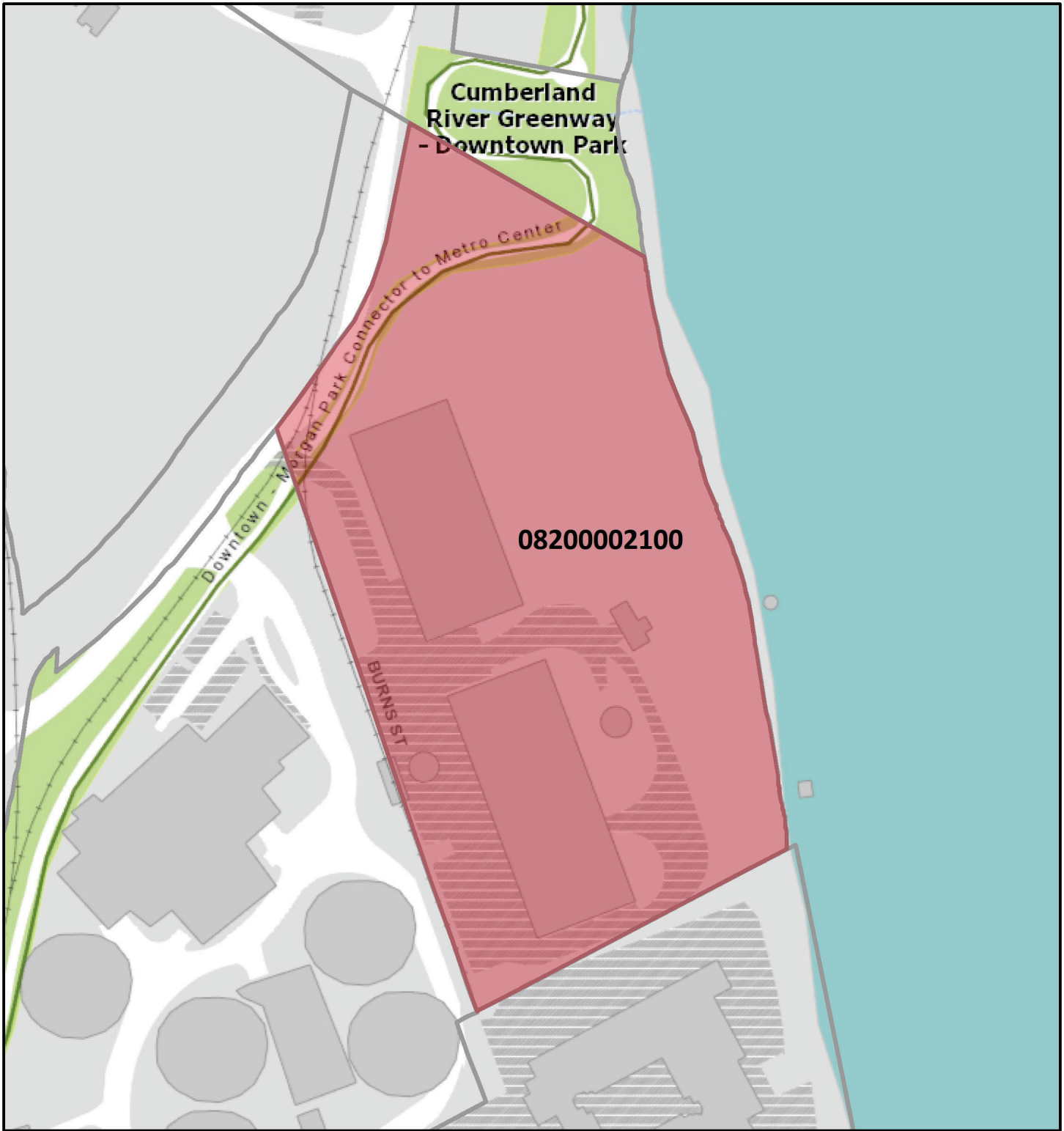




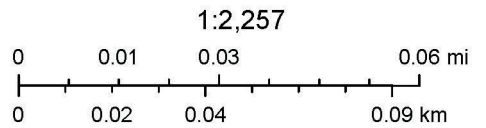
# Nashville / Davidson County Parcel Viewer



October 24, 2023

-  Override 1
-  graphicsLayer2

**1818 Cement Plant Road**  
**Parcel 08200002100**



**APPRAISAL REPORT  
REAL ESTATE APPRAISAL**

**Of  
Cement Plant Rd Property**



1818 Cement Plant Road, Nashville,  
Davidson County, Tennessee 37208

**As of**  
October 3, 2023 (As Is)

**Prepared For**  
Mr. Mike Atchison  
Metropolitan Government of Nashville & Davidson County  
1600 2nd Avenue North  
Nashville, TN 37208

**Prepared by**  
MOFFETT-REVELL LLC  
Mark Watson, MAI, CVA, TN-CG3655  
Dale Berry, MAI, TN-CG4696

Moffett-Revell File Number: 120-123-23



October 12, 2023

Mr. Mike Atchison  
Metropolitan Government of Nashville & Davidson County  
1600 2nd Avenue North  
Nashville, TN 37208

Re: Appraisal Report, Real Estate Appraisal  
Cement Plant Rd Property  
1818 Cement Plant Road, Nashville,  
Davidson County, Tennessee 37208

Moffett-Revell File Number: 120-123-23

Dear Mr. Atchison:

At your request we have prepared an appraisal for the above referenced property. The accompanying appraisal report is intended to comply with the Uniform Standards of Professional Appraisal Practice; the Financial Institutions Reform, Recovery, and Enforcement Act of 1989; the most recent version of the Interagency Appraisal and Evaluation Guidelines; and any specific requirements of Metropolitan Government of Nashville & Davidson County.

Your attention is directed to the Assumptions and Limiting Conditions section of this report (Page 55). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no extraordinary assumptions for this appraisal.

Mr. Atchison  
Metropolitan Government of Nashville & Davidson County  
October 12, 2023  
Page 2

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), our opinion of value are as follows:


**Current Market Value of the Subject Property As Is:**

The opinion of market value of the fee simple estate in the subject property as is, as of October 3, 2023, is

**\$15,600,000**  
**Fifteen Million Six Hundred Thousand Dollars**

The Exposure Time preceding October 3, 2023 would have been nine months. The subject is owner occupied, resulting in the valuation of the fee simple estate. No furniture, fixtures, and equipment (FF&E) or intangible business value are included in the opinion of market value.

Respectfully submitted,  
Moffett-Revell LLC



Mark Watson, MAI, CVA  
Director  
TN-CG3655



Dale Berry, MAI  
Senior Analyst  
TN-CG4696

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## Summary of Salient Facts

### GENERAL

|                           |   |
|---------------------------|---|
| <b>Subject:</b>           | Cement Plant Rd Property<br>1818 Cement Plant Road, Nashville,<br>Davidson County, Tennessee, 37208   |
|                           | The subject property is a 7.24-acre site improved with an industrial improvement with approximately 33,000 square feet based on satellite map measurements. The improvements are considered to be an interim use and do not contribute to the subject's market value. |
| <b>Owner:</b>             | River Cement Sales Company, a Delaware corporation  |
| <b>Legal Description:</b> | A metes and bounds description of the subject property is found in the attached deed.   |
| <b>Census Tract:</b>      | 47 037 0194.02  |
| <b>Date of Report:</b>    | October 12, 2023  |
| <b>Intended Use:</b>      | The intended use is asset valuation toward possible acquisition of the subject property.  |
| <b>Intended User(s):</b>  | Metropolitan Government of Nashville & Davidson County.   |

### Assessment:

| Real Estate Assessment and Taxes |                    |                            |                     |                     |                    |                  |            |           |
|----------------------------------|--------------------|----------------------------|---------------------|---------------------|--------------------|------------------|------------|-----------|
| Tax ID                           | Land Tax Appraisal | Improvements Tax Appraisal | Other Tax Appraisal | Total Tax Appraisal | Equalization Ratio | Total Assessment | Per SF GBA | Per Acre  |
| 082-00-0-021.00                  | \$9,952,400        | \$0                        | \$0                 | \$9,952,400         | 40%                | \$3,980,960      | \$121      | \$549,856 |

### Sale History:

The subject is not known to have sold or transferred within the three years preceding the date of valuation.

**Current Listing:**

The subject is not known to be listed for sale at the date of valuation.

**Current Option:**

No option for the purchase of the subject is known to be held by any party at the date of valuation.

**Current Contract:**

The subject is not known to be under contract for sale at the date of valuation.

**PROPERTY**

**Land:**

| Land Summary    |                         |                         |                          |                          |              |                    |
|-----------------|-------------------------|-------------------------|--------------------------|--------------------------|--------------|--------------------|
| Parcel ID       | Gross Land Area (Acres) | Gross Land Area (Sq Ft) | Usable Land Area (Acres) | Usable Land Area (Sq Ft) | Topography   | Shape              |
| 082-00-0-021.00 | 7.24                    | 315,374                 | 7.24                     | 315,374                  | Mostly level | Slightly irregular |

**Zoning:** IG - Industrial General

**Highest and Best Use of the Site:** The highest and best use of the subject's site as if vacant would be to seek a zoning change to allow for multifamily development.

**Highest and Best Use as Improved:** The highest and best use of the subject's site as improved is to raze the existing improvements and redevelop the site.

| Reconciled Value                             |            |           |                  |
|--|------------|-----------|------------------|
| Value Premises                               | Interest   | Date      | Value Conclusion |
| Current Market Value of the Subject Property |            |           |                  |
| As Is  | Fee Simple | 10/3/2023 | \$15,600,000     |
| Fifteen Million Six Hundred Thousand Dollars |            |           |                  |



## 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 the following:

- Client and intended users
- Intended use of the report
- Type and definition of value
- Effective date of value
- Assignment conditions
- Client expectations
- Appraisal work by peers for similar assignments

This appraisal is prepared for Mr. Mike Atchison, Metropolitan Government of Nashville & Davidson County. The purpose of the appraisal is to form an opinion of the current market value of the fee simple estate in the subject property as is. The intended use is for asset valuation toward possible acquisition of the subject property. This appraisal is intended for the use of Metropolitan Government of Nashville & Davidson County. It is not intended for any other use or user.

| <b>SCOPE OF WORK</b>                           |   |
|--|---|
| Report Type:                                   | This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses. |
| Property Identification:                       | The subject is identified by the legal description, the assessor's parcel number, and the physical address.   |
| Inspection:                                    | An inspection of the subject property has been made by observing the subject from the street and photographs were taken. The property is currently occupied and no contact was made with anyone at the site.  |
| Market Area and Analysis of Market Conditions: | A complete analysis of market conditions has been made.   |
| Highest and Best Use Analysis:                 | The subject's highest and best use as vacant is analyzed. Physically possible, legally permissible, and financially feasible uses are considered, and the maximally productive use is concluded.  |



Valuation Analyses

Cost Approach:

A cost approach is not applied because while there may be adequate data to develop an opinion of the value of the land and the depreciation accrued to the improvements may be reasonably measured, the cost approach does not reflect the property selection pattern of the most likely purchaser of the subject.

Sales Comparison Approach:

A sales comparison approach is applied because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach:

An income approach is not applied because the subject is not an income producing property and this approach does not reflect market behavior for this property type.

Definition(s) of Value

Definition of Market Value  
for the State of Tennessee:

The amount of money which a purchaser, willing but under no compulsion to buy, would buy, and which a seller, willing but under no compulsion to sell, would accept, taking into consideration all the legitimate uses to which the property was adaptable and might in reason be applied. (Tennessee Pattern Jury Instructions, 2nd Edition.)

Appraisal Conditions

Hypothetical Conditions:

There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

There are no extraordinary assumptions for this appraisal.

## Market Area Analysis

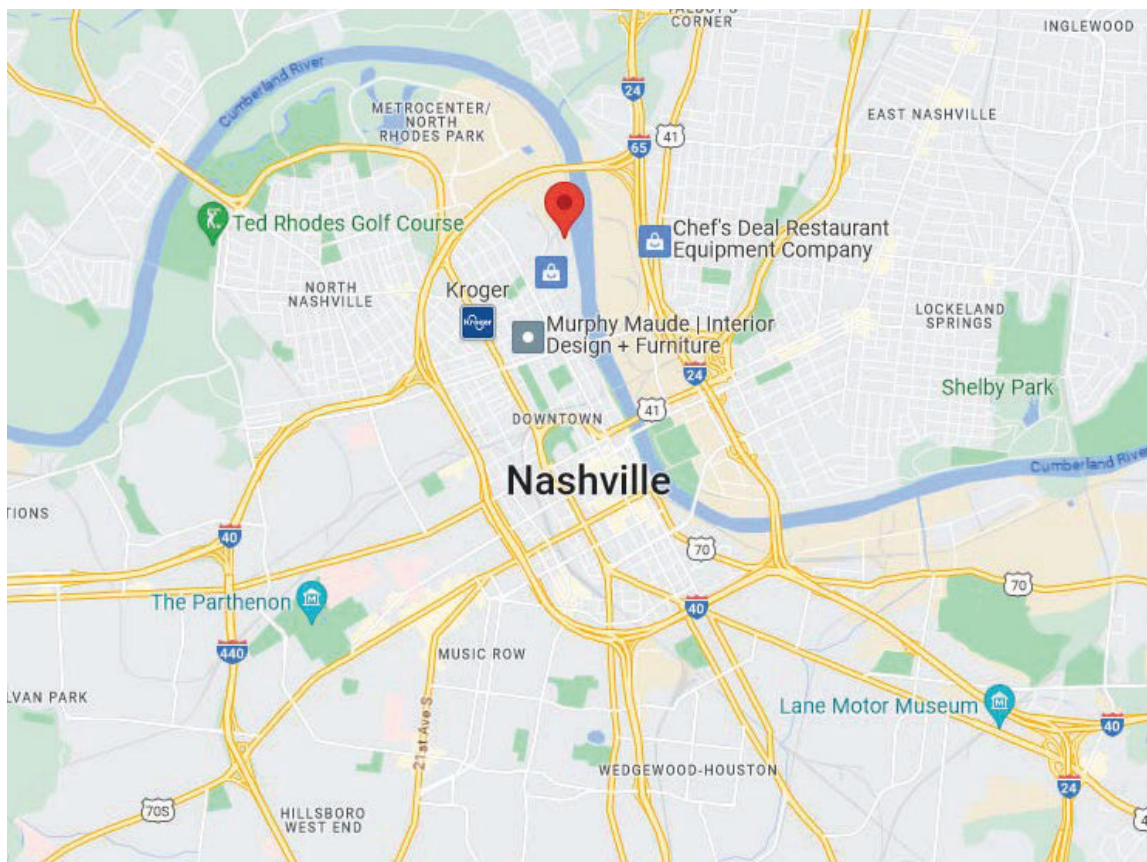
### ***Market Area Location and Boundaries***

The subject property is located north of downtown Nashville on the west bank of the Cumberland River south of Interstate 65. It is east of the Germantown neighborhood in an area that has historically been densely developed with large industrial properties. However, Germantown and Salemtown, the neighborhoods just to the west of the subject, have undergone significant redevelopment over the last twenty years and they have become some of the trendiest walkable neighborhoods in all of the metro area. This has led to new development in the old industrial area along the Cumberland. The river has gone from historically being a valuable benefit to industry and commerce to being valued for the scenic beauty and aesthetic character that it adds to urban living. Multiple large multifamily properties have been constructed just south of the subject over the last ten years and development is ongoing. Multifamily redevelopment of formerly industrial zoned properties is taking place in the Metro Center area just north of I-65 and the subject property.

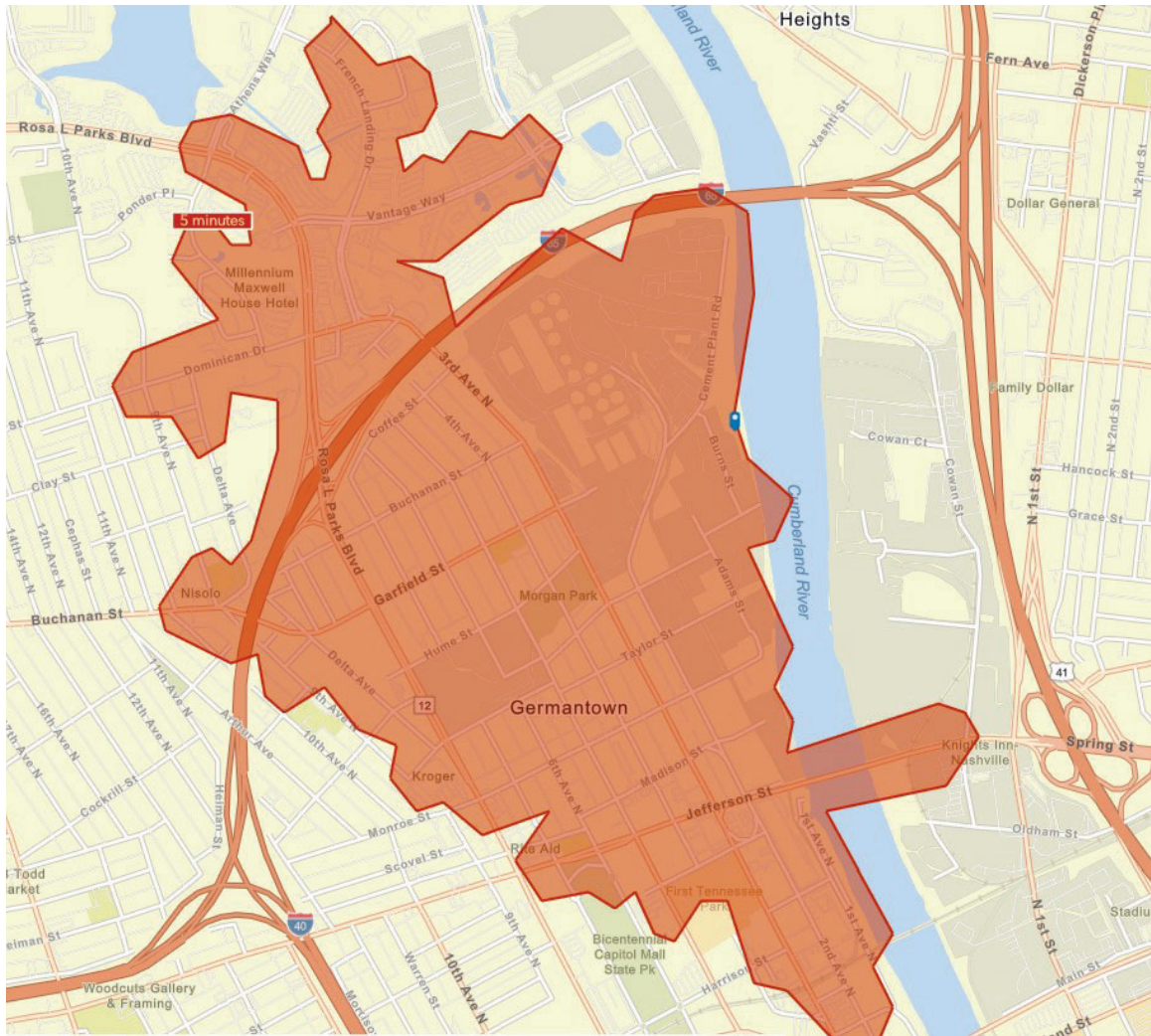
On the opposite bank of the Cumberland, Oracle is set to build a \$1.35 billion dollar campus to house 8,500 employees by 2031<sup>1</sup>. Somewhat south of the Oracle development area is Nissan Stadium. A new stadium project has been announced that will involve additional development along the Cumberland. This has made property along the river some of the most desired for developers in all of Nashville. The map that follows shows the subject's location relative to downtown.

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<sup>1</sup> <https://www.bizjournals.com/nashville/news/2023/05/04/oracle-jobs-nashville-growth-tech-campus.html>



The selected comparative area is a five minute drive time from the subject property. The map below depicts the chosen comparative area. This area will be compared against larger areas to show the subject's positioning.



### ***Market Area and Property Characteristics***

The market area is large enough such that it contains all of the major property types.

| <b>Surrounding Area Demographics</b>                       |                           |   |                       |
|--|---------------------------|---|-----------------------|
|  | Five Minute<br>Drive Time | Nashville<br>MSA                          | State of<br>Tennessee |
| Population 2010 (Actual)                                   | 2,697                     | 1,646,200                                 | 6,346,105             |
| Population 2020 (Actual)                                   | 6,025                     | 1,989,519                                 | 6,910,840             |
| Population 2023 (Estimate)                                 | 6,383                     | 2,116,378                                 | 7,120,037             |
| Population 2028 (Projection)                               | 8,873                     | 2,255,179                                 | 7,317,991             |
| Compound % Change 2000-2010                                | 8.4%                      | 1.9%                                      | 0.9%                  |
| Compound % Change 2010-2023                                | 0.4%                      | 0.5%                                      | 0.2%                  |
| Compound % Change 2023-2028                                | 6.8%                      | 1.3%                                      | 0.5%                  |
| Households 2010 (Actual)                                   | 3,598                     | 772,530                                   | 2,742,947             |
| Households 2023 (Estimate)                                 | 3,887                     | 826,001                                   | 2,840,406             |
| Households 2028 (Projection)                               | 5,631                     | 887,743                                   | 2,942,836             |
| Compound % Change 2010-2023                                | 0.6%                      | 0.5%                                      | 0.3%                  |
| Compound % Change 2023-2028                                | 7.7%                      | 1.5%                                      | 0.7%                  |
| Average Household Size 2010 (Actual)                       | 1.63                      | 2.52                                      | 2.46                  |
| Average Household Size 2023 (Estimate)                     | 1.60                      | 2.51                                      | 2.45                  |
| Average Household Size 2028 (Projection)                   | 1.55                      | 2.49                                      | 2.43                  |
| Median Household Income 2023 (Estimate)                    | \$87,219                  | \$76,579                                  | \$61,449              |
| Median Household Income 2028 (Projection)                  | \$89,795                  | \$86,933                                  | \$71,721              |
| Compound % Change 2023-2028                                | 0.6%                      | 2.6%                                      | 3.1%                  |
| 2023 Owner Occupied % (Estimate)                           | 9.1%                      | 61.4%                                     | 60.7%                 |
| 2023 Renter Occupied % (Estimate)                          | 75.4%                     | 31.9%                                     | 29.8%                 |
| 2023 Median Home Value (Estimate)                          | \$515,533                 | \$358,532                                 | \$257,697             |
| Unemployment Rate as of August*                            | 2.7**                     | 2.7                                       | 3.1                   |
| <i>Source: STDB/ESRI &amp; *Bureau of Labor Statistics</i> |                           | <i>**This rate is for Davidson County</i> |                       |

## Population Trends

The population in this area is projected to increase at a larger percentage than both the Nashville MSA and the State of Tennessee. The number of households is also projected to increase at a rate faster than both the Nashville MSA and the State of Tennessee. This indicates that it is reasonable to expect demand to grow more quickly in this market area than in the Nashville MSA and the State of Tennessee in the future.

## Housing Trends

The market area has a smaller percentage of owner occupied housing than the Nashville MSA and the State of Tennessee. Also, the market area has a larger percentage of renter occupied housing than the Nashville MSA and the State of Tennessee. This higher renter occupation indicates that there is more of a transitory population in the subject's area than in the Nashville MSA or the State of Tennessee. This is due to the presence of a high number of higher end multifamily properties in the area.

## Income Trends

The median household income is estimated to be higher than both the Nashville MSA and the State of Tennessee. The median household income is projected to increase at a rate that is slower than both the Nashville MSA and the State of Tennessee. The median home value is estimated to be higher than both the Nashville MSA and the State of Tennessee.

## Unemployment Trends

As of August 2023, the unemployment rate for Davidson County is about the same as the Nashville MSA and lower than the State of Tennessee.

## Major Employers

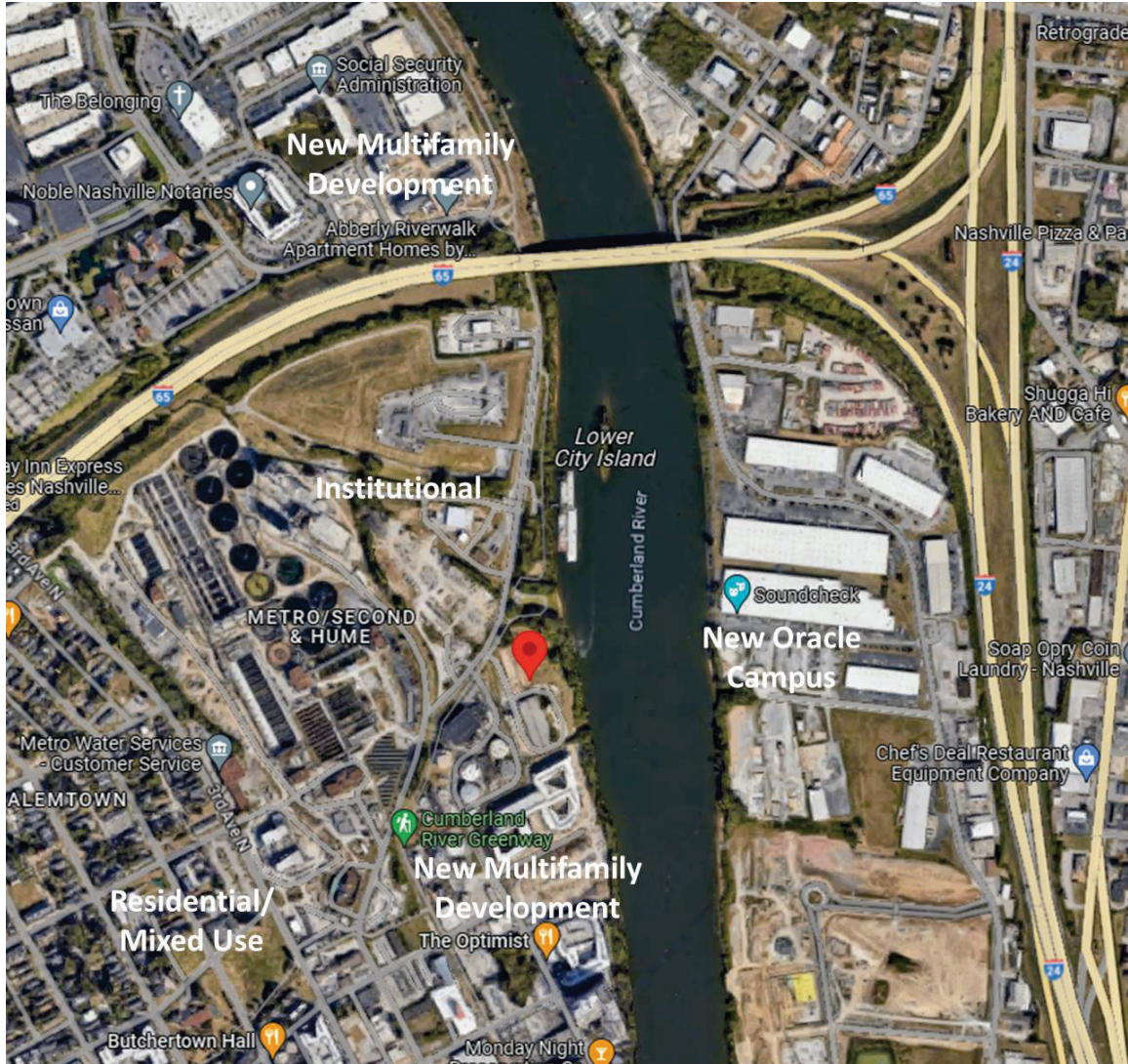
The major employers for the area are shown below.

| <b>Major Employers</b>          |                   |
|---------------------------------|-------------------|
| <b>Company</b>                  | <b># Employed</b> |
| Vanderbilt Univ. Medical Center | 24039             |
| Nissan North America            | 11000             |
| HCA Healthcare, Inc.            | 10600             |
| Vanderbilt University           | 9107              |
| St. Thomas Health               | 8335              |
| Randstad                        | 4550              |
| Asurion                         | 4400              |
| Amazon.com                      | 4000              |
| Community Health Systems        | 3925              |
| General Motors                  | 3800              |

*Source: nashvillechamber.com*

## Adjacent Property Uses

The subject property is located in an area with the Cumberland River to the east and a large institutional uses to the north. Immediately south of the subject property is new and ongoing multifamily development. North of the institutional use is Interstate 65 and more new multifamily development. West of the subject is a mix of commercial uses with dense residential development in Salemtown and Germantown. A map of the area surrounding the subject is shown below.



## Macroeconomic Outlook

### COVID-19 Pandemic Background and Governmental Response

The COVID-19 pandemic that began in early 2020 was a very significant event that marks a macroeconomic turning point in financial markets. The United States Department of Health and Human Services declared an end to the Covid-19 Public Health Emergency on May 9, 2023.<sup>2</sup>

In response to the economic crisis caused by the pandemic, the federal government passed five relief bills, the last of which was signed into law on March 11, 2021. Cumulatively, the relief bills extended unemployment benefits, provided direct cash payments to citizens below certain income levels, increased and appropriated tax credits to families and workers, and appropriated funding to state and local governments, education, child care, small businesses, vaccines, and testing. The United States Federal

<sup>2</sup> <https://www.hhs.gov/about/news/2023/05/09/fact-sheet-end-of-the-covid-19-public-health-emergency.html>

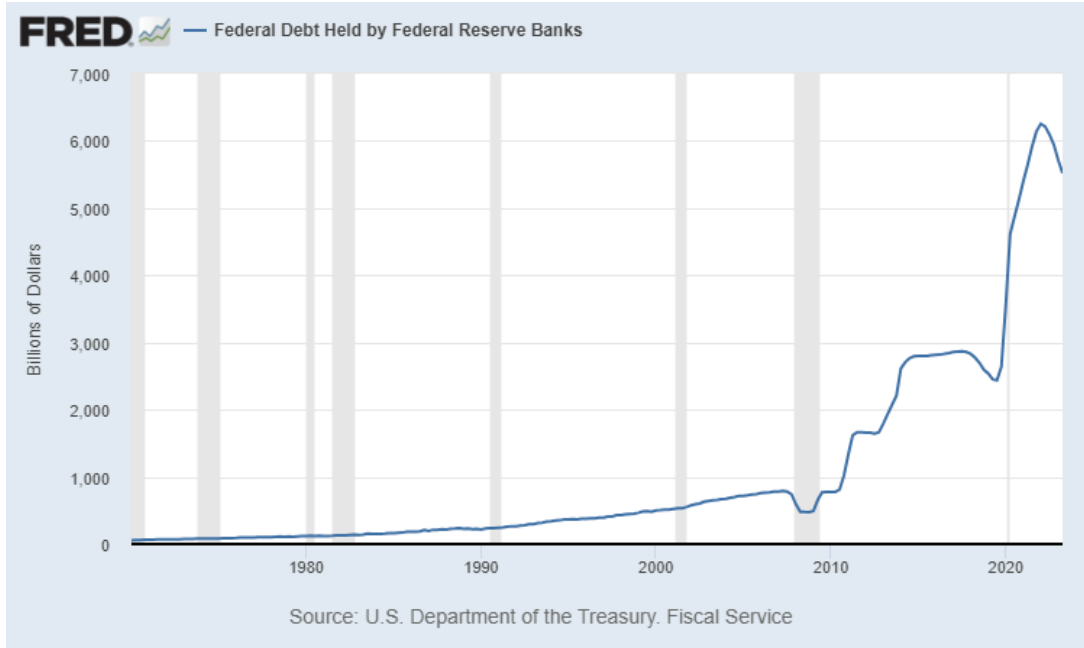
Reserve cut the Federal Funds Rate from 1.55% just prior to the onset of the pandemic to 0.05% in April of 2020, holding that general level until beginning to raise the rate in February of 2022. The following two graphs illustrate the striking level of the government intervention on the country's money supply and debt. The first<sup>3</sup> is the amount of M1 money supply over ten years, defined as the existing currency used as a medium of exchange, including demand deposits and checking accounts. The second<sup>4</sup> is the amount of federal debt held on the balance sheet of the United States Federal Reserve dating to the 1970's.



<sup>3</sup> <https://fred.stlouisfed.org/series/M1SL>

<sup>4</sup> <https://fred.stlouisfed.org/series/FDHBFRBN>





Due to historic government spending packages, the M1 money supply, which had been below \$4 trillion through the entire history of the United States, shot upward to over \$16 trillion during the year 2021 alone, and continued until peaking at over \$20 trillion in March of 2022. The Federal Reserve's balance sheet, already elevated from measures taken during the Financial Crisis of 2008-2009 and only marginally rectified in the years following that event, doubled in size during 2021 alone and peaked at over \$6 trillion in the first quarter of 2022. The graph only shows federal debt held on the Federal Reserve's balance sheet; the figure is even higher when corporate assets purchased by the Federal Reserve during the balance sheet expansion are considered. The recent abatement measures by the Federal Reserve can be seen at the right of both graphs as the money supply and debt both begin a decline.

### Economic Indicators

The most immediate economic effect of the pandemic was unemployment resulting from government-mandated stay-at-home orders in the earliest phase of the pandemic. The following graph, sourced from the U.S. Bureau of Labor Statistics, illustrates the spike in unemployment that resulted from these mandates.<sup>5</sup>

<sup>5</sup> <https://fred.stlouisfed.org/series/UNRATE>



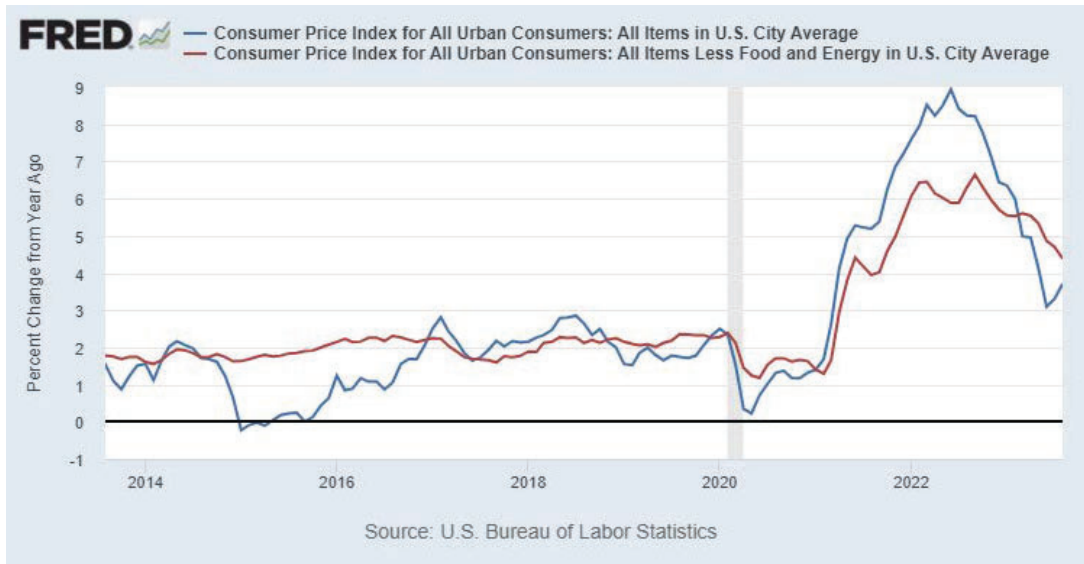
The graph shows the unemployment level over the previous ten years to the present day, with the spike in unemployment in 2020 being the result of government stay-at-home mandates due to the onset of the pandemic. Weekly jobless claims nationwide quickly eclipsed any previous record. The unemployment level has returned to the low levels that prevailed prior to the pandemic's onset, such that the rate reported for August 2023 is 3.8%, a strong figure based on long-term historical averages.

The rapid rebound in employment far surpassed the most optimistic projections by most economists, as the labor market recouped its lost payrolls faster than the last three economic downturns, including the Great Recession of 2008, in which it took 67 months for employment to recover to pre-recession levels. The unprecedented recovery in employment is attributed by many economists to the aforementioned government intervention, as Congress approved roughly five times as much fiscal stimulus during the pandemic as it did during the Great Recession, helping to keep workers and businesses afloat during the worst of the pandemic and leaving workers better equipped to rejoin the workforce once labor demand picked up.<sup>6</sup>

Despite positive employment indicators, economic recovery from the pandemic has been significantly hindered by historic inflation rates since mid-2021. The combination of the rapid reopening of the economy after the virtual shutdown during the first year of the pandemic combined with severe government intervention with the aim of minimizing the economic issues caused by the pandemic have convened to result in a massive imbalance of supply and demand, as demand for most products and services has outweighed supply since the reopening of the economy began. Global supply chains struggled to catch-up after being shut down for long periods during the pandemic. These factors have resulted in product and labor shortages and extraordinarily high inflation in both the US and

<sup>6</sup> <https://www.businessinsider.com/february-jobs-report-economic-outlook-labor-market-recovery-fastest-ever-2022-3>

global economies, as reflected in significant increases in the consumer price index year-over-year since the beginning of 2021. The following graph shows inflation rates based on the Consumer Price Index over the past ten years.<sup>7</sup>



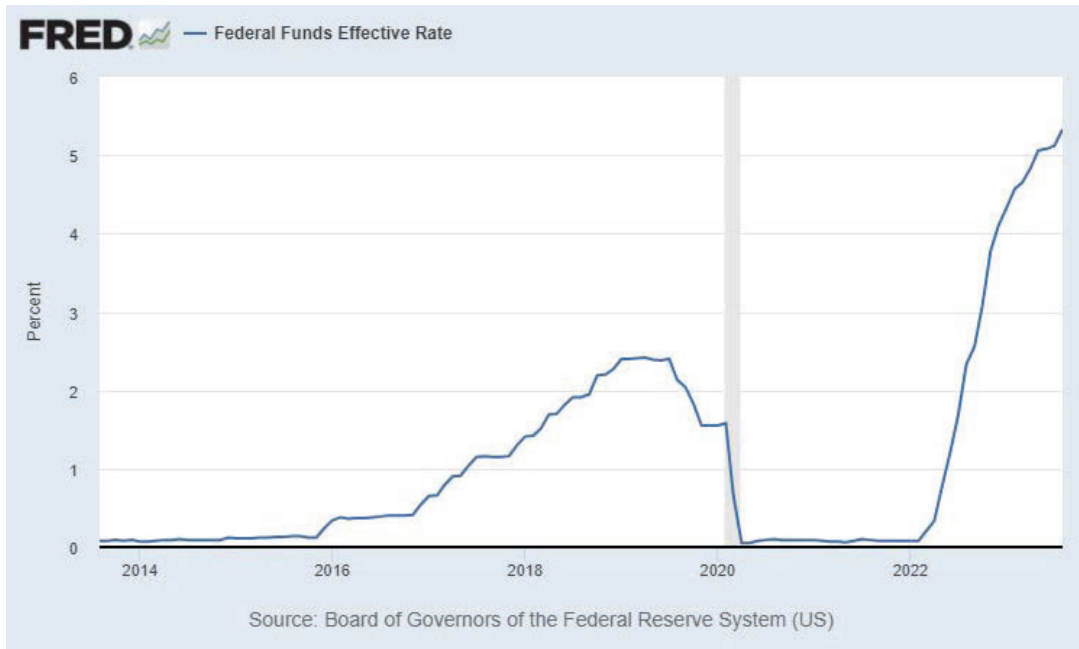
The graph shows a gradual decline in inflation from the peak of almost 9% in June of 2022. The most recently reported inflation level, for August of 2023, is 3.70%. While most recent figures show inflation abating, the rate since the end of 2020 has been well above Fed's target of 2%.

### Monetary Policy Response to Inflation and Bank Failures

As 2022 began, the Federal Reserve began a series of increases in the Federal Funds Rate, or the regulated rate that banks charge each other for overnight deposits of excess cash. The following graph shows ten years of the Federal Funds Rate.<sup>8</sup> The cut of the rate to slightly above zero in response to the pandemic's onset in April of 2020 can be seen, as can the rate increases beginning in March of 2022. The combination of rate cuts and money supply increase resulted in large upward moves in asset prices during that time period. The rise in the Effective Federal Funds Rate from 0.08% in February of 2022 to 5.33% in April of 2023 is the fastest upward move in that rate in over forty years.

<sup>7</sup> <https://fred.stlouisfed.org/graph/?g=rocU>

<sup>8</sup> <https://fred.stlouisfed.org/series/FEDFUNDS#>



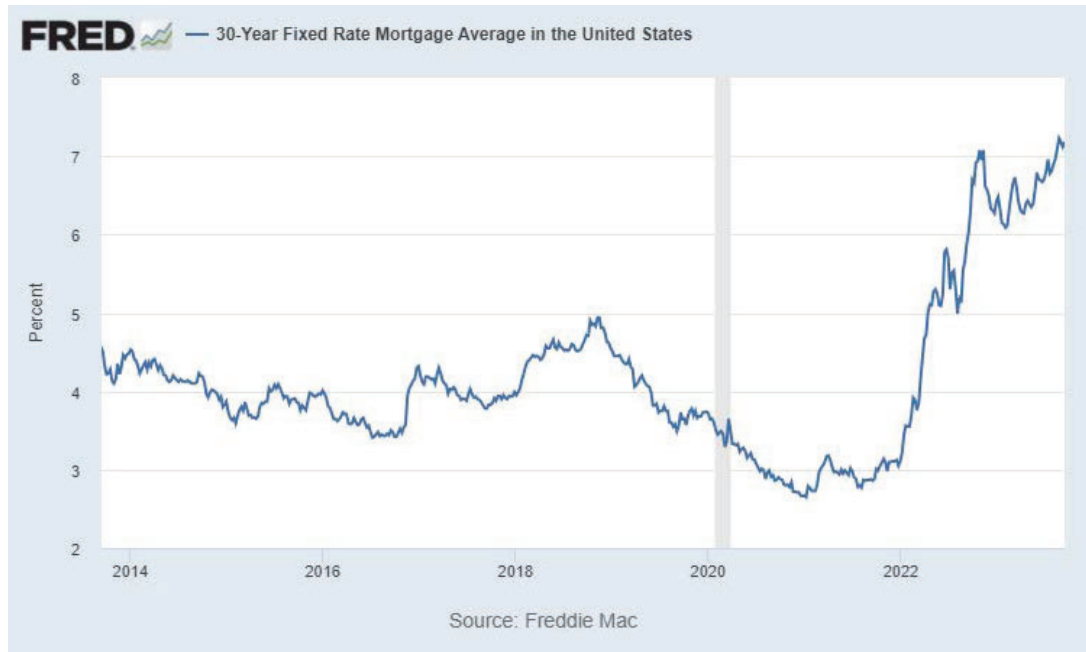
On May 4, 2022 the Federal Reserve announced its plan to reduce the balance sheet in an effort to combat inflation and return over time to its target of 2%.<sup>9</sup> Initial plans did not involve the outright sale of treasury debt and corporate assets. Rather, the Federal Reserve announced plans are to stop the reinvestment of proceeds from maturing assets over time, with the proceeds from \$30 billion of treasury debt and \$17.5 billion of agency mortgage-backed securities per month not being reinvested during the summer of 2022, followed by the proceeds from \$60 billion of treasury debt and \$35 billion of agency mortgage-backed securities per month not being reinvested in the fall of 2022.

The Federal Reserve continued this plan until March of 2023 when, over the course of five days, three small- to mid-sized banks in the United States failed, triggering a sharp decline in bank stock prices globally. Silvergate Bank, Silicon Valley Bank, and First Republic Bank were all taken over in receivership and sold to other financial institutions in a bidding process. As a response to the crisis, the three major U.S. federal bank regulators announced that all deposits would be honored, and established a Bank Term Funding Program (BTFP) to offer loans of up to one year to eligible depository institutions pledging qualified assets as collateral. The qualified assets are U.S. Treasuries, agency debt, mortgage-backed securities, and other qualifying assets. While the response has largely shored up the financial system in the face of a heavily inverted yield curve, the response is also widely expected to stall the plan to decrease the balance sheet by acquiring debt assets, where the Federal Reserve had been slowly shedding such assets.

Raising the federal funds rate generally affects only the short end of the yield curve. Stopping the reinvestment of maturing assets affects the entire length of the yield curve, raising it. This will especially be felt on the long-duration end of the yield curve, which

<sup>9</sup> <https://www.federalreserve.gov/newsevents/pressreleases/monetary20220504b.htm>

most affects real estate mortgage lending rates. A pause or reversal in the plan to decrease the Federal Reserve's balance sheet can be expected to mitigate the effect on the long duration end of the yield curve. Most relevant to real estate valuations is the following graph, showing the national average for the 30-year fixed mortgage rate in the United States.<sup>10</sup>



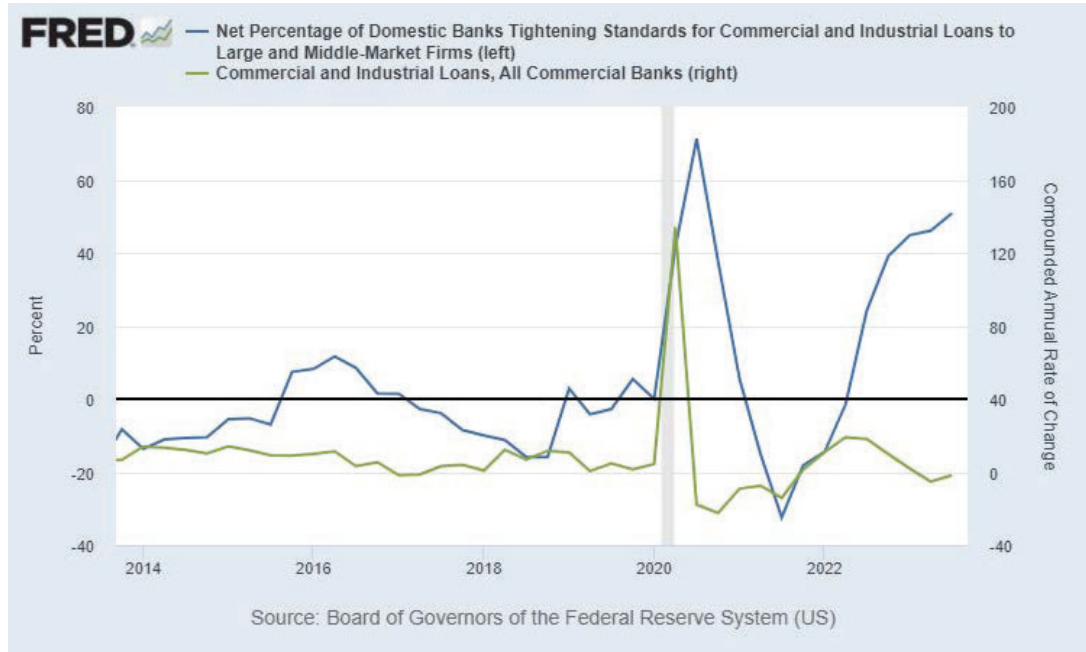
Interest rates for commercial loans generally follow the trend illustrated by the 30-year fixed residential rate, though at a higher level, as both are affected by the longer-duration end of the yield curve. The average mortgage rate rose from 3.22% in the first week of January 2022 to over 7% by late October of 2022. The pause and small era of high volatility in the summer of 2022 was due to the market's expectation that the economy was in a recession at the time, causing the market to believe that the Federal Reserve would cut rates and resume injecting liquidity in the economy in the future. That act would lower long-duration yield rates and, consequently, mortgage rates. Expectations that the Federal Reserve will pivot to a dovish policy are not likely, especially in light of comments that Federal Reserve President Jerome Powell has made in recent speeches. Due to this, the mortgage rate has risen to over 7% again.

The following graph is of direct interest to commercial real estate.<sup>11</sup> The blue line indicates the percentage of banks in the United States reported in the Federal Reserve's *Senior Loan Officer Opinion Survey* to be tightening lending for commercial and industrial loans. That trend indicates decreasing willingness of domestic banks to make commercial loans since the third quarter of 2021. The green line indicates the compound annual rate of change in commercial and industrial loans. A decline in loan growth can be seen to generally follow tightening lending standards. The market for lending, the

<sup>10</sup> <https://fred.stlouisfed.org/series/MORTGAGE30US>

<sup>11</sup> <https://fred.stlouisfed.org/graph/?g=qw94#>

primary source of liquidity for commercial real assets, has been much more difficult to tap in recent quarters.



### Developing Issues

While unrelated to the pandemic, Russia's invasion of Ukraine has sent shockwaves through the long-established international financial system. The United States' Dollar has long enjoyed reserve status internationally, with most major commodities denominated in dollars. On March 2, 2022, in response to the invasion the European Union excluded seven major Russian banks from the SWIFT system, the electronic messaging system for international money transfers.<sup>12</sup> The intent was to damage the Russian financial system in an effort to weaken the military there. In response, Russian President Vladimir Putin announced on March 23, 2022 that Russia would begin seeking payment for Russian oil in Rubles, circumventing the dollar as the reserve currency for crude oil and other related products from Russia.<sup>13</sup> It has long been observed that growing political powers in Asia have been moving to remove the dollar as the reserve currency for commodities over an extended period of many years. These issues are still developing, but the loss of reserve status for the dollar would have profound negative effects on the dollar's value and stability.

Much politically-charged debate has taken place as to the inflationary abating or exacerbating effect from the recent passage of the 2022 Inflation Reduction Act. Likely the most comprehensive and balanced budget model has been produced by the Penn Wharton Budget Model at the University of Pennsylvania, reporting that the effect the act can be expected to have on inflation over the long term is statistically indistinguishable from zero, while causing negative pressure on GDP for the first few years due to new

<sup>12</sup> <https://www.reuters.com/business/finance/eu-excludes-seven-russian-banks-swift-official-journal-2022-03-02/>

<sup>13</sup> <https://www.reuters.com/business/energy/putin-says-russia-will-start-selling-gas-unfriendly-countries-roubles-2022-03-23/>

taxes and higher taxes placed on businesses. The study also projects that the act places near-term upward pressure on prices in 2023 and 2024.

In August of 2022 the Biden administration announced a plan to cancel up to \$20,000 of student debt for Pell Grant recipients and \$10,000 of student debt for non-Pell Grant recipients. The Penn Wharton Budget Model reported that the initial plan would have cost taxpayers between \$469 billion and \$519 billion over a ten-year budget window. In its October term, the United States Supreme Court ruled that the administration does not have broad power to cancel student debt balances.<sup>14</sup> In a politically charged action and using regulatory authority, the administration scaled down its loan forgiveness program to proceed with \$39 billion in loan cancellation for borrowers who had been making payments for 20 or 25 years. The scaled down version of the plan significantly lowers but does not eliminate the expected effect on inflation, which is the Federal Reserve's target with the current regime of restrictive monetary policy.

### Macroeconomic Overview Summary

Indications are that the United States Federal Reserve is committed to bringing inflation, which is declining after running in excess of 7% in the United States, back to its target level of 2%. A significant amount of negative price pressure can be expected to be felt in the real estate market before that target is reached. This should be analyzed on an area-by-area basis, however, as markets and areas differ significantly in demand levels and outlook.

### **Conclusion**

The characteristics of the market area indicate a population that is growing much faster than either the Nashville MSA or the State of Tennessee. The population of the area, on average, has a higher income than the Nashville MSA and the State of Tennessee. This would indicate that property values in the area should experience sustained growth in the future.

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<sup>14</sup> [https://www.supremecourt.gov/opinions/22pdf/22-506\\_nmip.pdf](https://www.supremecourt.gov/opinions/22pdf/22-506_nmip.pdf)

## Property Description

The following description is based on our property inspection, assessment records, property deeds, and information provided by the client.

| SITE                         |   |
|------------------------------|---|
| Location:                    | The subject is located on the southeast side of Cement Plant Road and west of the Cumberland River.   |
| Current Use of the Property: | Industrial  |
| Site Size:                   | Total: 7.24 acres; 315,374 square feet<br>The subject's site size was taken from Courthouse Retrieval System's area measurement tool.<br><br>Usable: 7.24 acres; 315,374 square feet  |
| Shape:                       | The site is irregularly shaped.   |
| Frontage and Access:         | The subject property has average access with frontage as follows: <ul style="list-style-type: none"> <li>• Cement Plant Road: 365 feet</li> </ul> The site has an average depth of 750 feet. It is not a corner lot. The subject's frontage and depth measurements were taken from Courthouse Retrieval System's area measurement tool. |
| Visibility:                  | Average   |
| Topography:                  | The subject has level topography at grade that slopes downward at the river.  |
| Soil Conditions:             | The soil conditions observed at the subject appear to be typical of the region and adequate to support development.   |
| Utilities:                   | Electricity: Public electricity<br>Sewer: Public sewer<br>Water: Public water<br>Natural Gas: Public gas<br>Underground Utilities: Electric wires are above ground.<br>Adequacy: The subject's utilities are typical and adequate for the market area.  |



Site Improvements:

- There is street lighting on Cement Plant Road.
- There is a bike lane but no sidewalk on Cement Plant Road at the subject.
- There are no curbs or gutters.
- The subject has typical landscaping.

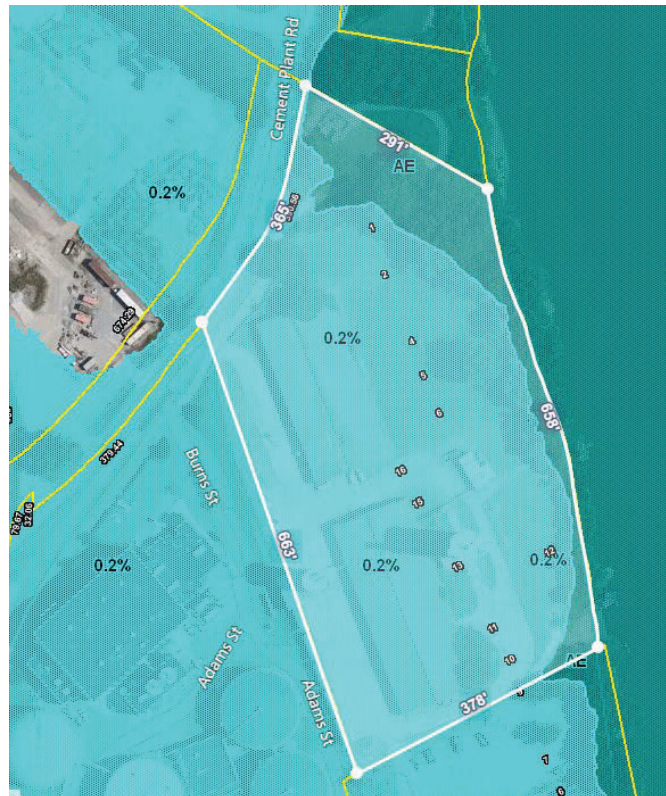
Flood Zone:

The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zones X Shaded and AE, both of which are classified as flood hazard areas.

FEMA Map Number: 47037C0241H

FEMA Map Date: April 5, 2017

Flood Zone X (shaded) is for areas of 0.2% chance of flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood. Approximately one acre is located in Flood Zone AE. Flood Zone AE is for areas inside the 1% annual chance flood where base flood elevations have been determined. The appraiser is not an expert in this matter and is reporting data from FEMA maps.



Wetlands/Watershed: According to the U.S. Fish and Wildlife Service, there are no wetlands on the subject site but the subject borders the Cumberland River. (This was checked on the [fws.gov/wetlands/Data/Mapper.html](http://fws.gov/wetlands/Data/Mapper.html) website.)

Environmental Issues: There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

Encumbrance / Easements: There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.

Site Comments: The site has average and typical utility.

# Tax Map



## Subject Soils

The map below is taken from the United States Department of Agriculture's Natural Resources Conservation Service website.<sup>15</sup> The map shows the different areas of soils on the subject site.



The following table shows the ratings for each of the subject's soil types.

<sup>15</sup> <https://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx>.

| Map unit symbol                    | Map unit name              | Rating       | Component name (percent) | Rating reasons (numeric values)                   | Acres in AOI | Percent of AOI |
|------------------------------------|----------------------------|--------------|--------------------------|---|--------------|----------------|
| Ln                                 | Lindell-Urban land complex | Very limited | Lindell (60%)            | Flooding (1.00)<br>Depth to saturated zone (0.39) | 7.4          | 98.7%          |
| W                                  | Water                      | Not rated    | Water (100%)             |   | 0.1          | 1.3%           |
| <b>Totals for Area of Interest</b> |                            |              |                          |   | <b>7.5</b>   | <b>100.0%</b>  |

| Rating                             | Acres in AOI | Percent of AOI |
|------------------------------------|--------------|----------------|
| Very limited                       | 7.4          | 98.7%          |
| Null or Not Rated                  | 0.1          | 1.3%           |
| <b>Totals for Area of Interest</b> | <b>7.5</b>   | <b>100.0%</b>  |

## Conclusion

While the appraisers are not experts in the analysis of soils, the USDA website does give a useful indicator of the potential cost level that can be expected in developing the subject's site. Almost all of the subject is described as Lindell-Urban land complex and is described as "Very Limited," with only a very small portion of the site not being rated. None of the subject's site is described as "Not Limited," which indicates that the potential development costs for the subject can be expected to be above average.

### IMPROVEMENTS DESCRIPTION

**Building Improvement:** The subject property has a metal building improvement in place that has been on the site for a number of years. Due to changing market conditions and development trends in the area of the subject, the metal building improvement no longer contributes to the subject's market value and would likely be demolished for near-term redevelopment of the site. The appraisers were not able to physically inspect the building improvement, but were able to derive a reasonably accurate square footage of the building using available satellite maps.

### **Americans with Disabilities Act**

Please reference the Limiting Conditions and Assumptions section of this report on page 56.

### **Hazardous Substances**

Please reference the Limiting Conditions and Assumptions section of this report on page 56.

## ***Subject Photographs***



Cement Plant Road facing East



Cement Plant Road facing West



View facing South



View facing South

## Assessment and Taxes

Real estate taxes in Tennessee are ad valorem taxes, meaning a tax based on the underlying value of the property being taxed. The assessor estimates the market value of the property, which opinion of value is multiplied by 40% for commercial property. The "Assessed Value" is then multiplied by the combined tax rate to calculate the tax levy.

**Taxing Authority** Metro Nashville

**Assessment Year** 2023

| Real Estate Assessment and Taxes |                    |                            |                     |                     |                    |                  |            |           |
|----------------------------------|--------------------|----------------------------|---------------------|---------------------|--------------------|------------------|------------|-----------|
| Tax ID                           | Land Tax Appraisal | Improvements Tax Appraisal | Other Tax Appraisal | Total Tax Appraisal | Equalization Ratio | Total Assessment | Per SF GBA | Per Acre  |
| 082-00-0-021.00                  | \$9,952,400        | \$0                        | \$0                 | \$9,952,400         | 40%                | \$3,980,960      | \$121      | \$549,856 |

| Real Estate Assessment Analysis |                  |           |             |                |           |
|---------------------------------|------------------|-----------|-------------|----------------|-----------|
| Tax ID                          | Total Assessment | City Rate | County Rate | Total Tax Rate | Taxes     |
| 082-00-0-021.00                 | \$3,980,960      | \$0.000   | \$3.254     | \$3.254        | \$129,540 |

Notes: The governments of the City of Nashville and Davidson County merged in 1963, such that the county government is now known as the Metropolitan Government of Nashville and Davidson County, or "Metro Nashville," for short. The county tax rate shown above is an all-inclusive tax rate for the merged governments, and no city tax rate applies.

### Comments

With the exception of the 2023 tax year, all prior property taxes have been paid. Based on the concluded opinion of market value, the assessment appears to be favorable.



## Zoning

| <b>Zoning Summary</b>          |  |
|--------------------------------|--|
| Zoning Authority               | Metro Nashville  |
| Zoning District                | Industrial General   |
| Zoning Code                    | IG   |
| Zoning Type/Description        | Industrial   |
| Current Use Legally Conforming | The subject is a legal and conforming use.   |
| Zoning Change Likely           | A zoning change is possible.   |
| Zoning Density/FAR             | 0.6  |
| Zoning Intent/Summary          | The IG district implements those industrial policies of the general plan which provide opportunities for intensive manufacturing uses that are essential for the economic viability of the metropolitan area. Industrial uses associated with this district often require large, relatively flat sites with good access to the regional highway system, the Cumberland River or a rail line. Industrial uses are allowed along with a variety of office and retail uses. No residential uses are permitted outright but multifamily use can be permitted with special exception. |
| Maximum Site Coverage          | 0.9  |
| Minimum Lot Area               | None   |
| Front Set Back Distance        | 5 ft   |
| Side Yard Distance             | None   |
| Back Yard Distance             | 20 ft  |
| Maximum Building Height        | 60 ft  |
| Zoning Parking Requirements    | Manufacturing: 1 space per 1,500 sf, Warehousing: 1 space per  |
| Zoning Data Source             | Zoning Ordinance   |
| Zoning Comments                | The subject is a legal and conforming use.   |

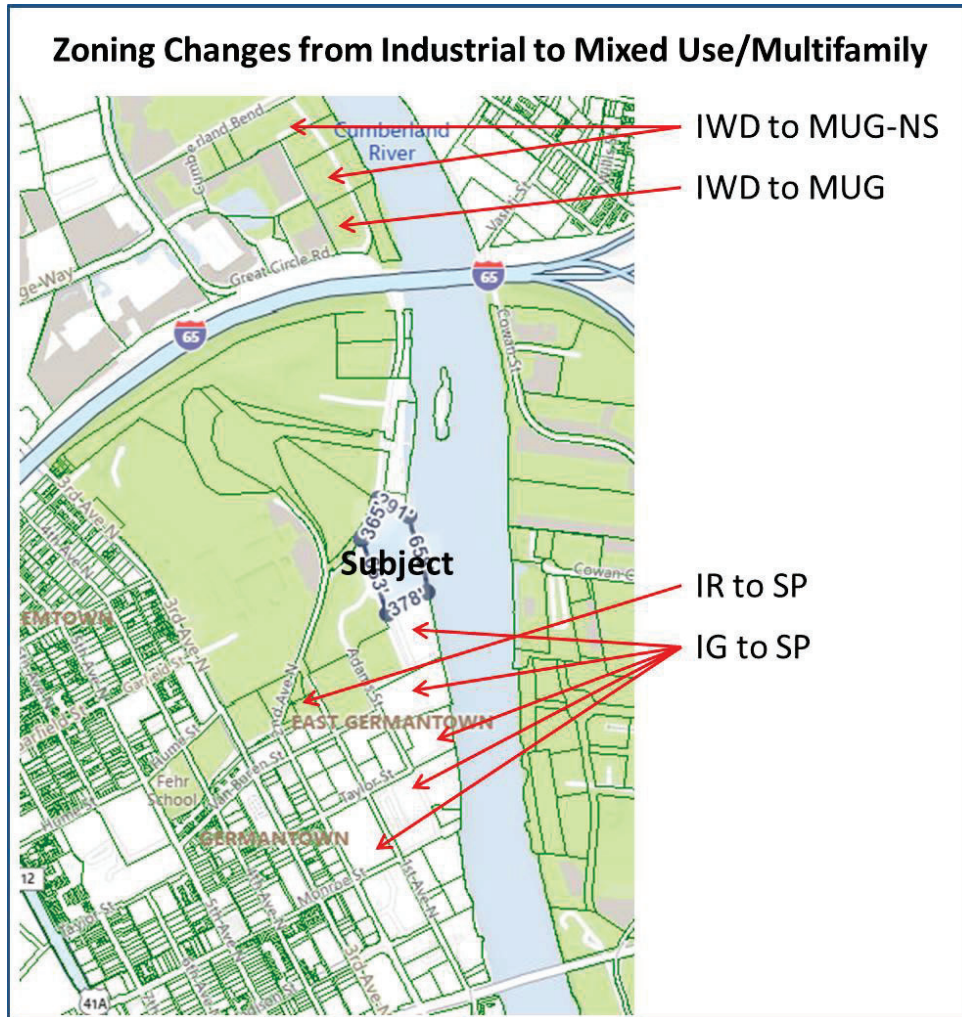
## Highest and Best Use

Highest and best use may be defined as

“The reasonably probable use of property that results in the highest value.”<sup>16</sup>

### Highest and Best Use of the Site as if Vacant and Available for Improvement

1. **Legally Permissible:** The subject’s IG zoning allows for industrial and many general commercial uses such as retail and office. Multifamily use is only permitted with special exception. However, recent multifamily development has taken place in former industrial areas north and south of the subject. The following map shows a number of parcels that have had zoning changes within the last five years to allow for multifamily development.



<sup>16</sup> *The Appraisal of Real Estate* 15<sup>th</sup> Edition (Chicago: The Appraisal Institute, 2020), 305.

While a multifamily use is not permitted outright by the current zoning, it seems probable that a zoning change could take place at some point in the future. As such, seeking a zoning change to allow for multifamily development is given further consideration along with industrial, office, and retail.

2. **Physically Possible:** The subject's 7.24-acre site is large enough, of useful shape, and of adequate topography as to allow for industrial, retail, office, and multifamily uses. All of these uses are given further consideration.
3. **Financially Feasible:** Economic conditions in the subject's market are such that a newly constructed multifamily improvement would have a market value commensurate with the construction cost. The subject's location without exposure to high levels of automobile traffic suggests that a new retail development that would utilize the subject site is not feasible. Currently, speculative development of office use is likely not feasible due to existing office vacancy and current employment trends. Due to the nature of the rapidly changing market and demand for riverfront multifamily, a new industrial development would likely underutilize the site. The Principle of Conformity indicates that the most probable use would be to seek a zoning change to develop a multifamily use that conforms to the standards of the ongoing development along the river.
4. **Maximally Productive.** Given positive feasibility for a new multifamily improvement, the maximally productive use of the subject site would be to seek a zoning change that would allow for multifamily development and develop the site with a multifamily use.

## Conclusion

The highest and best use of the subject's site as if vacant would be to seek a zoning change to allow for multifamily development. Given positive feasibility, a newly constructed multifamily improvement similar to surrounding development would have a market value commensurate with the construction cost.

## Highest and Best Use of the Site as Currently Improved

The highest and best use of the subject's site as improved is to raze the existing improvements and redevelop the site. Razing the existing improvements and redeveloping the site would maximize the value to the underlying site. In addition, the existing improvements underutilize the site and constitute an interim use and will likely be demolished in the near- to mid-term.

## Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are: The cost approach, the income approach, and the sales comparison approach.

### Cost Approach

The cost approach is conducted by valuing the underlying site and then adding the depreciated cost of the improvements.

### 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.

### Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

### *Analyses Applied*

A **cost analysis** was considered and is not developed because while there may be adequate data to develop an opinion of the value of the land and the depreciation accrued to the improvements may be reasonably measured, the cost approach does not reflect the property selection pattern of the most likely purchaser of the subject.

A **sales comparison analysis** was considered and is developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and is not developed because the subject is not an income producing property and this approach does not reflect market behavior for this property type.

## **Sales Comparison Approach – Land Valuation**

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.

### ***Land Comparables***

We have researched five comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified. All of the comparables border or are near the west bank of the Cumberland River.

| <b>Comp</b>    | <b>Address</b>         | <b>Date</b>  | <b>Acres</b>   | <b>Price Per Acre</b>    |
|----------------|------------------------|--------------|----------------|--------------------------|
|                | <b>City</b>            | <b>Price</b> | <b>Land SF</b> | <b>Price Per Land SF</b> |
| <b>Subject</b> | 1818 Cement Plant Road |              | 7.24           | --                       |
|                | Nashville              | --           | 315,374        | --                       |
| 1              | 210 Cumberland Bend    | 9/22/2023    | 5.04           | \$2,539,683              |
|                | Nashville              | \$12,800,000 | 219,542        | \$58.30                  |
| 2              | 1512 2nd Ave N         | 6/30/2023    | 1.68           | \$2,380,952              |
|                | Nashville              | \$4,000,000  | 73,181         | \$54.66                  |
| 3              | 1410 Adams Street      | 6/30/2022    | 4.53           | \$4,415,011              |
|                | Nashville              | \$20,000,000 | 197,327        | \$101.35                 |
| 4              | 210 Cumberland Bend    | 12/16/2021   | 5.21           | \$2,111,324              |
|                | Nashville              | \$11,000,000 | 226,948        | \$48.47                  |
| 5              | 115 Great Circle Road  | 1/26/2021    | 7.13           | \$1,604,067              |
|                | Nashville              | \$11,437,000 | 310,583        | \$36.82                  |

**Land Comparable 1**



**Transaction**

|                |                                |                          |                       |
|----------------|--------------------------------|--------------------------|-----------------------|
| <b>ID</b>      | 15204                          | <b>Date</b>              | 9/22/2023             |
| <b>Address</b> | 210 Cumberland Bend            | <b>Price</b>             | \$12,800,000          |
| <b>City</b>    | Nashville                      | <b>Price Per Land SF</b> | \$58.30               |
| <b>State</b>   | TN                             | <b>Financing</b>         | Typical               |
| <b>Tax ID</b>  | 071-13-0-010.00                | <b>Property Rights</b>   | Fee Simple            |
| <b>Grantor</b> | Dore Frog LLC                  | <b>Verification</b>      | CoStar/Public Records |
| <b>Grantee</b> | 210 Cumberland Bend Owner, LLC |                          |                       |

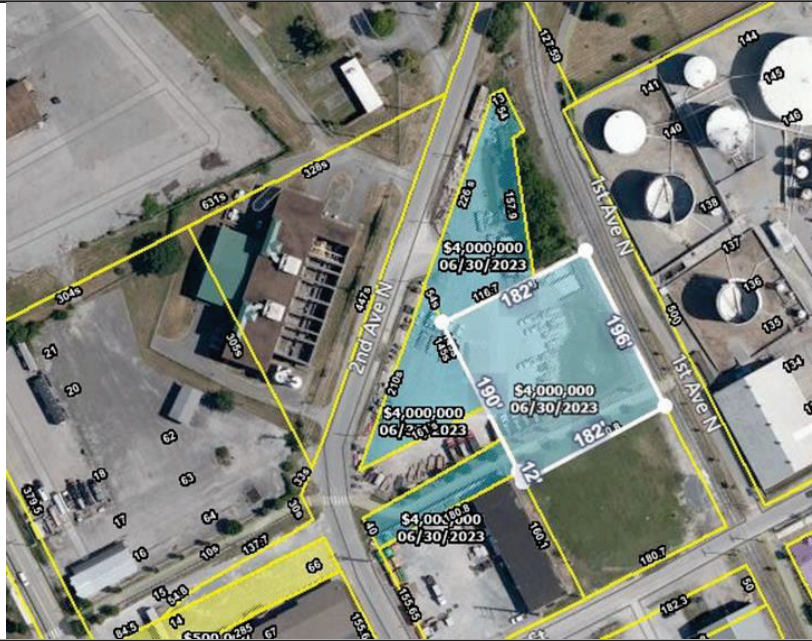
**Site**

|                             |                      |                                |                    |
|-----------------------------|----------------------|--------------------------------|--------------------|
| <b>Acres</b>                | 5.04                 | <b>Topography</b>              | Generally Level    |
| <b>Land SF</b>              | 219,542              | <b>Zoning</b>                  | MuG-NS             |
| <b>Environmental Issues</b> | None known           | <b>Flood Zone</b>              | X/AE               |
| <b>Shape</b>                | Roughly rectangular  | <b>Encumbrance or Easement</b> | None adverse known |
| <b>Utilities</b>            | Public water & sewer |                                |                    |

**Sale Comments**

This sale is a larger industrial building sold for land value with the intention of constructing a multifamily property. The zoning was changed from a IWD, a general industrial zoning, to MUG-NS, which is a high density mixed use zoning. The property borders the Cumberland River and offers city and water views. A 77,500 sf building must be removed from the site.

**Land Comparable 2**



**Transaction**

|                |                           |                          |                        |
|----------------|---------------------------|--------------------------|------------------------|
| <b>ID</b>      | 15205                     | <b>Date</b>              | 6/30/2023              |
| <b>Address</b> | 1512 2nd Ave N            | <b>Price</b>             | \$4,000,000            |
| <b>City</b>    | Nashville                 | <b>Price Per Land SF</b> | \$54.66                |
| <b>State</b>   | TN                        | <b>Financing</b>         | Typical                |
| <b>Tax ID</b>  | Multiple                  | <b>Property Rights</b>   | Fee Simple             |
| <b>Grantor</b> | Roy Glenn Goodwin         | <b>Verification</b>      | CoStar, Public Records |
| <b>Grantee</b> | Byline Property Owner LLC |                          |                        |

**Site**

|                             |            |                                |                 |
|-----------------------------|------------|--------------------------------|-----------------|
| <b>Acres</b>                | 1.68       | <b>Topography</b>              | Generally level |
| <b>Land SF</b>              | 73,181     | <b>Zoning</b>                  | SP              |
| <b>Environmental Issues</b> | None known | <b>Flood Zone</b>              | X               |
| <b>Shape</b>                | Irregular  | <b>Encumbrance or Easement</b> | None noted      |
| <b>Utilities</b>            | Yes        |                                |                 |

**Comments**

This is a 4.53-acre parcel near the Germantown neighborhood that was purchased for mixed use development. there were three buildings on the site on the date of sale, but the parcel was purchased for land value. The estimated cost of demolition was \$649,000 per demolition permit filed with Metro. The buyer was an adjacent owner.



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**Land Comparable 3**


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**Transaction**


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|                |                                |                          |                        |
|----------------|--------------------------------|--------------------------|------------------------|
| <b>ID</b>      | 12309                          | <b>Date</b>              | 6/30/2022              |
| <b>Address</b> | 1410 Adams Street              | <b>Price</b>             | \$20,000,000           |
| <b>City</b>    | Nashville                      | <b>Price Per Land SF</b> | \$101.35               |
| <b>State</b>   | TN                             | <b>Financing</b>         | Typical                |
| <b>Tax ID</b>  | 082-05-0-158.00                | <b>Property Rights</b>   | Fee Simple             |
| <b>Grantor</b> | Baugh & Pardue Properties, LLC | <b>Verification</b>      | CoStar, Public Records |
| <b>Grantee</b> | Germantown Phase II JV, LLC    |                          |                        |

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**Site**


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|                             |             |                                |                    |
|-----------------------------|-------------|--------------------------------|--------------------|
| <b>Acres</b>                | 4.53        | <b>Topography</b>              | Generally level    |
| <b>Land SF</b>              | 197,327     | <b>Zoning</b>                  | SP                 |
| <b>Environmental Issues</b> | None known  | <b>Flood Zone</b>              | Partial X (shaded) |
| <b>Shape</b>                | Rectangular | <b>Encumbrance or Easement</b> | None noted         |
| <b>Utilities</b>            | Yes         |                                |                    |

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**Sale Comments**


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This is a 4.53-acre parcel near the Germantown neighborhood that was purchased for mixed use development. there were three buildings on the site on the date of sale, but the parcel was purchased for land value. The estimated cost of demolition was \$649,000 per demolition permit filed with Metro. The buyer was an adjacent owner that had already constructed phase one of the large multifamily project.

**Land Comparable 4**



**Transaction**

|                |                          |                          |                      |
|----------------|--------------------------|--------------------------|----------------------|
| <b>ID</b>      | 10419                    | <b>Date</b>              | 12/16/2021           |
| <b>Address</b> | 210 Cumberland Bend      | <b>Price</b>             | \$11,000,000         |
| <b>City</b>    | Nashville                | <b>Price Per Land SF</b> | \$48.47              |
| <b>State</b>   | TN                       | <b>Financing</b>         | Typical              |
| <b>Tax ID</b>  | 071-13-0-010             | <b>Property Rights</b>   | Fee Simple           |
| <b>Grantor</b> | Paddock TN Equities, LLC | <b>Verification</b>      | Buyer/Public Records |
| <b>Grantee</b> | Apex Riverstone, LLC     |                          |                      |

**Site**

|                             |                      |                                |                    |
|-----------------------------|----------------------|--------------------------------|--------------------|
| <b>Acres</b>                | 5.21                 | <b>Topography</b>              | Generally Level    |
| <b>Land SF</b>              | 226,948              | <b>Zoning</b>                  | IWD                |
| <b>Environmental Issues</b> | None known           | <b>Flood Zone</b>              | X/Partial AE       |
| <b>Shape</b>                | Rectangular          | <b>Encumbrance or Easement</b> | None adverse known |
| <b>Utilities</b>            | Public water & sewer |                                |                    |

**Sale Comments**

The property was a large industrial building that had previously been subdivided into multiple office and industrial spaces. The buyers has the zoning changed to MUG-NS after the purchase though the property was zoned IWD for industrial use at the time of purchase. The buyer intended to raise the improvements and construct a dense multifamily property. The property borders the Cumberland and a multiple story development would have both water and city views. The improvements on the site were about 70,000 sf at the time of sale.

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**Land Comparable 5**


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**Transaction**


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|                |                                     |                          |                        |
|----------------|-------------------------------------|--------------------------|------------------------|
| <b>ID</b>      | 13321                               | <b>Date</b>              | 1/26/2021              |
| <b>Address</b> | 115 Great Circle Road               | <b>Price</b>             | \$11,437,000           |
| <b>City</b>    | Nashville                           | <b>Price Per Land SF</b> | \$36.82                |
| <b>State</b>   | TN                                  | <b>Financing</b>         | Typical                |
| <b>Tax ID</b>  | 071-13-0-018.00; 071-13-0-          | <b>Property Rights</b>   | Fee Simple             |
| <b>Grantor</b> | 200 Cumberland Bend, LLC            | <b>Verification</b>      | CoStar, Public Records |
| <b>Grantee</b> | CRP/ WP ALTA METRO CENTER OWNER LLC |                          |                        |

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**Site**


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|                             |            |                                |   |
|-----------------------------|------------|--------------------------------|---|
| <b>Acres</b>                | 7.13       | <b>Topography</b>              | Generally level   |
| <b>Land SF</b>              | 310,583    | <b>Zoning</b>                  | MUG   |
| <b>Environmental Issues</b> | None noted | <b>Flood Zone</b>              | X (levee)   |
| <b>Shape</b>                | Irregular  | <b>Encumbrance or Easement</b> | There are two easements that pass through the middle of the western parcel. |
| <b>Utilities</b>            | Yes        |                                |   |

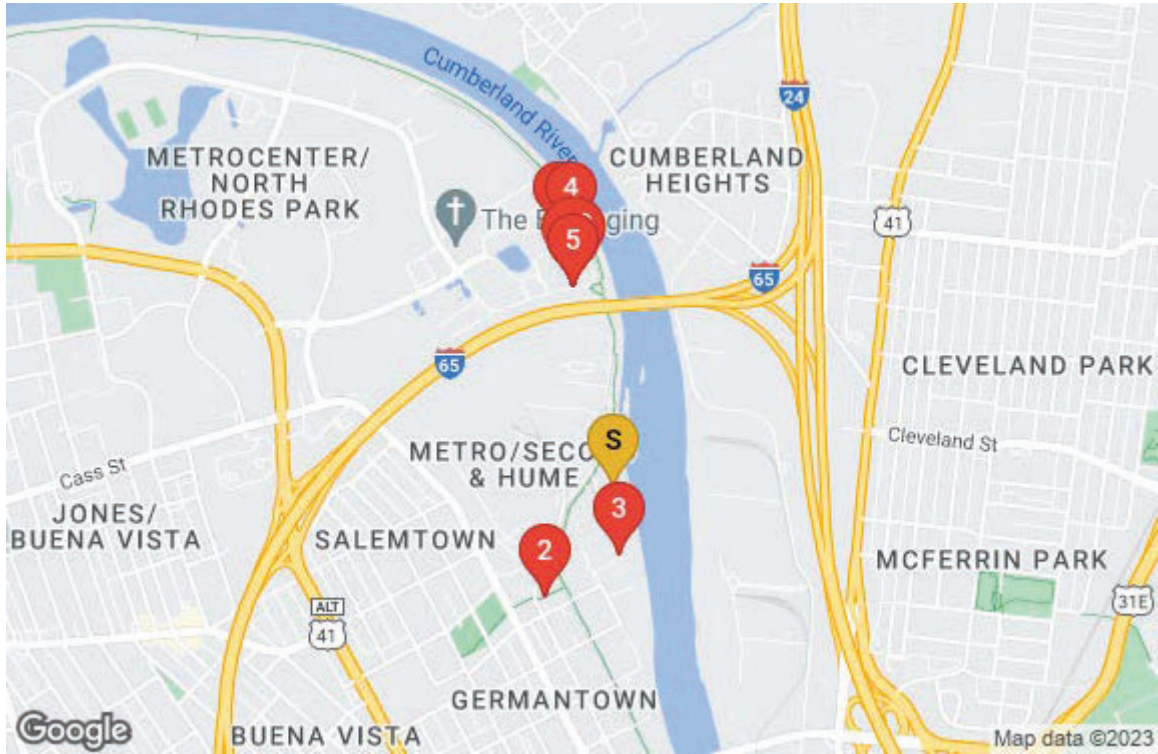
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**Comments**


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This sale included two parcels located in the rear of the Metrocenter commercial area, near the Cumberland River. An industrial building was located on the property on the date of sale, but the parcels were purchased for land value. estimated cost for demolition of improvements is \$230,100 per permit filed with Metro. There are two easements that pass through the middle of the western parcel that could somewhat limit the development opportunities. The parcels are in an area that is part of the 500-year floodplain and is protected by a levee.

## Comparables Map



### Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

A sales comparison grid displaying the subject property, the comparables and the adjustments applied is on the following page.

| Land Analysis Grid                 |  | Comp 1               | Comp 2         | Comp 3             | Comp 4               | Comp 5                |      |
|------------------------------------|--|----------------------|----------------|--------------------|----------------------|-----------------------|------|
| Address                            | 1818 Cement Plant Road                                     | 210 Cumberland Bend  | 1512 2nd Ave N | 1410 Adams Street  | 210 Cumberland Bend  | 115 Great Circle Road |      |
| City                               | Nashville  | Nashville            | Nashville      | Nashville          | Nashville            | Nashville             |      |
| State                              | TN   | TN                   | TN             | TN                 | TN                   | TN                    |      |
| Date                               | 10/3/2023  | 9/22/2023            | 6/30/2023      | 6/30/2022          | 12/16/2021           | 1/26/2021             |      |
| Price                              | --   | \$12,800,000         | \$4,000,000    | \$20,000,000       | \$11,000,000         | \$11,437,000          |      |
| Land SF                            | 315,374  | 219,542              | 73,181         | 197,327            | 226,948              | 310,583               |      |
| Price Per Land SF                  | \$0.00   | \$58.30              | \$54.66        | \$101.35           | \$48.47              | \$36.82               |      |
| <b>Transaction Adjustments</b>     |  |                      |                |                    |                      |                       |      |
| Property Rights                    | Fee Simple   | Fee Simple           | 0.0%           | Fee Simple         | 0.0%                 | Fee Simple            | 0.0% |
| Financing                          | Typical  | Typical              | 0.0%           | Typical            | 0.0%                 | Typical               | 0.0% |
| Conditions of Sale                 | Typical  | Typical              | 0.0%           | Adj Owner          | 0.0%                 | Adj Owner             | 0.0% |
| Expend. After Sale                 |  | \$426,250            | \$0            | \$649,000          | \$385,000            | \$600,765             |      |
| <b>Adjusted Land SF Unit Price</b> |  | <b>\$60.24</b>       | <b>\$54.66</b> | <b>\$104.64</b>    | <b>\$50.17</b>       | <b>\$38.76</b>        |      |
| Market Trends Through              | 10/3/2023  | 0.0%                 | 0.0%           | 0.0%               | 0.0%                 | 0.0%                  |      |
| <b>Adjusted Land SF Unit Price</b> |  | <b>\$60.24</b>       | <b>\$54.66</b> | <b>\$104.64</b>    | <b>\$50.17</b>       | <b>\$38.76</b>        |      |
| Location                           |  | Similar              | Similar        | Similar            | Similar              | Similar               |      |
| % Adjustment                       |  | 0%                   | 0%             | 0%                 | 0%                   | 0%                    |      |
| \$ Adjustment                      |  | \$0.00               | \$0.00         | \$0.00             | \$0.00               | \$0.00                |      |
| Acres                              | 7.24   | 5.04                 | 1.68           | 4.53               | 5.21                 | 7.13                  |      |
| % Adjustment                       |  | -2.5%                | -5%            | -2.5%              | -2.5%                | 0%                    |      |
| \$ Adjustment                      |  | -\$1.51              | -\$2.73        | -\$2.62            | -\$1.25              | \$0.00                |      |
| Utilities                          | Public electricity, Public water, Public sewer, Public gas | Public water & sewer | Yes            | Yes                | Public water & sewer | Yes                   |      |
| % Adjustment                       |  | 0%                   | 0%             | 0%                 | 0%                   | 0%                    |      |
| \$ Adjustment                      |  | \$0.00               | \$0.00         | \$0.00             | \$0.00               | \$0.00                |      |
| Zoning                             | IG   | MuG-NS               | SP             | SP                 | IWD                  | MUG                   |      |
| % Adjustment                       |  | -5%                  | -10%           | -10%               | 0%                   | -5%                   |      |
| \$ Adjustment                      |  | -\$3.01              | -\$5.47        | -\$10.46           | \$0.00               | -\$1.94               |      |
| Flood Zone                         | X Shaded and AE  | X/AE                 | X              | Partial X (shaded) | X/Partial AE         | X (levee)             |      |
| % Adjustment                       |  | -5%                  | -5%            | 0%                 | -5%                  | -5%                   |      |
| \$ Adjustment                      |  | -\$3.01              | -\$2.73        | \$0.00             | -\$2.51              | -\$1.94               |      |
| View                               | Water/City   | Water/City           | City           | Water/City         | Water/City           | Water/City            |      |
| % Adjustment                       |  | 0%                   | 10%            | 0%                 | 0%                   | 0%                    |      |
| \$ Adjustment                      |  | \$0.00               | \$5.47         | \$0.00             | \$0.00               | \$0.00                |      |
| <b>Adjusted Land SF Unit Price</b> |  | <b>\$52.71</b>       | <b>\$49.19</b> | <b>\$91.56</b>     | <b>\$46.40</b>       | <b>\$34.88</b>        |      |
| <b>Net Adjustments</b>             |  | <b>-9.6%</b>         | <b>-10.0%</b>  | <b>-9.7%</b>       | <b>-4.3%</b>         | <b>-5.3%</b>          |      |
| <b>Gross Adjustments</b>           |  | <b>16.2%</b>         | <b>30.0%</b>   | <b>16.2%</b>       | <b>11.3%</b>         | <b>15.8%</b>          |      |



## Comparable Land Sale Adjustments

### Property Rights/Financing/Conditions of Sale

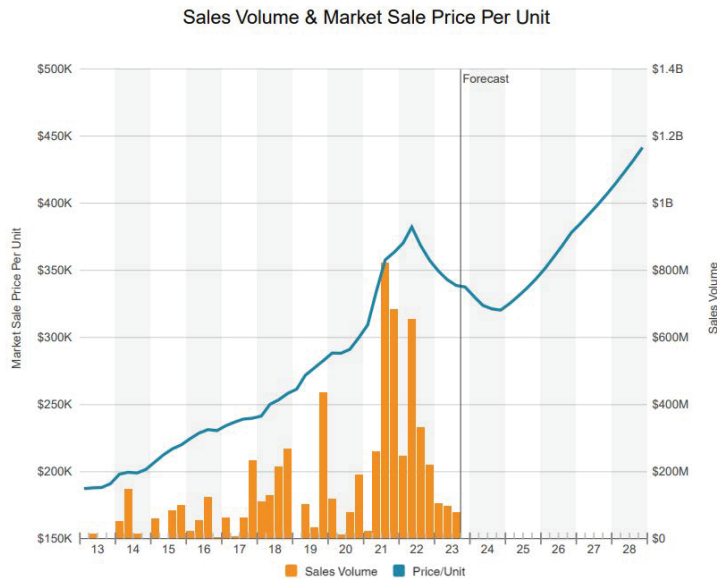
Each of the comparable sales sold in fee simple estate, like the subject, and no adjustment is needed for property rights. No atypical financing is known to have affected the transactions of the comparables and no adjustment is applied. No atypical sale conditions are known to have affected the transactions of the comparables and no adjustment is made.

### Expenditure after the Sale

The demolition cost for the structures on Comparables One, Three, Four, and Five are estimated and applied as an expenditure after the sale. Unless otherwise provided, *Marshall Valuation Service* figures indicate that \$5.50 per square foot is reasonable for demolition costs and dumping fees. This amount is applied as an adjustment for expenditure after the sale.

### Market Trends

The comparable properties sold from January 26, 2021 to September 22, 2023. Market trends have been volatile over this period of time and on through the date of valuation. Based on the data provided by CoStar that includes multifamily properties constructed after 2010, there was a sharp increase in both sales volume and price per unit coming out of the pandemic that has largely leveled off since interest rates began increasing in 2022. However, multifamily is forecasted to trend upward toward the end of next year. Land prices tend to be more volatile and developers tend to look beyond the immediate trends as development cycles take some time though they do tend to follow trends of improved sales. As a result, no adjustment is made for market trends.



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10/5/2023

## Location

All of the comparables are found in the west bank of the Cumberland River within a short distance of the subject and are considered to have similar locations relative to the subject property. No adjustments are applied for location.

## Site Size (Acres)

Due to economies of scale, larger sites generally sell for less per additional land unit than do smaller sites. The following is a graph of twelve developable residential land sales in the Gallatin, Tennessee area, showing their site size as expressed in acres versus the sale price per acre. The twelve sales sold from January 1, 2014 through May 1, 2016, and range from 1.52 acres through 50 acres.



The R-squared indication from the trend line indicates that the trend line explains approximately 58% of the variation in the data set. Adjustments are applied to the comparables based on the indication of the graph.

## Utilities

The subject and all of the comparable properties are considered to have similar access to utilities and no adjustments are required.

## Zoning

The subject is zoned Industrial General though it has been noted earlier that the location is undergoing some dynamic changes in development patterns. Properties along the river north and immediately south of the subject that were once zoned for industrial use have

been granted zoning changes to allow multifamily development. Most were purchased just before or after securing a zoning change with the intent to develop multifamily uses. Comparables One and Five have mixed use zonings, which allow for the high density mixed use development the developers desired. A developer would incur some cost in seeking to change the zoning and there is some risk to the buyer. As a result, they are adjusted downward for superior zoning. Comparables Two and Three have specific plan zonings, which carry a specifically approved plan. Because the city has already approved the plans, these comparables would be considered superior to the subject than Comparables One and Five. They receive more significant downward adjustments. Comparable Four is zoned IWD, which is a similar general purpose industrial focused zoning like the subject has. It is not adjusted.

## Flood Zone

The subject is located in a flood hazard area. Two comparables are paired as follows, one in a flood hazard area and the other outside of a flood hazard area, with both located near each other in Clarksville, Tennessee.

Comp 1: 555 Alfred Thun Rd, Zoned M1, 1.9 AC, sold \$2.53/SF, September 8, 2010, Flood Zone X.

Comp 2: 211 Kraft St, Zoned M2, 0.909 AC, sold \$1.77/SF, August 4, 2011, Flood Zone AE.

The two comparables indicate a potential downward adjustment of as much as 30% for a location outside of a flood hazard area versus a location inside of one. Other factors may also be at work between the two comparables such as size and locational differences in Clarksville. As a result, the adjustments applied are less than indicated by the full indication by the two sales. A buyer would expect some flood risk due to the location on the river though the benefits of river views would offset the additional insurance and development cost of being in a flood hazard area.

## View

The subject and Comparables One, Three Four, and Five are considered to have the potential to offer good views of the Cumberland River as well as Nashville skyline, while Comparable Two does not have potential water views. In order to gauge the effect of a skyline view on an urban residential property, a pairing is shown in the table that follows. The pairing includes two condominium units in the Eighth South development in the Melrose area of Nashville. The first unit is on the second floor and does not have city views. The second unit has the same floor plan as the first unit and is located directly three floors above the first, with excellent views of the Nashville skyline and surrounding areas.

| Development                         | Unit | Sq. Ft. | View      | Sale Date | Sale Price | Mkt. Trends | Adjust.         |
|-------------------------------------|------|---------|-----------|-----------|------------|-------------|-----------------|
|                                     |      |         |           |           |            | Adjust.     | Sale Price      |
| Eighth South                        | 211  | 910     | Average   | 9/15/2017 | \$292,500  | \$5,610     | \$298,110       |
| Eighth South                        | 511  | 910     | Excellent | 2/2/2018  | \$324,750  | \$0         | \$324,750       |
| <i>Difference:</i>                  |      |         |           |           |            |             | <i>\$26,640</i> |
| <i>Implied Upward Adjustment:</i>   |      |         |           |           |            |             | <i>8.9%</i>     |
| <i>Implied Downward Adjustment:</i> |      |         |           |           |            |             | <i>8.2%</i>     |





The pairing exhibits an implied downward adjustment of as much as 8.2%. A rounded 10% adjustment is applied to Comparable Two for its inferior views.

### ***Sales Comparison Approach Conclusion – Land Valuation***

The adjusted sales prices of the comparable properties range from \$34.88 to \$91.56; the average is \$54.95. All of the value indications have been considered in arriving at our final reconciled per square foot value of \$50.00. All of the comparables are recent sales located on the Cumberland River in areas of redevelopment like the subject. Comparable One is the most recent sale. It adjusted for smaller size and superior zoning. Comparable Two is smaller than the subject and has inferior views. Comparable Three was purchased for phase two of a large multifamily development by the neighboring property owner. It is given less weight. Comparable Four shares similar zoning with the subject and receives the lowest level of net and gross adjustments. Comparable Five is the least recent sale. It was purchased prior to much of the current redevelopment and likely does not reflect current market conditions. It is given less weight. Comparables One, Two and Four are given the greatest weight in arriving at the reconciled sales price per square foot.

| <b>Land Value, Current Market Value, As Is</b> |                     |
|--|---------------------|
| Indicated Value per Square Foot:               | \$50.00             |
| Subject Size:                                  | 315,374             |
| Unadjusted Value Indication:                   | \$15,768,720        |
| Demolition Adjustment:                         | (\$208,725)         |
| Land Value Indication:                         | \$15,559,995        |
| <b>Rounded:</b>                                | <b>\$15,600,000</b> |

## Adjustments to Value

### ***Demolition Adjustment***

The building improvements on the site no longer contribute to the value of the site. The cost to remove the improvements is subtracted from the opinion of market value of the subject site. The calculation is made by estimating the size of the improvements using satellite map measuring tools and multiplying the total square footage by the demolition cost per square foot indicated by Marshall Valuation Service. An entrepreneurial incentive is added to complete the adjustment.

| <b>Demolition Adjustment</b> |  |                    |
|------------------------------|--|--------------------|
| <u>Estimated Square Feet</u> | <u>Demolition Cost Per<br/>Square Foot</u> | <u>Total Cost</u>  |
| 33,000                       | \$5.50                                     | \$181,500          |
|                              | Entrepreneurial Incentive at 15%           | \$27,225           |
|                              | <b>Demolition Adjustment:</b>              | <b>(\$208,725)</b> |

### ***Value Conclusion***

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion subject to the Limiting Conditions and Assumptions of this appraisal.

**Reconciled Value:**      Premise: Market Value, As Is of the Subject Property  
Interest: Fee Simple    Date: October 3, 2023  
Value Conclusion: \$15,600,000  
Fifteen Million Six Hundred Thousand Dollars

## Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and 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.
- The appraisers have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 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.
- Mark Watson, MAI, CVA has not made a personal inspection of the property that is the subject of this report.
- Dale Berry, MAI has made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- 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 and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 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, Mark Watson, MAI, CVA and Dale Berry, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.



Mark Watson, MAI, CVA  
TN-CG3655



Dale Berry, MAI  
TN-CG4696

## Definitions

The definitions in this section are drawn from *The Dictionary of Real Estate Appraisal, Sixth Edition*, published by The Appraisal Institute, Chicago, 2015. This is considered to be the authoritative text defining real estate valuation terminology. Exceptions or additional information are otherwise footnoted.

**Absolute Net Lease:** A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant.

**As Is Market Value:** The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.<sup>17</sup>

**Business Enterprise:** 1. A firm or individual producing goods or services. A business enterprise hires labor and purchases other inputs, selling its products or services to others. 2. An entity pursuing an economic activity.

**Business Enterprise Value (BEV):** The value contribution of the total intangible assets of a continuing business enterprise such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases, customer base, and operating agreements.

**Cold Dark Shell:** Unfinished rental space for which the tenant is responsible for paying all costs of construction, i.e., tenant improvements and often equipment such as heating and air-conditioning systems; sometimes termed *cold shell*.

**Construction Cost:** The cost to build, particularly an improvement; includes the direct costs of labor and materials plus the contractor's indirect costs.

**Convenience Center:** Among the smallest of centers, with tenants that provide a narrow mix of goods and personal services to a very limited trade area. It may be anchorless or anchored by a small convenience store such as a minimart. This type of center may be configured in a straight line or have an L shape and has on-site parking usually located in the front of the stores. The size is usually 30,000 square feet or less in the United States or 40,000 square feet in Canada. The trade area usually comprises about one mile.

**Deferred Maintenance:** Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken

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<sup>17</sup> *Dictionary of Real Estate Appraisal, 6<sup>th</sup> Edition*, Appraisal Institute, Chicago, 2015. That source further references the Interagency Appraisal and Evaluation Guidelines, and includes the following statement: "Note that the use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an "as is" value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards."

window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.

**Deficiency:** 1. An inadequacy in a structure or one of its components. 2. In mortgage finance, the difference between the amount of a debt and the market value of the loan collateral (i.e., the real property) acquired through foreclosure.

**Deficit Rent:** The amount by which market rent exceeds contract rent at the time of the appraisal; created by a lease favorable to the tenant, resulting in a positive leasehold, and may reflect uninformed or unusually motivated parties, special relationships, inferior management, a lease executed in a weaker rental market, or concessions agreed to by the parties.

**Destination Shopping:** 1. A classification of retail tenant and a type of shopping experience for which consumers have planned a specific purchase and trip to a store. A destination shopping experience often involves comparison shopping, and it can be considered the opposite of convenience shopping. 2. A shopping excursion to a commercial area combining complementary entertainment, dining, and retail functions.

**Economic Feasibility:** A condition that exists when prospective earning power is sufficient to pay a requisite rate of return on the completion cost (including indirect costs). In other words, the estimated value at completion equals or exceeds the estimated cost. In reference to a service or property where revenue is not a fundamental consideration, economic feasibility is based on a broad comparison of costs and benefits.<sup>18</sup>

**Economic Life:** The period over which improvements to real property contribute to property value.

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

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

**Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.<sup>19</sup>

<sup>18</sup> Where there is no economic feasibility but an improvement exists, the improvement is said to have Economic Obsolescence, a form of External Obsolescence.

<sup>19</sup> Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized at a higher rate in the income capitalization approach.

**Exposure Time:** 1. The time a property remains on the market. 2. [The] estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (USPAP, ed.)

**External Obsolescence:** A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent.<sup>20</sup>

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

**Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

**Functional Inutility:** Impairment of the functional capacity of a property or building according to market tastes and standards; equivalent to functional obsolescence when ongoing change makes layouts and features obsolete and impairs value.

**Functional Obsolescence:** The impairment of functional capacity of improvements according to market tastes and standards.

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

**Furniture, Fixtures, and Equipment (FF&E):** Business trade fixtures and personal property, exclusive of inventory.

**Going Concern:** An ongoing operating business enterprise.<sup>21</sup>

**Going Concern Value:** The value of a business enterprise that is expected to continue to operate into the future. The intangible elements of Going Concern Value result from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place.<sup>22</sup>

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<sup>20</sup> Economic Obsolescence, caused by the lack of economic feasibility but the existence of an improvement, is a form of External Obsolescence.

<sup>21</sup> American Institute of Certified Public Accountants, *Statement on Standards for Valuation Services No. 1, International Glossary of Business Valuation Terms*.

<sup>22</sup> Ibid.



**Gross Building Area (GBA):** 1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2. Gross leasable area plus all common areas. 3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super-structure and substructure basement; typically does not include garage space.

**Gross Leasable Area (GLA):** Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.<sup>23</sup>

**Interim Use:** The temporary use to which a site or improved property is put until a different use becomes maximally productive.

**Investment Value:** 1. The value of a property to particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2. The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS)

**Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.

**Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

**Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.<sup>24</sup>

**Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.<sup>25</sup>

**Negative Leasehold:** A lease situation in which the market rent is less than the contract rent.

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<sup>23</sup> The GLA is the standard measure for determining the size of shopping centers where rent is calculated based on the GLA occupied because it is the area for which tenants pay rent.

<sup>24</sup> The value of a leasehold interest can be either positive or negative depending on the relationship between market and contract rent.

<sup>25</sup> Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.

**Net Rentable Area:** The amount of space rented to the individual tenants excluding common areas.<sup>26</sup>

**Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.

**Positive Leasehold:** A lease situation in which the market rent is greater than the contract rent.

**Remaining Economic Life:** The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of the structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.

**Remaining Useful Life:** The estimated period during which improvements will continue to provide utility; an estimate of the number of years remaining in the useful life of the structure or structural components as of the effective date of the appraisal; used in the breakdown method of estimating depreciation.

**Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

**Sandwich Lease:** A lease in which an intermediate, or sandwich, leaseholder is a lessee of one party and the lessor of another. The owner of the sandwich lease is neither the fee owner nor the user of the property; he or she may be a leaseholder in a chain of leases, excluding the ultimate sublessee.

**Sandwich Leaseholder:** The lessor under a sandwich lease.

**Sandwich Leasehold Estate:** The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate.

**Site Coverage Ratio:** The gross area of the building footprint divided by the site area.

**Stabilized Income:** 1. An estimate of income, either current or forecasted, that presumes the property is at stabilized occupancy. 2. The forecast of the subject property's yearly average income (or average-equivalent income) expected for the economic life of the

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<sup>26</sup> Arlen C. Mills, Richard L. Parli, and Anthony Reynolds, *The Valuation of Apartment Buildings*, 2<sup>nd</sup> ed. (Chicago: Appraisal Institute, 2008), 66.

subject property. 3. Projected income that is subject to change but has been adjusted to reflect an equivalent, stable annual income.

**Stabilized Occupancy:** 1. The occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and presuming it is priced at market rent and has had reasonable market exposure. A property is at stabilized occupancy when it is capturing its appropriate share of market demand. 2. An expression of the average or typical occupancy that would be expected for a property over a specified projection period or over its economic life.

**Superadequacy:** An excess in the capacity or quality of a structure or structural component; determined by market standards.

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

**Usable Area:** 1. For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called *net building area* or *net floor area*. 2. The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

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

**Use Value:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.

**Value in Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually.

**Vanilla Box:** Partially finished interior improvements consisting of taped and finished demising partitions ready for painting or wall covering, suspended ceiling grid (or its equivalent) with lighting, and finished floor surface ready for installation of carpeting, vinyl composition tile, or wood. Sometimes referred to as *vanilla box finish*.

## Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Moffett-Revell LLC. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.



Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

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) Moffett-Revell LLC's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

**Americans with Disabilities Act (ADA) of 1990**

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Moffett-Revell LLC has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

## **Addenda**

1. Appraiser Qualifications
2. Flood Map
3. Wetlands Map
4. Soils Analysis
5. Subject Deeds

# Professional Qualifications

Mark T Watson, MAI, CVA

## Experience

---

- 1993-1997: Residential staff appraiser, Barbee & Associates, Raleigh, North Carolina
- 1997-1999: Commercial staff appraiser, Pritchett, Ball & Wise, Atlanta, Georgia
- 1999-2001: Appraisal subcontractor, MBA candidate
- 2001-2002: Associate, Real Estate Tax Dept, PricewaterhouseCoopers, LLP, Atlanta, Georgia
- 2002-2005: Senior Analyst, Integra Realty Resources, Columbia, South Carolina
- 2005-2010: Senior Analyst, Integra Realty Resources, Nashville, Tennessee
- 2010-Present: Director, Moffett-Revell LLC, Nashville, Tennessee
- Have completed a wide array of real estate valuation assignments on all major property types including agricultural, residential, retail, office, industrial, multi-family, vacant land, subdivision, and special purpose properties.
- Have been expert witness in administrative court and property tax board of equalization.
- Have performed right of way appraisals for the Tennessee Department of Transportation, Local Public Entities, and utility providers.
- Experience in business valuation for partnership buyouts, planned sales, and lending purposes.

## Professional Activities & Affiliations

---

- MAI Designation, Appraisal Institute.
- CVA Designation, National Association of Certified Valuers and Analysts
- Tennessee Department of Transportation – Approved Appraiser
- Member of the International Right of Way Association (IRWA)

## Real Estate Certifications

---

- Tennessee, TN Certified General, CG3655
- Alabama, AL Certified General, C00750
- Kentucky, KY Certified General, 003880
- Georgia, GA Certified General, 6131

## Education

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- Bachelor of Arts, Economics and Spanish, 1996 - The University of North Carolina at Chapel Hill
- Master of Business Administration, Concentration: Accounting, 2001 - University of South Carolina, Columbia, SC
- Successfully passed Level I exam toward CFA Charter (Chartered Financial Analyst)

13520429

# State of Tennessee

TENNESSEE REAL ESTATE APPRAISER COMMISSION  
CERTIFIED GENERAL REAL ESTATE APPRAISER  
MARK THOMAS WATSON II

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



ID NUMBER: 3655  
LIC STATUS: ACTIVE  
EXPIRATION DATE: July 31, 2025

IN-1313  
DEPARTMENT OF  
COMMERCE AND INSURANCE



# Professional Qualifications

**Dale K. Berry, MAI**

## **Experience**

---

- 2014: Commercial Real Estate Senior Analyst, Moffett-Revell LLC
- 2011-2014: Commercial Real Estate Analyst, Moffett-Revell LLC
- 2001-2008 Director of Human Resources, Boozer Lumber Company, Columbia, SC

## **Professional Activities & Affiliations**

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- MAI Designation, Appraisal Institute.

## **Licenses**

---

Tennessee, TN Certified General, CG4696

## **Education**

---

- Bachelor of Science in Business Administration, 1994, University of South Carolina, Columbia, SC

13125874

# State of Tennessee

TENNESSEE REAL ESTATE APPRAISER COMMISSION  
CERTIFIED GENERAL REAL ESTATE APPRAISER  
DALE KIMBALL BERRY

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



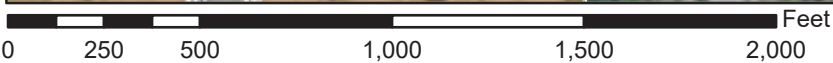
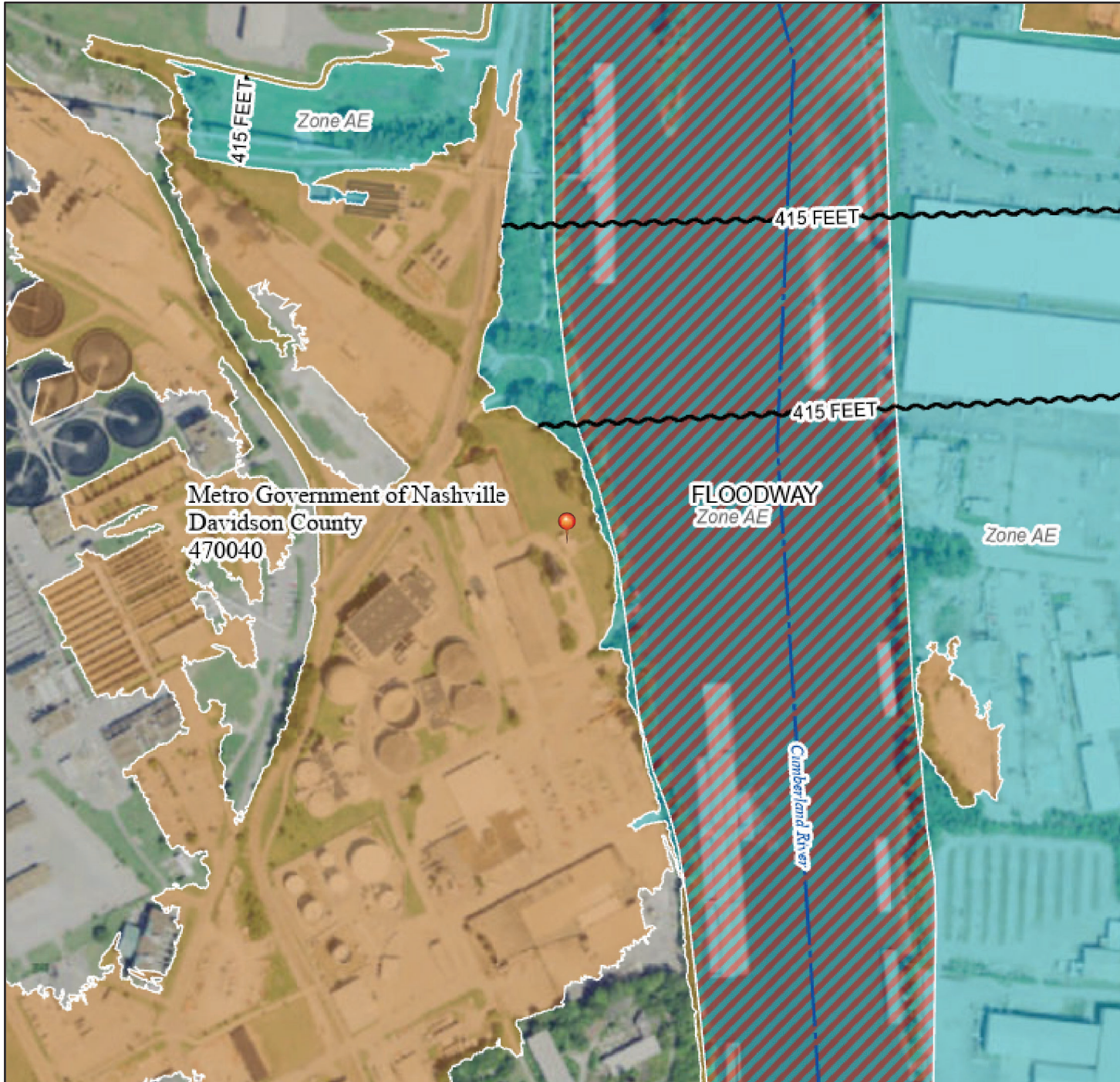
**ID NUMBER: 4696**  
**LIC STATUS: ACTIVE**  
**EXPIRATION DATE: August 31, 2024**

**IN-1313**  
**DEPARTMENT OF**  
**COMMERCE AND INSURANCE**

# National Flood Hazard Layer FIRMette



86°47'21"W 36°11'22"N



1:6,000

86°46'44"W 36°10'53"N

Basemap Imagery Source: USGS National Map 2023

## Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

- |                                    |  |  |
|------------------------------------|--|--|
| <b>SPECIAL FLOOD HAZARD AREAS</b>  |  | Without Base Flood Elevation (BFE)<br><i>Zone A, V, A99</i>  |
|                                    |  | With BFE or Depth <i>Zone AE, AO, AH, VE, AR</i>   |
|                                    |  | Regulatory Floodway  |
| <b>OTHER AREAS OF FLOOD HAZARD</b> |  | 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile <i>Zone X</i> |
|                                    |  | Future Conditions 1% Annual Chance Flood Hazard <i>Zone X</i>  |
|                                    |  | Area with Reduced Flood Risk due to Levee. See Notes. <i>Zone X</i>  |
|                                    |  | Area with Flood Risk due to Levee <i>Zone D</i>  |
| <b>OTHER AREAS</b>                 |  | NO SCREEN Area of Minimal Flood Hazard <i>Zone X</i>   |
|                                    |  | Effective LOMRs  |
|                                    |  | Area of Undetermined Flood Hazard <i>Zone D</i>  |
| <b>GENERAL STRUCTURES</b>          |  | Channel, Culvert, or Storm Sewer   |
|                                    |  | Levee, Dike, or Floodwall  |
| <b>OTHER FEATURES</b>              |  | 20.2 Cross Sections with 1% Annual Chance  |
|                                    |  | 17.5 Water Surface Elevation   |
|                                    |  | Coastal Transect   |
|                                    |  | Base Flood Elevation Line (BFE)  |
|                                    |  | Limit of Study   |
|                                    |  | Jurisdiction Boundary  |
|                                    |  | Coastal Transect Baseline  |
|                                    |  | Profile Baseline   |
|                                    |  | Hydrographic Feature   |
| <b>MAP PANELS</b>                  |  | Digital Data Available   |
|                                    |  | No Digital Data Available  |
|                                    |  | Unmapped   |
|                                    |  | The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.                                     |



This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 10/2/2023 at 6:38 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

# Cement Plant Rd



October 3, 2023

### Wetlands

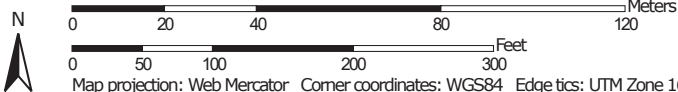
- |   |                                |   |                                   |   |          |
|---|--------------------------------|---|-----------------------------------|---|----------|
|  | Estuarine and Marine Deepwater |  | Freshwater Emergent Wetland       |  | Lake     |
|  | Estuarine and Marine Wetland   |  | Freshwater Forested/Shrub Wetland |  | Other    |
|   |                                |  | Freshwater Pond                   |  | Riverine |

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

Small Commercial Buildings—Davidson County, Tennessee



Map Scale: 1:1,640 if printed on A portrait (8.5" x 11") sheet.



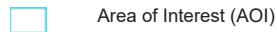
Map projection: Web Mercator Corner coordinates: WGS84 Edge tics: UTM Zone 16N WGS84



Natural Resources Conservation Service

Web Soil Survey National Cooperative Soil Survey

10/3/2023 Page 1 of 5

**MAP LEGEND****Area of Interest (AOI)**

Area of Interest (AOI)

**Background**

Aerial Photography

**Soils****Soil Rating Polygons**

Very limited



Somewhat limited



Not limited



Not rated or not available

**Soil Rating Lines**

Very limited



Somewhat limited



Not limited



Not rated or not available

**Soil Rating Points**

Very limited



Somewhat limited



Not limited



Not rated or not available

**Water Features**

Streams and Canals

**Transportation**

Rails



Interstate Highways



US Routes



Major Roads



Local Roads

**MAP INFORMATION**

The soil surveys that comprise your AOI were mapped at 1:15,800.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service  
Web Soil Survey URL:  
Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Davidson County, Tennessee  
Survey Area Data: Version 21, Sep 12, 2023

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: May 31, 2019—Nov 2, 2019

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

## Small Commercial Buildings

| Map unit symbol                    | Map unit name              | Rating       | Component name (percent) | Rating reasons (numeric values)                   | Acres in AOI | Percent of AOI |
|------------------------------------|----------------------------|--------------|--------------------------|---|--------------|----------------|
| Ln                                 | Lindell-Urban land complex | Very limited | Lindell (60%)            | Flooding (1.00)<br>Depth to saturated zone (0.39) | 7.4          | 98.7%          |
| W                                  | Water                      | Not rated    | Water (100%)             |   | 0.1          | 1.3%           |
| <b>Totals for Area of Interest</b> |                            |              |                          |   | <b>7.5</b>   | <b>100.0%</b>  |

| Rating                             | Acres in AOI | Percent of AOI |
|------------------------------------|--------------|----------------|
| Very limited                       | 7.4          | 98.7%          |
| Null or Not Rated                  | 0.1          | 1.3%           |
| <b>Totals for Area of Interest</b> | <b>7.5</b>   | <b>100.0%</b>  |

## Description

### ENG - Engineering

Small commercial buildings are structures that are less than three stories high and do not have basements. The foundation is assumed to consist of spread footings of reinforced concrete built on undisturbed soil at a depth of 2 feet or at the depth of maximum frost penetration, whichever is deeper. The ratings are based on the soil properties that affect the capacity of the soil to support a load without movement and on the properties that affect excavation and construction costs. The properties that affect the load-supporting capacity include depth to a water table, ponding, flooding, subsidence, linear extensibility (shrink-swell potential), and compressibility (which is inferred from the Unified classification of the soil). The properties that affect the ease and amount of excavation include flooding, depth to a water table, ponding, slope, depth to bedrock or a cemented pan, hardness of bedrock or a cemented pan, and the amount and size of rock fragments.

The ratings are both verbal and numerical. Rating class terms indicate the extent to which the soils are limited by all of the soil features that affect the specified use. "Not limited" indicates that the soil has features that are very favorable for the specified use. Good performance and very low maintenance can be expected. "Somewhat limited" indicates that the soil has features that are moderately favorable for the specified use. The limitations can be overcome or minimized by special planning, design, or installation. Fair performance and moderate maintenance can be expected. "Very limited" indicates that the soil has one or more features that are unfavorable for the specified use. The limitations generally cannot be overcome without major soil reclamation, special design, or expensive installation procedures. Poor performance and high maintenance can be expected.

Numerical ratings indicate the severity of individual limitations. The ratings are shown as decimal fractions ranging from 0.01 to 1.00. They indicate gradations between the point at which a soil feature has the greatest negative impact on the use (1.00) and the point at which the soil feature is not a limitation (0.00).

The map unit components listed for each map unit in the accompanying Summary by Map Unit table in Web Soil Survey or the Aggregation Report in Soil Data Viewer are determined by the aggregation method chosen. An aggregated rating class is shown for each map unit. The components listed for each map unit are only those that have the same rating class as listed for the map unit. The percent composition of each component in a particular map unit is presented to help the user better understand the percentage of each map unit that has the rating presented.

Other components with different ratings may be present in each map unit. The ratings for all components, regardless of the map unit aggregated rating, can be viewed by generating the equivalent report from the Soil Reports tab in Web Soil Survey or from the Soil Data Mart site. Onsite investigation may be needed to validate these interpretations and to confirm the identity of the soil on a given site.



## Rating Options

*Aggregation Method:* Dominant Condition

*Component Percent Cutoff:* None Specified

*Tie-break Rule:* Higher

**BILL GARRETT, Davidson County**

Trans: T20090087001 DEEDQC

Recvd: 12/29/09 09:20 3 pgs

Fees: 18.00 Taxes: 2969.25



20091229-0117738

THIS INSTRUMENT PREPARED BY:  
BASS, BERRY & SIMS PLC  
150 Third Avenue South, Suite 2800  
Nashville, Tennessee 37201

**QUITCLAIM DEED**

| Address New Owner:  | Send Tax Bills To: | Map/Parcel Numbers: |
|---|--------------------|---------------------|
| Signal Mountain Sales Company, LLC<br>c/o Buzzi Unicem USA Inc.<br>Attention: Tax Department<br>100 Brodhead Road<br>Bethlehem, PA 18017-8989 | Same               | 082-21.00           |

FOR AND IN CONSIDERATION OF the sum of TEN AND NO/100 DOLLARS (\$10.00) cash in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SIGNAL MOUNTAIN CEMENT COMPANY, a Delaware corporation (the "Grantor"), hereby quitclaims and conveys to SIGNAL MOUNTAIN SALES COMPANY, LLC, a Delaware limited liability company, and its successors and assigns (the "Grantee"), all of its right, title and interest in and to certain real property in Davidson County, Tennessee, more particularly described on Exhibit A attached hereto.

This is improved property known as 1818 Cement Plant Road, Nashville, Tennessee.

IN WITNESS WHEREOF, the undersigned Grantor has executed has caused this instrument to be executed by its duly authorized representative as of the 29<sup>th</sup> day of December, 2009.

**GRANTOR:**

SIGNAL MOUNTAIN CEMENT COMPANY

By: \_\_\_\_\_

Name: Dick Beese

Title: Senior VP + Chief Financial Officer

STATE OF Pennsylvania )

COUNTY OF Northampton )

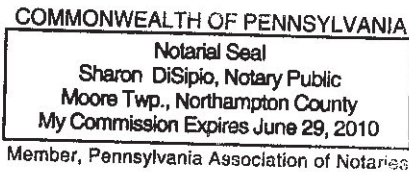
Personally appeared before me, the undersigned, a Notary Public having authority within the State and County aforesaid, Dirk Beese, with whom I am personally acquainted, and who acknowledged that s/he executed the within instrument for the purposes therein contained, and who further acknowledged that s/he is the Sr. VP + CFO of Signal Mountain Cement Company, a Delaware corporation, and is authorized to execute this instrument on its behalf.

WITNESS my hand, at office, this 23rd day of December, 2009.

Sharon DiSipio  
Notary Public

My Commission Expires:

June 29, 2010



STATE OF Pennsylvania )

COUNTY OF Northampton )

The actual consideration for this transfer is \$802,500.00.

Signal Mountain Cement Company  
By: Nancy K. Kuhl  
VP + Controller

Sworn to and subscribed before me this 23rd day of December, 2009.

Sharon DiSipio  
Notary Public

My Commission Expires:

June 29, 2010

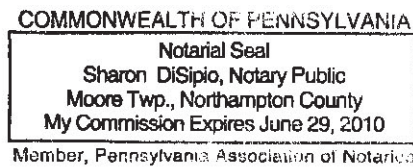


EXHIBIT A

A tract of land located in Metropolitan Nashville, Davidson County, Tennessee, being lots 10, 11, 12, 13, 14, 15, and 16 of the O'Shaughnessy Plan and all of lots 3, 4, 5, and 6 along with parts of lots 1 and 2 of the Hugh F. McGavock Plan, both of which plans are recorded as combined in Book 021, page 119, Register's Office of Davidson County, Tennessee, and also including a portion of Burns Street as closed by the Davidson County Quarterly Court as evidenced in said Court's Minute Book C-1, Page 020, Davidson County Clerk's Office and more particularly described as follows: Beginning at an iron pin set at the intersection of the former centerline of Burns Street with the Southeastern right-of-way of Second Avenue north (said section of second Avenue North being as established by the Davidson County Quarterly Court, and evidenced in and Court's Minute Book B-1, Davidson County Clerk's Office), and proceeding as follows: With said right-of-way, North 31 degrees, 36 minutes, 02 seconds East, a distance of 127.47' to an iron pin; thence, continuing with said right-of-way, in a curve to the left having a radius of 260.00', an arc length of 111.97' to an iron pin; thence, continuing with said right-of-way, North 06 degrees, 55 minutes, 32 seconds east, a distance of 150.98' to an iron pin; thence, leaving said right-of-way, and with

the southwestern boundary of the property conveyed to Marquette Cement Manufacturing Company be deed of record in Book 4661, Page 451, R.O.D.C., Tennessee, South 59 degrees, 52 minutes, 46 seconds East, passing an iron pin at 305.00', a total distance of 393.5', more or less, to the 392 foot contour along the bank of the Cumberland River; thence, with said 392 foot contour, in a southerly direction, a distance of 490.00', more or less, to a point, said point being the original Eastern common corner of lots 9 and 10 as shown on said O'Shaughnessy Plan; thence, with the common line between said lots 9 and 10, South 56 degrees, 39 minutes, 33 seconds West, passing an iron pin at 52.58", a total distance of 412.00', more or less, to a P-K nail set in the former centerline of said Burns Street; thence, with said former centerline, North 26 degrees, 20 minutes, 38 seconds West, a distance of 586.59' to the beginning and containing 7.03 acres, more or less, according to a survey by Barry Greer and Associates, dated January 3, 1983. Being the same property conveyed by quitclaim deed recorded in Book 10221, page 609.

For prior title, see deed recorded in Book 635, page 089 and Book 502, Page 079 in the Register's office of Davidson County, Tennessee.

Together with all such title and rights as may remain with Grantor in and to the property subject to the flowage easement conveyed to the United States of America as recorded in Book 2195, Page 167, Register's Office, Davidson County, Tennessee.

Together with all rights, title and interest which the Grantors may have in any roads, streets, ways, strips, etc., railroad rights of way (including all tracks or other railroad apparatus located thereon) and the banks and beds of all rivers and streams abutting, adjoining or traveling said property.

BEING THE SAME property conveyed by deed of record as Instrument 20020501-053667, Register's Office for Davidson County, Tennessee.

Davidson County AFFIDAVIT  
Recvd: 01/12/10 11:04 5 pgs  
Fees:27.00 Taxes:0.00  
**20100112-0002851**

THIS INSTRUMENT PREPARED BY:  
BASS, BERRY & SIMS PLC  
150 Third Avenue South, Suite 2800  
Nashville, Tennessee 37201

**AFFIDAVIT**

The undersigned hereby certifies as follows:

1. Signal Mountain Sales Company, LLC, a Delaware limited liability company ("SMSC"), is the record owner of the property commonly known as 1818 Cement Plant Road, Nashville, Tennessee, such property being more particularly described in that certain Quitclaim Deed of record as Instrument No. 20091229-0117738, Register's Office for Davidson County, Tennessee.
2. Pursuant to the documentation more particularly described in the following paragraph, River Cement Sales Company, a Delaware corporation ("RCSC"), is the successor-in-interest to SMSC.
3. Pursuant to that certain Certificate of Merger filed on December 23, 2009, with the Delaware Secretary of State, and made effective December 31, 2009, a copy of which is attached hereto as Exhibit A, SMSC merged with and into RCSC, with RCSC being the surviving corporation.

IN WITNESS WHEREOF, the undersigned has caused this Affidavit to be executed by its duly authorized representative as of the 7<sup>th</sup> day of January, 2010.

RIVER CEMENT SALES COMPANY

By:   
Name: David S. Rifkind  
Title: Vice President & General Counsel

COMMONWEALTH OF PENNSYLVANIA )

COUNTY OF NORTHAMPTON )

Personally appeared before me, the undersigned, a Notary Public having authority within the State and County aforesaid, David S. Rifkind, with whom I am personally acquainted, and who acknowledged that s/he executed the within instrument for the purposes therein contained, and who further acknowledged that s/he is the Vice President & General Counsel of River Cement Sales Company, a Delaware corporation, and is authorized to execute this instrument on its behalf.

WITNESS my hand, at office, this 7<sup>th</sup> day of January, 2010.

  
Notary Public

My Commission Expires:

June 29, 2010

COMMONWEALTH OF PENNSYLVANIA  
Notary Seal  
Sharon DiStasio, Notary Public  
Moore Twp., Northampton County  
My Commission Expires June 29, 2010  
Member, Pennsylvania Association of Notaries

**EXHIBIT A**

[Certificate of Merger]

# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"SIGNAL MOUNTAIN SALES COMPANY, LLC", A DELAWARE LIMITED LIABILITY COMPANY,

WITH AND INTO "RIVER CEMENT SALES COMPANY" UNDER THE NAME OF "RIVER CEMENT SALES COMPANY", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-THIRD DAY OF DECEMBER, A.D. 2009, AT 5:19 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF MERGER IS THE THIRTY-FIRST DAY OF DECEMBER, A.D. 2009.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



3059436 8100M

091134476

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 7737354

DATE: 01-05-10

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 05:19 PM 12/23/2009  
FILED 05:19 PM 12/23/2009  
SRV 091134476 - 3059436 FILE

**STATE OF DELAWARE  
CERTIFICATE OF MERGER OF  
DOMESTIC LIMITED LIABILITY COMPANY  
INTO A  
DOMESTIC CORPORATION**

Pursuant to Title 8, Section 264(c) of the Delaware General Corporation Law and Title 6, Section 18-209 of the Delaware Limited Liability Company Act, the undersigned corporation executed the following Certificate of Merger:

**FIRST:** The name of the surviving corporation is River Cement Sales Company, a Delaware Corporation, and the name of the limited liability company being merged into this surviving corporation is Signal Mountain Sales Company, LLC

**SECOND:** The Agreement of Merger has been approved, adopted, certified, executed and acknowledged by the surviving corporation and the merging limited liability company.

**THIRD:** The name of the surviving corporation is River Cement Sales Company

**FOURTH:** The merger is to become effective on December 31, 2009

**FIFTH:** The Agreement of Merger is on file at 100 Brodhead Road, Suite 230 Bethlehem, PA 18017, the place of business of the surviving corporation.

**SIXTH:** A copy of the Agreement of Merger will be furnished by the corporation on request, without cost, to any stockholder of any constituent corporation or member of any constituent limited liability company.

**SEVENTH:** The Certificate of Incorporation of the surviving corporation shall be it's Certificate of Incorporation

**IN WITNESS WHEREOF,** said Corporation has caused this certificate to be signed by an authorized officer, the 29th day of December, A.D., 2009

By: [Signature]  
Authorized Officer

Name: Dirk Beese

Print or Type

Title: Sr. VP & CFO



Affidavit

I, Bartlett C. Arnold , do hereby make oath that I am the custodian of the electronic version of the attached document tendered for registration herewith and that this is a true and correct copy of the original document executed and authenticated according to law.

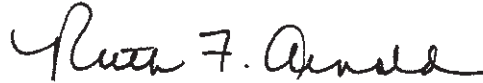


\_\_\_\_\_  
Signature

State of Tennessee

County of Davidson

Personally appeared before me, Ruth F. Arnold, a notary public for this county and state, Bartlett C. Arnold, who acknowledges that this certification of an electronic document is true and correct and whose signature I have witnessed.



\_\_\_\_\_  
Notary signature

Notary Seal:



My Commission Expires AUG. 23, 2011



November 1, 2023

To: Mike Atchison Metro Water Services

**Re: 1818 CEMENT PLANT ROAD**  
**Planning Commission Mandatory Referral 2023M-013PR-001**  
**Council District #19 Jacob Kupin, Council Member**

On behalf of the Metropolitan Planning Commission, the following item, referred to the Commission as required by the Metro Charter, has been recommended for *approval* to the Metropolitan Council:

*A request for an approval to submit an ordinance authorizing the Director of Public Property Administration, or his designee, to purchase a certain parcel of property located at 1818 Cement Plant Road. Metro Water Services intends to expand its Biosolids operations on said property. The property to be acquired through negotiation and/or condemnation.*

The relevant Metro agencies (Metro Parks, Metro Public Works, Metro Water Services, Metro Emergency Communications, the Nashville Electric Service, Metro Finance – Public Property and the Metro Historical Commission) have reviewed the proposal and concur in the recommendation for approval. This request must be approved by the Metro Council to become effective. A sketch showing the location of the request is attached to this letter.

**Conditions that apply to this approval: none**

This recommendation for approval is given as set forth in the Metropolitan Planning Commission Rules and Procedures. If you have any questions about this matter, please contact Christopher Paulsen at [Christopher.paulsen@nashville.gov](mailto:Christopher.paulsen@nashville.gov) or 615-880-2452.

Sincerely,

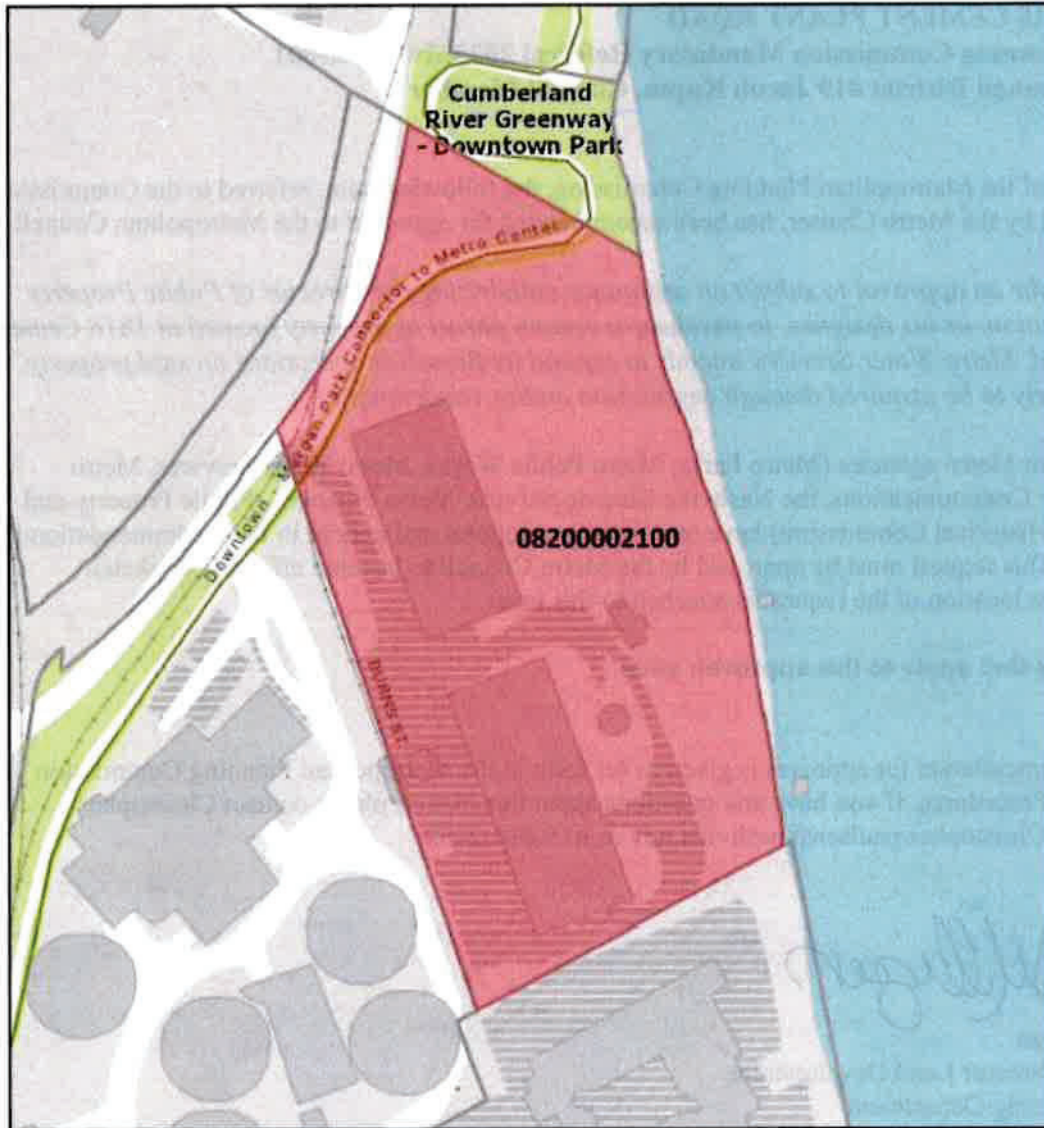
A handwritten signature in blue ink, appearing to read "Lisa Milligan". The signature is fluid and cursive.

Lisa Milligan  
Assistant Director Land Development  
Metro Planning Department  
cc: *Metro Clerk*

**Re: 1818 CEMENT PLANT ROAD**  
**Planning Commission Mandatory Referral 2023M-013PR-001**  
**Council District #19 Jacob Kupin, Council Member**

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### Nashville / Davidson County Parcel Viewer



October 24, 2023

- Override 1
- graphicsLayer2

**1818 Cement Plant Road**  
**Parcel 08200002100**




## Scott Potter, Director

Water and Sewerage Services  
Nashville, TN 37208

November 2, 2023

TO: Vice Mayor Angie Henderson & Members of Metro Council

FROM: Scott Potter, Director   
Water and Sewerage Services

RE: **Suspension of the Rule 11**

I plan to introduce a late ordinance authorizing The Metropolitan Government of Nashville and Davidson County to acquire through negotiations, condemnation, or fee simple purchase, a parcel of real property known as 1818 Cement Plant Road for the expansion of Biosolids operations.

A copy of the ordinance is on the reverse side of this memo. This ordinance is being submitted as an emergency late item this evening because this parcel is a critical component of the long-range plan for the Central Wastewater Biosolids operations and it needs to be on this agenda to ensure that Metro can expand the current sustainable methods of treating wastewater.

I am, therefore, asking your support as I request a suspension of Rule 11 to allow the ordinance to be introduced this evening. Further, I respectfully request your favorable consideration.