CITY OF LAKELAND TENNESSEE

Board of Commissioners
Special Called Meeting Agenda
Monday, July 17, 2023, 6:00 PM
City Hall, Lakeland, Tennessee 38002

I. CALL TO ORDER BY MAYOR:

II. INVOCATION:

III. PLEDGE:

IV. ROLL CALL BY RECORDER:

V. PUBLIC HEARING:

VI. TREASURER'S REPORT:

VII. REPORTS FROM COMMITTEES, MEMBERS OF THE BOARD OF COMMISSIONERS & OTHER OFFICERS:

VIII. PUBLIC COMMENTS:

IX. SEWERAGE COMMISSION BUSINESS:

X. CONSENT AGENDA:

XI. REGULAR AGENDA:

1. **Resolution** - approving partial settlement of the condemnation proceedings authorized by Resolution R-65-2023 and authorizing the deposit of additional funds with the Court Clerk. *Sponsored by Mayor Roman*

2. **Resolution** - authorizing the purchase of property owned by Quantum Hotels, L.L.C. pursuant to Resolution R-60-2023. *Sponsored by Mayor Roman*

XII. ANNOUNCEMENTS:

XIII. ADJOURNMENT:

RESOLUTION R-99-2023

APPROVING PARTIAL SETTLEMENT OF THE CONDEMNATION PROCEEDINGS AUTHORIZED BY RESOLUTION R-65-2023 AND AUTHORIZING THE DEPOSIT OF ADDITIONAL FUNDS WITH THE COURT CLERK

WHEREAS, pursuant to Tennessee Code Annotated § 7-31-107 and all other applicable statutes of the State of Tennessee and acts amendatory thereof and supplementary thereto, the City of Lakeland has the power and authority to take and condemn property for public uses, as the Board deems necessary; and,

WHEREAS, in February 2023, the Industrial Development Board of the City of Lakeland, Tennessee (the "IDB"), the Board of Commissioners of the City of Lakeland, Tennessee (the "BOC"), and the Shelby County Commission each unanimously approved the Lakeland Gateway TIF District which provides an additional funding mechanism for the acquisition of property and construction of certain public facilities; and,

WHEREAS, on February 9, 2023, the BOC officially established "Parks and Recreation Improvements: Create and Expand Parks and Recreation Facilities" as one of the official strategic goals of the City of Lakeland in Resolution R-24-2023; and,

WHEREAS, pursuant to Resolution R-60-2023, the BOC formally authorized the City Manager to engage in property acquisition negotiations for parcels within the Lakeland Gateway TIF District; and,

WHEREAS, a parcel of property ("Subject Property") owned by Quantum Hotels, L.L.C. ("Quantum") has been identified as the best location for the proposed Parks and Recreation facility within the Lakeland Gateway TIF District; and,

WHEREAS, the BOC has determined that acquisition of the Subject Property is necessary to provide adequate facilities for the City's growing Parks and Recreation Department and serve as the community center that Lakeland needs; and,

WHEREAS, the BOC has determined that acquisition of the Subject Property consistent with the appraisal and metes and bounds description, is necessary for the accomplishment of the Parks and Recreation facility project; and,

WHEREAS, on May 4, 2023, the BOC adopted Resolution R-65-2023 thereby authorizing the City Attorney to file and pursue condemnation proceedings concerning a parcel within the Lakeland Gateway TIF District Owned by Quantum for the necessary construction of a community center; and,

WHEREAS, the City of Lakeland authorized and received an appraisal in the amount of Two Million Two-Hundred Fifty Thousand Dollars ($2,250,000.00) on the Subject Property, owned by Quantum, in fee simple; and,

RESOLUTION R-99-2023

APPROVING PARTIAL SETTLEMENT OF THE CONDEMNATION PROCEEDINGS AUTHORIZED BY RESOLUTION R-65-2023 AND AUTHORIZING THE DEPOSIT OF ADDITIONAL FUNDS WITH THE COURT CLERK

WHEREAS, on May 9, 2023, the City Attorney filed a Petition for Condemnation of the Subject Property and deposited the appraised value with the Court Clerk; and,

WHEREAS, on June 28, 2023, the Parties mediated the matter and reached a partial settlement subject to BOC approval; and,

WHEREAS, pursuant to the mediated settlement agreement, Lakeland agreed to have an updated appraisal report generated to account for the additional 1.8 acres that comprise the Subject Property not initially accounted for in the original appraisal report and to deposit the additional valuation in the appraisal report with the Court Clerk; and,

WHEREAS, Quantum agreed to relinquish possession of the Subject Property effective September 1, 2023, and enter an order with the Court to formalize the same; and,

WHEREAS, City of Lakeland staff ordered and received an updated appraisal report valuing the additional acreage at Three Hundred Seventy-Five Thousand Dollars ($375,000.00) (a copy of the appraisal report is attached hereto as Exhibit A); and,

WHEREAS, Quantum is presently unwilling to accept the total appraisal amount and intends to obtain their own appraisal; therefore, the condemnation proceedings will continue for the limited purpose of determining the Subject Property's value; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Lakeland, Tennessee, that the City Manager and the City Attorney are authorized to continue with negotiations based on the appraisals referenced herein for the Subject Property in fee simple.

BE IT FURTHER RESOLVED that the City Attorney is further authorized to continue the condemnation proceedings in Court and file all necessary pleadings to effectuate this settlement agreement and pursue final resolution of the proceedings.

BE IT FURTHER RESOLVED that the Board of Commissioners authorizes tender to the Clerk of Court, pursuant to exercise of the power of eminent domain and the continuation of condemnation proceedings, of Three Hundred Seventy-Five Thousand Dollars ($375,000.00), said amount representing the fair market value of the additional acreage not originally contemplated by the initial appraisal report for the Subject Property for which condemnation proceedings by exercise of the power of eminent domain are hereby authorized.

RESOLUTION R-99-2023

APPROVING PARTIAL SETTLEMENT OF THE CONDEMNATION PROCEEDINGS AUTHORIZED BY RESOLUTION R-65-2023 AND AUTHORIZING THE DEPOSIT OF ADDITIONAL FUNDS WITH THE COURT CLERK

APPROVED AND ADOPTED by the Board of Commissioners of the City of Lakeland, Tennessee, this 17th day of July 2023, the public welfare requiring it.

____
Josh Roman, *Mayor*

ATTEST:

____
Debra Murrell
City Recorder

Valbridge PROPERTY ADVISORS

Appraisal Report

Quantum Hotels
Beverle Rivera Drive
Lakeland, Shelby County, Tennessee 38002

Report Date: July 5, 2023

FOR:

Patterson Bray PLLC
Mr. Will Patterson
8001 Centerview Parkway, Suite 103
Memphis, Tennessee 38018

Client Number:

Valbridge Property Advisors | Memphis

756 Ridge Lake Boulevard, #225
Memphis, TN 38120
901-753-6977 phone
901-753-7591 fax
valbridge.com

Valbridge File Number:
TN01-23-0300-000

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July 5, 2023

Dana Richardson
901-206-2261
drichardson@valbridge.com

Mr. Will Patterson
Patterson Bray PLLC
8001 Centerview Parkway, Suite 103
Memphis, Tennessee 38018

RE: Appraisal Report
Quantum Hotels
Beverle Rivera Drive
Lakeland, Shelby County, Tennessee 38002

Dear Mr. Patterson:

In accordance with your request, an appraisal of the above referenced property was performed. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to the value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject property, as referenced above, is located on the southeast corner of Beverle Rivera Drive and Skyway Drive and is further identified as part of tax parcel number L0159 00142C. The subject site is a 1.800-acre or 78,408-square-foot parcel. The subject consists of partially developed land. It is zoned for a broad range of commercial uses.

The analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client.

The client in this assignment is Patterson Bray PLLC and the intended users of this report are City of Lakeland and Patterson Bray PLLC and no others. The intended use is to aid in establishing an offer to purchase. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- The as is value indication is predicated on extraordinary assumptions that the cost estimate to raze the improvements is reasonably accurate and the size of the site, as prescribed by the client, will not vary.

Hypothetical Conditions:

- The size of the site has been prescribed by the client but the location and dimensions have been determined by the appraisers and are hypothetical conditions, as they do not currently exist (i.e. not a result of a survey) and are not likely to occur.

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

Value Conclusion

Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	July 4, 2023
Value Conclusion	**$375,000**
	$4.78 PSF

Respectfully submitted,
Valbridge Property Advisors | Memphis

Dana Richardson
Senior Appraiser
Tennessee License CG-1434

Todd Glidewell, MAI
Senior Managing Director
Tennessee License CG-41

Table of Contents

Summary of Salient Facts

Property Identification

Property Name	Quantum Hotels
Property Address	Beverle Rivera Drive Lakeland, Shelby County, Tennessee 38002
Latitude & Longitude	35.226417, -89.736547
Tax Parcel Number	part of L0159 00142C
Property Owner	Quantum Hotels LLC

Site

Zoning	Regional Commercial (C-2)
FEMA Flood Map No.	47157C0330G
Flood Zone	X
Gross Land Area	1.800 acres
Usable Land Area	1.800 acres

Valuation Opinions

Highest & Best Use - As Vacant	General commercial development
Reasonable Exposure Time	12 months or less
Reasonable Marketing Time	12 months or less

Value Indications

Approach to Value	As Is
Sales Comparison	$375,000
Cost	Not Developed
Income Capitalization	Not Developed

Value Conclusion

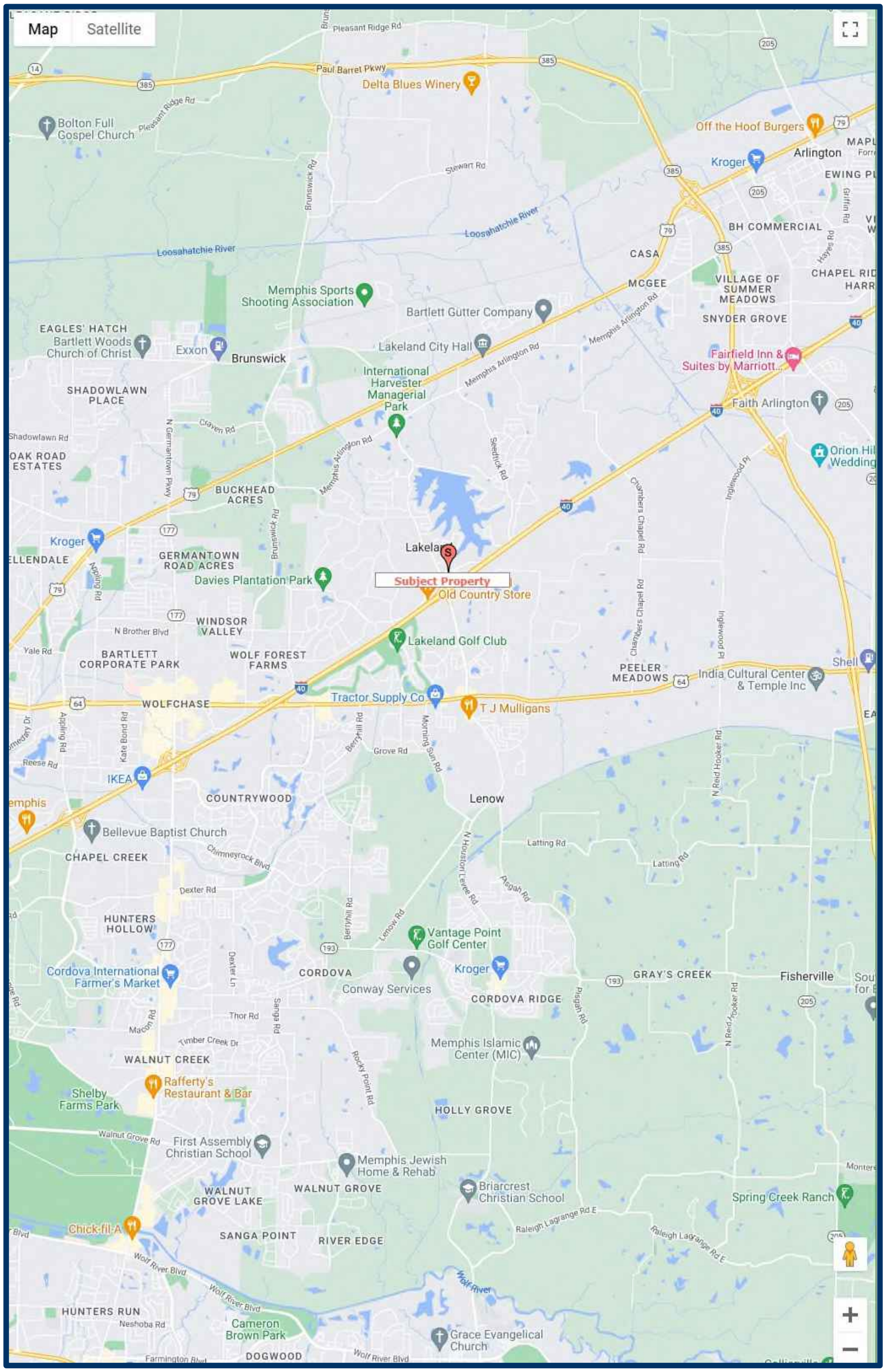
Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	July 4, 2023
Value Conclusion	**$375,000**
	$4.78 PSF

Aerial and Front Views

AERIAL VIEW

VIEW FROM FRONTAGE ROADS

Location Map



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Patterson Bray PLLC and the intended users of this report are City of Lakeland and Patterson Bray PLLC. Under no circumstances shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report:

i. The borrower(s) on any loans or financing relating to or secured by the subject property,

ii. Any guarantor(s) of such loans or financing; or

iii. Principals, shareholders, investors, members or partners in such borrower(s) or guarantors.

Intended Use of the Appraisal

The intended use of this report is to aid in establishing an offer to purchase.

Real Estate Identification

The subject property is located at Beverle Rivera Drive, Lakeland, Shelby County, Tennessee 38002. The subject property is further identified by the tax parcel number part of L0159 00142C.

Legal Description

A current legal description is not available. The property description is based upon public records such as tax plats, subdivision plats or other sources. The client is urged to obtain a current survey of the property.

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was a partially developed site.

Use of Real Estate as Reflected in this Appraisal

The as is opinion of value for the subject property reflects use as a partially developed site.

Ownership of the Property

According to public records, title to the subject property is vested in Quantum Hotels LLC.

History of the Property

Ownership of the subject property has not changed within the past three years.

Active Listing/Offer/Contract

The subject property was not being marketed for sale and there were no unsolicited offers or pending contracts for sale.

Type and Definition of Value

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

- *buyer and seller are typically motivated;*
- *both parties are well informed or well advised, and acting in what they consider their own best interest;*
- *a reasonable time is allowed for exposure in the open market;*
- *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale*[1]

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Opinions of value for the subject property were developed under the following valuation scenarios:

Valuation Scenario	Effective Date of Value
As Is Market Value of the Fee Simple Interest	July 4, 2023

Date of Report

The date of this report is July 5, 2023.

List of Items Requested but Not Provided

- A current survey was not provided for our review.

[1] *FIRREA Code of Federal Regulations, Title 12, Part 34 Subpart C - 34.42, 1990; also Interagency Appraisal and Evaluation Guidelines, Federal Register / Vol.75, No. 237, 2010.*

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- The as is value indication is predicated on extraordinary assumptions that the cost estimate to raze the improvements is reasonably accurate and the size of the site, as prescribed by the client, will not vary.

Hypothetical Conditions

- The size of the site has been prescribed by the client but the location and dimensions have been determined by the appraisers and are hypothetical conditions, as they do not currently exist (i.e. not a result of a survey) and are not likely to occur.

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via on-site inspection and public records.
- Economic Characteristics - The subject property economic characteristics were identified via property owner, client, public records, real estate services, our database.
- Physical Characteristics - The subject property physical characteristics were identified via ???.

Extent to Which the Property Was Inspected

We completed on-site inspection on July 4, 2023.

Type and Extent of Data Researched

The following data was researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. Professionals familiar with the subject market/property type were also interviewed.

Type and Extent of Analysis Applied (Valuation Methodology)

Surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations were observed in the process of concluding a highest and best use for the subject property. The subject property was then valued based on the highest and best use conclusion.

There are four primary methods available to develop a land value estimate: (1) sales comparison, (2) land residual method, (3) ground rent capitalization, and (4) subdivision development method (discounted cash flow). While other methods, such as extraction and allocation, are applicable under limited conditions, one or more of these approaches are used in most circumstances to derive an indication of land value.

- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.

- Direct Capitalization: Land Residual Method - The land residual methodology involves estimating the residual net income to the land by deducting from total potential income the portion attributable to the improvements, assuming development of the site at its highest and best use. The residual income is capitalized at an appropriate rate, resulting in an indication of land value.
- Direct Capitalization: Ground Rent Capitalization – A market derived capitalization rate is applied to the net income resulting from a ground lease. This can represent the leased fee or fee simple interest, depending on whether the income potential is reflective of a lease in place or market rental rates.
- Yield Capitalization: Subdivision Development Method – Also known as discounted cash flow analysis (DCF), the methodology is most appropriate for land having multiple lot development in the near term as the highest and best use. The current site value is represented by discounting the anticipated cash flow to a present value, taking into consideration all necessary costs of development, maintenance, administration, and sales throughout the absorption period.

All of these approaches to value were considered. The availability of data and applicability of each approach to value within the context of the characteristics of the subject property, along with the needs and requirements of the client, were assessed. Based on this assessment, the sales comparison approach was developed. Given the nature of the subject, the cost and income approaches have not been developed and buyers do not typically rely upon such in their purchase decisions. Further discussion of the extent of our analysis and the methodology of each approach is provided later in the respective valuation sections.

Appraisal Conformity and Report Type

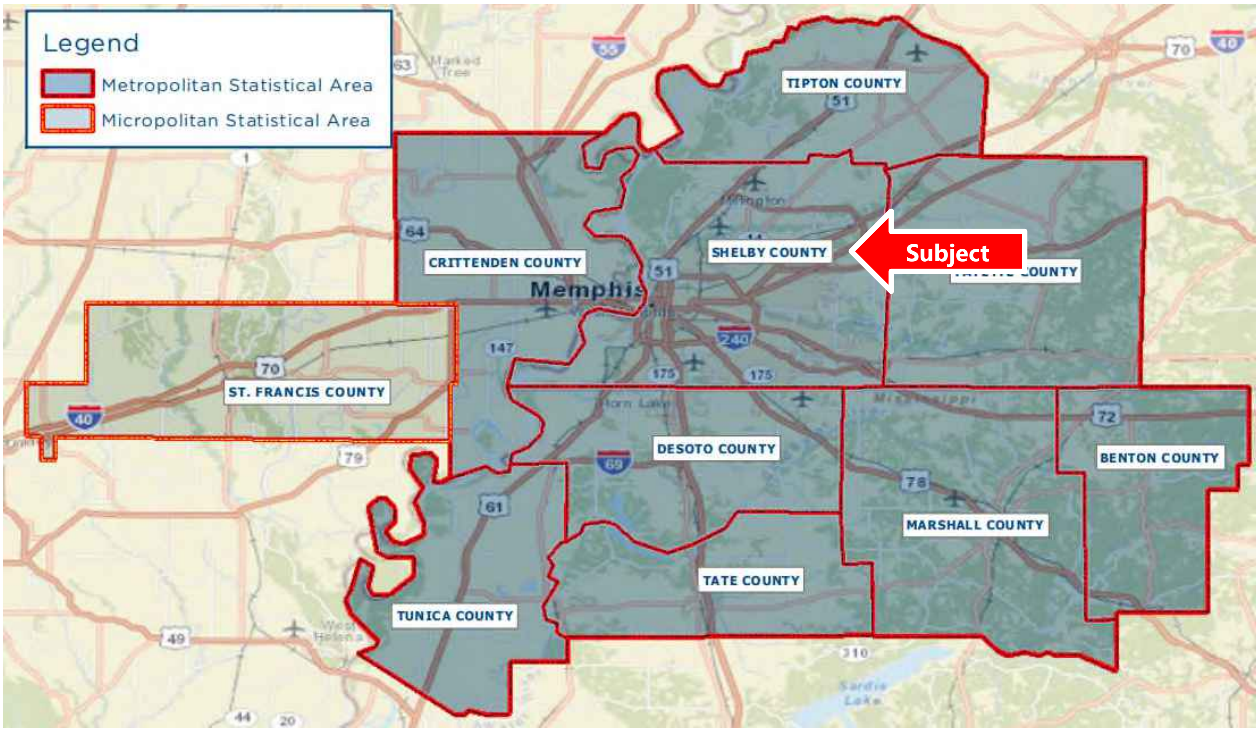
The analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

Regional Economic Summary

REGION MAP



Memphis and the surrounding communities are a diversified metropolitan area mixing industry, service, and agribusiness to serve both national and international markets. The Memphis Metropolitan Area has established itself as a centrally located distribution point in the United States. The Memphis MSA (Metropolitan Statistical Area) consists of nine counties in three states: Tennessee, Mississippi, and Arkansas.

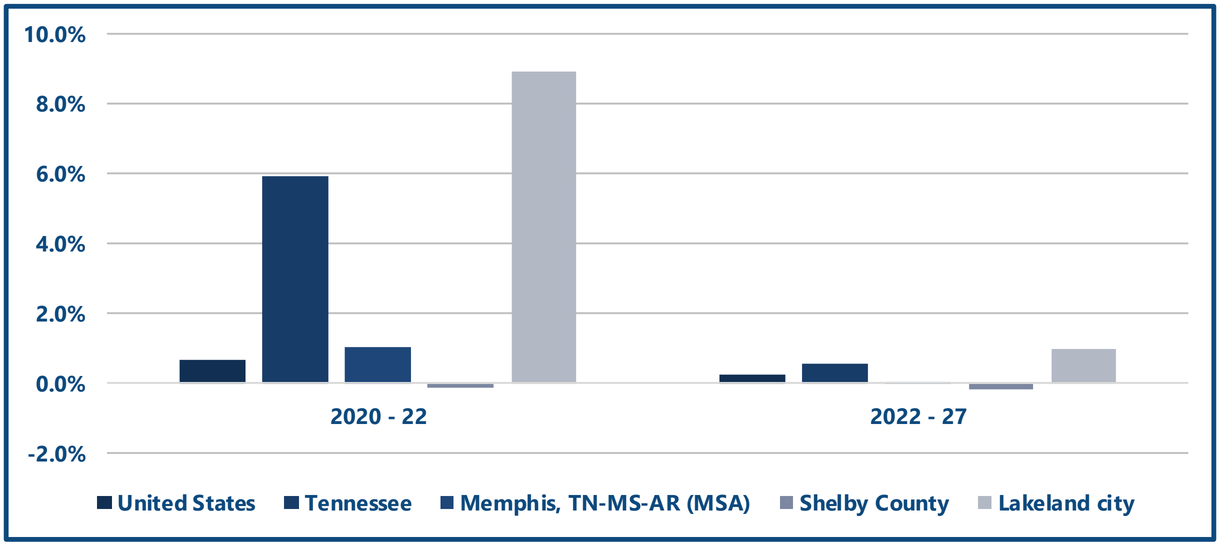
Population

The following chart illustrates the population characteristics:

Population

Area	2020	Estimated 2022	Annual Δ 2020 - 22	Projected 2027	Annual Δ 2022 - 27
United States	331,449,281	335,707,897	0.6%	339,902,796	0.2%
Tennessee	6,346,105	7,120,037	5.9%	7,317,991	0.5%
Memphis, TN-MS-AR (MSA)	1,316,100	1,343,052	1.0%	1,343,156	0.0%
Shelby County	927,644	925,410	-0.1%	917,684	-0.2%
Lakeland city	12,457	14,784	8.9%	15,504	1.0%

Source: ESRI (ArcGIS)

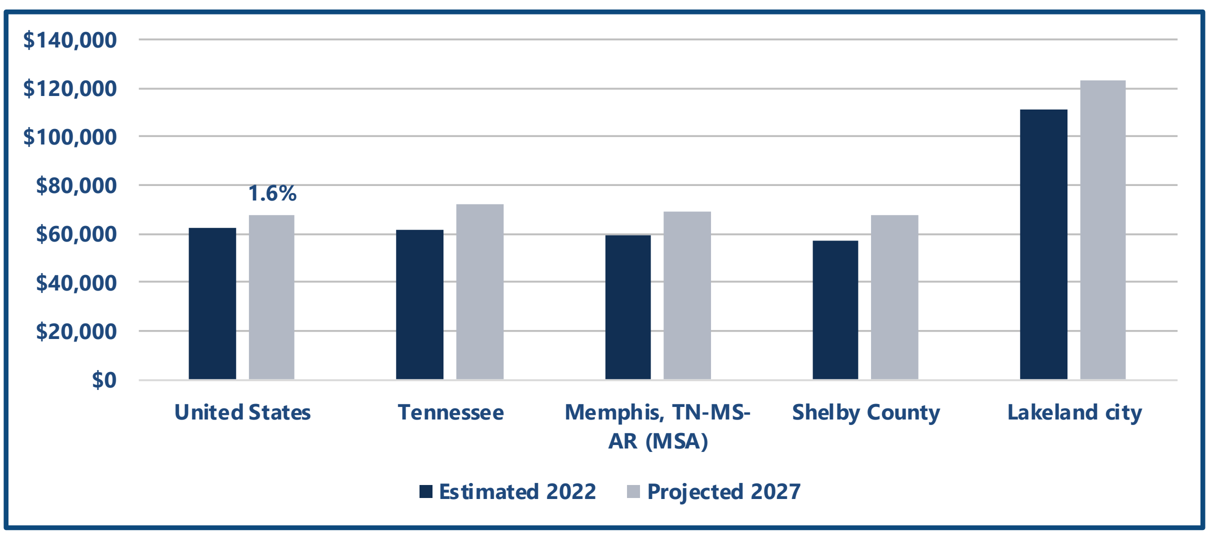


Source: Bureau of Labor Statistics - data not seasonally adjusted; [1]May - most recent for US, others lag by 1-2 mos.)

The MSA population has shown to be relatively stable over the past ten years. That trend is expected to continue over the next five years.

Income

The income trends in the MSA have been consistent with the national and state trends. The median household income for selected years is presented below.



Source: ESRI (ArcGIS)

Median Household Income

Area	Estimated 2022	Projected 2027	Annual Δ 2022 - 27
United States	$62,203	$67,325	1.6%
Tennessee	$61,449	$71,721	3.1%
Memphis, TN-MS-AR (MSA)	$59,008	$69,096	3.2%
Shelby County	$57,315	$67,252	3.2%
Lakeland city	$111,118	$122,797	2.0%

Source: ESRI (ArcGIS)

Education

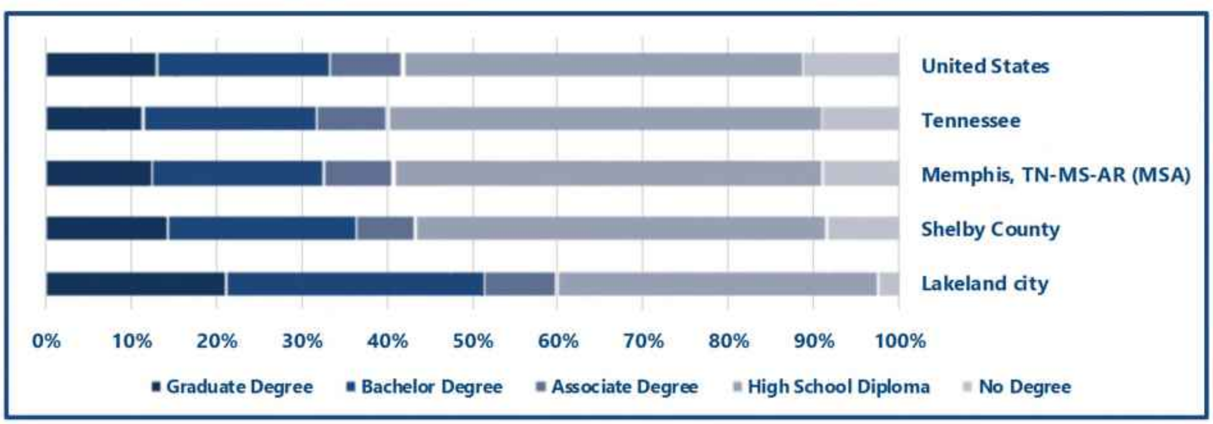
Educational attainment refers to the highest level of education completed. Higher ratios of gradate and bachelor's degree attainment generally reflect a more desirable employee base. The following chart presents education attainment for the region:

EDUCATION ATTAINMENT

Education Attainment

Area	Graduate Degree	Bachelor Degree	Associate Degree	High School Diploma	No Degree
United States	12.9%	20.2%	8.7%	46.8%	11.4%
Tennessee	11.3%	20.2%	8.5%	50.9%	9.1%
Memphis, TN-MS-AR (MSA)	12.3%	20.1%	8.2%	50.4%	9.0%
Shelby County	14.2%	21.9%	7.1%	48.1%	8.6%
Lakeland city	21.0%	30.3%	8.5%	37.7%	2.5%

Source: ESRI (ArcGIS)



Source: ESRI (ArcGIS)

Employment

The Memphis MSA labor market is diverse. Several large corporations have regional or corporate headquarters in the area. Large public and private companies include FedEx, Auto Zone, Sedgwick, Smith & Nephew Orthopedics, Medtronics, Thomas and Betts, ServiceMaster, International Paper, Kroger and AT&T.

Major Employers

Company Name	Employees	Primary Business/Local Function
FedEx Corp.	30,000	Global Logistics, E-Commerce, Business Services
Shelby County Schools	16,000	Education for K-12 grade
Tennessee State Government	14,500	State Government
United States Government	13,400	Federal Government
Methodist Le Bonheur Healthcare	9,000	Integrated Health Care Delivery System
City of Memphis	8,000	City Government
Shelby County Government	5,600	County Government
St. Jude Children's Research Hospital	4,700	Medical Research Hospital
Baptist Memorial Health Care Corp.	4,000	Integrated Health Care System
University of Tennessee Health Science Center	4,000	Health Science University
International Paper Co.	3,000	Packaging, Paper & Distribution

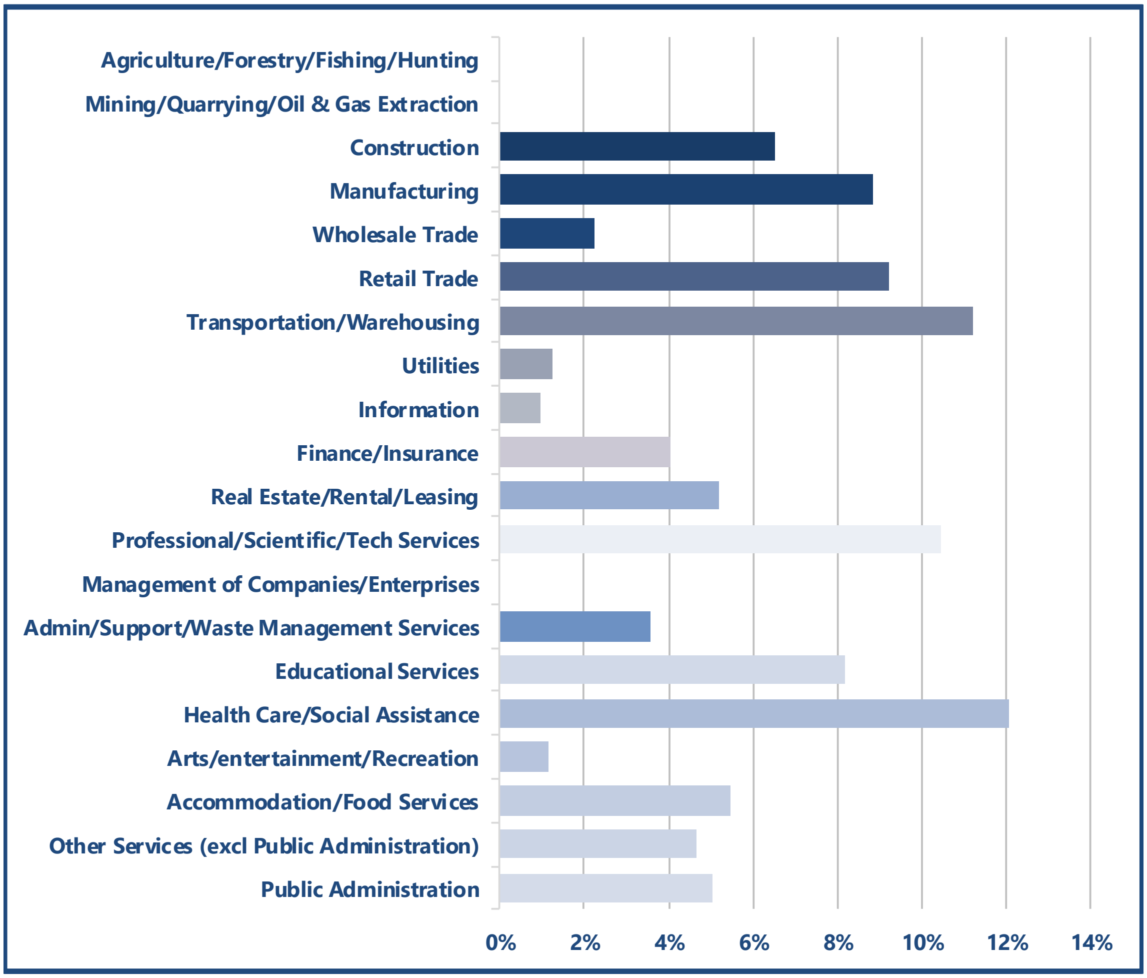
Source: Memphis Regional Chamber

Employment in the region is diverse as shown in the tables and charts to follow. Distribution, healthcare, retail trade, and manufacturing are the leaders among a long list of industries within the area. Employment levels in the Memphis area have been consistent with other areas of the US. Employment and job growth should align with national trends as the economy continues its.

Employment by Industry - Memphis, TN-MS-AR (MSA)

Industry	2021 Estimate	Percent of Employment
Agriculture/Forestry/Fishing/Hunting	3,229	0.47%
Mining/Quarrying/Oil & Gas Extraction	345	0.05%
Construction	39,704	5.80%
Manufacturing	67,103	9.81%
Wholesale Trade	24,180	3.53%
Retail Trade	71,788	10.49%
Transportation/Warehousing	91,135	13.32%
Utilities	4,764	0.70%
Information	7,633	1.12%
Finance/Insurance	26,984	3.94%
Real Estate/Rental/Leasing	12,289	1.80%
Professional/Scientific/Tech Services	31,910	4.66%
Management of Companies/Enterprises	561	0.08%
Admin/Support/Waste Management Services	33,463	4.89%
Educational Services	55,319	8.09%
Health Care/Social Assistance	99,942	14.61%
Arts/entertainment/Recreation	8,840	1.29%
Accommodation/Food Services	39,191	5.73%
Other Services (excl Public Administration)	31,315	4.58%
Public Administration	34,442	5.03%
Total	684,137	100.0%

Source: ESRI (ArcGIS)

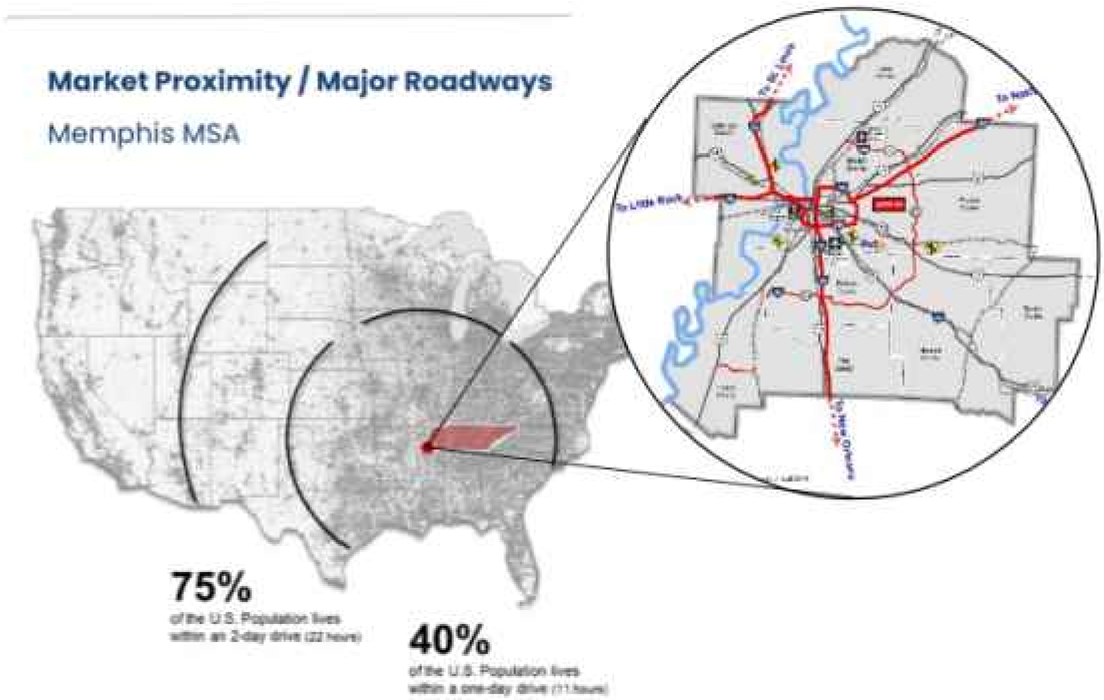


Source: ESRI (ArcGIS)

Location/Transportation

Memphis' geographic position has been the dominant factor in making the region one of the largest distribution hubs in the nation. Transportation of goods is enhanced by the city's position on the Mississippi River and by the Memphis International Airport. The Mid-South area is known as "America's Distribution Center" because of its ideal location and combination of four primary modes of transportation. Using air, rail, truck and water, companies can distribute goods and commodities to the majority of the United States quickly and economically.

Memphis is within a one-day drive of 40% of the U.S. population and within a two-day drive of 75% of the U.S. Population. Memphis serves 152 metropolitan areas with overnight trucking or rail delivery; which is more than any city in the Midwest. Thirty-five states (including Canada and Mexico) can be reached in two-day ground service by the over 200 LTL carriers located in Memphis. This has created interest among major manufacturers and distributors in the U.S. Memphis offers multiple intermodal transportation options including: water to rail to truck, rail to truck, air to truck, and truck to air. Transportation and distribution facilities continue to grow in the region.



Tourism

Prior to COVID-19, the Greater Memphis Chamber of Commerce estimates an economic contribution of more than $3.5 billion to the local economy through tourism and employs over 50,000 people directly and through third-party manufactures, vendors and suppliers. With attractions such as the Memphis Zoo which is ranked as one of the top zoos in the nation, Graceland being the second most visited private residence in the country after the White House, Shelby Farms with more than 2 million annual visitors, Bass Pro Shops at the Pyramid with about 2 million annual visitors, and Beale Street with over 5 million visitors a year, Memphis has attracted a consistent and sizable flow of tourism which is expected to continue post COVID.

Conclusion

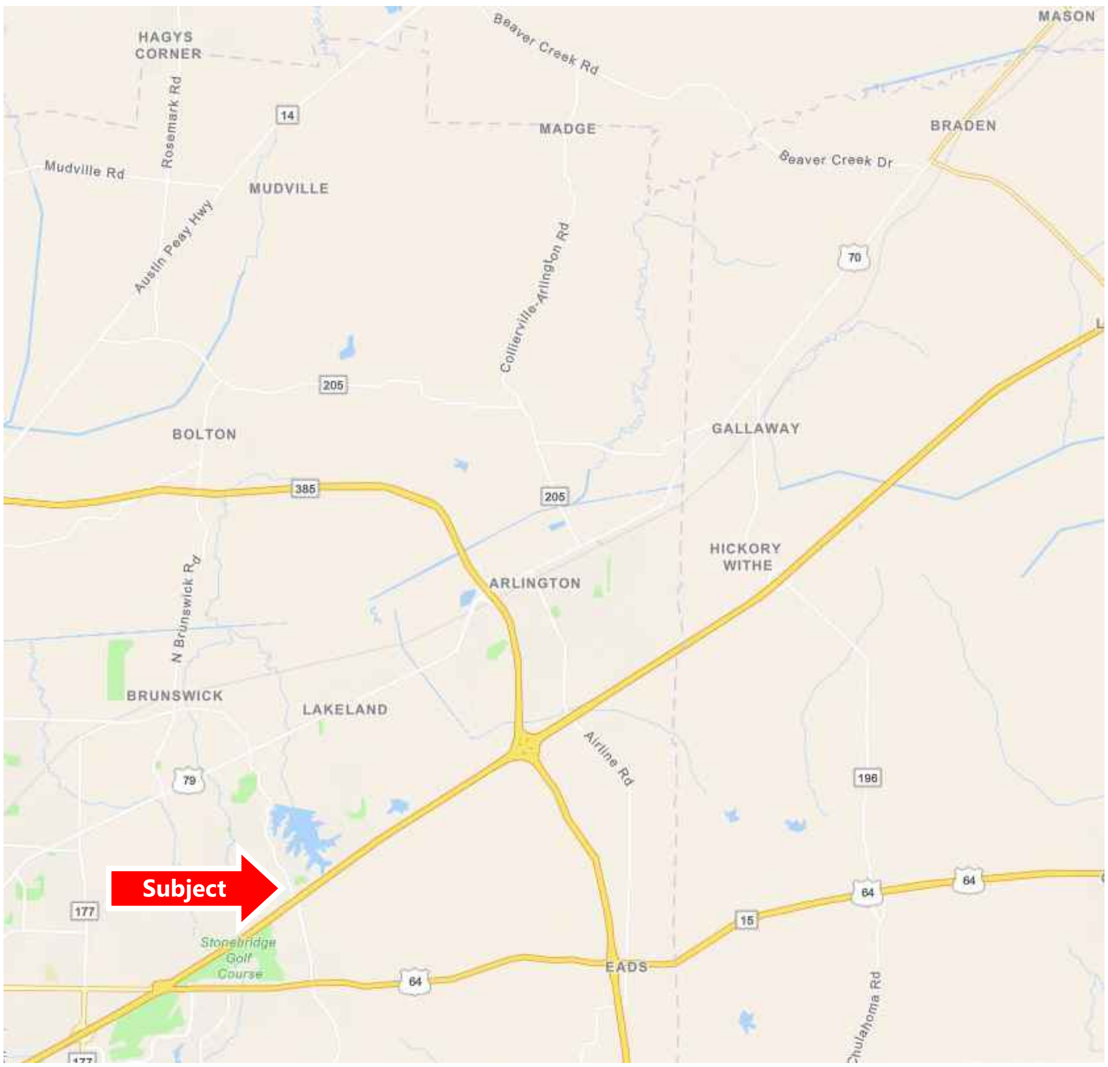
The economic, social, governmental, and environmental forces affect local and regional property values. These have interacted in such a way that the MSA has become recognized as a center for distribution, education, and agribusiness. The area has realized growth in tourism and offers excellent healthcare options. The MSA economic conditions tend to mirror the national economy. With low land costs, affordable housing and cost of living, mild climates, and diverse industries, the MSA is expected to align with the national economy in most categories.

City/Neighborhood Analysis

Boundaries

The general market area of the subject is commonly referred to as Arlington/Lakeland, Tennessee and is generally bound by the Shelby/Tipton county line on the north, Brunswick Road to the west, Highway 64 to the south, and the Shelby/Fayette county line to the east. The following map outlines the general area.

AREA MAP



Overview

The market area is approximately 30% to 40% developed, and a variety of land uses are represented. Commercial land uses are concentrated along primary thoroughfares with office-oriented properties generally located along secondary and interior streets. Properties in the area include low to moderate density single-family housing, strip retail centers, community retail centers, office buildings, restaurants, apartments, schools, and places of worship.

Most, if not all, public services are offered to landowners including utilities, schools, police/fire protection, and public transportation. The inhabitants have many services offered through the public and private sectors. Several aspects of the market are summarized in the following paragraphs.

Employment Centers

Employment providers of many types are situated in the market area. While there are employment opportunities in every section of the MSA, there are three primary areas with a high concentration of employment: The Central Business District or "CBD", East Memphis, and the Airport area.

The drive time between the subject property and the CBD is approximately 30 to 60 minutes. This highly commercialized area is commonly known as the "Downtown" area. Governmental buildings and services, along with many government-related firms, are located in this district. There are numerous local, state, and federal agencies with offices located in the CBD. This area is also a major entertainment center for the region. FedEx Forum, Mud Island theme park, and the Beale Street entertainment district are located within the CBD.

The drive time between the subject property and East Memphis is approximately 20 to 60 minutes. East Memphis is generally centered at the intersection of Interstate 240 and Poplar Avenue. There are numerous Class A and B office buildings and many retail properties in the immediate area. There are two hospitals in this area, and many medical professionals have offices in this market. This area employs many individuals and will continue to be a major employment center for professionals and the service sector.

There is also a high concentration of employment in the area surrounding the Memphis International Airport. A wide variety of jobs for nearly all sectors of the workforce exists in the Southeast and Airport Submarkets. The drive time to this area of the MSA is approximately 30 to 60 minutes. The airport is surrounded by many service and industrial related properties. This section of Memphis is known for many distribution facilities, service companies, and manufacturing firms. This general area has the largest concentration of bulk industrial space in the county. The airport is also the site of the World Hub of Federal Express. This is the largest overnight package service in the world. It is estimated that this firm employs more than 30,000 individuals in the Memphis area with the majority of those employees living in this area of the MSA.

Traffic Patterns

The major traffic arteries in this market are Interstate 40, Interstate 269/SR 385, US Highway 64, US Highway 70, and Airline Road. Interstate 40 and Hwy 385 bisect the market area and handle the greatest volume. The vast majority of streets and roads are public and maintained by local government. Municipal improvements such as curbs, gutters, storm sewers, and sidewalks are common.

In general, the area is well served by streets and highways. Access to major roads and other parts of the MSA is good. Highway 385 connects to Highway 51 in the northwest section of the county (Millington area). It extends south from Arlington and is integrated into I-269. The entire 269 loop was recently completed and links Interstate 55 (south-central part of MSA) with the following communities: Hernando (southwest); Lewisburg; Byhalia; Collierville (southeast); Eads; Arlington (northeast); Brunswick; Millington (northwest). Interstate 269 now connects I-55, I-22 and I-40 and increases mobility throughout the central part of the MSA. The highway has improved access to the subject area and several parts of four counties (Shelby TN, Fayette TN, DeSoto MS, Marshall MS) .

Demographics

The following table depicts the area demographics within a one, three, and five-mile radius from the subject.

Neighborhood Demographics

Radius (Miles)	1 Mile	3 Mile	5 Mile
Population Summary			
2020 Population	3,826	25,237	79,164
2022 Population Estimate	4,513	30,650	86,731
2027 Population Projection	4,691	31,021	86,439
Annual % Change (2022 - 2027)	0.8%	0.2%	-0.1%
Housing Unit Summary			
2020 Housing Units	1,516	9,894	30,574
% Owner Occupied	87.1%	71.5%	72.8%
% Renter Occupied	8.2%	23.8%	21.6%
2022 Housing Units	1,744	11,751	33,189
% Owner Occupied	84.2%	70.5%	67.8%
% Renter Occupied	12.3%	26.0%	28.2%
2027 Housing Units	1,800	11,870	33,267
% Owner Occupied	82.9%	72.0%	68.9%
% Renter Occupied	15.0%	25.2%	27.2%
Annual % Change (2022 - 2027)	0.7%	0.2%	0.0%
Income Summary			
2022 Median Household Income Estimate	$116,365	$97,793	$88,846
2027 Median Household Income Projection	$126,471	$112,533	$104,613
Annual % Change	1.7%	2.9%	3.3%
2022 Per Capita Income Estimate	$57,951	$48,501	$43,968
2027 Per Capita Income Projection	$65,161	$56,951	$52,179
Annual % Change	2.4%	3.3%	3.5%

Source: ESRI (ArcGIS) *(Lat: 35.226417, Lon: -89.736547)*

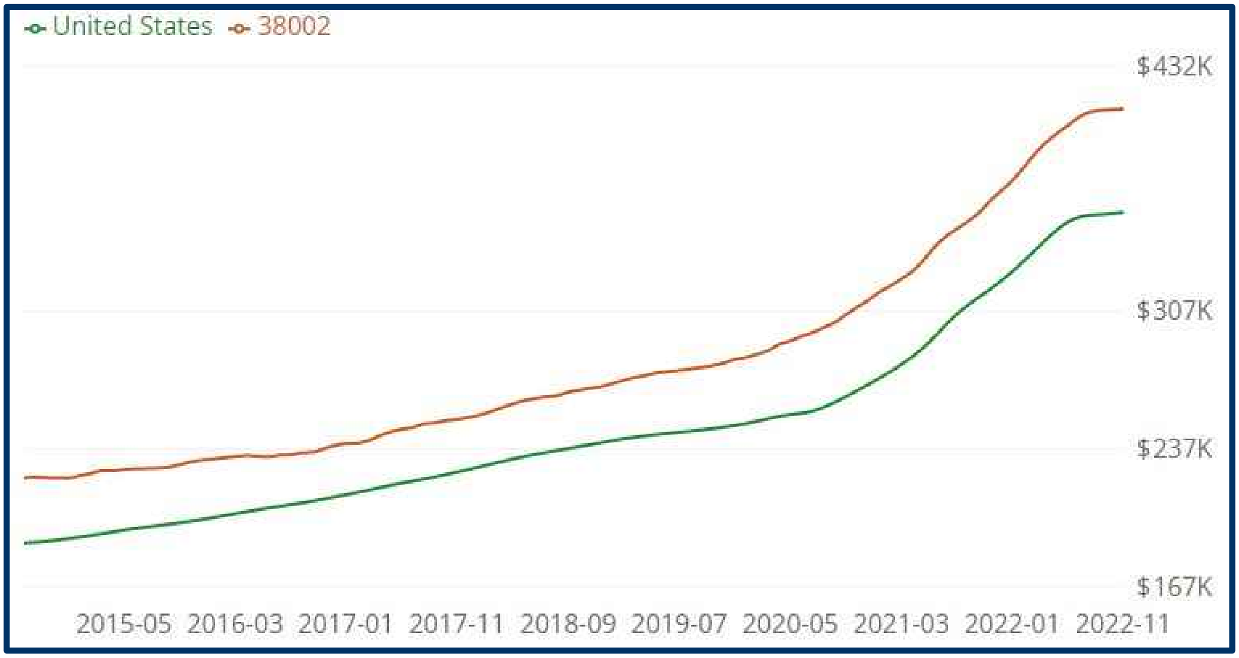
Within a three-mile radius, the reported population is 30,650 with a projected growth rate of approximately 0.2% annually. There are 11,751 housing units within that three-mile radius. The growth rate is expected to be 0.2% annually. Most of the housing is owner-occupied.

Within a three-mile radius, the median household income is $97,793. Looking ahead, annual household income growth is projected at 2.9% per year. The average income figures suggest that the inhabitants are within the middle to upper income brackets.

Housing Data

Home sale activity can be indicators of demand for commercial property. The data below is provided by Zillow and provides basic information on home sales within this market area. The data is drawn from the subject zip code(s) influencing the subject market area and includes single family homes and condominiums.

HOME SALE CHART



Source: Zillow.com

As shown, the average home price in the zip code covering the subject market above the national average of $357,500. Pricing has shown a steady increase since 2016. Home sale volume has been good in most markets within the MSA; however, rising interest rates are expected to slow the rate of sale and put negative pressure on pricing.

Multi-family is a not prevalent use in the submarket area. However, there is one modern apartment community within the market area boundaries and others are in the planning stages. Although there are few sites zoned for apartment use, Arlington is area of interest for multi-family developers, especially as the population grows. Recent market data has shown strong occupancy and higher rents, as compared to the MSA as a whole.

Total Multi-Family Submarket Statistics — **Year-End 2022**

Market	Existing Inventory # Properties	Existing Inventory Units	Vacancy %	Net Absorption	Units Under Const	Effective Rents	Rents PSF	Yearly Growth
Collierville	17	2,576	5.4%	(49)	257	$1,619	$1.57	3.3%
Crittenden County	27	2,394	8.8%	(14)	0	$754	$0.85	5.6%
Desoto County	10	1,565	9.3%	(56)	0	$1,264	$1.24	7.2%
Downtown Memphis	80	6,667	8.7%	(122)	815	$1,434	$1.61	0.8%
East Memphis	107	4,555	11.0%	(80)	743	$1,014	$1.20	2.4%
Fayette County	6	118	8.4%	(3)	0	-	-	-
Frayser-Raleigh	46	5,518	19.6%	(153)	0	$744	$0.83	4.9%
Germantown	32	10,583	8.9%	(125)	54	$1,402	$1.35	-1.6%
Marshall County	1	48	5.1%	0	0	$569	$0.63	1.5%
Midtown	355	7,466	18.3%	(55)	60	$1,087	$1.43	2.2%
Millington	9	1,053	8.7%	(43)	0	$1,127	$1.12	9.0%
North Memphis	65	1,620	8.2%	(18)	107	$1,087	$1.29	0.1%
Northeast Memphis	94	18,822	9.7%	(445)	0	$1,136	$1.16	3.3%
South Memphis	163	8,672	14.0%	(49)	0	$726	$0.83	9.8%
Southaven/Olive Branch	24	4,521	7.9%	(223)	350	$1,353	$1.32	11.3%
Southeast Memphis	120	19,704	15.8%	(797)	296	$889	$0.95	3.7%
Tate County	2	160	5.5%	(3)	0	$949	$0.92	5.4%
Tipton County	6	439	3.2%	(7)	0	$974	$1.01	11.2%
Tunica County	11	1,183	18.2%	(50)	0	$842	$0.84	4.7%
Totals	**1,175**	**97,664**	**10.2%**	**(2,292)**	**2,682**	**$1,054**	**$1.12**	**4.7%**

Source: CoStar Property®

Commercial Land Uses

There are a variety of commercial land uses in the market area. A brief summary of the retail, office, and industrial markets is shown in the following tables. More pertinent and specific data for properties similar to the Subject is presented later in the report.

Retail

Retail is a prominent land use and there is a mixture of older and modern facilities. The older properties are concentrated in the core of Arlington whereas the modern properties are situated along the major thoroughfares of Airline Road and Highway 70. The Northeast retail submarket has over 8 million square feet of retail space and had nearly 180,000 square feet of net absorption in 2022. Most of the commercial properties would compete in the 1st and 2nd Tier categories. Occupancy levels and rents are above the MSA averages.

Total Retail Submarket Statistics — **Year-End 2022**

Market	Existing Inventory # Blds	Existing Inventory Total GLA (000)	Vacancy	YTD Net Absorption	Under Const SF	Quoted Rates	Rent Rank
Collierville	258	4,368	5.2%	45,290	111,000	$19.61	3
Cordova	311	5,362	4.7%	(14,301)	25,000	$18.06	5
Crittenden County	362	2,736	0.5%	26,736	6,000	$11.48	14
Downtown/Midtown	1,878	12,130	3.7%	(25,879)	119,000	$14.59	9
East	750	8,893	2.8%	27,748	24,000	$20.91	2
Fayette County	140	1,079	1.2%	303	5,000	$12.46	12
Germantown	189	3,063	0.9%	71,372	0	$25.57	1
Marshall County	202	1,186	3.7%	34,422	0	$8.53	18
North	1,144	9,725	3.6%	(118,705)	7,000	$11.66	13
Northeast	489	8,372	3.5%	(16,574)	178,000	$17.18	6
Olive Branch	297	3,207	1.2%	35,081	224,000	$19.33	4
Outlying DeSoto Cnty	166	1,203	1.5%	11,319	9,000	$15.62	7
South	593	5,560	5.5%	48,226	0	$10.66	15
Southaven-Horn Lake	594	7,992	2.7%	57,546	15,000	$15.13	8
Southeast	688	12,308	4.6%	386,382	15,000	$13.20	11
Tate County	205	1,338	1.1%	26,247	0	$9.93	16
Tipton County	373	2,746	2.2%	59,148	0	$13.60	10
Tunica County	137	898	1.9%	3,500	0	$9.11	17
Totals	**8,776**	**92,166**	**2.8%**	**657,861**	**738,000**	**$14.81**	

Source: CoStar Property®

Office

Office properties are limited and range from houses converted to office and residential style office facilities to a few small Class B facilities. This market segment is established and experienced growth in the 1970's to the 1990's. With the improving economy and population increases, demand for office space within the Northeast submarket could see growth. The Northeast submarket has a lower occupancy rate but a higher market rent compared to the MSA. The data illustrates an adequate supply in relation to demand.

Total Office Submarket Statistics — **Year-End 2022**

Market	Existing Inventory # Blds	Existing Inventory Total RBA (000)	Vacancy	YTD Net Absorption	Under Const SF	Quoted Rates	Rent Rank
385 Corridor	375	8,342	9.3%	(17,615)	-	$20.61	2
Airport	263	6,866	10.0%	89,938	-	$17.53	11
Crittenden County	115	632	0.3%	8,810	-	$17.34	12
DeSoto County	384	2,458	5.1%	150,966	-	$18.73	8
Downtown	287	11,839	14.3%	321,068	370,000	$19.83	4
East	556	14,859	12.0%	(70,109)	45,000	$23.97	1
Fayette County	63	291	4.1%	(2,698)	-	$16.94	13
Marshall County	27	227	-	282	-	$19.48	5
Midtown	416	4,757	7.6%	(95,124)	-	$18.87	7
North	275	2,788	5.0%	(29,182)	75,000	$16.88	14
Northeast	328	4,877	14.6%	197,148	118,000	$19.87	3
Tate County	44	171	1.2%	0	-	$18.62	9
Tipton County	75	381	0.5%	0	-	$18.93	6
Tunica County	21	80	-	0	-	$18.58	10
Totals	**3,229**	**58,568**	**7.0%**	**553,484**	**608,000**	**$19.01**	

Source: CoStar Property®

Industrial

This property category is concentrated in the western section of the market area. Arlington is at the eastern edge of the Northeast submarket, which has several industrial parks. The majority of the industrial properties would compete in 2nd and 3rd Tier categories. Rents are higher and vacancy rates are lower than the MSA due to the limited supply.

Total Industrial Submarket Statistics — **Year-End 2022**

Market	Existing Inventory		Vacancy	YTD Net	YTD	Under	Quoted	Yearly
	# Blds	Total RBA (000)		Absorption	Deliveries	Const SF	Rates	Growth
Crittenden County Ind	169	6,115	9.8%	5,733	0	0	$5.18	7.6%
DeSoto Ind	557	72,443	8.6%	4,980,497	5,170,000	2,869,000	$4.87	8.3%
Fayette County Ind	75	5,897	0.1%	298,530	25,000	2,509,000	$5.32	8.4%
Marshall County Ind	76	21,591	13.0%	1,433,756	3,184,000	1,937,000	$4.70	8.3%
Northeast Ind	616	16,244	3.9%	(226,081)	107,000	0	$8.69	7.9%
Northwest Ind	462	29,630	5.6%	853,954	0	0	$3.35	8.3%
Southeast Ind	1,231	111,332	4.3%	1,477,643	624,000	2,934,000	$4.91	8.3%
Southwest Ind	983	46,726	3.1%	233,692	0	1,025,000	$4.26	8.4%
Tate County Ind	26	1,604	8.5%	(531)	0	0	$6.76	8.6%
Tipton County Ind	102	6,151	2.1%	(129,485)	0	0	$4.20	8.5%
Tunica County Ind	28	1,222	16.4%	(189,000)	0	0	$6.45	8.0%
Totals	**4,325**	**318,955**	**6.9%**	**8,738,708**	**9,110,000**	**11,274,000**	**$5.34**	**8.2%**

Source: CoStar Property®

Summary

The characteristics of the market area can be summarized as follows:

- Generally, the market is in the stability stage of the market life cycle;
- A population growth of approximately 0.2% annually is projected;
- Employment centers are within reasonable driving times;
- The road system is modern and provides good access to adjoining markets;
- Land uses are varied with most property types represented;
- Improvements vary greatly in effective age ranging from new to over 30 years;
- New construction and expansion are occurring but will slow due to rising interest rates;
- Vacant land suitable for development is available but entitlements can present challenges;
- Residential lot and new home inventory are at levels that support new development;
- The subject market area should realize stability with measured growth given economic conditions, suburban location, proximity to the employment districts, demographics, and road systems.

Site Description

The subject site is located southeast corner of Beverle Rivera Drive and Skyway Drive. The characteristics of the site are summarized as follows:

Site Characteristics

Gross Land Area:	1.80 Acres or 78,408 SF
Usable Land Area:	1.80 Acres or 78,408 SF
Usable Land %:	100.0%
Shape:	Irregular
Topography:	Level
Drainage:	Appears adequate
Grade:	At street grade
Utilities:	All Available - Public
Off-Site Improvements:	Public streets with some municipal improvements; commercial uses; public park; fire station.
Interior or Corner:	Corner
Signalized Intersection:	No

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	Beverle Rivera Drive	Skyway Drive
Street Type:	Public	Public
Frontage (Linear Ft.):	607.05	200.00 +/-
Number of Curb Cuts:	0	0
Traffic Count (Cars/Day):	Not published	Not published

Flood Zone Data

Flood Map Panel/Number:	47157C0330G
Flood Map Date:	02-06-2013
Portion in Flood Hazard Area:	0.00%
Flood Zone:	Outside 0.2% annual chance flood; Zone X (unshaded), Designation for areas of minimal flood hazard from the principal source of flood in the area and determined to be outside the 0.2% annual chance floodplain.

Other Site Conditions

Environmental Issues:	We were not provided with an environmental site assessment. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions or for obtaining engineering studies that may be required to discover such factors.
Easements/Encroachments:	Typical utility
Wetlands Classification:	None reflected on National Wetlands Inventory Mapper

Adjacent Land Uses

North:	Fire station, public park
South:	Hotel
East:	Undeveloped vacant land
West:	Undeveloped vacant land

Site Ratings

Access:	Good
Visibility:	Fair

Zoning Designation

Zoning Jurisdiction:	Lakeland
Zoning Classification:	C-2, Regional Commercial
Permitted Uses:	Commercial
Zoning Comments:	The Regional Commercial District is a large scale commercial district designed to serve the greater community and adjacent communities. Of the three (3) commercial districts, it allows the widest range of Uses. The Mixed Use, Cottage Commercial, Commercial, and Civic Building Types may be developed in this district. This district shall be served by all municipal services (public water and sewer).

Analysis/Comments on Site

The subject is a partially developed commercial site. It is improved with a swimming pool and commercial pool house, both of which are reported to be in poor condition. The site has frontage on 2 public streets and is rated as very good. The vegetation is predominantly ground cover. The site abuts a motel/hotel and vacant land. The topography is generally level. Canada Road is 1 block west and provides direct access to I-40, which is less than half of a mile (by car) southwest. The site is not considered atypical of the market area.

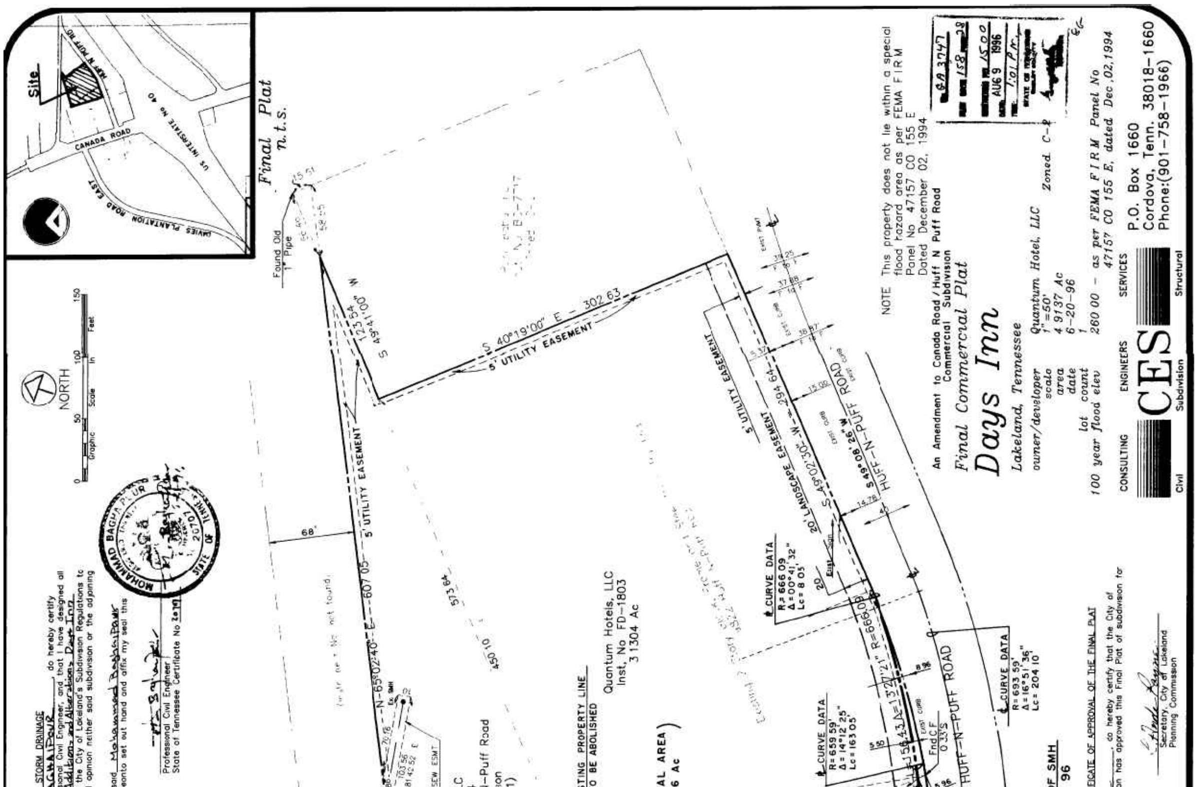
COUNTY GIS WITH TAX PARCEL OVERLAY – SUBJECT SHADED IN PINK

Note: boundaries of the subject was prescribed solely by the appraisers, while the size was determined by the client.

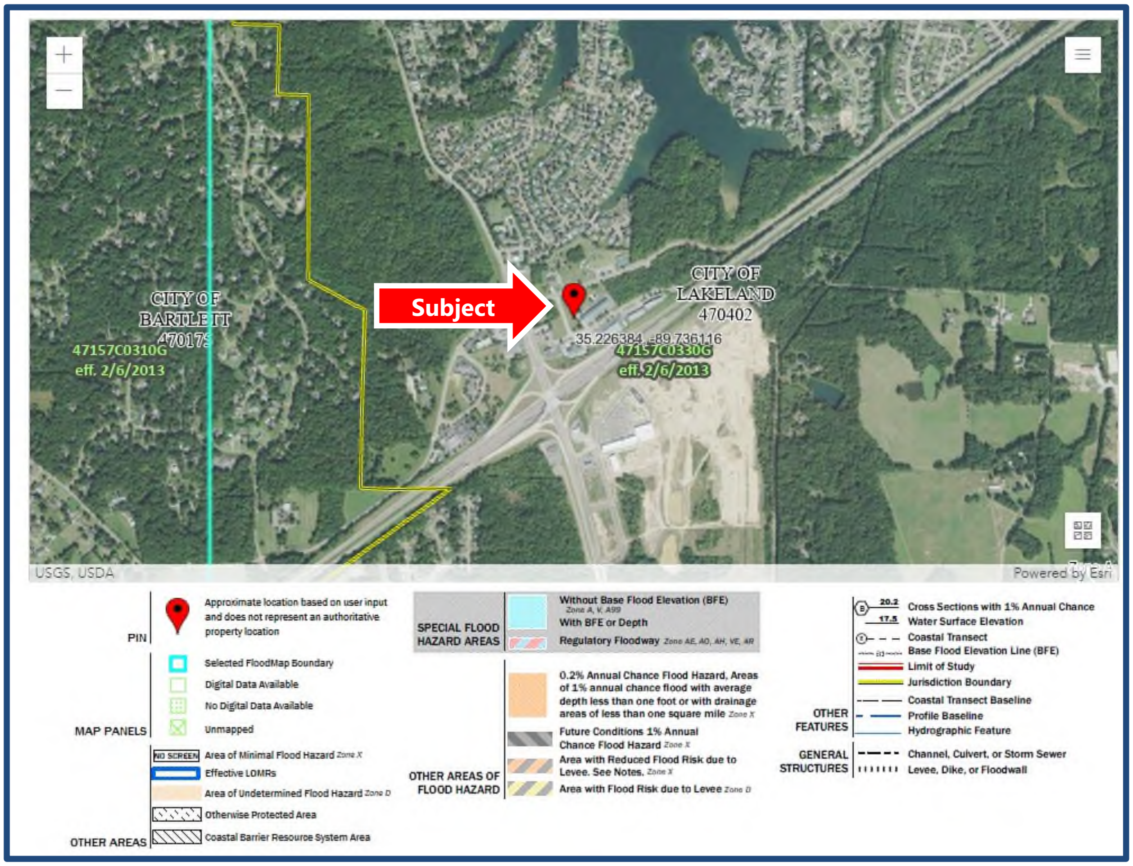
COUNTY GIS WITH TAX PARCEL OVERLAY

COUNTY GIS WITH TAX PARCEL OVERLAY

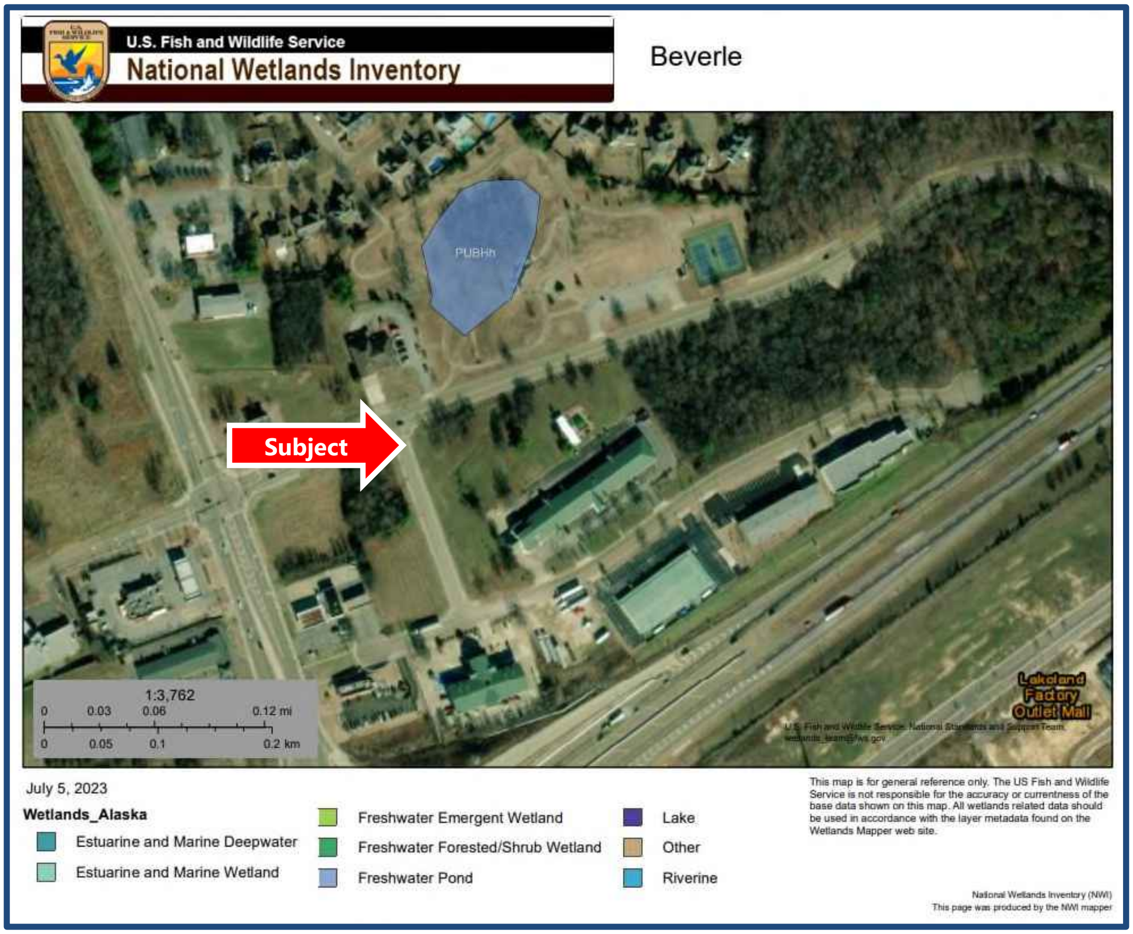
RECORDED PLAT



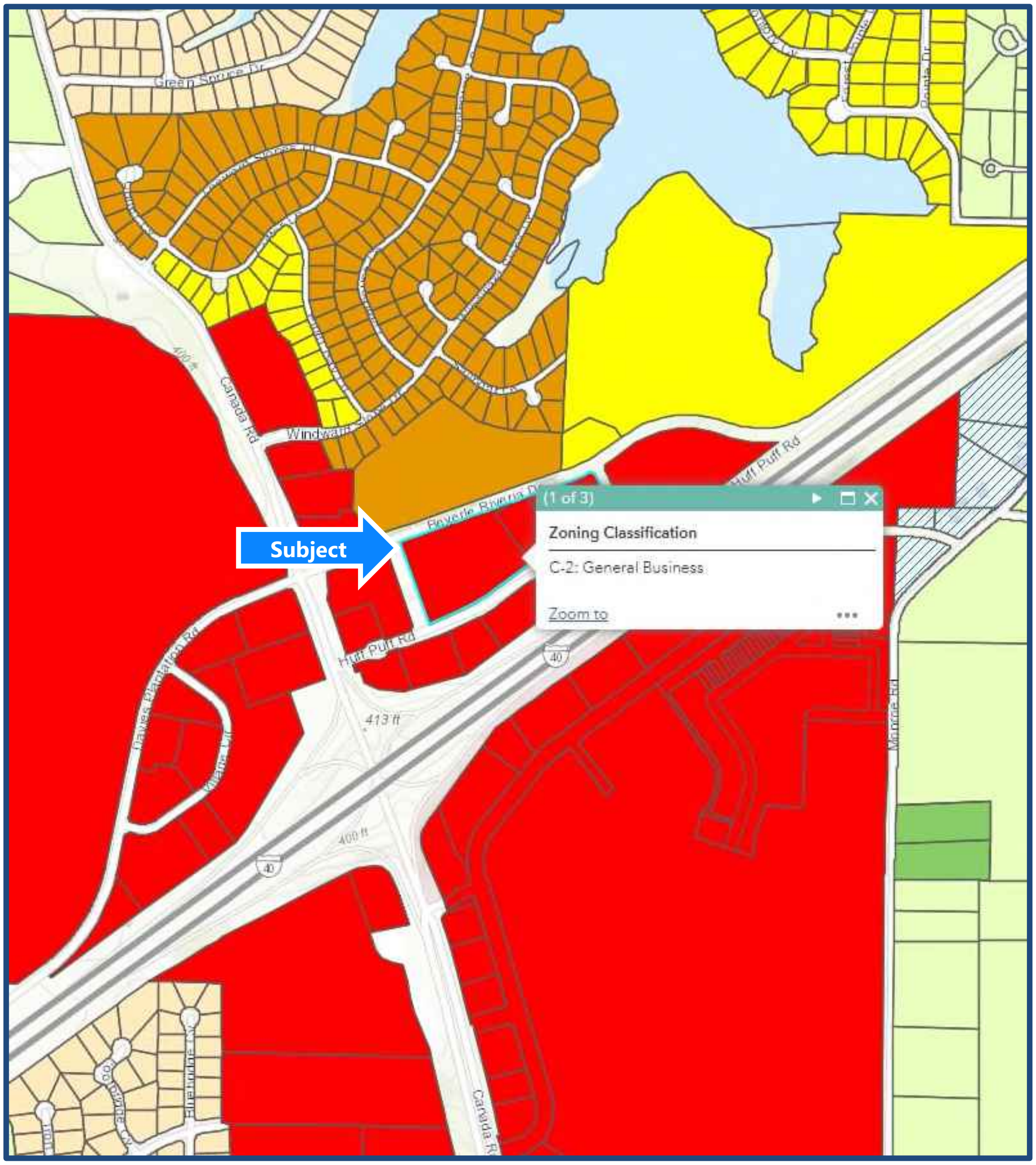
FEMA FLOOD MAP



WETLANDS MAP



ZONING MAP


Subject
(1 of 3)
Zoning Classification
C-2: General Business
Zoom to
Green Spruce Dr
Windward
Beverle Riviera Dr
Huff Puff Rd
Canada Rd
Davies Plantation Rd
413 ft
400 ft
40

Subject Photographs

Looking northeast along Beverle Rivera Drive from Skyway Drive, subject at right

Looking south along Skyway Drive from Beverle Rivera Drive, subject at left

Looking southwest along Beverle Rivera Drive from Skyway Drive

Looking east at site from west-central boundary (Skyway Drive)

Looking southwest at site from north-central boundary (Beverle Rivera Drive)

Looking south at site from north-central boundary (Beverle Rivera Drive)

Looking southwest from northeast corner of site (Beverle Rivera Drive)

Looking southwest along Beverle Rivera Drive from northeast corner of site

Looking northeast along Beverle Rivera Drive from northeast corner of site

Looking northeast from southwest corner of site (Skyway Drive)

Assessment and Tax Data

The subject is part of the Assessor Parcel Number listed in the table below. It accounts for a developed site that is improved with an operating hotel. An overview of property taxes is as follows:

- Properties in Shelby County are appraised every four years for tax purposes;
- The last re-appraisal in Shelby County was completed in 2021;
- Typically, the tax appraisal does not change until a property is reappraised unless substantial improvements or renovations are performed;
- A sale or transfer does not result in a new appraisal or assessment;
- The tax assessor must appraise the fee simple rights for all properties;
- Commercial properties (land and improvements) are assessed at 40% of the tax appraisal;
- Residential properties (land and improvements) are assessed at 25% of the tax appraisal.

The subject property is within Lakeland and is subject to city and county taxes. The property taxes are calculated and projected as follows:

Ad Valorem Tax Schedule

Tax Parcel Number: part of L0159 00142C

Shelby County **Year**	**Actual** **2022**
Appraised Value	
Land:	$614,600
Improvements:	$442,000
Total:	$1,056,600
Per Square Foot:	$13.48
% Change:	N/A
Assessment Ratio	40.00%
Assessed Value	
Land:	$245,840
Improvements:	$176,800
Total:	$422,640
% Change:	N/A
Tax Rate per $100	$4.430000
% Change:	N/A
	Actual
Tax Expense	2022
Total:	$18,723
Per Square Foot:	$0.24

Conclusions

- The assessor's appraised value for the subject property is expected to remain unchanged as presented in the preceding table in the following year.

- We have reviewed online data that indicates that the subject property taxes were current as of the date of value.

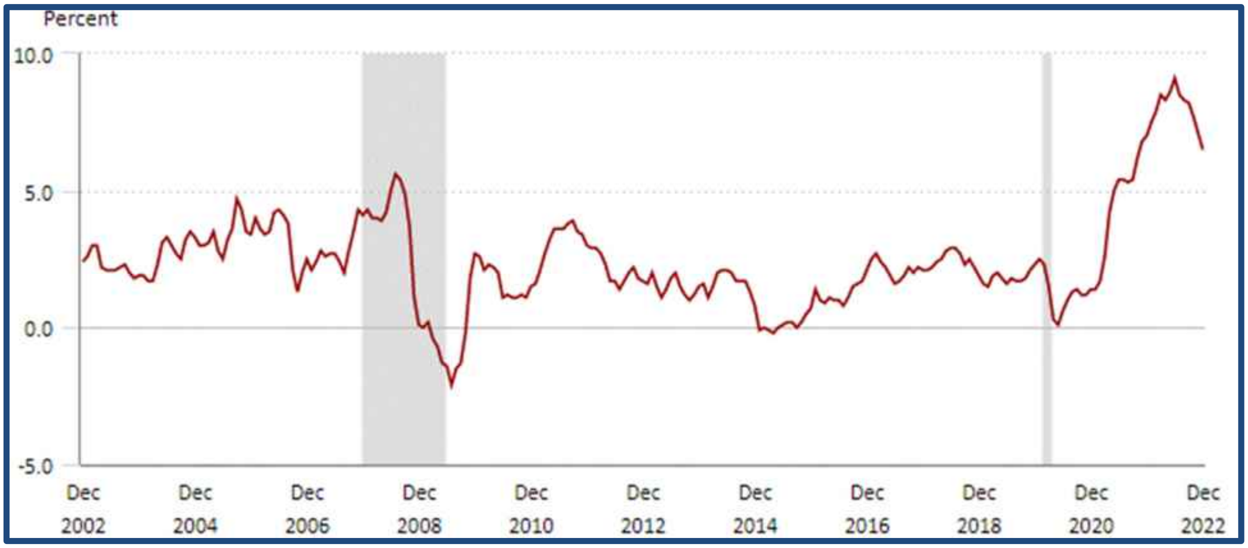
- The assessed value of the subject is greater than the market value of the subject because it is improved and on a larger site (versus subject). An appeal of the assessed value is not recommended at this time.

Market Analysis

Inflation

Inflation is perhaps the biggest 2023 concern for CRE markets and investors. High inflation rates are being driven by both demand (stimulus, more businesses opening, high savings rates) and supply factors (labor shortages and supply chain disruptions). While at the highest rate in 30 years, inflation will likely stay high for the next year. The following table presents historical inflations rates:

ANNUAL CPI RATE OF CHANGE



Source: U.S. Bureau of Labor Statistics

The December 2022 CPI reading was an annual rate of 6.5%, down from the annual rate of 9.0% in June, a pace not seen since 1990. Because of the unique nature of the causes of this rate of inflation, the demand outlook does not point to accelerating inflation over the medium term, which is most important for the overall economic outlook and for decision makers at the Federal Reserve. Market participants anticipate that the Fed will continue to hike interest rates in early 2023 to combat inflation. The biggest risk is that unexpected runaway inflation would be damaging to the economy and negatively affect commercial property markets. However, this is not the expected scenario and elevated inflation can have a net positive impact on commercial property values.

Interest Rates

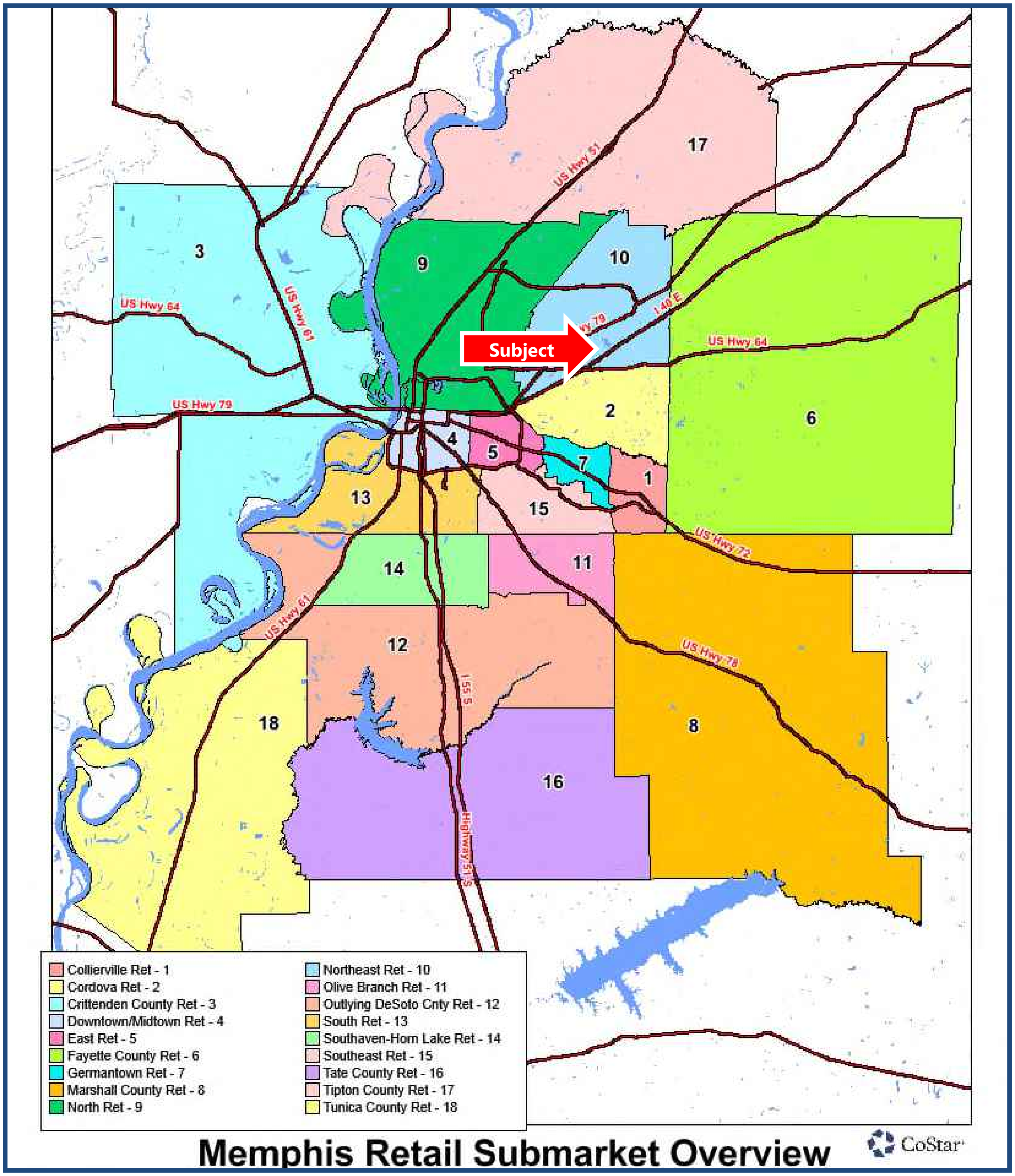
To combat inflation, the Federal Reserve raised the federal funds rate by 25 basis points in March 2022, reflecting the first increase since 2018. However, this increase had little to no impact in year over year inflation and the Federal Reserve raised rates by an additional 50 basis points in May 2022, followed by 75 basis points in June, July, September, and November 2022. Interest rate increases were moderated in December 2022 at 50 basis points and 25 basis points in February 2023 in response to CPI rolling over.

Interest rate increases affect capital-intensive industries like real estate. As credit becomes more expensive, investor return requirements increase, which can lead to higher capitalization rates expectations. As inflation persists and interest rates remain elevated, CRE transaction volume is expected to remain low.

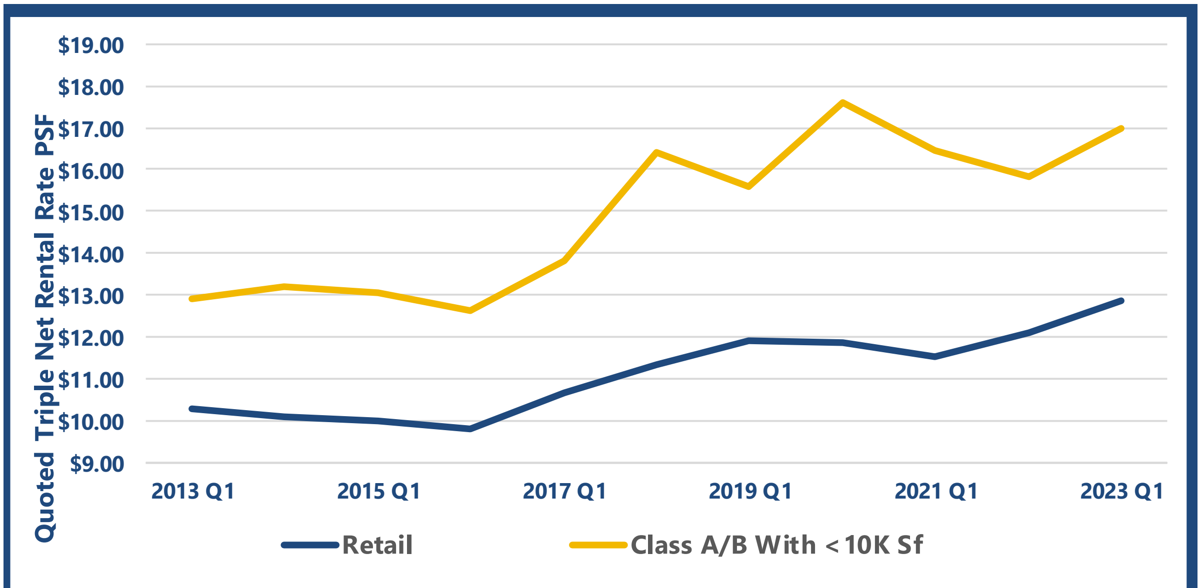
Local Market Performance

Market analysis is a study of market conditions for a specific property type. The following market analysis of the Memphis MSA Retail property market is based on data obtained from the CoStar Group, Inc., a leading provider of real estate information services. The analysis presents the subject property's macro and micro markets and includes a breakdown of class A and B space with less than 10,000 square feet (Class A/B with <10K SF). The following is the retail market map, as presented by CoStar Group, Inc.

COSTAR SUBMARKET MAP - RETAIL



MEMPHIS MSA - QUOTED RENTAL RATE TRENDS



Time Period	2023 Q1	1-Year	3-Year	5-Year	10-Year
Memphis MSA - Retail	$12.86 PSF	$12.09 PSF	$11.87 PSF	$11.31 PSF	$10.29 PSF
Annual Growth Rate	-	*6.4%*	*2.7%*	*2.6%*	*2.3%*
Memphis MSA - Class A/B With <10K Sf	$16.96 PSF	$15.82 PSF	$17.58 PSF	$16.39 PSF	$12.91 PSF
Annual Growth Rate	-	*7.2%*	*-1.2%*	*0.7%*	*2.8%*

Source: CoStar Group, Inc.

Memphis MSA - Retail

The Memphis MSA had a 2023 1st Quarter average quoted rental rate of $12.86 per square foot for Retail space, compared to $12.09 in the 2022 1st Quarter, or a 6.4% increase over the prior year. This was higher than the long-term trend.

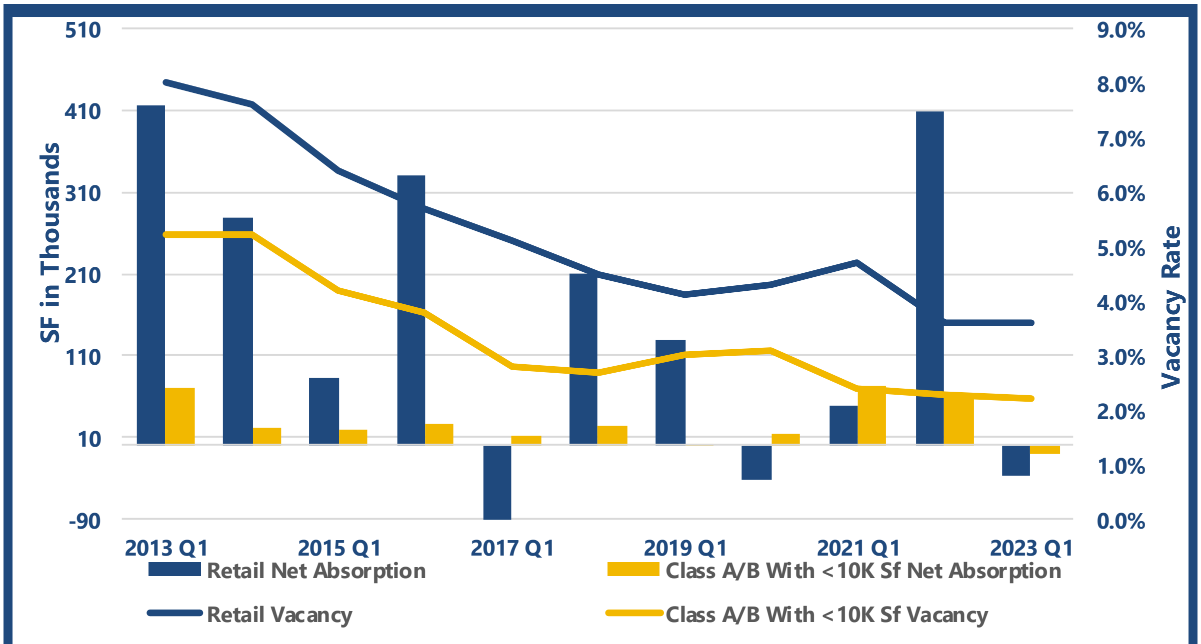
Memphis MSA - Class A/B With <10K Sf

The Memphis MSA had a 2023 1st Quarter average quoted rental rate of $16.96 per square foot for Class A/B with <10K SF space, compared to $15.82 in the 2022 1st Quarter, or a 7.2% increase over the prior year. This was higher than the long-term trend.

Sector Comparison

The average quoted rental rate for Class A/B with <10K SF space was 31.9% higher than Retail space and the long-term growth trend was higher.

MEMPHIS MSA - VACANCY AND NET ABSORPTION TRENDS



Time Period	2023 Q1	1-Year	3-Year	5-Year	10-Year
Memphis MSA - Retail	3.6%	3.6%	4.3%	4.5%	8.0%
Avg. Annual Net Absorp. SF	-	*324.6K*	*575.2K*	*504.2K*	*938.5K*
Avg. Annual Deliveries SF	-	*283.9K*	*388K*	*349K*	*580.4K*
Memphis MSA - Class A/B With <10K Sf	2.2%	2.3%	3.1%	2.7%	5.2%
Avg. Annual Net Absorp. SF	-	*106K*	*153K*	*137K*	*153.9K*
Avg. Annual Deliveries SF	-	*104.5K*	*133K*	*132.5K*	*135.9K*

Source: CoStar Group, Inc.

Memphis MSA - Retail

The Memphis MSA had a 2023 1st Quarter vacancy rate of 3.6% for Retail space. Net absorption was positive with 324,590 square feet absorbed in the prior year and 283,894 square feet delivered. Vacancy rates were relatively unchanged over the prior year.

Memphis MSA - Class A/B With <10K Sf

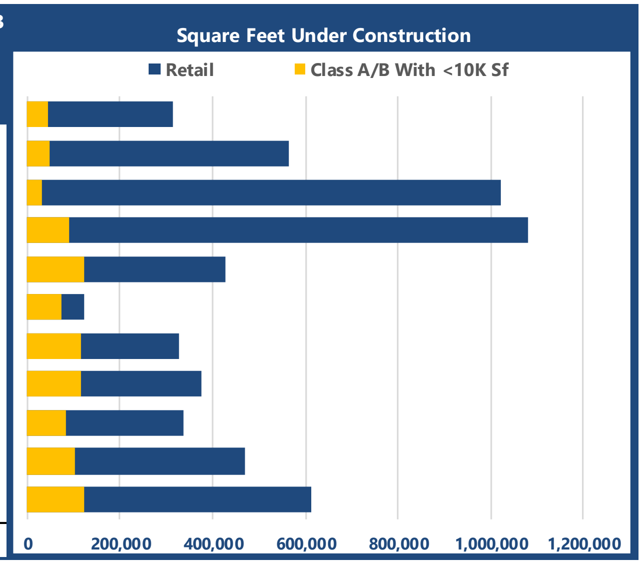
The Memphis MSA had a 2023 1st Quarter vacancy rate of 2.2% for Class A/B with <10K SF space. Net absorption was positive with 106,007 square feet absorbed in the prior year and 104,544 square feet delivered. This resulted in a vacancy rate decrease of 10 basis points.

Sector Comparison

The vacancy rate for Class A/B with <10K SF space was lower than retail space. Both sectors had vacancy rates that were lower than the long-term trend.

MEMPHIS MSA - EXISTING SUPPLY AND CONSTRUCTION TRENDS

	Memphis MSA - Retail			Memphis MSA - Class A/B With <10K Sf		
Period	Existing Bldgs	Existing SF	U/C SF	Existing Bldgs	Existing SF	U/C SF
2013 Q1	8,348	86.1M	314.2K	1,564	7M	43.8K
2014 Q1	8,392	86.6M	564.9K	1,584	7.1M	45.9K
2015 Q1	8,434	87.1M	1M	1,602	7.2M	32.5K
2016 Q1	8,475	88.4M	1.1M	1,621	7.3M	89.5K
2017 Q1	8,530	89.6M	427.5K	1,656	7.5M	123.5K
2018 Q1	8,600	90.3M	121.8K	1,700	7.7M	73.8K
2019 Q1	8,633	90.5M	326.5K	1,721	7.8M	115.7K
2020 Q1	8,674	90.8M	374.4K	1,749	8M	115.3K
2021 Q1	8,729	91.3M	336.2K	1,780	8.1M	84.1K
2022 Q1	8,776	91.7M	469.2K	1,809	8.2M	103.9K
2023 Q1	8,819	92M	612.9K	1,832	8.4M	121.7K
Annual Average			***513.6K***			***86.3K***



Source: CoStar Group, Inc.

Memphis MSA - Retail

There were 8,819 buildings totaling 92.01 million square feet of Retail space in the Memphis MSA with 612,922 square feet under construction in the 2023 1st Quarter. New construction represented 0.7% of existing supply.

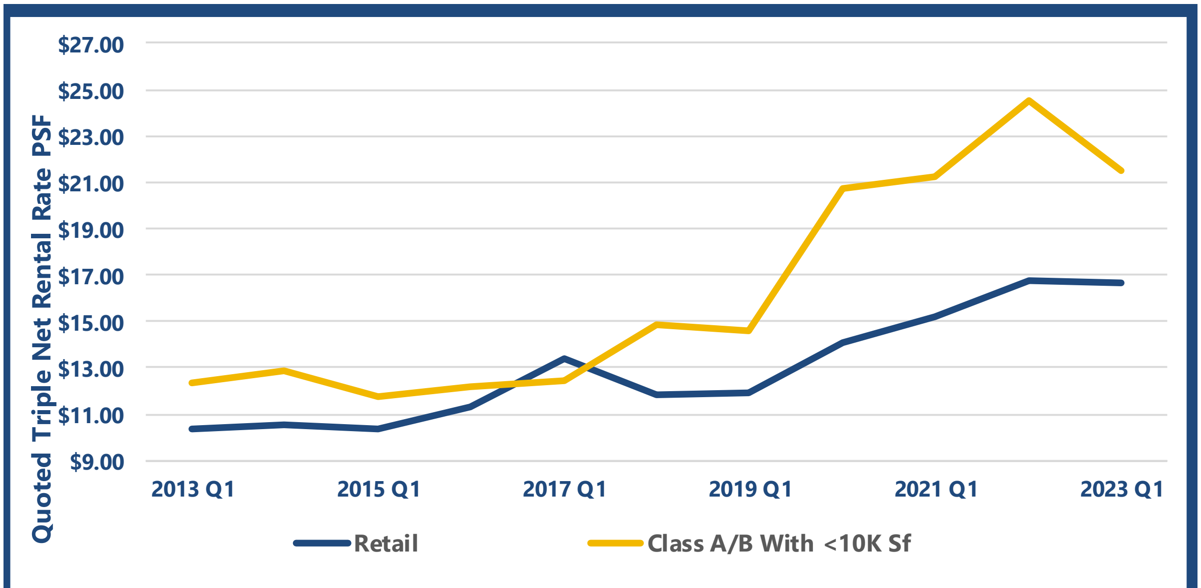
Memphis MSA - Class A/B With <10K Sf

There were 1,832 buildings totaling 8.4 million square feet of Class A/B with <10K SF space in the Memphis MSA with 121,738 square feet under construction in the 2023 1st Quarter. New construction represented 1.5% of existing supply.

Sector Comparison

Class A/B with <10K SF space represented 9.1% of existing supply and 19.9% of new construction in the 2023 1st Quarter.

NORTHEAST - QUOTED RENTAL RATE TRENDS



Time Period	2023 Q1	1-Year	3-Year	5-Year	10-Year
Northeast - Retail	$16.64 PSF	$16.73 PSF	$14.09 PSF	$11.80 PSF	$10.33 PSF
Annual Growth Rate	-	*-0.5%*	*5.7%*	*7.1%*	*4.9%*
Northeast - Class A/B With <10K Sf	$21.52 PSF	$24.52 PSF	$20.73 PSF	$14.84 PSF	$12.34 PSF
Annual Growth Rate	-	-12.2%	1.3%	7.7%	5.7%

Source: CoStar Group, Inc.

Northeast - Retail

The Northeast had a 2023 1st Quarter average quoted rental rate of $16.64 per square foot for Retail space, compared to $16.73 in the 2022 1st Quarter, or a 0.5% decrease over the prior year. This was lower than the long-term trend.

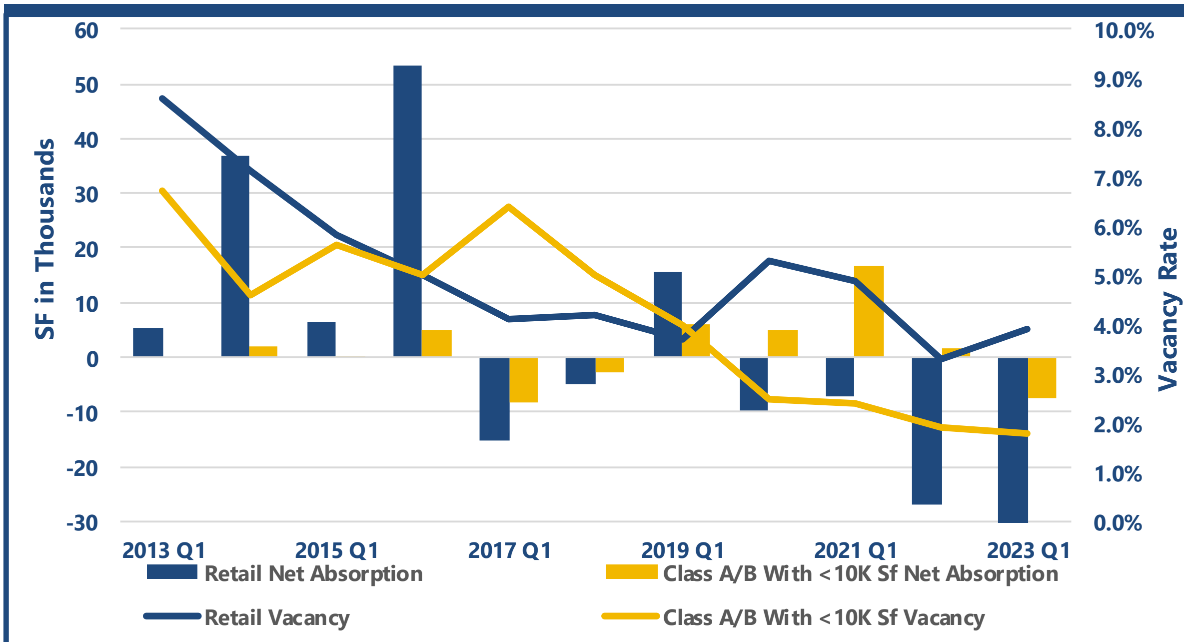
Northeast - Class A/B With <10K Sf

The Northeast had a 2023 1st Quarter average quoted rental rate of $21.52 per square foot for Class A/B with <10K SF space, compared to $24.52 in the 2022 1st Quarter, or a 12.2% decrease over the prior year. This was lower than the long-term trend.

Sector Comparison

The average quoted rental rate for Class A/B with <10K SF space was 29.3% higher than Retail space and the long-term growth trend was higher.

NORTHEAST - VACANCY AND NET ABSORPTION TRENDS



Time Period	2023 Q1	1-Year	3-Year	5-Year	10-Year
Northeast - Retail	3.9%	3.3%	5.3%	4.2%	8.6%
Avg. Annual Net Absorp.	-	*-15.5K*	*101.8K*	*56.1K*	*112.4K*
Avg. Annual Deliveries	-	*31.1K*	*66.3K*	*52.5K*	*79.7K*
Northeast - Class A/B With <10K Sf	1.8%	1.9%	2.5%	5.0%	6.7%
Avg. Annual Net Absorp.	-	*15.4K*	*22.2K*	*26.1K*	*20.8K*
Avg. Annual Deliveries	-	*15.1K*	*20.5K*	*20.7K*	*17.1K*

Source: CoStar Group, Inc.

Northeast - Retail

The Northeast had a 2023 1st Quarter vacancy rate of 3.9% for Retail space. Net absorption was negative with -15,486 square feet absorbed in the prior year and 31,052 square feet delivered. This resulted in a vacancy rate increase of 60 basis points.

Northeast - Class A/B With <10K Sf

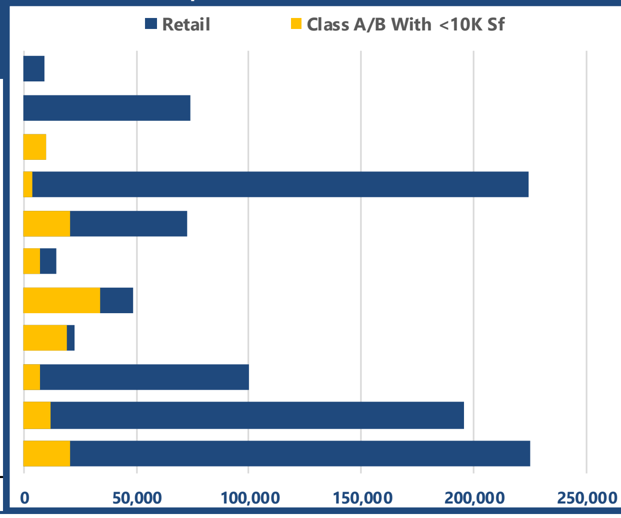
The Northeast had a 2023 1st Quarter vacancy rate of 1.8% for Class A/B with <10K SF space. Net absorption was positive with 15,387 square feet absorbed in the prior year with 15,087 square feet delivered. This resulted in a vacancy rate decrease of 10 basis points.

Sector Comparison

The vacancy rate for Class A/B with <10K SF space was lower than retail space. Both sectors had vacancy rates that were lower than the long-term trend.

NORTHEAST - EXISTING SUPPLY AND CONSTRUCTION TRENDS

Period	Northeast - Retail Existing Bldgs	Northeast - Retail Existing SF	Northeast - Retail U/C SF	Northeast - Class A/B With <10K Sf Existing Bldgs	Northeast - Class A/B With <10K Sf Existing SF	Northeast - Class A/B With <10K Sf U/C SF
2013 Q1	429	7.6M	9.3K	153	776.3K	0K
2014 Q1	431	7.6M	73.7K	153	776.3K	0K
2015 Q1	433	7.7M	10K	153	776.3K	10K
2016 Q1	438	7.8M	224.3K	156	788.5K	3.7K
2017 Q1	445	8M	72.8K	161	798.6K	20.2K
2018 Q1	458	8.1M	14.1K	171	848.9K	7.2K
2019 Q1	460	8.1M	48.3K	172	856.1K	33.7K
2020 Q1	467	8.2M	22.2K	178	890.8K	19.2K
2021 Q1	476	8.2M	100.3K	185	922.4K	7.3K
2022 Q1	484	8.3M	195.6K	188	937.2K	11.6K
2023 Q1	491	8.4M	225K	193	952.3K	20.6K
Annual Average			***90.5K***			***12.1K***



Source: CoStar Group, Inc.

Northeast - Retail

There were 491 buildings totaling 8.4 million square feet of Retail space in the Northeast with 225,000 square feet under construction in the 2023 1st Quarter. New construction represented 2.7% of existing supply.

Northeast - Class A/B With <10K Sf

There were 193 buildings totaling 952,286 square feet of Class A/B with <10K SF space in the Northeast with 20,600 square feet under construction in the 2023 1st Quarter. New construction represented 2.2% of existing supply.

Sector Comparison

Class A/B with <10K SF space represented 11.4% of existing supply and 9.2% of new construction in the 2023 1st Quarter.

Market Analysis Conclusions

The rental rate trends, vacancy rate and absorption trends, and existing supply and new construction levels indicate the market is in equilibrium.

Conclusion

Overall, the market is active in sales and rent transactions. Sectors that saw little impact included industrial, multi-family, single family housing, medical, and net leased properties. As noted, retail and office have recovered as investors are actively seeking opportunities. Outbreaks and other economic factors can impact the markets and we will continue to weigh the potential for rent and collection loss, increased vacancies, longer lease-up periods and greater risk.

Highest and Best Use Analysis

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The primary determinants of the highest and best use are (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is zoned C-2, Regional Commercial, which controls the general nature of permissible uses and is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. There are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

Physically Possible

The physical characteristics of the subject site are presented in the Site Description and allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences were considered. No physical attributes materially limit legally permissible and appropriate development. The most probable use of the site is for commercial development, which conforms to the pattern of land use in the immediate area.

Financially Feasible

A review of published yield, rental and occupancy rates suggests that there is a balanced supply of retail and demand is sufficient to support construction costs and timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is financially feasible.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use is for general commercial development.

Highest and Best Use Conclusion

The conclusion of the highest and best use is for general commercial development.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is an investor and/or investor and/or owner user.

Land Valuation

Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or 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.

The process of developing the sales comparison approach consists of the following analyses: (1) researching and verifying transactional data, (2) selecting relevant units of comparison, (3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and (4) reconciling the adjusted sales into a value indication for the subject site.

Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison in this analysis is per usable square foot.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

Comparable Sales Data

To obtain and verify comparable sales of vacant land properties, we conducted a search of public records, field surveys, interviews with knowledgeable real estate professionals in the area, and a review of our internal database.

The sales selected and presented in our analysis were judged to be the most comparable to develop an indication of market value for the subject property. The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject. Details of each comparable follow the location map.

Land Sales Summary

Comp. No.	Date of Sale	Usable Acres	Location		Zoning	Proposed Use	Sales Price Actual	Per Sq. Ft.
1	March-23	2.126	5352 Airline Road	Arlington, Tennessee	O(PD)	Restaurant	$850,000	$9.18
2	December-22	4.700	Highway 70	Arlington, Tennessee	B-2	Retail	$540,000	$2.64
3	July-22	0.764	Cranston Drive	Arlington, Tennessee	O	Office	$185,000	$5.56
4	March-22	2.000	Commander Drive	Arlington, Tennessee	M-1	Light Industrial	$200,000	$2.30

COMPARABLE SALES MAP

Comparable Land Sale 1

Property Identification

Property/Sale ID	11305938/1639553
Property Type	Commercial
Property Name	Chipotle
Address	5352 Airline Road
City, State Zip	Arlington, Tennessee 38002
County	Shelby
MSA	Memphis, TN-AR-MS
Latitude/Longitude	35.272733/-89.666249
Tax ID	A0142 00461

Transaction Data

Sale Date	03-28-2023	**Conditions of Sale**	Typical
Sale Status	Closed	**Recording Number**	23027300
Grantor	Sheila R. Clark et al	**Sale Price**	$850,000
Grantee	SDP TN Arlington 1, LLC	**Post Sale Expenses**	$6,000
Property Rights	Fee Simple	**Adjusted Price**	$856,000
Financing	Cash to Seller		

Property Description

Gross Acres	2.126	**Topography**	Gently sloping
Gross SF	92,621	**Utilities**	All Available - Public
Usable Acres	2.12629	**Drainage**	Appears to be adequate.
Usable SF	92,621	**Flood Hazard Zone**	X
Front Feet	149.98	**% in Flood Hazard**	0.00%
Avg. Depth	616.76	**Earthquake Zone**	We are not aware of the subject being in a special seismic hazard area. It is recommended that the client obtain confirmation from the appropriate professional to confirm the location of the subject in relation to seismic hazards.
No. of Lots	1		
No. of Units	1		
Density (Units/Ac)	0.47		
Proposed Use	Restaurant		
Proposed Bldg SF	2,325		
Access Rating	Good		
Rail Access	No		
Water/Port Access	No		
Visibility	Good	**Zoning Code**	O(PD)
Corner/Interior	Interior	**Zoning Description**	Office District w/Planned Development Overlay
Shape	Rectangular		

Indicators

$/Gross Acre	$402,579	**$/FF**	$5,707.43
$/Gross SF	$9.24	**$/Lot**	$856,000
$/Usable Acre	$402,579	**$/Unit**	$856,000
$/Usable SF	$9.24	**$/SF of Bldg Area**	$368.17

Verification

Confirmed With Purchase Sale Agreement (TN03-23-0131-000)

Remarks

This improved site was purchased for the development of a 2,325 SF Chipotle Mexican Grill. The dwelling was to be razed after the sale. The property is predominantly undeveloped. The shape of the site is a long rectangle. The vegetation is a blend of ground cover, waist-high brush and dense trees (at rear of site). The road frontage is rated as average. The site is half of a block north of Milton Wilson Blvd. There is a traffic light at this street and Airline Road (primary thoroughfare for community). The property is 0.75 miles north of I-40. The Airline Road corridor was experiencing notable development activity between I-40 and US Hwy 70 at the time of this sale.

COMPARABLE LAND SALE 2

Property Identification

Property/Sale ID	11302379/1637057
Property Type	Commercial
Property Name	Indybelle
Address	Highway 70
City, State Zip	Arlington, Tennessee 38002
County	Shelby
MSA	Memphis, TN-AR-MS
Latitude/Longitude	35.279868/-89.692390
Tax ID	A0141 00428

Transaction Data

Sale Date	12-21-2022	**Conditions of Sale**	Typical
Sale Status	Closed	**Deed Book/Page**	22138227
Grantor	Samuel J. Davis	**Recording Number**	22138337
Grantee	Indybelle Partners, GP	**Sale Price**	$540,000
Property Rights	Fee Simple	**Adjusted Price**	$540,000
Financing	Cash to Seller		

Property Description

Gross Acres	5.870	**Shape**	Irregular
Gross SF	255,697	**Topography**	Level
Usable Acres	4.70000	**Utilities**	All Available - Public
Usable SF	204,732	**Drainage**	Appears adequate
Front Feet	420.00	**Flood Hazard Zone**	X
Proposed Use	Retail	**Zoning Code**	B-2
Visibility	Average	**Zoning Description**	Commercial
Corner/Interior	Interior		

Indicators

$/Gross Acre	$91,993	**$/Usable SF**	$2.64
$/Gross SF	$2.11	**$/FF**	$1,285.71
$/Usable Acre	$114,894		

Verification

Confirmed With	Deed/Reid Lanigan, broker
Confirmed By	Todd Glidewell, MAI
Confirmation Date	03-06-2023

Remarks

This is undeveloped vacant land that is located on the western edge of Arlington. The buyer plans to develop a multi-tenant commercial building on the site. There is a drainage easement (wetland) in the southwestern portion of the site that reduces the usable area. The vegetation is dense and has a notable amount of dense mature trees. State Route 385 is located 0.70 miles north of the site. The immediate area has moderate density with respect to developments. This part of Arlington was less active than other portions of the city at the time of sale.

Comparable Land Sale 3

Property Identification

Property/Sale ID	11262581/1608703
Property Type	Office Land
Property Name	Connell Real Estate
Address	Cranston Drive
City, State Zip	Arlington, Tennessee 38002
County	Shelby
MSA	Memphis, TN-AR-MS
Latitude/Longitude	35.278806/-89.665643
Tax ID	A0142 00772

Transaction Data

Sale Date	07-21-2022	**Financing**	Cash to Seller
Sale Status	Closed	**Conditions of Sale**	Typical
Grantor	TBI Properties LLC	**Recording Number**	22086321
Grantee	Connell Real Estate LLC	**Sale Price**	$185,000
Property Rights	Fee Simple	**Adjusted Price**	$185,000

Property Description

Gross Acres	0.764	**Corner/Interior**	Interior
Gross SF	33,270	**Shape**	Rectangular
Usable Acres	0.76377	**Topography**	Level
Usable SF	33,270	**Utilities**	All Available - Public
Front Feet	128.00	**Drainage**	Appears adequate
No. of Lots	2	**Flood Hazard Zone**	X
Proposed Use	Office	**Zoning Code**	O
Visibility	Fair	**Zoning Description**	Office

Indicators

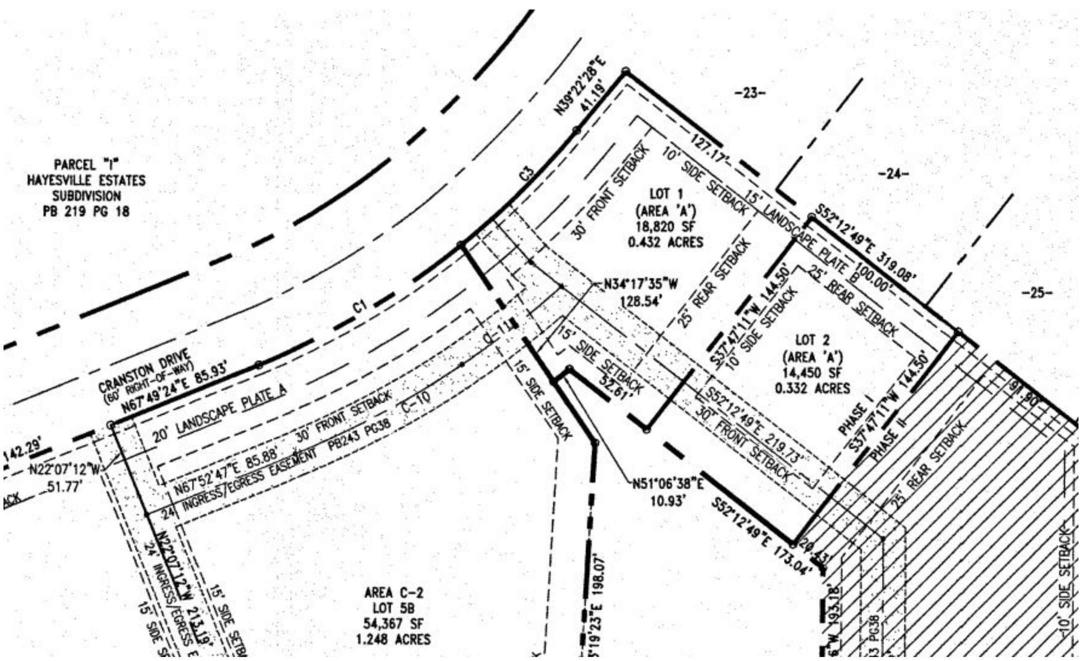
$/Gross Acre	$242,220	**$/Usable SF**	$5.56
$/Gross SF	$5.56	**$/FF**	$1,445.31
$/Usable Acre	$242,220	**$/Lot**	$92,500

Verification

Confirmed With	Public records
Confirmation Date	08-25-2022

Remarks

This is the sale of Lots 1 and 2 of The Center at Hayes Crossing P.D. They were developed lots at the time of sale. Airline Road is half of a block west of the site. The immediate area is improved with residential, office and commercial uses. Arlington was experiencing continued growth at the time of sale.



COMPARABLE LAND SALE 4

Property Identification

Property/Sale ID	11211908/1576296
Property Type	Commercial
Property Name	Williams Tract
Address	Commander Drive
City, State Zip	Arlington, Tennessee 38002
County	Shelby
MSA	Memphis, TN-AR-MS
Latitude/Longitude	35.280071/-89.673974
Tax ID	A0141 00288

Transaction Data

Sale Date	03-02-2022	**Financing**	Cash to Seller
Sale Status	Closed	**Conditions of Sale**	Typical
Grantor	S & S Realty, LLC	**Recording Number**	22026717
Grantee	Andrew R. Williams et ux	**Sale Price**	$200,000
Property Rights	Fee Simple	**Adjusted Price**	$200,000

Property Description

Gross Acres	2.000	**Visibility**	Good
Gross SF	87,120	**Corner/Interior**	Interior
Usable Acres	2.00000	**Shape**	Rectangular
Usable SF	87,120	**Topography**	Level
Front Feet	183.00	**Utilities**	All Available - Public
Avg. Depth	476.00	**Drainage**	Appears adequate
Proposed Use	Light Industrial	**Flood Hazard Zone**	X
Access Rating	Good	**% in Flood Hazard**	0.00%
Rail Access	No	**Zoning Code**	M-1
Water/Port Access	No	**Zoning Description**	Light Industrial

Indicators

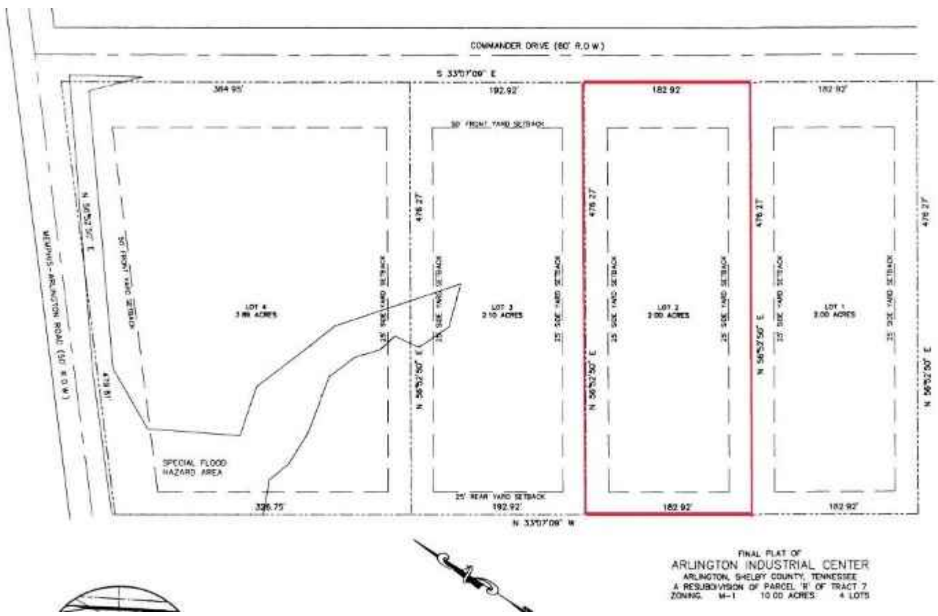
$/Gross Acre	$95,238	**$/Usable SF**	$2.19
$/Gross SF	$2.19	**$/FF**	$1,092.90
$/Usable Acre	$95,238		

Verification

Confirmed With	Work File
Confirmed By	Todd Glidewell, MAI
Confirmation Date	02-10-2022

Remarks

Industrial lot in Arlington which is in the Northeast submarket. Site has dense vegetation but is a rectangular site with good frontage and depth.



Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include (1) real property rights conveyed, (2) financing terms, (3) conditions of sale and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sale prices and must be considered when analyzing a sale comparable. The appraised value and sale comparables all reflect the fee simple interest with no adjustments required. All sales involved the fee simple rights and there was no adjustment.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the sale comparables involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Any necessary adjustments were addressed in the sale description.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and/or costs to remediate environmental contamination. If any of the sales involved expenditures anticipated upon the purchase date, adjustments were applied and discussed in the sale summary.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

In general, the economy began to show improvement and growth in 2017. This had a positive influence on all property sectors. Discussions with market participants and a review of market data indicates sale prices for the properties in the subject property category increased beginning in 2017 and continued to grow into March 2020 when the pandemic occurred. From March of 2020 through the third quarter of 2022, values and prices for the subject category showed stability. Inflation and rising interest rates slowed or stalled price growth in late 2022.

Our review of sale volume and prices supports these trends. Sales transpiring in October of 2022 and after have shown stability. Market interviews, data services and published market studies indicate prices to be trending in a flat pattern. Based on these factors, we have applied no annual adjustments through October of 2022 and no adjustment to sales closing after that date.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments.

Our reasoning for the property adjustments made to each sale comparable follows. The discussion analyzes each adjustment category deemed applicable to the subject property.

Location

Location adjustments may be required when the locational characteristics of a comparable property are different from those of the subject property. These include, but are not limited to, general neighborhood characteristics, freeway accessibility, street exposure, corner versus interior lot location, neighboring properties, view amenities, and other factors. All of the sales are located in the same submarket. There were no adjustments applied for location. Differences in visibility and access, if any, are addressed in other adjustment categories.

Size

The size adjustment addresses variance in the physical size of the comparables and that of the subject, as a larger parcel typically commands a lower price per unit than a smaller parcel. This inverse relationship is due, in part, to the principle of "economies of scale." While the sales vary in size, there is no measurable correlation between size and price per unit. We have not applied adjustments to the sales for size differences.

Corner Exposure

Tracts with major street influence tend to bring higher prices than otherwise comparable secondary street locations. Additionally, tracts featuring corner influence typically command higher prices in the market place, as opposed to interior locations. For retail users, the hard corner of an intersection may be marketed to a fairly large pool of small users (e.g. service stations, fast food restaurants, etc.) for sale. The corner location of the subject site has been considered in our analysis, tough no adjustments were made to the comparable sales.

Topography

The topography and vegetation of a site can affect prices paid due to the amount of clearing, grading and/or fill dirt required for development. This characteristic of a site can impact the use and the development costs. The subject has a level topography with vegetation that is predominantly ground cover. Topography adjustments (upward) for comparable sales 1, 2 and 4 were based on the amount of clearing and/or the amount of grading or fill dirt required for development.

Zoning

The highest and best use of sale comparables should be very similar to that of the subject property. When comparables with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning, but a highest and use similar to that of the subject may be used as comparables. These comparables may require an adjustment for differences in utility if the market supports such adjustment. The subject site has zoning that allows development of regional commercial. Sale 4 was adjusted upward because of its inferior zoning when compared to the subject.

Traffic Counts

The Traffic Count/Exposure adjustment is based on visibility from the frontage road coupled with the traffic volumes (when pertinent and available). Exposure, or visibility, for the subject is rated as fair due to relative low traffic volume. Sales 1 and 2 have superior exposure when compared to the subject and have been adjusted downward. The converse is true of Sales 3 and 4.

Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the sale comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.

LAND SALES ADJUSTMENT GRID

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4
Sale ID		1639553	1637057	1608703	1576296
Date of Value & Sale	July-23	March-23	December-22	July-22	March-22
Unadjusted Sales Price		$850,000	$540,000	$185,000	$200,000
Usable Acres	1.800	2.126	4.700	0.764	2.000
Unadjusted Sales Price per Usable Sq. Ft.		**$9.18**	**$2.64**	**$5.56**	**$2.30**
Transactional Adjustments					
Property Rights Conveyed	*Fee Simple*	*Fee Simple*	*Fee Simple*	*Fee Simple*	*Fee Simple*
Adjusted Sales Price		$9.18	$2.64	$5.56	$2.30
Financing Terms	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*
Adjusted Sales Price		$9.18	$2.64	$5.56	$2.30
Conditions of Sale	*Typical*	*Typical*	*Typical*	*Typical*	*Typical*
Adjusted Sales Price		$9.18	$2.64	$5.56	$2.30
Expenditures after Sale		*$6,000*			
Adjustment		0.7%	-	-	-
Adjusted Sales Price		**$9.24**	**$2.64**	**$5.56**	**$2.30**
Market Conditions Adjustments					
Elapsed Time from Date of Value		*0.27 years*	*0.53 years*	*0.95 years*	*1.34 years*
Market Trend Through	October-22	-	-	-	-
Subsequent Trend Ending	July-23	-	-	-	-
Analyzed Sales Price		**$9.24**	**$2.64**	**$5.56**	**$2.30**
Physical Adjustments					
Location	*Beverle Rivera Drive*	*5352 Airline Road*	*Highway 70*	*Cranston Drive*	*Commander Drive*
	Lakeland, Tennessee	*Arlington, Tennessee*	*Arlington, Tennessee*	*Arlington, Tennessee*	*Arlington, Tennessee*
Adjustment		-	-	-	-
Size	*1.800 acres*	*2.126 acres*	*4.700 acres*	*0.764 acres*	*2.000 acres*
Adjustment		-	-	-	-
Corner Exposure	*Corner*	*Interior*	*Interior*	*Interior*	*Interior*
Adjustment		-	-	-	-
Topography	*Level*	*Gently sloping*	*Level*	*Level*	*Level*
Adjustment		5.0%	5.0%	-	5.0%
Zoning	*C-2*	*O(PD)*	*B-2*	*O*	*M-1*
Adjustment		-	-	-	10.0%
Traffic Counts	*Not published*	*16,608 (2022)*	*17700*	*None published*	*None published*
Adjustment		-10.0%	-10.0%	5.0%	5.0%
Net Physical Adjustment		-5.0%	-5.0%	5.0%	20.0%
Adjusted Sales Price per Usable Square Foot		**$8.78**	**$2.51**	**$5.84**	**$2.75**

Conclusion

From the market data available, we used the relevant land sales in competitive market areas which were adjusted based on pertinent elements of comparison. The analysis of the sales in our set resulted in a range of unit pricing from which our value conclusion is drawn. The following table summarizes the unit prices resulting from our analysis:

Land Sale Statistics

Metric	Unadjusted	Analyzed	Adjusted
Min. Sales Price per Usable Square Foot	$2.30	$2.30	$2.51
Max. Sales Price per Usable Square Foot	$9.18	$9.24	$8.78
Median Sales Price per Usable Square Foot	$4.10	$4.10	$4.30
Mean Sales Price per Usable Square Foot	$4.92	$4.93	$4.97

No one sale has been given more weight in the valuation of the subject. All of the sales required net physical adjustments. Sales 1 and 4 are the most similar in size but offer the widest range of value on a per square foot basis. The sales have been given similar weight, thus, the mean and median of adjusted results has been weighted. Based on the adjusted prices and the analysis of the sales presented, we have concluded a unit value for the subject property is near the mid-point of the adjusted range.

Demolition Costs

We estimated demolition costs at $15,000, which was applied to our preliminary value indication. This amount accounts for the removal of the swimming pool and razing of the adjacent building along with removal of all debris and grading the area.

The land value conclusion is summarized as follows:

Land Value Conclusion				
Market Value Opinion				
1.800 acres	x	**$5.00 psf**	=	**$390,000**
		Less Demolition Costs :		$15,000
				$375,000

Listings of Similar Properties

When available and pertinent, listings of similar properties have been compiled for analysis. Multiple online property listing services were viewed as part of our research. However, there were an insufficient number of pertinent listings from which to make a reliable comparison to the subject.

Reconciliation

Summary of Value Indications

The indicated values from the approaches used and our concluded market values for the subject property are summarized in the following table.

Value Indications

Approach to Value	As Is
Sales Comparison	$375,000
Cost	Not Developed
Income Capitalization	Not Developed

Value Conclusion

Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	July 4, 2023
Value Conclusion	**$375,000**
	$4.78 PSF

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- The as is value indication is predicated on extraordinary assumptions that the cost estimate to raze the improvements is reasonably accurate and the size of the site, as prescribed by the client, will not vary.

Hypothetical Conditions:

- The size of the site has been prescribed by the client but the location and dimensions have been determined by the appraisers and are hypothetical conditions, as they do not currently exist (i.e. not a result of a survey) and are not likely to occur.

Exposure Time and Marketing Period

The subject site is within the commercial land category. Interviews with active brokers in the market area indicated that demand for these properties can vary and pricing was dependent on location, infrastructure, and entitlements. Those sites with those characteristics could sell in 1 to 9 months.

As the economy has declined, demand for the subject property type has declined based on our observations and discussions with market participants. Those segments that would be developed for use by essential businesses have performed better since those are viewed as low risk investments that offer better returns than alternative investments. Agricultural, recreational, and residential related sites have also been in demand. Based on the likely use of the subject site, we have projected marketing and exposure for this property type at less than 12 months.

National Quality Control

At Valbridge, our top priority is delivering a quality report. Valbridge requires all reports to be reviewed by an experienced director with the MAI designation. This quality control assessment consists of reading the report, checking calculations, and providing feedback on its quality and consistency prior to report delivery.

All Valbridge reports are signed by an experienced appraiser with the MAI designation. We value our clients' opinions, and your feedback is critical to our ongoing efforts to improve our service. Please contact our National Quality Control Director with any feedback, questions, or comments.

Tye Neilson, MAI, SRA, MRICS, Esq.
Senior Managing Director
832-916-4608
tneilson@valbridge.com

General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Memphis will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Memphis is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Memphis and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Memphis.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Memphis both agree that any dispute over matters in excess of $5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Memphis and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Memphis or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Memphis for this assignment, and under no circumstances shall any claim for consequential damages be made.

36. Valbridge Property Advisors | Memphis shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Memphis. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Memphis and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Memphis harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Memphis in such action, regardless of its outcome.

37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Valbridge Property Advisors | Memphis. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.

38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.

39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.

40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification – Dana Richardson

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed 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.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Dana Richardson has personally inspected the subject property. Todd Glidewell, MAI has not personally inspected the subject property.
10. No one provided significant real property appraisal assistance to those signing this certification, unless otherwise noted.
11. 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 the Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the Standards and Ethics Education Requirement for Candidates/Practicing Affiliates of the Appraisal Institute.

Dana Richardson
Senior Appraiser
Tennessee License CG-1434

Certification – Todd Glidewell, MAI

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed 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.
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9. Dana Richardson has personally inspected the subject property. Todd Glidewell, MAI has not personally inspected the subject property.
10. No one provided significant real property appraisal assistance to those signing this certification, unless otherwise noted.
11. 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 the Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.

Todd Glidewell, MAI
Senior Managing Director
Tennessee License CG-41

Addenda

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 7th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

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

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

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

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but that are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction. (Dictionary)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security, [amenities,] and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI÷I_m), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

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

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

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

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

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

Double Net (Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net lease is defined as a lease in which the tenant is responsible to pay both property taxes and premiums for insuring the building(s). (Valbridge)

(The market definition of a double net lease varies depending on the market)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

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

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings.

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause, expense recovery clause or stop clause*. (Dictionary)

Estoppel Certificate
A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

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

Excess Rent
The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the 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. (Dictionary)

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

Exposure Time
1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)

Extraordinary Assumption
An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

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

Floor Common Area
In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. In essence, floor common area represents all of the area on the floor that is common to that respective floor with the exception of those areas that penetrate through the floor, such as the elevator shaft and stairwell. The significant point to be made is that floor common area is not part of the tenant's usable area. (BOMA)

Full Service (Gross) Lease
A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

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

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

Gross Building Area (GBA)
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 superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area
The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Sellout Value (Sum of the Retail Values)

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

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use of for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP)

Insurable Value (Replacement Cost for Insurance Purposes)

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

Investment Value

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

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

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

Leasehold Interest (Leasehold Estate)

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

See also Positive Leasehold and Negative Leasehold.

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

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

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

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and the lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
4. The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs). (Appraisal Institute)

Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary; 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

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 an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

Master Lease

1. A lease in which a part or the entire property is leased to a single entity (the master lessee) in return for a stipulated rent. The master lessee then subleases the property to multiple tenants.
2. The first lease in a sandwich lease. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease, net net lease, partial net lease, or semi-gross* lease. (Dictionary)

Negative Leasehold

A lease situation in which the market rent is less than the contract rent. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (*TOE/EGI*); the complement of the net income ratio, i.e., *OER = 1 – NIR* (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Percentage Lease

A lease in which the rent or some portion of the rent represents a specified percentage of the volume of business, productivity, or use achieved by the tenant. (Dictionary)

Positive Leasehold

A lease situation in which the market rent is greater than the contract rent. (Dictionary)

Potential Gross Income (PGI)

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

Prospective Opinion of Value

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

Replacement Cost

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

Reproduction Cost

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

Retrospective Value Opinion

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

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make that claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

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

TPO

Thermoplastic polyolefin, a resilient synthetic roof covering.

Triple Net (Net Net Net) Lease

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

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary)
2. Formerly used in valuation practice as a synonym for *contributory value* or *use value*. (Dictionary)

VTAB (Value of the Total Assets of a Business)

The total amount that the real property, tangible personal property, and intangible property assets of a business would sell for in an asset-based transaction. (Dictionary)

Qualifications

Qualifications of Dana B. Richardson

Senior Appraiser
Valbridge Property Advisors | Memphis

Independent Valuations for a Variable World

State Certifications
Tennessee
Mississippi
Arkansas

Education
Oklahoma State University - (Okmulgee Technical)
State Technical Institute of Memphis

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Membership/Affiliations:
Associate Member: Appraisal Institute - MAI Candidate
Memphis Chapter of the Appraisal Institute

Appraisal Institute & Related Courses:
Uniform Standards of Professional Appraisal Practice and Updates
Uniform Standards for Federal Land Acquisitions (Yellow Book)
Appraising Distressed Commercial Real Estate
Hotel Appraising: New Techniques for Today's Uncertain Times
Business Practices and Ethics
Subdivision Valuation
Apartment Appraisal, Concepts & Applications
The Lending World in Crisis
Analyzing Distressed Real Estate
Real Estate Appraisal Operations
Marketability Studies: Six Step Process and Basic Applications
Appraising the Appraisal: Appraisal review-General
Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets
Small Hotel/Motel Valuation
Conservation Easements
Appraisal of Medical Office Buildings
Analyzing Operating Expenses
Additional courses provided upon request

Experience:
Senior Appraiser
Valbridge Property Advisors | Memphis (2013-Present)

Staff Appraiser
C&I Appraisal Services, Inc. (1996-2013)

Staff Appraiser
Appraisal Associates, Inc. (1990-1996)

Appraisal and consulting assignments include: residential, commercial and industrial subdivisions; hotels/motels; vacant land; retail buildings; office buildings; industrial buildings; special use properties. Assignments concentrated in the Memphis MSA.

Licenses/Certifications – Dana B. Richardson

State of Tennessee

TENNESSEE REAL ESTATE APPRAISER COMMISSION
CERTIFIED GENERAL REAL ESTATE APPRAISER
DANA B RICHARDSON

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

ID NUMBER: 1434
LIC STATUS: ACTIVE
EXPIRATION DATE: November 02, 2024

IN-1313
DEPARTMENT OF
COMMERCE AND INSURANCE

State of Mississippi
MISSISSIPPI REAL ESTATE APPRAISER LICENSING AND CERTIFICATION BOARD

LICENSE # GA-984 N.R. STATUS: ACTIVE

DANA BOYD RICHARDSON

HAS BEEN GRANTED A LICENSE AS A
STATE CERTIFIED GENERAL APPRAISER

Effective Date: 02/01/2023
Expiration Date: 01/31/2025

SIGNATURE OF LICENSEE
Robert E. Praytor, Administrator

STATE OF ARKANSAS

APPRAISER LICENSING & CERTIFICATION BOARD

Attests that

Dana B Richardson

On this date was certified as a

STATE CERTIFIED GENERAL APPRAISER

The Arkansas Appraiser Licensing and Certification Board hereby affirms that this Certification is issued in accordance with all the requirements of Arkansas Code Annotated, Section 17-14-101 et seq., and subsequently adopted "Rules and Regulations" and shall remain in force when properly supported by a current pocket identification card.

6/27/2023
Date Issued

CG-3435
Certification Number

Chairman, AALCB

Qualifications of Todd Glidewell, MAI

Senior Managing Director
Valbridge Property Advisors | Memphis

Independent Valuations for a Variable World

State Certifications
Tennessee
Mississippi
Arkansas

Education
BBA – Insurance & Real Estate
Delta State University

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Member:	Appraisal Institute - MAI Designation
Member:	Lambda Alpha – Memphis Chapter
Affiliate:	CCIM – Memphis Chapter

Appraisal Institute & Related Courses:
Real Estate Appraisal Principals
Basic Valuation
Capitalization Theory & Techniques: Part A
Capitalization Theory & Techniques: Part B
Case Studies in Real Estate Valuation
Report Writing & Valuation Analysis
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets
Standards of Professional Practice
Business Practices & Ethics
Appraising Retail Properties
Appraising Industrial Properties
Land Valuation
Analyzing Commercial Lease Clauses
Appraising Distressed Commercial Real Estate
Uniform Standards for Federal Land Acquisitions (Yellow Book)

Experience:

Senior Managing Director
Valbridge Property Advisors | C&I Appraisal Services, Inc. (2013-Present)

Partner/President
C&I Appraisal Services, Inc. (1991-2013)

Staff Appraiser
Matthews Appraisal Group (1988-1991)

Experience in apartment buildings; retail buildings and shopping centers; office buildings; industrial buildings; religious and educational properties; hotels/ motels; residential subdivisions; multiple types of special use properties and vacant land. Assignments concentrated in the Memphis MSA.

Licenses/Certificates: Todd Glidewell, MAI

STATE OF TENNESSEE
DEPARTMENT OF
COMMERCE AND INSURANCE

SAMUEL T GLIDEWELL

ID NUMBER: 41
LIC STATUS: ACTIVE
EXPIRATION DATE: September 30, 2023

33801

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

State of Mississippi
MISSISSIPPI REAL ESTATE APPRAISER LICENSING
AND CERTIFICATION BOARD
LICENSE # GA-51 N.R. STATUS: ACTIVE

TODD GLIDEWELL

HAS BEEN GRANTED A LICENSE AS A
STATE CERTIFIED GENERAL APPRAISER
Effective Date: 07/01/2023
Expiration Date: 06/30/2025

SIGNATURE OF LICENSEE
Robert E. Praytor, Administrator

Arkansas Appraiser Licensing
& Certification Board

This is to certify that
Samuel T Glidewell
Credential # CG-3287
has complied with the requirements of Arkansas code 17-14-201 et seq.; and is the holder of a valid credential. This card is for identification purposes only.
Expiration Date: 11/15/2023
Chairman

Valbridge PROPERTY ADVISORS

FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent commercial property valuation and advisory service firm in North America.
  - Total number of MAI-designated appraisers (200+ on staff)
  - Total number of office locations (80+ across the U.S.)
  - Total number of staff (675+ strong)
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge specializes in appraising all types of real property.
- Valbridge provides independent valuation services. We are NOT owned by a brokerage firm or investment company.
- Every Valbridge office is overseen by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by local offices.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market, and other bulk-property engagements.

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(314) 255-1323

NEVADA
3034 S. Durango Dr., Ste. 100
Las Vegas, NV 89117
(702) 242-9369

6490 S. McCarran Blvd., Ste. 51
Reno, NV 89509
(775) 204-4100

NEW MEXICO
7000 Prospect Pl. NE, Ste. B
Albuquerque, NM 87110
(505) 884-4721

NORTH CAROLINA
5950 Fairview Rd., Ste. 405
Charlotte, NC 28210
(704) 376-5400

412 E. Chatham St.
Cary, NC 27511
(919) 859-2666

NORTH DAKOTA
118 Broadway N., Ste. 509
Fargo, ND 58091
(701) 289-1676

OHIO
1655 W. Market St., Ste. 130
Akron, OH 44313
(330) 899-9900

8291 Beechmont Ave., Ste. B
Cincinnati, OH 45255
(513) 785-0820

1422 Euclid Ave., Ste. 1160
Cleveland, OH 44115
(216) 367-9690

OKLAHOMA
6666 S. Sheridan Rd., Ste. 104
Tulsa, OK 74133
(918) 712-9992

3121 Quail Springs Pkwy., Ste. 150
Oklahoma City, OK 73134
(405) 603-1553

PENNSYLVANIA
150 S. Warner Rd., Ste. 440
King of Prussia, PA 19406
(215) 545-1900

4701 Baptist Rd., Ste. 304
Pittsburgh, PA 15227
(412) 881-6080

SOUTH CAROLINA
1250 Fairmont Ave.
Mt. Pleasant, SC 29464
(843) 884-1266

11 Cleveland Ct.
Greenville, SC 29607
(864) 233-6277

920 Bay St., Ste. 26
Beaufort, SC 29902
(843) 884-1266

TENNESSEE
3500 Ringgold Rd., Ste. 3
Chattanooga, TN 37412
(423) 206-2677

213 Fox Rd.
Knoxville, TN 37922
(865) 522-2424

756 Ridge Lake Blvd., Ste. 225
Memphis, TN 38120
(901) 753-6977

5205 Maryland Way, Ste. 202
Brentwood, TN 37027
(615) 369-0670

TEXAS
901 Mopac Expy. S., Bldg. 1, Ste. 300
Austin, TX 78746
(737) 242-8585

10210 North Central Expy., Ste. 115
Dallas, TX 75231
(214) 446-1611

974 Campbell Rd., Ste. 204
Houston, TX 77024
(713) 467-5858

2731 81st St.
Lubbock, TX 79423
(806) 744-1188

9901 IH-10 West, Ste. 1035
San Antonio, TX 78230
(210) 227-6229

UTAH
527 E. Pioneer Rd., Ste. 240
Draper, UT 84020
(801) 262-3388

20 North Main St.
St. George, UT 84770
(435) 773-6300

321 N. County Blvd., Ste. D
American Fork, UT 84003
(801) 492-0000

VIRGINIA
656 Independence Pkwy., Ste. 220
Chesapeake, VA 23320
(757) 410-1222

1231 Alverser Dr.
Midlothian, VA 23113
(757) 345-0010

5107 Center St., Ste. 2B
Williamsburg, VA 23188
(757) 345-0010

WASHINGTON
8378 W. Grandridge Blvd., Ste. 110-D
Kennewick, WA 99336
(509) 221-1540

324 N. Mullan Rd.
Spokane Valley, WA 99206
(509) 747-0999

WISCONSIN
12660 W. North Ave.
Brookfield, WI 53005
(262) 782-7990

NATIONAL COVERAGE. LOCAL KNOWLEDGE. TRUE VALUATION INDEPENDENCE.

Valbridge
PROPERTY ADVISORS

valbridge.com

RESOLUTION R-100-2023

AUTHORIZING THE PURCHASE OF PROPERTY OWNED BY QUANTUM HOTELS, L.L.C. PURSUANT TO RESOLUTION R-60-2023

WHEREAS, pursuant to Resolution R-60-2023, the Board of Commissioners ("BOC") formally authorized the City Manager to engage in property acquisition negotiations for parcels within the Lakeland Gateway TIF District; and,

WHEREAS, pursuant to Resolution R-60-2023, the City Manager and City Attorney negotiated with Quantum Hotels, L.L.C. ("Quantum") for the purchase of a parcel of property ("Subject Property") located at 0 Huff N Puff, Lakeland, Tennessee 38002, identified as Parcel ID L15900410 and more particularly described in the Warranty Deed attached hereto as Exhibit A; and,

WHEREAS, the Parties have reached a tentative agreement to purchase the Subject Property for Five Hundred Thousand Dollars ($500,000.00) with closing occurring on or before September 1, 2023; and,

WHEREAS, the BOC hereby approves of the acquisition of the Subject Property for Five Hundred Thousand Dollars ($500,000.00) with closing occurring on or before September 1, 2023 and authorizes the Mayor, City Manager, and City Attorney to draft and execute all necessary documents and take all necessary steps to effectuate this transaction:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Lakeland, Tennessee, that the Mayor, City Manager, and City Attorney are authorized to take all necessary actions to purchase the Subject Property for Five Hundred Thousand Dollars ($500,000.00) with closing occurring on or before September 1, 2023.

APPROVED AND ADOPTED by the Board of Commissioners of the City of Lakeland, Tennessee, this 17th day of July 2023, the public welfare requiring it.

____
Josh Roman, *Mayor*

ATTEST:

____
Debra Murrell
City Recorder

FD 1808

3

WARRANTY DEED

THIS INDENTURE, made and entered into this 9th day of June 19 95 by and between PUNEET BAKSHI

hereinafter called Grantor.

and QUANTUM HOTELS, LLC

hereinafter called Grantee.

WITNESSETH: That for the consideration hereinafter expressed the Grantor has bargained and sold and does hereby bargain, sell, convey and confirm unto the Grantee the following described real estate, situated and being in LAKELAND County of Shelby State of Tennessee, to wit:

See Attached "Exhibit A" for Legal Description to Property.
Parcel No. L015900410.

Being all or part of same property described under Shelby County Register's No.

TO HAVE AND TO HOLD the aforesaid real estate, together with all the appurtenances and hereditaments thereunto belonging or in any wise appertaining unto the Grantee, Grantee's heirs and assigns, in fee simple forever as tenants by ~~the entirety, as husband and wife, or as joint tenants with right of survivorship~~.

The Grantor does hereby covenant with the Grantee that Grantor is lawfully seized in fee of the aforedescribed real estate; that the Grantor has a good right to sell and convey the same; that the same is unencumbered except any taxes not yet due but constituting a lien which are assumed by Grantee:

and any subdivision restrictions of record

and any existing easements of record

And that the title and quiet possession Grantor warrants and will forever defend against the lawful claims of all persons.

Any reference to recorded instruments is reference to the Register's Office in said County.

The word "party" as used herein shall mean "parties" if more than one person or entity be referred to, and pronouns shall be construed according to their proper gender and number according to the context hereof.

THE CONSIDERATION for this conveyance is Ten Dollars and other good and valuable considerations, the receipt of which is hereby acknowledged.

WITNESS the signature of the party of the first part the day and year first above written.

Puneet Bakshi

FD 1808

STATE OF TENNESSEE
COUNTY OF SHELBY

I, or we, hereby swear or affirm that to the best of affiants knowledge, information, and belief, the actual consideration for this transfer or value of the property transferred whichever is greater, is $ 115,000.00 which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

Affiant

Subscribed and sworn to before me this the 9th day of June 19 95

Notary Public

My commission expires: 1-28-98

MARC A. DI... NOTARY PUBLIC AT LARGE

Person or Agency responsible for payment of taxes:

Name: QUANTUM HOTELS, LLC

Address: 9822 HUFF 'N'PUFF ROAD

LAKELAND, TN 38002

Property Address: LOT 2A LAKELAND

LAKELAND, TN 38002

STATE OF TENNESSEE
COUNTY OF SHELBY

On this 9th day of June 19 95 before me personally appeared PUNEET BAKSHI

to me known to be the person (or persons) described in and who executed the foregoing instrument and acknowledged that he, she, or they executed the same as his, her, or their free act and deed.

My commission expires: 1-28-98

Notary Public

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, ______ of the State and county mentioned, personally appeared ______, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the ______ of ______, the within named bargainor, a corporation, and that as such ______, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself ______.

WITNESS my hand and seal at office in ______, this ______ day of ______, 19 ______

My Commission Expires:

Notary Public

No.
D/C DR#
Pgs.
Val
STATE
REGISTER FEE
RECORD FEE
WT
TOTAL
STATE OF TN SHELBY CNTY
REGISTER

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, ______ of the State and county aforesaid, personally appeared, ______, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself / themselves to be the partner(s) of ______, the within named bargainor, a partnership, and he / they as such partner(s) executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership by himself / themselves as partner(s).

WITNESS my hand and seal at office in ______, this ______ day of ______, 19 ______.

My Commission Expires:

Notary Public

Title No. 95-0701

PREPARED BY AND RETURN TO: **REALTY CLOSING SERVICES, INC.**
6510 Stage Road
Bartlett, TN 38134

FD 1808

"EXHIBIT A"

Lot 2A, Resubdivision of Lot 2, Lakeland Development Corporation's Huff'N'Puff Road Subdivision, as shown on plat of record in Plat Book 136, Page 77, in the Register's Office of Shelby County, Tennessee, to which plat reference is hereby made for a more particular description of said property; being the same property covneyed to Punertt Bakshi by Warranty Deed dated February 4, 1992 from Lakeland Development Corporation of record as Instrument No. CR-6986 in said Register's Office.

FD1808

SHELBY COUNTY
REGISTER OF DEEDS
95 JUN 21 AM 11:25

No. FD 1808
D/C ____ DR# 4
Pgs. 3 Itm.
Val 115006
STATE TAX 425.50
REGISTER'S FEE 1.00
RECO. FEE 12.00
WT MISC FEE 3.00
TOTAL 441.50
STATE OF TENNESSEE
SHELBY COUNTY
GUY B. BATES
REGISTER

RECEIVED
JUN 2 1 1995 - 11 0 0 AM
GUY B. BATES
Shelby County Register