



Randy Button & Associates

Valuation Services



An Appraisal Report of

800 2nd Avenue North, Nashville, Davidson County, Tennessee

Prepared For

Metropolitan Government of Nashville and Davidson County
Ron Colter, Real Estate Manager, Department of Finance
730 2nd Avenue South
Nashville, Tennessee 37210

Prepared By

Randy Button, MAI, SRA, AI-GRS
Adam Hill

Effective Date of Appraisal

April 1, 2020

Date of Report

April 16, 2020



RANDY BUTTON & ASSOCIATES, INC.

April 16, 2020

Metropolitan Government of Nashville and Davidson County
Attn: Ron Colter, Real Estate Manager
730 2nd Avenue South
Nashville, Tennessee 37210

Re: Land Only Valuation of 800 2nd Avenue North, Nashville, Tennessee

Dear Mr. Colter:

At your request and authorization, Randy Button & Associates, Inc. has prepared an appraisal of the fee simple market value of 800 2nd Avenue North, Nashville, Tennessee as vacant land. Our analysis is presented in the following appraisal report. Based on the analysis contained in the following report, the market value of the subject, is concluded as follows:

MARKET VALUE CONCLUSION	
<i>Fee Simple Estate of 4.448 Acres of Land Located at 800 2nd Avenue North and no Improvements/As Vacant</i>	\$ 17,500,000

As of the date of this report, the United States economy is starting to experience impacts from the latest worldwide pandemic, Coronavirus Disease 2019 (COVID-19). While this is a rapidly evolving situation, it is unknown at this time what, if any, long-term impact COVID-19 will have on real estate markets. While consideration to overall market conditions are given in this analysis, specific impacts to land values for the subject tract related to COVID-19 are speculative as of the date of value and the date of this report. Therefore, no material impact on the valuation has been considered. Should at a later date more information and market evidence of impacts from COVID-19 become available, this report is subject to review and revision as necessary.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Randy Button & Associates will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if Randy Button & Associates can be of further service, please contact us.

Respectfully submitted,
Randy Button & Associates, Inc.



Randy Button, MAI, SRA, AI-GRS (CG#3)
State Certified General Real Estate Appraiser



Adam L. Hill (CG# 4698)
State Certified General Real Estate Appraiser

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Summary of Important Facts and Conclusions

Subject:	800 2nd Avenue North, Nashville, Tennessee
Tax Identification:	082-14-0-021.00
Land Area:	4.488 Acres or 195,505 SF The land area was calculated from the deed calls
Improvement(s):	The site is improved with a large office building and utility buildings. The improvements were constructed in 1960 and as improved, do not represent the Highest and Best Use of the site. The Highest and Best Use of the site would include raising these improvements. The client has requested a land only / as vacant valuation.
Owner:	Metropolitan Government of Nashville and Davidson County and utilized as an office for General Services.
Sale History:	The property was transferred (along with an unimproved neighboring 0.4-acre tract identified as tax map and parcel 082-14-0-026.10) from Piedmont Natural Gas Company, Inc. on August 10, 1989 for \$1,946,442.00 as recorded in Deed Book 7913, page 174. A deed of correction was issued on July 15, 1991 as recorded in Deed Book 8398, page 819.
Current Listings, Options or Contracts:	The property was not reported to be currently under contract and no record of the site being listed for sale was found.
Date of Report:	April 16, 2020
Effective Date:	April 1, 2020
Property Rights:	Fee Simple
Value Conclusion:	\$ 17,500,000

Scope of Work

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

Client and Intended User:

This appraisal is only intended for the use of the client, Metropolitan Government of Nashville and Davidson County.

Intended Use of the Report:

The intended use for this appraisal report is to assist the client in asset management decisions.

Type and Definitions of Value:

Market value as used in this appraisal is defined as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, 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 interest;
- (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 there to;
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34,

Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

Effective Date of Value(s):

April 1, 2020

Report Type:

This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a).

Property Rights Appraised:

Real property is defined as “the interest, benefits, and rights inherent in the ownership of real estate (Source: The Dictionary of Real Estate Appraisal, 6th Edition). The subject tract is being appraised in fee simple, which reflects a 100% ownership position. Fee simple estate is defined as, "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." (Source: The Dictionary of Real Estate Appraisal, 6th Edition).

The bundle of rights, referred to as the fee simple property rights, include the right to sell an interest, right to lease an interest, right to occupy the property, right to mortgage an interest, or the right to give an interest away. These rights can be separated into partial interest held by different entities (example: leasing the right to occupy a property to a tenant). Any limitation on ownership rights has to be given special attention as all partial or fractional interest are “cut out” of the fee simple interest (bundle of rights).

This appraisal assignment requires the valuation of the fee simple interest in the subject property prior to appraising the fractional interest (proposed easement(s)) and estimating the market acceptance

of the proposed divided interest to the whole property.

Subject of the Appraisal:

The subject of this appraisal was defined in the Summary of Important Facts and Conclusions. For additional details please see Land Description for more specific information on the subject of this appraisal.

Assignment Conditions:

This appraisal is subject to the Limiting Conditions and Assumptions stated in the addenda of this report. There are no known laws, regulations, jurisdictional exceptions or other conditions that affect the scope of work. The exceptions are Hypothetical Conditions and/or Extraordinary Assumptions (stated below when applicable):

Hypothetical Conditions:

A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraisers to exist on the effective date of the assignment results, but is used for the purpose of analysis. This appraisal assumes the hypothetical condition the subject is not improved with an office and warehouse improvements and is an unimproved property or vacant land. This appraisal tool is being used to provide the client with a land only value.

Extraordinary Assumptions:

An extraordinary assumption is 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 appraisers' opinions and conclusions. This appraisal report is not subject to an extraordinary assumption.

Typical Expectations:

This appraisal report has been created to meet the expectations of the client and written in a manner to effectively communicate to the client and intended user's creditable assignment results for the specified intended use. Assignment results that are creditable for one intended use may not be creditable for another intended use. This report has also been created in accordance with accepted appraisal practice as established by peers within the appraisal industry and applicable professional standards.

Inspection:

Adam Hill made a personally make a visual inspection of the of the subject property from the road frontage. This included a visual inspection of the site. Photographic evidence of the present condition was taken and is included in this report.

We also reviewed site-specific information pertaining to the subject property from public records, and reviewed furnished materials, including legal descriptions, recorded plats, railroad surveys, etc. Our researched included analyzing recorded ownership, tax assessment and zoning data, as well as analyzing the subject's market area.

Market Area and Analysis of Market Conditions:

The timing of the proposed sale of the subject site is considered now. Therefore, a Level 'B' analysis which employed an area wide market data of the subject's general property class. Data from area wide market surveys which were prepared by proprietary firms or public agencies were relied upon. A more intensive market analysis would be required to determine a proposed development mix and subsequent timing of construction to meet the Highest and Best Use as improved (which is outside of the scope of work for this report).

Market Analysis

The market value of a property is influenced by its competitive position in its market. Market analysis and market ability studies provide the data and analysis required to support the highest and best use conclusions, as well as, in the development of the approaches to value. Although the process is commonly referred to as market analysis, all appraisers must include what is more precisely labeled a marketability study. A marketability study includes an identification of the subject and its competitive market area, a study of the economic conditions presents in this market area, and a conclusion on the subject's market appeal in the present environment.

More specifically, these terms are defined by the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed., as follows:

Market Analysis - The study of the supply and demand in a specific area for a specific type of property.

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 and not just the market in which the property is located.

This market analysis and marketability study is focused on the fundamental market of the user of real estate and not the influence capital markets or asset management may have on users of real estate.

Property Analysis

Site description: The subject tract is located at 800 2nd Avenue North, Nashville, Davidson County, Tennessee. This tract is 4.488 acres in size and is improved. The site has the following characteristics:

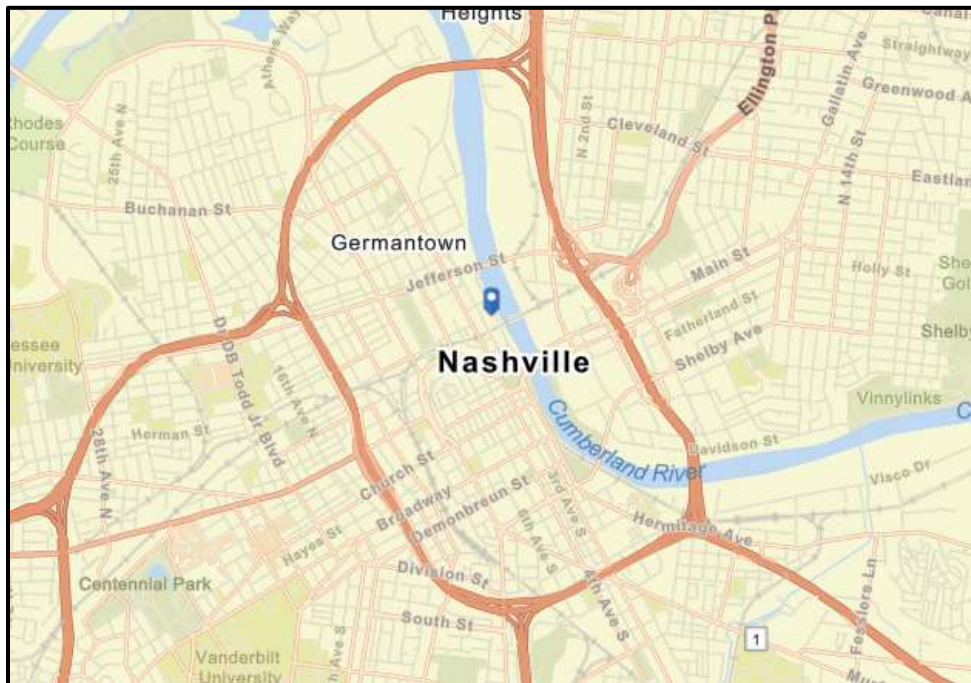
- *Road Frontage:* Yes. 609 LF on 2nd Ave. N, 278.66 on Stockyard St.
- *Adequate Depth for Development:* Yes. 310.26 LF
- *Access to Utilities:* Yes. Typical of most metropolitan areas
- *Topography:* Level
- *Detrimental Easements:* Easements are typical. Not in a flood plain.
- *Comment:* Site is adequate for a large-scale development

Improvement Description: The subject tract is presently improved. The improvements do not constitute the Highest and Best Use of the site. This is a land only valuation evaluating the site as though vacant. The following maps show the subject tract's location:

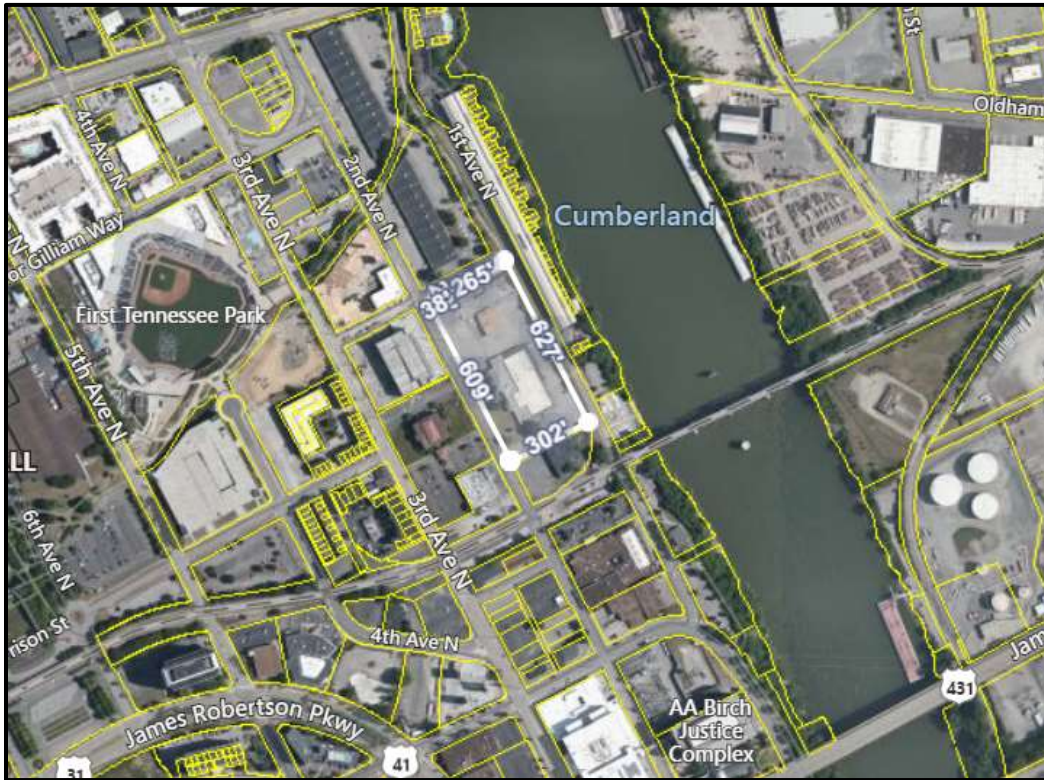
Regional Map



City Map



Aerial Photo



Linkage: The site has good access to the Central Business District, restaurants, retail options, grocery stores, green space, and entertainment, including the Nashville Sounds baseball field located one block away. The following time and distance relationships were found to directly affect the micro-location.

Location	Travel Time	Travel Distance
First Horizon Baseball Park	1 minutes	400 Feet
Central Business District	3 Minutes	1,350 Feet
Nashville Farmers Market	3 minutes	2,000 Feet
Kroger @ Monroe & Rosa L. Parks	5 minutes	3,000 Feet
Publix @ Capitol View	4 minutes	3,500 Feet

Urban Growth Patterns: The subject tract is between the downtown central business district to the south, Hope Gardens to the west, Germantown to the north and the Cumberland River to

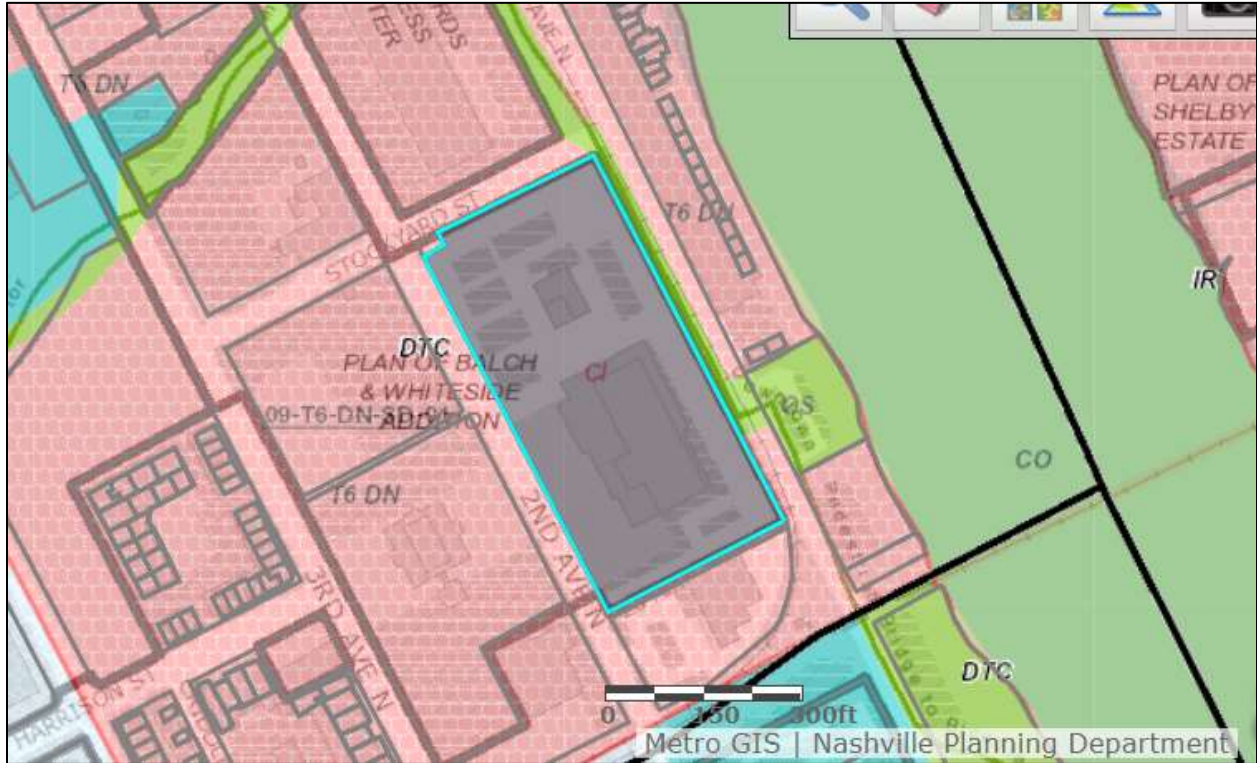
the east. A large portion of this land area is owned by the state of Tennessee and is the location of the Farmer's Market, Bi-centennial Park, Nashville Sounds baseball field, and the new state museum.

Following the explosive growth and redevelopment of the residential neighborhoods of Germantown and Hope Gardens, coupled with the development of the new minor league baseball field, the small area the subject is located in (known as Sulfur Dell) has seen a complete redevelopment from industrial uses to large scale multifamily apartment and condo buildings. This redevelopment has been accompanied by retail food and entertainment.

The site is extremely well positioned with views of downtown and the Cumberland River. Some of the recent development in the immediate area includes:

- Vista Germantown, a 242-unit apartment building in a mixed-use complex, located at 515 Madison Street, built and subsequently sold for \$53,250,000, briefly setting a sales price record on a per unit basis for Nashville. (The Vista was hit by the 2020 tornado; it was condemned and is currently vacant).
- A minor league ballpark, First Horizon Park, opened in the spring of 2015 on the Sulphur Dell site.
- Peyton Stakes, a 249-unit apartment complex, located at 1401 3rd Avenue N.
- Atlas Germantown, a 101-unit apartment complex, located at the corner of Madison and 3rd Avenue N.
- The Monroe, a 244-unit apartment complex, located at 1300 4th Avenue N.
- LC Germantown, a 450-unit apartment, located at 1220 2nd Avenue N.
- Broadstone Germantown, a 276-unit apartment building, located at 1100 3rd Avenue N. (Broadstone was hit by the 2020 tornado; it was condemned and is currently vacant).
- The Tennessee State Library & Archives, a 165,000 square foot facility, located at Bicentennial Capital Mall State Park.
- The new Tennessee State Museum, a 137,000 square foot building, was recently completed at the corner of Jefferson Street & Rosa L. Parks Blvd.
- Carillon, a 306-unit apartment complex, located at 1001 4th Avenue N.
- 909 Flats, a 232-unit apartment complex, located at 909 Rosa L. Parks Avenue.
- The Griff Apartments, a 258-unit apartment in a mixed-use complex, located at 1390 Adams Street recently opened at the site of the Historic Hammer Mill building.
- The Broadstone Stockyards, a 342-unit apartment complex, located at 222 Stockyard Street in the 100-year-old Nashville-Union Stockyards building, recently opened.
- Also, in the area are several high-profile restaurants.

Zoning: The subject tract is zoned DTC, The Downtown Code.



This district is intended to provide for and encourage a mix of compatible land uses that provide opportunities to live, work, and shop within the neighborhoods of downtown. In order to create a more sustainable downtown, the DTC emphasizes regulating the height, bulk and location of a building and the context of the building in relationship to its surroundings or other nearby buildings. The subject is located in the Sulphur Dell subdistrict of DTC. The Sulphur Dell neighborhood is a mixed-use neighborhood surrounding the Bicentennial Mall on the north side of Downtown. This area includes many state-owned properties and is envisioned to be a cultural and civic destination within the State, Mixed-use and residential buildings will diversify the neighborhood and provide a transition in height and use into neighborhoods to the north.

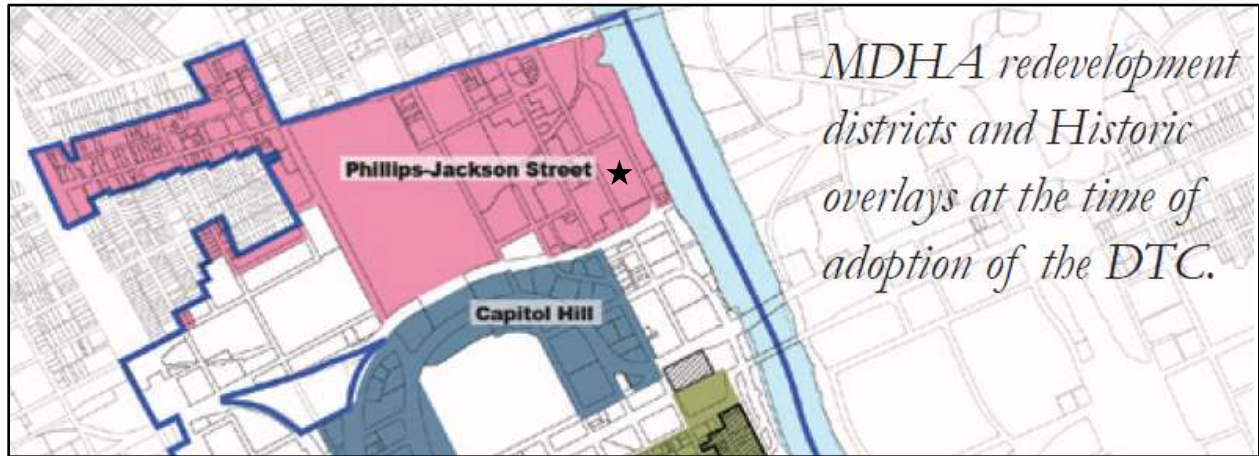
The Downtown Sulfur Dell District is illustrated on the following page:



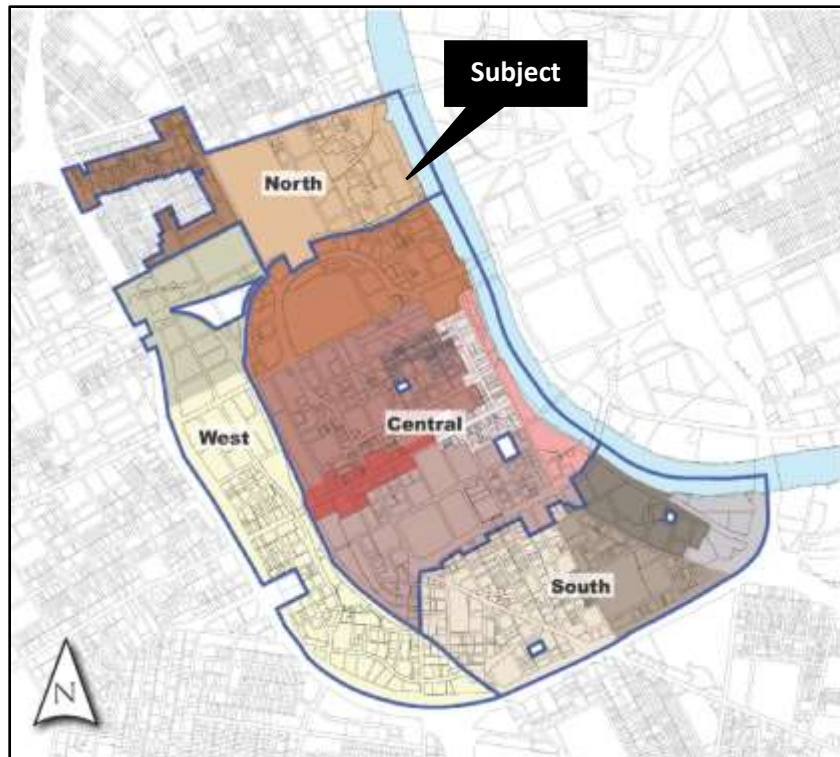
The subject is located within the Sulfer Dell subdistrict along primary road frontage (both 1st and 2nd Avenues). This indicates the zoning restrictions are as follows:

Frontage	
A	Allowed Frontage Types with Required Build-to Zone
	Primary Street
	• Storefront Frontage 0'-10'
	• Stoop Frontage 5'-10'
B	Facade width
	Primary Street 80% of lot frontage min.
C	Min. building depth 15' from building facade
Height	
D	Max.
	• Primary Street 7 stories
	Additional height available through the Bonus Height Program

The subject is also located within the Phillips-Jackson Street MDHA overlay. This means approval of final development plans are approved through the MDHA and development intensity is often more generous. Generally, a property that is within more than one subdistrict may apply for minor modification to use the standards of either subdistrict. If the Executive Director of the Planning Department finds additional considerations are warranted, then the modification request maybe submitted to the Downtown Code/MDHA Design Review Committee as a major modification. The following image illustrates this second overlay:



Additionally, the subject tract is located in the North land use section as illustrated below:



The permitted uses for the north district are as follows:

P Permitted by right	North	PC Permitted with conditions	North
SE Special Exception		SE Special Exception	
A Accessory		A Accessory	
O Overlay District		O Overlay District	
Residential Uses:		Commercial Uses:	
Single-family	P	Medical or scientific lab	P
Two-family	P	Nonresidential drug treatment facility	P
Multi-Family	P	Nursing home	P
Mobile home dwelling		Outpatient clinic	P
Accessory apartment	P	Rehabilitation services	P
Boarding house	P	Residence for handicapped (8 or more)	P
Consignment sale	P	Veterinarian	P
Garage sale	A	Commercial Uses:	
Historic bed and breakfast homestay	P	After-hours establishment	PC
Historic home events	P	Animal boarding facility	P
Home occupation	P	ATM	P
Rural bed and breakfast homestay		Automobile convenience	PC
Security residence		Automobile parking	P
Institutional Uses:		Automobile repair	
Correctional facility	P	Automobile sales, new	
Cultural center	P	Automobile sales, used	
Day care center (up to 75)	P	Automobile service	P
Day care center (over 75)	P	Bar or nightclub	P
Day care home	P	Bed and breakfast inn	P
Day care—parent's day out	A	Business service	P
School day care	P	Carpet cleaning	P
Monastery or convent	P	Car wash	
Orphanage	P	Community garden (commercial)	P
Religious institution	P	Community garden (non-commercial)	P
Educational Uses:		Custom assembly	P
Business school	P	Donation center, drop-off	PC
College or university	P	Funeral home	P
Community education	P	Furniture store	P
Dormitory	P	Home improvement sales	P
Fraternity/sorority house	P	Hotel/motel	P
Personal instruction	P	Inventory stock	A
Vocational school	P	Kennel/stable	
Office Uses:		Laundry plants	
Financial institution	P	Liquor sales	P
General office	P	Major appliance repair	P
Leasing/sales office	P	Microbrewery	P
Medical Uses:		Mobile storage unit	PC
Animal hospital		Mobile vendor	
Assisted-care living	P	Personal care services	P
Hospice	P	Restaurant, fast-food	P
Hospital	P	Restaurant, full-service	P
Medical appliance sales	P	Restaurant, take-out	P
Medical office	P	Retail	P
		Self-service storage	P
		Vehicular rental/leasing	PC

P Permitted by right	North
PC Permitted with conditions	
SE Special Exception	
A Accessory	
O Overlay District	
Vehicular sales & services, limited	
Wrecker service	
Communication Uses:	
Amateur radio antenna	P
Audio/video tape transfer	P
Multi-media production	P
Printing and publishing	P
Radio/TV/satellite tower	PC
Radio/TV studio	P
Satellite dish	P
Telephone services	PC
Industrial Uses:	
Artisan distillery	P
Building contractor supply	PC
Distributive business/wholesale	PC
Fuel storage	A
Heavy equipment sales & service	
Hazardous operation	
Manufacturing, heavy	
Manufacturing, medium	
Manufacturing, light	PC
Research service	P
Scrap operation	
Tank farm	
Warehouse	PC
Transportation Uses:	
Airport/heliport	
Boatdock (commercial)	P
Bus station/landport	P
Bus transfer station	P
Commuter rail	P
Helistop	SE
Motor freight	
Park and ride lot	
Railroad station	SE
Railroad yard	
Water taxi station	P
Utility Uses:	
Power/gas substation	P
Power plant	A
Reservoir/water tank	P
Safety services	P
Waste water treatment	SE
Water/sewer pump station	P
Water treatment plant	SE

P Permitted by right	North
PC Permitted with conditions	
SE Special Exception	
A Accessory	
O Overlay District	
Waste Management Uses:	
Collection center	
Construction/demolition landfill	
Medical waste	A
Recycling collection center	P
Recycling facility	
Sanitary landfill	
Waste transfer	
Recreation and Entertainment Uses:	
Adult entertainment	O
Camp	
Club	P
Commercial amusement (inside)	P
Commercial amusement (outside)	P
Country club	P
Drive-in movie	
Driving range	
Fairground	
Golf course	
Greenway	P
Park	P
Racetrack	
Recreation center	P
Rehearsal hall	P
Stadium arena/convention center	P
Temporary festival	P
Theater	P
Zoo	
Other Uses:	
Agricultural activity	
Cemetery	P
Domestic animals / wildlife	
Mineral extraction	
Pond/lake	P

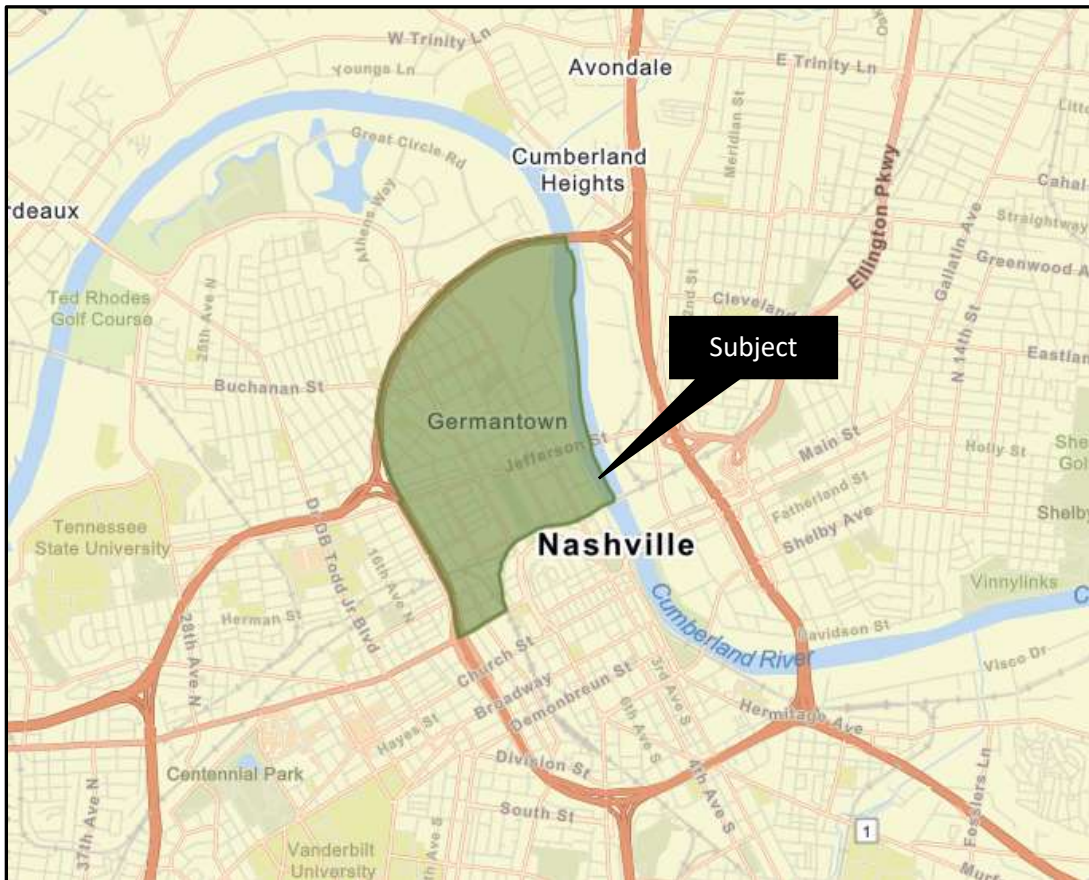
Presently, adjacent uses include:

- Multi-family apartments and condominiums
- Office
- Governmental Uses and Non-Profits
- Business Services
- Hotel
- Restaurant/Bar
- Retail

Market Delineation

Market delineation is the process of identifying the competitive market where the subject is located. This includes demand sources, and location, where equally desirable properties tend to compete, most probable consumer profile of the end user, most probable end user of the subject property and segmentation of consumer groups.

The first step in this process is to identify the market area where other vacant or improved sites would compete with the subject tract. We have identified the subject's market as follows:



This market area is based on the subject's U.S. Census tract (194.10). This area includes Germantown, Salemtown, Hope Gardens, the Gulch North and the Sulfur Dell area where the subject is located. The remainder of this section of the report is based on the subject's market area as illustrated above.

Competitive Market Area: The market area that includes the subject property and the primary and direct competition of the subject is considered to be the properties located between the central business district and either side of Jefferson Street and the Gulch North area. The Gulch North area is slightly superior to the subject site in terms of interstate access and overall development potential. This is the new location of HCA, Lifeway, and the new Publix.

As stated earlier, this area is largely comprised of land owned by the city and state. Therefore, there is a scarcity of available land. Some existing uses include some manufacturing (such as US Smokeless Tobacco), the courthouse, law offices, bail bond companies, state office buildings, minor league baseball field, restaurants, grocery stores, museums, a state park and farmers market, and apartment/condominiums.

According to the Site To Do Business and ESRI report on classifications established by the North American Industry Classification System (NAICS) where there is a significant leakage for the subject's market area in the following categories:

- Grocery Stores (-\$21,448,439)
- Restaurants/Other Eating Places (-\$16,026,917)
- Clothing Stores (-\$1,936,120)
- Drinking Places – Alcoholic Beverages (-\$985,148)

There is a Kroger grocery store located near 8th Avenue and Jefferson Street. This store has not been updated to the standards of the store in Green Hills or even the renovation of the Kroger store in East Nashville at Eastland Avenue and Gallatin Road. This has created an opportunity, coupled with the increase in density and disposable income of the residents in the market area. Therefore, loss in grocery store sales is likely abated by the new opening of Publix at 12th Avenue and Charlotte Avenue, as well as the new Whole Foods on Broadway and I-40.

The lack of restaurants or bars in the area may have also been abated by the recent increase in these establishments into mixed-use buildings constructed in the past few years. Additionally, the economic impact of COVID-19 has changed the economics of operating a restaurant. Presently, these establishments operate on tight margins and with stay-at-home orders in place and social distancing, the future of these entities are unknown. It is very likely that many

restaurants will shutter and leave these spaces vacant. In which case, these vacant spaces may need to be absorbed before new spaces are needed.

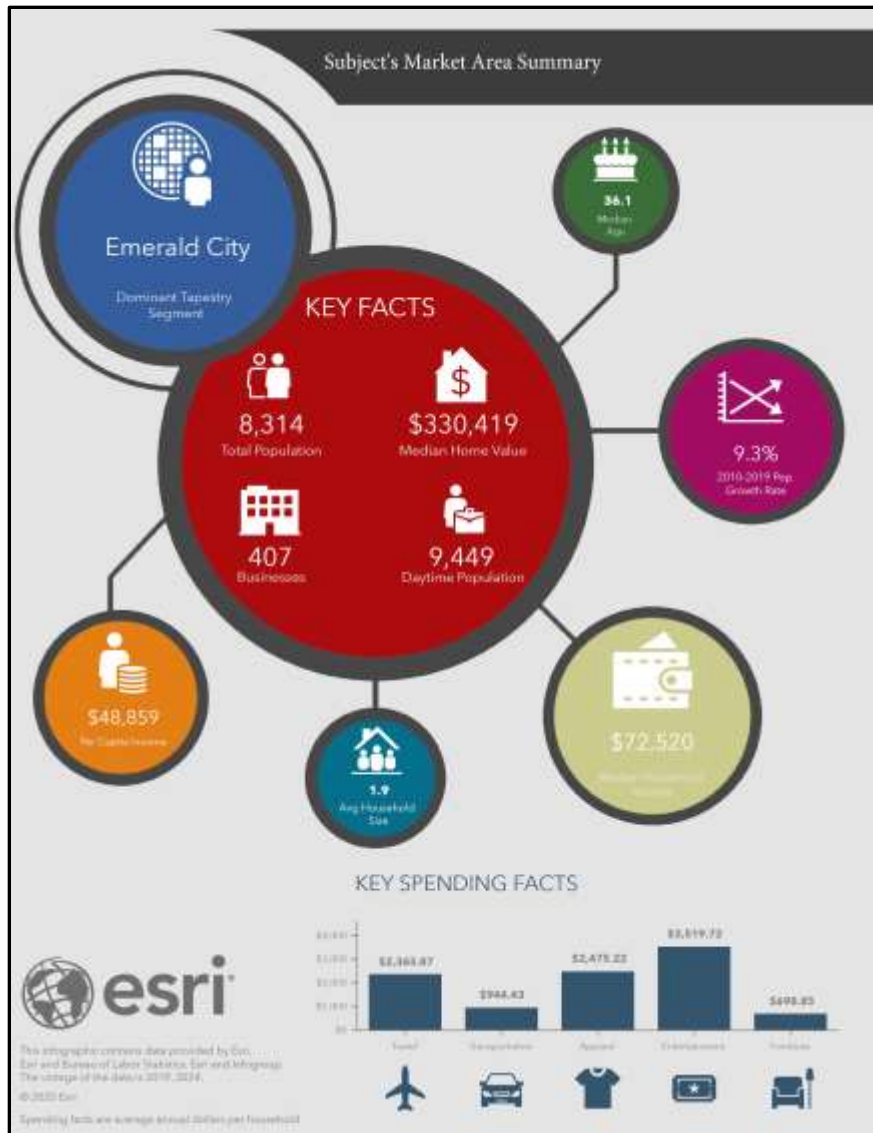
Nashville has been growing in comparison to many cities in the U.S. for over a decade. This trend is expected to continue. Even if the economic impact of COVID-19 were to slow growth, Nashville is assumed to remain a leader in new jobs, new residents, and continued growth in the southeastern U.S. Therefore, additional multi-family residential uses will be needed to achieve the density desired by city planners and to meet the needs and consumer preferences of the demographic moving to this city.

In addition, a mixed-use building with residential and some ground level office or retail uses (specifically a clothing store) appear to have sufficient demand for such use.

Market Conditions: The subject's competitive market is a stage of revitalization. The overall market is in a state of expansion.

Consumer Profile: The following information summarizes the community of people living within this market area.





WHO ARE WE?

Emerald City's denizens live in lower-density neighborhoods of urban areas throughout the country. Young and mobile, they are more likely to rent. Well educated and well employed, half have a college degree and a professional occupation. Incomes close to the US median come primarily from wages, investments, and self-employment. This group is highly connected, using the Internet for entertainment and making environmentally friendly purchases. Long hours on the Internet are balanced with time at the gym. Many embrace the "foodie" culture and enjoy cooking adventurous meals using local and organic foods. Music and art are major sources of enjoyment. They travel frequently, both abroad and domestically.

OUR NEIGHBORHOOD

- There are mostly older, established neighborhoods with homes built before 1960; around 30% built before 1940.
- Just over half of all homes are renter occupied.
- Single-person and nonfamily types make up over half of all households.
- Median home value and average rent are slightly above the US levels; around half of owned homes are worth \$150,000-\$300,000.

SOCIOECONOMIC TRAITS

- Well educated, these consumers research products carefully before making purchases.
- They buy natural, green, and environmentally friendly products.
- Very conscious of nutrition, they regularly buy and eat organic foods.
- Cell phones and text messaging are a huge part of everyday life.
- They place importance on learning new things to keep life fresh and variable.
- They are interested in the fine arts and especially enjoy listening to music.

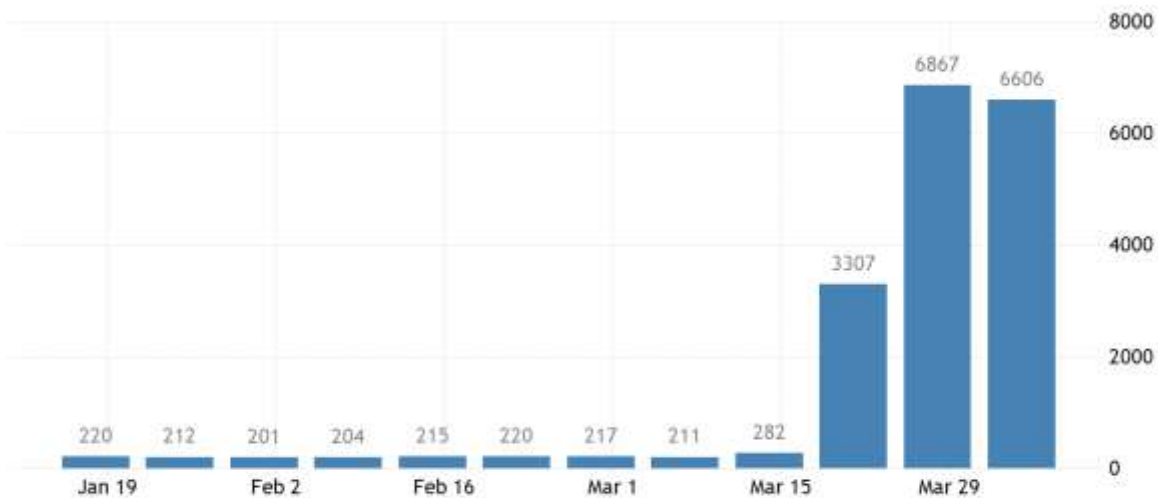


Note: The index represents the ratio of the segment rate to the US rate weighted by US. Consumer performance are estimated from data by ENR, ENR.

Employment: Unemployment rates in Davidson County were estimated to be at 2.7% (unemployed % of able population), slightly above the previous month of 2.3%, as last reported on March 12, 2020. This is significantly below the state and national averages.

		January 2020 Pre.				December 2019 Rev.		January 2019	
Seasonally Adjusted *	Labor Force	Employed	Unemployed	Rate	Rate	Change	Rate	Change	
UNITED STATES	164,606,000	158,714,000	5,892,000	3.6%	3.5%	0.1%	4.0%	-0.4%	
TENNESSEE	3,367,292	3,255,260	112,032	3.3%	3.3%	0.0%	3.4%	-0.1%	

Importantly, since the release of this employment information (above, on March 12, 2020), weekly unemployment claims have spiked like never before. According to Trading Economics “The number of Americans filing for unemployment benefits eased to 6.606 million in the week ended April 4th from the previous week's record high of 6.867 million, but well above expectations of 5.25 million. The latest increase brought the total reported in the last three weeks to near 17 million, as the coronavirus crisis deepened. The 4-week moving average, which removes week-to-week volatility, also jumped to an all-time high of 4.266 million, while continuing jobless claims hit 7.455 million in the week ended March 28th, also the highest on record. The last week's number may be underestimated as many states are struggling to process high volumes of claims. The \$2.2 trillion package approved by the White House and Congress which increased payments for the unemployed to up to \$600 per week for up to four months likely contributed to the rise in the claims.”



SOURCE: TRADINGECONOMICS.COM | U.S. DEPARTMENT OF LABOR

However, when viewed in comparison to the weekly reports over the past 25 years, the spike in this rapid unemployment in respect to historical trends, could not be more evident:



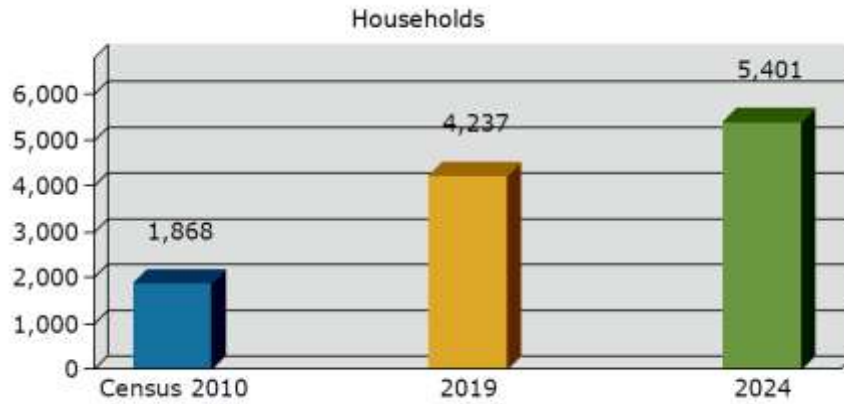
With no regard to the weekly unemployment insurance claims, we anticipate the unemployment figures to rise as a percentage of the eligible workforce as the thousands of employees who have been furloughed already begin to hit the unemployment rolls over the coming weeks. Conversely, in the coming months, many of these employees could once again be re-employed into their old jobs. Therefore, the length of time this unemployment situation could be expected to continue is unknown.

Demand Analysis

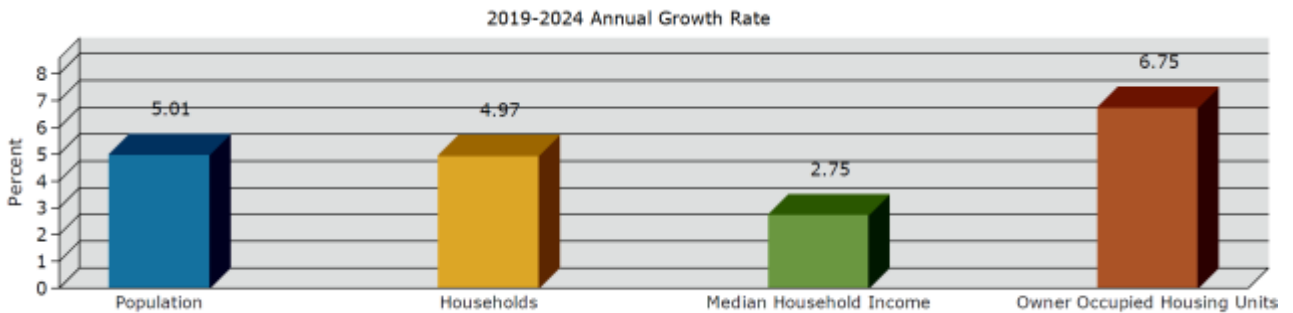
The overall real estate market is seeing appreciation, increased rents, low cost of capital and significant demand to keep pricing stable if not rising. The following economic measures influence these aspects of demand for real estate. Each move independent of each other and have varying importance depending on property type.

General Market Area Growth Trends: The following data was taken from the Site-to-do-Business and ERSI and is relevant specifically to the subject's market area.

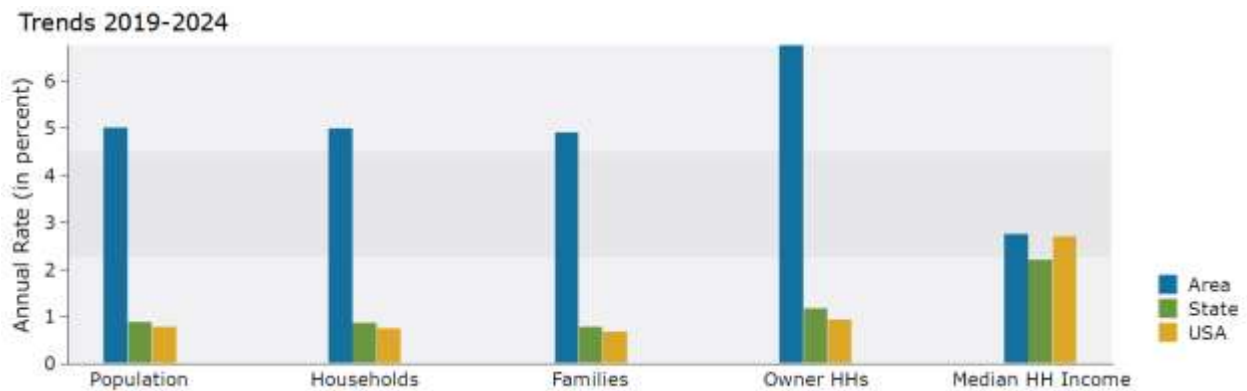
The total number of households has grown from the last U.S. Census to date, and is expected to continue to grow over the next five years.



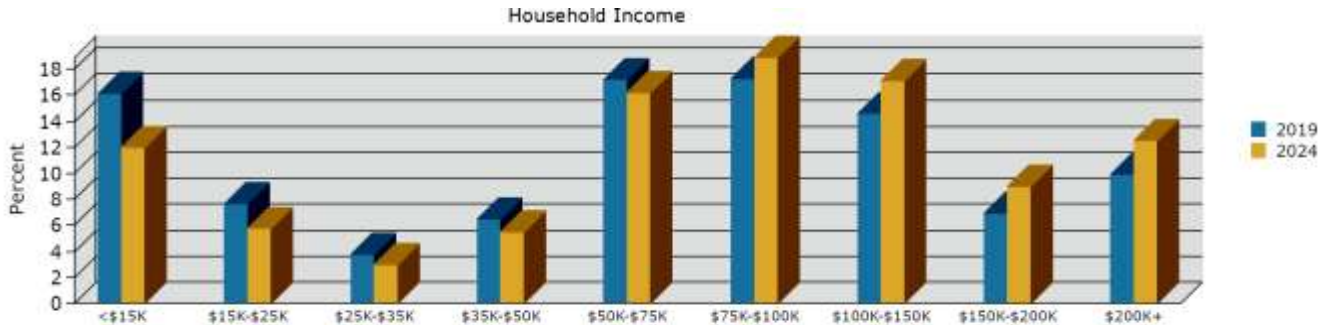
In the next five years, the market area is expected to see growth in total population of 5.01%, the total number of households by 4.97%, median household income of 2.75% and owner-occupant housing units of 6.75%.



In comparing the expected growth rate for the subject’s market area against the state and national projections, it is clear the subject’s market area (in blue) is expected to see exponentially more growth in all respects except the growth in the median household income in this market area compared to the state (green) and the USA (yellow).



Taking a closer look at the expected five-year growth in household income the subject tract's market area is expected to see a reduced percent of the households making \leq \$75,000 and an increase in the percentage of the households making \geq \$100,000 per year.



Analysis of Overall Market Growth Trends: The general economy has exhibited growth for the past decade. Unemployment rates were at record lows and reversed to record highs in less than a month. Much of the nation is under a shelter-in-place order in response to the rapid spread of the COVID-19 virus which has placed much uncertainty on all sectors of our economy.

However, Nashville is expected to continue to outpace many other metropolitan areas in terms of growth for many of the same reasons the city has seen such explosive growth over the past decade. Further, the subject tract's market area is expected to see adequate growth in population to increase demand for residential uses within the market area. Therefore, demand is expected to sustain recent pricing for land in this market.

Demand Analysis: There is no immediate indication current land value trends have changed as of the date of value for this valuation. It is also true that there is a scarcity of land in this area with sufficient land area for large scale developments. The growth indicated to date suggest demand will continue and require additional commercial development to meet the needs of this growing population. Additionally, even after the state declared a state of emergency on March 12th and the federal government declared a national emergency on March 13th, the following real estate related announcements have been made in the downtown area:

- A now vacant building condemned after the March 3rd tornado located at 515 Madison St. was and known as Vista Germantown was reported to be reconstructed. The property had 242 units and retail on the ground level.
- A proposed seven-story addition to the four-story building constructed in 1954 located at 333 Union Street and is known as Radisson RED.

- The Bill Voorhees Co. Building in The Gulch located at 700 Eight Avenue South secured permit to allow for renovations (property is located across 8th Ave. from Arnold's restaurant).
- The former Neuhoff Packing co. in Germantown located at 1308 Adams Street received a permit to repair damage to the structure from fire damage occurring last year. A mixed-use project is planned for the site.
- A four-building residential apartment complex with 118 apartments is planned for 339 Athens Way (near Crest Cadillac and Crest Honda) on a 6.27-acre site that was sold for \$2.36 million.
- IMT Germantown located at 1100 Third Avenue North, a mixed-use building offering a restaurant and apartments and located in Germantown, will see a rehab following tornado damage.
- Jefferson Street's historic Geist House building located at 311 Jefferson Street., also damaged by the tornado that ripped through Germantown will be saved.
- A mid-town project located where the Subaru dealership is presently located, at 15th and Broadway, announced a planned development including six buildings ranging from 19 to 37 stories has been submitted to include residential, hotel, retail and office space.
- A 130,000 SF office and ground level retail space in mid-town was announced for the former location of Bobby's Idle Hour bar at 1022-1030 16th Avenue South.
- Six parcels located at the Korean Veterans Boulevard and 8th Avenue roundabout, 401-417 Seventh Avenue, sold for \$35 million after the site was assembled in two land deals totaling \$8.9 million in 2015 and 2016.
- Houston-based Dinerstein Cos. has landed an \$90.85 million loan related to the redevelopment of a Gulch site slated for an 11-story apartment building located at 805-809 Division Street.
- A permit was approved to raise the structures at 416 Jefferson Street, home to Hampton Crane Services (which were damaged by the March 3 tornado).
- The former Gibson Guitar location at 1117 Church Street has a planned 21-story building with 247 one-bedroom units, 133 two-bedroom units and multiple retail space.
- A 13,000 SF building near Zanies' Comedy Club, at 2125 Eighth Avenue South, announced a ground breaking. This residential development will have 2-bedroom and three-bedroom units.
- Plans announced for a 231-unit apartment building located in mid-town at 615 Spruce Street.
- A development by the former Nashville Sounds baseball field, now rebranded to as Nashville Warehouse Co., announced a construction permit to build 300 apartments, three office buildings and a live music venue off of Chestnut Hill near Wedgewood-Houston. This 5.2-acre industrial site is located at 1125 Fourth Avenue South.

- And the Riverfront Condominiums, located adjacent to the subject tract at 1048 First Avenue North, has been approved for a partial razing and damage repair resulting from the March 3 tornado. This development opened as apartments in the mid-1980's and was one of the first residential developments in the immediate area.

Competitive Supply Analysis

Most Probable Property Use: The zoning of the subject tracts is not considered likely to change. The present zoning classification is very broad and allows for most residential and commercial uses. The most prominent uses on adjacent properties are multifamily uses.

Supply Analysis: The market is presently under supplied. This is supported by the publicly available reports from national brokerage firms showing rents rising and vacancy rates near 5%.

Market Condition Analysis

General market data which is public available from national brokerage firms specifically focused on the Nashville-MSA and subject's submarket show the following occupancy and rent trends. These studies also forecast market conditions most relevant to the subject's most probable end user or most probable market subset.

Q1-2020 Southeast U.S. Real Estate Market Outlook- Multifamily by CBRE

CURRENT CONDITIONS

The Nashville market's continued influx of talented young professionals and appeal to major employers across the nation has kept unemployment at record lows. Monumental corporate relocations are driving demand for multifamily and paving the way for record renter absorption. As the market continues to adapt, all classes of apartments are raising rental rates.

CONSTRUCTION ACTIVITY

With a record supply wave in the rearview, 2020 is projected to see a continued pick up in rent growth, particularly within the urban submarket. 2020 is projected to see a modest year-over-year increase in deliveries, with urban deliveries totaling 2,190 units, down from its peak of 4,537 units in 2017. Suburban deliveries will remain on par, totaling 4,720 units.

Figure 1: Total Market Absorption and Deliveries



Source: CBRE Research, Q4 2019.

OUTLOOK

It wasn't long ago that the Nashville market was considered one of country's highest risk over supply markets. It is clear that demand is outstripping supply, as occupancies are stable and concessions are decreasing across the metro. Significant new supply will enter the market in 2020, which will temporarily inflate overall vacancy levels. However, this acceleration is more a function of the timing of deliveries rather than a lack of market demand. Sustained demand should support continued rental appreciation in urban areas as well as outlying submarkets. All things considered, the Nashville economy is strong, employment is high, and the outlook is still very bright.

Figure 2: Total Market Vacancy and Asking Rates



Source: CBRE Research, Q4 2019.

Q4-2019 Report by Colliers International Concerning New Residential and Multi-Family Permits



As stated above, there is an expected vacancy in restaurant space which will need to be absorbed post-COVID-19. Additionally, the other large leakage from the market area in grocery

store sales has likely been tampered by the new openings of a Publix and Whole Foods. Therefore, an office use is expected to be a probable candidate for a mixed-use building (coupled with multi-family residential on the upper levels). The following report suggest office uses are being absorbed and asking rents have been rising. Granted the vacancy rate is high on historical standards, but in the subject’s submarket the vacancy rate was reported to be 6.4% with 84,322 SF absorbed in the 4th quarter of 2019.

Q4-2019 Office Report by Cushman and Wakefield



Q4-2019 Retail Report by Colliers International

MARKET INDICATORS	4Q 2019	1Q 2020*
Relative to prior period		
VACANCY	—	—
NET ABSORPTION	+	+
CONSTRUCTION	—	▲
RENTAL RATE	▲	▲

Marketability Analysis

The subject's competitive market area has seen adequate sales transactions to develop a sales comparison approach for a land valuation focusing solely within this defined area of similar uses.

Market evidence as recorded by national real estate firms and by observations of surrounded uses suggest multi-family housing is a suitable use for the subject site.

The timing of use, or more specifically, the timing for which the subject tract could be sold to a multi-family developer is considered to be now. The subject tract is considered to require no more than 6-9 months of market exposure under present market conditions.

Because of the scarcity of land and long-term growth projections for the city, coupled with the site's excellent topography and location, it is assumed an investor (or entity) would purchase the site for cash now and hold the site future development.

A Level C market analysis would be required to determine the proper timing of such development and the appropriate mix of uses for the site. This is beyond the scope of this appraisal.

However, as of the date of value for the subject tract, land values in the subject's competitive market area are not believed to have fallen and are believed to be near the values exhibited in recent sales in the area.

As stated in the Transmittal Letter at the beginning of this report, the United States economy is starting to experience impacts from the latest worldwide pandemic, Coronavirus Disease 2019 (COVID-19). While this is a rapidly evolving situation, it is unknown at this time what, if any, long-term impact COVID-19 will have on real estate markets. While consideration to overall market conditions are given in this analysis, specific impacts to land values for the subject tract related to COVID-19 are speculative as of the date of value and the date of this report.

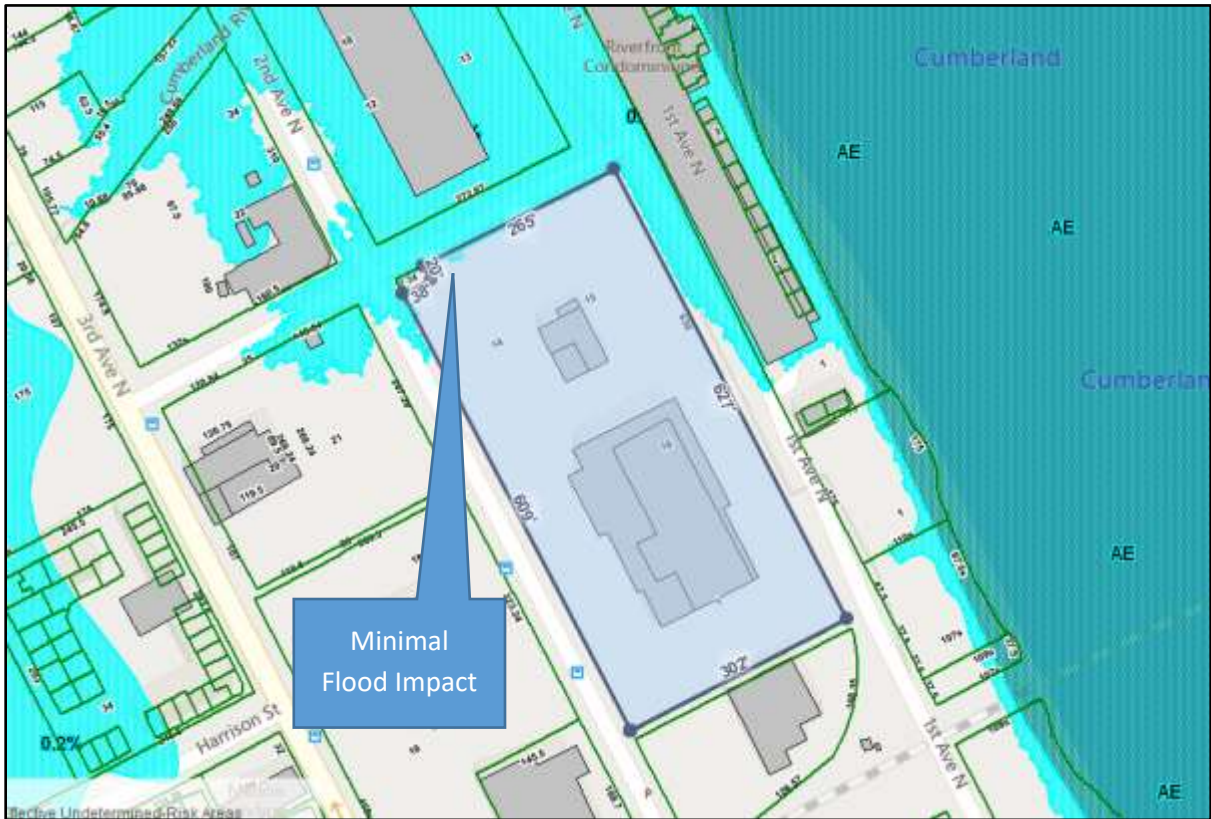
Therefore, no material impact on the valuation has been considered. Should at a later date more information and market evidence of impacts from COVID-19 become available, this report is subject to review and revision as necessary.

Site Description

The following description is based on our property inspection, assessment records, and the description found in the warranty deeds.

Location:	800 2 nd Avenue North, Nashville, Davidson County, Tennessee
	Approximately longitude/latitude coordinates: 36.172050°, -86.780806°
Site Size:	4.488 Acres or 195,505 SF
Access:	Average. The site has average access for a property located in downtown Nashville.
Visibility:	The tract has good visibility on a two-way street. The tract has visibility along its frontage on 1 st Avenue North, 2 nd Avenue North and Stockyard Street. The site has good views of downtown and the Cumberland River.
Topography:	Level.
Utilities:	All utilities typical of a metropolitan area.
Site Improvements:	The site is improved with an office, warehouse, parking lot and a portion of the site is enclosed with commercial fencing. These improvements are excluded from consideration in the as vacant / land only valuation.
Flood Zone:	The subject is located in FEMA flood Maps: FEMA Map Number: 47037C0242H FEMA Map Date: April 5 th , 2017 FEMA Map Number: 47037C0242H FEMA Map Date: April 5 th , 2017 The subject site is located in flood zone X indicating it is not impacted by flooding. Both flood maps also indicate the

subject tract is located in flood zone 0.2% (500-year flood zone).



The site avoided flooding during the May 2010 flood. The following images were found on YouTube.com and show the flooding present at that time.

Stockyard Street toward 1st Avenue North



1st Avenue North and Stockyard Street



2nd Avenue North and Stockyard Street



Encumbrance / Easements:

Typical. As pictured above, there is a 34-foot x 21-foot rectangle tract owned by Piedmont Natural Gas Company, Inc. at the corner of the subject tract; 2nd Avenue North and Stockyard Street. This is not an easement; it is a separate tract of land. This tract has natural gas pipes above the grade enclosed in a commercial chain link fence as shown below:



Comments:

The subject tract is a somewhat rectangular tract of land located in very close proximity to downtown. The site is level, but has a stone retention wall that runs along Stockyard Street and 1st Avenue North. This prevents the site from flooding and increases the usable area.

The tract has usable road frontage along Stockyard Street with primary road frontage along 2nd Avenue South. The road frontage along 1st Avenue South is blocked by the railroad corridor and Cumberland River Greenway that runs along the eastern property line. Additionally, this portion of the site is above the grade of 1st Avenue North due to the stone retaining wall and site fill. All three streets allow for traffic in both directions.

Maps and plats concerning the greenway and railroad can be found on the following pages.

The subject tract has access to public transit. Bus Route 9 (servicing Metro Center) and Bus Route 28 (servicing Cleveland Park to Downtown) which pass the property on 2nd Avenue South. The tract is also two blocks from the Music City Blue Circuit (at 5th and Harrison) which can be boarded at the Bi-Centennial Mall for free and provides service to many downtown employers, food and entertainment options.

This tract is across the street from a new residential development associated with the land surrounding and including the former Stockyard restaurant. This property sold in 2015 and again in 2018 indicating appreciation of 1.59% per month (and is on the low end of paired sales).

Across 1st Avenue North and between the river is the Riverfront Condominiums. This property was converted to condominiums in the 1980's and was one of the first residential properties in the immediate area. These units have been largely converted to non-owner occupant short term rentals. This is further indication that the subject site has a good location for residential development.

The subject tract has potential views of the Cumberland River. The potential for some of the smaller properties fronting the river, along the southern half of the lot 1st Avenue North frontage, to block river views is considered unlikely since the subject site can sustain the development of 7 story structures. Similarly, the site has views of the downtown skyline.

The site has a rectangular area of 609 LF of primary road frontage and a depth of 310.26 LF and almost represents an entire city block of land (the exception being the 21' x 34' Piedmont Gas property discussed above).

Legal Description

This legal description was taken from the Corrective Deed, Deed Book 8398, page 819.

TRACT #1: Beginning at an iron rod in the South margin of Stockyard Street, formerly Whiteside Street, said rod being 34 feet east from the intersection of the East margin of Second Avenue North, formerly Market Street;

Thence, with the South margin of Stockyard Street, North 63 degrees 15 minutes 43 seconds East, a distance of 278.66 feet to an iron rod in the West margin of First Avenue North, formerly Front Street; thence, along the West margin of First Avenue North, South 26 degrees 31 minutes 11 seconds East, a distance of 630.00 feet to an iron rod;

Thence, South 63 degrees 15 minutes 43 seconds West, a distance of 310.26 feet to a spike in the East margin of Second Avenue North;

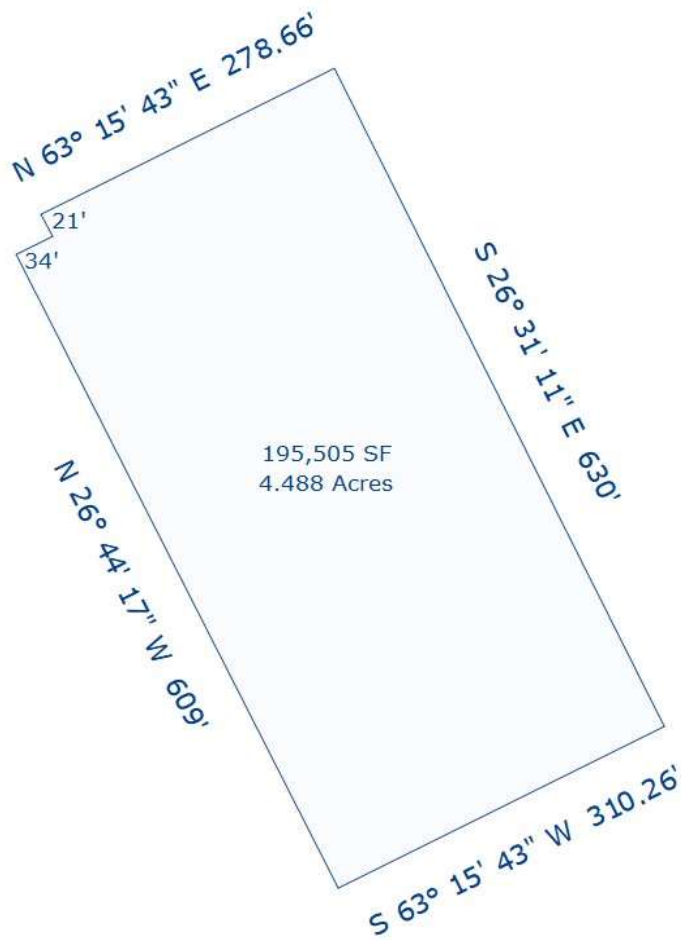
Thence, along the East margin of Second Avenue North, North 26 degrees 44 minutes 17 seconds West, a distance of 609.00 feet to an iron rod, being the corner of a small tract owned by Nashville Gas Company; thence, along the Nashville Gas Company boundary, North 63 degrees 15 minutes 43 seconds East, a distance of 34 feet to an iron rod;

Thence, continuing with the Nashville Gas Company boundary, North 26 degrees 44 minutes 17 seconds West, a distance of 21.00 feet to an iron rod, being the point of beginning.

Said tract contains 4.49 acres more or less. Being Tract No. 1 of 2 the property conveyed to Metropolitan Government of Nashville and Davidson County by deed from Piedmont Natural Gas Company, Inc. as of record in Book 7913, page 174, R.O.D.C., Tennessee.

Site Sketch

The previous legal description was entered into a site sketching program. This was used to estimate the total land area at the subjetc site and is considered to be accurate. This land area is being used to estimate the as vacant land value of the subject tract.

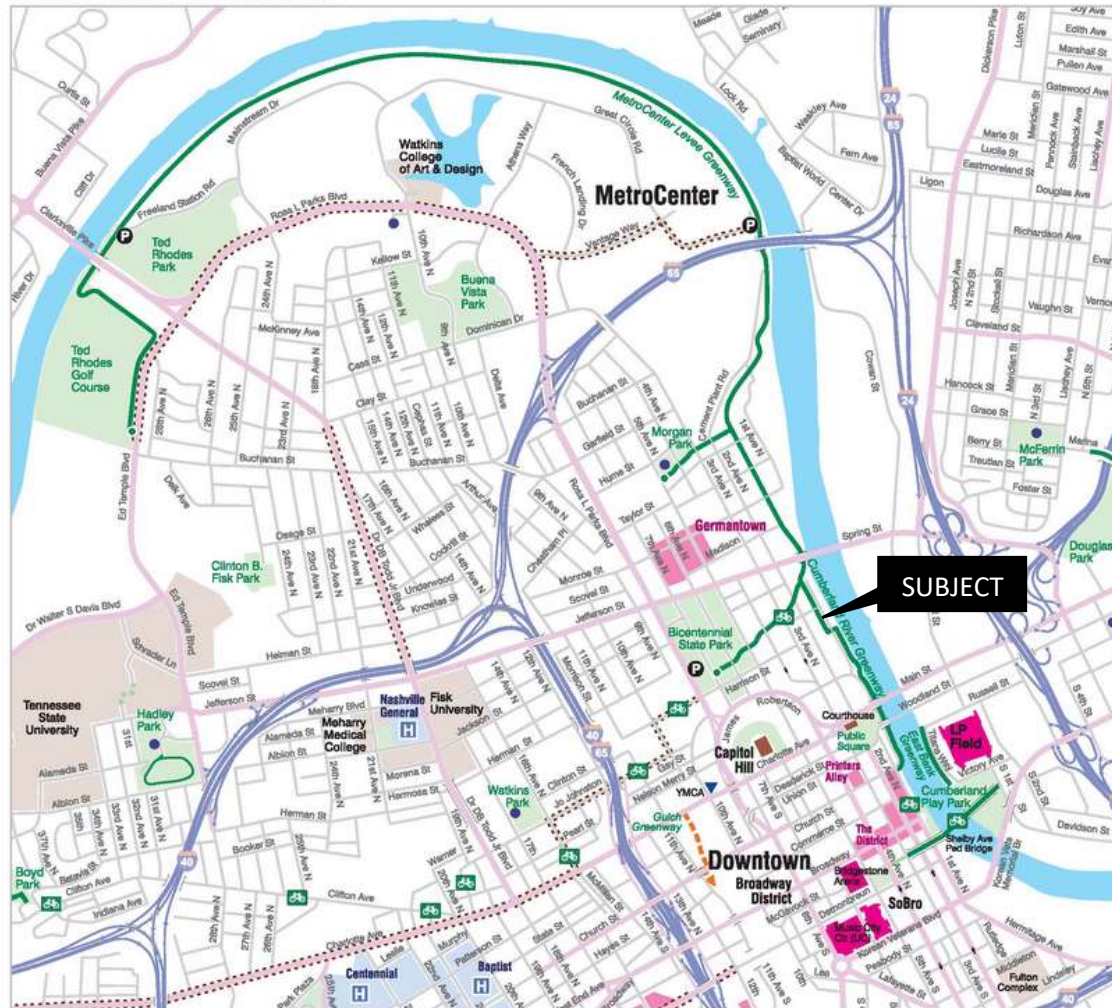


Cumberland River Greenway Map

Nashville's Trails & Greenways

Greenways Details

Downtown to MetroCenter



Greenways for Nashville Greenways Commission Metro Parks

P.O. Box 196340
Nashville, TN 37219-6340
615-862-8400

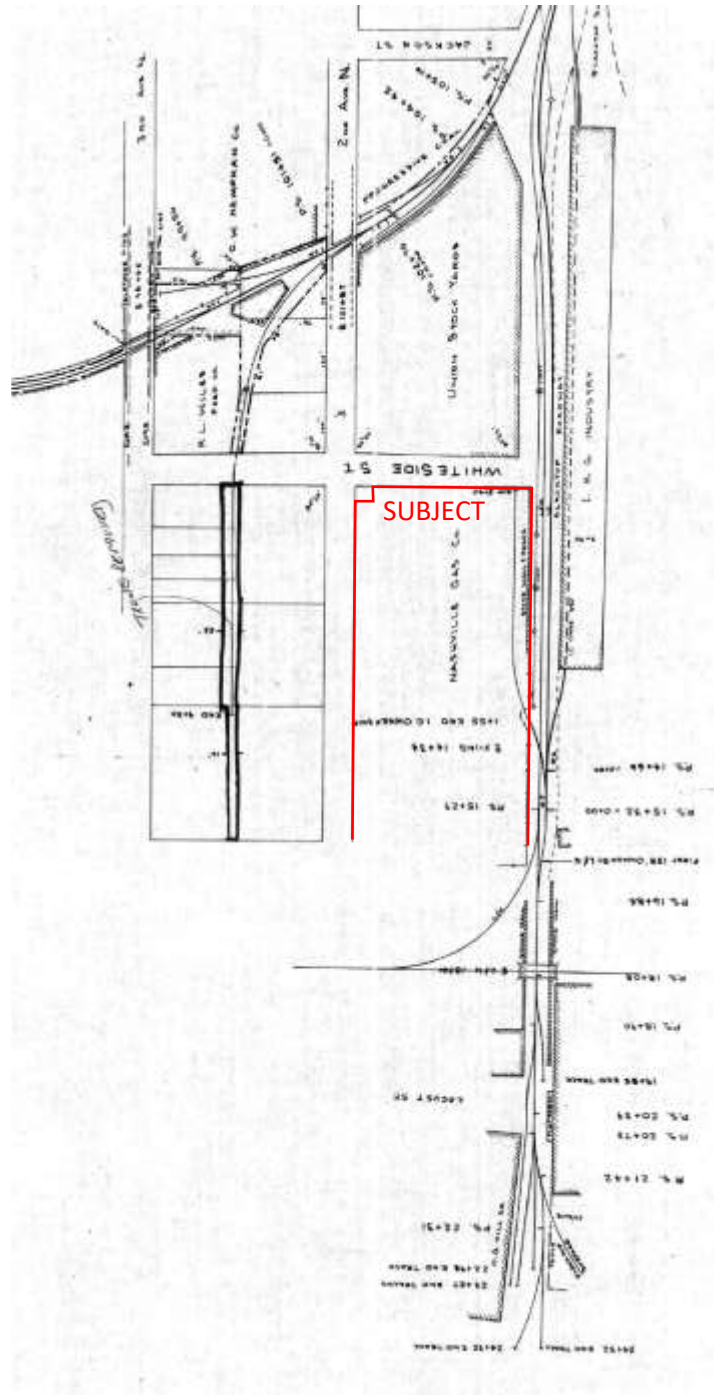
Cartography and Layout: Informing Design, Inc.



Railroad Plat 1

August 1970

Illinois Central / Tennessee Central Railroad / Hopkinsville to Nashville IC Gulf

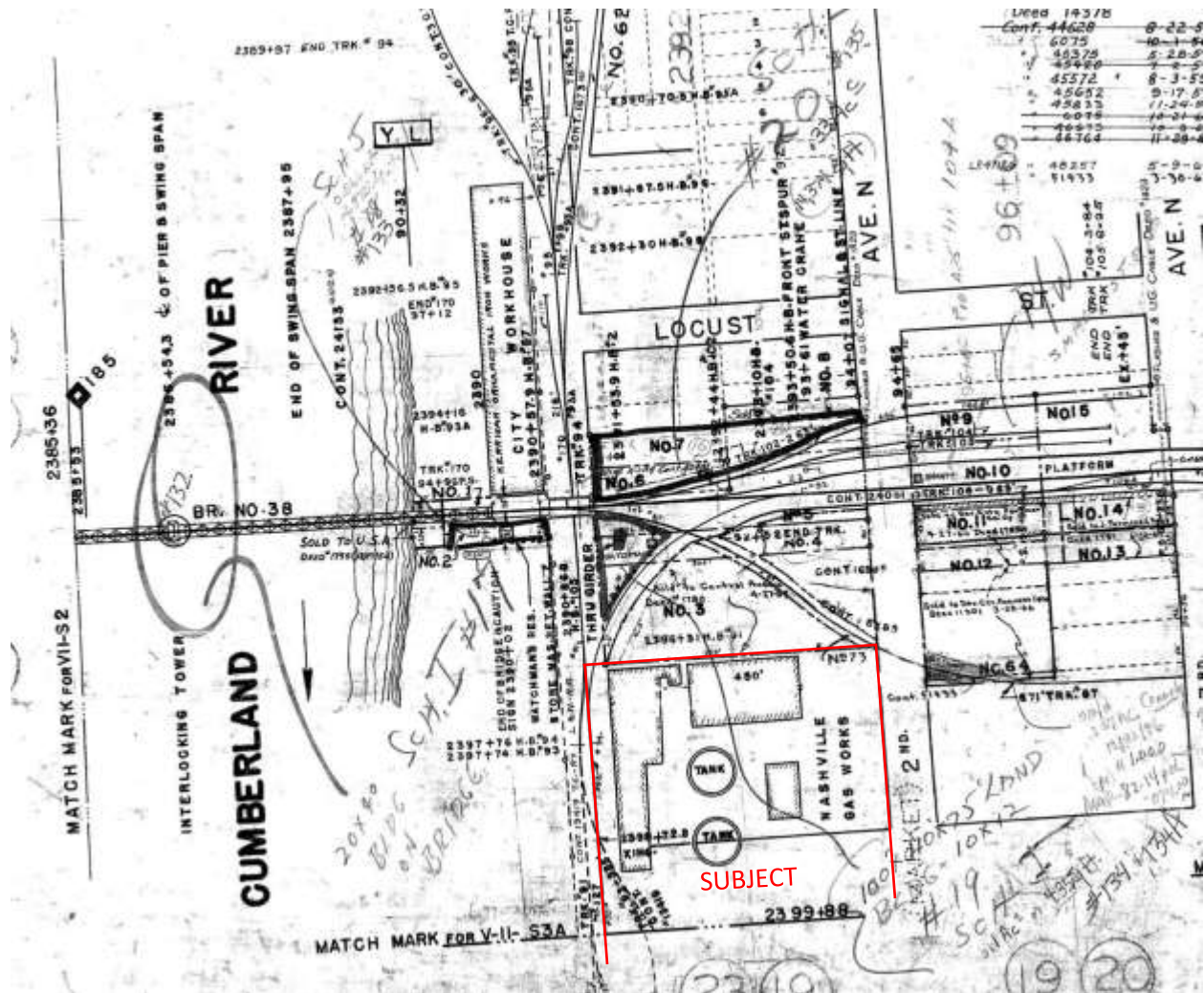


Railroad Plat 2

June 30, 1917

Tennessee Secretary of State Plans 19-065

L&N Nashville Terminals, Main Line. Cumberland River Crossing



Assessment and Taxes



Taxing Authority Metro. Nashville/Davidson County
Tax Exempt

Tax Identification Number 082-14-0-021.00

Appraised Land	\$ 7,711,200
<u>Appraised Improvements</u>	<u>\$ 2,436,400</u>
Total Tax Appraisal	\$ 10,147,600

Property Tax Comments The subject tract's land has a tax appraised value that equates to \$39.44 per square foot.

The property owner is tax exempt.

The property has had \$0 in taxes due for the past 10 years. All property taxes are considered current.

Highest and Best Use

The Highest and Best Use of a property is the reasonably probable use of vacant land or an improved property that is physically possible, legally supported, financially feasible, and that results in the most maximally productive use.

Highest and Best Use As Vacant

1. **Physically Possible:** The physical characteristics for the site were established in the Land Description section of this report (above). The site was determined to have no significant limits due to the size, shape, access, physical topography or access to utilities. Therefore, the site is considered to exhibit adequate physical attributes for the development of the site.
2. **Legally Permissible:** The subject tract is zoned DTC (downtown Code) in the Sulfur Dell subdistrict. The site has a broad zoning classification which allows for many uses. The use discussed in the Market Analysis section of this report and most prevalent on similar tracts which have been recently developed, is for a multi-family development, possibly utilizing the ground floor for retail or office uses.
3. **Financially Feasible:** As stated in the Market Analysis it is inferred the site exhibits significant market appeal because of the site's favorable topography, location, linkage to residential destinations, access to public transit, and access to the greenway system and parks make the site most suitable for multi-family residential development. This use is most likely to bring the highest return to the land as vacant. and the lack of developable land within this industrial subdivision. Also, residential market rents, absorption, and vacancy rates would appear to encourage construction. There have seen successful developments come into the market recently and other developments in the immediate area impacted by the recent tornado are being repaired or redeveloped into this use. Therefore, a multi-family development on the subject site is considered financially feasible.
4. **Maximally Productive.** The maximally productive use of the subject property as vacant is for a multi-family development. This is because such a use brings the highest land value to the subject as a result of being able to utilize the site to construct (up to) a 7-story building. This further supported by the most recent developments and end users in the immediate and surrounding multi-family developments within the subject's market area; more specifically the Sulfur Dell subdistrict and in Germantown near

Jefferson Street. The subject tract could be marketed and sold presently. The most likely buyer is considered to be a developer who would acquire the property to profit from developing the site, leasing it up and holding the improved property over the medium term before selling the site. This type of buyer has a medium to long-term ownership horizon.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\begin{aligned} & \text{Cost New} \\ & - \text{Depreciation} \\ & + \text{Land Value} \\ & = \text{Value} \end{aligned}$$

Income Approach

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

Sales Comparison Approach

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

Analyses Applied

A **cost approach** was not considered appropriate since the subject site is vacant land and is not considered a measure of motivation for buyers of similar improved tracts.

A **sales comparison approach** was applied as there is adequate market data to develop a value estimate for the vacant land.

An **income capitalization approach** was applied to the improved tract.

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

This section of the appraisal is necessary to establish an opinion of value for the subject tract as Land Only (vacant land). This is necessary to establish the fee simple land value for the subject tract.

Sales Comparison Analysis

The subject tract is located in the Sulfur Dell area between the Nashville Central Business District and Germantown, in Nashville, Davidson County, Tennessee. The appraisers identified 67 comparable sales and narrowed those sales to properties located in the Market Area as defined in the Market Analysis section of this report.

This resulted in 16 closed sales. These sales bracket the subject tract in terms of size and occurred between November of 2014 and August of 2019. Any sales involving the Metro government were excluded from consideration. The most statistically sound unit of value was the price per square foot.

As stated in the Transmittal Letter and the Market Analysis sections of this report, the COVID-19 virus has had an effect on all industries and lives within the United States. Before this time

market values were appreciating. Now that the COVID-19 virus is impacting lives it is unclear if this impact has slowed appreciation (which there is no evidence of at this time), created a negative external economic obsolescence adjustment (which there is no evidence of at this time), or if the days on the market are extended with property values remaining at levels they were in the last 30 days. It is evident from conversations with market participants that the days on the market may be extended as investors pause to gauge their perception of the future and the risk associated with entering the market at this time. This is assumed to impact new development or actual construction.

Also, considering the subject tract has a highest and best use as a multi-family development, this use is projected to remain in demand in the near future. Further, the subject tract is located in a highly desirable location in the downtown Nashville area which is generally more residential in nature and of which there is a scarcity of available land. Therefore, real estate values are expected to be near where they were before the COVID-19 virus and marketing and exposure time are anticipated to be extended.

If market evidence becomes available in the future that allows for a quantitative adjustment for external economic obsolescence as of this date of value, the appraisers reserve the right to amend this report with this additional market evidence.

Market Conditions Adjustment

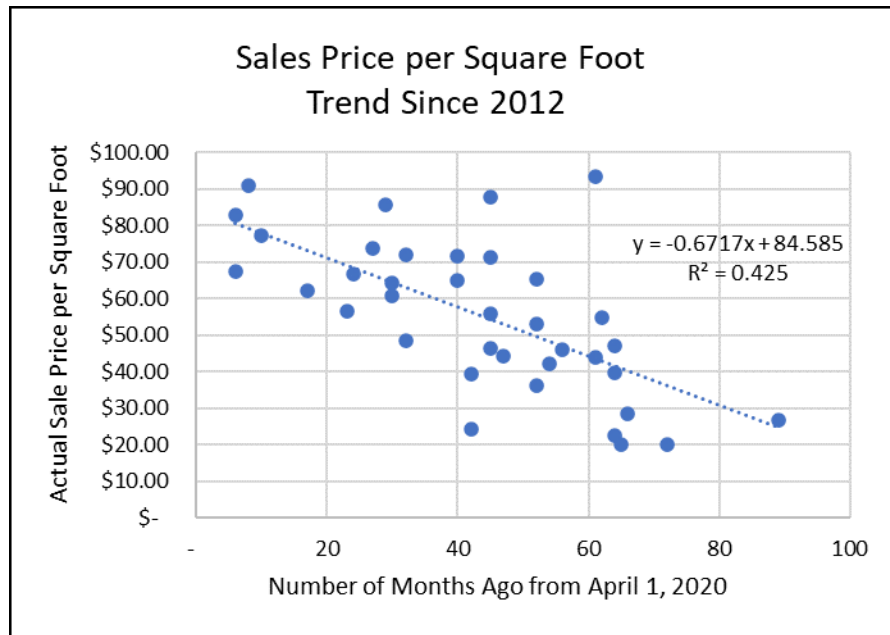
Property values have appreciated for more than the last 8-years as inferred in the Market Analysis section of the report and the sales data available for properties in the downtown area or near downtown that have been developed with a similar highest and best use as determined for the subject.

This appreciation has been significant. The marketability conclusion states that the land including and surrounding the subject tract is believed to have appreciated and has not lost value as a result of the COVID-19 pandemic; as of the date of value. That is to say, it is believed a cash buyer / investor would purchase the site now and make a determination on what to build and when to build it.

Therefore, based on these assumptions it is appropriate adjust the comparable sales for appreciation. This is accomplished on a per month basis.

First, we took 67 land sales in and around downtown and narrowed those down to the 37 most similar properties. We calculated the number of months between the date of value and the

date of sale for each property and graphed this information based on the unadjusted sales price per square foot.



These sales resulted in a widely dispersed set of data points that is reflected in the low R². However, the appreciation trend is clear and significant.

Therefore, we took the eight data that were pierced by the linear trend line to estimate a linear relationship for appreciation. Each sale had the number of months calculated against the most recent sale or August 30, 2019. This resulted in a data set with 7 monthly appreciation figures that ranged from 1.28% per month to 2.55% per month, with a mean indication of 1.67% per month (20% per year) and a median of 1.59% per month (19% per year).

Date of Sale	Months Ago	Sale Price/SF	Total adjustment	Monthly Rate
8/30/2019	-	\$ 82.81	-	-
4/18/2019	4	\$ 77.26	7.19%	1.80%
2/15/2018	18	\$ 66.73	24.09%	1.34%
8/28/2017	24	\$ 60.83	36.15%	1.51%
6/2/2016	38	\$ 55.71	48.64%	1.28%
7/3/2015	49	\$ 46.22	79.19%	1.62%
1/29/2015	55	\$ 44.11	87.72%	1.59%
10/5/2012	82	\$ 26.76	209.48%	2.55%

We also looked at a set of comparable sales located in the immediate area for which we could find reliable sales and resales. We took these paired sales and found the following monthly appreciation rates:

Address	Sale Price % Change	Months Difference	Indicated Monthly Appreciation
1009 8th Ave. S.	27.027%	10.61	2.55%
210-211 Stockyard St.	63.133%	39.59	1.59%
1113 Sigler St.	136.686%	61.1	2.24%
600 4th Avenue N.	148.276%	77.22	1.92%

These four paired sales indicated a range of appreciation between 1.59% and 2.55% per month with a mean and median indication of 2.08% per month (25% per year). This smaller paired sales data set falls within the trend line of the 376 sales discussed above. The highest rate of appreciation was for 1009 8th Avenue South which sold and resold in 2019. And of particular interest is 210-211 Stockyard Street which indicated a rate of appreciation 1.59% per month.

210-211 Stockyard Street is located across the street and catty-corner from the subject and also fronts 2nd Avenue South. This rate of appreciation was the lowest available in the paired sales analysis. This monthly rate of appreciation is equal to the median figure associated with the trendline of the 37 sales discussed above. Again, this is the equivalent of 19% per year appreciation.

The average annual appreciation represented by the trend line of the 37 land sales was 20% and the average of the paired sales was 25% appreciation annually. With significant weight given to the median indication of the larger data set (19% per year) and the property located across the street from the subject (19% per year), we are estimating monthly appreciation of 20% per year or 1.67% per month. This is considered supportable and in the lower range of the paired sales.

Additionally, this appreciation will be applied up to the date of the state of emergency was declared in Tennessee or March 12, 2020 as land certainly continued this rate of appreciation, until this date. As stated, above property values are not expected to have fallen for raw land in this location as of the date of value. This period of appreciation is approximately 2-weeks prior to the date of value and results in less than 1% difference in total appreciation; which is considered insignificant.

The sales used in this analysis were adjusted upwards as follows:

Address	Sale Price	Instrument No.	Date of Sale	Months Ago	Sale Price/SF	Market Conditions Adj.	Adjusted Sales Price/SF
1206-1212 9th Avenue N.	\$ 1,500,000	20190904-0088894	8/29/2019	6	\$ 67.52	1.10	\$ 74.28
1121 3rd Avenue North	\$ 4,000,000	20190702-0064241	6/28/2019	8	\$ 90.92	1.13	\$ 103.06
810 Jefferson Street	\$ 1,750,000	20190424-0037711	4/18/2019	10	\$ 77.26	1.17	\$ 90.16
915 Monroe Street	\$ 2,800,000	20171206-0124601	12/1/2017	27	\$ 73.76	1.45	\$ 107.02
1401 4th Avenue North	\$ 1,455,000	20170925-0097877	9/22/2017	29	\$ 85.65	1.48	\$ 127.13
1603A-B 4th Avenue North and 400-408 Hume Street	\$ 2,250,000	20170905-0091095 and 20170217-0016599	9/1/2017	30	\$ 64.13	1.50	\$ 96.26
93 Taylor Street	\$ 3,700,000	20190125-0007422	6/30/2017	32	\$ 48.42	1.53	\$ 74.29
1311-1315 2nd Avenue North	\$ 1,225,000	20170707-0068362, 20170410-0035095 and 20170405-0033222	6/30/2017	32	\$ 72.11	1.53	\$ 110.65
1324 2nd Avenue North	\$ 13,650,000	20161019-0110723	10/19/2016	40	\$ 65.08	1.67	\$ 108.56
1232 3rd Avenue North	\$ 2,000,000	20161025-0112554	10/19/2016	40	\$ 71.74	1.67	\$ 119.66
1212 3rd Avenue North	\$ 2,249,977	20160520-0050925 & 0050926	5/18/2016	45	\$ 71.39	1.75	\$ 125.04
1703 Rosa L. Parks Avenue	\$ 5,350,000	20160601-0054799	5/25/2016	45	\$ 46.49	1.75	\$ 81.42
1101 6th Avenue North	\$ 5,800,000	2015102-00106754	10/15/2015	52	\$ 65.27	1.87	\$ 121.95
1226 2nd Avenue North	\$ 8,800,000	20150820-0084215	8/19/2015	54	\$ 42.38	1.90	\$ 80.59
1401 (1407) 3rd Avenue N.	\$ 4,500,000	20150130-0008922	1/29/2015	61	\$ 44.11	2.02	\$ 89.05
1100 3rd Avenue North	\$ 2,584,363	20141107-0103304	11/7/2014	64	\$ 22.56	2.07	\$ 46.67

Discussion of an Observation About 210-211 Stockyard Street

The property located at 210-211 Stockyard Street is improved. It is the only property where an improvement was not raised or planned to be raised in the appreciation calculations above. This property is located catty-corner from the subject tract. The site has no river views. But the site has an added appeal due to its location across from the minor league baseball field.

This site also has a significant improvement. The building was most recently used as a restaurant. The building has many ornate features and was constructed around 1920. The building was somewhat of a trading floor associated with the Nashville Union Stock-Yards (located where the state office buildings are presently) where individuals came to trade livestock. Point being, this building adds significant value to the land.

Ignoring that fact and adding appreciation of 1.67% per month (until 03/12/2020) from the October 10, 2018 sale of the site; an adjusted value for the site would be \$17,472,328. With no consideration for this building at 210 Stockyard Street or the likelihood of development approvals (i.e. entitlements), and looking at it as an adjusted land only value, would indicate a price per square foot of the 150,404 SF site of \$116.17 per square foot.

So, it is fair to assume this historic and ornate building adds value to the land and that the subject tract would not be expected to achieve a land value above \$116 per square foot.

On February 27, 2019 a portion of the Stockyard site was sold to Premier Parking. This land is also known as 920 3rd Avenue North (082-13-0-361.00) and contains approximately 22,930 SF according to this deed (and previous deeds). The tract sold for \$600,000 or \$26.17 per square foot. No weight was given to this transaction and this sale is not considered to be a market sale.

Finally, the large assemblage (discussed under size adjustment below) involving 1324 2nd Avenue North and the acquisition by J.P. Morgan Asset Management under the legal entity of Neuhoff Acquisition, LLC on May 22nd, 2019 for \$26,250,000 or \$100.17 per square foot as recorded in instrument # 20190529-0050901 would could be adjusted for market conditions to \$116.05 per square foot. This sale is not given weight because of the large assemblage involving many different property owners.

The subject tract would not be expected to achieve a sales price above \$116 per square foot under any perceived circumstances, as of the date of value.

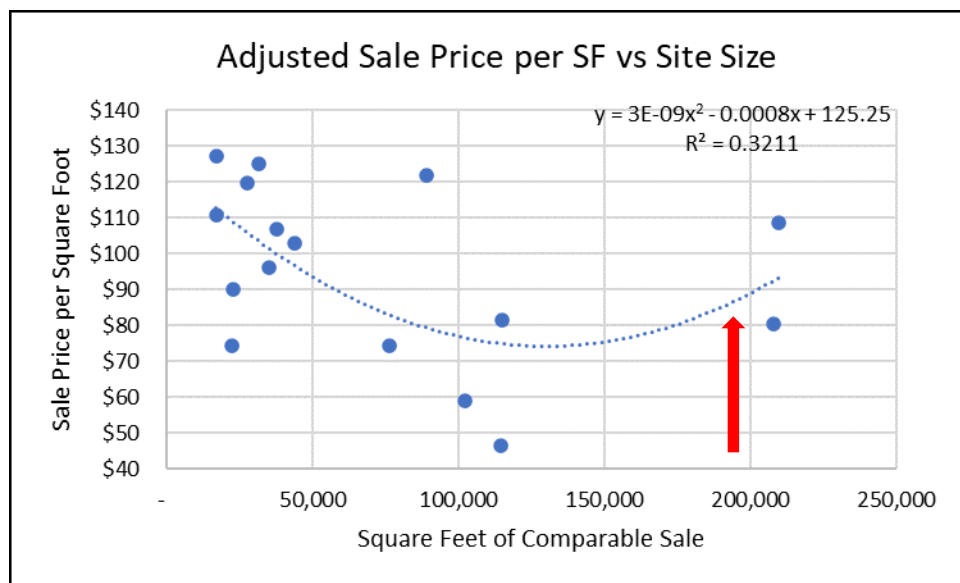
Elements of Comparison

The most accepted method to value similarly land is by using the sales price per square foot unit of comparison. The closed sales were evaluated on the basis of property rights conveyed, financing, conditions of sale, and physical characteristics. To the best of our knowledge, all of the sales represent arms-length transactions. The following discussion indicates how each of these variables were evaluated in the Sales Comparison Approach for similarly zoned vacant land.

Zoning: All of the comparable sales permit high density or multi-family residential developments or where in the process of being re-zoned SP. Therefore, no adjustment was considered appropriate as the subject and the comparable sales were all considered very similar in this regard.

Size: The subject tract is 195,505 SF in size. There were only two properties that were larger with the majority of properties sold being under one acre in size.

It is typical in real estate for larger tracts of land to sell for less per square foot than smaller tracts. However, in observing the data set, there appears to be a point around 3 acres where the land values go back up. This observation is based on two data points with a good amount of dispersion from the trend, lending less credibility to the observation. The data below does suggest the subject tract should have a value near \$90 per square foot.



Of these two larger sales, the lower sales price per acre is of the LC Germantown development located at 1226 2nd Avenue North which sold in August-2015 and received a 90% upward adjustment. The higher valued sale is located at 1324 2nd Avenue South and sold for an adjusted sale price of \$108.56 per square foot after receiving a 67% upward adjustment.

The 1324 2nd Avenue North sale was an assemblage, where the property owner was acquiring the land to create a larger tract. This assembled tract sold to J.P. Morgan Asset Management under the legal entity of Neuhoff Acquisition, LLC on May 22nd, 2019 for \$26,250,000 or \$100.17 per square foot as recorded in instrument # 20190529-0050901. And this more recent sale was part of a much larger assemblage that also involved the former Neuhoff meat packing facility. The sale also appears to be an outlier.

Topography: All of the land sales are within the same area and exhibit similar topography. Some of the area is impacted by the 500-year flood plain. This does not appear to be an influence in value. No adjustments were made for this condition.

Access and Location: This was considered quantitatively and is discussed in the value conclusion summary at the end of this section.

Utilities: All of the comparable sales had access to water, sewer, telecommunications and electricity typical of any industrial subdivision in a large metropolitan city. No adjustments were considered for this adjustment.

Encumbrances: Neither the subject tract or the comparable sales have any detrimental encumbrances considered outside of the norm for similar sites. No adjustments were considered appropriate.

On-Site Improvements: Most of the land sales involve some form of improvement that does not contribute to the highest and best use. This is similar to the subject property. This is considered inherent in the sales price.

Off-Site Improvements: The subject tract, as with the comparable sales, were located on paved streets and along significant corridors within close proximity to downtown. Therefore, no adjustments for this condition were applied.

Sales Comparison Approach Conclusion

In conclusion, the comparable sales used in this analysis provided a reasonable, but wide range of values. All of these values are supported by market evidence.

Due to the number of sales the highest and lowest values, which also appeared to be outliers, were removed from the comparable data set. This left 14 comparable sales.

Before market conditions adjustment the closed sales ranged in value from \$42.38/SF to \$90.92/SF with a mean indication of \$64.33/SF. After applying a 20% per appreciation, which is considered to be strongly supported, the value ranged from \$74.28/SF to \$125.04/SF with an average of \$98.71/SF. The highest value and mean value of the adjusted sales were outside of the observations of actual sales occurring in the market, where the highest land sales were for \$90.92/SF (before adjustments) for the site located at 1121 3rd Avenue North which sold on June 28, 2019. As stated above there was also evidence of a sale for \$100.17/SF associated with the large Neuhoff Acquisition assemblage; which was given no weight.

Because of this and the uncertainty in the market, it does not appear reasonable to assume this site could achieve the highest land value ever recorded in this market, at this time.

Further, in looking at the size chart the indication is the subject should achieve a price near \$90 per square foot.

Address	Zoning	DTC Subdistrict	AC Area	Date of Sale	Months Ago	Adjusted Sales Price/SF
1206-1212 9th Avenue N.	DTC	Hope Gardens	0.51	8/29/2019	6	\$ 74.28
810 Jefferson Street	DTC	Hope Gardens	0.526	4/18/2019	10	\$ 90.16
1324 2nd Avenue North	SP		4.815	10/19/2016	40	\$ 108.56
1226 2nd Avenue North	SP		4.770	8/19/2015	54	\$ 80.59
1401 (1407) 3rd Avenue N.	IR to SP		2.35	1/29/2015	61	\$ 89.05

In looking at the sales available, five properties warrant further discussion. The first two are the recent land sales that have occurred in the last year in Hope Gardens. These half-acre sales had a value range between \$74.28/SF and \$90.16/SF. The subject tract is considered to have a superior location but also a unit value that should not surpass the \$90.16/SF unit of value. Hope Gardens is a similarly zoned area, but considered to have less market appeal.

Next are the two properties that are also located on 2nd Avenue North. These properties were discussed in greater detail in the Size discussion above. 1324 2nd Avenue North later sold in 2019 as part of the Neuhoff Acquisition for \$100.17/SF and both transactions involved two separate parties trying to assemble land (with the Neuhoff Acquisition being a very large assemblage).

The other property located at 1226 2nd Avenue North is known as the LC Germantown. This site is considered the most similar to the subject of all of the comparable sales as it is similar in size and located on the same street. The site is considered to have inferior river and downtown skyline views and to have a slightly inferior location. Therefore, we estimate the subject site to have approximately 10% more market appeal, suggesting an adjusted value of \$88.65/SF.

As stated earlier the subject is expected to have a land value slightly below the more recent sales in Hope Garden of around \$90/SF.

Therefore, the subject tract's value is expected to fall within the following range, estimated as follows:

$$195,505 \text{ SF} \times \$88.65/\text{SF} = \$17,331,518$$

$$195,505 \text{ SF} \times \$90.00/\text{SF} = \$17,595,450$$

Land Value: ± \$17,500,000

Note: The rounded land value indicates a per a square foot value of \$89.51 per square foot.

Final Reconciliation

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

Value Indications

Cost Approach:	Not Applicable
Sales Comparison Approach:	\$ 17,500,000 As Raw Land
Income Capitalization Approach:	Not Applicable

Cost Approach

The cost approach is typically not considered necessary for land valuations. Therefore, this approach was not developed and is not necessary to provide a credible assignment result.

Sales Comparison Approach

This approach to value was applied and considered reliable enough to establish credible assignment results. Ample market evidence provided support for this methodology. There were ample local land sales available to provide creditable results.

Income Capitalization Approach

The Income Capitalization Approach was not considered a reliable approach for vacant land. Vacant land is leased in this market, typically for parking. The rental rates are not sufficient to justify the cost of land as an income producing property. Therefore, the leasing of surplus land in this market is considered an interim use until developments can be expanded or constructed. This use is occurring on neighboring tracts.

Summary of Value Conclusions

The subject tract is located in an area that saw significant sales activity between 2014 and 2018. There have also been recent sales activity that provides for viable market evidence to support the value conclusion rendered in this appraisal report.

The following chart illustrates the value conclusion for the subject tract as vacant land:

MARKET VALUE CONCLUSION	
<i>Fee Simple Estate of 4.448 Acres of Land Located at 800 2nd Avenue North and no Improvements/As Vacant</i>	\$ 17,500,000

As of the date of this report, the United States economy is starting to experience impacts from the latest worldwide pandemic, Coronavirus Disease 2019 (COVID-19). While this is a rapidly evolving situation, it is unknown at this time what, if any, long-term impact COVID-19 will have on real estate markets. While consideration to overall market conditions are given in this analysis, specific impacts to land values for the subject tract related to COVID-19 are speculative as of the date of value and the date of this report. Therefore, no material impact on the valuation has been considered. Should at a later date more information and market evidence of impacts from COVID-19 become available, this report is subject to review and revision as necessary.



Randy Button, MAI, SRA, AI-GRS (CG#3)
State Certified General Real Estate Appraiser



Adam L. Hill (CG# 4698)
State Certified General Real Estate Appraiser

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- We have made a personal inspection of the property that is the subject of this report as did the entity providing the demolition estimate.
- No one, other than the signing appraiser's, provided significant assistance with this appraisal including report development and comparable sale research.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.
- The value conclusion(s) and other opinions expressed herein are not based on a requested minimum value, a specific value or approval of a loan.
- Adam Hill made a personal inspection of the property that is the subject of this report on 04/01/2020.

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- 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, Randy Button, MAI, SRA, AI-GRS has completed the continuing education Requirement of the Appraisal Institute for Designated Members.



Randy Button, MAI, SRA, AI-GRS (CG#3)
State Certified General Real Estate Appraiser



Adam L. Hill (CG# 4698)
State Certified General Real Estate Appraiser

Addenda

Limiting Conditions and Assumptions

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Randy Button and Associates are not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in working order with no major deferred maintenance or repair required; that the roof and exterior are in a similar condition to that noted in the report for the entirety of the property and they are free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. Randy Button and Associates professionals are not engineers and are not competent to judge matters of an engineering nature. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, Randy Button and Associates reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. Randy Button and Associates has no knowledge of the existence of such materials on or in the property. Randy Button and Associates, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption

that there is no such material on or in the property that would cause a loss in value. The client is urged to retain an expert in this field, if desired. We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, Randy Button and Associates has no reason to believe that any of the data furnished contain any material error. Any material error in any data could have a substantial impact on the conclusions reported. Thus, Randy Button and Associates reserves the right to amend conclusions reported if made aware of any such error.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, Randy Button and Associates will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. Randy Button and Associates assumes no private deed restrictions, limiting the use of the subject in any way.

8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. Randy Button and Associates is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. Any cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within the report. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein.
11. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
12. This study may not be duplicated in whole or in part without the specific written consent of Randy Button and Associates nor may this report or copies hereof be transmitted to third parties without said consent, which consent Randy Button and Associates reserves the right to deny. Any third party who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. Randy Button and Associates shall have no accountability or responsibility to any such third party.
13. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
14. The distribution of the total valuation in this report between land and improvements

applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.

15. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. It is further assumed that no encroachments to the realty exist.
16. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met. Randy Button and Associates assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
17. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor Randy Button and Associates assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, Randy Button and Associates has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since Randy Button and Associates has no specific information relating to this issue, nor is Randy Button and Associates qualified to make

such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.

19. The Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser 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 report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.

20. The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Randy Button & Associates Inc.'s regular per diem rate plus expenses.

Summary of Qualifications

Randall A. Button, MAI, SRA, AI-GRS
Appraiser and Review Specialist



Randy Button & Assoc., Inc.
223 Rosa Parks Avenue, # 402
Nashville, TN 37203
(615) 324-6081
ranbutton@aol.com

Professional Experience

Randall (Randy) Button, MAI, SRA, AI-GRS has more than thirty years of experience as an appraiser and valuation consultant. Assignments have included diverse residential and commercial properties throughout the southeastern US. Recently, his primary emphasis has been on commercial review appraisals for financial institution compliance. Litigation and complex condemnation assignments have continually been an area of emphasis for him.

Professional Designations & Affiliations

- MAI, SRA and AI-GRS member of the Appraisal Institute
- Realtor® member of the National Association of Realtors®
- Member of the International Right of Way Association

Randy Button is a Designated Member of the Appraisal Institute and is affiliated with the Greater Tennessee Chapter. He is a State Certified General Real Estate Appraiser in Tennessee and holds certification number CG-03. Other licenses include a current Real Estate Broker license and registration to practice property tax appeal in Tennessee. He has previously been licensed as a General Contractor, which is currently in temporary retirement.

Randy is a member of the International Right of Way Association, which is the predominant organization, associated with condemnation appraisal practice. Tennessee Department of Transportation has pre-approved him to complete appraisal assignments for transportation projects. Pre-approval has also been granted to complete FHA appraisal assignments for the US Department of Housing and Urban Development.

Education and Accomplishments

- B.S. Business Administration (Finance & Real Estate) - University of Tennessee, 1985
- Vice Chair of the Tennessee State Board of Equalization - 2005 to 2014
- Property Assessor in Roane County, TN - 1992 to 1994
- Board Member and Chairman of the Tennessee Real Estate Appraiser Commission - 1990 to 1994
- Board of Directors member of the Association of Appraiser Regulatory Officials (AARO) - 1993 to 1994
- Approved Instructor for the Appraisal Institute - 1989 to Present

Adam L. Hill

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ONLINE [linkedin.com/in/AdamLonHill](https://www.linkedin.com/in/AdamLonHill)

I am a Certified General Real Estate Appraiser who focuses on eminent domain appraisals and consultation to public entities with condemning authority.

EXPERTISE

Eminent Domain

- Experienced in eminent domain appraisals for utilities, local, state and federal agencies
- Knowledgeable on application of Uniform Appraisal Standards for Federal Land Acquisition
- Practiced in Tennessee eminent domain law and TDOT policies and procedures
- Actively manage right-of-way appraisers, acquisition agents and acquisition process

Eminent Domain Appraisal Experience

- Residential land/improvement valuations and subdivisions
- Industrial, commercial, multifamily, and retail properties
- Raw land

SELECTED EXPERIENCE

Real Estate Appraiser

July 2011 to Present

State Certified General Real Estate Appraiser (#4698)

All Three Grand Divisions

Qualified to appraise all types of real property. Provide objective, impartial, and unbiased opinions about the value of real property. Research into appropriate market areas; the assembly and analysis of information pertinent to a property; and the knowledge, experience, and professional judgment to produce creditable assignment results. Experience with single-family homes, residential and commercial subdivisions, apartments, office buildings and condominiums, shopping centers, industrial sites, golf courses and farms.

Tennessee Department of Agriculture

November 2007 to June 2011

Assistant Commissioner

Nashville, Tennessee

Under general direction, responsible for work of considerable complexity; manage supervisors; assist in administration of the department; directed development, coordination, origination and execution of policy having significant impact upon the goals of state government. Served as Ethics Compliance Officer.

EDUCATION

Appraisal Institute (2011 to Present)

Successfully obtained over 300 hours of qualifying education focusing all aspects of real estate appraisals.

Greater Nashville Association of Realtors. Inc. (2006)

Successfully completed education designed to understand principles and terminology involving acquisition.

Bachelor's of Science in Organizational Communication; Minor in Political Science (2003)

School of Business and Public Affairs, Murray State University, Kentucky. **Major study in management and organizing people** to effectively achieve goals by being able to build relationships, promote ideas, bridge differences, resolve conflicts, guide teams, facilitate collaboration, motivate action, and provide leadership.

Subject Photographs



**SUBJECT
04/01 /2020
VIEW OF SKYLINE
FROM STOCKYARD
STREET**



**SUBJECT
04/01 /2020
CORNER OF 2ND AVE.
NORTH AND
STOCKYARD STREET**



SUBJECT
04/01 /2020
2ND AVENUE NORTH
LOOKING NORTH



SUBJECT
04/01 /2020
STOCKYARD STREET
FRONTAGE LOOKING
EAST / RIVERFRONT
CONDOMINIUMS



SUBJECT
04/01 /2020
1ST AVENUE
LOOKING SOUTH.
RAILROAD
CORRIDOR AND
CUMBERLAND RIVER
GREENWAY ON THE
RIGHT



SUBJECT
04/01 /2020
CORNER OF 1ST
AVENUE NORTH AND
STORCKYARD
STREET



**SUBJECT
04/01 /2020
SUBJECT TRACT
FROM 1ST AVENUE
NORTH LOOKING
WEST**



**SUBJECT
04/01 /2020
SUBJECT TRACT TO
THE RIGHT AND
CROSSWALK FOR
THE CUMBERLAND
RIVER GREENWAY**



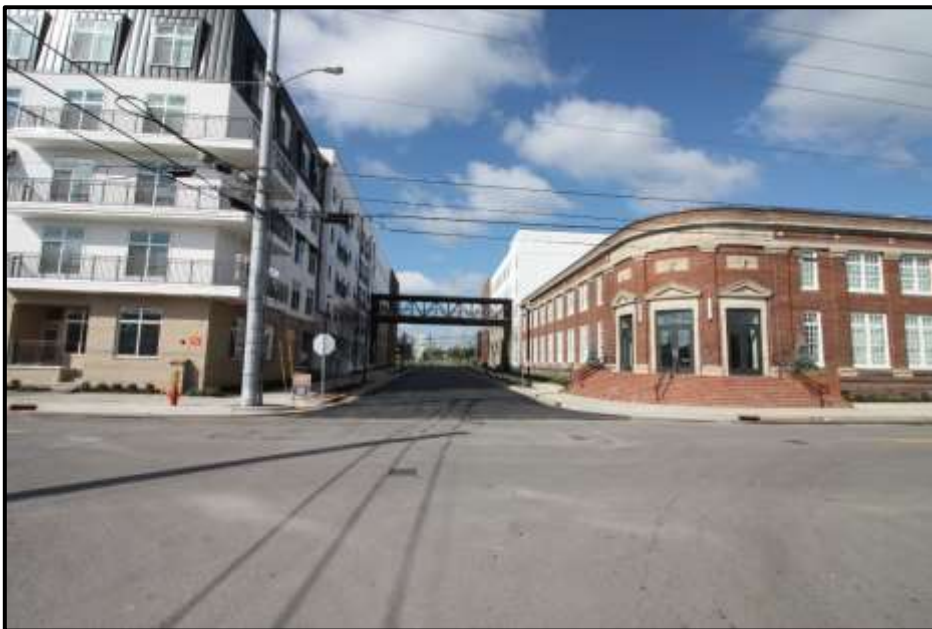
SUBJECT
04/01 /2020
SOUTHEASTERN
MOST PROPERTY
LINE FOR THE
SUBJECT



SUBJECT
04/01 /2020
1ST AVENUE NORTH
FRONTAGE



SUBJECT
04/01 /2020
STOCKYARD
BUILDING / CORNER
OF STOCKYARD
STREET AND 2ND
AVENUE NORTH



SUBJECT
04/01 /2020
BASEBALL FILED
PROPERTY LOCATED
1 BLOCK AWAY PAST
THE STOCKYARD
PROPERTY



SUBJECT
04/01 /2020
2ND AVENUE NORTH
FRONTAGE



SUBJECT
04/01 /2020
2ND AVENUE NORTH
FRONTAGE



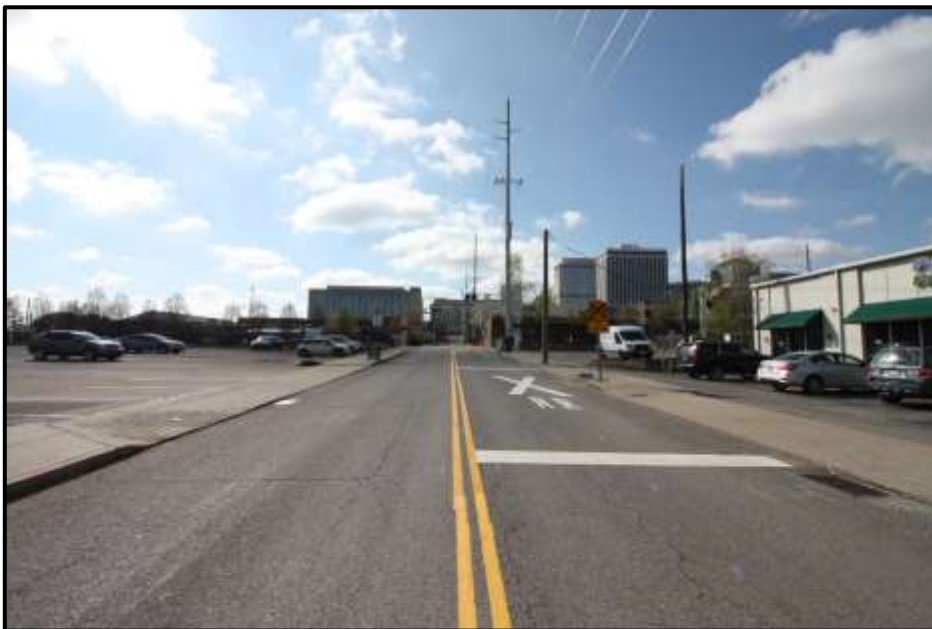
SUBJECT
04/01 /2020
2ND AVENUE NORTH
FRONTAGE



SUBJECT
04/01 /2020
2ND AVENUE NORTH
FRONTAGE /
SOUTHERN
PROPERTY LINE



SUBJECT
04/01 /2020
2ND AVENUE NORTH
STREET SCENE
LOOKING NORTH



SUBJECT
04/01 /2020
2ND AVENUE NORTH
STREET SCENE
LOOKING SOUTH

Comparable Land Sales

Land Sale 1

Address: 1206-1212 9th Avenue N.

Map/Parcel: 81-16/236 & 234

Zoning: DTC, Hope Gardens

Acres / SF: 0.51 ac. / 22,216 SF

Sale Date: 8/29/2019

Sale Price: \$1,500,000

Instrument: 20190904-0088894

Grantor: Greater First Street

Grantee: 1219 9th Avenue North, LLC

This is a sale of two adjacent parcels. At the time of the sale, the property was improved with a church. A demolition permit was pulled on Oct.-2019 after the sale.

Land Sale 2

Address: 1121 3rd Avenue North

Map/Parcel: 82-09/419

Zoning: IWD

Acres / SF: 1.01 ac. / 43,996 SF

Sale Date: 6/28/2019

Sale Price: \$4,000,000

Instrument: 20190702-0064241

Grantor: Frank Allen

Grantee: FFN31, LLC

This tract was improved with a 26,975 SF office-warehouse at the time of the sale. The site was purchased for the underlying land.

Land Sale 3

Address: 810 Jefferson Street
Map/Parcel: 82-13/18
Zoning: DTC, Hope Gardens
Acres / SF: 0.526 ac. / 22,651 SF

Sale Date: 4/18/2019
Sale Price: \$1,750,000
Instrument: 20190424-0037711
Grantor: Rodney Moore
Grantee: 810 Jefferson Street, LLC

Improved with a Church's Chicken at the time of sale. Purchased for land in order to develop a 16-unit townhome development.

Land Sale 4

Address: 915 Monroe Street
Map/Parcel: 081-16-0-207.00
Zoning: RM 20-A
Acres / SF: 0.871 ac. / 37,960 SF

Sale Date: 12/1/2017
Sale Price: \$2,800,000
Instrument: 20171206-0124601
Grantor: YMX Partners, LLC
Grantee: Monroe Square, LLC

Land Sale 5

Address: 1401 4th Avenue North
Map/Parcel: 82-09/94
Zoning: MUN
Acres / SF: 0.390 ac. / 16,988 SF

Sale Date: 9/22/2017
Sale Price: \$1,455,000
Instrument: 20170925-0097877
Grantor: James L. Rollins
Grantee: 1401 4th Avenue, LLC

This property included four residential buildings constructed in the 1920's. The buyer intended to raze the improvements for a commercial development. This is a corner lot. The sale was a 1031 exchange transaction and the buyer obtained financing at a 72 Loan-to-value. The site is under a historic overlay.

Land Sale 6

Address: 1603A-B 4th Avenue North and 400-408 Hume Street
Map/Parcel: 82-5-3B/1-18-CO and 900-CO
Zoning: SP
Acres / SF: 0.805 ac. / 35,086 SF

Sale Date: 9/1/2017
Sale Price: \$2,250,000
Instrument: 20170905-0091095 and 20170217-0016599
Grantor: See Below
Grantee: See Below

This site involved two transactions. First the four parcels previously known as 400, 402, 406 and 408 Hume Street and long with two parcels known as 1603A-B 4th Avenue North which sold on September 1, 2017 from Julius B. Olds (grantor) to Barlow Capital, LLC (grantee) for \$1,875,000 and recorded as Instrument #2017905-0091095. The tract known as 404 4th Avenue North was sold on February 15, 2017 from Harry Lee and Carolyn F. Johnson (grantor) to Austin B. Pennington (grantee) for \$375,000 and recorded as Instrument #20170217-0016599. In total, the subject tract is 35,086 SF site that sold for a total of \$2,250,000. The site has 22 condominium units planned.

Land Sale 7

Address: 93 Taylor Street
Map/Parcel: 82-09/244
Zoning: IG
Acres / SF: 1.754 ac. / 76,417 SF

Sale Date: 6/30/2017
Sale Price: \$3,700,000
Instrument: 20190125-0007422
Grantor: Melanie Tummons
Grantee: East Germantown Investments, LLC

This tract fronts the same railroad spur as the subject and is also adjacent to the Cumberland River Greenway. At the time of the sale the tract was improved with three warehouses containing 37,455 SF. These structures were constructed between 1920 and 1988.

Land Sale 8

Address: 1311-1315 2nd Avenue North
Map/Parcel: 82-09/224-226
Zoning: IR to SP
Acres / SF: 0.390 ac. / 16,988 SF

Sale Date: 6/30/2017
Sale Price: \$1,225,000
Instrument: 20170707-0068362, 20170410-0035095 and 20170405-0033222
Grantor: Three Different Grantors
Grantee: Stefan Baskin

This is an assemblage of three transactions involving three grantors on two different dates. The site was improved with single family residential dwellings. The developers planned to construct a mixed-use project that include office, and retail uses.

Land Sale 9

Address: 1324 2nd Avenue North
Map/Parcel: 82-09/234
Zoning: SP
Acres / SF: 4.815 ac. / 209,735 SF

Sale Date: 10/19/2016
Sale Price: \$1,3650,000
Instrument: 20161019-0110723
Grantor: BTJ Nashville, LLC
Grantee: Germnatown Creative, LP

This site had industrial zoning and was changed to SP prior to the sale. The site was improved with three vacant warehouses on the site. The developers planed a mixed-use development that includes office, hotel, restaurant and retail uses.

Land Sale 10

Address: 1232 3rd Avenue North
Map/Parcel: 82-09/348
Zoning: SP
Acres / SF: 0.695 ac. / 27,878 SF

Sale Date: 10/19/2016
Sale Price: \$2,000,000
Instrument: 20161025-0112554
Grantor: Keystops Inc.
Grantee: Gtown Storage, LLC

This site was zoned industrial and was approved for SP prior to the sale. The developers planned to raze the old warehousing on the site and construct a six-story self-storage facility.

Land Sale 11

Address: 1212 3rd Avenue North
Map/Parcel: 082-09-0/356, 357, 499, & 500
Zoning: OR20
Acres / SF: 0.7248 ac. / 31,516 SF

Sale Date: 5/18/2016
Sale Price: \$2,249,977
Instrument: 20160520-0050925 & 0050926
Grantor: Assembled: (Deed ending #925) GP Luxury, LLC & (Deed ending #926) Volpar, Inc.
Grantee: Saunders Rental Properties, LLC

Land Sale 12

Address: 1703 Rosa L. Parks Avenue
Map/Parcel: 081-08-0/348, 349, 350, 351, 352, 353, 354, & 363 and 081-12-0/61 & 62
Zoning: MUG-A
Acres / SF: 2.642 ac. / 115,087 SF

Sale Date: 5/25/2016
Sale Price: \$5,350,000
Instrument: 20160601-0054799
Grantor: 1212 Broadway Partners
Grantee: BH2-Nashville Parks A, LLC

Land Sale 13

Address: 1101 6th Avenue North
Map/Parcel: 82-13-0/386, 189, 190, 191, 181, 180, 179, 188
Zoning: MUN
Acres / SF: 2.04 ac. / 88,864 SF

Sale Date: 10/15/2015
Sale Price: \$5,800,000
Instrument: 2015102-00106754
Grantor: Centerstone of Tennessee
Grantee: Mainland Germantown

Land Sale 14

Address: 1226 2nd Avenue North
Map/Parcel: 82-9/375
Zoning: SP
Acres / SF: 4.77 ac. / 207,662 SF

Sale Date: 8/19/2015
Sale Price: \$8,800,000
Instrument: 20150820-0084215
Grantor: McRedmond Partners, LLC
Grantee: LC Germantown, LLC

Land Sale 15

Address: 1401 (1407) 3rd Avenue N.
Map/Parcel: 082-09-0/501 & 502
Zoning: IR to SP
Acres / SF: 2.35 ac. / 102,007 SF

Sale Date: 1/29/2015
Sale Price: \$4,500,000
Instrument: 20150130-0008922
Grantor: R.D. Herbert & Sons Co.
Grantee: Fountains Germantown Holdings, LLC

Land Sale 16

Address: 1100 3rd Avenue North
Map/Parcel: 82-9/424 and 468
Zoning: SP
Acres / SF: 2.63 ac. / 114,563 SF

Sale Date: 11/7/2014
Sale Price: \$2,584,363
Instrument: 20141107-0103304
Grantor: Third Avenue Associates, GP
Grantee: PR III/Broadstone Germantown, LLC