2.6%	1,054,391	3.8%	3.7%	3.3%	2.6%
2020	3,049,480	(5.2%)	996,282	(5.5%)	8.1%	7.4%	7.1%
2021	3,168,586	3.9%	1,051,245	5.5%	5.3%	4.5%	3.8%
2022	3,248,260	2.5%	1,096,154	4.3%	3.6%	3.4%	2.8%
2023	3,270,602	0.7%	1,112,862	1.5%	3.6%	3.2%	2.6%
2024	3,303,023	1.0%	1,128,079	1.4%	4.0%	3.4%	2.8%
CAGR	1.4%	-	2.5%	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate



The preceding chart depicts unemployment trends in the region, Tennessee, and the U.S. Overall levels of unemployment in the region experienced a minor decrease throughout the past three months. By the end of April 2025, unemployment in the region was 0.5% lower than Tennessee's and 1.5% lower than the national average.

Top Employers		
Employer Name	Employees	Industry
Vanderbilt University	39,171	Education
HCA Healthcare, Inc.	27,694	Healthcare/Social Assistance
State of Tennessee	27,308	Public Administration
Metro Nashville-Davidson County	21,353	Public Administration
U.S. Government	14,141	Public Administration
Nissan North America	11,000	Manufacturing
Ascension Saint Thomas	9,104	Healthcare/Social Assistance
Amazon.com	8,400	Wholesale/Retail Trade
The Kroger Company	8,100	Wholesale/Retail Trade
Western Express, Inc.	4,521	Transportation/Warehousing

Source: <https://www.nashville.gov>

The preceding chart depicts the top employers in the Nashville-Davidson--Murfreesboro--Franklin, TN MSA. Principal employers are spread throughout diverse sectors, including education, healthcare/social assistance, and public administration. The largest employer is Vanderbilt University, a private research university in Nashville. The university has an annual enrollment of approximately 12,500 students and an endowment of \$3,822 billion. The second largest employer is HCA Healthcare, Inc., a for-profit health care options facilitator headquartered in Nashville. The third largest employer is the state of Tennessee, with 27,308 employees. With Nashville being Tennessee's capital city and the seat of Davidson County, the county has a higher-than-average percentage of its workforce employed in state and county government.

Airport Statistics

The following chart summarizes the local airport statistics.

Nashville International Airport (BNA)		
Year	Enplaned Passengers	% Chg
2013	5,050,989	-
2014	5,396,958	6.8%
2015	5,708,852	5.8%
2016	6,338,517	11.0%
2017	6,902,771	8.9%
2018	8,017,347	16.1%
2019	8,935,654	11.5%
2020	4,013,995	(55.1%)
2021	7,594,049	89.2%
2022	9,829,062	29.4%
2023	11,227,243	14.2%

Source: U.S. Department of Transportation

Summary

The Nashville-Davidson--Murfreesboro--Franklin, TN MSA benefits from a diverse economy. Known as the home of country music, Nashville is a significant music recording and production hub. Healthcare, government, and educational services have remained the largest employers in the region. The Nashville metropolitan area continually ranks high in national surveys due to its business-friendly environment, relatively low cost of living, and cultural vibrancy. This should have a positive impact and will benefit the regional economy for years to come.

Local Area Analysis

In this section of the report, we provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.

Local Area Profile

The subject property is located in Nashville, Tennessee, within Davidson County. Nashville is the state capital, with a population of 689,447 at the 2020 census. The city is bordered by Springfield to the north, Lebanon to the east, Franklin to the south, and Clarksville to the northwest. The Cumberland River passes through Nashville and the J. Percy Priest Reservoir is in the southeastern portion of the city. Nashville is served by Interstates 24, 40, and 65 and U.S. Routes 41, 70, and 431. Air transportation is provided by Nashville International Airport, approximately eight miles east of the city's central business district.

Demographic Profile

Below is a demographic study of the area, sourced by Esri ArcGIS®, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

Local Area Demographics

Description	1 mile	3 miles	5 miles	Description	1 mile	3 miles	5 miles
Population				Average Household Income			
2010 Population	8,741	96,171	209,918	2024	\$125,474	\$116,486	\$119,457
2020 Population	14,885	118,453	241,674	2029	\$142,496	\$134,548	\$137,909
2024 Population	18,118	129,313	258,108	Change 2024-2029	13.57%	15.51%	15.45%
2029 Population	28,034	158,004	291,349	Median Household Income			
Change 2010-2020	70.29%	23.17%	15.13%	2024	\$84,868	\$69,436	\$72,469
Change 2020-2024	21.72%	9.17%	6.80%	2029	\$97,119	\$83,894	\$86,467
Change 2024-2029	54.73%	22.19%	12.88%	Change 2024-2029	14.44%	20.82%	19.32%
Number of Households				Per Capita Income			
2010 Households	3,615	37,739	86,409	2024	\$74,622	\$55,765	\$54,766
2020 Households	8,540	53,710	107,317	2029	\$89,280	\$67,136	\$64,909
2024 Households	10,870	60,581	117,191	Change 2024-2029	19.64%	20.39%	18.52%
2029 Households	17,679	77,689	136,155	Households by Income (2022)			
Change 2010-2020	136.24%	42.32%	24.20%	Less than \$15,000	12.32%	14.38%	11.42%
Change 2020-2024	27.28%	12.79%	9.20%	\$15,000 - \$24,999	7.02%	7.71%	6.91%
Change 2024-2029	62.64%	28.24%	16.18%	\$25,000 - \$34,999	4.68%	7.12%	7.48%
Housing Units				\$35,000 - \$49,999	10.28%	9.96%	11.24%
Owner Occupied	1,595	17,421	48,029	\$50,000 - \$74,999	15.68%	16.72%	16.56%
Renter Occupied	9,275	43,160	69,162	\$75,000 - \$99,999	10.74%	10.67%	11.07%
Housing Units by Year Built				\$100,000 - \$149,999	19.76%	13.60%	14.68%
Built 2020 or Later	434	1,755	2,643	\$150,000 - \$199,999	7.29%	7.56%	7.78%
Built 2010 to 2019	6,003	21,200	29,310	\$200,000 or More	12.21%	12.27%	12.87%
Built 2000 to 2009	2,120	7,826	11,218	Housing by Units in Structure			
Built 1990 to 1999	306	2,926	7,095	1, Detached	585	19,183	53,276
Built 1980 to 1989	233	3,224	9,371	1, Attached	130	4,110	8,629
Built 1970 to 1979	232	4,183	12,990	2	63	2,585	5,622
Built 1960 to 1969	573	5,169	13,280	3 or 4	107	2,788	4,670
Built 1950 to 1959	485	3,892	13,452	5 to 9	682	3,843	6,489
Built 1940 to 1949	105	2,902	7,568	10 to 19	585	3,782	8,229
Built 1939 or Earlier	723	9,791	16,192	20 to 49	174	2,858	5,843
Home Values				50 or More	8,820	23,224	28,758
Average	\$631,392	\$685,574	\$666,567	Mobile Home	68	484	1,542
Median	\$551,290	\$594,289	\$559,866	Boat, RV, Van, etc.	0	13	59

Source: Esri ArcGIS®

Transportation Routes

Major traffic arteries are shown in the chart below:

Major Roadways & Thoroughfares

Highway	Direction	Function	Distance From Subject
Interstate 40	east-west	Interstate Highway	This is within a mile of the subject property.
Interstate 24	east-west	Interstate Highway	This is within a mile of the subject property.
US Route 70	east-west	Local Highway	This is within a quarter mile of the subject property
US Route 41	north-south	Local Highway	This is within a half mile of the subject property.
Surface Streets	Direction	Function	Distance From Subject
Commerce Street	east-west	Secondary Arterial	The subject property fronts this street.
3rd Avenue North	north-south	Secondary Arterial	The subject property fronts this street.

Public transportation is available near the subject property. The immediate area is served by the Nashville Metropolitan Transit Authority, with bus stops on Commerce Street.

Economic Factors

Nashville has long been a regional employment center. The city is known for being a music recording and production hub and has been called the home of country music. The Music Row area has offices of notable record labels, including Universal Music Group, Sony Music Entertainment, and Warner Music Group, as well as independent labels. Gibson,

a manufacturer of musical instruments, has its headquarters in Nashville. One of the main industries in Nashville is healthcare, with approximately 300 companies in the city, including the Hospital Corporation of America, the world's largest private operator of hospitals. The city is home to many Fortune 500 companies, including Bridgestone, Dell, Dollar General, Tractor Supply Co.

Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages).

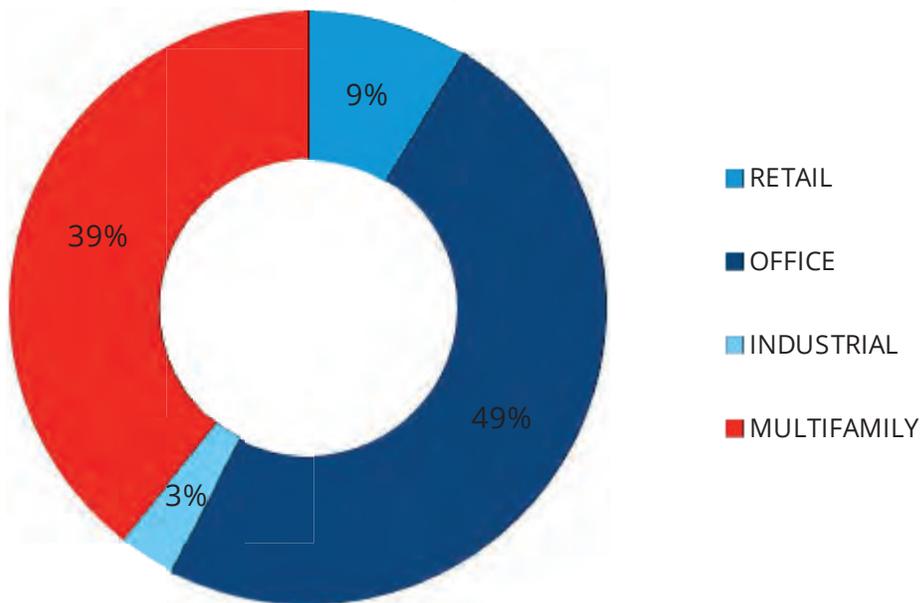
Immediate Area Profile

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

Predominant Land Uses

The local area has a mix of commercial uses nearby and the composition is shown in the following graph.

Commercial Area Composition



©CoStar

Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

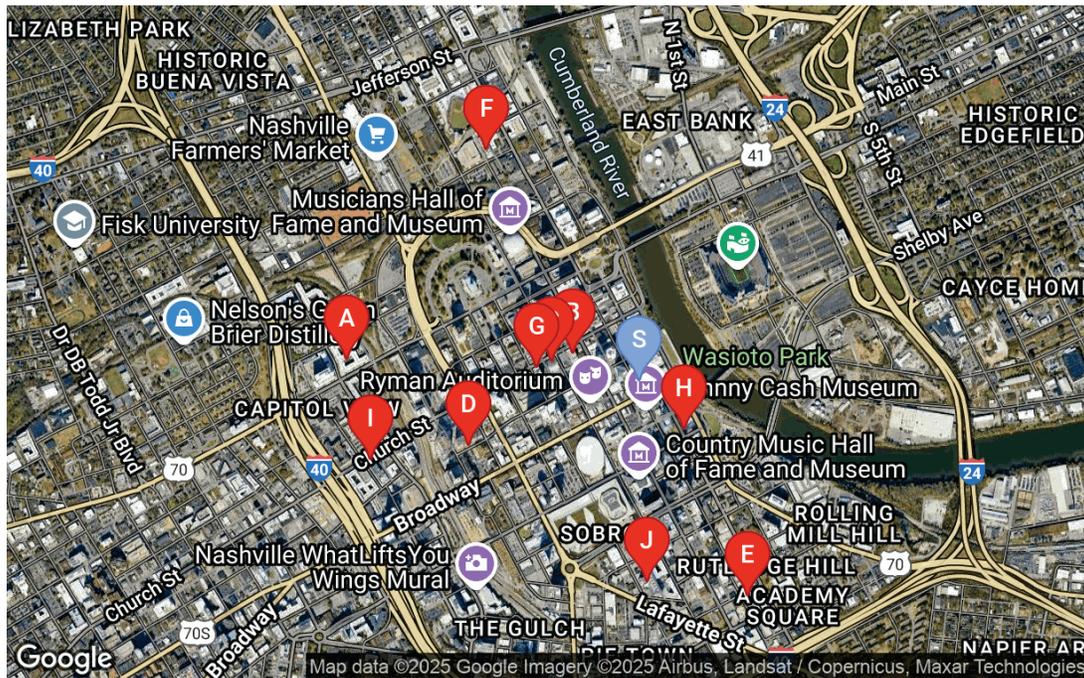
Multifamily Summary			
Class	Properties	NRA (SF)	Avg Yr Blt
A	26	11,094,070	2018
B	21	1,704,933	1974
C	6	397,094	1923
Total	53	13,196,097	1990

Source: CoStar

The three largest multi-family properties are at 1015 Nelson Merry Street, 415 Church Street and 505 Church Street with an NRA of 902,232 SF, 718,860 SF and 660,869 SF that were built in 2018, 2006 and 2017, respectively. The closest large multi-family property in proximity to the subject is at 160 2nd Avenue South with an NRA of 500,000 SF that was built in 2022. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

Largest Multifamily Properties						
Name	Distance	Map Pin	Class	NRA (SF)	Stories	Year Built
Capitol View	0.8 Miles	A	A	902,232	4	2018
The Viridian	0.2 Miles	B	A	718,860	31	2006
505 Nashville	0.2 Miles	C	A	660,869	29	2017
Nashville Yards	0.5 Miles	D	A	650,000	36	2024
LC SoBro	0.7 Miles	E	A	625,000	10	2020
The Starling	0.7 Miles	F	A	578,747	7	2024
Cumberland on Church	0.3 Miles	G	A	563,544	20	1998
Four Seasons Residences SoBro	0.2 Miles	H	A	500,000	40	2022
1111 Church	0.8 Miles	I	A	489,992	25	2023
Sentral SoBro	0.5 Miles	J	A	446,898	12	2022

Source: CoStar



Retail Development

The following chart shows a summary of retail data by type in the immediate area from CoStar.

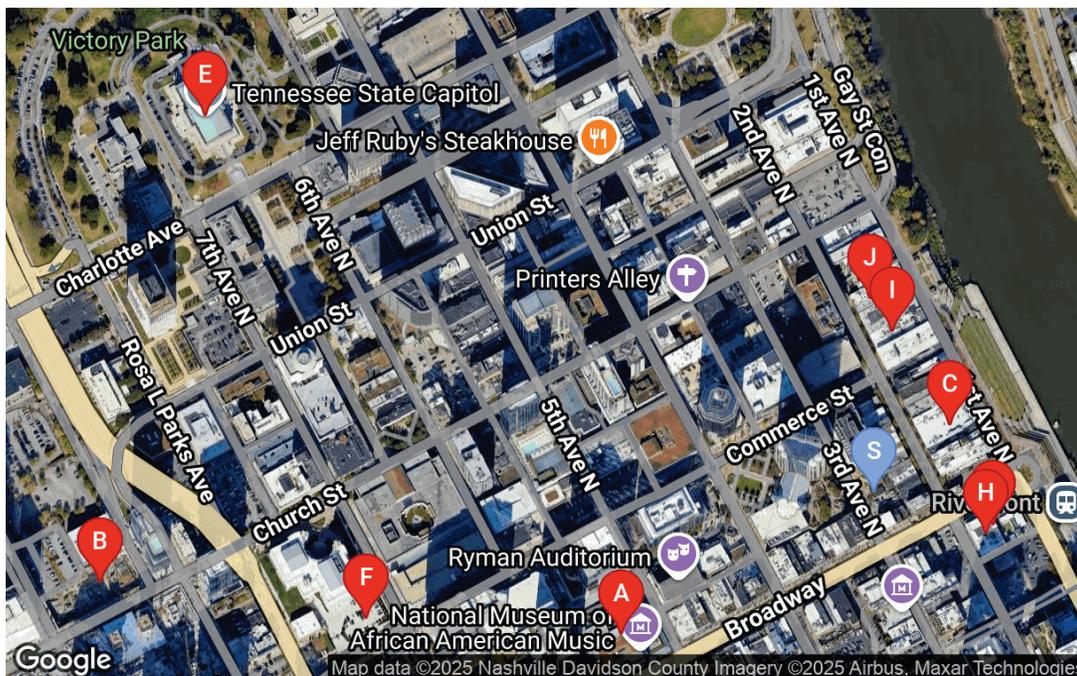
Retail Summary					
Type	Properties	NRA (SF)	Avg Yr Blt	Occupancy	Avg Rent
General Retail	208	2,922,967	1937	97.2	\$36.00
Total	208	2,922,967	1937	97.2	\$36.00

Source: CoStar

The three largest retail properties are at 500 Broadway, 1000 Church Street and 120 2nd Avenue North with an NRA of 248,000 SF, 205,234 SF and 66,000 SF that were built in 2020, 1972 and 1994, respectively. The closest large retail property in proximity to the subject is at 120 2nd Avenue North. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

Largest Shopping Centers							
Name	Distance	Map Pin	Type	NRA (SF)	% Leased	Year Built	Avg Rent
Fifth + Broadway	0.2 Miles	A	General Retail	248,000	100.0	2020	N/Av
YMCA of Middle Tennessee	0.5 Miles	B	General Retail	205,234	100.0	1972	N/Av
Wildhorse Saloon	0.1 Miles	C	General Retail	66,000	100.0	1994	N/Av
YMCA Expansion	0.5 Miles	D	General Retail	60,000	100.0	2025	N/Av
Retail Building	0.5 Miles	E	General Retail	59,882	100.0	1940	N/Av
Retail Building	0.4 Miles	F	General Retail	57,120	100.0	1935	N/Av
Basin Alley Building	0.1 Miles	G	General Retail	52,325	100.0	1935	N/Av
Retail Building	0.1 Miles	H	General Retail	50,303	71.2	1930	N/Av
Retail Building	0.1 Miles	I	General Retail	48,000	100.0	1860	N/Av
Rhea Bldg	0.1 Miles	J	General Retail	45,776	100.0	1880	N/Av

Source: CoStar



Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

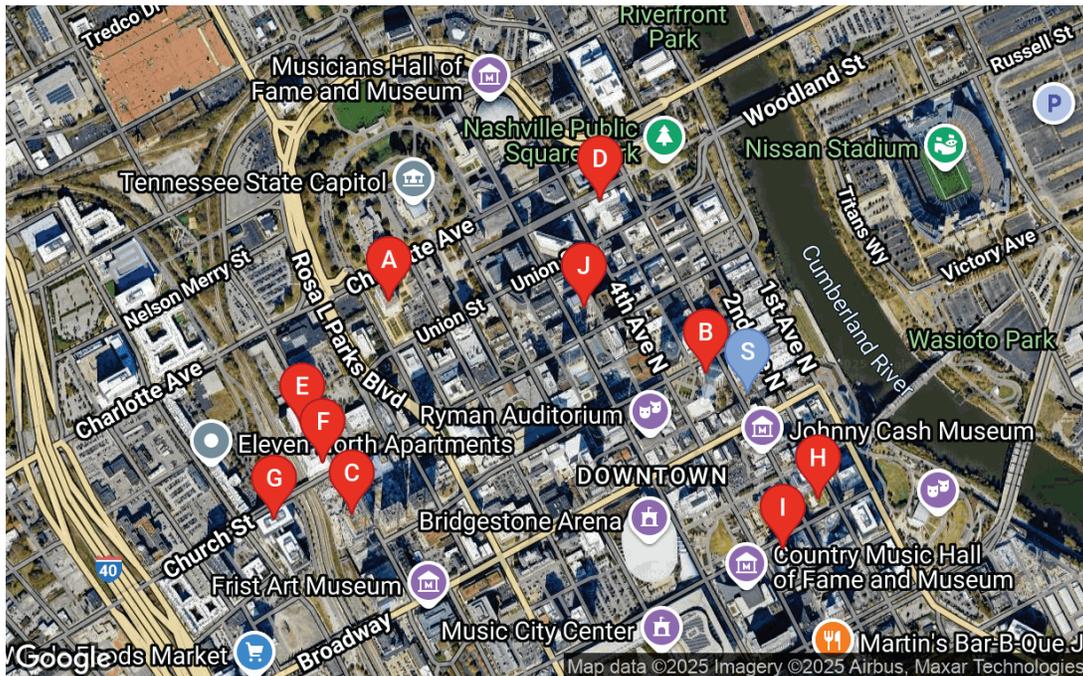
Office Summary					
Class	Properties	NRA (SF)	Avg Yr Blt	Occupancy	Avg Rent
A	22	9,165,389	1995	83.6	\$32.29
B	73	3,969,454	1938	94.4	\$32.81
C	80	3,275,953	1933	97.4	\$27.75
Total	175	16,410,796	1943	94.4	\$30.43

Source: CoStar

The three largest office properties are at 312 Rosa L Parks Avenue, 333 Commerce Street and 21 Platform Way South with an NRA of 831,400 SF, 765,624 SF and 742,241 SF that were built in 1969, 1994 and 2024, respectively. The closest large office property in proximity to the subject is at 333 Commerce Street. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

Largest Office Buildings							
Name	Distance	Map Pin	Class	NRA (SF)	% Leased	Year Built	Avg Rent
William R. Snodgrass Tennessee	0.5 Miles	A	C	831,400	100.0	1969	N/Av
333 Commerce	0.1 Miles	B	A	765,624	62.9	1994	N/Av
Nashville Yards Pinnacle Tower	0.6 Miles	C	A	742,241	67.1	2024	N/Av
UBS Tower	0.3 Miles	D	A	711,102	72.9	1974	\$35.56
Nashville Yards	0.6 Miles	E	A	595,123	100.0	2024	N/Av
Nashville Yards	0.6 Miles	F	A	553,000	100.0	2021	N/Av
Asurion	0.7 Miles	G	A	550,619	100.0	2021	N/Av
Symphony Place	0.2 Miles	H	A	520,000	67.8	2010	N/Av
Bridgestone Tower	0.2 Miles	I	A	514,000	100.0	2017	N/Av
Fifth Third Center	0.3 Miles	J	A	487,424	54.9	1986	\$36.57

Source: CoStar



Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

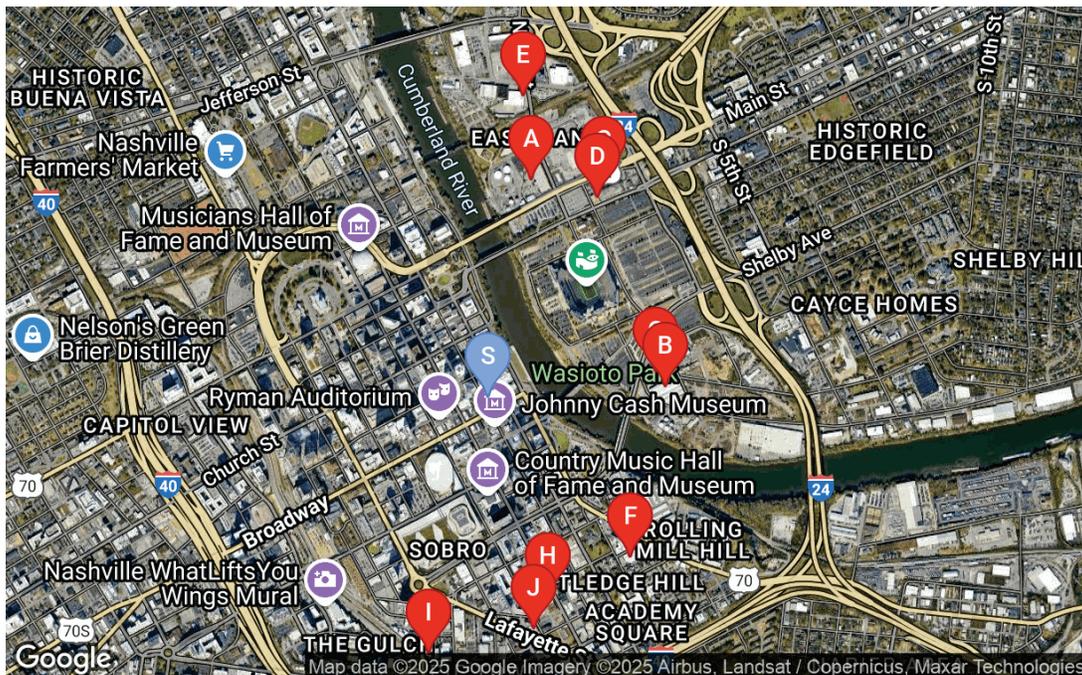
Industrial Summary					
Type	Properties	NRA (SF)	Avg Yr Blt	Occupancy	Avg Rent
Industrial	48	954,763	1960	100.0	-
Flex	7	89,197	1974	85.7	\$45.00
Total	55	1,043,960	1962	98.2	\$45.00

Source: CoStar

The three largest industrial properties are at 110 North 1st Street, 710 South 2nd Street and 200 Main Street with an NRA of 102,480 SF, 100,000 SF and 78,000 SF that were built in 1920, 1957 and 1966, respectively. The closest large industrial property in proximity to the subject is at 610 South 2nd Street with an NRA of 39,437 SF that was built in 1957. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

Largest Industrial Properties							
Name	Distance	Map Pin	Type	NRA (SF)	% Leased	Year Built	Avg Rent
Industrial Building	0.6 Miles	A	Industrial	102,480	100.0	1920	N/Av
Industrial Building	0.5 Miles	B	Industrial	100,000	100.0	1957	N/Av
Industrial Building	0.7 Miles	C	Industrial	78,000	100.0	1966	N/Av
Industrial Building	0.6 Miles	D	Industrial	78,000	100.0	1900	N/Av
Industrial Building	0.8 Miles	E	Industrial	60,054	100.0	1970	N/Av
Industrial Building	0.6 Miles	F	Industrial	43,066	100.0	1978	N/Av
Industrial Building	0.5 Miles	G	Industrial	39,437	100.0	1957	N/Av
Industrial Building	0.6 Miles	H	Industrial	32,924	100.0	1969	N/Av
Industrial Building	0.7 Miles	I	Industrial	32,254	100.0	1928	N/Av
Industrial Building	0.6 Miles	J	Industrial	26,361	100.0	1959	N/Av

Source: CoStar



Subject Property Analysis

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North** - Commerce Street, Parking Garage
- › **South** - Mixed-use: Office/Retail
- › **East** - Retail: The Stillery, BigShotz, 117 2nd Avenue South,
- › **West** - 3rd Avenue North, Office: 333 Commerce Street

Access

The subject site has frontage on an arterial. Based on our field work, the subject's access is rated good compared to other properties with which it competes.

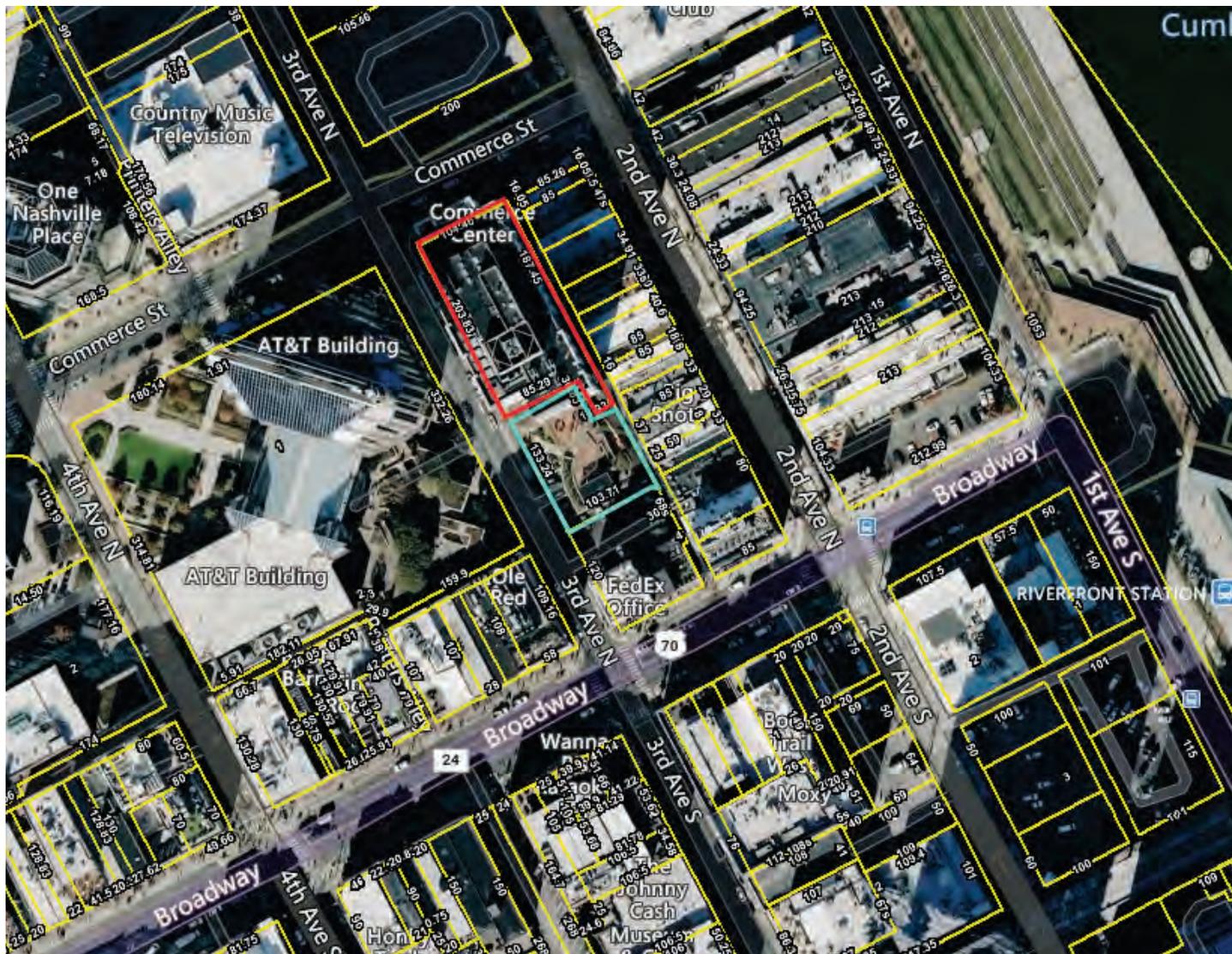
Visibility

The subject is clearly visible in both directions along the street. The visibility of the property is not hampered by adjacent properties, trees or other obstructions. In comparison to competitive properties, the subject property has good visibility.

Summary

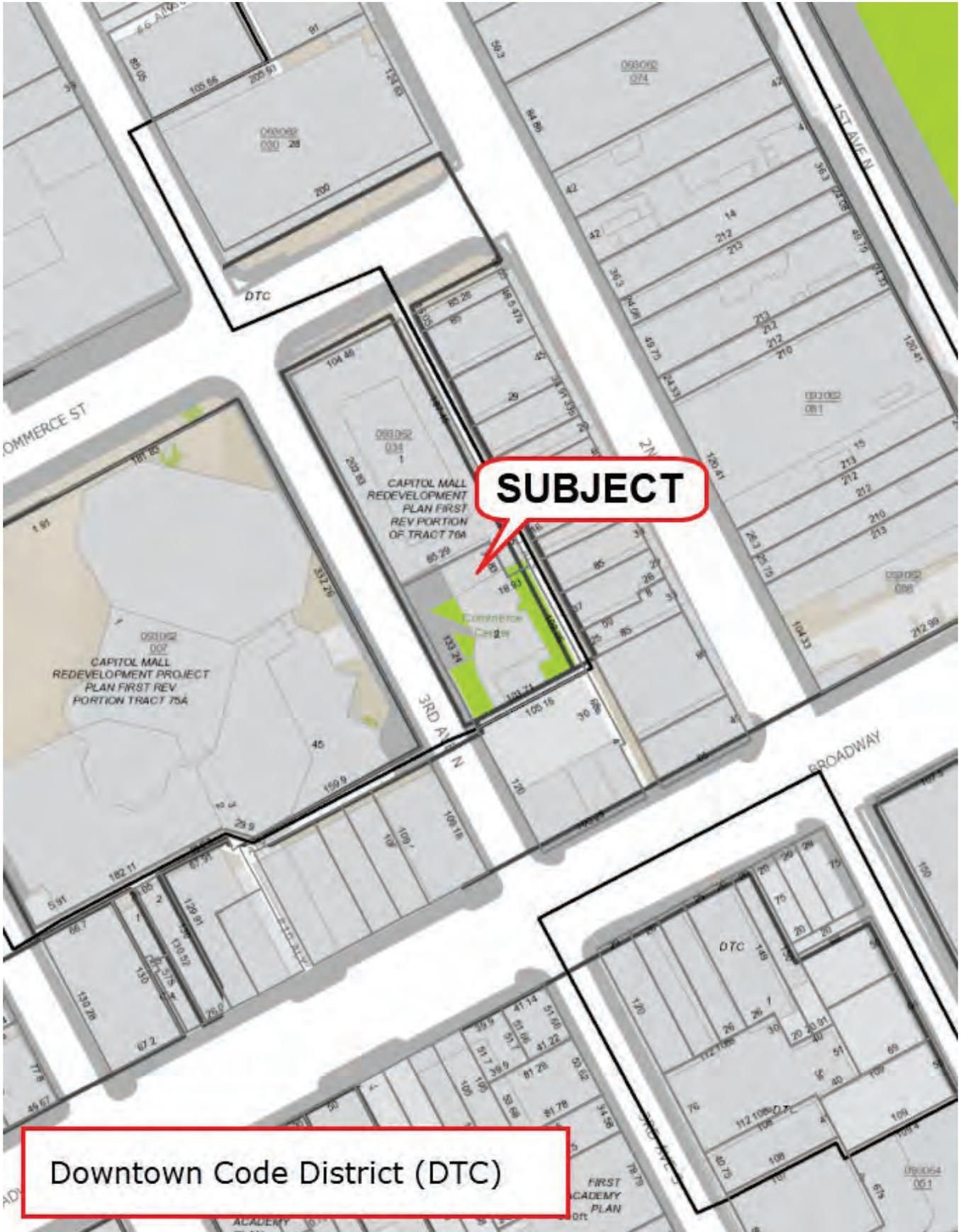
With a strong and diverse economy, Nashville is home to a broad base of industries, serving as the backbone for the city's economy and its continued growth. Its business-driven environment and strategic location will continue to attract business expansion. Real estate in the Nashville area market should ultimately enjoy relative strength in terms of value stability and appreciation for the foreseeable future.

Plat Map



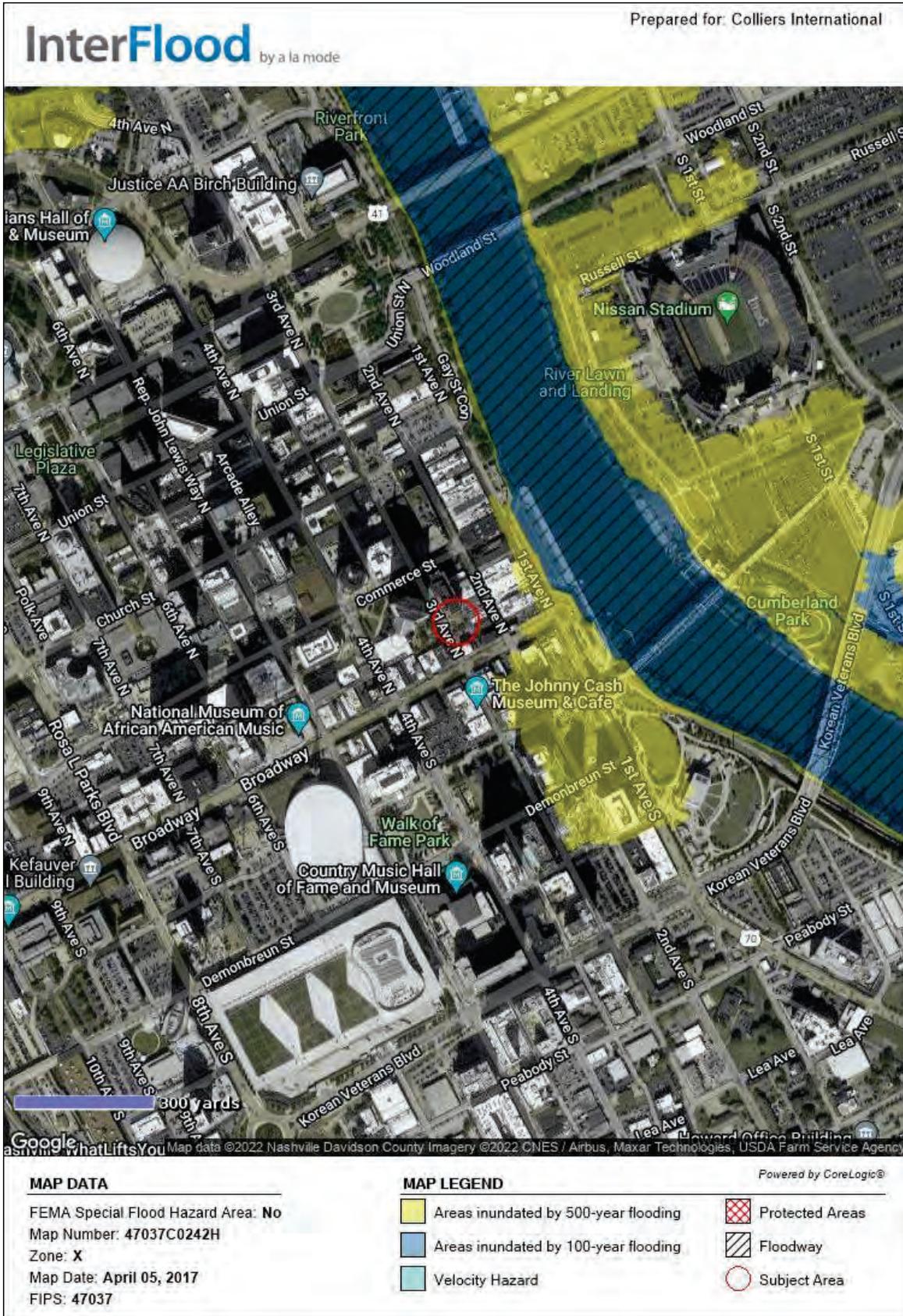
The parent parcel for the fire station space is outlined in red while the park parcel is outlined above in teal.

Zoning Map



Downtown Code District (DTC)

Flood Map



General Description

The subject site consists of 2 parcels. As noted below, the subject site has 34,848 SF (0.80 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements.

Assessor Parcels

See Multiple Parcel Chart For Breakdown

Number Of Parcels

2

Land Area

	Acres	Square Feet
211 Commerce Street	0.50	21,780
Unusable Land	0.00	0
120 3rd Avenue North	0.30	13,068
Surplus Land	0.00	0
Total Land Area	0.80	34,848

211 Commerce Street

0.50 21,780

Unusable Land

0.00 0

120 3rd Avenue North

0.30 13,068

Surplus Land

0.00 0

Total Land Area

0.80 34,848

Shape

See Multiple Parcel Chart For Breakdown

Topography

Level at street grade

Drainage

Assumed Adequate

Utilities

All available to the site

Street Improvements

Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetlights	Center Lane	Gutters
Commerce Street	two-way	three-lane	minor arterial	✓	✓	✓	✓	✓
3rd Avenue North	two-way	two-lane	minor arterial	✓	✓	✓	✓	✓

Frontage

The subject has adequate frontage on Commerce Street and 3rd Avenue North.

Accessibility

The accessibility of the subject is rated as good. The subject is accessed from two streets, with the main entrance and primary point of ingress/egress being 3rd Avenue North. is a major transportation arterial within proximity to the subject, providing linkage to the surrounding area.

Exposure

The subject has good exposure, as it is located along a minor arterial. The project's exposure rating takes into account its average visibility and its average traffic count.

Seismic

Medium Risk

Flood Zone

Zone X (Unshaded). This is referenced by Community Number 470040, Panel Number 47037C0242H, dated April 05, 2017. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)

Site Rating

Overall, the subject site is considered a good site in terms of its location, exposure, and access recognizing its location in the heart of Downtown Nashville's Central Business District. PHN Properties will completely renovate the Commerce Street Park with new landscaping, pavers, lighting, cameras and sidewalks. Budgeted renovation costs for the park are currently estimated at \$2,000,000 to \$2,500,000.

Easements

A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This report assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Soils

A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Hazardous Waste

We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

Multiple Parcel Site Description Grid

Parcel	Total		Address
	SF	AC	
P/O 093-06-2-034.00	21,780	0.50	211 Commerce Street
093-06-2-037.00	13,068	0.30	120 3rd Avenue North
Total	34,848	0.80	

Introduction

The information presented below is a basic description of the improvements using sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted.

Design

The proposed fire department station space will be created out of 2,155 square feet on parking level 1. The space will be just off the north elevator bank and with a preliminary layout including a supervisor office, open office area, conference room, break room, men's and women's locker rooms and storage area.

Parking

The fire station will also receive 6 dedicated parking spaces. This provides a parking ratio of 2.8 spaces per 1,000 SF for this suite which is good for a downtown office user.

Deferred Maintenance

The space is currently in raw shell condition but will be built out by the owner of the 211 Commerce Street building for the use by Metro Nashville Government according to the proposed lease agreement described in this report. Buildout costs are currently budgeted at approximately \$1,000,000 for this space. The space will be built out according to the design plan shown in this report to warm, lit, vanilla box condition. Upon completion, the subject will be in new condition with no deferred maintenance. Please see Hypothetical Conditions.

Introduction

The subject property is located within the Davidson County municipality. The assessed value and property tax for the current year are summarized in the following table.

Assessment & Taxes							
Tax Year	2024			Tax Rate	3.3834%		
Tax Rate Area	CBID			Taxes Current	Yes		
Taxes SF Basis	Net Rentable Area						
APN	Land	Impv	Personal	Total	Exemptions	Taxable	Base Tax
P/O 093-06-2-034.0	\$7,623,000	\$42,562,000	\$0	\$50,185,000	\$0	\$20,074,000	\$679,184
093-06-2-037.00	\$4,573,800	\$25,900	\$0	\$4,599,700	\$4,599,700	\$0	\$0
Totals	\$12,196,800	\$42,587,900	\$0	\$54,784,700	\$4,599,700	\$20,074,000	\$679,184
Total/SF	\$5,659.77	\$19,762.37	\$0.00	\$25,422.13	\$2,134.43	\$9,315.08	\$315.17
Total Base Tax							\$679,184
Total Base Tax Per SF							\$315.17

Source: Davidson County Assessment & Taxation

Subject Property Analysis

The total assessment for the subject property is \$54,784,700 or \$25,422.13/SF. The subject property benefits from an exemption in the amount of \$4,599,700, reducing the taxable assessment to \$20,074,000 or \$9,315.08/SF. Parcel 037.00 is owned by the city and is therefore exempt from property taxes. Total taxes for the property are \$679,184 or \$315.17/SF.

As part of the scope of work, we researched assessment and tax information related to the subject property. The following are key factors related to local assessment and taxation policy. Commercial real property in Davidson County is assessed at 40% of the tax appraisal. Real property is reassessed every 4 years. The next scheduled reassessment date is January 1, 2029. In addition to scheduled reassessments, properties in Davidson County are reassessed upon conversion, renovation or demolition. A sale does not trigger an automatic reassessment.

According to the Davidson County Assessor’s Office, real estate taxes for the subject property are current as of the date of this report.

The zoning characteristics for the subject property are summarized below:

Zoning Summary	
Municipality Governing Zoning	City of Nashville Planning & Zoning Department
Current Zoning	Downtown Code District (DTC)
Subdistrict	Core Subdistrict
Permitted Uses	Permitted uses within this zoning district primarily include parks, office, retail, hotels, multi-family, mixed-use.
Prohibited Uses	Industrial
Current Use	Mixed Use Office and Outdoor Plaza
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely

Zoning Requirements	
Conforming Use	The subject's improvements represent a legal, conforming use.
Minimum Facade Width On Primary Street	80%
Minimum Facade Width On Secondary Street	80%
Minimum Facade Width On Tertiary Street	60%
Minimum Building Depth From Building Facade (Feet)	15
Maximum Building Height	30 Stories
Parking Requirement	No parking is required in the boundaries of the DTC

Source: City of Nashville Planning & Zoning Department

Zoning Conclusions

Based on the interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed.

Introduction

This section provides a study of office supply/demand conditions for the Nashville Market and Downtown Submarket.

Nashville Office Market

The following is an analysis of supply/demand trends in the Nashville Office market using information provided by CoStar, widely recognized as a credible source for tracking market statistics. The table below presents historical data for key market indicators.

Nashville Historical Statistics (Last Ten Years)					
Period	Supply	Added Supply	Net Absorption	Vacancy	Asking Rent
2015	90,212,694 SF	745,690 SF	2,107,538 SF	6.9%	\$21.46/SF
2016	91,575,228 SF	1,695,274 SF	1,980,607 SF	5.6%	\$23.64/SF
2017	94,567,852 SF	3,131,078 SF	1,137,313 SF	6.4%	\$25.17/SF
2018	94,795,251 SF	1,466,382 SF	1,890,823 SF	5.9%	\$26.81/SF
2019	96,991,652 SF	2,393,539 SF	1,583,131 SF	5.7%	\$28.53/SF
2020	98,896,765 SF	2,199,237 SF	(1,550,231) SF	7.9%	\$30.29/SF
2021	101,267,393 SF	2,683,649 SF	1,129,334 SF	10.3%	\$30.59/SF
2022	102,405,848 SF	1,246,368 SF	524,041 SF	10.8%	\$30.93/SF
2023	103,509,948 SF	1,315,957 SF	298,659 SF	11.6%	\$30.65/SF
2024	104,762,550 SF	1,767,335 SF	207,232 SF	11.9%	\$31.75/SF
CAGR	1.5%	-	-	-	4.0%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.
Source: Costar®

Over the past ten years the Nashville Office market was stable where there was balance in prevailing Office supply/demand conditions. Over this time period the market inventory significantly increased by 20.7%. Further there was significant positive absorption (10.3% change), increase in the vacancy rate (5.1% change) and considerable increase of the asking average rent (47.9% change).

The following table summarizes the trailing four quarter performance of the Nashville market.

Nashville Trailing Four Quarter Performance					
Period	Supply	Added Supply	Net Absorption	Vacancy	Asking Rent
2024 Q2	104,149,383 SF	666,472 SF	831,459 SF	11.6%	\$31.96/SF
2024 Q3	104,029,563 SF	67,500 SF	(293,508) SF	11.8%	\$31.67/SF
2024 Q4	104,762,550 SF	1,001,241 SF	121,166 SF	12.3%	\$31.72/SF
2025 Q1	105,147,670 SF	386,812 SF	(53,599) SF	12.7%	\$31.75/SF

Source: Costar®

Over the past four quarters the Nashville office market has experienced an increase of supply. These key factors have resulted in positive net absorption, increase of vacancy rates and nominal decrease of asking rent in the marketplace.

Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

Nashville Market Trend Analysis			
	Q1 2025	2024	Last 10
Total SF	105,147,670	104,762,550	97,898,518
Vacant SF	13,386,350	12,466,743	8,099,144
Market Vacancy	12.7%	11.9%	8.3%
Construction Growth Rate	0.4%	1.7%	1.5%
Absorption Rate	(0.1%)	0.2%	0.9%
Average Asking Rent/SF	\$31.75	\$31.75	\$27.98

Source: Costar®

Nashville Market Conclusion

Based on the preceding analysis, the Nashville Office market demonstrates sound fundamentals. Analysis of supply and demand factors indicate the market is currently stable with no evidence to prove this will change any time soon. There are no observed weaknesses of the market that stand out.

Downtown Office Submarket Overview

The following is an analysis of supply/demand trends in the Downtown Office submarket using information provided by CoStar. The table below presents historical data for key market indicators.

Downtown Historical Statistics (Last Ten Years)					
Period	Supply	Added Supply	Net Absorption	Vacancy	Asking Rent
2015	15,759,280 SF	216,656 SF	527,269 SF	17.0%	\$24.98/SF
2016	16,276,795 SF	785,000 SF	923,146 SF	14.5%	\$27.95/SF
2017	17,571,556 SF	1,419,515 SF	1,122,811 SF	13.2%	\$29.32/SF
2018	16,425,157 SF	34,128 SF	284,282 SF	7.0%	\$30.74/SF
2019	16,740,443 SF	390,000 SF	248,306 SF	5.6%	\$31.64/SF
2020	17,832,996 SF	1,197,119 SF	143,644 SF	9.2%	\$33.98/SF
2021	18,859,022 SF	1,172,600 SF	795,637 SF	11.7%	\$34.79/SF
2022	19,238,507 SF	381,620 SF	(99,444) SF	12.5%	\$36.84/SF
2023	19,448,914 SF	297,666 SF	(63,858) SF	15.7%	\$35.27/SF
2024	20,518,024 SF	1,337,364 SF	72,109 SF	16.3%	\$35.91/SF
CAGR	2.7%	-	-	-	3.7%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.
Source: Costar®

Over the past ten years the Downtown Office submarket was stable where there was balance in prevailing Office supply/demand conditions. Over this time period the submarket inventory significantly increased by 45.9%. Further there was significant positive absorption (25.1% change), moderate decrease in the vacancy rate (-0.7% change) and considerable increase of the asking average rent (43.8% change).

The following table summarizes the trailing four quarter performance of the Downtown submarket.

Downtown Trailing Four Quarters Performance					
Period	Supply	Added Supply	Net Absorption	Vacancy	Asking Rent
2024 Q2	20,044,037 SF	595,123 SF	491,409 SF	14.7%	\$36.50/SF
2024 Q3	20,044,037 SF	0 SF	(418,526) SF	16.8%	\$35.19/SF
2024 Q4	20,518,024 SF	742,241 SF	(65,512) SF	19.0%	\$34.86/SF
2025 Q1	20,518,024 SF	0 SF	287,092 SF	17.6%	\$34.68/SF

Source: Costar®

Over the past four quarters the Downtown office submarket has experienced an increase of supply. There was also positive net absorption, increase in vacancy rates and decrease of asking rent in the marketplace.

Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

Downtown Market Trend Analysis			
	Q1 2025	2024	Last 10
Total SF	20,518,024	20,518,024	17,867,069
Vacant SF	3,612,702	3,340,334	2,187,108
Market Vacancy	17.6%	16.3%	12.2%
Construction Growth Rate	0.0%	6.5%	2.7%
Absorption Rate	1.4%	0.4%	1.9%
Average Asking Rent/SF	\$34.68	\$35.91	\$32.14

Source: Costar®

Downtown Submarket Conclusion

Based on the preceding analysis, the Downtown Office submarket demonstrates sound fundamentals. Analysis of supply and demand factors indicate the market is currently stable with no evidence to prove this will change any time soon. There are no observed weaknesses of the submarket that stand out.

The purpose of this consulting assignment is to provide a market study to assist the client in negotiating a lease with Metropolitan Board of Parks and Recreation.

Colliers International was provided with a draft lease whereby PNH Properties, LLC would lease Commerce Street Park for a term of 30 years with two additional 10-year renewal options pushing the maximum term of this lease agreement to 50 years. As part of the lease, PNH Properties would renovate the park at their sole cost and also be able to construct a gift shop and additional elevator. No monetary payments are proposed for this lease but PNH Properties will lease a 2,155 square foot portion of the adjacent building along with 6 parking spaces rent free to Metro Nashville for use as fire station. The fire station space would also be leased with a term of 30 years with two additional 10-year renewal options similar to the park lease. Design and construction of the fire station space would be the sole responsibility of PNH Properties.

In order to compare the positions being exchanged in the provided draft lease agreement, we have analyzed the 50-year leasehold positions of the Commerce Street Park as well as the completed Fire Station Space in the ensuing analysis. The leasehold position of the Commerce Street Park is the benefit to PNH Properties while the leasehold position of the Fire Station Space is the benefit to Metro Nashville.

Fire Station Space

The first step in analyzing the leasehold position of the fire station space is to estimate the market rent for this space.

Market Rent Analysis

This section examines competitive comparable properties within the marketplace to establish our opinion of market rent for the subject property.

Adjustment Process

Quantitative adjustments are made to the comparable leases. The following adjustments or general market trends were considered for the basis of market rent analysis.

Transactional Adjustments	If warranted, the comparable leases were adjusted for varying lease structures, atypical concessions and market conditions.
Property Adjustments	Quantitative percentage adjustments were made for location and physical characteristics such as size, age, condition, exposure and parking ratio. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving an opinion for the subject.
Tenant Space Adjustments	The lease comparables were further adjusted to the subject to account for tenant space specific characteristics such as size and space functionality.

The following table summarizes the market conditions adjustment applied in this analysis.

Market Conditions Adjustment			
Per Year As Of	June 2025	(As-Is)	3%

The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable lease date up through the effective valuation date.

Analysis of Comparable OFFICE Leases

The Office lease analysis is used to derive an opinion of market rent and correlating leasing assumptions for the Office MLA category. The following pages present a summation table of the comparables selected for this analysis, a location map and comparable photographs, the lease comparable adjustment process and our market rent conclusion.

OFFICE Lease Summation Table

Comparable	Subject	Lease 1	Lease 2	Lease 3	Lease 4	Lease 5	Lease 6
Name	Commerce Street Fire Department Station and Park	Nashville City Center	L&C Tower	Office Building	SunTrust Plaza	St. Cloud Bldg	333 Commerce Street
Address	211 Commerce Street & 120 3rd Avenue N	511 Union Street	401 Church Street	523 3rd Avenue South	401 Commerce St	500 Church St.	333 Commerce St
City	Nashville	Nashville	Nashville	Nashville	Nashville	Nashville	Nashville
State	TN	TN	TN	TN	TN	TN	TN
Zip	37201	37219	37219	37210	37219	37219	37201

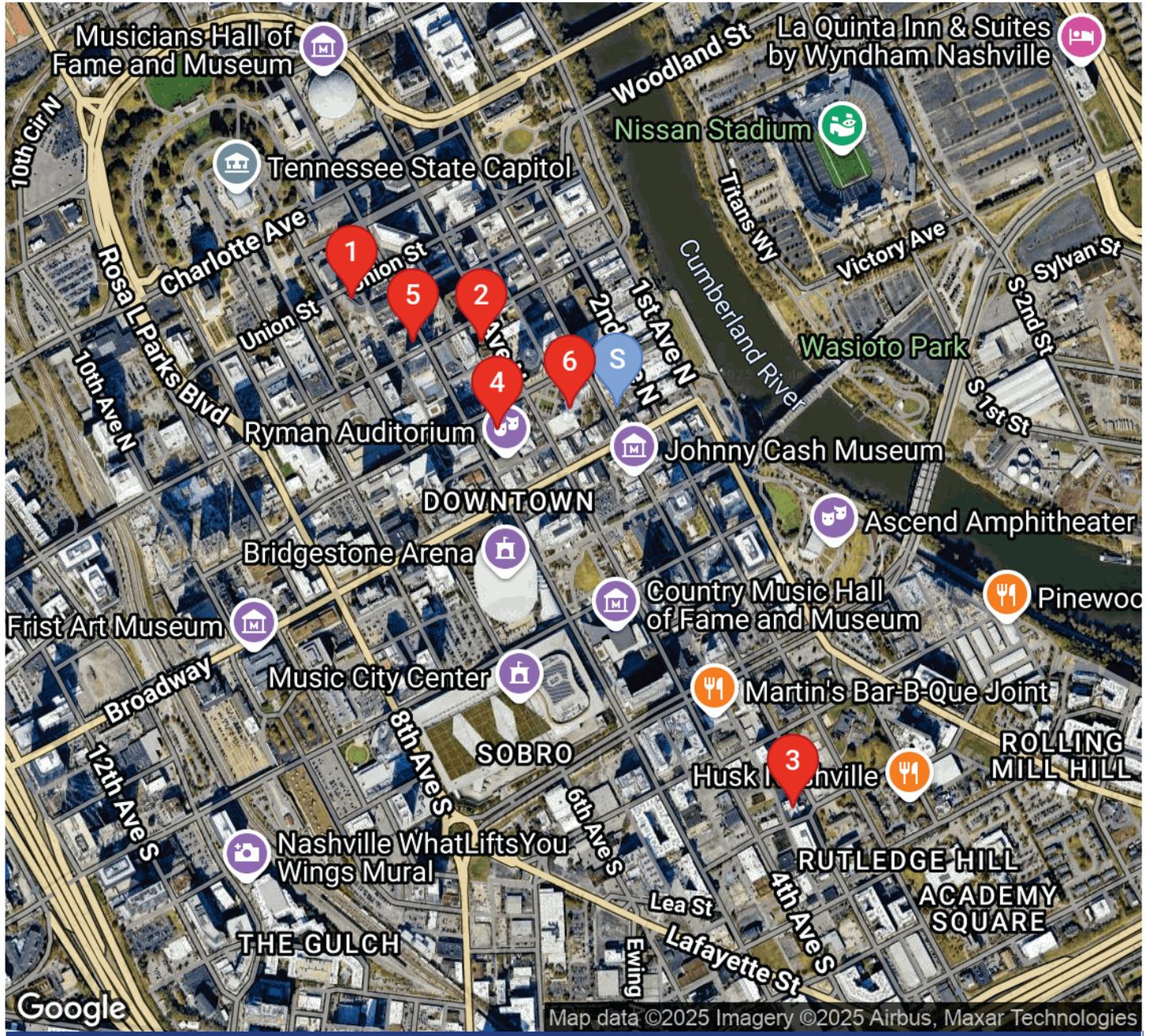
Physical Information

Property Type	Office	Office	Office	Office	Office	Office	Office
NRA	2,155	477,295	389,708	19,501	338,000	102,357	765,624
Occupancy	100.0%	81.6%	-	100.0%	100.0%	63.5%	63.3%
Location	Good	Good	Good	Good	Good	Good	Good
Quality	Good	Good	Good	Good	Good	Good	Good
Condition	Good	Good	Good	Good	Good	Average	Good
Exposure	Good	Good	Good	Good	Good	Good	Good
Access	Good	Good	Good	Good	Good	Good	Good
Parking Spaces	6	806	-	45	500	-	1,306
Year Built	1999	1988	1955	1986	2007	1800	1994

Lease Information

Tenant Name	HNTB	Castlerock Asset Management	Undisclosed	Miller & Martin PLLC	Window Traditions, LLC	Sirius XM
Commencement Date	1/1/2025	1/3/2024	1/28/2024	7/13/2023	6/1/2023	5/1/2023
Lease Type	New	Renewal	New	New	New	New
Lease Status	Signed	Signed	Signed	Signed	Signed	Signed
Rate Type	FSG	FSG	NNN	FSG	FSG	FSG
Size (SF)	14,024	6,014	6,944	8,591	1,399	21,415
% Office	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Term (Yrs)	6.9	2.3	3.2	3.0	5.3	12.6
Rent (\$/SF/Yr.)	\$36.00	\$34.00	\$31.50	\$35.00	\$25.73	\$39.75
Avg. Escalation/Yr	3.2%	3.0%	3.0%	2.5%	3.0%	3.0%
Concessions	0	3 Mos.	2 Mos.	3 Mos.	4 Mos.	6 Mos.
TI's (\$/SF)	-	-	\$1	-	-	-

Comparable Office Lease Map



Comparable Key

Comp	Distance	Address	Lease Date	SF	\$/SF
Subject	-	211 Commerce Street & 120 3rd Avenue N, Nashville, TN	-	-	-
No. 1	0.3 Miles	511 Union Street, Nashville, TN	1/1/2025	14,024	\$36.00
No. 2	0.2 Miles	401 Church Street, Nashville, TN	1/3/2024	6,014	\$34.00
No. 3	0.5 Miles	523 3rd Avenue South, Nashville, TN	1/28/2024	6,944	\$31.50
No. 4	0.1 Miles	401 Commerce St, Nashville, TN	7/13/2023	8,591	\$35.00
No. 5	0.3 Miles	500 Church St., Nashville, TN	6/1/2023	1,399	\$25.73
No. 6	0.1 Miles	333 Commerce St, Nashville, TN	5/1/2023	21,415	\$39.75

Comparable Office Rent Datasheets

Comparable 1

Physical Information

Name	Nashville City Center
Address	511 Union Street
City, State, Zip Code	Nashville, TN, 37219
MSA	Nashville
Net Rentable Area (NRA)	477,295
Year Built	1988
Occupancy	81.6%
Site Size	63,597 SF
Site Coverage	30%
Construction	Masonry
Parking Spaces	806
Parking Ratio	1.70
Building Class	A
Floors	26



Nashville City Center

Confirmation

Source	Lease Document
Date / Phone Number	06/12/2025

Remarks

New office lease for 14,024 square feet. The initial rent is \$36.00 with annual escalations of 3.2% annually. The lease is structured on a FSG basis with base year stops.

Tenant Name	Rate Type	Size	Start Date	Term	Lease Rate	Adj Lease Rate
HNTB	FSG	14,024	01/01/2025	83	\$36.00	\$31.04

Comparable 2

Physical Information

Name	L&C Tower
Address	401 Church Street
City, State, Zip Code	Nashville, TN, 37219
MSA	Nashville
Net Rentable Area (NRA)	389,708
Year Built	1955
Year Renovated	1985
Site Size	29,185 SF
Building Class	B
Floors	31



L&C Tower

Confirmation

Source	Leasing Broker
Date / Phone Number	01/30/2025

Remarks

A tenant renewed their lease for a 6,014 square foot space at a starting rate of \$34 per square foot per year, full service. The renewal had a term of 27 months and featured 3% annual escalation. The tenant received 3 months of free rent but no TI allowance.

Tenant Name	Rate Type	Size	Start Date	Term	Lease Rate	Adj Lease Rate
Castlerock Asset Managemer	FSG	6,014	01/03/2024	27	\$34.00	\$28.41

Comparable 3

Physical Information

Name	Office Building
Address	523 3rd Avenue South
City, State, Zip Code	Nashville, TN, 37210
MSA	Nashville
Net Rentable Area (NRA)	19,501
Year Built	1986
Occupancy	100.0%
Site Size	3,136,320 SF
Parking Spaces	45
Parking Ratio	2.30
Floors	3



Office Building

Confirmation

Source	Leasing Broker
Date / Phone Number	01/07/2025

Remarks

A 6,944 SF office building was leased on January 28, 2024 for a term of 38 months. The starting rent was \$31.50/SF NNN. Expense reimbursements were reported at \$12/SF by the broker. \$10,000 in TI allowance was given and 2 free rent months. Annual escalations are 3%.

Tenant Name	Rate Type	Size	Start Date	Term	Lease Rate	Adj Lease Rate
Undisclosed	NNN	6,944	01/28/2024	38	\$31.50	\$36.28

Comparable 4

Physical Information

Name	SunTrust Plaza
Address	401 Commerce St
City, State, Zip Code	Nashville, TN, 37219
MSA	Nashville
Net Rentable Area (NRA)	338,000
Year Built	2007
Occupancy	100.0%
Site Size	52,708 SF
Site Coverage	53%
Construction	Steel
Parking Spaces	500
Parking Ratio	1.48
Building Class	A



SunTrust Plaza

Confirmation

Source	Leasing Broker
Date / Phone Number	06/27/2023

Remarks

The office building is located along Commerce Street in Nashville, TN. According to the leasing broker, the 8,591 SF space was leased for \$35/SF FS, with a term of 3 years. Expenses were reported to be roughly \$11.50/SF. Annual escalations were set at 2.5%. The tenant received 3 months of free rent but no TI allowance.

Tenant Name	Rate Type	Size	Start Date	Term	Lease Rate	Adj Lease Rate
Miller & Martin PLLC	FSG	8,591	07/13/2023	36	\$35.00	\$29.66

Comparable 5

Physical Information

Name	St. Cloud Bldg
Address	500 Church St.
City, State, Zip Code	Nashville, TN, 37219
MSA	Nashville
Net Rentable Area (NRA)	102,357
Year Built	1800
Year Renovated	1980
Occupancy	63.5%
Site Size	50,530 SF
Site Coverage	30%
Construction	Brick/Block
Building Class	B
Floors	6



St. Cloud Bldg

Confirmation

Source	Knowledgeable Third Party
Date / Phone Number	09/05/2023

Remarks

St. Cloud Center is located along Church Street in Nashville TN. Window Traditions, LLC leased the 1,399 SF office space for \$25.73/SF FS, with a term of 64 months. Annual escalations were set at 3%. The tenant received 4 months of free rent. The rent commencement date was estimated at 6/1/2023.

Tenant Name	Rate Type	Size	Start Date	Term	Lease Rate	Adj Lease Rate
Window Traditions, LLC	FSG	1,399	06/01/2023	64	\$25.73	\$24.62

Comparable 6

Physical Information

Name	333 Commerce Street
Address	333 Commerce St
City, State, Zip Code	Nashville, TN, 37201
MSA	Nashville
Net Rentable Area (NRA)	765,624
Year Built	1994
Occupancy	63.3%
Site Size	0 SF
Construction	Steel
Parking Spaces	1,306
Parking Ratio	1.71
Building Class	A



333 Commerce Street

Confirmation

Source	Knowledgeable Third Party
Date / Phone Number	09/05/2023

Remarks

This is a 27-story, CBD located office building located at 333 Commerce St in Nashville, TN. 333 Commerce is located along Commerce Street in Nashville TN. Sirius XM leased the 21,415 SF office space for \$39.75/SF FS, with a term of 151 months. Annual escalations were set at 3%. The tenant received 6 months of free rent. The rent commencement date was estimated at 5/1/2023.

Tenant Name	Rate Type	Size	Start Date	Term	Lease Rate	Adj Lease Rate
Sirius XM	FSG	21,415	05/01/2023	151	\$39.75	\$36.01

OFFICE Lease Adjustment Table

Comparable	Subject	Lease 1	Lease 2	Lease 3	Lease 4	Lease 5	Lease 6
Name	Commerce Street Fire Department Station and Park	Nashville City Center	L&C Tower	Office Building	SunTrust Plaza	St. Cloud Bldg	333 Commerce Street
Address	211 Commerce Street & 120 3rd Avenue N	511 Union Street	401 Church Street	523 3rd Avenue South	401 Commerce St	500 Church St.	333 Commerce St
City	Nashville	Nashville	Nashville	Nashville	Nashville	Nashville	Nashville
NRA	2,155	477,295	389,708	19,501	338,000	102,357	765,624
Year Built	1999	1988	1955	1986	2007	1800	1994

Lease Information

Tenant Name	HNTB	Castlerock Asset Management	Undisclosed	Miller & Martin PLLC	Window Traditions, LLC	Sirius XM
Commencement Date	1/1/2025	1/3/2024	1/28/2024	7/13/2023	6/1/2023	5/1/2023
Lease Type	New	Renewal	New	New	New	New
Lease Status	Signed	Signed	Signed	Signed	Signed	Signed
Rate Type	FSG	FSG	NNN	FSG	FSG	FSG
Size (SF)	14,024	6,014	6,944	8,591	1,399	21,415
Term (Yrs)	6.9	2.3	3.2	3.0	5.3	12.6
Rent (\$/SF/Yr.)	\$36.00	\$34.00	\$31.50	\$35.00	\$25.73	\$39.75
Avg. Escalation/Yr	3.2%	3.0%	3.0%	2.5%	3.0%	3.0%
Concessions	0	3 Mos.	2 Mos.	3 Mos.	4 Mos.	6 Mos.
TI's (\$/SF)	-	-	\$1	-	-	-

Transactional Adjustments

Lease Type	\$0.00	\$0.00	\$12.00	\$0.00	\$0.00	\$0.00
Concessions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions¹	1%	4%	4%	6%	6%	7%
Subtotal Eff Rent	\$36.51	\$35.52	\$45.35	\$37.08	\$27.35	\$42.36

Property Adjustments

Location	Good	Good	Good	Good	Good	Good	Good
<i>Adjustment</i>		0%	0%	0%	0%	0%	0%
Quality	Good	Good	Good	Good	Good	Good	Good
<i>Adjustment</i>		0%	0%	0%	0%	0%	0%
Condition	Good	Good	Good	Good	Good	Average	Good
<i>Adjustment</i>		0%	0%	0%	0%	10%	0%
Exposure	Good	Good	Good	Good	Good	Good	Good
<i>Adjustment</i>		0%	0%	0%	0%	0%	0%
Access	Good	Good	Good	Good	Good	Good	Good
<i>Adjustment</i>		0%	0%	0%	0%	0%	0%
Utility	No Windows	Superior	Superior	Superior	Superior	Superior	Superior
<i>Adjustment</i>		-20%	-20%	-20%	-20%	-20%	-20%
Subtotal Property Adj		-20%	-20%	-20%	-20%	-10%	-20%

TENANT SPACE ADJUSTMENTS

Size (Tenant)	2,155	14,024	6,014	6,944	8,591	1,399	21,415
<i>Adjustment</i>		5%	0%	0%	0%	0%	5%
Subtotal Tenant Adj		5%	0%	0%	0%	0%	5%
Total Adjusted Rent		\$31.04	\$28.41	\$36.28	\$29.66	\$24.62	\$36.01

Statistics	Unadjusted	Adjusted	Market Assumptions	
Low	\$25.73	\$24.62	Lease Type	Full Service
High	\$39.75	\$36.28		
Median	\$34.50	\$30.35		
Average	\$33.66	\$31.00		

¹ Market Conditions Adjustment - Compound annual change in market conditions: 3%

Date of Value (for adjustment calculations): 6/25/25

Office Lease Analysis

Comparable 1 (\$31.04/SF adjusted) required a gross adjustment of 26%. This comparable is adjusted upward for inferior market conditions. This comparable was adjusted downward for its superior utility, and upward for its larger size of the space.

Comparable 2 (\$28.41/SF adjusted) required a gross adjustment of 24%. This comparable is adjusted upward for inferior market conditions. This comparable was adjusted downward for its superior utility.

Comparable 3 (\$36.28/SF adjusted) required a gross adjustment of 62%. This comparable is adjusted upward for lease type to be comparable to the concluded full service lease terms while also being adjusted upward for inferior market conditions. This comparable was adjusted downward for its superior utility.

Comparable 4 (\$29.66/SF adjusted) required a gross adjustment of 26%. This comparable is adjusted upward for inferior market conditions. This comparable was adjusted downward for its superior utility.

Comparable 5 (\$24.62/SF adjusted) required a gross adjustment of 36%. This comparable is adjusted upward for inferior market conditions. This comparable was adjusted downward for its superior utility, and upward for its inferior condition.

Comparable 6 (\$36.01/SF adjusted) required a gross adjustment of 32%. This comparable is adjusted upward for inferior market conditions. This comparable was adjusted downward for its superior utility, and upward for its larger size of the space.

The above utility adjustment reflect the fact that the fire station suite will not have any windows. We recently appraised another office building in Nashville which had suites on one half of the basement level that did not have any windows. The asking rate for these no window spaces reflected an 18.6% discount to the asking rate for office space in the rest of the property. We have relied on this indicator in concluding our 20% discount to the above comparables for the subject suite's lack of windows.

Office Space Market Rent Conclusion

The comparables indicate an adjusted lease rate range from \$24.62 to \$36.28/SF, with a median of \$30.35/SF and an average of \$31.00/SF. Based on the results of the preceding analysis, all comparables are given primary consideration for the lease rate conclusion and we have concluded a market rental rate in line with the average.

The following table summarizes the analysis of the comparable leases and the Office market rent conclusion.

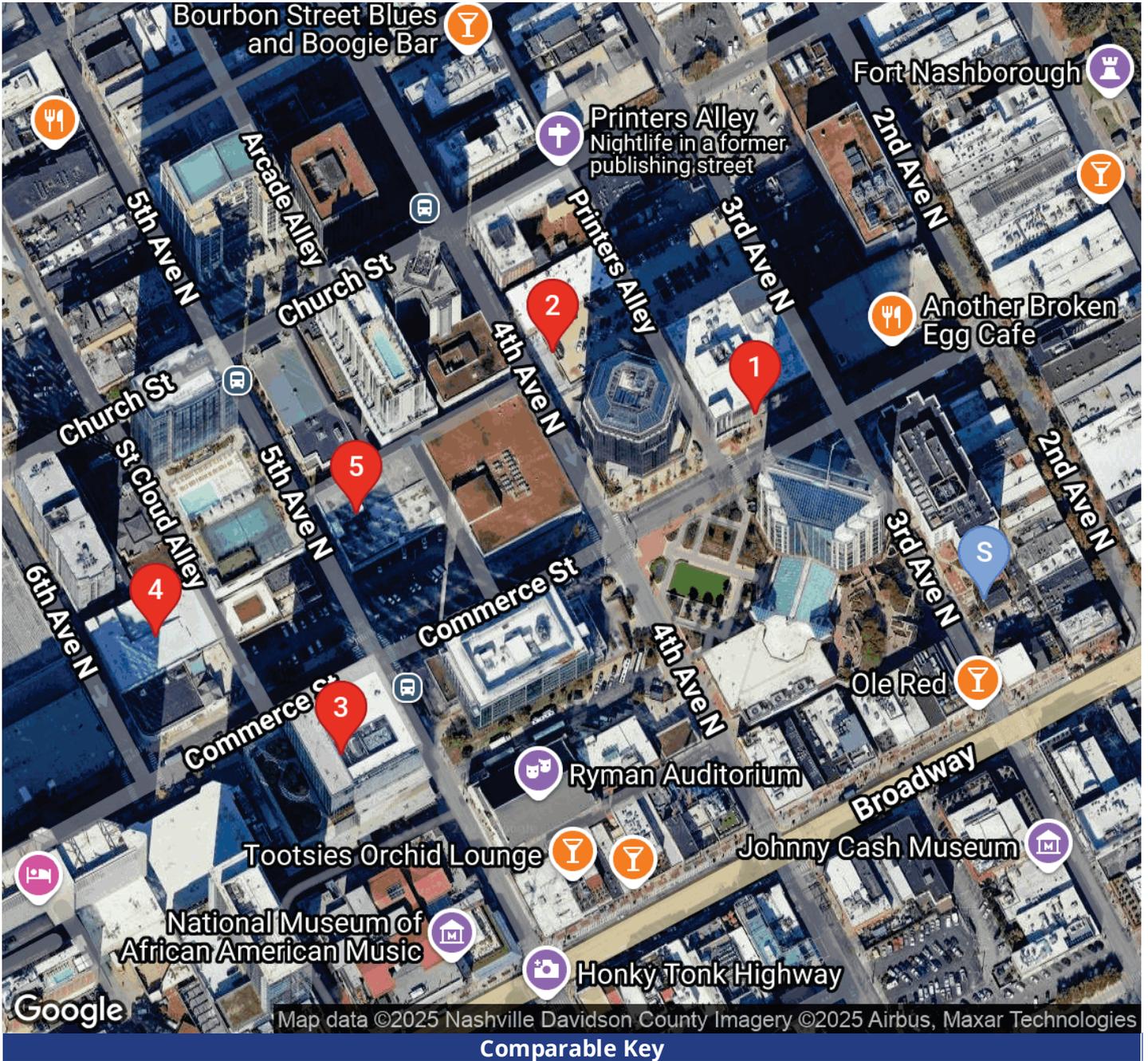
OFFICE Lease Conclusion Table								
Lease	Lease Rate	Adjustment				Net Adj %	Gross Adj %	Overall Comparison
		Transactional ¹	Adjusted	Property ²	Final			
1	\$36.00	\$0.51	\$36.51	-15%	\$31.04	-14%	26%	Primary
2	\$34.00	\$1.52	\$35.52	-20%	\$28.41	-16%	24%	Primary
3	\$31.50	\$13.85	\$45.35	-20%	\$36.28	15%	62%	Primary
4	\$35.00	\$2.08	\$37.08	-20%	\$29.66	-15%	26%	Primary
5	\$25.73	\$1.62	\$27.35	-10%	\$24.62	-4%	36%	Primary
6	\$39.75	\$2.61	\$42.36	-15%	\$36.01	-9%	32%	Primary
Low	\$24.62					Average		\$31.00
High	\$36.28					Median		\$30.35
								Conclusion
Office								\$31.00

¹Cumulative ²Additive (Includes Tenant Adjustments)

Analysis of Comparable Parking Spot Rentals

The firehouse space will also come with six reserved parking spaces. Parking is typically an additional charge and is not included in office leases in the CBD. The following chart shows monthly parking rates at the subject garage as well as several surrounding garages.

Comparable Parking Lease Map



Map data ©2025 Nashville Davidson County Imagery ©2025 Airbus, Maxar Technologies

Comparable Key

Comp	Distance	Address	\$/Month
Subject	-	211 Commerce Street & 120 3rd Avenue N, Nashville, TN	-
No. 1	0.1 Miles	310 Commerce Street, Nashville, TN	\$200.00
No. 2	0.1 Miles	158 4th Avenue North, Nashville, TN	\$231.75
No. 3	0.2 Miles	501 Commerce Street, Nashville, TN	\$309.00
No. 4	0.2 Miles	140 6th Avenue North, Nashville, TN	\$204.97
No. 5	0.2 Miles	144 Rep John Lewis Way North, Nashville, TN	\$194.67

Monthly Parking Rates		
Garage	Address	\$/Month
Commerce Street Garage	310 Commerce Street	\$200.00
One Nashville Garage	158 4th Avenue North	\$231.75
5th & Broadway Office Garage	501 Commerce Street	\$309.00
McKendree Garage	140 6th Avenue North	\$204.97
L&C Garage	144 5th Avenue North	\$194.67
211 Commerce Garage	211 Commerce Street	\$216.30

Source: Metropolis

Parking Space Market Rent Conclusion

The comparables indicate a monthly rental rate for parking spaces ranging from \$194.67 to \$309.00, with a median of \$204.97 and an average of \$228.08. Monthly parking at the garage is currently quoted at \$216.30 which is well supported by these comparable garages. However, this is for unreserved parking space. Reserved parking spaces similar to the subject space typically command a premium. Furthermore, the subject spaces are directly off the entrance and exit to the parking facility. Therefore, we have concluded market rent above the average of these comparables at \$250 for each of the six parking spaces included in the Fire Station space.

Potential Gross Rent

Our conclusions of the subject’s rental income potential is detailed as follows:

Total Rental Income			
Year	Total	\$/SF	Analysis
Proforma	\$66,805	\$31.00	The projection is based on market rents for the fire station space.

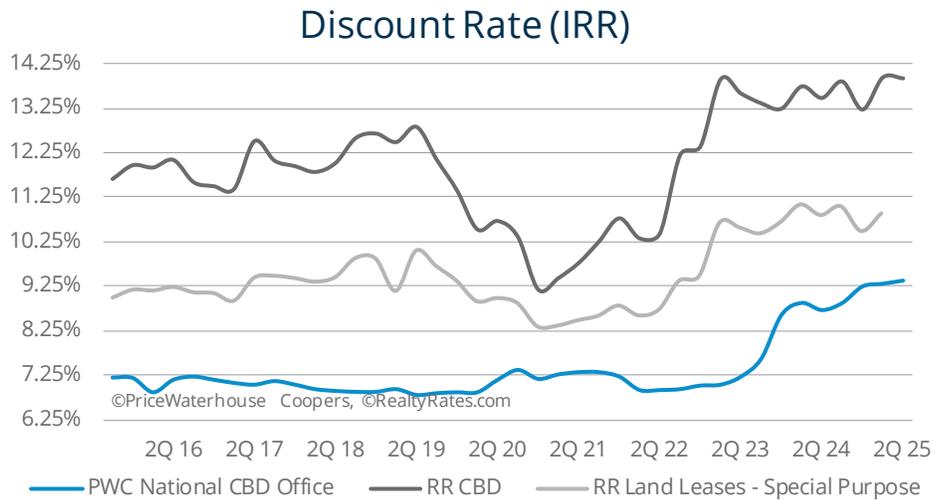
Additional Revenue

Our analysis and conclusions of the subject’s additional revenue are detailed as follows:

Total Miscellaneous Income			
Year	Total	\$/SF	Analysis
Proforma	\$18,000	\$8.35	Miscellaneous income includes rent for the six parking spaces for the fire station

Development of Discount Rate

Investor surveys, discussions with market participants and the subject’s investment characteristics were considered in developing our opinions of Discount Rates. The following graph provides a historical illustration of discount rate statistics as surveyed by investors that we considered to be relevant to the subject property.



Taking all factors into consideration, the following table summarizes the various discount rate indicators and provides the final discount rate conclusion.

Discount Rate (IRR) Conclusion					
Source	Quarter	Range	Avg	Last Q	Last YR
PriceWaterhouse Coopers					
National CBD Office	2Q 25	6.50% to 13.00%	9.38%	9.31%	8.72%
<i>Capitalization Vs Discount Spread</i>			<i>210 bps</i>	<i>203 bps</i>	<i>178 bps</i>
RealtyRates.com					
CBD	1Q 25	10.58% to 17.87%	13.91%	13.93%	13.47%
<i>Capitalization Vs Discount Spread</i>			<i>403 bps</i>	<i>409 bps</i>	<i>398 bps</i>
Land Leases - Special Purpose	1Q 25	7.64% to 20.22%	10.87%	10.89%	10.85%
<i>Capitalization Vs Discount Spread</i>			<i>(55 bps)</i>	<i>(39 bps)</i>	<i>(17 bps)</i>
Average		8.24% to 17.03%	11.39%	11.38%	11.01%
Discount Rate IRR Conclusion (Cash Flow)			10.00%		

We have concluded a discount rate within the range of averages of these surveys at 10%.

Leasehold Position Conclusion – Fire Station Space

The fire station space will have fifty years of rent free term. To quantify this leasehold position we have completed a discounted cash flow for the 50-year term using market rents for the fire station space and six parking spaces. We have concluded a 3% market rent growth rate and utilized the above concluded 10% discount rate in our cash flow analysis. The following chart shows the calculation of the leasehold position of the fire station space which will be the benefit of Metro Nashville.

Fire Station Leasehold Position

Cash Flow Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Effective Gross Income - Fire Station															
Potential Gross Rent ¹	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking Space Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Potential Gross Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income - Market															
Potential Gross Rent	\$66,805	\$68,809	\$70,873	\$73,000	\$75,190	\$77,445	\$79,769	\$82,162	\$84,627	\$87,165	\$89,780	\$92,474	\$95,248	\$98,105	\$101,049
Parking Space Income	\$18,000	\$18,540	\$19,096	\$19,669	\$20,259	\$20,867	\$21,493	\$22,138	\$22,802	\$23,486	\$24,190	\$24,916	\$25,664	\$26,434	\$27,227
Potential Gross Income	\$84,805	\$87,349	\$89,970	\$92,669	\$95,449	\$98,312	\$101,262	\$104,299	\$107,428	\$110,651	\$113,971	\$117,390	\$120,912	\$124,539	\$128,275
Fire Station vs. Market															
Variance	\$84,805	\$87,349	\$89,970	\$92,669	\$95,449	\$98,312	\$101,262	\$104,299	\$107,428	\$110,651	\$113,971	\$117,390	\$120,912	\$124,539	\$128,275
Discounted Factor @ 10.00%	0.9091	0.8264	0.7513	0.6830	0.6209	0.5645	0.5132	0.4665	0.4241	0.3855	0.3505	0.3186	0.2897	0.2633	0.2394
PV of Variance	\$77,095	\$72,189	\$67,596	\$63,294	\$59,266	\$55,495	\$51,963	\$48,656	\$45,560	\$42,661	\$39,946	\$37,404	\$35,024	\$32,795	\$30,708

Fire Station Leasehold Position

Cash Flow Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Effective Gross Income - Fire Station															
Potential Gross Rent ¹	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking Space Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Potential Gross Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income - Market															
Potential Gross Rent	\$104,080	\$107,202	\$110,418	\$113,731	\$117,143	\$120,657	\$124,277	\$128,005	\$131,845	\$135,801	\$139,875	\$144,071	\$148,393	\$152,845	\$157,430
Parking Space Income	\$28,043	\$28,885	\$29,751	\$30,644	\$31,563	\$32,510	\$33,485	\$34,490	\$35,525	\$36,590	\$37,688	\$38,819	\$39,983	\$41,183	\$42,418
Potential Gross Income	\$132,123	\$136,087	\$140,170	\$144,375	\$148,706	\$153,167	\$157,762	\$162,495	\$167,370	\$172,391	\$177,563	\$182,890	\$188,376	\$194,028	\$199,849
Fire Station vs. Market															
Variance	\$132,123	\$136,087	\$140,170	\$144,375	\$148,706	\$153,167	\$157,762	\$162,495	\$167,370	\$172,391	\$177,563	\$182,890	\$188,376	\$194,028	\$199,849
Discounted Factor @ 10.00%	0.2176	0.1978	0.1799	0.1635	0.1486	0.1351	0.1228	0.1117	0.1015	0.0923	0.0839	0.0763	0.0693	0.0630	0.0573
PV of Variance	\$28,754	\$26,924	\$25,211	\$23,606	\$22,104	\$20,698	\$19,380	\$18,147	\$16,992	\$15,911	\$14,898	\$13,950	\$13,063	\$12,231	\$11,453

Fire Station Leasehold Position

Cash Flow Year	YEAR 31	YEAR 32	YEAR 33	YEAR 34	YEAR 35	YEAR 36	YEAR 37	YEAR 38	YEAR 39	YEAR 40	YEAR 41	YEAR 42	YEAR 43	YEAR 44	YEAR 45	YEAR 46	YEAR 47	YEAR 48	YEAR 49	YEAR 50	
Effective Gross Income - Fire Station																					
Potential Gross Rent ¹	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Parking Space Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Potential Gross Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Effective Gross Income - Market																					
Potential Gross Rent	\$162,153	\$167,018	\$172,028	\$177,189	\$182,505	\$187,980	\$193,619	\$199,428	\$205,411	\$211,573	\$217,920	\$224,458	\$231,192	\$238,128	\$245,271	\$252,630	\$260,208	\$268,015	\$276,055	\$284,337	
Parking Space Income	\$43,691	\$45,001	\$46,351	\$47,742	\$49,174	\$50,650	\$52,169	\$53,734	\$55,346	\$57,006	\$58,717	\$60,478	\$62,293	\$64,161	\$66,086	\$68,069	\$70,111	\$72,214	\$74,381	\$76,612	
Potential Gross Income	\$205,844	\$212,019	\$218,380	\$224,931	\$231,679	\$238,630	\$245,788	\$253,162	\$260,757	\$268,580	\$276,637	\$284,936	\$293,484	\$302,289	\$311,358	\$320,698	\$330,319	\$340,229	\$350,436	\$360,949	
Fire Station vs. Market																					
Variance	\$205,844	\$212,019	\$218,380	\$224,931	\$231,679	\$238,630	\$245,788	\$253,162	\$260,757	\$268,580	\$276,637	\$284,936	\$293,484	\$302,289	\$311,358	\$320,698	\$330,319	\$340,229	\$350,436	\$360,949	
Discounted Factor @ 10.00%	0.0521	0.0474	0.0431	0.0391	0.0356	0.0323	0.0294	0.0267	0.0243	0.0221	0.0201	0.0183	0.0166	0.0151	0.0137	0.0125	0.0113	0.0103	0.0094	0.0085	
PV of Variance	\$10,724	\$10,042	\$9,403	\$8,804	\$8,244	\$7,719	\$7,228	\$6,768	\$6,338	\$5,934	\$5,557	\$5,203	\$4,872	\$4,562	\$4,272	\$4,000	\$3,745	\$3,507	\$3,284	\$3,075	
Subtotal PV of Adjustments																				\$1,166,257	
Fire Station Leasehold Position (Rounded)																					\$1,170,000

Rounded to nearest \$10,000

Commerce Center Park

We researched comparable agreements in the market to determine a market rental rate for the Commerce Center Park. It is important to note that most conventional ground lease agreements are for development sites, which would allow the lessee to develop vertical improvements and thus create significant value in the leasehold interest. In the subject's case, the majority of space must remain an outdoor park for public use. Based on the restrictive covenants and use limitations, the subject site does not feature the property rights of a typical development site, and thus the use of such sites for comparison is not appropriate. Considering this, we attempted to research comparable leases of sites with similar use restrictions, although they are not commonplace in the market. Our research resulted in ten comparable agreements which are summarized as follows.

Fair Park

The first comparable is a 2017 Memorandum of Understanding between The Fair Commissioners Board and The Board of Parks and Recreation for the operation and maintenance of "Fair Park" at the Nashville Fairgrounds. The term of the agreement is 10 years. Parks is granted the right to perform any and all activities necessary to construct, operate and maintain a 41-acre park. Parks will construct and maintain three multi-purpose fields, a greenway, and a dog park. Any amount of an annual payment to either party was not specified in this agreement and is therefore assumed to be nominal due to the mutual benefit of this space by both parties.

Cheekwood Garden

The second comparable is a 2015 agreement between the Metro Government of Nashville and Cheekwood Botanical Gardens and Museum of Art. Metro has authorized Cheekwood to establish an unspecified sized "Garden" in a suitable space at Riverfront Park. The effective date will take place on the date that the Agreement has been approved by Metro Council and fully executed and filed with the Metro Clerk. The term of the Agreement is five years with an option to extend for an additional five years. Cheekwood and Metro will assist one another in the planning and design as well as the maintenance and upkeep of the Garden throughout the entire term. Metro agreed to engage a qualified landscaping contractor to provide the overall maintenance services with the Garden for the first two years of the Agreement. Any amount of an annual payment paid to either party was not specified in this agreement and is therefore assumed to be nominal due to the mutual benefit of this space by both parties.

Adelicia Park

The third comparable is a Conservation Easement dated 12/7/2007 between Corner Partnership, LLC (Grantor) and The Land Trust For Tennessee, LLC (Grantee). The Property is a 0.48-acre parking lot on the southeast corner of 20th Ave S and Division St. that will be developed into a private urban park. The subject is also directly across the street from The Adelicia condominium in Midtown. The Grantor has agreed to convey Grantee a conservation easement in perpetuity as long as the Grantee conserves and maintains the improved park. Grantor agreed to construct on the Property and maintain at least 80% of the site in grass, trees, or shrubbery. Also, Grantor remains responsible for the upkeep, any reconstruction, maintenance, permitted alterations, and security of the park. Grantor also agrees to pay Grantee a "Stewardship Fee" of \$500 per year no later than Jan 31st. This payment increases every five years at an amount equal to the increase in the CPI over the same period.

Fort Negley Park

The fourth comparable is a lease agreement between Metro Government Nashville (Lessor) and The Adventure Science Center (Lessee) for the Premise at Fort Negley Park. The agreement started on July 1, 1967 for a 50-year term and included one 50-year option to extend on the same terms and conditions. The lease provided, dated August 19th, 2015, was the 50-year extension of the lease. The Metro Government agrees to lease the premises at Fort Negley to Lessee for \$1 per year. The Science Center is to be maintained and operated as a non-profit corporation for the benefit of the general public.

Franklin Equestrian Easement

The fifth comparable is a Conservation Easement dated August 6, 2007 between The City of Franklin, Tennessee (Grantor) and The Land Trust For Tennessee, LLC (Grantee). The Property is located 1 ½ miles from the square in

downtown Franklin along the Harpeth river and maintains ongoing horse breeding operations. Under perpetual stewardship of the Grantee, The Grantor has agreed to convey the Grantee a conservation easement in assurance that the current "equestrian activities and related agricultural uses, the open space character, educational value, wildlife habitat, recreational uses, historical significance and scenic views of the Property will be conserved and maintained permanently." Grantor is solely responsible for all upkeep and maintenance of the Property. Any amount of an annual payment to either party was not specified in this agreement and is therefore assumed to be nominal due to the mutual benefit of this space by both parties.

Cumberland River Greenway

The sixth comparable is a Memorandum of Understanding for Maintenance and Operation of Greenway dated April 18, 2014. The MOU is between Metro Development and Housing Agency and The Metro Board of Parks and Recreation. The Agreement will enable Parks to operate and maintain the public Greenway Area along the west bank of the Cumberland River. The MOU is 12 months on the commencement date, with an anticipated long-term agreement prior to the expiration of the MOU. The area is to be used as a pathway for pedestrian or bicycle travel between the hours of 7 am to 10 pm. Any amount of an annual payment to either party was not specified in this agreement. Additionally, a long-term agreement was not specified

E.S. Rose Park

The seventh comparable is a Property Improvement and Lease Agreement in 2007 between Metro Nashville Department of Parks and Recreation and Belmont University for the 25-acre property known as E.S. Rose Park. The Agreement was introduced on June 19, 2007 and later executed by Metro and Belmont on October 26, 2007. In the Agreement, Belmont wants to improve Rose Park facilities in order to host NCAA Division I level sporting events. Belmont athletic teams that will practice and compete on the Premises are its baseball, softball, soccer, and track teams. The Property will also be used for school events by Rose Park Middle School and Carter Lawrence Elementary School, picnics, spontaneous recreation as well as several youth and adult sport leagues. Belmont agreed to pay for all design and construction. Under the agreement, Belmont will make annual lease payments of **\$50,000 with a 3% annual increase for inflation**. The 40-year term will start upon execution by Belmont, approval by Metro Council, and delivery to the Metro Clerk. Belmont is responsible for repairs and utilities, and both parties are responsible for maintenance, cleaning, and upkeep.

Sounds Stadium Site

The Sports Authority of the Metro Nashville Government and MFP Baseball, LLC entered into a lease agreement in 2013. MFP owns and operates a AAA minor league professional baseball team. The Authority shall construct the baseball stadium in an area of Nashville known as Sulpher Dell, and MFP will lease the ballpark from the Authority upon completion. This shall occur no later than April 4, 2015. The Metro Government of Nashville and the State of Tennessee have also agreed to let the State construct, own, and operate a parking garage on the Southwest side of the stadium that will accommodate 1,000 cars. The Authority will then lease the parking garage from the State to use and control access to along with a surface parking lot called "Lot 14". MFP will then sublease the Parking Rights to use and control access to both the parking garage and Lot 14 from the Authority.

The commencement date begins on the date the Authority delivers the Premises "Ready for Occupancy" and ends on December 31, 2045. The lease may also be extended for an additional 5-year period. MFP pays the Authority base rent of **\$700,000 per year for the stadium** which sits on a 10.65-acre site. \$250,000 shall be paid on or before April 15, \$250,000 paid on or before August 15, and \$200,000 paid on or before December 15. Additionally, MFP shall pay the Authority \$120,000 for the parking garage in Years 1-4, and increase rent by 10% at the end of each 4 years throughout the remainder of the term. This is a NNN lease in that MFP is responsible for taxes, insurance, utilities, all costs of operating, equipping, furnishing, and routine maintenance. The Authority is responsible for the cost to construct the ballpark as well as any structural repairs (roof, foundation, walls, lighting, operating systems, and grandstands).

Rose Park Resident Concessions

The ninth comparable is a summary of local Edgehill residents and other community members filing petitions to the recent lease agreement between Belmont University and Metro for Rose Park. One concern was that Belmont would control the scheduling of events at the park and take priority over other community events. Other petitioners raised concerns about noise, lights at night, traffic, parking, and overall interference with the surrounding neighborhood. Over the course of the proceedings, Belmont agreed to a number of proposals suggested by member of the community in order to help alleviate the concerns of those that opposed. Agreements includes Metro specifically handling all scheduling, Belmont to hold back the start of games until at least 30 minutes after the end of a normal school day, minimize construction noise and distractions during the day, turn field lighting off by 10:30 pm each night, clean grounds after use, comply with the provisions of the traffic study, not to increase the number of parking spaces requested, install retractable netting to prevent window breakage at the surrounding buildings, and to refrain from placing a chain link fence around the park. Belmont also agreed to provide 8 full-tuition and 2 half tuition scholarships to disadvantaged neighboring students. Ultimately, the court found that implementation of the lease agreement would bring numerous benefits to the Edgehill community, and the lease agreement was approved by Metro Council in a fair manner.

U.S. Naval Reserve Training Center

The tenth and final comparable is the ground lease of the former U.S. Naval Reserve Training Center located at 2009 Sevier Street, Nashville, TN 37206 which received final approval in February 2024. This lease was for 4.5 acres of the long vacant U.S. Naval Reserve Training Center that will be rehabbed by the tenant into a combination of park space and a 19,000 square foot arts and cultural center which overlooks the Cumberland River in the Shelby Park. The lease has an initial term of 30 years with 2, 5-year renewal options. Rent for this ground lease will be \$1 per year. As a condition of this lease, the tenant will spend at least \$6.1M in improving the property and Metro Nashville will contribute an additional \$2.5M towards the renovation. The tenant is responsible for all operating expenses.

Summary

Upon our review of these agreements, it appears that the majority involve a nominal rent consideration due to a combination of factors which may include a mutual benefit of usage by both parties, the lessee's responsibility for upkeep and all other operating expenses, and in some cases the lessee's commitment to make substantial capital improvements to the space. The two exceptions were E.S. Rose Park and Sounds Stadium Site in which the lessees also agreed to pay an annual rent beginning at \$50,000 for a 25-acre property, and \$700,000 for a 10.65 acre site, respectively. On a \$/acre basis, these equate to \$2,000/acre and \$65,728/acre, respectively. Applied to the subject's 0.30-acre site, that would indicate a range between \$600 to \$19,718. It is important to note that \$700,000 comp represents the lessee's annual payment for a completed stadium site, which was built by the city and is maintained by the city, although the city's cost was partially mitigated by anticipated revenue streams from stadium sales taxes and additional property taxes from surrounding developments. Even these two comparables appear to indicate a nominal rent consideration for the reasons previously noted. A previous owner of the 211 Commerce Street property was in final negotiations with the city to lease the park for a 50-year term at an initial rent of \$15,000 with 3% annual escalations. As part of this agreement, the lessee was to make substantial improvements to the park at an initial cost budget of approximately \$1 million.

Typical lease terms range anywhere from 5 years to as high as 99 years, based on these comparables as well as other conventional ground leases. Generally speaking, the expectation of capital improvements to be made by the lessee would necessitate a longer ground lease term (including all renewal options), typically 50 years at a minimum, in order to justify the cost.

The predominant lease structure is Triple Net, in which the lessee is directly responsible for all operating costs, including repairs & maintenance, utilities, and taxes if applicable.

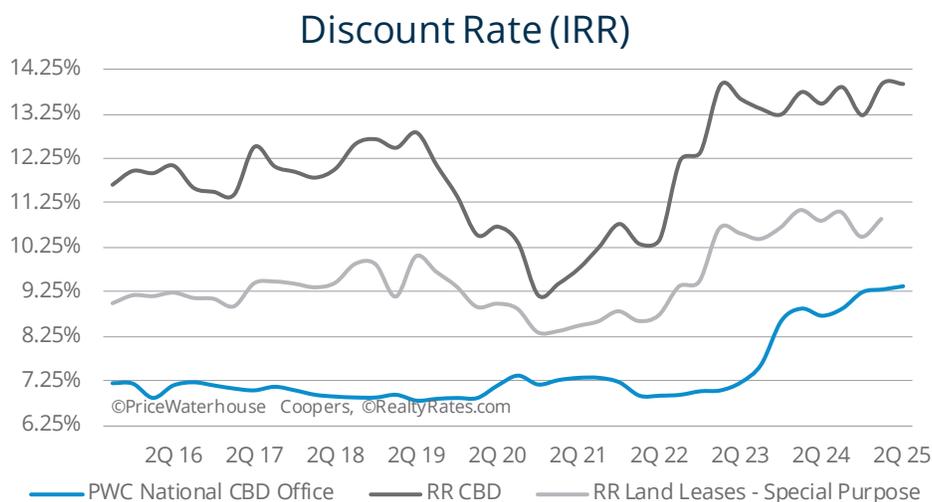
Typical lease schedules range anywhere from flat (i.e. no rent increases over the term) to 3% per year. CPI-based increases have also been an option for structuring increase (whether annually or every five years, etc.), which may result in higher rates of increases in the current inflationary environment. However, fixed annual increases of 2% to 3% per year is typical.

Conclusion

As noted, the majority of these comparables involve only a nominal rent consideration as there are other motivating factors in place for the city. Relatively recently, the previous owner of the 211 Commerce Street property was drafting a lease agreement with the city where they would lease the park space for a 50-year term at an initial rent of \$15,000 with 3% annual escalations. This equates to a rent payment of \$50,000 per acre which is within the range of the two comparables that had payments ranging from \$2,000/acre to \$65,728/acre. Based on our analysis of similar agreements, especially given the motivations of each party, the previous draft lease terms of \$15,000 per year appear to be generally in line with comparable agreements. Therefore, we have concluded a market rent for the Commerce Street Park at \$15,000 per year with 3% annual escalations.

Development of Discount Rate

Investor surveys, discussions with market participants and the subject's investment characteristics were considered in developing our opinions of Discount Rates. The following graph provides a historical illustration of discount rate statistics as surveyed by investors that we considered to be relevant to the subject property.



Taking all factors into consideration, the following table summarizes the various discount rate indicators and provides the final discount rate conclusion.

Discount Rate (IRR) Conclusion						
Source	Quarter	Range	Avg	Last Q	Last YR	
PriceWaterhouse Coopers						
National CBD Office	2Q 25	6.50% to 13.00%	9.38%	9.31%	8.72%	
<i>Capitalization Vs Discount Spread</i>			210 bps	203 bps	178 bps	
RealtyRates.com						
CBD	1Q 25	10.58% to 17.87%	13.91%	13.93%	13.47%	
<i>Capitalization Vs Discount Spread</i>			403 bps	409 bps	398 bps	
Land Leases - Special Purpose	1Q 25	7.64% to 20.22%	10.87%	10.89%	10.85%	
<i>Capitalization Vs Discount Spread</i>			(55 bps)	(39 bps)	(17 bps)	
Average		8.24% to 17.03%	11.39%	11.38%	11.01%	
Discount Rate IRR Conclusion (Cash Flow)			10.00%			

We have concluded a discount rate within the range of averages of these surveys at 10%.

Leasehold Position Conclusion – Commerce Street Park

The park lease will have fifty years of rent free term. To quantify this leasehold position we have completed a discounted cash flow for the 50-year term using market rents for the park. We have concluded a 3% market rent

growth rate and utilized the above concluded 10% discount rate in our cash flow analysis. The following chart shows the calculation of the leasehold position of the park which will be the benefit of PNH Properties.

Commerce Street Park Leasehold Position							
Year	Rental Income			x	PV Factor	Present Value	
	Contract	-	Market		=		Difference
1	\$0		\$15,000	=	\$15,000	0.9091	\$13,636
2	\$0		\$15,450	=	\$15,450	0.8264	\$12,769
3	\$0		\$15,914	=	\$15,914	0.7513	\$11,956
4	\$0		\$16,391	=	\$16,391	0.6830	\$11,195
5	\$0		\$16,883	=	\$16,883	0.6209	\$10,483
6	\$0		\$17,389	=	\$17,389	0.5645	\$9,816
7	\$0		\$17,911	=	\$17,911	0.5132	\$9,191
8	\$0		\$18,448	=	\$18,448	0.4665	\$8,606
9	\$0		\$19,002	=	\$19,002	0.4241	\$8,059
10	\$0		\$19,572	=	\$19,572	0.3855	\$7,546
11	\$0		\$20,159	=	\$20,159	0.3505	\$7,066
12	\$0		\$20,764	=	\$20,764	0.3186	\$6,616
13	\$0		\$21,386	=	\$21,386	0.2897	\$6,195
14	\$0		\$22,028	=	\$22,028	0.2633	\$5,801
15	\$0		\$22,689	=	\$22,689	0.2394	\$5,432
16	\$0		\$23,370	=	\$23,370	0.2176	\$5,086
17	\$0		\$24,071	=	\$24,071	0.1978	\$4,762
18	\$0		\$24,793	=	\$24,793	0.1799	\$4,459
19	\$0		\$25,536	=	\$25,536	0.1635	\$4,175
20	\$0		\$26,303	=	\$26,303	0.1486	\$3,910
21	\$0		\$27,092	=	\$27,092	0.1351	\$3,661
22	\$0		\$27,904	=	\$27,904	0.1228	\$3,428
23	\$0		\$28,742	=	\$28,742	0.1117	\$3,210
24	\$0		\$29,604	=	\$29,604	0.1015	\$3,006
25	\$0		\$30,492	=	\$30,492	0.0923	\$2,814
26	\$0		\$31,407	=	\$31,407	0.0839	\$2,635
27	\$0		\$32,349	=	\$32,349	0.0763	\$2,467
28	\$0		\$33,319	=	\$33,319	0.0693	\$2,310
29	\$0		\$34,319	=	\$34,319	0.0630	\$2,163
30	\$0		\$35,348	=	\$35,348	0.0573	\$2,026
31	\$0		\$36,409	=	\$36,409	0.0521	\$1,897
32	\$0		\$37,501	=	\$37,501	0.0474	\$1,776
33	\$0		\$38,626	=	\$38,626	0.0431	\$1,663
34	\$0		\$39,785	=	\$39,785	0.0391	\$1,557
35	\$0		\$40,979	=	\$40,979	0.0356	\$1,458
36	\$0		\$42,208	=	\$42,208	0.0323	\$1,365
37	\$0		\$43,474	=	\$43,474	0.0294	\$1,279
38	\$0		\$44,778	=	\$44,778	0.0267	\$1,197
39	\$0		\$46,122	=	\$46,122	0.0243	\$1,121
40	\$0		\$47,505	=	\$47,505	0.0221	\$1,050

41	\$0	\$48,931	\$48,931	0.0201	\$983
42	\$0	\$50,398	\$50,398	0.0183	\$920
43	\$0	\$51,910	\$51,910	0.0166	\$862
44	\$0	\$53,468	\$53,468	0.0151	\$807
45	\$0	\$55,072	\$55,072	0.0137	\$756
46	\$0	\$56,724	\$56,724	0.0125	\$707
47	\$0	\$58,426	\$58,426	0.0113	\$662
48	\$0	\$60,178	\$60,178	0.0103	\$620
49	\$0	\$61,984	\$61,984	0.0094	\$581
50	\$0	\$63,843	\$63,843	0.0085	\$544
Net Present Value of the Commerce Street Park Leasehold					\$206,283
Net Present Value of Commerce Street Park Leasehold (Rounded)					\$210,000

Rounded to nearest \$10,000

Net Position Conclusion

PHN Properties will also be responsible for the buildout of the Fire Department Station space which is currently shell condition in the parking garage. Buildout costs are currently budgeted at approximately \$1,000,000 for this space. The space will be built out according to the design plan shown in this report to warm, lit, vanilla box condition. In addition, PHN properties will completely renovate the Commerce Street Park with new landscaping, pavers, lighting, cameras and sidewalks. Budgeted renovation costs for the park are currently estimated at \$2,000,000 to \$2,500,000. The following chart shows the net position to each party of this proposed lease agreement incorporating the costs to be paid by PHN Properties and the benefit of each party's leasehold position.

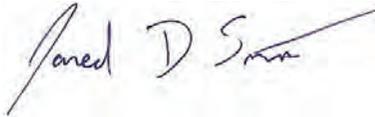
Net Position		
Entity	PHN Properties	Metro Nashville
<i>Commerce Street Park</i>		
Benefit	\$210,000	\$0
Cost	(\$2,250,000)	\$0
<i>Fire Department Station</i>		
Benefit	\$0	\$1,170,000
Cost	(\$1,000,000)	\$0
Net Position	(\$3,040,000)	\$1,170,000

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signers of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Jared Smith, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. J. Patrick Gibson, MAI, CCIM has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The 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 report.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- Jared Smith, MAI personally inspected the property that is the subject of this report. J. Patrick Gibson, MAI, CCIM did not personally inspect the property that is the subject of this report.
- No one provided significant real property assistance to appraisers signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Jared Smith, MAI and J. Patrick Gibson, MAI, CCIM completed the continuing education program for Designated Members of the Appraisal Institute.



Jared Smith, MAI
Valuation Services Director
Certified General Real Estate Appraiser
State of Tennessee License #3556
+1 615 850 3215
jared.smith@colliers.com

June 30, 2025

Date



J. Patrick Gibson, MAI, CCIM
Executive Managing Director | Mid-South Region
Certified General Real Estate Appraiser
State of Tennessee License #4183
+1 615 695 9410
patrick.gibson@colliers.com

June 30, 2025

Date

This report is subject to the following assumptions and limiting conditions:

- The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraisers may not be required to give testimony or to appear in court by reason of this report, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to the conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the conclusion. Unless approval is provided by the authors no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This report assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the conclusions may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.

Engagement Letter

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

Professional Service Agreement



615 3rd Avenue South, Suite 500
 Nashville, TN 37210
 MAIN +1 615 850 2700
 FAX +1 615 244 2957
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June 18, 2025

Patrick Gibson, MAI, CCIM
 Executive Managing Director
 Office: +1 615 695 9410 | Mobile: +1 615 419 6539
patrick.gibson@colliers.com

PNH Properties , LLC a TN Limited Liability Company
 c/o Bill R. Doyle III
 Senior Vice President, Resorts & Lodging
 Herschend Enterprises
 +1 404 734 8221
bdoyle@hfecorp.com

RE: Market Study of 211 Commerce Street

Dear Mr. Doyle:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the below-stated Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

<u>PROFESSIONAL SERVICE AGREEMENT</u> ("Agreement")	
Project	211 Commerce Street ("Property")
Location	211 Commerce Street, Nashville, TN 37201
Project Description	An outdoor park/courtyard space and a proposed fire hall space
Parties	Colliers International Valuation & Advisory Services, LLC ("CIVAS") and PNH Properties , LLC a TN Limited Liability Company (herein at times referred to as "Client")
Intended User	The Market Study will be prepared for PNH Properties , LLC a TN Limited Liability Company. Intended users include the Client and Herschend Enterprises. No other users are intended. It should be noted that if this engagement is directly with the owner of the Property, the Appraisal will not be accepted by federally insured lenders due to FIRREA Compliance, limiting the use of this report. Should this potentially impact your source of lenders, we recommend engagement be directed by a Federally Insured Lender.
Intended Use	The report to be performed under this Agreement ("Market Study") is intended only for use in Internal Decision Making - Assist the Client in Negotiating a Lease with Metro Nashville. The report is not intended for any other use.
Purpose	Market Study.
Type of Appraisal	CIVAS will produce a Market Study Report in which the appraiser's analysis and conclusions will be described within this document.
Date of Value	Date of inspection, or date agreed upon amongst appraiser and client.

Professional Service Agreement

Continued

Scope of Work	<p>CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will research relevant market data and perform analysis to the extent necessary to produce credible appraisal results.</p> <p>Based on our discussions with the Client, the Client has requested the following valuation scenarios:</p> <ul style="list-style-type: none"> › Market Rent Analysis of Plaza › Market Rent Analysis of Proposed Fire Hall Space › NPV Analysis of Both Premises › Summary of Conclusions <p>An interior/exterior property tour of the subject property will be performed.</p> <p>Please note if it's a requirement per the client's underwriting guidelines to analyze and report all approaches to value, this will be performed although some approaches may be limited in application.</p> <p>The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.</p>
Delivery	<p>Draft Appraisal: Delivered ten (10) business days from the date of authorization, retainer payment, and receipt of property specific information.</p> <p>Final Appraisal: Delivered three (3) days after completion of client review and authorization to deliver final report(s).</p>
Professional Fee	\$25,000
Expenses	Fees include all associated expenses.
No. of Reports	<p>One (1) Electronic Draft Appraisal and One (1) Electronic Final Appraisal.</p> <p>No printed copies will be delivered to the client.</p>
Retainer	<p>The entire fee is required prior to our proceeding.</p> <p><u>To Pay By Check:</u> Please remit all payments to Colliers International Valuation & Advisory Services 26791 Network Place Chicago, IL 60673-1267 **Please include the property name or address on the memo line**</p> <p><u>Wire Instructions:</u> JP Morgan Chase Bank, NA Chicago, IL 70-2322/719 Account Name: Colliers International Valuation & Advisory Services, LLC Account No. 899559074 ABA No. 021000021 ACH Payment Transit Routing Number: 071000013 Swift code for International Wires ONLY: CHASUS33 **Please include the property name or address in addenda/memo payment information**</p> <p>Please send notification to CIVASAccounting@colliers.com when payment has been sent.</p>
Payment Terms	<p>CIVAS will invoice Client for the Appraisal in its entirety (Less Retainer) at the delivery of the draft report. When a full retainer has been paid, invoice and amount due are \$0.</p> <p>Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of the draft report. If for any reason the client cancels the work before work was completed or for reasons beyond Colliers' control, then the client would pay for an agreed amount for work completed.</p>
Acceptance Date	These specifications are subject to modification if this Agreement is not accepted within three (3) business days from the date of this letter.

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information needed to begin and complete our analysis. The Client signing this Agreement or the party sending the specific property data certifies that all the information provided is accurate and complete as of the date of this request, and that any updates, revisions or additional relevant information that comes into control or possession of the Client prior to the date on which the Appraisal is delivered shall be provided to CIVAS immediately. Please forward with the Agreement or as soon as possible.

Professional Service Agreement

Continued

- › Survey with Legal Description & Site Size
- › Title Report
- › Wetland Delineation Map (if applicable)
- › Engineering studies, soil tests or environmental assessments
- › Ground lease (if applicable)
- › Existing Building or Improvement Plans
- › Individual Floor or Unit Plans
- › Current County Property Tax Bill
- › Details on any Sale, Contract, or listing of the property in the past 3 years
- › Construction Cost/Budget (within past 3 years)
- › Detailed list of personal property items
- › Property Condition Report
- › Details regarding the historical and future replacement schedule (i.e., carpets, appliances, cabinetry, laundry facilities, HVAC, etc.)
- › Capital improvements history (2 years) & budget
- › Three year & YTD Income & Expenses, Current Budget
- › Detailed occupancy report for the past 3 years and YTD
- › Detailed current certified rent roll indicating any vacant units and in-place rents
- › Details regarding any pending changes to the rent roll including any concessions
- › Aged Accounts/Delinquency Report
- › Details regarding any concessions currently being offered
- › Marketing plan and/or local competitive study, if available
- › Copy of recent Appraisals or Market Studies, if appropriate
- › Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
- › Property Contact _____

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

Reliance Language

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with the stated Intended Use. CIVAS is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by CIVAS or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS hereby expressly grants to client the right to copy the Appraisal and distribute it to employees of client and to your accountants/auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter.

The Appraisal requires CIVAS to submit a Summation of the Appraisal Findings in the form of a Letter of Transmittal along with the Summary of Salient Facts and Special/Limiting Conditions applicable to the Appraisal. This will be completed in conjunction with the Appraisal at the above stated fee.

If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, **Bill R. Doyle III/Herschend Enterprises**, on behalf of **PNH Properties, LLC a TN Limited Liability Company**, agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.

William R Doyle _____ Date: _____

PNH Properties, LLC a TN Limited Liability Company
c/o **Bill R. Doyle III**
Senior Vice President, Resorts & Lodging
Herschend Enterprises

Respectfully,

Colliers International Valuation & Advisory Services, LLC

Patrick Gibson, MAI, CCIM
Executive Managing Director
Office: +1 615 695 9410 | Mobile: +1 615 419 6539
patrick.gibson@colliers.com

Terms and Conditions**"T&C"**

- 1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, LLC's ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.
- 2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
- 3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls, meetings, deposition preparation, deposition, trial testimony or travel that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum \$500 or at a rate of \$250 per hour for associate time, \$350 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost.
- 4) Client agrees to pay all fees and expenses, including attorney's fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is lesser.
- 5) The fee is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.
- 6) In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs. The Agreement shall be governed by and construed in accordance with the laws of the state where the CIVAS office executing the Agreement is located. The venue of any action arising out of the Agreement shall be the county where the CIVAS office executing the Agreement is located. Client will have up to thirty (30) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within with this time period.
- 7) CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to CIVAS by Client. In the event that any such information is inaccurate, misleading or incomplete, CIVAS shall have no responsibility or liability for any matters relating thereto (whether to the Client or to any third party).
- 8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed.
- 9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
- 10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
- 11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.
- 12) CIVAS understands that there is no major or significant deferred maintenance in the Property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.
- 13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.
- 14) Client agrees that its only remedy for losses or damages relating to the Agreement shall be limited to the amount of the appraisal fee paid by the Client and in no circumstances shall CIVAS be liable for any losses or damages in excess of this amount. Should the Client, or any other entitled party, make a claim against CIVAS, its directors, officers, employees and other affiliates and shareholders, relating to this engagement or the appraisal(s), the maximum damages recoverable from CIVAS, its directors, officers, employees and other affiliates and shareholders, shall be the amount of funds actually collected by CIVAS under the Agreement, and no claim shall be made for any consequential or punitive damages.

Professional Service Agreement

Continued

- 15) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 16) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of \$250 per hour for associate time, \$350 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
- 17) Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnities"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnities; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnities harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party. LIMITATION OF LIABILITY. EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.
- 18) CIVAS agrees to maintain Professional Liability Insurance in the amount of \$1,000,000 and General Liability insurance in the amount of \$2,000,000, as well as Workers Compensation per local regulatory requirements. CIVAS will endeavor to provide Client with written notice regarding any cancellation of any such insurance. CIVAS will provide Client with certificates of insurance naming Client as an additional insured on the General Liability policy upon request.
- 19) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material and disclaim all liability to any party other than the Client.
- 20) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney's fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties.
- 21) The use of this appraisal shall be used only for the purpose as set forth in the Intended Use section of the Agreement. In the event that the client wishes to use this report or portions of this report for any other purpose such as, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at the Client's sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS and the Client, by a party satisfactory to CIVAS and the Client. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your accountants/auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

Valuation Glossary 2024

Unless specified otherwise, these definitions were extracted or paraphrased from the following sources or publications:

- The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022 (Dictionary).
- Uniform Standards of Professional Appraisal Practice, 2020-2023 Edition (USPAP).
- The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

As-Is Market Value

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

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price

The sale price of a property that is equivalent to what a cash buyer would pay. *(Dictionary)*

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw involving the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

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

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value. *(Dictionary)*

Disposition Value

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

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life

The period over which improvements to real estate contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. *(Dictionary)*

Entrepreneurial Profit

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

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

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

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (USPAP)

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. (Dictionary)

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. (Dictionary)

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. (USPAP)

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. (Dictionary)

Floor Area Ratio (FAR)

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

the permissible floor area of a building is twice the total land area. (Dictionary)

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. (Dictionary)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-concern

An established and operating business having an indefinite future life. (Dictionary)

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. (Dictionary)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary)

Gross Living Area (GLA)

Total area of finished, above-grade residential space area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) (Dictionary)

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market



participant would have in mind for the asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *(USPAP)*

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy involving the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. *(Dictionary)*

Interim Use

The use contemplated by the market participants that the subject real estate can be put to while waiting for certain subsequent factors to occur. *(Dictionary)*

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legal Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; sometimes known as a legally nonconforming use. *(Dictionary)*

Liquidation Value

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

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. *(Dictionary)*

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)

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

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (*12 CFR, Part 34, Subpart C - Appraisals, 34.42(h)*).

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. (*Dictionary*)

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. (*Dictionary*)

Net Net Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN lease, triple net lease, or fully net lease*. (*Dictionary*)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). (*15th Edition*)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (*Dictionary*)

Off-site Costs

Costs incurred in the development of a project excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. (*Dictionary*)

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. (*Dictionary*)

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. (*15th Edition*)

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. (*Dictionary*)

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. (*Dictionary*)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (*Dictionary*)

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. (*Dictionary*)

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. (*Dictionary*)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. (*Dictionary*)

Qualitative Adjustment

An indication that one property is superior, inferior, or similar to another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. (*Dictionary*)

Quantitative Adjustment

In the application of the sales comparison and income capitalization approaches, a numerical (dollar or percentage) adjustment to the sale price, rent, or expense amount of a comparable property to account for the effect on value of a difference between each comparable property and the subject property. (*Dictionary*)

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. (*Dictionary*)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (*Dictionary*)

Replacement Cost for Insurance Purposes

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). (*Dictionary*)

Reproduction Cost

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

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (*Dictionary*)

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. (*Dictionary*)

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

- The extent to which the property is identified;
- The extent to which tangible property is inspected;
- The type and extent of data researched; and
- The type and extent of analysis applied to arrive at opinions or conclusions. (*USPAP*)

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. (*15th Edition*)

Sum of the Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. (*Dictionary*)

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. (*Dictionary*)

Surplus Land

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

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. *(Dictionary)*

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. *(Dictionary)*

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

Vacancy and Collection Loss

A deduction from potential gross income (*PGI*) made to reflect income deductions due to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. *(Dictionary)*

Yield Capitalization

A method used to convert future benefits into present value by (1) discounting each future benefit at an appropriate yield rate, or (2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. *(Dictionary)*



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Jared D. Smith, MAI

Area of Expertise

Jared D. Smith, MAI, serves as a Valuation Services Director for the Nashville office of Colliers International Valuation & Advisory Services providing valuation and advisory services throughout the State of Tennessee as well as the greater southeast region. He has more than fourteen years of real estate valuation experience. His experience spans a wide range of asset types including office, retail strip centers, restaurants, fast food, industrial, apartments, mobile home parks, motels, hotels, automobile dealerships, large agricultural/recreational tracts, subdivisions, land and religious facilities.

Affiliations or Memberships

Appraisal Institute, Designated Member

Professional Background

Associate Appraiser, McGuigan & Associates, LLC.

Education or Qualifications

Bachelor Degree in Economics,
Minor in Financial Economics,
Vanderbilt University, Nashville,
Tennessee

State Certifications

Alabama
Kentucky
Mississippi
Tennessee



JARED DUBOSE SMITH

ID NUMBER: 3556
LIC STATUS: ACTIVE
EXPIRATION DATE: August 31, 2025

36150

TENNESSEE REAL ESTATE APPRAISER COMMISSION
CERTIFIED GENERAL REAL ESTATE APPRAISER
THIS IS TO CERTIFY THAT ALL REQUIREMENTS
OF THE STATE OF TENNESSEE HAVE BEEN MET

ATTN:COLLIERS INTERNATIONAL
JARED DUBOSE SMITH
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NASHVILLE TN 37215

State of Tennessee

TENNESSEE REAL ESTATE APPRAISER COMMISSION
CERTIFIED GENERAL REAL ESTATE APPRAISER
JARED DUBOSE SMITH

This is to certify that all requirements of the State of Tennessee have been met.

ID NUMBER: 3556
LIC STATUS: ACTIVE
EXPIRATION DATE: August 31, 2025



IN-1313
DEPARTMENT OF
COMMERCE AND INSURANCE



Executive Managing Director
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J. Patrick Gibson, MAI, CCIM

Area of Expertise

J. Patrick Gibson serves as the Executive Managing Director of Colliers Valuation's Mid-South Region, including the Nashville and Atlanta offices. He specializes in commercial investment real estate, and his experience spans a wide range of property types including office, retail, industrial, hotels, self storage, special purpose, mixed-use, land, multi-family, and residential subdivisions. He has performed appraisals in over fifteen states.

Affiliations or Memberships

Designated Member of the Appraisal Institute
Advisor in the Candidate for Designation Program (Appraisal Institute)
Designated Member of the CCIM Institute
Urban Land Institute (ULI), Serving on the Capital Markets Advisory Committee
Affiliate Member of The International Council of Shopping Centers (ICSC)

Professional Background

Managing Director (Nashville), Colliers International Valuation & Advisor Services
Senior Appraiser, Valbridge Property Advisors | R.K. Barnes & Associates, Inc.
Associate Appraiser, R.K. Barnes & Associates, Inc.

Education or Qualifications

Bachelor of Science in Business Administration, University of Tennessee

State Certifications

Alabama
Georgia
Kentucky
Mississippi
Tennessee



STATE OF TENNESSEE
DEPARTMENT OF
COMMERCE AND INSURANCE



JOSEPH PATRICK GIBSON

ID NUMBER: 4183
LIC STATUS: ACTIVE
EXPIRATION DATE: August 31, 2026

37488

TENNESSEE REAL ESTATE APPRAISER COMMISSION
CERTIFIED GENERAL REAL ESTATE APPRAISER
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OF THE STATE OF TENNESSEE HAVE BEEN MET

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State of Tennessee

TENNESSEE REAL ESTATE APPRAISER COMMISSION
CERTIFIED GENERAL REAL ESTATE APPRAISER
JOSEPH PATRICK GIBSON

This is to certify that all requirements of the State of Tennessee have been met.

ID NUMBER: 4183
LIC STATUS: ACTIVE
EXPIRATION DATE: August 31, 2026



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Valuation & Advisory Services



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Valuation & Advisory Services

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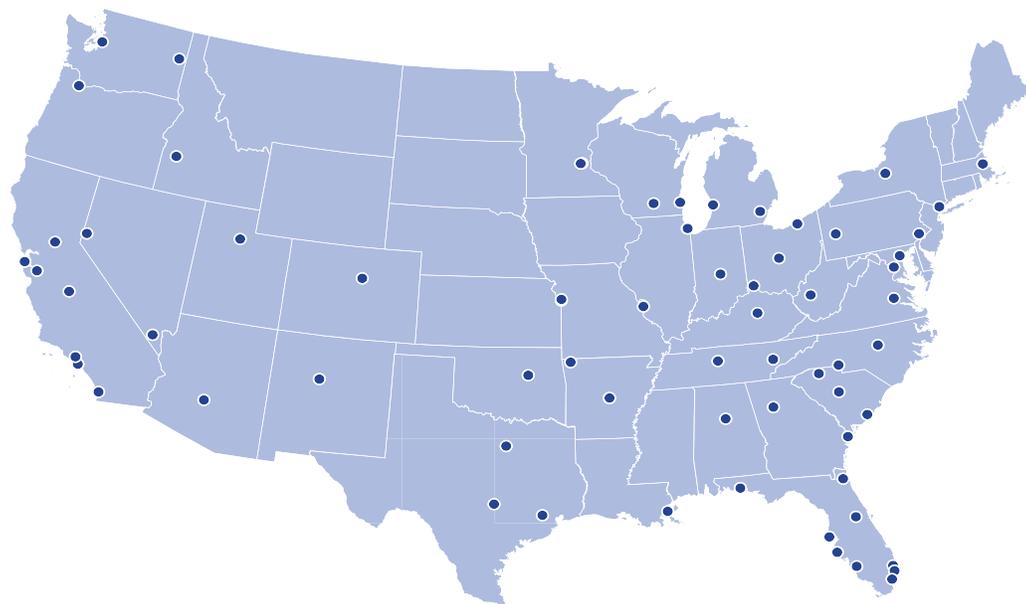
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INFORMATION

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Our Experts

To learn more about our Regional and Market Valuation Experts, please click on or scan the QR code.



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